

Oracle® Property Manager

User Guide

Release 12.2

Part No. E48922-11

November 2023

Oracle Property Manager User Guide, Release 12.2

Part No. E48922-11

Copyright © 2023, Oracle and/or its affiliates.

Primary Author: Sudha Seshadri, Prashanti Gajjala, Stacey Tucker-Blosch

Contributing Author: Tamoghna Sen Gupta, Pallavi Cheruvu, Sam Felix, Navin Gadidala, Suresh Kumar EB, Kranti Maddi, Pavan Penumarti

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

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

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

U.S. GOVERNMENT END USERS: Oracle programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, delivered to U.S. Government end users are "commercial computer software" pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, use, duplication, disclosure, modification, and adaptation of the programs, including any operating system, integrated software, any programs installed on the hardware, and/or documentation, shall be subject to license terms and license restrictions applicable to the programs. No other rights are granted to the U.S. Government.

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

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

Intel and Intel Xeon are trademarks or registered trademarks of Intel Corporation. All SPARC trademarks are used under license and are trademarks or registered trademarks of SPARC International, Inc. AMD, Opteron, the AMD logo, and the AMD Opteron logo are trademarks or registered trademarks of Advanced Micro Devices. UNIX is a registered trademark of The Open Group.

This software or hardware and documentation may provide access to or information about content, products, and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services unless otherwise set forth in an applicable agreement between you and Oracle. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services, except as set forth in an applicable agreement between you and Oracle.

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>.

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=trs> if you are hearing impaired.

Contents

Send Us Your Comments

Preface

1 Overview

About Oracle Property Manager	1-1
Lease Management.....	1-1
Space Management.....	1-3
Equipment Management.....	1-3
Workflow Automation.....	1-3
Integration.....	1-4
Reporting.....	1-4
Using Oracle Property Manager	1-5

2 Oracle Lease Contracts Command Center

Lease Contracts Command Center User Interface	2-2
Overview.....	2-2
Lease Contracts Command Center Dashboard.....	2-3

3 Managing Property and Equipment

Overview of Property Management	3-1
Overview of Regions and Office Parks	3-2
Overview of Properties	3-2
Hierarchy of Properties.....	3-3
Setting Up Property	3-4
Defining an Office Park or a Region.....	3-4

Defining Properties.....	3-5
Defining Buildings.....	3-6
Defining Floors.....	3-10
Defining Offices.....	3-12
Defining Land, Sections, and Parcels.....	3-13
Duplicating Locations.....	3-14
Window References.....	3-14
Properties Window Reference.....	3-15
Buildings and Land Window Reference.....	3-16
Floor and Parcel Window Reference.....	3-19
Office and Section Window Reference.....	3-20
Modifying Property Information.....	3-22
Changing From and To Dates.....	3-22
Changing the Location Alias.....	3-30
Managing Equipment on an Expense Lease.....	3-30

4 Managing Space Assignments

Overview of Space Assignment.....	4-1
Assigning Space to Employees and Cost Centers.....	4-2
Modifying Space Assignments.....	4-11
Deleting Employee Space Assignments.....	4-13
Viewing Space Assignments.....	4-14
Space Assignment Window Reference.....	4-15
Synchronizing Employee Cost Centers with Oracle Human Resources.....	4-18
Computer-Assisted Facilities Management.....	4-20

5 Managing Leases

Overview of Lease Administration	5-1
Understanding the Lease Abstraction Process.....	5-2
Sources of Lease Information.....	5-2
Lease Terms and Processes.....	5-3
Lease Description.....	5-3
General Lease Attributes.....	5-4
Lease Statuses.....	5-6
Using the Lease Ordered and Signed Lease Statuses.....	5-7
Using the Month-to-Month and Holdover Lease Statuses.....	5-7
Lease Elements.....	5-7
Abstracting Leases.....	5-12
Lease Window Reference.....	5-19
Entering Lease Elements.....	5-22

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows	5-25
Details Tabbed Region.....	5-26
Contacts Tabbed Region.....	5-28
Locations Tabbed Region.....	5-28
Insurance Tabbed Region.....	5-31
Rights and Obligations Tabbed Region.....	5-32
Options Tabbed Region.....	5-33
Notes Tabbed Region.....	5-34
Schedules Tabbed Region.....	5-34
Error Tabbed Region.....	5-35
Versions Tabbed Region.....	5-35
Lease Creation using APIs.....	5-38
Assigning Space to Customers.....	5-39
Creating Milestones.....	5-41
Milestone Types Overview.....	5-41
Setting Up Milestones.....	5-42
Lease Milestones Window Reference.....	5-43
Payments and Billings Overview.....	5-44
The Payments and Billings Processes.....	5-45
Entering Payment and Billing Terms.....	5-46
Using Area Type in Term Details.....	5-49
Currency Conversion for Billing and Payment Term Amounts.....	5-50
Payment and Billing Schedules.....	5-53
Schedules.....	5-53
Approval Rules for Schedules.....	5-55
Using Schedules and Items for Compliance Calculations and Reports.....	5-55
Payment and Billing Line Items.....	5-57
Deferring Payments and Billings.....	5-59
Contracting Payment or Billing Terms.....	5-60
Integrating with Oracle Payables and Oracle Receivables.....	5-60
Expense and Revenue Recognition Process.....	5-62
Accounting for Tenants.....	5-63
Accounting for Landlords.....	5-101
Transferring Normalized Expense and Revenue to Oracle General Ledger.....	5-104
Viewing Information in Oracle Subledger Accounting.....	5-106
Subledger Drilldown View.....	5-106
Setting Up Payments.....	5-107
Entering Payment Information.....	5-108
Payments Tabbed Region Reference.....	5-110
Entering Payment Term Details.....	5-112
Payment Term Details Window Reference.....	5-114

Pay Tabbed Region.....	5-115
Accounts Distributions Tabbed Region.....	5-116
Creating Payment Schedules.....	5-117
Approving Payment Schedules.....	5-118
Grouping Payable Invoices.....	5-119
Exporting Payment Items to Oracle Payables.....	5-120
Deferring Payment Items.....	5-123
Setting Up Billing.....	5-124
Entering Billing Information.....	5-124
Billings Tabbed Region.....	5-126
Entering Billing Term Details.....	5-128
Billing Term Details Window Reference.....	5-131
Bill Tabbed Region.....	5-131
Accounts Distributions Tabbed Region.....	5-132
Creating Billing Schedules.....	5-132
Approving Billing Schedules.....	5-133
Grouping Receivable Invoices.....	5-135
Exporting Billing Items to Oracle Receivables.....	5-136
Deferring Billing Items.....	5-139
Normalizing Payments or Billings.....	5-140
Approving and Canceling Approval of Schedules.....	5-145
Setting Exceptions	5-145
Validation.....	5-146
Approval and Cancellation of Lease Schedules.....	5-146
Prepaying Rent Payments or Billings.....	5-147
Entering Prepayments.....	5-149
Reviewing Leases.....	5-150
Modifying Leases.....	5-152
Making Changes and Additions to a Lease.....	5-153
Amending a Lease.....	5-158
Changing the Lease Status.....	5-181
Extending or Expanding Leases.....	5-185
Extending Terms.....	5-185
Normalizing Terms During Lease Expansion.....	5-186
Contracting Leases.....	5-186
Contracting Draft Leases.....	5-186
Contracting Finalized Leases.....	5-186
Allowing Contraction Before the Last Approved Schedule.....	5-187
Normalizing Terms During Lease Contraction.....	5-189
Viewing Transactions and History.....	5-191
Amend Lease Window Reference.....	5-192

Editing a Lease.....	5-193
Editing or Amending a Normalized Payment or Billing.....	5-194
Leases Windows	5-202
Equipment Leases	5-203
Lease Versioning in Equipment Leases.....	5-205
Creating an Equipment Lease.....	5-208
Amending an Equipment Lease.....	5-210
Multi-Level AME Workflow Support for Equipment Lease.....	5-213

6 Calculating Rent Increases

Overview of Index Rent Increases	6-1
Entering Index History.....	6-2
Entering Rent Increases.....	6-3
Calculating Rent Increases	6-14
Timing Rent Increase Events	6-15
Date Assessed.....	6-15
Index Finder Date.....	6-15
Basis Start and End Dates.....	6-16
Rent Increase Date Examples.....	6-16
Modifying Periods.....	6-16
Determining the Basis.....	6-17
Example: Impact of Basis Type.....	6-18
Calculating the Percentage.....	6-19
Creating Rent Increase Terms.....	6-21
Determining the Length of Rent Increase Terms.....	6-24
Normalizing Rent Increase Terms.....	6-27
Dealing with Increases over Constraints.....	6-27
No Carry Forward.....	6-28
Carry Forward Percentage.....	6-28
Carry Forward Amount.....	6-30
Calculating Rent Increase After the Assessment Date.....	6-32
Allocating Rent Increase	6-33
Creating Allocated Terms.....	6-34
Extending and Contracting Rent Increase Agreements	6-35
Extending Rent Increase Agreements.....	6-35
Contracting Rent Increase Agreements.....	6-37
Contracting Agreements When Contracting Leases	6-37
Rent Increase Window References	6-40
Rent Increase Window Reference.....	6-40

7 Managing Variable Rent

Overview of Variable Rent	7-1
Creating Variable Rent Agreements	7-2
Entering Agreement Details.....	7-2
Variable Rent Window Reference.....	7-3
Using an Agreement Template.....	7-6
Variable Rent Template Window Reference.....	7-6
Generating Periods.....	7-6
Defining Line Items and Breakpoints.....	7-8
Window Reference for the Breakpoints Tab in the Setup Window	7-11
Defining Constraints.....	7-12
Window Reference for the Constraints Tab in the Setup Window	7-13
Constraints Window Reference.....	7-13
Defining Allowances and Abatements.....	7-13
Window Reference for the Allowances and Abatements Tab in the Setup Window	7-15
Extending and Contracting Agreements.....	7-16
Calculating Variable Rent	7-17
Entering Volumes.....	7-18
Entering Volumes by Line Items.....	7-19
Window Reference for the Volume Tab in the Line Items Window.....	7-19
Entering Volumes Using the Variable Rent Gateway.....	7-20
Entering Deductions.....	7-21
Window Reference for the Deductions Tab in the Line Items Window.....	7-21
Calculating Gross Variable Rent	7-22
Using Calculation Methods.....	7-22
Using Partial Year Calculation Methods.....	7-25
Calculating Net Variable Rent.....	7-29
Handling Negative Rent.....	7-29
Creating and Approving Terms.....	7-29
Invoice Review Window Reference.....	7-30
Recalculating and Adjusting Variable Rent.....	7-32
Working with Forecast Volumes.....	7-33
Window Reference for Rent Tabs in Line Items Window.....	7-35
Variable Rent Terms for Compliance Calculations.....	7-36

8 Recovery Expense

Overview of Recoveries	8-1
Prerequisites for Recoveries.....	8-2

Recovery Setup.....	8-4
Area Class Setup	8-4
Expense Class Setup.....	8-8
Load Expenses from Oracle General Ledger.....	8-12
Import Recovery Expense Lines.....	8-13
Purge the Expense Lines Interface Table.....	8-13
Recovery Extract.....	8-14
Create Area Class Details.....	8-16
Create Expense Class Details.....	8-19
Recovery Agreements.....	8-25
Recovery Agreement Calculation Methods.....	8-26
Variables Used for Prorata Share Recovery Calculation.....	8-28
Find Tenants Without Recovery Agreements.....	8-30
Create a Recovery Agreement.....	8-31
Create Recovery Agreement Line Details.....	8-35
Calculate Recovery Agreement.....	8-41
Running the Calculate Recovery Concurrent Program.....	8-45
Review Recovery Lines.....	8-45
Reviewing Billed Recovery of the Recovery Line.....	8-46
Reviewing Expense Details of the Recovery Line.....	8-46
Reviewing Constraint Details of the Recovery Line.....	8-49
Reviewing Abatement Details of the Recovery Line.....	8-50
Review and Approve Terms.....	8-50
Recovery Window References.....	8-53
Recovery Field References.....	8-56

9 Managing Operating Expenses

Overview of Operating Expenses.....	9-1
Creating Operating Expense Agreements.....	9-2
Specifying Method Details.....	9-2
Specifying Pro Rata Bases.....	9-3
Specifying Expense Groups.....	9-5
Specifying Caps.....	9-7
Calculating Subsequent Year Caps and Minimums.....	9-8
Deriving the Percentage.....	9-8
Deriving the Basis.....	9-9
Carrying Forward Cap Overruns or Savings.....	9-11
Specifying Rules for Critical Dates.....	9-13
Making Estimated Payments.....	9-13
Creating Estimated Payments in the Agreement.....	9-13

Updating Estimated Payments.....	9-14
Calculating the Catch-Up Amount.....	9-15
Creating Terms for Updated Payments.....	9-15
Approving Operating Expense Terms.....	9-16
Creating Operating Expense Terms in the Lease.....	9-17
Reconciling Payments.....	9-17
Creating Reconciliations.....	9-18
Entering Basic Reconciliation Information.....	9-19
Entering Area or Sales Information for Pro Rata Bases.....	9-20
Entering Amounts for Expense Groups.....	9-21
Entering Other Information That Affects Net Tenant Share.....	9-22
Reviewing Reconciliations and Making Payments.....	9-23
Reviewing Information for Individual Pro Rata Bases.....	9-23
Reviewing and Adjusting Total Tenant Share.....	9-27
Creating and Approving Reconciliation Terms.....	9-30
Revising Reconciliations.....	9-30
Using the Operating Expenses Dashboard.....	9-33
Selected Field References.....	9-34
Operating Expense Agreement.....	9-34
Method Details Tab.....	9-35
Pro Rata Basis Tab.....	9-35
Expense Groups Tab.....	9-36
Caps Tab.....	9-36
Estimated Payments Tab.....	9-36
Critical Dates Tab.....	9-36
Reconciliation.....	9-37
Overview and Notes Tab.....	9-38
Pro Rata Basis Tab.....	9-39
Expense Groups Tab.....	9-39
Operating Expense Dashboard.....	9-39

10 Support for Statement of Federal Financial Accounting Standards 54

Overview.....	10-1
Prerequisites.....	10-3
Required Setups for SFFAS 54.....	10-4
Lease Creation.....	10-13
Create a Lease Contract Using the User Interface.....	10-14
Attach a Property Hierarchy to the Lease Contract.....	10-16
Configure Lease Payments.....	10-17
Generate Lease Balance and Review.....	10-20

Activate the Lease Contract.....	10-20
Import Existing Lease or Create Lease Using APIs.....	10-20
Running Period End Accrual.....	10-25
Payment Approval.....	10-26
Manage Invoices.....	10-27
Payable Interface Invoice Import.....	10-27
Equipment Lease Creation.....	10-28

11 Reports

Submitting Standard Reports.....	11-1
Oracle Property Manager Reports.....	11-1
Alphabetical Space Assignments Report.....	11-1
Alphabetical Space Assignments Report by Floor	11-2
Alphabetical Space Assignments Report by Postal Code.....	11-3
Annual Accounting Pro Forma Report.....	11-3
Annual Cash Flow Pro Forma Report.....	11-4
Employees Deleted From Space Allocation Report.....	11-5
Employee Title Report.....	11-6
Future Minimum Rent Obligations Report.....	11-7
Lease Abstract Summary Report.....	11-9
Milestone Analysis Report.....	11-10
Monthly Accounting Pro Forma Report.....	11-11
Monthly Cash Flow Pro Forma Report.....	11-12
Normalized Rent Schedule Report.....	11-13
Receivables Details Report.....	11-14
Receivables Summary Report.....	11-16
Rent Schedule Details Report.....	11-17
Rent Schedule Export Report.....	11-18
Rent Schedule Summary Report.....	11-20
Space Allocation Report.....	11-21
Space Utilization Report.....	11-22
Space Utilization Report by Floor.....	11-23
Space Utilization Report by Office.....	11-25
Variable Rent Billing Report.....	11-25
Variable Format Reports.....	11-27
Compliance Reports for Property and Equipment Management.....	11-28
Common RXi Report Fields.....	11-29
Property Manager RXi Reports.....	11-33
RXi: Rent Increase Detail Report.....	11-33
RXi: Rent Increase with Accounting Details Report.....	11-34

RXi: Rent Increase Summary Report.....	11-34
RXi: Space Utilization by Location Report.....	11-35
RXi: Space Utilization by Lease Report.....	11-36
RXi: Space Assignment by Location Report.....	11-37
RXi: Space Assignment by Lease Report.....	11-37
RXi: Lease Options Report	11-38
RXi: Milestone Report	11-39
RXi: Rent Roll and Lease Expiration Report	11-40

A Oracle Property Manager Menu Paths

Oracle Property Manager Navigator Paths.....	A-1
Equipment Leasing Navigator Paths.....	A-5

B Concurrent Programs

Overview of Concurrent Programs.....	B-1
Submitting Requests.....	B-1
Monitoring Requests.....	B-2
Canceling Requests.....	B-2
Oracle Property Manager Concurrent Programs.....	B-2
Approve or Cancel Approval of Schedules.....	B-2
Approve Operating Expense Terms.....	B-4
Approve Rent Increase Terms.....	B-5
Approve Variable Rent Terms.....	B-6
Approve Variable Rent Volumes.....	B-7
Calculate Recovery.....	B-8
Calculate Rent Increase.....	B-9
Calculate Variable Rent.....	B-10
Cost Center Synchronization with HR.....	B-11
Create Accounts Distribution.....	B-12
Create Variable Rent Terms.....	B-13
Employees Deleted from Space Allocation.....	B-14
Export Billing Items to AR.....	B-14
Export Locations to Enterprise Asset Management.....	B-15
Export Payment Items to AP.....	B-16
Export to CAD Interface.....	B-17
Extract Expenses from GL.....	B-18
Generate Rent Increase Periods.....	B-20
Import from CAD Interface.....	B-21
Month to Month Rollforward	B-22
Populate Existing Variable Rent Transactions	B-22

Purge Interface Tables.....	B-23
Recalculate Index Periods for Updated Index History Lines.....	B-24
Reconcile Variable Rent.....	B-25
Recovery Module Expense Line Extraction.....	B-26
Recovery Module Expense Lines Interface Table Purge.....	B-27
Schedules and Items.....	B-28
Tenancy Attributes Upgrade.....	B-30
Transfer Normalized Lines to GL.....	B-31
Update Location Alias.....	B-32
Variable Rent - Cascade Breakpoints from Line Items UI to Setup UI.....	B-33
Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints	B-34
Variable Rent Gateway Import Process.....	B-35
Variable Rent Gateway Purge Process.....	B-35
Variable Rent True Up.....	B-36
Calculation Program for Compliance Reports: Calculate Balances.....	B-37

C Attachments

Attachments.....	C-1
------------------	-----

Glossary

Index

Send Us Your Comments

Oracle Property Manager User Guide, Release 12.2

Part No. E48922-11

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

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

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

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new 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.

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

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

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

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

Preface

Intended Audience

Welcome to Release 12.2 of the *Oracle Property Manager User Guide*.

This guide contains the information you need to understand and use Oracle Property Manager.

See Related Information Sources on page xix 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=trs> if you are hearing impaired.

Structure

1 Overview

This chapter provides an overview of the tools offered by Oracle Property Manager to manage major real estate tasks, including lease administration and office space allocation.

2 Oracle Lease Contracts Command Center

3 Managing Property and Equipment

This chapter details the tasks you must perform to create and administer property and equipment efficiently using Oracle Property Manager.

4 Managing Space Assignments

This chapter details the tasks you must perform to assign, administer, view, and modify space assignments efficiently using Oracle Property Manager.

5 Managing Leases

This chapter details the tasks you must perform to abstract leases and administer them effectively using Oracle Property Manager.

6 Calculating Rent Increases

This chapter details the functionality provided by Oracle Property Manager to calculate rent increases based on fixed percentages or an index that you specify.

7 Managing Variable Rent

This chapter provides a complete description of the functionality for creating variable rent agreements and calculating rent.

8 Recovery Expense

This chapter details the functionality that Oracle Property Manager provides landlords for calculating and recovering expenses such as those for common area maintenance from tenants.

9 Managing Operating Expenses

This chapter describes the Operating Expenses feature in Oracle Property Manager. Refer to this chapter for information on creating operating expense agreements if a lease requires you to pay your landlord a pro rata share of operating expenses for a property.

10 Support for Statement of Federal Financial Accounting Standards 54

This chapter describes Support for Statement of Federal Financial Accounting Standards 54 (SFFAS 54) in Oracle Property Manager.

11 Reports

This chapter describes the reports you can create using Oracle Property Manager.

A Oracle Property Manager Menu Paths

This appendix describes the default navigation paths for each window on the Oracle Property Manager menu.

B Concurrent Programs

This appendix describes the concurrent programs used in Oracle Property Manager.

C Attachments

This appendix describes the kinds of documents you can associate with data created in Oracle Property Manager.

Glossary

Related Information Sources

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.

Overview

This chapter provides an overview of the tools offered by Oracle Property Manager to manage major real estate tasks, including lease administration and office space allocation.

This chapter covers the following topics:

- About Oracle Property Manager
- Using Oracle Property Manager

About Oracle Property Manager

This section describes the functionality provided by Oracle Property Manager for organizing your property and lease-related information depending on your business needs.

This discussion includes the following topics:

- Lease Management, page 1-1
- Space Management, page 1-3
- Equipment Management, page 1-3
- Workflow Automation, page 1-3
- Reporting, page 1-4
- Using Property Manager, page 1-5

Lease Management

With Property Manager you can abstract, amend, and edit information for your leases.

Abstracting Leases

When you *abstract* a lease, you extract critical information from a lease document and record that information in such way that you can easily access it, review it, and take action on it.

With Property Manager, you can abstract critical information associated with your lease documents, including:

- Payment terms
- Billing terms
- Options
- Key contacts for vendors or service providers
- Landlord services
- Insurance requirements

Amending and Editing Leases

You can easily amend and edit lease information, maintaining a detailed history of your changes as you do so.

Scheduling Payments and Billings

Property Manager automatically generates payment or billing schedules for each lease you define, normalizing the payment or billing stream in accordance with GAAP (Generally Accepted Accounting Principles). You can then review these schedules each period, authorizing them as they become due. You can also track lease payments in multiple currencies and export payments to your accounts payable system in the currency of your choice.

Index Rent Increase

You can use the Index Rent Increase feature to automatically increase base rent either by a fixed percentage or by an amount proportional to the index change for the remainder of the lease term.

Variable Rent

Landlords can use the Variable Rent feature to collect rent based on a variety of variable factors, such as sales volumes, weight, and usage.

IFRS 16 and ASC 842 (US GAAP) Compliance

You can use Oracle Property Manager functionality for IFRS 16 and ASC 842 (US

GAAP) compliance.

Important: For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Space Management

Property Manager makes it easy to allocate space in leased and owned locations. You can specify detail for the following spaces:

- Regions and office parks
- Buildings
- Floors and suites
- Offices and cubicles

You can manipulate your space definitions and assignments as necessary to perform employee moves or reassign space for different uses. You can track space usage at any level by employee, cost center, or both. For example, you can use this information to charge cost centers for the square footage that they use, ensuring an economical use of available space.

If you use a Computer Assisted Design (CAD) application, or a Computer Assisted Facilities Management (CAFM) application, you can export space utilization information from Property Manager to the CAD or CAFM application.

Equipment Management

Property Manager allows you to handle equipment leases from lessee perspective.

Workflow Automation

During the life of the lease, certain events often require action by your company in a timely manner. With Property Manager you can identify those specific events and schedule the appropriate employee action.

Event Notification

Property Manager includes a Milestone feature, with which you can create milestones for key lease events, such as:

- Lease and option expiration dates
- Insurance payment and renewal requirements

- Payment expirations

You can also define any number of additional milestone events that are of importance to your particular enterprise. If you have Oracle Alert installed, you can configure it to generate automatic event notification.

Integration

Oracle Property Manager integrates with other Oracle applications, such as Oracle General Ledger, Oracle Payables, Oracle Receivables, and Oracle Human Resources. This integration enables you to use your Oracle Property Manager records as the source of payments and billings, and to use your Human Resources records as a source for employee information in Oracle Property Manager.

Oracle Property Manager also interfaces with third party applications, such as CAD and CAFM applications.

Reporting

Property Manager provides a set of inquiry windows and standard reports.

Online Inquiry

Online inquiry screens provide you with instant access to critical information:

- Lease provisions
- Lease amendments and edits
- Service provider information
- Transaction history
- Payment and billing information
- Location configurations and usage
- Rentable, usable, and vacant area
- Optimal and maximum capacity
- Employee space assignments
- Discount rate information
- Accounting distributions and sub-ledger journals

Standard Reporting

You can produce standard reports to review:

- Lease provisions
- Rent schedules
- Milestone analysis
- Cash flow
- Space allocation and utilization
- Compliance reporting for IFRS 16 and ASC 842 (US GAAP)

Using Oracle Property Manager

This section provides a brief overview of the flow of information in Oracle Property Manager and the means of navigating through the application.

Process Flow

The following list is a typical sequence of events that you might follow to abstract a lease in Oracle Property Manager:

- Set up service providers, and define locations, regions and office parks, milestones, and reporting currencies.
- Abstract the lease. (Later, amend and edit it as needed).
- Assign employees to office space. (Later, move and reassign the employees as needed).
- Authorize payment and billing schedules.
- Export payments to Oracle Payables.
- Export bills to Oracle Receivables.
- Review online inquiries and/or produce reports.

Navigation

Oracle Property Manager has a multi-window, graphical user interface (GUI) with full point-and-click capability. You can use your mouse or keyboard to operate graphical controls, such as pull-down menus, buttons, lists of values, check boxes, or tabbed

regions.

As with all Oracle applications, you navigate through Oracle Property Manager by using the Navigator. The Navigator groups the main tasks that you perform into these main categories:

- Leases and Documents
- Locations
- Agents
- Setup
- Open Interfaces
- Reports
- Other

You can customize the Navigator to meet your specific business processes and needs.

See: Oracle Property Manager Navigation Paths, page A-1.

Oracle Lease Contracts Command Center

This chapter covers the following topics:

- Overview
- Lease Contracts Command Center Dashboard

Lease Contracts Command Center User Interface

Overview

The Lease Contracts Command Center enables users to quickly identify areas with potential problems within their area of responsibility, narrow the scope of transactions in question, select specific transactions requiring attention, and take necessary actions. The Lease Contracts Command Center dashboard also provides navigation to the Oracle Property Manager and Equipment Leasing applications for performing specific actions such as amending rate changes and termination.

Note: You can use the Lease Contracts Command Center only after the installation and common configurations are completed as described in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, Release 12.2*. For additional ECC Overview information, see *Overview of Oracle Enterprise Command Center Framework, Oracle E-Business Suite User's Guide*.

Searching Enterprise Command Center Dashboards

Use the dashboard sidebar to refine (filter) the data on each dashboard. You can select a value or record from the **Available Refinements** component, or use **Search** to find a keyword, a value, or a specific record. The type-ahead feature suggests matches for your entry that correspond to the available refinements. When you submit a search, the search term is added to the Selected Refinements list, and the dashboard data is refined to include only records that match the search. You can add multiple refinements and remove any of them at any time. Using **Saved Searches**, you can create and save your searches and refer to them later. You can also edit and delete saved searches.

Note: For best results, Oracle recommends that you always select Regime, Currency, and Ledger.

Use an asterisk (*) or percent sign (%) to perform a partial keyword or record search that matches any string of zero or more characters. You can also use a question mark (?) to perform a partial search that matches any single character.

Additional Information: For more information about searching for and refining data in enterprise command centers, see *Search in Highlights of an Enterprise Command Center, Oracle E-Business Suite User's Guide*.

Lease Contracts Command Center Dashboard

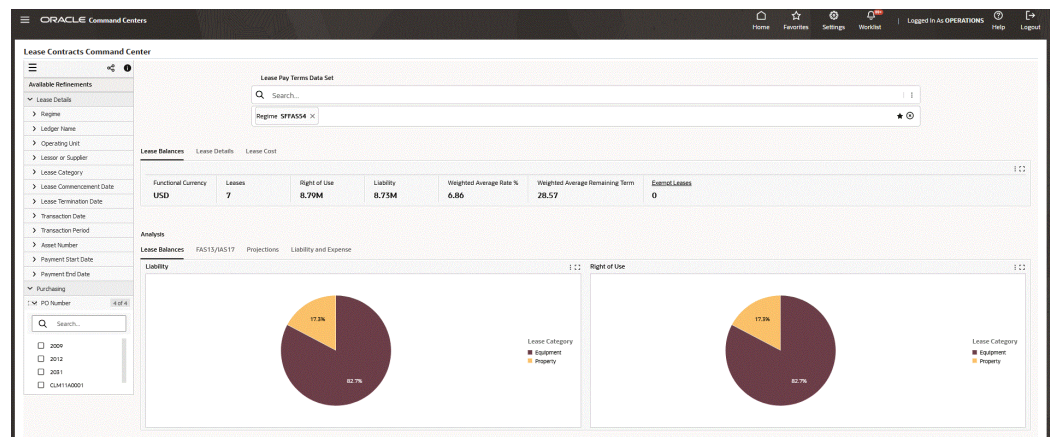
Use the Lease Contracts Command Center dashboard to analyze and view lease metrics, charts, and results table information. This dashboard provides information to the Lease Manager and team members for managing leases and tracking the sum total of lease liability, Right of Use (ROU) in a portfolio for the data load run period, and viewing lease history and expense for multiple ledgers. This dashboard also provides additional disclosure and reporting data such as Weighted Average Remaining Term, Variable Costs, Expired Leases, etc.

From the Property Manager Super User responsibility, navigate to the Lease Contracts Command Center page:

(N) Property Manager Super User > Command Centers > Compliance

Note: To display dashboard data, you must select a **Regime** from Available Refinements > Lease Details. Select **Not Applicable** for exempt leases that are not flagged with any compliance regime. For example, you can filter and view dashboard data for SFFAS 54 leases by selecting the **Regime** refinement value: **SFFAS54**.

Lease Contracts Command Center Dashboard



Lease Details | Lease Expenses | Payment Terms | Options | Properties | Assets

Lease Details

Lease Number	Lease Commencement Date	Lease Termination Date	Lease Status	Lease Approval Status	Lease Classification	Lessor or Supplier	Lease Years	Lease Months	Lease Days	Day Convention	Amend
14474	01-Jan-2023	30-Sep-2027	Active	Final	Right-To-Use	Corporate Express Office Supply	4	9	0	Days/Month	
14473	01-Jan-2023	30-Sep-2028	Active	Final	Right-To-Use		5	9	0	Days/Month	
14472	01-Jan-2023	30-Sep-2027	Active	Final	Right-To-Use		4	9	0	Days/Month	
14476	01-Jan-2021	31-Dec-2025	Active	Final	Right-To-Use	Allied Manufacturing	3	0	0	365 Days/Year	
14474	01-Jan-2021	31-Dec-2024	Active	Final	Right-To-Use	Allied Manufacturing	4	0	0	365 Days/Year	
14472	01-Jan-2021	31-Dec-2025	Active	Final	Right-To-Use	Allied Manufacturing	5	0	0	365 Days/Year	
14476_1,1	01-Jan-2023	30-Jun-2024	Active	Final	Right-To-Use		1	6	0	365 Days/Year	

0 records selected

Page 1 of 1 (1-7 of 7 items) | [1](#) | [<](#) | [>](#)

Copyright (c) 1999, 2022, Oracle and/or its affiliates. All rights reserved. | [About this Page](#) | [Privacy Statement](#)

Component	Description
Lease Balances (summary bar)	<p>The Lease Balances summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <p>• Functional Currency</p> <p>This metric displays the functional currency for all metrics and data elements. If there are multiple ledgers with multiple currencies, then Multiple displays as the functional currency.</p> <p>• Leases</p> <p>This metric displays the number of leases active as of the last day of the current period from PN and Equipment collectively.</p> <p>• Right of Use</p> <p>This metric displays the Right of Use (ROU) amount as of the current GL period irrespective of the date and period range selected.</p> <p>• Liability</p> <p>This metric displays the total lease liability as of the last day of the current GL period.</p> <p>• Weighted Average Rate %</p> <p>This metric displays the weighted discount rate for the portfolio. For example: 20 Leases use 5% and 30 Leases use 7%. The weighted average rate = $(20 \times 5\% + 30 \times 7\%) / (20 + 30) = 6.2\%$</p> <p>• Weighted Average Remaining Term</p> <p>This metric displays the weighted average of remaining lease terms.</p> <p>• Exempt Leases</p> <p>This metric displays the number of active</p>

Component	Description
	leases that are not flagged with the compliance check box as of the latest data load.
	Note: All lease balances such as Right of Use and Liability are derived from transactions. From the booking transaction amounts, accrual transaction amounts are added or deducted with payment term amounts to arrive at current period balances.

Component	Description
Lease Details (summary bar)	<p>The Lease Details summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="971 394 1458 510"> <p>• Active Leases</p> <p>This metric displays the number of active leases.</p> <li data-bbox="971 552 1458 730"> <p>• Leases Added</p> <p>This metric displays the number of new leases added within specified dates and are active. Includes compliance and non-compliance leases.</p> <li data-bbox="971 772 1458 951"> <p>• Terminated or Expired Leases</p> <p>This metric displays the number of active leases that have terminated or expired within specified dates. Includes compliance and non-compliance leases.</p> <li data-bbox="971 993 1458 1171"> <p>• Undiscounted Liability</p> <p>This metric displays the total amount of pay items without discounting for a specified period range that are enabled for compliance.</p> <li data-bbox="971 1213 1458 1354"> <p>• Discounted Liability</p> <p>This metric displays the total amount of pay items with discounting as of the current GL period.</p>

Component	Description
Lease Cost (summary bar)	<p>The Lease Cost summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="878 394 1365 541"> <p>• Finance Lease Cost</p> <p>This metric displays the total amount of amortization and interest from all finance leases in ASC and all leases in IFRS.</p> <li data-bbox="878 583 1365 730"> <p>• Amortization Expense</p> <p>This metric displays the total amount of amortization expense for finance leases for a portfolio over a specified date range.</p> <li data-bbox="878 772 1365 919"> <p>• Interest on Lease Liability</p> <p>This metric displays the total amount of interest expense for finance leases for a portfolio over a specified date range.</p> <li data-bbox="878 961 1365 1108"> <p>• Operating Lease Cost</p> <p>This metric displays the total amount of lease expense for operating leases for a portfolio over a specified date range.</p> <li data-bbox="878 1150 1365 1297"> <p>• Variable Lease Cost</p> <p>This metric displays the total amount of expense from variable expense (variable term amounts) for a specified date range of periods.</p> <li data-bbox="878 1339 1365 1486"> <p>• Total Lease Cost</p> <p>This metric displays the total amount of compliance costs for operating and finance leases in a portfolio.</p> <li data-bbox="878 1528 1365 1675"> <p>• Exempt Lease Cost</p> <p>This metric displays the total expense amount (cash items) for non-compliance leases for specified date ranges of periods</p>

Component	Description
Analysis - Lease Balances (tab layout)	<p>The Liability chart displays the total remaining lease liability amounts. You can view liability amounts by Lease Category, Item Category, Payment Purpose, and Lease Classification dimensions.</p> <p>The Right of Use chart displays the total remaining ROU amounts. You can view ROU amounts based on Lease Category, Item Category, Payment Purpose, and Lease Classification dimensions.</p>
Analysis - FAS13/IAS17 (tab layout)	<p>The Normalization chart displays normalization expenses for property and equipment leases by reporting period. This bar chart displays total amounts for Accrued Liability, Adjustment, Account Expense, and Cash.</p>
Analysis - Projections (tab layout)	<p>The Liability Projection chart displays estimates of lease liability amounts. This bar graph displays amounts for periods of less than 12 months, 1-5 years, and more than 5 years.</p> <p>The Expiring Leases chart displays the number of leases and contracts reaching their end of term by each month. This bar chart provides an indicator of necessary management actions such as contract renewal or exercise of contract options within the lease.</p>
Analysis - Liability & Expenses (tab layout)	<p>The Lease Expense chart displays total lease expenses for a given period of time. Short term expenses from the leases are considered to be less than or equal to 12 months. This bar chart displays total expense amounts by expense type.</p>

Component	Description
Lease Details (tab layout)	<p>The Lease Details results table displays attributes pertaining to lease information. You can view this results table by selecting one of the following attribute groups from the Lease Details drop-down menu:</p> <ul style="list-style-type: none"> • Lease Details • Liability • ROU • Property List Details <p>Click the Amend link to navigate to the Leases form where you can amend and edit leases. Click the Options icon to Compare selected records and Export the data set.</p>
Lease Expenses (tab layout)	<p>The Lease Expenses results table displays lease expenditure details. Click the Options icon to Compare selected records and Export the data set.</p>
Payment Terms (tab layout)	<p>The Payment Terms results table displays attributes for payments. You can view this results table by selecting one of the following attribute groups from the Payment Terms drop-down menu:</p> <ul style="list-style-type: none"> • Payment Details • Accounting Details • Purchasing <p>Click the Amend link to navigate to the Leases form where you can amend and edit leases. Click the Options icon to Compare selected records and Export the data set.</p>

Component	Description
Options (tab layout)	<p>The Options results table displays attributes pertaining to lease option and payment details. You can view this results table by selecting one of the following attribute groups from the Options drop-down menu:</p> <ul style="list-style-type: none"> • Option Details • Accounting Details <p>Click the Amend link to navigate to the Leases form where you can amend and edit leases. Click the Options icon to Compare selected records and Export the data set.</p>
Properties (tab layout)	<p>The Properties results table displays property detail attributes. You can view this results table by selecting one of the following attribute groups from the Properties drop-down menu:</p> <ul style="list-style-type: none"> • Property Details • Space and Cost • Property Location Details <p>Click the Options icon to Compare selected records and Export the data set.</p>
Assets (tab layout)	<p>The Assets results table displays Asset Details attributes. Click the Options icon to Compare selected records and Export the data set.</p>

Managing Property and Equipment

This chapter details the tasks you must perform to create and administer property and equipment efficiently using Oracle Property Manager.

This chapter covers the following topics:

- Overview of Property Management
- Overview of Regions and Office Parks
- Overview of Properties
- Setting Up Property
- Modifying Property Information
- Managing Equipment on an Expense Lease

Overview of Property Management

You can use Oracle Property Manager to manage your properties. You use the information in Oracle Property Manager for the following purposes:

- To identify and define a property, so that you can associate it with a lease in the Leases window
- To define office space, so that you can assign employees and customers to specific offices using the Space Assignment feature
- To maintain a comprehensive record of the physical features of a property
- To maintain a comprehensive record of contacts associated with the property, including company names, roles, and site information
- To simplify reporting
- To group buildings together to allow more flexibility in your property management

Before you define locations such as land or buildings, you must do the following:

- Define contacts. See *Contacts, Oracle Property Manager Implementation Guide*.
- Define regions and office parks. See *Defining an Office Park or a Region*, page 3-4.
- Define properties in the Properties window. See *Defining Properties*, page 3-5.

Overview of Regions and Office Parks

If your business is organized based on geographical regions you may want to identify the region in which a building or other managed property is located. For example, a company that leases space in New York, Los Angeles, London, and Paris might want to group its New York and Los Angeles properties together into the North American region, and its London and Paris properties into the European region. Similarly, when the space you manage is located in an office park, you can include the name of the office park in your building definition. If you include the name of a region or an office park in your building definition, you will be able to use that name as a search criterion.

To associate properties with a region or an office park, you must first set up the office park or region, which you do in the Regions and Office Parks window. You can set up office parks and regions to be independent of each other, or you can set up office parks to be located within a region. After you have set up the office parks and regions where your properties are located, you can then use the Properties windows to associate specific properties with specific office parks and regions. The buildings or office space within these properties are automatically associated with the office park or region you defined in the Properties window. You cannot specifically assign buildings and office space to office parks or regions. You must define office parks and regions at the property level.

For information on setting up office parks or regions, see *Defining an Office Park or a Region*, page 3-4.

Overview of Properties

Property consists of the land, sections, and parcels, and the buildings, floors, and offices that you manage using Oracle Property Manager. For each property, you can provide information such as:

- Name or code of the property.
- The operating unit to which the property belongs.
- Address of the property, and whether it is located in an office park or geographical region.

Hierarchy of Properties

You define property in Oracle Property Manager at several levels. When you define a building within a property, the building consists of floors and offices. When you define land within a property, the land consists of parcels and sections.

Important: You can use the terms building, floor, office, land, parcel, and section, or specify your own terms. See Location Hierarchy, *Oracle Property Manager Implementation Guide*.

Properties

You define a property in the Properties window, including the property name and code, and information about the location of the property, such as the region and office park name.

Note: You must define office parks and regions before defining properties.

Once you create and save a property, you can associate existing buildings or land with it. Information for associated buildings and land is displayed in the Property window. However, you cannot define buildings or land in the Properties window. You must define this information in the Buildings and Land windows. Navigate to these windows by choosing the New Building or New Land buttons in the Properties window.

Buildings

You define buildings in the Building window, including the name, alias, tenure, and from and to dates of the building you are defining. Most of the information in the Area and Occupancy tabbed regions is display only at this level, and must be defined at the office level, with the exception of the unit of measure and the gross measurement of the building in the Area tabbed region. In the Features tabbed region, you can enter information about the type, description, and condition of features of the building. In the Contacts tabbed region, you can enter the type, names, and sites where your contacts are located. You can access the Building window from the Properties window by choosing the New Building button. When you access the Building window from the Properties window, the property name, tenure, and country where the property is located, appear as default information in the Building window.

Floors

You define floors in the Floor window, which you access by selecting the Floors button on the Building window. At this level, you define the names of the individual floors. You can define from and to dates, or use the dates that default from the Building window. You can also define the type of space, for example, work space.

Offices

You define offices in the Office window, which you access by selecting the Offices button on the Floor window. You define the individual office spaces by office number and suite. You can define from and to dates, or use the dates defaulted from the Floor window. You can also break down the rentable, usable, and assignable space by office number, and define the common areas, and the maximum and optimum number of occupants for a space.

Land, Parcels, and Sections

Defining land is identical to defining buildings. You define land using a three-layered structure that includes defining land in the Land window, defining parcels in the Parcel window, and defining sections in the Section window. These windows contain the same fields as the Building, Floor, and Office windows as shown in the following table:

This window:	Corresponds to:
Land	Building
Parcel	Floors
Section	Offices

Setting Up Property

This section details the steps you must perform to create new property in Oracle Property Manager.

Defining an Office Park or a Region

To set up a region or an office park:

1. In the Regions and Office Parks window, enter the name and description of the region or office park.

Regions and Office Parks

Name: Hilldale Park

Location Type: Office Park

Description: [Empty]

Region: [Empty]

[Save] [Cancel]

2. Select either Office Park or Region from the Location Type field.
3. If you selected Office Park, you can assign the office park to a previously defined region. Note that you cannot assign a region to a region.
4. Save your work.

Defining Properties

You define properties in the Properties window.

To define a property:

Property - [New]

Operating Unit: Vision Operations

Property Name: [Highlighted]

Property Code: [Highlighted]

Region: [Empty]

Office Park: [Empty]

Zone: [Empty]

District: [Empty]

Portfolio: [Empty]

Tenure: [Highlighted]

Class: [Empty]

Status: [Empty]

Condition: [Empty]

Country: United States

Description: [Empty]

Active Property

Building | Land

Name	Location Code	Address

[New Building] [New Land] [Open]

1. From the Navigator, choose Property Definition: Property. The Find Properties window is displayed.
2. Click New.

3. Select the operating unit for which you want to create the property. Once you save the property, you cannot change the operating unit.
4. Enter the Property Name and Property Code.
5. Optionally enter additional location information, such as the office park, region, zone, and district.
6. Optionally enter the portfolio of the property.
7. Indicate whether the tenure of the building is leased, owned, managed, or mixed.
8. Optionally enter the class, status, and condition, and a description of the property.
9. Enter the country where the building is located.
10. Save your work.
11. To define buildings or land, choose the New Building or New Land button and follow the instructions in the following sections.

Related Topics

Properties Window Reference, page 3-15

Defining Buildings

You can access the Building window from the Properties window or directly from the Navigator menu.

Note: Area and some occupancy fields are display only and the actual values roll up from the Floor and Office windows.

To define a building:

Operating Unit **Vision Operations**

Details

Name

Alias

Location Code

Property

Tenure **Leased**

Class

From

To

Address

Country **United States**

Address

City

County

State

Province

Postal Code

Area **Occupancy** Features Contacts

UOM

Gross

Rentable

Usable

Assignable

Vacant

% Vacant

Levels

Units

Load Factor

F10or

1. From the Navigator, choose Property Definition: Building.
The Find Buildings window appears.
2. Click New.
Important: If you navigate to the Buildings window by choosing New Building on the Properties window, Oracle Property Manager sets the Operating Unit, Property Name, Tenure, and Country fields automatically. All these fields, except Tenure, are read-only.
3. Select the operating unit for which you want to create the building. Once you save the building, you cannot change the information you provide here.
4. Enter the unique building name. Select a name according to the naming conventions that your business uses. A street address can serve as a building name.
5. Create an *alias* for the building, and enter it in the Alias field. An alias, which is an abbreviation of the building name, can include letters and numbers. The building alias that you create will become the first element of the *location code*. Oracle Property Manager uses location codes to identify specific locations and to associate them with leases. If you set up floors and offices, their aliases will become the second and third elements of the location code. Choose a unique alias for each

building, floor, and office, so that each location code refers to a unique location. The examples below illustrate how Oracle Property Manager creates location codes with the aliases you specify.

The following tables show how you can use a combination of abbreviations, and floor and office numbers to create your aliases:

Example 1:

Building, Floor, or Office Name	Create Alias	Location Code
Empire State Building	ESB	ESB
45th Floor	45	ESB-45
Office 20	20	ESB-45-20

Example 2:

Building, Floor, or Office Name	Create Alias	Location Code
501 2nd Street	501_2	501_2
6th Floor	06	501_2-06
Cubicle 9	09	501_2_06-09

A user-defined character separates the aliases in the location code. In the examples above, this character is a hyphen (-). When Oracle Property Manager links the building, floor, and office aliases together, this character marks the point where one alias ends and the next one begins. You can define the location separator using the Location Code Separator system option. For more information, see System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Important: Avoid using the separation character in the aliases. In Example 2 above, an underscore is used in the alias and thus there is no confusion about where the three parts of the location code begin and end.

The alias is an abbreviation of the building name. Aliases become elements of the location code. Select characters in the building name that make the name unique. For example:

- ESBforEmpire StateBuilding
 - 45321 V for 45321 Ventura Boulevard
 - 300op for 300Oracle Parkway
6. Optionally, select a property name. The list of values displays only those properties that belong to the operating unit you have selected.
 7. Indicate whether the tenure of the building is leased, owned, managed, or mixed.
 8. Optionally enter the building class, for example, Office Building and the status of the building, for example, Under Construction or Completed.
 9. Enter the From date. See: Changing From and To Dates, page 3-22.
 10. Optionally enter the To date. You may wish to leave the To date blank unless there is a specific reason to provide a date. See: Changing From and To Dates, page 3-22.
 11. Enter the country where the building is located.
 12. Optionally enter address information.
 13. In the Area tabbed region, you define the unit of measure (UOM) you want to use.
 14. Enter the gross measurement of the building.
 15. In the Occupancy tabbed region, specify whether the building is occupiable and whether it can be assigned to employees, cost centers, or customers.
 - Status: Specify whether the building is classified as occupiable for reporting purposes. If the building is non-occupiable, you can use the two following attributes to provide additional information.
 - Disposition: Specify why the building is non-occupiable. For example, the lease might have been terminated or the property might be up for sale.
 - Accounting Treatment: Specify the financial status of the building. For example, a subleased building may be considered profitable or unprofitable.

Note: The Employee Assignable, Cost Center Assignable, and Customer Assignable fields control whether you can make assignments to the location. However, you cannot change the Status of a building or any other location to unassignable if it has current assignments.

16. In the Features tabbed region, enter the type, description, and condition of each building feature.
 - Type: This is a description of how the building will be used, for example, Retail Shop.
 - Description: Enter a description of the building, for example, the name of the restaurant.
 - Condition: Enter the condition of the building, for example, Excellent, Fair, or Poor.
17. In the Contacts tabbed region, enter the type (role), company name, and site of each contact. Before you enter information into the Contacts tabbed region, you must have set up contacts.
 - Type: Enter the role of the contact, for example, facilities manager or landlord.
 - Company Name: Enter the name of the contact's company.
 - Company Site: Enter the location of the contact's place of business.
18. Save your work.
19. If you want to define floors, choose the Floors button and follow the instructions in the following section.

Related Topics

Buildings and Land Window Reference, page 3-16

Defining Floors

When you have finished setting up the building, you can then set up floors in the building. Set up every floor on which you are leasing or managing any space, regardless of whether you are leasing all or part of the floor.

Note: Area and some occupancy fields are display only and the actual values roll up from the Office window.

To define floors:

1. Navigate to the Floor window. The window title of the Floor window displays the name of the operating unit and the building whose floors you are setting up.
2. Enter the name of each floor you are defining.

3. Create an alias for the floor following the guidelines for building aliases described above. The alias for the floor, like the building alias you previously created, will become an element in the location code. To ensure that aliases and location codes are consistent from one location to the next, follow the guidelines you used in creating the building alias, so that the floor alias clearly refers back to the floor number.
4. Enter the From date. The From date defaults to the From date for the building. You can change the date, but this date must be within the From and To dates for the building. See: *Changing From and To Dates*, page 3-22.
5. Optionally enter the To date. This date must be within the To date for the building, if the building has a To date defined. If there is an end date defined for the building, the floor end date is also defaulted. See: *Changing From and To Dates*, page 3-22.
6. Specify the Occupancy Status of the floor and whether it is assignable to employees, cost centers, or customers.

Note: All locations, including floors and offices inherit Occupancy Status and assignability from their parent locations. This has the following implications.

- A floor that is part of an unassignable building cannot be assignable. Similarly, offices that are part of unassignable floors cannot be assignable.
 - When you change a parent location from unassignable to assignable, the system cascades the changes to the child locations without performing assignment checks.
7. Specify the Disposition and the Accounting Treatment if the floor is non-occupiable.
 8. In the Usage region, optionally enter the space type, function type, and standard type. See: *Floor and Parcel Window Reference*, page 3-19.
 9. Save your work.
 10. You can set up a single floor and then set up offices on that floor, or you can set up a group of floors and then set up offices on each floor. Click the Office button to open the List: Office window for a specific floor.

Related Topics

Floor and Parcel Window Reference, page 3-19

Defining Offices

After you have defined buildings and floors, you can define individual offices on each floor.

Note: All references to offices also apply to other types of office space, such as cubicles.

You need to define individual offices so you can:

- Keep track of information about the office.
- Associate the office with a specific lease in the Leases window.
- Assign employees and customers to specific offices, using the Space Assignment window. You must define every office to which you want to assign an employee.

Most of the fields in the Office window have the same names and uses as the Floor window fields. As you enter information in the Area tabbed region of the Office window, Property Manager summarizes the amount of vacant office space on each floor and in each building, and displays the total in the Vacant fields in the Floor and Building windows. Later, when you assign office space in the Employee Space Assignment window, the amount of vacant space displayed in the Building and Office windows decreases as you assign office space to employees.

To define an office:

1. Navigate to the Office window. The Office window title displays the names of the operating unit, and the building and floor whose offices you are defining.
2. In the Details region, enter the name or number of the office.
3. Optionally enter the name or number of the suite. You use the Suite field to indicate a group of offices.
4. Enter the alias, following the guidelines for building aliases.
5. Enter the From date. The From date defaults to the From date of the floor. You can change the date, but this date must be within the From and To dates of the floor. See: Changing From and To Dates, page 3-22.
6. Optionally enter the To date. This date must be within the To date of the floor, if the floor has a To date defined. See: Changing From and To Dates, page 3-22.
7. In the Area region, enter the amount of space that is rentable, usable, common, and assignable for the office, following either IFMA standards of measurement or your own established procedures. Property Manager automatically displays the amount

of vacant and secondary circulation space.

Note: You cannot assign common space to any cost center, employee, or customer.

If you select the Common Flag check box, the Assignable field is disabled. If you do not select the Common Flag check box, the Common field is disabled.

When you designate a space as a common area, the vacant area indicates OSFT, and you cannot assign a cost center, customer, or employee to the space.

Warning: There is no restriction to prevent you from entering an assignable area that is greater than the usable area.

8. In the Usage tabbed region, optionally enter the space type, function type, and standard type. See Office and Section Window Reference, page 3-20.
9. Specify whether the location is bookable. Bookable locations are usually locations such as conference rooms that users can book for meetings and other events.
10. In the Occupancy tabbed region, specify the Occupancy Status of the office and whether it is assignable to employees, cost centers, or customers.
11. Specify the Disposition and the Accounting Treatment if the office is non-occupiable.
12. Enter the maximum and optimum number of people who should occupy this office.
13. Enter the maximum and optimum number of people who should occupy this office.
14. When you have defined the offices on a floor, save your work. If you want to define offices on additional floors, return to the Floor window to select the next floor whose offices you want to define. The box to the left of the floor name indicates which floor is selected.

Related Topics

Office and Section Window Reference, page 3-20

Defining Land, Sections, and Parcels

You define land by navigating to the Land window. Property Manager uses a hierarchical structure for defining land, similar to the structure used to define buildings. You define a building at three levels: building, floor, and office. Similarly, you define

land at three levels: land, parcels, and sections. To define land, follow the instructions for defining a building. To define parcels, follow the instructions for defining floors. To define sections, follow the instructions for defining offices.

Related Topics

Defining Buildings, page 3-6

Defining Floors, page 3-10

Defining Offices, page 3-12

Building and Land Window Reference, page 3-16

Floor and Parcel Window Reference, page 3-19

Offices and Section Window Reference, page 3-20

Duplicating Locations

You can create buildings, floors, and offices as well as land, parcels, and sections by duplicating existing locations.

Oracle Property Manager copies the following information when you duplicate location records:

1. Location details including effective dates, property name, tenure, and class

Important: Unique location details consisting of the name, alias, and location code are not copied.

2. Details relating to address and contacts (for buildings and land)

Rules Governing the Duplication of Area and Occupancy Data

When you duplicate a location, Oracle Property Manager only copies area or occupancy information that you specify for the location and not information that rolls up from child locations.

Therefore, the values in the fields representing occupancy and assignability *status* are always copied. However, values in fields representing area and occupancy *values* such as Rentable, Usable, Assignable, Maximum, and Optimum are copied only when you duplicate office or section records. In the case of buildings, land, floors, or parcels, the information rolls up when you create and save child locations for the new location.

For details on area and occupancy fields, see Window References, page 3-14.

Window References

This section contains window references for all of the windows you use to define

property.

Related Topics

Contacts Window Reference, *Oracle Property Manager Implementation Guide*

Roles and Sites Window Reference, *Oracle Property Manager Implementation Guide*

Properties Window Reference

Operating Unit: Operating unit to which the property belongs.

Property Name: The unique property name. For example, Headquarters.

Property Code: An abbreviation of the property name. For example, HQ.

Office Park: The name of the office park, if the property is located in an office park. You must set up the office park before you enter it here. See *Setting Up an Office Park or a Region*, page 3-4.

Region: The name of the region, if your property is located in a region. You must set up the region before you enter it here. See *Setting Up an Office Park or a Region*, page 3-4.

Zone: Indicates how the property is used. For example, Airport or Park.

District: The district name or number.

Portfolio: The portfolio of the property.

Tenure: Indicates whether the property is leased, managed, mixed, or owned.

Class: Indicates the class of the property. For example, Class A or Class B.

Status: The status of the property.

Condition: The condition of the property.

Description: The description of the property.

Active Property Check Box: Indicates whether the property is currently in use.

Building or Land Tab

Name: If a building or land is associated with this property, the building or land name appears here. This information defaults from the Buildings or Land window.

Location Code: If a building or land is associated with this property, the building or land location appears here. This information defaults from the Buildings or Land window.

Address: If a building or land is associated with this property, the building or land address appears here. This information defaults from the Buildings or Land window.

New Building Button: Opens the Building window when you want to enter a new building.

New Land Button: Opens the Land window when you want to enter new land.

Buildings and Land Window Reference

Operating Unit: Operating unit to which the building belongs. This field is read-only if you navigate to the Building window from the Property window.

Name: The unique building name. Select a name according to the naming conventions that your business uses. A street address can serve as a building name.

Alias: An abbreviation of the building name. Aliases become elements of the location code. Select characters in the building name that make the name unique. For example:

- **ESB** for Empire State Building
- **45321 V** for 45321 Ventura Boulevard
- **300op** for 300Oracle Parkway

For a detailed discussion of aliases, see *Defining Buildings*, page 3-6

Location Code: The location code defaults from the alias. It is usually the same as the alias.

Property: The name of the property. If you use the New Building or New Land button on the Properties window to access the Buildings or Land window, the property name is defaulted from the Properties window.

Tenure: Indicates whether the building or land is leased, managed, mixed, or owned.

Class: Indicates the class of the building or land. For example, Rural or Urban.

From: The date from which a building or land is effective. This field is required.

To: The date on which a building or land is no longer effective.

Country: The country where the building or land is located.

Address: The address of the building or land.

City: The city where the building or land is located.

State: The state where the building or land is located, if applicable.

County: The county where the building or land is located.

Province: The province where the building or land is located, if applicable.

Postal Code: The postal code where the building or land is located, if applicable.

Floors Button: Opens the List: Floor window.

Area Tab

UOM: The Unit of Measurement from the List of Values.

Gross: The gross area of the building.

Rentable: The amount of rentable space. This information is entered at the office or section level.

Usable: The amount of usable space. This information is entered at the office or section level.

Assignable: The amount of assignable space. This information is entered at the office or section level.

Vacant: The amount of vacant space. This information appears automatically, based on what you have entered at the office or section level. Property Manager calculates the vacant space using the following formula:

Assignable - assigned (from Space Assignment form)

By default, the amount shown in the Vacant field is as of the From date of the building. If you want to see the amount of vacant space as of a particular date, you can enter an As of date in the Find Buildings window.

For example: you have a building with a From date of 01-JAN-2003 and a To date of 31-DEC-2004. The building has a total of 1000 square feet of assignable space, and is 100 percent assigned for all of 2003, but there are no assignments in 2004. If you open the building record without entering an As of Date in the Find Buildings window, the amount of vacant space will be 0. If you enter an As of Date in the Find Buildings window such as 01-JAN-2004, the amount of vacant space will be 1000.

% Vacant: The percentage of vacant space. This information appears automatically, based on what you have entered at the office or section level. If you want to see the percentage of vacant space as of a particular date, you can enter an As of date in the Find Buildings window.

Levels: The number of floors or parcels. This information is entered at the floor or parcel level.

Units: The number of offices or sections. This information is entered at the office or section level.

Load Factor: Property Manager calculates the load factor using the following formula:

Rentable Area / Usable Area - 1

Occupancy Tab

Status: Indicates whether the building is occupiable or not.

Employee Assignable: Indicates whether the building can be assigned to employees.

Cost Center Assignable: Indicates whether the building can be assigned to a cost center.

Customer Assignable: Indicates whether the building can be assigned to customers.

Disposition: Indicates why the building is non-occupiable.

Accounting Treatment: Indicates the financial status of the building.

Maximum: The maximum number of occupants who can occupy this building or land. This information is entered at the office or section level. This field is display only at the building level.

Optimum: The optimum number of occupants who can occupy this building or land. This information is entered at the office or section level. This field is display only at the building level.

Utilized. The number of occupants using the space. This information appears automatically, based on what you enter at the office or section level. This field is display only at the building level.

% Maximum Occupancy: The percentage of space that is occupied. This field is display only at the building level. Property Manager calculates this amount based on the following formula:

$$\text{Utilized/Maximum Occupancy} \times 100$$

Area/Utilized: The amount of space that is utilized. This field is display only at the building level. Property Manager calculates this amount based on the following formula:

$$\text{Rentable Area (building level)/Total Utilized (building level)}$$

Maximum Vacancy: The amount of space that is vacant. This field is display only at the building level. Property Manager calculates the vacancy based on the following formula:

$$\text{Maximum Occupancy} - \text{Utilized}$$

Features Tab

Type: Features of the building or land. For example, Restaurant or Easy Highway Access.

Description: A description of the feature.

Condition: The condition of the feature. For example, Fair or Quiet.

Quantity: The quantity of this feature, if applicable.

UOM: The unit of measure.

Contacts Tab

Type: The position of the contact. For example, Facilities Manager.

Company Name: The name of the company with which the contact is associated.

Company Site: The location of the contact's company.

Related Topics

Office and Section Window Reference, page 3-20

Defining Buildings, page 3-6

Defining Land, Sections, and Parcels, page 3-13

Floor and Parcel Window Reference

Details region

Floors. The name or number of the floor. This field appears only in the Floor window.

Parcels. The name or number of the parcel. This field appears only in the Parcel window.

Alias. The alias for this floor or parcel. This information defaults from the Buildings or Land window.

Location Code. The location code of the floor or parcel. For a description of how location codes are created, see *Defining Buildings*, page 3-6.

From. The date from which a floor or parcel is effective. This date defaults from the Buildings or Land window. You can change this date, but the date must be the same as the building/land From date or later. This field is required.

To. The date on which a floor or parcel is no longer effective. This date defaults from the Buildings or Land window, if the building or land includes an end date. You can change this end date, but it must be the same as the building/land End date or earlier.

Area region

Rentable. The rentable space in the floor or parcel. This information rolls up from the office or section level.

Usable. The usable space in the floor or parcel. This information rolls up from the office or section level.

Common. The common space in the floor or parcel. This information rolls up from the office or section level.

Assignable. The assignable space in the floor or parcel. This information rolls up from the office or section level.

Primary Circulation. The amount of primary circulation space on the floor or parcel, for example, lobby, or walkways. Property Manager calculates this amount based on the following formula:

Rentable Space (floor level) - Usable Space (floor level)

Vacant. The vacant space in the floor or parcel. Oracle Property Manager derives this information based on what you enter at the office or section level. This field is display only at the floor or parcel level.

Occupancy region

Occupancy Status. Indicates whether the floor or parcel is occupiable.

Employee Assignable. Indicates whether the floor or parcel can be assigned to employees.

Cost Center Assignable. Indicates whether the floor or parcel can be assigned to a cost

center.

Customer Assignable. Indicates whether the floor or parcel can be assigned to customers.

Disposition. Indicates why the floor or parcel is non-occupiable.

Accounting Treatment. Indicates the financial status of the floor or parcel.

Maximum. The maximum number of people who can occupy this floor or parcel. This information is entered at the office or section level. This field is display only at the floor level.

Optimum. The optimum number of people who can occupy this floor or parcel. This information is entered at the office or section level. This field is display only at the floor level.

Utilized. The number of people occupying the space. This information is derived automatically based on what you enter at the office or section level. This field is display only at the floor level.

Vacancy. The number of vacant spaces. This information is derived automatically based on what you enter at the office or section level. This field is display only at the floor level. Property Manager calculates this amount using the following formula:

Maximum Occupancy (floor level) - Utilized (floor level)

Usage region

Space Type. The type of space. For example, Data Center.

Function Type. How the space is used currently. For example, the space may have been designed for use as offices, but it is actually being used as a data center.

Standard Type. The type of user who uses this space, for example, directors, vice presidents, or individual contributors.

Offices Button. Opens the List: Office window.

Related Topics

Building Window Reference, page 3-16

Defining Floors, page 3-10

Defining Land, Sections, and Parcels, page 3-13

Office and Section Window Reference

Details region

Name: The name or number of the office or section.

Suite: The name or suite number. This field allows you to subdivide offices or sections.

Alias: The alias for the office or section. Oracle Property Manager uses the alias of the

office, along with the aliases of the building and floor to create the location code for the office. Similarly, the alias of the section, along with the aliases of the land and parcel are used to create the location code for the section.

Location Code: The location code of the office or section. For more information on how a location code is created, see *Defining Buildings*, page 3-6.

From: The date from which an office or section is effective. This date defaults from the Floors or Parcel window. You can change this date, but the date must be the same as the floor/parcel From date or later. This field is required.

To: The date on which an office or section is no longer effective. This date defaults from the Floors or Parcel window, if the floor or parcel includes an end date. You can change this end date, but it must be the same as the floor/parcel End date or earlier.

Occupancy region

Status: Indicates whether the office or section is occupiable or not.

Employee Assignable: Indicates whether the office or section can be assigned to employees.

Cost Center Assignable: Indicates whether the office or section can be assigned to a cost center.

Customer Assignable: Indicates whether the office or section can be assigned to customers.

Disposition: Indicates why the office or section is non-occupiable.

Accounting Treatment: Indicates the financial status of the office or section.

Maximum: The maximum number of people who can occupy this office or section.

Optimum: The optimum number of people who can occupy this office or section.

Utilized: The amount of space occupied. This information is derived automatically based on what you enter here.

Vacancy: The amount of space that is vacant. This information is derived automatically based on what you enter here.

Area region

Rentable: The rentable space in the office or section.

Assignable: The assignable space in the office or section. This amount cannot be greater than the rentable area, if specified.

Common Flag: Indicates if the space is a common area.

Common: The common space in the office or section.

Usable: The usable space in the office or section.

Secondary Circulation: The amount of secondary circulation. Property Manager calculates this amount based on the following formula:

Usable Area - (Common Area + Assignable Area)

Vacant: The vacant space in the office or section. This information is derived automatically, based on what you enter here.

Usage region

Space Type: The type of space. For example, File Room.

Function Type: How the space is used currently. For example, the space may have been designed for use as a Cubicle, but it is actually being used as a Printer Room.

Standard Type: The type of user who uses this space, for example, director, vice president, or individual contributor.

Bookable Flag: Select the Bookable Flag check box to specify that employees can book the location for events such as meetings or appointments.

Related Topics

Building Window Reference, page 3-16

Defining Offices, page 3-12

Defining Land, Sections, and Parcels, page 3-13

Modifying Property Information

Once you create a location (building, floor, office, or land, parcel, and section), you can modify the details you provided for the location using the appropriate window. See Setting Up Property, page 3-4.

However, there are certain implications of changing the dates and area. See Changing From and To Dates, page 3-22 and Modifying Space Assignments, page 4-11.

Also, you cannot modify the alias for a location from the relevant window. For example, you cannot change the location alias for a building from the Building window. For details on changing the location alias, see Changing Location Alias, page 3-30.

Changing From and To Dates

When you change From and To dates for a location, Property Manager ensures that the dates are valid. When you set up a building or land, you are required to assign a From date to the building or land. You can also optionally assign a To date. If you set up floors and offices or parcels and sections beneath the building or land, Property Manager defaults the From and To dates for the building or land to the child locations beneath it (floors and offices or parcels and sections). You can change the From and To dates of the child locations, but these dates must be within the From and To dates of the building or land.

Changing From and To Dates for a Building or Land

Note: Changing the From and to Dates for land is the same as for buildings. Although this section refers only to buildings, the information also applies to land.

If you change the From date to an earlier date, it will not change the From dates of the floors and offices. If you change the From date to a later date, you receive a message indicating that Oracle Property Manager will automatically change the From dates of the floors and offices as well. Click Yes if you want to continue with changing the dates.

Similarly, if you change the To date to a later date, it will not change the To dates of the floors and offices. However, if you change the To date to an earlier date, you will get a message indicating that Property Manager will automatically change the To dates for the floors and offices as well.

Example

Your company has a building with a location code of B1. Building B1 has a child location with a location code of F1. Floor F1 has From and To dates that are defaulted from the building From and To dates as shown in the following table:

Location Code	Location Type	From Date	To Date
B1	Building	01-JAN-2003	31-DEC-2003
F1	Floor	01-JAN-2003	31-DEC-2003

The results of changing the From and To dates are shown in the following table:

Change to Building B1	Result
Change the From date to an earlier date, for example, 01-JAN-2002.	Property Manager changes the From date of the building. The From date of the floor does not change.

Change to Building B1	Result
Change the From date to a later date, for example, 01-JUL-2003.	When you save the change, you receive a message indicating that Property Manager will automatically change the date for the child locations (Floor F1) as well. Choose Yes to make the change, or No to cancel the change. If you choose Yes, both Building B1 and Floor F1 will now have a From date of 01-JUL-2003.
Change the To date to a later date, for example, 01-JUL-2003.	Property Manager changes the To date of the building. The To date of the floor does not change.
Change the To date to an earlier date, for example, 01-JUL-2002.	When you save the change, you receive a message indicating that Property Manager will automatically change the date for the child locations (Floor F1) as well. Choose Yes to make the change, or No to cancel the change. If you choose Yes, both Building B1 and Floor F1 will now have a To date of 01-JUL-2002.

Changing From and To Dates for Floors

Note: Changing the From and to Dates for parcels is the same as for floors. Although this section refers only to floors, the information also applies to parcels.

If you change the From or To date of a floor, Property Manager allows it, as long as it is within the From and To dates of the building. If you try to enter a From date that is earlier than the From date of the building, you receive a message when you try to save the change indicating that the date is outside the effective dates for the building. Similarly, if you enter a To date that is later than the To date of the building, when you try to save the change, you receive a message indicating that the date is outside the effective dates for the building.

Example 1

Building B1 has the following From and To dates as shown in the following table (the dates for Floor F1 are defaulted from Building B1):

Location Code	Location Type	From Date	To Date
B1	Building	01-JAN-2003	31-DEC-2003
F1	Floor	01-JAN-2003	31-DEC-2003

The results of changing the From or To dates of Floor F1 are shown in the following table:

Change to Floor F1	Result
Change the From date to a date within the effective dates of Building B1, for example, 01-JUN-03.	Property Manager changes the From date of Floor F1 to 01-JUN-03.
Change the From date to a date outside the effective dates of Building B1, for example, 01-JAN-2002.	Property Manager does not allow the change. When you try to save the change, you receive a message indicating that the date you have entered is outside of the effective dates for the building, and Property Manager does not save the change. You need to reenter the original date or enter a new From date that is within the effective dates of the building.
Change the To date to a date within the effective dates of Building B1, for example, 31-OCT-03.	Property Manager changes the To date of Floor F1 to 31-OCT-03.
Change the To date to a date outside the effective dates of Building B1, for example, 30-APR-2004.	Property Manager does not allow the change. When you try to save the change, you receive a message indicating that the date you have entered is outside of the effective dates for the building, and Property Manager does not save the change. You need to reenter the original date or enter a new To date that is within the effective dates of the building.

Example 2

Floor F2 and Office O2 have the following From and To dates as shown in the following table:

Location Code	Location Type	From Date	To Date
F2	Floor	01-JAN-2002	31-DEC-2003
O2	Office	01-JAN-2003	31-DEC-2003

The results of changing the To date of Floor F2 are shown in the following table:

Change to Floor F2	Result
Change the To date to 31-DEC-2002.	Property Manager deletes the Office O2 record, assuming there are no active space assignments associated with Office O2. If there is a lease or an active space assignment associated with Office O2, Property Manager does not allow the change.

Changing From and To Dates for Offices

Note: Changing the From and to Dates for sections is the same as for offices. Although this section refers only to offices, the information also applies to sections.

If you change the From or To date of an office, Property Manager allows it, as long as it is within the From and To dates of the building or floor. If you try to enter a From date that is earlier than the From date of the building or floor, you receive a message when you try to save the change indicating that the date is outside the effective dates for the building or floor. Similarly, if you enter a To date that is later than the To date of the building or floor, when you try to save the change, you receive a message indicating that the date is outside the effective dates for the building or floor.

The results of changing From and To dates for offices is similar to changing From and To dates for floors. See: Changing From and To Dates for Floors, page 3-24.

Correcting and Updating Location Records

When you change location area information, such as the rentable area or the usable area of an office, you can choose to either correct or update the record:

- **Correct:** If you choose to correct the record, the new value will simply replace the old value.

- Update: If you choose to update the record, you are required to enter a new From date indicating when the change becomes effective.

Example

You have an office with an assignable area of 1000 square feet, and you want to change the assignable area to 1200 square feet. The original record contains the information shown in the following table:

Location Code	Location Type	From Date	To Date	Assignable Area
Off1	Office	01-JAN-2003	31-DEC-2003	1000

When you change the assignable area, if you choose to correct the record when saving your changes, Property Manager will simply update the record with the new assignable area as shown in the following table:

Location Code	Location Type	From Date	To Date	Assignable Area
Off1	Office	01-JAN-2003	31-DEC-2003	1200

If you choose to update the record when you save your changes, you will be required to enter a new From date indicating when the change is effective. You enter a From date of 01-JUL-2003. In this case, Property Manager creates two records as shown in the following table:

Location Code	Location Type	From Date	To Date	Assignable Area
Off1	Office	01-JAN-2003	30-JUN-2003	1000
Off1	Office	01-JUL-2003	31-DEC-2003	1200

You can use the Correct and Update function to change the following fields at the building/land level:

- Name
- Property
- Tenure

- Class
- UOM
- Gross

You can use the Correct and Update function to change the following fields at the floor/parcel level:

- Floors
- Space Type
- Function Type
- Standard Type

You can use the Correct and Update function to change the following fields at the office/section level:

- Office
- Suite
- Rentable
- Assignable
- Common Flag check box
- Common
- Usable
- Maximum
- Optimum
- Space Type
- Function Type
- Standard Type

Changing Location Records with Active Space Assignments

Property Manager does not allow you to change the From or To date of a location that has an active space assignment, if the change affects the dates of the space assignment. In this case, you must either change the dates of the space assignment so they

correspond to the dates of the location, or reduce the percentage of area assigned to zero percent.

Property Manager also will not allow you to enter an assignment during a time period in which the location is not effective. If you try to do this, you receive a message indicating that you need to enter dates that are within the effective dates of the location.

Example

You have an office with effective dates from 01-JAN-2003 to 31-DEC-2004, as shown in the following table:

Location Code	Location Type	From Date	To Date	Rentable Area	Usable Area
Off2	Office	01-JAN-2003	31-DEC-2004	2000	1800

Office Off2 has the space assignment shown in the following table:

Location Code	Employee Name	From Date	To Date	% Assigned
Off2	Mr. Brian Adams	01-JAN-2003	31-DEC-2004	100

You change the To date for office Off2 to 31-OCT-2004, but Oracle Property Manager does not allow you to save the change, because there is an active space assignment.

You can either enter a valid date that is within the effective dates of the space assignment, or reduce the percentage of space assigned to zero percent as shown in the following table:

Location Code	Employee Name	From Date	To Date	% Assigned
Off2	Mr. Brian Adams	01-JAN-2003	31-DEC-2004	0

After changing the percentage assigned to 0 percent, you change the To date of the office to 31-OCT-2004, as shown in the following table:

Location Code	Employee Name	From Date	To Date	% Assigned
Off2	Mr. Brian Adams	01-JAN-2003	31-OCT-2004	0

You can then change the percentage assigned to 100 percent, as shown in the following table:

Location Code	Employee Name	From Date	To Date	% Assigned
Off2	Mr. Brian Adams	01-JAN-2003	31-OCT-2004	100

Changing the Location Alias

You can change the alias of a building, floor, or office (or land, parcel, or section) by running the Update Location Alias concurrent program. After the concurrent program completes successfully, the new alias will appear when you query for the location.

For example, assume you have created a building (location code: B1) with five floors. Floor F2 has three offices: O1, O2, and O3. You want to rename Floor F2 as Floor F2A. After running the concurrent program (one time only) to change the floor alias, the location code for the floor will be B1-F2A and those of the offices, B1-F2A-O1, B1-F2A-O2, and so forth. So, when you change the location code of the floor, the location codes for the child locations (offices) also change.

For details on running the concurrent program, see Update Location Alias, page B-32.

Managing Equipment on an Expense Lease

Oracle Equipment lease-for lessee provides the lessee with the ability to manage an equipment lease portfolio (from only expense leases) in an efficient manner. This helps the lessee meet the compliance requirement of IFRS and US GAAP. Equipment leases can also be added as a separate responsibilities without configuring Oracle Property Manager. All of the setups needed for equipment leases are hosted in the same responsibility. You can create new expense leases for equipment taken on lease. The contract lifecycle for the equipment can be managed using an OA page. The solution for compliance with leasing accounting standards for IFRS16 and ASC842 is extended to equipment leases as well, using almost similar infrastructure.

Managing Space Assignments

This chapter details the tasks you must perform to assign, administer, view, and modify space assignments efficiently using Oracle Property Manager.

This chapter covers the following topics:

- Overview of Space Assignment
- Assigning Space to Employees and Cost Centers
- Modifying Space Assignments
- Deleting Employee Space Assignments
- Viewing Space Assignments
- Space Assignment Window Reference
- Synchronizing Employee Cost Centers with Oracle Human Resources
- Computer-Assisted Facilities Management

Overview of Space Assignment

Use the Space Assignment window to assign, modify, search, and view space assignments. You can assign locations to employees and cost centers. You can modify space assignments to update records or correct assignment information. You can query all space assignments for a particular building, floor, office, land, parcel, or section. You can also query space assignments for a particular employee, customer, or cost center. You can search for assignments in effect on a specific date. This functionality enables you to plan space assignments in advance and search for future vacancies.

Note: You must use the Lease window to create a customer space assignment. A location is automatically assigned to a customer when you add a location, with a customer, to a revenue lease. See *Assigning Space to Customers*, page 5-39.

In the Space Assignment window, you can view the amount of rentable, assignable,

usable, and vacant space for a particular area. You can also view the maximum and optimum number of occupants for a space and the number of vacant work spaces.

Oracle Property Manager has two system options that affect space assignment functionality:

- Automatic Space Distribution
- Use SYSDATE to Record each Space Assignment

For information on the system options, see System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

If you use computer-assisted facilities management (CAFM) software, you can transfer employee space assignment information between Oracle Property Manager and your CAFM application.

This discussion includes the following topics:

- Assigning Space to Employees and Cost Centers, page 4-2
- Modifying Employee Space Assignments, page 4-11
- Deleting Employee Space Assignments, page 4-13
- Viewing Space Assignments, page 4-14
- Space Assignment Window Reference, page 4-15
- Computer-Assisted Facilities Management, page 4-20

Related Topics

Assigning Space to Customers, page 5-39

Assigning Space to Employees and Cost Centers

You use the Space Assignment window to assign space to employees or directly to cost centers.

Oracle Property Manager allows you to enter From and To dates to reflect projected occupancy dates. The From date defaults from the date entered in the As of Date field in the Find Space Assignments window. The To date is usually left blank to indicate that the employee assignment is still active. You can enter this date when the assignment ends.

You can assign any space that you have previously set up, whether it is an individual office, a group of offices, a floor, or an entire building to an employee or to a cost center.

You can assign a single office to a single employee or to several employees if the

employees are to share the same space. You can also assign one employee to several offices. You might want to do this when the employee works for different cost centers at different times, and you want to charge each cost center for its use of the space.

Oracle Property Manager also keeps track of additional office space information, including:

- The space available (vacant space) in a building, floor, office, land, parcel, or section on a particular date.
- The space at any location that is rentable.
- The space at any location that is usable.
- The space at any location that is assignable.
- The occupancy level at the building, floor, or office level, and the land, parcel, or section level.

This information can help you determine the most efficient way to utilize your office space, and also provides for a quick summary of space utilization statistics as of any given date.

You can also view the history of space assignments for a location over time.

Using the Find Space Assignments Window

The Find Space Assignments window is displayed when you want to create new space assignments or view existing ones. From the Find Space Assignments window, you can select the New button to create a new assignment or you can enter parameters and select the Find button to search for specific space assignments. You can search by operating unit, location, employee, cost center, or customer. You can locate *space assignments* or *vacancies* by date.

Note: You can also create new space assignments when you select the Find button to open the Space Assignments window.

You can search using the following parameters:

- **Operating Unit:** Select the operating unit to which the assignment you are looking for belongs.

Note: You can search for employee space assignments without specifying an operating unit. However, you must specify an operating unit when searching for cost center space assignments, and when searching for employee space assignments based on cost center or customer space assignments based on account.

- **Location Type:** Select building, floor, office, land, parcel, or section.
- **Location Code:** Enter the location code
- **Suite:** Specify suite number.
- **As of Date:** Enter a date to find assignments that are in effect on that date. The default value for this field is the current date but you can enter any date you want.

For example, Office 1030 is assigned to employee Elisa Tam for the period January

1, 2001 to December 31, 2001. If you enter February 24, 2001 in the As of Date field when searching for this location, Oracle Property Manager will show Elisa Tam assigned to Office 1030. If you enter February 24, 2002, Oracle Property Manager will retrieve the location but will show no one assigned to the office.

The As of Date is required when you access the Find Space Assignments window from the navigator by selecting Assign Space. It is optional if you open this window from View Space Assignments in the navigator. For more information on the functionality associated with this field, see: As of Date, page 4-5.

- **Assigned To:** Select Employee to search for space assignments for all employees. Select Customer to search for all customer records. The default value is null. If you leave this field blank, you can enter other search criteria to find space assignments for specific employees or customers in the tabbed regions of the Find Space Assignments window. For customers, you can search by customer name, site, account, or category. For employees, you can search by employee name, number, or cost center.

Note: The Employee Name and Employee Number fields only display information for employees who are active (in Oracle Human Resources) on the specified As of Date. If you do not specify a date, employee information is only displayed for employees who are active on the current date.

As of Date

Keep the following points in mind when selecting an As of Date:

- When creating a new assignment, the As of Date is the default From date. If you change the From date after opening the Space Assignment window, the area and occupancy information changes to reflect data as of the new From date.
- Your ability to modify space assignments based on an As of Date depends on how the Use SYSDATE to Record Space Assignment system option is set. See: Modifying Employee Space Assignments, page 4-11.
- If you do not specify an As of Date when viewing space assignments, Oracle Property Manager displays all space assignments. If you enter a date, all space assignments active as of the date you entered are displayed.

Assigning Space to Employees and Cost Centers

Prerequisites:

- Set up the locations to which you want to assign entities. See: Managing Properties, page 3-1.

- Set up employees. If you have Oracle Human Resources installed, use the People window. See: *Entering a New Person, Managing People Using Oracle HRMS*. If you do not have Oracle Human Resources installed, use the Enter Person window. See *Enter Person, Managing People Using Oracle HRMS*.

Assigning Space to an Employee

To assign a location to an employee:

1. From the Navigator, choose Assignments and Assign Space.
2. In the Find Space Assignments window, enter information about the location to which you want to assign employees, such as operating unit, location type and location code. Change the As of Date, as necessary. Select the Find button to find the location.

Note: Alternately, you can select the New button to create a space assignment without searching for a location. You will then have to enter operating unit and location information or select it from the list of values. The As of Date is set to the From date by default. However, you can change it, if necessary.

Operating Unit	From	To	Location Type	Location Code
Vision Operations			Office	YMB1-2-F
Vision Operations			Office	YMB1-3-G
Vision Operations	24-JUL-2003		Office	YMB1-3-H
Vision Operations			Office	YMB1-3-I
Vision Operations			Land	YML1
Vision Operations			Building	YMB2
Vision Operations			Floor	YMB2-1
Vision Operations			Floor	YMB2-2
Vision Operations			Floor	YMB2-3

Area

Rentable	18000	Vacant	17100
Usable	17100		
Assignable	17100		

Occupancy

Maximum	90	Vacancy	90
Optimum	72		
Utilized	0		

3. Select the operating unit.
4. In the Employee tabbed region of the Space Assignment window, change the default From date, if necessary. Enter a To date, if you know the length of time the employee will occupy the space.
5. Optionally, select a project and its associated task.
6. Enter the name of the employee you want to assign to this location, and the employee's cost center. The employee number and other employee-related information are automatically defaulted from Oracle Human Resources, if the information is available.
7. Enter a percentage value in the % Assigned field to assign a percentage of the assignable area for the location or enter the actual area occupied in the Area field.

The system administrator can set the Automatic Space Distribution system option to control whether users specify the assigned space percentage or if the system calculates it automatically. If the Automatic Space Distribution system option is set to yes, when you create new assignments, the % Area and Area fields are grayed out and the space is distributed equally among the occupants. You need to query the assignment to see the values that are automatically inserted into these fields. For more information, see: System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

You can assign a single employee to more than one space simultaneously. If you attempt to assign a previously assigned employee to another space within an

overlapping period, the system asks whether you want to re-assign the employee or approve the additional assignment according to the following selections:

- Reassign: The current assignment is end-dated and the additional assignment is accepted.
- Approve: The additional assignment is accepted.

If you attempt to assign an employee to a space that is already occupied by another employee within the same period, the system will display a warning. The assignment is accepted if there is sufficient vacant space and according to the setting of the Auto Space Distribution system option as follows:

- Yes: The space is distributed proportionately among the assigned employees.
- No: The system automatically creates the assignment. The assignment is only accepted if the space is not currently fully occupied. By default, any remaining space is assigned to the new occupant.

You can even assign an employee to a space the employee already occupies for the same period if the second assignment is to a different cost center. This allows the allocation of the employee's space usage to more than one cost center.

8. Enter the number of employees occupying this space assignment in the Utilized field. The default is 1, but you can change it to any number if necessary. The total number of people assigned to the location is shown in Utilized field in the Occupancy region.
9. Save your work.

Assigning Multiple Employees to a Location

To assign multiple employees to a location:

1. To assign an additional employee to a location, open the existing space assignment for the location.
2. With the cursor in the original record, choose File, then New.
3. Repeat steps 4-8 of **Assigning a Location to an Employee** described above to assign the location to the employee. Verify that the dates and the location type are correct.

When you save a second assignment for the same location, Oracle Property Manager displays an alert message to warn you if there are future assignments for the location and the sum of space assigned exceed 100%.

- If an existing future assignment overlaps the new assignment you want to set up, and sum of the assigned space exceeds 100%, Oracle Property Manager will

set the end date of the new assignment to a day before the start date of the existing assignment.

For example, Employee A is assigned to Office 100 starting January 1, 2003, with 80% area. You assign Employee B to the same office as of September 1, 2002, with 40% area. Upon saving, Oracle Property Manager displays an alert message. Select Okay and Oracle Property Manager inserts December 31, 2002 into the To field to end the new assignment before the existing future assignment. Employee B is now assigned to Office 100 from September 1, 2002 to December 31, 2002, with 40% area.

- Oracle Property Manager also prevents you from over-assigning space. If you try to assign space that exceeds the available, vacant space for a location, you get an error message and cannot save the assignment. For example, an office has a maximum occupancy of 2 and 2 employees are assigned to the office. You will not be able to assign another employee to the office. Likewise, if an office has 100 square feet of space available, you will not be able to assign 120 square feet to an employee.

Click OK to create the second assignment.

Assigning an Employee to Multiple Locations

To assign one employee to multiple locations:

1. Query the new location that you want to assign to an employee.
2. Enter the From date, and To date if known.
3. Enter the employee information. A Decision window is displayed.



When you create a space assignment for an employee who is already assigned to a previous location, Oracle Property Manager gives you the option to approve the creation of an additional assignment, reassign the employee from one location to another, or cancel the assignment.

- Selecting the Approve button creates a new space assignment and preserves the existing assignment. For example, an employee is assigned to Office 100 from

January 1, 2001 to December 31, 2001. You want to assign the employee to an additional location, Office 200 for the period May 1 to December 31, 2001. Hence, you select the Approve button in the Decision window. The employee is now assigned to two offices as shown in the table below.

Office	From	To
100	01-JAN-2001	31-DEC-2001
200	01-MAY-2001	31-DEC-2001

- If you select the Reassign button, Oracle Property Manager will end date the original assignment one day prior to the From date of the new assignment or April 30, 2001, as shown in the table below. For information about reassigning an employee, see Modifying Space Assignments.

Office	From	To
100	01-JAN-2001	30-APR-2001
200	01-MAY-2001	31-DEC-2001

4. Enter the remaining information following the steps for assigning an employee.
5. Save your work.

Assigning Space to a Cost Center

The steps to assign space to a cost center are very similar to assigning space to an employee. The same rules for assigning employees to a location apply to assigning multiple cost centers to a location and multiple locations to a cost center. For more information, see Assigning Space to an Employee, page 4-6.

Important: When you assign space to a cost center (and not to a particular employee), you can create multiple overlapping space assignments for the same cost center.

1. From the Navigator, choose Assignments and Assign Space.
2. In the Find Space Assignments window, enter information to find the location you want to assign. Change the As of Date as necessary. Select the Find button.

3. In the Employee tabbed region of the Space Assignments window, enter a From date and optionally a To date.
4. Enter the cost center, % area or area, and utilized information.
5. Save your work.

Modifying Space Assignments

Oracle Property Manager modifies space assignments in either of the following ways:

- Automatically, when you change the location area, or, when you change tenancy assigned area (in lease).
- When you manually change employee space assignments.

For more information on tenancies and customer space assignments, see *Assigning Space to Customers*, page 5-39.

Use the Space Assignment window to make changes in space assignments. You can make corrections or update information. If you choose to correct information, such as changing a cost center number from 450 to 540, the old information is not saved. If you choose to update information, such as moving an employee from one office to another or changing a cost center number, the old information is preserved including the dates it was effective, when the new information is saved.

Important: If the Use SYSDATE to Record Space Assignment system option is set to Yes, you can modify employee or cost center space assignments only if they are currently active. Also, all modifications must be as of the current date. If you specify an As of Date other than the current date in the Find Space Assignments window, the information in the Space Assignments window is read-only. For more information, see System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Removing Employees from a Location

To remove an employee from a location:

1. From the Navigator, choose Assignments and Assign Space and query the location occupied by the employee you are removing.
2. In the Employee region of the window, select the row for the employee you are removing.
3. Enter an end date in the To field.

4. Save your work.

If you have set the Automatic Space Distribution system option to Yes, Oracle Property Manager redistributes the location space among the remaining employees from the day following the date you have specified. That is, Oracle Property Manager

1. End dates the assignments of all employees in that location for the date you specify
2. Creates new assignments for the remaining employees beginning on the following day, with the new apportionment of space

Note: If you want to remove multiple employees from a space on the same date, you should first enter an end date for one employee and save the record. You can then delete the new assignments generated by Oracle Property Manager for the other employees being removed on the same date. See *Deleting Employee Space Assignments*, page 4-13.

Modifying Space Assignment Details

You can make changes to existing space assignments to update information or to correct errors.

1. From the Navigator, choose Assignments and Assign Space. Query the assignment you want to modify. Change the As of Date in the Find Space Assignments window, if necessary, to find past dated or future dated assignments.
2. In the Employee tabbed region of the Space Assignment window, enter the new cost center in the Cost Center field.
3. Save your work. A Decision window opens.
4. Select the Update button to save your changes as a new space assignment record. Oracle Property Manager inserts a To date into the original space assignment record. This date is one day prior to the As of Date.

Changing Cost Center Assignment Example

For example, Employee A is assigned to an office with a start date of March 1, 2002. After a reorganization, the cost center changes from 420 to 300 effective January 1, 2003. Query the assignment using January 1, 2003 for the As of Date. Enter the new cost center number in the space assignment and save. Select the Update button in the Decision window and a new space assignment is created as shown in the following table:

Cost Center	From	To
420	01-MAR-2002	31-DEC-2002
300	01-JAN-2003	No To Date Specified

If you select the Correct button, Oracle Property Manager saves your changes without creating a new record. No history of your previous space assignment information is maintained. The space assignment for Employee A is as shown in the following table:

Cost Center	From	To
300	01-MAR-2002	No To Date Specified

The Use SYSDATE to Record Space Assignment system option determines the date on which changes can be made to space assignments. To be able to modify space assignments as of any date, even retroactively, this system option must be set to No.

In the previous example, assume that the system option is set to Yes and the current date is January 20, 2003. You cannot modify the cost center unless you specify January 20, 2003 as the As of Date in the Find Space Assignments window when searching for the assignment. However, if the system option is set to No, you can change the cost center as of any date.

Removing Employees Listed as Nonactive in Human Resources:

Run the Employees Deleted from Space Allocation concurrent program to remove employees listed as inactive in Human Resources. This program compares employee records in Human Resources with employee records in Oracle Property Manager and enters termination dates, which appear in the To field when you query these assignments in Oracle Property Manager.

The concurrent program then produces the Employees Deleted From Space Allocation Report, which lists employees for whom Property Manager has entered end dates.

Related Topics

Employees Deleted from Space Allocation, page B-14

Employees Deleted From Space Allocation Report, page 11-5

Deleting Employee Space Assignments

You can delete employee space assignments from the Space Assignment window. You

may wish to delete employee space assignments for several reasons, such as

- Correcting data entry mistakes
- Deleting unwanted system-generated space assignments. See *Removing Employees from a Location*, page 4-11.

To delete an employee space assignment:

1. From the Navigator menu, select **Assignments** and then select **Assign Space**.
2. In the **Find Space Assignments** window, query for the assignment or assignments you want to delete.
3. In the **Employee** tabbed region of the **Space Assignment** window, click on the record you want to delete.
4. From the **Edit** menu, select **Delete**.
5. Save your work.

If you have set the **Automatic Space Distribution** system option to **Yes**, Oracle Property Manager automatically distributes the location space among the remaining employees once you save the changes.

Viewing Space Assignments

You can view existing space assignments for an employee, customer, or cost center. You cannot make any changes when viewing space assignments.

You can also view the history of all assignments for a location.

To view space assignments:

1. From the Navigator, choose **Assignments** and **View Space Assignments**.
2. Optionally, select an operating unit. You must specify an operating unit if you want to search based on cost center or account (for customer space assignments.) For more information, see *Using the Find Space Assignments Window*, page 4-3.
3. In the **Find Space Assignments** window, enter the employee, customer, or cost center, the location code and date for which you want to view space assignments.
4. Click **Find**.

The **Space Assignment** window displays any assignments assigned to the employee, customer, or cost center.

Note: If there are multiple assignments listed, the information displayed in the Area and Occupancy regions corresponds to the first record. If you want to see Area and Occupancy information for another record, you need to click in that record.

To view all space assignments for a location over time:

1. From the Navigator, select Assignments and View Space Assignments.
2. In the Find Spaces Assignments window, enter the location code. Remove the date in the As of Date field.
3. Select the Find Button. The Space Assignments window opens showing all assignments that have ever been created for the location.

Space Assignment Window Reference

This section describes the fields in the Space Assignment and View Space Assignment windows.

Employee Tabbed Region

Operating Unit: The operating unit to which the location belongs. Once you save a space assignment, you cannot modify the operating unit.

Location Code: The location code that identifies the building, floor, office, land, section, or parcel.

Name: Name of employee, from Oracle Human Resources.

Location Type: The type of space. Can be any of the following: building, floor, office, land, parcel, or section.

From: The date on which the employee will begin occupying the space. This date defaults to the As of date entered in the Find window, but can be changed manually.

To: The date on which the employee will stop occupying the space.

Suite: The name or suite number. This field allows you to subdivide offices or sections.

Project Number: The project number associated with the space assignment. The Project Number LOV displays projects created only for the operating unit you have selected.

Task: The name of the project task.

Organization: The name of the project organization. This field is read-only and is populated based on the project you select.

Type: The occupant type, such as an employee or contractor. If this information exists

for the employee (in Oracle Human Resources), it is displayed in this field. This field is read-only.

Category: The employee category, such as full-time or part-time. If this information exists for the employee (in Oracle Human Resources), it is displayed in this field. This field is read-only.

Job: The employee job. This is a generic job title, which is independent of any single organization, for example, manager. If this information exists for the employee (in Oracle Human Resources), it is displayed in this field. This field is read-only.

Position: The employee's position. This title is specific to a particular organization, for example, finance manager. If this information exists for the employee (in Oracle Human Resources), it is displayed in this field. This field is read-only.

Work Phone: The employee's work phone. If this information exists for the employee (in Oracle Human Resources), it is displayed in this field. This field is read-only.

E-mail: The employee's e-mail address. If this information exists for the employee (in Oracle Human Resources), it is displayed in this field. This field is read-only.

Cost Center: The employee's cost center. When you select the employee, Oracle Property Manager derives the default cost center based on the ledger and default expense account associated with the employee in Oracle Human Resources. If required, you can select a different cost center from the list of values. For information on creating employees, see *Entering a New Person, Managing People Using Oracle HRMS*.

% Area: The percentage of the assignable area in a location, for example, an office, that is assigned to an individual employee. You can enter 0 percent if the amount is not yet known.

Note: You cannot assign a percentage of a floor, a building, land, or a parcel to an employee or cost center. You can only assign a percentage of an office or section to an employee or cost center.

Area: The amount of space in a location that is assigned to an employee. This amount is based on the assignable area and is dependant on the amount in the % Area field.

UOM: The unit of measure used to measure the area of the assigned space. You specify the UOM in the Building window. For more information, see *Defining Buildings*, page 3-6.

Utilized. The total utilized assignments for the specified location. This field is usually used to indicate head count, but can also be used to count assigned work stations.

Comments: Any comments regarding the space assignment.

Customer Tabbed Region

The Customer and Employee tabs of the Space Assignment window share several fields. For descriptions of common fields, see: *Employee Tabbed Region*, page 4-15.

Note: Fields in the Customer tabbed region are read only. For details on customer space assignments, see *Assigning Space to Customers*, page 5-39.

Location Code: The location code that identifies the building, floor, office, land, section, or parcel.

Location Type: The type of space, for example, building or land.

From: The date on which the customer occupies the space. Because customer space assignments are generated automatically when you create a revenue lease or a sublease, Oracle Property Manager uses the Actual Occupancy Date you enter in the Locations tab of the Lease window as the From date.

If you have not entered an Actual Occupancy Date, Oracle Property Manager uses the Estimated Occupancy Date as the From date.

To: The date on which the customer will stop occupying the space.

Customer Name: The name of the customer. The value in this field is defaulted automatically from Oracle Receivables.

Category: The customer category. If this information exists in Oracle Receivables, the value in this field is defaulted automatically.

SIC Code: The standard industry classification code for the customer. If this information exists in Oracle Receivables, the value in this field is defaulted automatically.

Customer Class: The customer class. This field is used to classify customers by industry, location, or size. If this information exists in Oracle Receivables, the value in this field is defaulted automatically.

Profile Class: The profile class. This field is used to classify customers by credit worthiness, business volume, and payment cycles. If this information exists in Oracle Receivables, the value in this field is defaulted automatically.

Account: The customer's account number.

Status: The customer's rank. If this information exists in Oracle Receivables, the value in this field is defaulted automatically.

Recovery Space Standard: See *Recovery Window References*, page 8-53.

Financial Obligation End Date: This field is enabled for billing leases. See *Location Tabbed Region Window References*, page 5-28.

Area Region

Rentable: The amount of rentable space in the specified location.

Usable: The amount of usable space in the specified location.

Assignable: The amount of assignable space.

Vacant: The amount of vacant space in the specified location. Oracle Property Manager calculates the vacant space using the following formula:

Assignable area - assigned area

Occupancy Region

Maximum: The maximum number of occupants permitted in the specified location.

Optimum: The optimum number of occupants permitted in the specified location.

Utilized: The number of occupants assigned to the specified location.

Note: Oracle Property Manager allows the utilized amount to exceed the maximum amount. However, vacancy cannot be a negative number, and must remain at zero.

Vacancy: The number of vacant work spaces. Oracle Property Manager calculates the vacant space using the following formula:

Maximum occupancy- utilized

Related Topics

Assigning Office Space to Employees and Cost Centers, page 4-2

Assigning Office Space to Customers, page 5-39

Modifying Employee Office Space Assignments, page 4-11

Managing Properties, page 3-1

Synchronizing Employee Cost Centers with Oracle Human Resources

When you create an employee space assignment, the Cost Center field is automatically populated with the cost center assigned to the employee in Oracle Human Resources. For details on cost center derivation, see: Space Assignment Window Reference, page 4-15.

Thereafter, space assignments are not updated automatically to reflect changes to employee cost center assignments in Oracle Human Resources. You must use the Cost Center Synchronization with HR concurrent program to update cost center information in employee space assignments.

Example: Synchronize Employee Cost Center

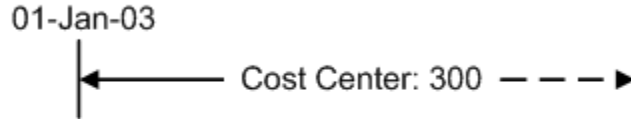
The example below illustrates how the Cost Center Synchronization with HR concurrent program synchronizes employee cost center assignments in Oracle Property Manager with those in Oracle Human Resources.

In Oracle Human Resources, an employee, Jane Doe, is created on January 01, 2003 and assigned to cost center 300.

In Oracle Property Manager, Jane Doe is assigned office space from January 01, 2003 to December 31, 2003. The cost center associated with the space assignment is Jane Doe's cost center in Oracle Human Resources.

The following diagram illustrates these cost center assignments.

Oracle Human Resources: Jane Doe



Oracle Property Manager: Jane Doe



On July 01, 2003, Jane Doe's cost center changes to 550 in Oracle Human Resources.

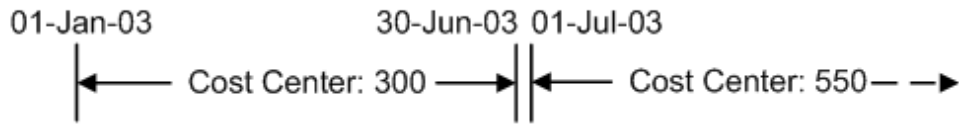
In Oracle Property Manager, the Cost Center Synchronization with HR concurrent program is run on July 31, 2003 to update the cost center information in Jane Doe's space assignment with her new cost center. The As of Date specified is July 01, 2003. Therefore, Jane Doe's space assignment is modified as follows:

- The original space assignment (with cost center 300) is terminated on June 30, 2003.
- A new space assignment (with cost center 550) is created between July 01, 2003 and December 31, 2003.

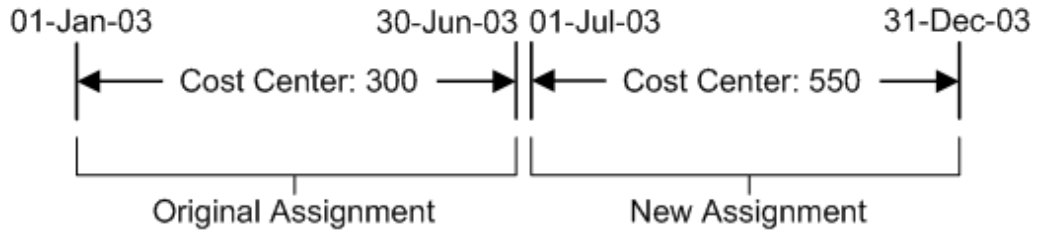
Note: The concurrent program splits space assignments based on the As of Date specified in the Parameters window. For details, see: Cost Center Synchronization with HR, page B-11.

The following diagram illustrates the new cost center and space assignments.

Oracle Human Resources: Jane Doe



Oracle Property Manager: Jane Doe



Related Topics

Cost Center Synchronization with HR, page B-11

Computer-Assisted Facilities Management

Use the open interfaces provided by Oracle Property Manager to export property information to Oracle-partner computer-assisted design (CAD) or computer-assisted facilities management (CAFM) applications. CAFM applications have specialized property management features that display images of the following property information:

- Floor plans with measured location information
- Employee space assignment information

Similarly, you can import data from your CAD or CAFM applications. You can then view area and usage information in the appropriate Oracle Property Manager windows.

Oracle Property Manager supports the Building Owners and Managers Association (BOMA) and International Facilities Management Association (IFMA) standards. If you follow these standards for space measurement while creating data in your CAD or CAFM application, you can import the data into Oracle Property Manager without any special implementation.

Important: Consider the following when exporting or importing information:

- IFMA standards require you to enter information for the rentable, usable, and assignable areas of a location, and for primary and

secondary circulation.

- BOMA standards do not recognize the concepts of assignable area or of primary and secondary circulation.

You can use descriptive flexfields to accommodate up to fifteen additional data elements, which do not follow BOMA or IFMA standards, from your CAD or CAFM application.

Related Topics

Setting Up Property, page 3-4

Export to CAD Interface, page B-17

Import from CAD Interface, page B-21

Property Manager Open Interfaces, *Oracle Property Manager Implementation Guide*

Managing Leases

This chapter details the tasks you must perform to abstract leases and administer them effectively using Oracle Property Manager.

This chapter covers the following topics:

- Overview of Lease Administration
- Understanding the Lease Abstraction Process
- Abstracting Leases
- Assigning Space to Customers
- Creating Milestones
- Payments and Billings Overview
- Setting Up Payments
- Setting Up Billing
- Normalizing Payments or Billings
- Approving and Canceling Approval of Schedules
- Prepaying Rent Payments or Billings
- Reviewing Leases
- Modifying Leases
- Leases Windows
- Equipment Leases

Overview of Lease Administration

You can automate your lease administration processes by using the lease management features included in the Leases window. You can also manage the calculation of rent amounts and the creation of schedules for invoices. You can set up milestones that correspond to required decisions and actions you need to take at specific times.

Milestones help you keep track of these decisions and actions and handle them on a timely basis.

The Leases window and the schedule creation feature will help you to expedite many lease management tasks, such as:

- Abstracting the lease and related documents to identify basic information about the terms of the lease, as well as information about the parties to the lease.
- Staying informed about decisions you have to make and tasks you have to perform on a timely basis.
- Setting up and authorizing payment schedules, and exporting schedules to Oracle Payables.
- Setting up and authorizing billing schedules, and exporting invoices to Oracle Receivables.
- Keeping track of any additional information relevant to the lease.

If any of the terms of the original lease that you abstracted are later modified, you can use the Leases window to update your lease information. You can modify your lease information in two ways:

- Enter an amendment. You use the Amendment feature to record any amendments you have made to the lease. For example, when you create a lease amendment to terminate a lease early, you can update your information in Property Manager with the Amendment feature. The amendment feature allows you to keep a history of modifications made to the original lease agreement, along with information such as the user responsible and the amendment dates.
- Edit your lease information. If you simply need to correct an error you made while entering information, and you do not need to create a lease amendment, you can use the Edit feature to update your lease information.

Understanding the Lease Abstraction Process

When you *abstract* a lease, you identify critical information in the lease document and in other related documents, such as conveyance documents, insurance policies, and service provider contracts. You then enter this information in the Leases window of Oracle Property Manager using the various tabbed regions in the Lease window. Later, you can easily query the information, review it, and act on it.

Sources of Lease Information

Some of the information you enter in the Leases window does not come directly from your lease documents, but rather from the business processes used by your

organization.

- Your lease documents provide information about the location being leased, the parties to the lease, the terms of the lease, and ancillary contractual agreements.
- Your business processes and standards determine items such as lease naming conventions, account numbers for payments or remittances, and the names of users who are responsible for performing lease-related activities.

Note: Ancillary agreements are contracts between either the landlord or the tenant and a third party. Such agreements can include insurance policies, maintenance contracts, and contracts with other service providers. The lease and the ancillary agreements may require you to make different types of payments in addition to rent, such as insurance, taxes, or operating expenses.

Lease Terms and Processes

The Leases window includes an upper region, where you enter information that describes and identifies the lease, and a group of tabbed regions, each of which is dedicated to a specific lease term or element of lease information.

The information you enter in the Leases window will:

- Identify the lease with a unique name and number.
- Describe the type, class, and current status of the lease.
- Describe the terms of the lease and the significant elements of related documents.
- Initiate or continue a payment or billing process.

Related Topics

Lease Window Reference, page 5-19

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Lease Description

This section describes the unique and general attributes of a lease, such as name, number, type, and class.

Unique Lease Attributes

Unique lease attributes identify one specific lease. You enter these attributes when you first begin to abstract the lease:

- *Name* of lease: If you follow a consistent naming procedure when you create lease names, you will be able to readily identify the locations that each lease refers to.

Tip: The lease name can be the same as the building name you enter when you set up the location. If you abbreviate the building name to create the lease name, choose an abbreviation that clearly refers back to the building name.

- *Number* of lease: Oracle Property Manager can be configured to handle lease numbers in one of two ways, depending upon how it is implemented. Either the system automatically assigns a lease number to each new lease, or you enter a lease number each time you set up a new lease. If you enter the lease number, use a consistent lease numbering system. Property Manager does not enable you to assign the same number to two leases.

General Lease Attributes

There are some attributes that you can apply to any lease. The general lease attributes are as follows:

Operating Unit

Each lease is created for a specific operating unit. Once you save a lease, you cannot change the operating unit, even if the lease has an approval status of Draft. Note that you can associate term templates, locations, or master leases (in case of a sublease) with the lease only if they belong to the same operating unit.

Type of Lease

The lease type describes how the rental amount is calculated. Three common types of leases are the gross lease, the net lease, and the percentage lease. The lease type is for informational purposes only and does not affect functionality.

The lease type is a user-defined lookup that describes how the rental amount is calculated. Common lease types are:

- **Gross lease:** The lessee (tenant) pays a fixed rent. The lessor (landlord) pays other expenses, including taxes, insurance, and operating expenses. Most residential and commercial office leases are gross leases.
- **Net lease:** The lessee pays the rent as well as some or all of the operating costs, including maintenance, taxes, insurance, and utilities. Most residential ground leases and commercial building leases are net leases.

Abstracted By

The name of the person who enters lease information in Property Manager.

Lease Class

The lease class indicates your role as it is defined in the lease you are abstracting. In each lease you can have one of two possible lease roles: tenant or landlord. The lease class that you select also determines whether you will use the Payments feature or the Billings feature. See: Payments and Billings Overview, page 5-44.

- Choose the *Expense* lease class if you are the tenant in the lease. The Expense lease class enables the Payments feature, which is used by tenants to make payments to landlords and suppliers. The location to which the lease is assigned must have a tenure of Mixed, Managed, Leased, or Owned.
- Choose the *Revenue* lease class if you are the landlord in the lease. The Revenue lease class enables the Billings feature, which is used by landlords to bill tenants and customers. The location to which the lease is assigned must have a tenure of Mixed, Managed, or Owned.
- Choose the *Sublease* lease class if you are subleasing the property to a subtenant. The Sublease lease class, like the Revenue lease class, enables the Billings feature.

You can have more than one sublease for the same location. The second sublease (sub-sublease). A sub-sublease has a lease class of Sublease, and has both a primary lease and an over lease (sublease) associated with it. Therefore, a sub-sublease can have a sublease associated with it.

Note: Depending on the setting of the Default Landlord/Tenant View system option, the default value of Lease Class will be either Revenue or Expense. See Defining Property Manager System Options, *Oracle Property Manager Implementation Guide*.

Master Lease Name

A Master Lease is a lease that you have previously abstracted in Oracle Property Manager. It covers the same property that is covered by the lease you are currently subleasing. In the Master Lease, however, your role is that of tenant, while in the current lease, your role is that of landlord. You designate a master lease only if you are subleasing the property to a subtenant. To do this, you must choose Sublease as the Lease Class.

Additional Information: When you choose the Sublease class and enter the name of a Master Lease, you are a party to two leases. In one lease your role is tenant, and in the other lease your role is lessor. You enter the expense lease into Oracle Property Manager first, then enter the revenue lease. When you do this, the expense lease becomes the master lease in reference to the revenue lease.

Approval Status of Lease

A lease can have Draft, Submitted, or Final approval status. The approval status of the lease determines what actions you can take regarding two areas of the lease abstraction process: making changes to the lease, and generating payments and billings.

- **Changes to the lease:** If the lease is in draft status, you can modify, delete, or add to the existing lease information. If the lease is in submitted status, the PN Lease Approval Workflow is initiated that sends a notification to approvers. Only when the notification is approved or rejected, further changes can be performed to the lease. If the lease is in final status, you cannot make changes to the lease unless you perform an edit or create a lease amendment.
- **Payment and billing schedules:** When you enter payment or billing terms in the Leases window and change the approval status of lease to Final, you initiate the process that creates scheduled payments or scheduled billings. See Approval Rules for Schedules, page 5-55.

Lease Statuses

The lease status describes the position of the lease in the lease life cycle. Oracle Property Manager provides the following lease statuses:

- **Active:** Signifies that the lease is within the agreed lease term.
- **Holdover:** Signifies that the tenant retains possession of leased property after the lease expires. The landlord, by accepting rent, agrees to the tenant's continued occupancy.
- **Lease Ordered:** Signifies that the landlord and tenant have committed to the general terms of a lease. However, they have not finalized the lease because of certain open issues. You can make or receive one time non-normalized payments, such as security deposits.
- **Month-to-Month:** Signifies that the tenant leases the property for one month at a time. You can create a new lease in this status. However, this status is used most commonly when a lease expires and the landlord and tenant have not finalized a new agreement to continue the tenancy.
- **Signed:** Signifies that the landlord and tenant have signed the lease. However, certain pending issues may prevent you from finalizing the lease. As in the case of the Lease Ordered status, you can make or receive one time non-normalized rent payments.
- **Terminated:** Signifies that the lease agreement has ended.

The `pn.lease.leasestatus` business event is initiated when the lease status changes. For more information about this business event, see Oracle Integration Repository.

Note: ROU and Liability account balances are calculated at the time of the transition date or lease activation. The amortization expense for a period is deducted from ROU period beginning balance. Interest Expense is added to the liability balance at the period beginning and the lease payment is deducted from this balance to calculate the period end balance. For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Using the Lease Ordered and Signed Lease Statuses

Use the Lease Ordered (LOF) and Signed (SGN) lease statuses to schedule payments or billings and transfer transactions to Oracle Payables or Oracle Receivables before you finalize the lease. To finalize the lease, you must also change the Approval Status of the lease.

When you save a lease with a status of LOF or SGN, Oracle Property Manager creates schedules and items for all one-time non-normalized terms.

Note: Accounting guidelines state that you cannot normalize payment or billing terms until you finalize a lease. Accordingly, Oracle Property Manager does not normalize terms while a lease is in SGN or LOF lease status.

Oracle Property Manager runs the Schedules and Items concurrent program each time you create one-time payment or billing terms. After you save your work, the limitations for modifying terms in a finalized lease apply to modifying these one-time lease terms. See Lease Modifications, *Oracle Property Manager User Guide*.

In other respects, the lease functions as a draft lease. Therefore, you can freely edit other lease attributes, including the lease commencement date and the attributes of the other lease terms.

Important: If you change the lease commencement date, Oracle Property Manager does not automatically change the dates for any of the lease terms.

Using the Month-to-Month and Holdover Lease Statuses

Use the Month-to-Month (MTM) and Holdover (HLD) lease statuses to extend a lease on a monthly basis. When you create a new lease in MTM or HLD lease status or move a draft lease to one of these leases statuses, you specify a lease termination date. When you finalize the lease, Oracle Property Manager uses this date as the extension end date. Note that you must denormalize all normalized terms before changing the lease status.

Lease Elements

Lease elements are the significant points of information in the lease itself, and in

ancillary or third-party agreements associated with the lease. Lease elements provide the information you need to perform the administrative tasks necessary to implement the lease terms and the ancillary agreements. You enter information about lease elements in the tabbed regions of the Leases Window.

Milestones

Most of the tabbed regions in the Leases window include the Milestones feature, which enables you to keep track of decisions and events that take place during the course of the lease. Milestones can be set up in these tabbed regions:

- Details
- Insurance
- Options
- Payments/Billings

Lease Details

The lease details you abstract include:

- **User Responsible.** This is the person in your organization who is assigned responsibility for the lease you are abstracting.
- **Account Defaults:** The GL accounts to be charged for payments or used for remittances. For expense leases, these include the expense, liability, and accrued liability account. For revenue leases and subleases, these include the revenue, receivable, and accrued asset accounts.
- **Proration Rule:** Timing used to prorate lease costs over a shorter period of time, for example, if the lease starts mid-month. The options are 365 days per year, 360 days per year, or days per month. The option you choose can vary depending on the lease and your accounting practices.
- **Key Lease Dates:** These include execution, commencement, and termination dates of the lease itself, and of ancillary contractual agreements.
- **Term Template:** You can specify a predefined term template. The term template defaults payment and billing term information created for a lease.

Note: Once you assign a term template to a lease, Oracle Property Manager continues to use it for default term information, even after the term template is set as inactive. However, you can disassociate a term template from a lease or replace it with another one whenever required.

Contacts

In the Contacts region you keep track of the name, role, and site of companies with whom you do business as part of administering the lease. You enter information about these companies in the Contacts window, where you can record additional information such as company addresses, and the names and phone numbers of company employees whom you might need to contact.

You can use Oracle Mobile to query contact information defined in Oracle Property Manager. This contact information is conveniently categorized into various logical search criteria.

Using Oracle Mobile Property Manager, space planners and facilities managers can perform a variety of functions that would ordinarily require the use of paper or heavy lap tops, which are difficult to maintain and carry while inspecting property. Space planners and facilities managers can use Oracle Mobile Property Manager to perform tasks such as directly accessing contact information for a given lease or notifying the system of vacant office space as they inspect the property.

Locations

When you enter information about a lease, you can describe the location that the lease covers by entering location information in the Location tabbed region of the Leases window. If the lease covers more than one location you can enter information for all leased locations.

Note: You cannot associate a location with a lease unless both belong to the same operating unit.

Keep the following points in mind when associating locations to a lease:

- You must set up at least one location (the primary location) for reporting purposes.
- A single location can be associated with multiple leases, as long as their occupancy dates do not overlap.
- If a location such as a building is associated with an expense lease, then that specific building and all of its associated floors and offices can be subleased.
- You cannot sublease a location that is not on the original master lease. You can associate the same location across multiple leases for overlapping occupancy dates, if the system option Multiple Tenancy Lease has been set to Yes. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Note: You must set up a location before you can enter lease information in the Lease window. For information on setting up locations, see: Managing Property and Equipment, page 3-1.

A location is automatically assigned to a customer when you add a location, with a customer, to a revenue lease. See: *Assigning Space to Customers*, page 5-39.

Insurance

You can enter information about any insurance policies that cover the leased location in the Insurance tabbed region. In the Coverage Amount fields you can enter the amount of insurance that is legally required, if any, and enter separately the amount of insurance that was actually purchased under the specified policy. In the Dates region, you can enter information such as the insurance policy effective dates, the policy number, and the company that is supplying the policy.

Rights and Obligations

Rights are entitlements granted by the landlord to the tenant. Right types are defined by the system administrator in the Lookups window. The following are examples of rights:

- Right to assign or sublease: entitles the tenant to sublease the property or assign their rights.
- Roof rights: entitles the tenant to install antennae and satellite dishes on a specific part of the roof.
- Right of first refusal to adjoining space: requires the landlord to disclose the availability of property next to the tenant's space. This gives the tenant the opportunity to rent this adjoining space or refuse the offer before offering this space to other potential tenants.

Obligations outline which party is responsible for performing or paying for specific services, costs, or duties. You can enter information about these services and obligations in this tabbed region. Examples of such services and obligations include:

- Building security
- Parking
- Maintenance
- Management
- Repairs
- Heating

Options

The lease may specify options that the tenant or landlord can exercise at different times during the course of the lease. You enter information about these options in the Options tabbed region. Some common lease options are:

- Purchase of the property by the tenant.
- Extension of the lease period.
- Modifications to the leased property.
- Expansion of the lease to cover additional space.

You can also capture additional information for the compliance calculations. Options can be entered for Purchase, Renewal, Residual or Termination. If it is reasonably certain an option will be exercised, you may include these options into calculations to comply with the leasing accounting standards. The Options page includes checkboxes to capture eligibility to calculate Liability/Right of Use. Additionally, the Report From Inception checkbox captures options for calculations from the lease commencement.

Payments

If you are a tenant, you can create payment items and schedules for the various payments you have to make in connection with your property. These can be payments of rent you make to the landlord, or payments you make to any of your suppliers.

Note: You can also do straightlining of your terms (according to FASB 13 or IAS 17 standards) by checking the Normalize check box. You cannot enter an estimated payment amount for normalized payment terms. If you check the Normalize check box, the Estimated Amount field is disabled. Also, you cannot create a normalized payment term that lies outside the lease term. You can create non-normalized payment terms outside the lease term. You can also associate a leased location to a payment term

You can capture eligibility to calculate with the Liability/Right of Use checkboxes. Additionally, the Report From Inception checkbox captures options for calculations from the lease commencement.

Billings

If you are a landlord, you can create billing items and schedules to keep track of the rents and other payments that are made to you.

Note: You can also do straightlining of your terms (according to FASB

13 or IAS 17 standards) by checking the Normalize check box. You cannot enter an estimated billing amount for normalized billing terms. If you check the Normalize check box, the Estimated Amount field is disabled. Also, you cannot create a normalized billing term that lies outside the lease term. You can create non-normalized billing terms outside the lease term. You can also associate a leased location to a billing term.

Notes

Your lease abstract can include any explanatory notes that you want to accompany the lease information. For example:

- If by leasing office space you acquire the right to a parking space, you can record that information in Notes.
- If you are a landlord with a holdover tenant, you can indicate that the tenant is a holdover in Notes.

You can define different note types that cover most of the common note types specific to your business enterprise.

Related Topics

Lease Window Reference, page 5-19.

Milestones, page 5-41

Contacts Overview, *Oracle Property Manager Implementation Guide*

Entering Payment Information, page 5-108

Entering Billing Information, page 5-124

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Abstracting Leases

You use the Leases window to enter the information you have abstracted from the lease. When you navigate to the Leases Window and choose the New button, the Lease (New) window displays an upper region with fields for the basic information that will identify the lease, and a tabbed region with tabs for entering specific information about the contents of the lease.

Setting Up Leases

Before you can abstract information for individual leases, you should enter lease setup

information. Lease setup information includes:

- **Agents:** The contacts, customers (tenants), and suppliers (landlords) associated with each lease.
- **Locations:** The locations for which the lease is created.
- **Milestones:** The significant events in the life cycle of the lease.
- **Term Templates:** The default billing and payment term information that you can associate with multiple leases.

Note: You can capture eligibility to calculate with the Liability/Right of Use checkboxes. Additionally, the Report From Inception checkbox captures options for calculations from the lease commencement.

Creating contacts, term templates, milestones, and milestone templates is not mandatory. However, by entering complete lease setup information, you improve efficiency and consistency.

For detailed instructions, see the *Oracle Property Manager Implementation Guide*.

Lease Versioning

When a lease contract is written or a modification is performed to an existing lease contract, you will be able to review the payment schedules and compliance balances. Lease versioning lets you simulate lease contracts and amendments to generate the final balance. This feature lets you trace lease modifications and helps you make critical decisions in the lease contract. Once the final balances are generated, they are reviewed by all stakeholders involved before it is submitted. There is a need to include the future rent increases in the initial lease measurement and accommodate and discount the future rent increase from lease commencement as per compliance needs.

Oracle Property Manager supports following features during lease authoring:

- **Lease Versioning**

Each lease state is assigned a unique version number. This versioning helps you track the lease through its contract lifecycle.

Lease authoring generates payment schedules and lets you review these balances and schedules before a lease is finalized. This feature lets you run simulations of multiple scenarios before activating a new lease.

- **Workflow**

You can use the AME workflow to leverage the multi-level approval process.

- **Rent Increase**

Oracle Property Manager lets you enter future rent increases when authoring a lease. You can review the effect of these rent increases on the IFRS balances and payment schedules before finalizing and activating the lease.

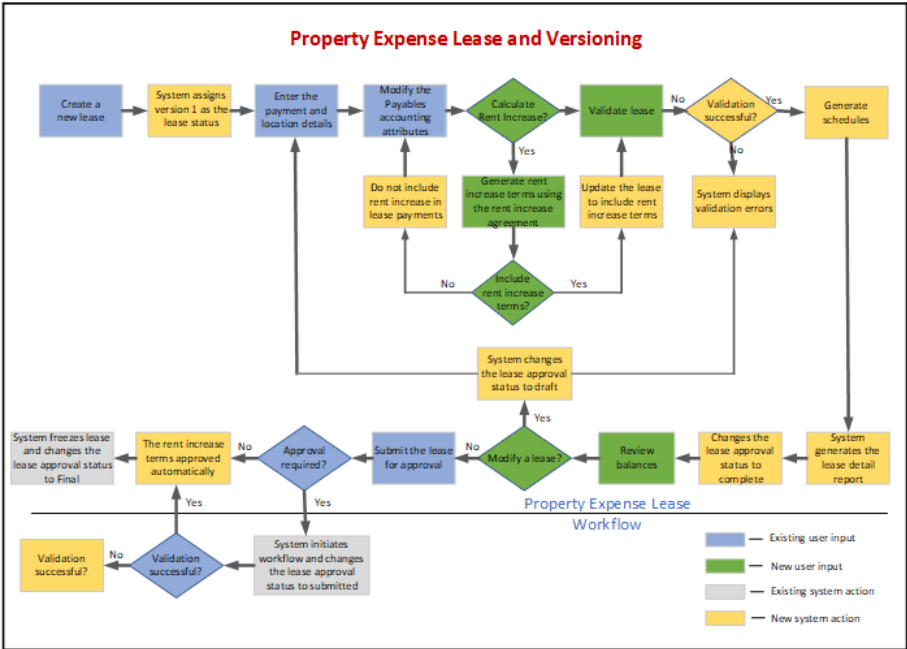
If you add rent increase terms during lease creation, then the system calculates the rent increase terms from the lease commencement date or lease creation date.

Property Expense Lease creation

During the creation of Property Expense leases, after providing all the necessary inputs, you can review the schedules and balances before submitting the lease. After reviewing the schedules and balances, you can modify the inputs at the draft phase, and regenerate the schedules and balances. You can simulate and validate balances and payment schedules along with its details in multiple iterations.

Additionally, you can specify rent increases during the lease creation and review the lease schedules and balances with the rent increase terms included. When you include rent increase terms during the lease creation, they are included in the initial calculations for the lease.

Below is the solution flow for Property Expense lease:



Oracle Property Manager supports the following a property lease creation as shown in the flow:

1. Create a new property lease.
2. The system creates a lease starting with a version number 1.

The version number increments with each change made to the original lease.

3. You enter the payment and location details. Modify payables accounting attributes as needed.
4. If you know and want to add the rent increase details, then define the rent increase agreement and generate the rent increase terms.

You can now include the rent increase terms when creating a lease.

5. Update the lease to include the rent increase terms.
6. Generate balances for the lease.
7. During the balance generation, the system validates the lease. After the lease is validated successfully, the system generates draft schedules, balances, and transactions. If the validation is not successful, then errors appear, and they are shown in the **Errors** tab. You can correct the errors and perform the steps again. In this scenario, the lease approval status remains as Draft.
8. The lease detail report, payment schedules and transactions are created in the draft mode.
9. The system changes the lease approval status to complete.
10. You can review the lease, schedules, and balances.
11. If you are satisfied with the lease terms, then submit the lease for approval.
If the lease needs to be modified, then modify the lease and follow all the above steps to validate the same.
12. If the lease needs approval, then a workflow is initiated, and the system updates the lease to submitted. If the validation is successful, then the lease is approved with the rent increase terms. If the lease does not need approval, then the system automatically approves the lease with the rent increase terms and activates the initial version of the lease.
13. The system activates and freezes the first lease version and changes the lease approval status to Final.
14. The Final lease detail report is attached and is shown in the Schedules tab, along with the payment schedule.

Creating Leases

You can create a lease manually or by using the Create Lease API. For more information about the PN_LEASE_PUB.CREATE_LEASE API, see Oracle Integration Repository.

To create a lease manually:

1. Navigate to the **Property Manager** responsibility.
2. Select **Leases and Documents**, and then choose **Main Lease**, and then choose **Enter Leases and Documents**.
The Find Leases window appears.
3. From the **Find Lease** window, select **New**.
4. Select the operating unit.
5. Enter the required fields to create a new lease.
6. Select the operating unit.
7. In the **Name** field, enter a unique name for the lease.
8. Enter the lease number if Oracle Property Manager does not assign one. Oracle Property Manager assigns lease numbers automatically if you set the *Automatic Lease Number Generation* system option to Yes. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.
9. Select the type of lease. Lease types such as Net and Gross, indicate whether the tenant is responsible for the payment of any fees, such as taxes and maintenance fees, in addition to rent. The type field is a user-defined lookup. See Lookups, *Oracle Property Manager Implementation Guide*.
10. Select the Lease Class. If you are a tenant in the lease you are abstracting, then select the Expense lease class. If you are a landlord, then select the Revenue lease class. If you are subleasing the property to another tenant, then select the Sublease class.
11. Select the Master Lease name if you have selected Sublease as the Lease Class.

Note: If the lease you are setting up is either Expense class or Revenue class, the Master Lease field is disabled.

12. In the **Abstracted By** field, enter the name of the person who enters lease information in Oracle Property Manager
13. Verify that the **Approval Status** field value is **Draft**.

This approval status field has the following values:

- Draft
- Complete

- Submitted
- Final

A draft or submitted lease is one for which you have not completed the abstraction process.

A finalized lease is one for which you have completed the abstraction process and there are no additional information to enter.

The default value is Draft. Finalizing a lease automatically generates payment/billing schedules. See: Entering Lease Elements, page 5-22.

14. Verify that the Lease Status field value is Active, the default value. The selections available include the following:
 - Active
 - Month to Month
 - Holdover
 - Terminated

See: Lease Description, page 5-3 for more information on the Lease Status field.

15. Set the Schedule Year Start Date to the desired start date of the periodic payment.

Occasionally, tenants and landlords enter into lease agreements that stipulate non-monthly periodic payments (such as quarterly, semi-annually, or annually), when the lease payment terms start in the mid-period. For example, the first lease payment term starts on 15-Mar, while the quarterly payment could start on 01-Apr.

In this example, the default calculation would be to start the quarter on 15-Mar through 14-Jun. You can set the Schedule Year Start Date to the desired start date of the periodic payment. You can set the Schedule Year Start Date (DD/MM) to 01-04 and the quarterly period would start 01-Apr as desired. Since the payment term is scheduled to start on 15-Mar, the first quarter (January through March) would result in a partial period payment. Subsequent quarters would have full period payments, starting on the first of the quarter.

Note: The Schedule Year Start Date does not apply to leases with Monthly Frequencies.

16. Select a **Discount Rate Index Name** to be used for the calculation of balances.

Note: The following fields impact IFRS 16 and ASC 842 (US GAAP) compliance reporting. PN_UPGRADE_LEASE. UPGRADE_LEASE

API upgrade the leases in both production and archive tables in Oracle Property Manager. The Upgrade Lease API will upgrade the leases with necessary new attributes to make the leases eligible to calculate ROU asset and liability balances, per the IFRS 16 compliance guidelines. For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

17. Select an accounting method to capture the lease classification for reporting, as well as the categorization of leases. From the drop-down of values available, you can select:
 - **Finance Lease:** If the expense lease needs to be classified as a finance lease. This lease is reported if the you use finance lease as a parameter on the reports programs.
 - **Operating Lease:** If the expense lease needs to be classified as an operating lease. This is the default value for a new expense lease. This lease is reported if the you use operating lease as a parameter on the reports programs.
 - **Both:** If the expense lease needs to be classified both as finance lease and operating. This value is not available post transition as the same value can be selected from system options during system setup.
 - **Exclude:** If the expense lease should be excluded from reporting. For post transition, if you do not want ROU or liability balances calculated and reported, then do not select the checkboxes.
18. Define an adder rate on the lease using a newly provided field. This adder rate is added or deducted from the index rate to arrive at the final rate.

The effective discount rate, which is the sum of rate from index and adder rate is applied to the payment terms of the lease for calculation/recalculation of balances.

Introduction of Multi-Level AME Workflow

Oracle Property Manager allows multi-level AME workflow approval during lease booking and amendment.

When a lease has multi-level AME workflow associated, once submitted, the approval status will change from Complete to Submitted, and the approval process using the Workflow.

Once the approval process completes, the lease approval status changes from Submitted to Final, and the lease version will be frozen. If the lease is rejected during the workflow approval process, the lease version changes back move to Draft approval status.

When the lease is in the Submitted approval status, the lease status is automatically changed to Draft, when the following actions occur on the lease:

- Payments get authorized and exported to Accounts Payables
- Month-end accrual is run

Setting up PN Lease Approval Workflow

If you set the PN: Use Lease Approval Workflow profile option to Yes, then the system sets the approval status of the lease version when the lease is finalized. When the approval status of a lease is Submitted and the PN: Use Lease Approval Workflow profile option is set to Yes, the predefined PN Lease Approval Workflow is initiated. The workflow sends notification to approvers regarding the lease status. Oracle Property Manager allows multiple approvers to approve a lease version as per the defined hierarchy. After the lease is approved, the system finalizes the lease version and changes the approval status to final. If an approver rejects the lease, then the approval status changes to draft.

The approver hierarchy is based on the workflow approver hierarchy defined in Approval Manager Engine (AME). In AME setup, specify the transaction type as PN Lease Approval Workflow or transaction type identifier as PNAPPWF. For more information about Approval Manager Engine, see *Oracle HRMS Approvals Management Implementation Guide*.

A lease with approval status of Submitted cannot be modified up to the time that an approver rejects or approves the lease status notification. Approving the notification changes the approval status of a lease to Final and rejecting changes the status to Draft.

For more information about PN: Use Lease Approval Workflow, see Profile Options, *Oracle Property Manager Implementation Guide*.

Related Topics

Lease Window Reference, page 5-19

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Lease Window Reference

The Lease and Edit Lease windows include the same headers and tabbed regions. For details on the tabbed regions of this window, see Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25.

Operating Unit: Select the operating unit to which the lease belongs.

Abstracted By: .

Class: Indicates your role as it is defined in the lease you are abstracting. The lease class

that you select also determines whether you will use the Payments feature or the Billings feature. See: Entering Payment Information, page 5-108 and Entering Billing Information, page 5-124.

- Select the *Expense* lease class if you are the tenant. The Expense lease class enables the Payments feature. The location to which the lease is assigned must have a tenure of Mixed, Managed, Leased, or Owned.
- Select the *Revenue* lease class if you are the landlord. The Revenue lease class enables the Billings feature. The location to which the lease is assigned must have a tenure of Mixed, Managed, or Owned.
- Select the *Sublease* lease class if you are subleasing the property to a subtenant. The sublease class enables the Billings feature. You can have up to two subleases for a lease. For example, a landlord leases to tenant 1. Tenant 1 subleases to tenant 2. Tenant 2 subleases to tenant 3 (this is a sub-sublease).

Important: When you select the Sublease class for the lease you are abstracting, your role in that lease is *landlord*, and the lease is between you and the *subtenant*.

Note: When you sublease a property, you are a party to two leases: the lease in which you are a tenant, and the lease in which you are a landlord. You abstract the lease in which your role is tenant first, then you abstract the lease in which your role is landlord. The first lease, in which you are the tenant, is then known as the *master lease* in reference to the second lease, in which your role is landlord.

Master Lease: The name of the original lease between you and the landlord, in which you are the tenant. You designate a master lease when you have chosen Sublease as the Lease Class of your current lease.

Note: The lease which you want to designate as the master lease must first be entered, finalized, and saved as a unique lease in Oracle Property Manager.

Name: The name of the lease. Create a lease name that conforms to your organization's naming standards.

Number: The number that identifies the lease. If Oracle Property Manager does not automatically assign it, enter a unique lease number.

Approval Status: Indicates if your lease information is in **draft**, **complete**, **submitted**, or **final** state.

- **Draft:** the default lease status when you first open the Leases window. As long as

the lease is in Draft status, you can change the information you have entered, and enter additional information, without having to amend or edit the lease. When you save a lease in Draft status, Oracle Property Manager saves all the information that you entered, but does not generate any payment or billing schedules.

- **Complete:** This is a new status. When the lease is in this status, you can review the balances and schedules generated using the attributes entered at in the draft state. The lease approval status changes to Complete after the balances are generated successfully. The system then generates a draft lease details report, payment schedules, and transactions.
- **Submitted:** Initiates the PN Lease Approval Workflow to send notifications to approvers when status is changed to Submitted and the value of the PN: User Lease Approval Workflow profile option is set to Yes. In Submitted status, you can send the lease information to your supervisor for verification and approval.
- **Final:** If you have entered payment or billing items in the tabbed region of the Leases window, you will generate scheduled payments or scheduled billings when you finalize and save the lease. After you change the status to Final and save the lease, you must either create an Amendment or perform an Edit to make most changes to your lease information. You can change the lease name and lease number without creating an edited or amended version of the lease.

The status changes from draft to final when you have finished abstracting the lease, including the information in the relevant tabbed regions.

Type: Indicates how rent is calculated. Some common lease types are percentage, gross, and net leases. The lease type is informational and does not affect functionality.

Lease Status: Lease status determines the relationship between the lessor and lessee. The selections available for lease status include the following:

- **Month-to-Month:** A tenancy whereby a lessee retains possession of leased property after the lease has expired after which the tenant leases the property for one month at a time.
- **Holdover:** A tenancy whereby a lessee retains possession of leased property after the lease has expired and the landlord, by continuing to accept rent, agrees to the tenant's continued occupancy as defined by state law.
- **Terminated:** A lease status of Terminated is selected to terminate a lease using the amend process. To let you select the Holdover or Month-to-Month status, the lease status is not changed to Terminated automatically.
- **Active:** A lease status of Active applies to leases that are within their lease term range. The default status is Active.
- **Lease Ordered:** Signifies that the landlord and tenant have committed to the general

terms of a lease. However, they have not finalized the lease because of certain open issues. You can make or receive one time non-normalized payments, such as security deposits.

- **Signed:** Signifies that the landlord and tenant have signed the lease. However, certain pending issues may prevent you from finalizing the lease. As in the case of the Lease Ordered status, you can make or receive one-time non-normalized rent payments.
- **Version:** Indicates the lease version number. This field is read-only.

Customer: Name of the customer. This field is enabled only when you select Sublease or Revenue as the lease class.

Related Topics

Modifying Leases, page 5-152

Entering Lease Elements

Lease Elements include lease-related information such as key lease dates, tenancy, landlord and tenant rights and obligations, insurance, payment or billing details, notes, options, schedules, errors, and versions that you enter in the various tabs of the Lease window.

Before you enter information in the tabbed regions, you must enter the required information in the header regions of the Leases window. See Abstracting Leases, page 5-12.

To enter lease information:

1. **Details Tabbed Region.** Enter the name of the person who is responsible for administering the lease in the User Responsible field. Enter the necessary Oracle Payables or Oracle Receivables accounts. Select the appropriate proration rule. Enter the execution, commencement, and termination dates of the lease in the Key Dates Region. See Details Tabbed Region, page 5-26.
2. **Contacts tabbed region.** Enter the Role, Company Name, and Site of the contact. You can enter this information only after you have set up contacts. See Contacts Tabbed Region, page 5-28.
3. **Locations tabbed region.** Enter location information for the building, floor, or office that you are assigning to the lease. You can enter this information only after you set up locations. You can enter estimated and actual occupancy dates, the usage purpose of the leased location. See Locations Tabbed Region, page 5-28.
4. **Rights and obligations tabbed region.** Enter any rights and obligations specified in the lease. Generally, the rights entered here have no financial consequences.

Obligations outline which party is responsible for performing or paying for specific services, costs, or duties. Generally, the obligations entered here have financial consequences. See Rights and Obligations Tabbed Region, page 5-32.

5. **Insurance tabbed region.** Enter information on insurance policies and amounts on the location. See Insurance Tabbed Region, page 5-31.
6. **Options tabbed region.** Enter information on any options that are specified in the lease. See Options Tabbed Region, page 5-33.
7. **Payments tabbed region.** (For Lease Class: Expense) Enter all payment terms you want to set up. You must set up suppliers before entering payment terms. See Entering Payment Information, page 5-108.
8. **Billings tabbed region.** (For Lease Classes: Sublease or Revenue) Enter all billing terms you want to set up. You must set up customers before entering billing terms. See Entering Billing Information, page 5-124.
9. **Notes tabbed region.** Enter any notes that you want to add to your lease information. See Notes Tabbed Region, page 5-34.
10. **Schedules tabbed region:** Indicates compliance numbers and payment schedule of the lease in different stages. In the draft stage, this window displays the draft lease detail report and the draft schedules. In the final stage, this tab displays the final lease detail report and the final schedules agreed upon.
11. **Errors tabbed region:** Lists any errors or warnings resulted during the lease validation when the generate balance option is clicked.
12. **Versions tabbed region:** Indicates various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index.
13. Save your work.

Important: Tabbed regions that include information on critical dates include a **Milestone** button. Use the Milestone button to assign a person to be responsible for completing a particular action associated with the lease. See Creating Milestones, page 5-41

After the lease is saved the following options are enabled.

The **Lease Creation** window also includes the following options:

- **Generate Balances**

To review the lease schedules and balances after specifying inputs, click the Generate Balances option. The system validates the inputs and generates a draft

lease schedule and the lease detail report in a draft mode. You can use this option after entering the location and payment details.

- **Manage Rent Increase**

You can use the Manage Rent Increase option during the lease creation for property expense leases belonging to transitioned operating units (IFRS Customers). You specify a new rent increase agreement and or modify an existing rent agreement on the lease.

- **Finalize Lease**

To submit the lease version after authoring the lease, click the **Finalize Lease** option. The lease contract is activated, and the approval status of the lease version changes to Final. If the workflow is enabled, then the system initiates the workflow approval process, and the lease approval status changes to submitted.

Creating Rent Increases

You can include rent increases into the initial creation of the lease. You can review the effect of rent increases on the compliance balances and payment schedules before finalizing the lease. If a rent increase is included in the lease creation, then the system calculates the present value of the rent increase terms from the lease commencement date.

To enter rent increases when creating a lease, perform the following steps:

1. From the **Lease** window, click the **Manage Rent Increase** option. The Rent Increase Leases window appears.
2. Enter the mandatory fields such as the rent increase number, index type, and Increase On as base.
3. Click **Open**.
The **Rent Increase** window appears.
4. Enter required values such as Default Relations and Default Fixed Rate.
5. Click **Generate Periods**. The system generates all the periods.
6. Click the **Base Periods** tab.
7. Click **Calculate All**.
All the rent increase terms are, by default, included in the lease contract.
8. To include or not include a rent increase term in the lease, select the line and click **Terms**.

9. Set the Status to include or draft. When you set the status as draft, that rent increase term is not included in the lease contract.

Note: The default status of a rent increase term is include. So if you do not perform the steps 8 and 9, then the system automatically includes the rent term of the lease.

10. Click **Modify Lease** to go back to the Lease window.
11. Click the **Payments** tab.
12. Click **Generate Balance** to calculate compliance balances and payment schedules.
13. In the **Schedules** tab, you can review the payment schedules and the lease detail report in the draft mode. You can download the draft lease detail report to verify the details.
14. If you are satisfied with all the lease details, then click **Finalize Lease**.
15. In the **Schedules** tab, you can see the lease detail report generated with version 1 instead of the draft. All the schedules are also in the final schedule. The lease detail report contains the final compliance balance and payment schedules.

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows

The Lease, Edit Lease, and Amend Lease windows include these tabbed regions:

- Details, page 5-26
- Contacts, page 5-28
- Locations, page 5-28
- Insurance, page 5-31
- Rights and Obligations, page 5-32
- Options, page 5-33
- Payments, page 5-110
- Billings, page 5-126
- Notes, page 5-34

You choose the Lease, Edit Lease, or Amend Lease window to enter lease information depending upon whether you are setting up a new lease, editing an existing lease, or

adding an amendment to an existing lease.

Not all Fields in the tabbed regions are editable.

- **Details** tab: You cannot edit the Key Lease dates after the lease has been finalized.
- **Payments and Billings** tabs: On the Payment tab, you can edit only Location, End Date, Supplier Name and Site, Invoice Grouping Name. On the Billing Tab, you can edit the Location, End Date, Customer Name, Bill To Site, Ship To Site, Payment Term, and Transaction Type.

Note: The Payments and Billings Tab window references are available here:

- Payments Tabbed Region Window Reference, page 5-110
- Billings Tabbed Region Window Reference, page 5-126

Details Tabbed Region

Key Lease Dates: Execution: The lease date as stated in the lease. If no lease date is stated, the date the lease was signed may also be the execution date.

Key Lease Dates: Commencement: The date that the lease begins.

Key Lease Dates: Termination: The date that the lease ends. You can change the termination date only through the amend process. You can terminate a lease early if there are not any approved schedules after the termination date. When you extend a lease, the system changes the end date of all terms from the old termination date to the new termination date. When the lease status is changed to Active or Terminated, this field becomes required and the Extension End Date Field becomes display only.

Expense Account: This field is visible only for payments. The General Ledger expense account. This field is required for normalized terms.

Liability Account: This field is visible only for payments. The General Ledger liability account. This field is required for normalized terms.

Accrued Liability Account: This field is visible only for payments. The General Ledger accrued liability account. This field is required for both normalized and non-normalized terms.

Revenue Account: This field is visible only for billings. Requirements for this field depend on the value of the Accounting Option system option.

Receivable Account: This field is visible only for billings. Requirements for this field depend on the value of the Accounting Option system option.

Accrued Asset Account: This field is visible only for billings. Requirements for this field depend on the value of the Accounting Option system option.

For more information on the implications of the Accounting Option system option, see

Setting Up Accounting Distributions for Billings, page 5-129 and System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Lease Term: The duration of the lease in terms of years, months, and days.

Note: Property Manager calculates the duration of the lease based on the commencement and termination dates that you enter. So, you can enter either the Commencement Date and the Termination Date or the Commencement Date and the Lease Term. The other fields will be updated automatically. If you change the Commencement Date, the Termination Date will be changed automatically, but not vice versa.

User Responsible: The name of the person responsible for administering the lease.

Proration Rule: Enter the timing you want to use for prorating rent amounts when a lease begins or ends in the middle of a period. For example, a lease has a monthly rent of \$3000. If you choose 365 Days/Year, for fifteen days of a 30 day month, the rent is \$1479.45 and if you choose Days/Month, the rent is \$1,500. Property Manager has three proration rules.

- 365 Days/Year: Yearly rent/no. of days (365) = daily rent

For example, a lease has a monthly rent of \$3000. If you choose 365 Days/Year, for fifteen days of a 30 day month, the rent is \$1479.45 ($\$36,000/365 \times 15 = 1479.45$).

- 360 Days/Year: Yearly rent/no. of days (360) = daily rent

For example, a lease has a monthly rent of \$3000. If you choose 360 Days/Year, for fifteen days of a 30 day month, the rent is \$1500 ($\$36,000/360 \times 15 = 1500$).

- Days/Month: Monthly rent/days per month = daily rent

For example, a lease has a monthly rent of \$3000. If you choose Days/Month, for fifteen days of a 30 day month, the rent is \$1500 ($\$3000/30 \times 15 = 1500$).

Note: Property Manager counts days starting with and including the start date, so January 15 until January 31 is 17 days, not 16.

Invoice Grouping Name: Enter the name of the invoice grouping rule you want to use for grouping the payment or billing items that belong to the lease terms. This is an optional field, and the default value is blank.

Term Template: Select the term template to be used for the lease.

Functional Currency: This field is display only. The functional currency value is based on the primary ledger you have selected in the Ledger system option. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Extension End Date: This field is enabled only when the lease status is Month-to-Month or Holdover. The extension end date cannot be less than the lease termination date.

Contacts Tabbed Region

The values you enter in the Contacts region fields come from information you enter when you set up contacts. Contact information cannot be edited here. See *Setting Up Contacts, Oracle Property Manager Implementation Guide*.

Role: The function that a particular company has in connection with the property. Some examples of company roles are Landlord, Broker, and Property Manager.

Company Name: The name of a service provider company that is associated with the property.

Site: The specific location of the company from which it performs the named role. The contact site can also be the company's bill-to address.

Active: Indicates if a particular contact is active. You may want to indicate that a contact is no longer active if, for example, the company was replaced with a different company during the course of the lease.

Locations Tabbed Region

Type: The type of location covered by the lease, such as Building, Floor, or Office.

Code: The location code assigned by Oracle Property Manager when you set up the location.

Primary: If a lease covers more than one location, you can use this check box to indicate which location is the primary location for this lease. A primary location can also be the location to which mail should be sent. There can be more than one primary location for a lease.

Usage: The anticipated use of the leased space, for example *retail space* or *office space*.

Assigned Percent Area: The percentage of a location covered by the lease. For example, if you are renting five floors of a 10-floor building, you can enter 50% as the Assigned Percent Area. For revenue or subleases, Oracle Property Manager assigns the percentage specified in this field as the Assigned Percent Area when creating customer space assignments.

Estimated Occupancy Date: The first date when you expect the location to be occupied.

Actual Occupancy Date: The first date when the location is occupied. You can associate more than one lease with a single location provided the occupancy dates do not overlap. To allow overlapping lease dates for a single location, set the Multiple Tenancy Lease system option to Yes. See *System Options in Oracle Property Manager, Oracle Property Manager Implementation Guide*.

Expiration Date: The date the occupancy ends. The Location Expiration Date would typically be the same as the Lease Expiration Date, and by default is set to equal the Lease Expiration Date. However, you may edit this value to have the occupancy end before or after the lease ends.

Note: You may be able to sublease a location even if this check box is not checked.

Recovery Type: This field is enabled for billing leases and is a user defined lookup attribute that describes the usability of a particular space by a certain type of tenant, such as Major, Specialty, Freestanding, Kiosk, or Food Court. See Recovery Field References, page 8-56.

Recovery Space Standard: This field is enabled for billing leases and is the classification, usually Internal or External, of a location used in the recovery process. See Recovery Field References, page 8-56.

Financial Obligation End Date: This field is enabled for billing leases. and is the date that the obligation to provide the service ends. See Obligations Tabbed Region, page 5-32.

Customer Name: This field is enabled for revenue leases. See Billings Tabbed Region, page 5-126.

Note: A location is automatically assigned to a customer when you add a location, with a customer, to a revenue lease. See: Assigning Space to Customers, page 5-39.

Bill to Site: This field is enabled for revenue leases. See Billings Tabbed Region, page 5-126.

Location Rentable Area: The rentable area of the leased location as defined in the Location window as of the occupancy actual start date. This field is display only.

Location Usable Area: The usable area of the leased location as defined in the Location window as of the occupancy actual start date. This field is display only.

Location Assignable Area: The assignable area of the leased location defined in the Location window as of the occupancy actual start date. This field cannot be null and is display only.

Lease Rentable Area: The rentable area of the leased location per the agreement between the lessee and lessor. This value may be different than that of the location rentable area.

This field is editable even in a finalized lease. If the value is changed, the lease load factor and variance fields are updated. In addition, if the Area Type value within the Payments or Billings tabbed regions is Lease Rentable Area, any new term created will be based on the new changed value of the lease rentable area, although existing payment or billing terms will not be affected.

If you set the Default Location Area for Leases system option to Yes, the field displays the location rentable area by default. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*. The value of this field cannot be negative. It is not a required field.

Lease Usable Area: The usable area of the leased location per the agreement between the lessee and lessor. This value may be different than that of the location usable area.

The value of the lease usable area may be input directly or will be calculated by the system if both the lease rentable area and the lease load factor are entered. The user may enter the lease rentable area and either a lease load factor or the lease usable area. The system will calculate the other.

This field can be changed, even in a finalized lease. If it is changed, the lease load factor and variance fields are updated. In addition, if the Area Type value within the Payments or Billings tabbed regions is Lease Usable Area, any new term created will be based on the new changed value of the lease rentable area, although existing payment or billing terms will not be affected.

If you set the Default Location Area for Leases system option to Yes, the field displays the location usable area. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

The value of this field cannot be negative. It is not a required field.

Lease Assignable Area: The assignable area of the leased location per the agreement between the lessee and lessor. This value may be different than that of the location assignable area.

This field can be changed, even in a finalized lease. If it is changed, the variance field is updated. In addition, if the Area Type value within the Payments or Billings tabbed regions is Lease Assignable Area, any new term created will be based on the new changed value of the lease assignable area, although existing payment or billing terms will not be affected.

If you set the Default Location Area for Leases system option to Yes, the field displays the location usable area by default. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*. The value of this field cannot be negative. It is not a required field.

Rentable Area Variance: This field calculates the variance between the lease rentable area and the location rentable area as a percentage. If the area fields have not been populated, the variance is null. This field is display only and is calculated as follows:

$$(\text{Location Rentable Area} - \text{Lease Rentable Area}) / \text{Lease Rentable Area} * 100$$

Usable Area Variance: This field calculates the variance between the lease usable area and the location usable area as a percentage. If the area fields have not been populated, the variance is null. This field is display only and is calculated as follows:

$$(\text{Location Usable Area} - \text{Lease Usable Area}) / \text{Lease Usable Area} * 100$$

Assignable Area Variance: This field calculates the variance between the lease assignable area and the location assignable area as a percentage. If the area fields have not been populated, the variance is null. This field is display only and is calculated as follows:

$$(\text{Location Assignable Area} - \text{Lease Assignable Area}) / \text{Lease Assignable Area} * 100$$

Location Load Factor: Property Manager calculates this display only field as of the occupancy start date using the following formula:

$$\text{Location Load Factor} = \text{Location Rentable Area} / \text{Location Usable Area} - 1$$

Lease Load Factor: The lease load factor per the agreement between the lessee and lessor. This value could be different than that of the location load factor. It is defined as follows:

$$\text{Lease Load Factor} = \text{Lease Rentable Area} / \text{Lease Usable Area} - 1$$

You may enter the value directly or allow the system to calculate it based on the value entered for Lease Usable Area. The user may enter the lease rentable area and either a lease load factor or the lease usable area. The system will calculate the other. The system will not modify the lease rentable area. You can update this field even in finalized leases.

Load Factor Variance: This field calculates the variance between the lease load factor and the location load factor as a percentage. If the Lease Load Factor or Location Load Factor is null, the variance is null. This field is display only and is calculated as follows:

$$(\text{Location Assignable Area} - \text{Lease Assignable Area}) / \text{Lease Assignable Area} * 100$$

Region: The name of the region in which the property is located, if you assigned the property to a region when you set up the location. This field is display only.

Office Park: The name of the office park, if you assigned the property to an office park when you set up the location. This field is display only.

Building/Land: The name of the building associated with the location code. This field is display only.

Floor/Parcel: The name of the floor associated with the location code. This field is display only.

Office/Section: The name of the office associated with the location code. This field is display only.

Related Topics

Managing Properties, page 3-1

Insurance Tabbed Region

Type: The type of insurance. Some examples of insurance types are fire, liability, and personal injury.

Insurer Name: The name of the insurance company as stated in the insurance policy.

Policy Number: The insurance policy number.

Active check box: Indicates if a particular insurance policy is active. You may want to indicate that a policy is no longer active if, for example, the policy was replaced with one from a different company during the course of the lease.

Dates: Start: The date that insurance coverage under this policy begins.

Dates: Expiration: The date that insurance coverage under this policy ends.

Coverage Amount: Required: The cost of the insurance coverage required by law for this type of risk.

Coverage Amount: Purchased: The cost of the insurance coverage actually purchased under this policy.

Rights and Obligations Tabbed Region

Rights region

Num: Line number for the right.

Type: Type of right that you are listing. For example, right to sublease or roof rights. The appropriate person in your group defines the right types that your company uses in the Lookups window.

Grant Code: Indicates whether the lease specifically bestows the right upon the tenant.

Reference: The paragraph in the lease that references the terms of this right.

Comments: Enter comments about the right for your own reference. For example, you might want to indicate if the language is ambiguous or unusual.

Obligations region

Num: Row number of the obligation. Assigned by Property Manager after you save the record.

Type: Category of the responsibility. The appropriate person in your organization maintains the list of valid values in the Lookups window. For example, your company might define the Maintenance type for gardening and painting and the Expense type for heating and electricity.

Service Provider Name: If a service provider, such as a gardener or security firm will provide services for this obligation, select the name of the provider. If the service provider is not on the list, then ask the appropriate person in your organization to set it up in the Service Providers window.

Common Area: Indicates who is responsible for the common area in a rented space.

Start Date: The date that the obligation to provide the service begins.

End Date: The date that the obligation to provide the service ends.

Reference: Enter the paragraph or section in the original lease that describes the obligation so you can easily reference it.

Responsibility Type: The specific obligation. Indicates the person or job type responsible for a particular task, for example, landlord, tenant, or contractor.

Financial Responsibility: If a cost is associated with this obligation, the party responsible for paying it.

Maintenance Responsibility: If the obligation is for maintenance, enter the party

responsible for supervising or coordinating work with the service provider. For example, if the landlord schedules and oversees the work of the landscape service provider, enter Landlord.

Active: check box This is a display-only field and shows if the service provider is still active. Service provider active status is maintained by the appropriate person in your organization in the Service Providers window.

Responsibility %: If a cost is associated with this obligation, the percentage that the responsible party is obligated to pay. If there is more than one responsible party, create a record for each party for this obligation and assign the appropriate percentage to each record.

Comments: Add any comments for your reference.

Related Topics

Lease Window and Edit Lease Window Reference, page 5-19

Amend Lease Window Reference, page 5-192

Options Tabbed Region

Num: The number assigned to the option by Property Manager.

Option Type: The type of option. Some examples of option types are renewal, purchase, and early termination. This list is maintained in the Lookups window by the appropriate person in your organization.

Start Date: The first date the option can be exercised.

End Date: The last date the option can be exercised.

Term: The system displays the length of the term in the time units that your company uses. For example, if your company uses years and the Start Date is Jan 1, 2001, and the End Date is Jan 1, 2002, then the system will enter 1 in this field.

Reference: Enter the paragraph in the original lease that describes the option so you can easily reference it.

Status: The current status of the option, for example, Exercised, Not Exercised, or No Action. You can update the status of an option by amending or editing the lease.

Notice Given check box: If the option requires notice from one party to the other, check this check box to indicate that the notice was given.

Option Size: The amount of additional space you are adding by exercising the option, if the option is for expansion of the leased space. For example, if the option size is 1000 square feet, enter 1000 here and square feet in the UOM field.

Exercise Begins/Ends: First and last dates that notifications can be sent to the landlord. This value defaults to the Milestones Action Begin and Action Due dates respectively.

Action Taken Date: Date that an action was taken on an option. For example, the date that a tenant notifies the landlord that he will exercise the option.

UOM: Units of measurement for additional space you are adding by exercising the option, if the option is for expansion of the leased space.

Cost: The cost of the option, if it is exercised. Examples are \$2 per square foot, or 95% of fair market value.

Currency: Currency in which the option cost is denominated. The currency of the lease defaults.

Area Change: Area that will be increased or decreased related to an expansion, contraction, or must take option right.

This region also includes options, which can be exercised from a tenant's perspective, in the calculations. Payment term information, such as amounts, start date, escalation amount, and escalation percentage, are included to capture information needed for calculations. On the date of the options' exercise, you must amend the lease and add the new payment term for the option. The option must be updated to Exercise in that case, and the calculations will thereafter be based on the payment term defined. Options are used to capture information on Termination, Purchase, Renewal or Residual options. Amendments to the renewal and purchase option require recalculation, using the latest interest (discount) rate from the index, but amendments to other options only require recalculation based on existing discount rates. Only option amounts are amortized beyond the lease termination date. You must end date an option if you wish to cancel, expire, or exercise the options. The calculations and recalculations are similar to termination of base terms. You can define actual payment terms to replace options when exercised. For more information on the compliance solution refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Notes Tabbed Region

You can enter Notes whether the status of the lease is Draft or Final.

Type: Select the type of note from lookups.

Date: The date that you enter your notes.

User: The user name of the user who enters the note. This field is display only.

Description: Any notes about the lease.

Schedules Tabbed Region

The **Schedules** tab displays the lease schedules and balance details along with the link to the generated lease details report.

The draft lease detail report is generated and appears in the Schedules tab. The file format used for the least is, Lease_Detail_Report_<lease number>.v<version number>.xlsx. For example, the filename appears as *Lease_Detail_Report_23468_v1.xlsx*.

In the Schedules region, the system displays the payment and normalization schedules.

Error Tabbed Region

The **Error** tab displays any errors or warnings resulted during the lease validation when the generate balance option is clicked.

Versions Tabbed Region

The Versions tabs displays various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index.

After the lease is created and the related balances and schedules are reviewed, you can click the Finalize Lease.

When the lease is submitted as final, if the workflow is not enabled, then the lease is finalized after confirmation. If the workflow is enabled, then the system saves the lease, submits the lease version, and freeze the lease version.

The Approval Status changes to Final after the lease is submitted if workflow is not enabled. If the workflow is enabled, then the approval status changes to submitted. The final lease detail report is attached and appears in the Schedules tab.

Enhancements to Lease Detail Report

The lease detail report displays detailed information on balances as of amendment commencement date for each payment term. For each amendment and for every payment term, the report displays the sum of reversed accrued balances with the sum of revised accrued balances generated.

The header region of the report displays the lease version and the amendment type of the lease, along with the Operating Unit's compliance setup details.

Following fields are included in the header region:

- **Transition Date:** Indicates the effective transition date of the Operating Unit. For a non-transitioned operating unit, this field appears empty.
- **Interest Method:** Indicates the value set up in the system options such as the Daily Compound Interest.
- **Calculation Frequency:** Indicates the value set up in the system options such as Periodical Amortization.
- **GAAP Regime:** Indicates the value set up in the system options such as Both.
- **Primary Regime:** Indicates the set up in the system options such as IFRS16.
- **Lease Booking Date:** Indicates the transaction date the lease is booked.
- **Booking ROU:** Indicates the account amount for the booked ROU. If you have not

accounted for the booking transaction either in draft or final lease, then the field is left blank.

- **Booking Liability:** Indicates the account amount for the booked Liability. If you have not accounted for the booking transaction either in draft or final lease, then the field is left blank.
- **Booking Reserve:** Indicates the account amount for the booked Reserve. If you have not accounted for the booking transaction either in draft or final lease, then the field is left blank.
- **Approval Status:** Indicates the approval status of the lease version such as draft, complete, submitted, or final.
- **Adder Rate:** Indicates the adder rate provided on the discount rate index rate.

The existing field Representation has been renamed to Lease Classification.

- **Lease Version:** Indicates the version number of the lease for which the lease detail report is generated.
- **Amendment Type:** Indicates the amendment type.
- **Amendment Commencement Date:** Indicates commencement date of the amendment lease.
- **Amendment Details**

Payment Schedule and Present Value Calculation

Highlights the changes to the cash flow elements of the payment due to the amendment. This section includes the following fields:

- **Payment till ACD:** Represents the total cash paid till the ACD for the current version.
- **Payment till ACD on ACD period:** Represents the cash paid on the ACD period till ACD.
- **Remaining Cash:** Represents the cash remaining to be paid after ACD.
- **Changes to Cash Flow:** Represents the change in cash flow for the payment term due to the amendment.
- **Rate Change on ACD:** Represents the delta of effective discount rate on ACD.
- **Credit Memo:** Represents the amount of credit memo which system generates due to reversal of exported payments beyond ACD date.

Right of Use (USGAAP and IFRS)

Highlights the key changes to Right of Balances due to amendment. This section includes the following fields:

- **Beginning ROU Balance on ACD Period:** Represents the outstanding ROU Balance on the lease at the beginning of the ACD period.
- **Total Amortization till ACD:** Represents The total amortization expense incurred till ACD date from the beginning of lease life.
- **Amortization till ACD for ACD period:** Represents the amortization expense incurred till ACD date on the ACD period.
- **Opening ROU Balance on ACD:** Represents the ROU Balance which is outstanding on the lease as of the ACD date (before amendment took effect).
- **ROU-Adj:** Represents the ROU Adjustment which occurs due to amendment.
- **Gain/Loss:** The Gain/Loss which is incurred due to the amendment.

Liability

This section highlights the key changes to Liability balances due to amendment. This section includes the following fields:

- **Beginning Liability Balance on ACD Period:** Represents the Liability balance outstanding on the lease at the beginning of the ACD period.
- **Opening Liability on ACD:** Represents the liability balance which is outstanding on the lease as of the ACD date.
- **Total Interest expense till ACD:** Represents the Interest expense incurred till ACD date from the beginning of lease life.
- **Interest Expense Till ACD for ACD Period:** Represents the interest expense incurred till ACD date on the ACD period.
- **Liability adjustment:** Represents the liability adjustment which occurs due to amendment.
- **Total Lease expense till ACD:** Represents the lease expense incurred till ACD date from the beginning of lease life.
- **Lease Expense till ACD for ACD Period:** Represents the lease expense incurred till ACD date on the ACD period.

Reversal Details

For each payment term, there will be a Reversal Details region that illustrates the following:

- **Reversed Amortization:** Indicates the amount of the total accrued amortization expense reversed until the amendment commencement date.
- **Revised Amortization:** Represents the amount of recalculated amortization expense in the period where the accrued amortization expense is reversed until the amendment commencement date.
- **Reversed Interest:** Indicates the amount of accrued interest expense that has been reversed on the amendment commencement date.
- **Revised Interest:** Indicates the recalculated interest expense amount for a period for which the accrued interest expense is reversed.
- **Reversed Lease Expense:** Indicates the accrued lease expense amount that has been reversed on the amendment commencement date. This field is disabled for the finance lease.
- **Revised Lease Expense:** Indicates the recalculated lease expense amount for a period in which the accrued lease expense has been reversed. This field is disabled for the finance lease.

Additionally, the reversal details section displays the reversed ROU and catchup accruals, which is relevant for payment terms which are entirely reversed due to any amendment.

Lease Creation using APIs

You can use APIs to create and activate a lease in different approval status.

Initiate a draft lease version using an API

When a lease is created using the `pn_lease_pub.create_lease` API, the system creates the lease with the draft approval status. You can then use forms to generate balances.

When you run the lease creation by specifying D as the value for the `lv_lease_rec.status_code` parameter, the System activates the lease version 1 as a draft.

Lease Creation by direct Activation using an API

Create a new lease by directly activating the lease using the `pn_lease_pub.create_lease` API.

When a lease is directly activated using this API, the system activates the lease with the lease approval status as Final, if there is no workflow enabled. When you run the lease creation by specifying F as the value for the `lv_lease_rec.status_code` parameter, the System activates the lease version 1 directly.

If there is a workflow enabled, then the system will not allow direct activation using API. You can activate a lease version using API only when the draft balances for the lease version are already generated and the lease version is in Complete State.

Activate a Draft Lease Amendment Using an API (New)

When a draft lease version is directly activated using the `pn_lease_pub.update_amend_status` API, then the system changes the lease approval status from the draft to Final, if workflow is not enabled. If workflow is enabled, then the system does not allow the lease version to be activated from draft approval status.

The system also generates and attaches the lease detail report to the lease version after activation using API.

Activate a Complete Lease using the API (New)

If the workflow is not enabled, then you can use the `pn_lease_pub.update_status` API to activate a complete lease, the lease approval status changes to Final. If the workflow is enabled, then the system changes the approval status of the lease version to submitted.

When a lease in a complete approval status is activated using the lease creation `pn_lease_pub.update_status` API, the system uses the already generated LDR and attach it to the activated version of the lease.

Assigning Space to Customers

Oracle Property Manager automatically creates customer space assignments using information you enter when creating lease tenancies. For example, the tenancy's assigned percentage area determines the assigned area. The following system options affect how Oracle Property Manager creates tenancies and customer space assignments:

- **Multiple Tenancy Lease:** Determines whether you can create concurrent space assignments for a location through multiple leases
- **Allow Tenancy Overlap within Lease:** Determines whether you can simultaneously assign a location to multiple customers on a single lease
- **Automatic Space Distribution:** If you set the other system options to Yes, the Automatic Space Distribution system option determines whether Oracle Property Manager automatically assigns space proportionally to all tenancies of a location or allows you to enter a value for assigned percentage area.

The table below illustrates the impact of the Multiple Tenancy Lease and the Automatic Space Distribution system options on tenancies and space assignments. The table describes situations where a tenancy, created through another lease, already exists for overlapping dates.

Multiple Tenancy Lease	Automatic Space Distribution	Impact
No	Yes	You cannot create a new tenancy with the specified dates.
No	No	You cannot create a new tenancy with the specified dates.
Yes	Yes	Oracle Property Manager redistributes location area equally to all space assignments for the location. The tenancy's assigned percentage area reflects the space assigned to the customer. You cannot modify this value.
Yes	No	Oracle Property Manager uses the assigned percentage area you specify for the tenancy as the percentage area for the customer space assignment. However, it presents an error if the total assigned percentage area exceeds 100 percent.

The impact of the system option Allow Tenancy Overlap within Lease is similar to the impact of Multiple Tenancy Lease. However, the limitations of setting the Multiple Tenancy Lease system option to No apply to tenancy overlaps *within* a lease rather than *between* leases.

Entering Assigned Percentage Area for a Tenancy

The following rules apply when you enter an assigned percentage area for a tenancy:

- The default assigned percentage area is 100. You can modify this value.
- One tenancy record may result in multiple customer space assignments based on location area and existing space assignments. For example, if you update the area of a location midway through a tenancy, Oracle Property Manager ends the existing customer space assignment and creates a new one from the provided As of Date.
- The assigned percentage area applies to the duration of the tenancy. Therefore, if assigned percentage area varies through the tenancy period, you must create separate tenancies with different assigned percentage area values. Oracle Property Manager creates separate space assignments for each tenancy.
- The total percentage assigned cannot exceed 100%. If the location is fully assigned, you can create a tenancy with zero assigned percentage area. Note that the total

percentage assigned for a location can be different for different periods.

Related Topics

Setting Up Property Manager, *Oracle Property Manager User Guide*

Space Management, *Oracle Property Manager User Guide*

Creating Milestones

Some lease administration processes require you to make decisions and take actions at specific times during the course of the lease. In Oracle Property Manager you can set up *milestones* that correspond to these required actions. You can then keep track of the decisions and actions that are required, and handle them on a timely basis. If you have installed Oracle Alert, you can set up an automatic notification system that will inform users of milestones according to a schedule you create in Oracle Property Manager.

Milestone information includes the type of milestone, the name of the user responsible for acting on the milestone, the date by which the action must be taken, and the schedule according to which user notification will take place.

You can create milestones for each element of the lease that requires you to take some action during the life of the lease. Each of these lease elements has its own tabbed region in the Leases window.

- Details Milestones can alert you to an upcoming lease termination date.
- Insurance Milestones can indicate when an insurance payment is due, and when an insurance policy needs to be renewed.
- Options Milestones can notify you that the period of time during which you can exercise an option is nearing.
- Payments Milestones can remind you to set up payment items and scheduled payments, and to export schedule payments to your accounts payable application.
- Billings Milestones can remind you to create invoices and scheduled billings, and to export billings to your Accounts Receivables application.

Related Topics

Setting Up Milestone Templates, *Oracle Property Manager Implementation Guide*

Setting Up Milestones, page 5-41

Milestone Types Overview

You can define different types of milestones to address the various lease events that will

require action. Milestone types are user-defined lookups. After you enter these milestone types in the Lookups window, you can use the tabbed regions of the Leases window to associate milestones with a specific lease feature or aspect of the lease. Some common milestone types are:

- Insurance, for renewal of policies and payment of premiums.
- Lease options, for renewal or early termination of the lease.
- Lease payment and billing terms, for the timely creation and payment of invoices.

Setting Up Milestones

Prerequisite:

- In the Lookups window define values for milestone types and primary users. See: Lookups, *Oracle Property Manager Implementation Guide*.

To set up milestones:

Note: If you are currently entering lease information in an active Leases window, proceed to Step 3.

1. Navigate to the Leases window.
2. Perform a query to retrieve the lease for which you want to enter milestones.
3. Navigate to the tabbed region for the lease element for which you want to set up milestones. You can set up milestones in these tabbed regions:
 - Details
 - Insurance
 - Options
 - Payments/Billings
4. Choose the Milestones button.
5. If you have previously set up a milestone template that includes the milestone types and users that you want to associate with this lease element, select the Template Name.

Note: If the milestone template you entered includes all the

milestone types and users you want to enter, proceed to Step 8.

6. Select the milestone type you want to associate with this lease element.
7. Select the name of the user who will be responsible for taking action on the associated milestone type.
8. In the Action Due Date field, enter the date by which the action required by the milestone must be taken.
9. If the Lead Days field is blank, enter the estimated number of days that will be required to complete the specified milestone type.
10. If the Frequency field is blank, enter the number of days that you want to elapse from one user notification to the next.
11. Repeat Steps 6 through 10 if you need to enter additional milestone types and users.
12. Save your work. The start date is automatically calculated by the system based on the Action Due Date and the Lead Days.

Lease Milestones Window Reference

Oracle Property Manager includes a Milestones feature in these Leases windows tabbed regions:

- Details
- Insurance
- Options
- Payments
- Billings

When you choose the Milestones button in any of these tabbed regions, the Milestones window for that specific tabbed region opens, and displays these fields:

Action Due Date: The date by which the required action for the milestone must be completed.

Lead Days: The estimated number of days it will take to complete the required action for this milestone. The milestone notification will be sent this many days before the Action Due Date.

Responsible User: The user name of the person responsible for taking action on the milestone.

Type: The type of Milestone, from the Milestone lookups.

Frequency: The number of days between milestone notifications. Entering "1" in this field generates a notification every day. Entering "2" generates a notification every other day.

Note: To generate automatic notification of milestones, Oracle Alert or a similar notification system must be installed.

Begin Date: The first date that a notification regarding this milestone will be generated. Oracle Property Manager calculates the Notification Date as the Action Due Date minus the number of Lead Days. This field is display only.

Payments and Billings Overview

Oracle Property Manager includes two features that you use to manage financial transactions for your property. You manage payment schedules to suppliers with the payments feature, and you manage billing schedules to customers with the billings feature. You set up both types of transactions in Property Manager, then you export the transaction information to Oracle Payables or Oracle Receivables as shown in the following table:

Function	Payments	Billings
Application that Property Manager Integrates With	Oracle Payables	Oracle Receivables
Trading Partner Type	Supplier	Customer
Transaction Examples	- Rent to Landlord - Taxes - Operating expenses - Insurance	- Rent from Tenant
Transaction Identifier	Invoice number	Transaction number
Lease Class	Expense	Revenue or Sublease
Interface Mechanism	Payables Open Interface	Receivables Auto Invoice

Note: The lease class that you select determines whether the payments

feature or the billings feature is enabled. You enable the payments feature by selecting the Expense lease class. You enable the billings feature by selecting either the Revenue or the Sublease lease class.

Each of these features enables you to set up financial transactions that can occur at any time during the life of the lease. The transactions can take place one time only, or they can be recurring transactions that take place according to a schedule that you determine. For example:

- One-time-only transactions can include security deposits and certain types of operating expenses.
- Recurring transactions can include rent and taxes. You can create terms with frequencies of monthly, quarterly, semi-annual, and annual.

This discussion includes the following topics:

- The Payments and Billings Processes, page 5-45
- Transaction Terms, page 5-46
- Payment and Billing Events and Schedules, page 5-53
- Authorized Schedule Events, page 5-55
- Payment and Billing Items, page 5-57
- Prepayments, page 5-147
- Deferred Payments and Billings, page 5-59
- Integration With Oracle Payables and Receivables, page 5-60

Related Topics

Setting Up Payments, page 5-107

Setting Up Billings, page 5-124

The Payments and Billings Processes

When you are setting up payment and billing information, each step in the process is a separate task. After you complete a step, you can immediately continue on to the next step, or you can stop the process at that point, and return to the next step at a later time. You can set up the terms and schedules for payments or billings when you first abstract the lease, or at any time thereafter.

Note: Before creating payments and billing, you must set up suppliers and customers.

The process of creating payments or billings consists of four basic steps:

1. You enter the terms of the transaction in the Payments or Billings tabbed region of the Leases window. See *Entering Payment Information*, page 5-108 and *Entering Billing Information*, page 5-124.
2. After you finalize a lease or set the lease status to Signed or Lease Ordered, Oracle Property Manager creates a payment or billing schedule. The schedule consists of individual payments or billings for the lease, grouped by schedule date.

Important: Oracle Property Manager creates schedules and items only for all one time non-normalized terms when leases are in Signed or Lease Ordered status.

3. You authorize schedules in the Authorize Payments or Authorize Billings window. See *Authorized Schedules*, page 5-55.
4. You export payment or billing items to Oracle Payables or Oracle Receivables, using the Export Payments to Payables or Export Billings to Receivables window. You cannot export terms that belong to unapproved schedules. See: *Exporting Payment Items to Oracle Payables*, page 5-120 and *Exporting Billing Items to Oracle Receivables*, page 5-136.

Note: You can also prepay or defer a payment or billing item. See: *Prepayments*, page 5-147 and *Deferred Payments and Billings*, page 5-59.

Entering Payment and Billing Terms

You enter the terms of the transaction in the Payments or Billings tabbed region of the Leases window. Oracle Property Manager uses the information you enter to generate payment or billing schedules.

Note: You can enter term information directly in the Payment or Billing Schedules Details window. For more information, see: *Authorized Schedule Events*, page 5-55.

Your sources for transaction term information are:

- The lease

- Documents covering ancillary agreements related to the lease, such as insurance policies and contracts with contacts
- Your organization's business processes, which will determine what values you enter in certain fields, such as:
 - The account number to be charged for the payment or credited for the billing.
 - The purpose you assign to the transaction.

In the Payments or Billings tabbed region of the Leases window you enter detailed information about the transactions you are setting up. This information includes:

- The **term template** to be used for the transaction. This field is not required and any terms defaulted into the lease can be modified. If a term template has been defined at the Lease Details level, the same term template is defaulted in this field. You can change the term template at the payment level as well.
- The **location** of the transaction. You can enter any valid location.
- The **purpose** of the transaction. You can enter the same purpose in more than one transaction. For example, you may enter two payment terms that both have rent as their purpose, if the first term covers a different time period than the second term. This is a user-defined lookup.
- The **type** of transaction. The transaction type indicates the origin of the payment or billing item. For example, for the Rent payment purpose the payment type may be base, direct, escalation, or abatement. This is a system-defined lookup.
- The **Frequency** with which payments or billings are to be made. You can set up recurring payments or billings by entering a frequency value of monthly, quarterly, semiannually, or annually.

You also use the Frequency field to set up a one-time-only payment or billing. When you set a term's frequency to one time, Oracle Property Manager requires that you enter the same start and end dates for the term.

- Whether or not the payment/billing is **normalized**.
- The **Schedule Day** on which schedules should be created. You can enter a number between 1 and 28.

Note: Equipment leases support 29, 30 and 31 days for Schedule Day.

The number you enter is the day of the month on which schedules will be created. The schedule day you enter defaults to the transaction date in Oracle Receivables and the invoice date in Oracle Payables.

- The **Area Type** used in the of the term details. See: Using Area Type, page 5-49
- The **Start Date** and **End Date** of the transaction period. For normalized terms the transaction period start date cannot be earlier than the commencement date of the lease and the transaction period end date cannot be later than the termination date of the lease. This restriction does not apply to terms that are not normalized. The start date and end date default to the lease commencement and lease termination dates.
- The name of the **Supplier**, and the **Supplier Site**, to whom the payment is made, or the name of the **Customer** and **Customer Site** to whom the billing is made. This information comes from the list of suppliers in Oracle Payables, or the list of customers in Oracle Receivables.
- The **amount** of each scheduled payment or billing. If you know the exact amount of the payment or billing, you can enter it as the **actual amount**. If you do not know the exact amount, you can enter an **estimated amount**. For example, when you are scheduling payments for taxes or utilities, you may be able to estimate the amount of the payment based on previous payments. Later, when you know the actual amount, you can enter it. You cannot enter estimated amounts for normalized terms. You can also enter an **annual/area amount**. If you enter an annual/area amount, Property Manager calculates the actual amount.

Both the Payments tab in expense leases and equipment leases include checkboxes for capturing required options for compliance calculations. You must mark payment terms for inclusion into Lease Liability/ROU calculations or for the calculation of both balances. Based on this selection, Lease Liability and ROU balances are calculated using the amounts on these payment terms. A payment term may not be included for calculation of either of these balances, as well. These options can be controlled by checking the checkboxes for Liability and ROU. If none are checked, then the payment term is not included for compliance calculations.

The values for these checkboxes can also come from payment term templates. For variable rent terms, these values default onto the lease from the payment term templates. Similarly, for rent increase terms, these checkbox values are considered variable determinants.

If the Report from Inception checkbox is selected, then the ROU or liability balance is calculated based on cash flows from the lease start date. If the option is not selected, then cashflows after January 1, 2017 are considered for calculations. Though the calculations are based on data from the lease's inception, reporting is limited to periods falling after January 1, 2017. This logic is extended for calculation of balances at the transition date. You must consider whether to calculate lease balances from cashflows from lease commencement date or from the transition date. The intercompany payment term marking option is used for reporting balances calculated from intercompany transactions.

Related Topics

Payments and Billings Overview, page 5-44

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Using Area Type in Term Details

The value in the Area Type field determines the source of the value for the Area field in the Payment or Billing Term window. The value in the Area field is used in conjunction with the Annual/Area field to calculate the actual amount. See Locations Tabbed Region, page 5-28.

The Area Type field contains a drop down list with eight available values. Six of the eight drop-down values refer to fields on the Locations tab of the lease, and when the user selects one of these, the system populates the Area field with the value in the corresponding field on the locations tab. If the value in the corresponding field is null, the user is prompted by the system to populate the field in the Locations tab first before selecting that value. These six values are:

- **Lease Rentable Area**
- **Lease Assignable Area**
- **Lease Usable Area:**
- **Location Rentable Area:** The default value of the Area Type field.
- **Location Assignable**
- **Location Usable Area**

The Location Rentable Area, the Location Assignable Area, and the Location Usable Area can change over time. When one of these three values is selected for Area Type, the area is populated with its value as of the start date of the payment term.

The remaining two values are:

- **Other:** Selecting a value of Other indicates that you want to manually enter a value in the Area field of the Term Details window. You can directly update the value in the Area field only if the value of Other was selected in the Area Type field.
- **Null:** Selecting a value of null is used if the term is not based on an area measure. Values cannot be entered into the Area or Annual/Area fields.

If there is no location tied to the term, the default value for Area Type will be Null. If there is a location, the default value is Location Rentable Area.

Specifying Area Type with No Location Area

If the value selected in the Area Type field is Lease Rentable Area, Lease Usable Area, or Lease Assignable Area, and the system does not find a value for the corresponding area field in the Locations tabbed region, you will be prompted to enter a value for the corresponding area field in the Locations tabbed region before proceeding. To save entries you have already made, select the value of Other and save the record. Then go to the Locations tabbed region and enter a value for the corresponding lease area. Then return to the Term Details window via the Payment or Billings tabbed region and select the desired value for area type.

If the value of the Area Type field is changed again, the system will not do any validations and will allow the change. The system will only ensure that the value change in the Area Type field is reflected in the Area and Annual/Area fields. The change is not reflected in the actual amount of a finalized or draft lease.

Changing Area Type in Draft and Final Leases

Draft Leases

In a draft lease, after the payment or billing term has been entered and saved, you can change the value of the Area Type field. This will change the Area and Annual/Area field amounts. If you change the value of the Area Type field to Other, the value in the Area field will be erased, and the Annual/Area field will become null. If the Area Type field is changed to Null, the Annual/Area and the Area fields become blank or null. No changes will occur to the actual amount of a billing or payment term as a result of changes in the Area Type field or corrections to the area of locations. For a draft lease, a change in the location area of a space definition will not affect the previously created terms or their associated area values. The terms created after a change in the location area of a space definition reflect the new changed area value.

Submitted Leases

In a submitted lease, you cannot perform any change to the Area Type fields.

Final Leases

In a final lease, the Area Type fields are updateable, and changes to the value of the Area Type field will only change the Annual/Area field. A change in the area of a location will be reflected in any new terms created in the Payment or Billings tabbed region. The terms created before the change will still display the previously created area values.

Currency Conversion for Billing and Payment Term Amounts

You can enter billing or payment amounts for lease terms in currencies other than your functional currency. Oracle Property Manager converts entered amounts based on the

conversion rate type specified in the Currency Conversion Type system option. If you do not specify a conversion rate type in the system option, Oracle Property Manager uses the conversion rate type associated with the functional currency and enabled in the Reporting Currencies window. If the functional currency conversion rate type and the conversion rate type specified in the system option are different, Oracle Property Manager uses the rate type specified in the system option.

In addition, the daily rates for the conversion rate type specified in the system option must be available for the transactional currency used in the billing or payment term in order for you to approve a billing or payment schedule.

For example, the functional currency for Company A is Pounds Sterling (GBP). The Currency Conversion Type system option is set to Corporate. A billing term is added to a lease with a transactional currency of Euro (EUR). The lease is monthly and effective from January 1, 2002 to December 31, 2002. The lease is finalized and twelve billing schedules are generated. The Daily Rates table does not contain any conversion rates for Euros and Pounds Sterling for any dates in 2002. You will not be able to approve the billing schedule for January or any other month in 2002.

Note: For IFRS 16 and ASC 842 (US GAAP) compliance, the solution calculates and maintains lease liability in the entered and functional currencies. You can use Oracle General Ledger functionality for revaluing the lease liability carrying balance for each period end. There is no change in AP invoice Forex rate functionality. For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Setting Up Currency Conversion

To setup currency conversion:

1. Specify the conversion rate type in the Currency Conversion Type system option.

Note: If you do not specify a rate type in the profile option, you must add the functional currency and conversion rate type in the Reporting Currencies window.

2. Enable the transactional currency, if not already enabled. Enter the currency code and conversion rate type, in the Reporting Currencies window.

Entering Conversion Rates Manually

To enter conversion rates manually

1. Select User for the conversion rate type specified in the Currency Conversion Type

system option.

2. When adding a term to a new lease or editing or amending an existing lease, enter the actual amount for the new term and the currency. In the Rate field, enter the conversion rate.

Payment Schedule Details and Billing Schedule Details

Property Manager displays both the transactional and functional currency amounts for a billing or payment transaction in the Billings or Payment Schedule Details window. The total amount for the schedule is always displayed in the functional currency. In the Billing Items or Payment Items region of the window, the transactional and functional currency amounts for each schedule item are both displayed. The amount displayed in the Actual field is in the transactional currency and the Accounted field shows the functional currency amount. The transactional currency and conversion rate are also shown for each item. The following standard reports show transactions (billing or payment items for a lease) in both transactional and functional currencies: Rent Schedule Details Report, Receivables Detail Report, Receivables Summary Report, Rent Schedule Export Report, and the Lease Abstract Report.

Converting Currency Amounts

When you enter a payment or billing item in a currency other than the functional currency, Property Manager compares the transaction date to the system date to determine the rate to use to convert actual amounts to functional currency amounts for payment or billing schedule items.

- If the transaction date of the schedule item is the system date or earlier, Property Manager calculates the accounted amount using the currency conversion rate in effect on the date of the transaction.
- If the transaction date of the schedule item is after the system date, Property Manager calculates the accounted amount using the currency conversion rate in effect on the system date.

Property Manager converts item amounts from transactional to functional currency, based on the rules above, when you generate payment or billing schedules. You will see the functional currency amount displayed in the Accounted field in the Payment Schedule Details or Billing Schedule Details window. The accounted amount is subject to change, if the conversion rates change, until the payment or billing schedule is approved. Upon approving a schedule, the accounted amount is recalculated based on the transaction date and system date at that time and can no longer change.

For example, Lease B is created with one payment term.

- The lease begins on January 1, 2002 and ends December 31, 2002.
- Rent is \$500 Australian (AUD) dollars a month.

- The functional currency is US dollars (USD).
- The conversion rate type is Daily.
- The system date is January 15, 2002.
- The daily rates for converting Australian dollars (AUD) to US dollars (USD) are:
 - 0.51 on January 1, 2002
 - 0.52 on January 15, 2002
 - 0.53 on February 15, 2002

The lease is created and finalized on January 1, 2001. The draft payment schedule details show the following accounted amounts:

- For the JAN-2002 schedule, the accounted amount is \$255 USD ($\$500 * 0.51$). The conversion rate effective on the transaction date is used to calculate the accounted amount because the transaction date is earlier than the system date.
- For the FEB-2002 schedule, the accounted amount is \$260 USD. The conversion rate effective on the system date, 0.53 as of January 15, 2002, is used to calculate the accounted amount because the transaction date is later than the system date.

Payment and Billing Schedules

Oracle Property Manager creates schedules for all payment or billing terms when you change the approval status of the lease to Final or when you save a one-time non-normalized payment or billing term when the lease has a lease status of Signed or Lease Ordered. Oracle Property Manager uses the Schedules and Items concurrent program to generate a payment schedule or billing schedule. You can view the schedule in the Authorize Payments or Authorize Billings window.

If the automatically generated concurrent program fails for some reason, you can submit the Schedules and Items concurrent program manually. For more information, see Schedules and Items, page B-28.

Schedules

A schedule represents the items payable to landlords or recoverable from tenants on a specific date, for a lease. For example, if an expense lease contains two terms with a frequency of Monthly, Schedule Day as 1, Duration as three years, and amounts of \$500 each, Oracle Property Manager creates 36 schedules for the first day of every month with two terms each, for a total amount of \$1,000.

Oracle Property Manager creates schedules and their constituent items by running the Schedules and Items concurrent program under the following conditions:

- You finalize a lease, or modify a finalized lease to add a term
- You create a non-normalized one-time payment or billing term for a lease that is in Lease Ordered or Signed status
- You approve variable rent, rent increase, operating expense, or recoveries terms

When you first finalize a lease or save term information when a lease is in Lease Ordered or Signed status, Oracle Property Manager creates one or more draft schedules. You can then approve schedules and transfer constituent items to Oracle Receivables or Oracle Payables as appropriate.

When you add or modify a term in the main lease through a lease edit or amendment, or when you transfer a term from a rent increase, variable rent, or operating expenses agreement, Oracle Property Manager searches for draft schedules corresponding to the schedule dates of the term and behaves as follows:

- If draft schedules exist for the lease, Oracle Property Manager inserts the related items into the existing schedules.
- If no draft schedules exist, Oracle Property Manager creates new draft schedules for the items, even if approved schedules exist for that schedule date.

Important: If approved schedules already exist for the schedule date of a *recoveries* term, Oracle Property Manager searches for the next available schedule date.

Schedules and items include pay items from the Options tabbed region, such as ROU Asset, Liability, and Report from Inception, for IFRS 16 and ASC 842 (US GAAP) Compliance. Options added to a lease with an amendment commencement date into the future are added on a future date and also amortized from that date to lease end date. However, you can also choose to add the terms from current date. For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Determining the Schedule Date

Oracle Property Manager determines schedule dates based on the value provided for the term's *schedule day*. If you specify a term template, Oracle Property Manager uses the template's schedule day. Otherwise, default values for schedule day depend on where you create the term, as described below:

- Main lease term: The default value for schedule day is 1. However, you can specify any whole number between 1 and 28.

Note: Equipment leases allow the schedule day for up to 31 for a month.

- Rent increase term: The default value is the schedule day for the base term if you are allocating rent increase. Otherwise, the selected term template determines the default schedule day.
- Variable rent term: The default schedule day is the invoice due day, or the number of days after the invoice period, which you specify when creating variable rent agreements.
- Recoveries term: The default schedule day is 28. Consequently, Oracle Property Manager uses the 28th day of the month when calculating the schedule date when the period end date is more than 28th of the month.
- Operating expense term: The term start date determines the default schedule day.

Approval Rules for Schedules

When Oracle Property Manager first generates the schedule, its status is Draft. You approve a schedule by changing its status to Approved and saving your work. The approval takes effect when you save your work. You can change the payment/billing terms for an item in an approved schedule. This change is incorporated into all items, belonging to the term, that are not exported.

Once you have approved a schedule, you can no longer change the schedule date for that schedule. You can change the status of an approved schedule back to draft status, as long as none of the items belonging to that schedule have been exported. If you change a schedule to Draft status, you can change the transaction date.

If you place a schedule on hold, you cannot approve it. You must deselect the On Hold check box and change the status to approve it.

A schedule must contain an actual amount before you can approve it. If there is an estimated amount, Oracle Property Manager populates the Actual Amount field with this amount, and you can approve the schedule.

You can approve a schedule even if there are earlier schedules that are in draft status or are on hold. In other words, if the schedule for 01-Jan-01 has a status of draft, you can still approve the schedule for 01-Feb-01. You can create a new payment or billing term even if there are approved schedules that post date the start date of this term.

Using Schedules and Items for Compliance Calculations and Reports

When you authorize a payment or billing schedule, you are approving all of the individual items it contains for export to Oracle Payables or Oracle Receivables. You cannot export items if you have not authorized the schedule of which they are a part. Before you authorize a schedule, you can change the supplier or customer name and site, and the account, of any items that the event contains.

Note: You can also create new Payment or Billing Items through the Payment or Billing Schedules Details window.

You can then click the Term Details button to make changes to the term to which the item belongs. These changes are reflected when you export transactions. You can also defer any of the individual items in the schedule to the next schedule. See *Deferred Payments and Billings*, page 5-59.

To authorize a schedule, the schedule must contain an actual amount. If you have not entered an actual amount, Oracle Property Manager inserts the estimated amount into the Actual Amount field on the Payments or Billings tabbed region. You can change this default actual amount if the payment or billing is not normalized.

You display schedules in the Authorize Payments or Authorize Billings window. To select different groups of schedules, you enter search criteria in either the Find Payment Schedules or Find Billings Schedules window. You can use the report for look back period reporting or use the amounts to update your financial statements by posting the differences to retained earnings. You must run the calculation program Calculate ROU Asset and Liability balances with Streams (PNCLAB) and then the following mentioned programs for the reports. Generate Portfolio Summary Report(PNGPSR) Generate Portfolio Detail Report(PNGPDR) Generate Lease Details Report(PNGLDR) You can make use of the same set of reports for verifying transition date balances. The reports can be run for periods before and after transition. The reports can be run on calculated balances and lease data already archived (explained later) or directly on the tenant's production data in the absence of archived data. After transition date, the calculation program is not needed for reports to be generated. All the data, streams, and so on are concurrently derived post transition.

- Operating Unit
- Lease
- Schedule date
- Transaction date or period name

For IFRS 16 and ASC 842 (US GAAP) compliance reports are provided for the look back reporting needs with the period-end balances with detailed amortization schedules for the liability and right of use:

- **Portfolio Summary:** This report provides information on the entire portfolio of leases (OU level) for a particular As of Date month end, for example May 2017 or June 2017 until a user-provided date.
- **Portfolio Detail:** This report provides information on the entire portfolio of leases (OU level), lease by lease, on a particular As of Date.
- **Lease Detail:** This report provides the balances for a particular selected contract As

of date. This report is complimented with detailed amortization schedules which explain the basis of the calculations of these balances.

- Lease Analysis Report: This report provides a high level view of the tenant's liability both discounted and undiscounted for the periods into the future until lease termination date.

You can use the report for look back period reporting or use the amounts to update your financial statements by posting the differences to retained earnings. You must run the calculation program Calculate ROU Asset and Liability balances with Streams (PNCLAB) and then the following mentioned programs for the reports.

- Generate Portfolio Summary Report (PNGPSR)
- Generate Portfolio Detail Report (PNGPDR)
- Generate Lease Details Report (PNGLDR)

You can make use of the same set of reports for verifying transition date balances. The reports can be run for periods before and after transition. The reports can be run on calculated balances and lease data already archived or directly on the tenant's production data in the absence of archived data. After transition date, the calculation program is not needed for reports to be generated. All the data, streams, and so on are concurrently derived post transition.

For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Related Topics

Payments and Billings Overview, page 5-44

Searching for Information, *Oracle E-Business Suite User's Guide*

Payment and Billing Line Items

Within a schedule there are line items. A payment or billing *item* is the basic unit of the financial transaction process. It is a record of individual payment or billing items that you set up in a transaction term and that you can export to Oracle Payables or Oracle Receivables. The Payment Schedule Details window and the Billing Schedule Details window display all of the items that make up a single payment or billing schedule by schedule date. The upper region of the window shows information that identifies and pertains to the entire schedule. The lower region shows detailed information that pertains to each payment or billing item.

You can also create a new item in the Payment/Billing Schedule Details window. This item must always have a frequency of one-time, and cannot be normalized. You can choose the Term Details button and enter term information.

The TransactionDate in Oracle Receivables and the Invoice Date in Oracle Payables are

the same as the Schedule Date in Property Manager. If you want to change the Transaction Date in the Payment/Billing Schedule Details window, you can override the default value by entering another date that falls within the same period.

In the Payment/Billing Schedule Details window you can defer individual payment items to the next schedule. In the Billing Schedule Details window you can defer individual billing items to the next schedule. See: Deferring Payment Items, page 5-123 and Deferring Billing Items, page 5-139.

You can also approve the entire schedule by selecting Approved in the Payment Status field in the upper region of the window.

Payment/Billing Item Amount

To calculate the *amount* of each individual item, Oracle Property Manager refers back to the amount you entered in the Actual Amount field in the payment or billing term. Based on that amount, Oracle Property Manager calculates a daily amount that it then multiplies by the number of days in the interval that you specified in the Frequency field. This calculation produces the schedule item amount. This is needed when calculating prorated rent.

By calculating the item amount in this way, Oracle Property Manager can accommodate any of the various frequency intervals that you want to use, over a term period of any length that you choose. For example, you may want to make semiannual payments over a payment term period that lasts ten months instead of a year. In that case the amount of the first payment will be calculated to cover six months, and the amount of the second payment will be calculated to cover four months.

When calculating payment or billing items for lease terms that have a frequency of annual, semi-annual, or quarterly, Property Manager calculates the amounts based on the start date of the term. For example, the lease term start date is January 15, 2002, the end date is December 31, 2002 the frequency is semi-annual and the amount is \$1,000. The proration rule is 365 Days/Year. Property Manager calculates the amount due as follows: \$1,000 due JAN-02 and \$931.51 due JUL-02

Schedule Date	Base Rent	Account Expense	Adjustment	Deferred Liability
JAN-02	\$1000.00	\$160.96	(\$839.04)	(\$839.04)
FEB-02	0	\$160.96	\$160.969	(\$678.08)
MAR-02	0	\$160.96	\$160.96	(\$517.12)
APR-02	0	\$160.96	\$160.96	(\$356.16)
MAY-02	0	\$160.96	\$160.96	(\$195.20)

Schedule Date	Base Rent	Account Expense	Adjustment	Deferred Liability
JUN-02	0	\$160.96	\$160.96	(\$34.24)
JUL-02	\$931.51	\$160.96	(\$770.55)	(\$804.79)
AUG-02	0	\$160.96	\$160.96	(\$643.83)
SEP-02	00	\$160.96	\$160.96	(\$482.87)
OCT-02	0	\$160.96	\$160.96	(\$321.91)
NOV-02	0	\$160.96	\$160.96	(\$160.95)
DEC-02	0	\$160.96	\$160.96	0

Related Topics

Integration With Oracle Payables and Receivables, page 5-60.

Payments and Billings Overview, page 5-44

Deferring Payments and Billings

You can defer individual payment and billing items from one schedule to the next if the Payment Status of the payment or billing schedule is Draft. If the status of the event is Approved, you cannot defer any items it contains.

Deferring a payment or billing item does not change any of the item's terms, including the original transaction date. The deferred item, with its original transaction date, will appear as an item in the next schedule, and the amount of the item will be added to the new schedule's total amount.

To defer a transaction item to a subsequent schedule, in the Payment Schedule Details or Billing Schedule Details window highlight the specific item you want to defer and choose the Defer button.

Note: When you finalize and save financial transaction terms, in the Enter Leases window, Oracle Property Manager automatically creates a monthly schedule for every month from the commencement to the termination of the lease. If you want to defer an item from the final monthly schedule that Property Manager created to an event that is *later* than the termination of the lease, you must first manually create the

new schedule by choosing the New button in the Authorize Payments or Authorize Billings window. After you create the new schedule, you can treat it as any other transaction event.

Related Topics

Deferring Payment Items, page 5-123

Deferring Billing Items, page 5-139

Payments and Billings Overview, page 5-44

Contracting Payment or Billing Terms

You can use the Amend Lease or Edit Lease windows to contract a term to any date equal to or after the start date of the term. Before contracting a term, you must cancel approval of all schedules that you have approved but not exported.

When you contract a term, Oracle Property Manager deals with the schedules for the term as follows:

- **Draft schedules:** Deletes all draft schedules for schedule periods after the new end date of the term.
- **Approved schedules:** Does not delete approved schedules. Oracle Property Manager creates a single new item for the term to reverse the amounts already approved for schedule periods after the new end date. Oracle Property Manager creates this adjusting item in the last draft schedule. If there is no draft schedule, Oracle Property Manager creates a new draft schedule in the last schedule period (for the new term end date), on the same schedule day.

Important: When you contract a normalized term, Oracle Property Manager renormalizes the term and reverses normalized items from approved schedules to ensure that correct entries are passed for accrual accounts.

Related Topics

Contracting a Lease, page 5-186

Editing or Amending a Normalized Payment or Billing, page 5-194

Integrating with Oracle Payables and Oracle Receivables

All payment and billing items that you approve can be exported to either Oracle Payables or Oracle Receivables. To display approved items in the Export to Payables or Export to Receivables window, enter search criteria in the Find window. You can

display different groups of approved items, for example:

- All transaction items for one lease.
- All transaction items for multiple leases that occur within a specified schedule or due date range.
- All transaction items for multiple leases that have the same period name, purpose, supplier name, or customer name.
- All transaction items that have an amount that falls within a specified amount range.

By default, each authorized schedule will be set up for export in either the Export to Payables or Export to Receivables window. You specify schedules that you do *not* want to export by deselecting the Export check box.

You can display transaction items that have been exported to Oracle Payables or Oracle Receivables by checking the Exported box in the Find Payments window and then entering search criteria. The Payments Exported to Payables or Billings Exported to Receivables window then displays only payment or billing items that meet the search criteria *and* have been exported to Oracle Payables or Oracle Receivables. You can view payments or billings exported to Payables or Receivables by choosing the Transactions button on the Payments Exported to Payables or Billings Exported to Receivables window.

If you enter Projects information in the Term Details window, you cannot enter General Ledger account information since either the Projects rule or the General Ledger rule should determine the General Ledger account. For expense leases, if you enter Projects information, you cannot enter either General Ledger account information or the distribution set name. If you enter the distribution set name, you cannot enter either Projects or General Ledger account information.

For subleases and revenue leases, General Ledger accounting information should be verified based on the Accounting Option system option.

- All Terms: If you set the Accounting Option system option to All Terms, the General Ledger accounting information is required. For normalized terms, you must specify one General Ledger account for each account class (Receivable, Revenue, and Accrued Asset). For non-normalized terms, you must specify a Revenue and Receivable account.
- Normalized Terms Only: If you set the Accounting Option system option to Normalized Terms Only, the General Ledger accounting information is required only for normalized terms. You must specify a Receivable, Revenue, and Accrued Asset account for normalized terms. No General Ledger Account information is required for non-normalized terms. However, if you enter a Receivable account, you must also enter a Revenue account. Likewise, if you enter a Revenue account, you must also enter a Receivable account.

- None: If you set the Accounting Option system option to None, General Ledger accounting information is required. If you choose to enter any accounting information for normalized terms, you must enter all three accounts (Receivable, Revenue, and Accrued Asset). If you choose to enter any accounting information for non-normalized terms, you must enter both a Revenue and Receivable account.

Note: If these accounts have been defined in the Details tabbed region on the Lease window, when you navigate to the Accounts Distribution tabbed region, Property Manager automatically defaults these accounts to the term.

Payment and Billing Item Numbers

After you export a payment or billing item to Oracle Payables or Oracle Receivables, the system creates a unique number that is assigned to the item.

- When you export a payment item to Oracle Payables using the Payables Open Interface Import, the system creates an *invoice number* that is assigned to the payment item. The invoice number is displayed in the Payments Exported to Payables window.
- When you export a billing item to Oracle Receivables, the system creates a *transaction number* that is assigned to the billing item. The transaction number is displayed in the Billings Exported to Receivables window.

Related Topics

Setting Up Payments, page 5-107

Setting Up Billings, page 5-124

Payments and Billings Overview, page 5-44

Expense and Revenue Recognition Process

This section explains how you can use Oracle Property Manager to recognize lease-related revenue and expense by transferring normalized distribution lines to Oracle General Ledger.

This section contains the following topics:

Accounting for Tenants, page 5-63

Accounting for Landlords, page 5-101

Transferring Normalized Expense and Revenue to Oracle General Ledger, page 5-104

Viewing Information in Oracle Subledger Accounting, page 5-106

Sub-Ledger Drilldown View, page 5-106

Related Topics

Transfer Normalized Lines to GL, page B-31

Accounting for Tenants

Oracle Property Manager uses the following General Ledger (GL) account classes when defining normalized payment terms:

- Expense
- Liability
- Accrued Liability

For details, see *Setting Up Accounting Distributions for Payments*, page 5-113.

You can use the Transfer Normalized Lines to GL concurrent program to transfer expense lines to Oracle Subledger Accounting. The accounts that are affected in this process are Expense and Accrued Liability.

Important: You do not transfer normalized expense amounts to Oracle Payables. However, you must pass liability accounting lines through Oracle Payables before transferring them to Oracle Subledger Accounting.

Example

Consider a 12-month lease, with the first month being rent-free. The rent is \$1000 per month. Real estate rules (FASB 13 or IAS 17) require that this rent be normalized (or straight-lined) across the entire lease term.

The table below illustrates the monthly amounts for the tenant. The key for the table is:

- Bal - Balance
- Liab - Liability
- Exp - Expense
- Accr - Accrued

Period	Liab (CR)	Liab (Bal)	Exp (DR)	Exp (Bal)	Accr Liab (DR)	Accr Liab (CR)	Accr Liab (Bal)
JAN-02	0	0	916.67	916.67	0	916.67	(916.67)

Period	Liab (CR)	Liab (Bal)	Exp (DR)	Exp (Bal)	Accr Liab (DR)	Accr Liab (CR)	Accr Liab (Bal)
FEB-02	1000	(1000)	916.67	1833.34	83.33	0	(833.34)
MAR-02	1000	(2000)	916.67	2750.01	83.33	0	(750.01)
APR-02	1000	(3000)	916.67	3666.68	83.33	0	(666.68)
MAY-02	1000	(4000)	916.67	4583.35	83.33	0	(583.35)
JUN-02	1000	(5000)	916.67	5500.02	83.33	0	(500.02)
JUL-02	1000	(6000)	916.67	6416.69	83.33	0	(416.69)
AUG-02	1000	(7000)	916.67	7333.36	83.33	0	(333.36)
SEP-02	1000	(8000)	916.67	8250.03	83.33	0	(250.03)
OCT-02	1000	(9000)	916.67	9166.70	83.33	0	(166.7)
NOV-02	1000	(10,000)	916.67	10,083.37	83.33	0	(83.37)
DEC-02	1000	(11,000)	916.63*	11,000	83.37	0	0
Total		(11,000)		11,000			0

Oracle Property Manager applies rounding differences to the amounts calculated for the last period.

For the month of JAN-02

Because the cash amount is \$0, you do not create an invoice in Oracle Payables. You can transfer the distribution lines for the month of JAN-02 directly to Oracle Subledger Accounting using the Transfer Normalized Lines to GL concurrent program. The following table shows the accounting entries that are created in Oracle Subledger Accounting.

Account	Debit	Credit
Expense	916.67	

Account	Debit	Credit
Accrued Liability		916.67

For the month of FEB-02

You must process the liability amount through Oracle Payables and the expense lines through Oracle Subledger Accounting. As illustrated in the following table, the header in Oracle Payables shows a liability of \$1000 and an accrued liability of \$1000, indicating a credit of \$1000 to the Liability account and a debit of \$1000 to the Accrued Liability account.

Invoice Header	Liability = \$1000
Distribution Line 1	Accrued Liability = 1000

The distribution lines passed by Oracle Property Manager to Oracle Subledger Accounting are as illustrated in the following table:

Account	Debit	Credit
Expense	916.67	
Accrued Liability		916.67

Accounting Rules

- You must approve the schedule before passing the account line to Oracle Subledger Accounting. For details, see Approval Rules for Schedules, page 5-55 and Approving Payment Schedules, page 5-118.
- In cases where you have to pass a liability line to Oracle Payables, you must export the liability line to Oracle Payables before you can submit the Transfer Normalized Lines to GL concurrent program. See Exporting Payment Items to Oracle Payables, page 5-120.

Balances for IFRS 16 and ASC 842 (US GAAP) Compliance

Following topics discuss the details on balances for IFRS 16 and ASC 842 US GAAP compliance.

Compliance Requirement

For IFRS 16 and ASC 842 (US GAAP) compliance tenants must calculate, report and account the following in their balance sheets as well as income and expense statements:

- **Lease Liability:** This is the monetary value of the tenant's obligation in a lease. This will be displayed/disclosed in the tenant's balance sheet as a liability. This is calculated as the present value of all payments due to the landlord towards rents, option amounts, one time payments, and so on.
- **Right of Use (ROU):** This is the value attributed to the right (non-monetary) that the tenant holds in a lease. You may consider the lease liability as the ROU with/without any adjustments. Generally ROU is same as liability when calculated for the first time if there are no additional amounts contributing to additional ROU.
- **Lease Expense:** The total payments (cash expenses) on a lease when calculated per period. For US GAAP purposes, this is the expense that needs to be reported as the expense for the period. This is simple arithmetic mean of all payments in a lease spread over the life of lease like existing normalized items.
- **Amortization Expense:** Amortization expense is the systematic write-off of ROU. For IFRS purposes, the amortization expense is calculated on a straight line basis. For US GAAP, Amortization Expense is the difference between the interest expense and lease expense.
- **Interest Expense:** Interest Expense is the financing cost component of the lease expense. It is usually calculated by applying the internal rate of return on the outstanding Lease Liability. For IFRS reporting, Interest Expense and Amortization expenses must be reported as separate lines of an expenditure.
- **Cash:** Scheduled outflow of periodical cash to vendors (including landlord).
- **Foreign Exchange Gain/Loss:** Monetary items like liability must be revalued at period end and any gain/loss arising due to settlement of liability in foreign currency must be calculated and disclosed.

You may need to derive the accounted balances on transaction using multiple exchange rates. For example, ROU must be derived or recalculated using the same rate. Both lease liability and ROU balances are created and maintained from Oracle Property Manager. There is no integration to Fixed Assets. These balances are tracked to zero according to their standard amortizations and also due to recalculations from amendments to contract.

For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) and *Subledger Accounting Configuration for IFRS16 and ASC842 Accounting from Property Manager including Equipment* (Doc ID 2396463.1) in My Oracle Support.

Compliance Reports

Three reports are provided for the Look Back reporting needs. The reports provide you

with the period-end balances with detailed amortization schedules for the liability and right of use.

- **Portfolio Summary** This report provides information on the entire portfolio of leases (OU level) for a particular As of Date month end, for example May 2017 or June 2017 until a user-provided date.
- **Portfolio Detail** This report provides information on the entire portfolio of leases (OU level), lease by lease, on a particular As of Date.
- **Lease Detail** This report provides the balances for a particular selected contract As of date. This report is complimented with detailed amortization schedules which explain the basis of the calculations of these balances.
- **Lease Analysis Report** This report provides a high level view of the tenant's liability both discounted and un-discounted for the periods into the future until lease termination date.

You can use the report for look back period reporting or use the amounts to update your financial statements by posting the differences to retained earnings.

You must run the calculation program Calculate ROU Asset and Liability balances with Streams (PNCLAB) and then the following mentioned programs for the reports.

- Generate Portfolio Summary Report(PNGPSR)
- Generate Portfolio Detail Report(PNGPDR)
- Generate Lease Details Report(PNGLDR)

You can make use of the same set of reports for verifying transition date balances. The reports can be run for periods before and after transition. The reports can be run on calculated balances and lease data already archived (explained later) or directly on the tenant's production data in the absence of archived data. After transition date, the calculation program is not needed for reports to be generated. All the data, streams, and so on are concurrently derived post transition.

Calculate Balances

The calculation program is expected to be run during each period end. You can, however, run the program in Draft mode at any time. You can run the program in Final mode only once for a portfolio, for a particular period end. When the program is executed in Final mode, an archival of the calculations and Lease Detail is taken and finalized. Each time reports are run for this period, the reports run on this archived data and not on the production data; this creates an auditable/reliable single source of truth for the calculations.

Lease Liability is amortized to zero, using an iterative rate which brings the balance to 0. This rate is marginally off from the discounting rate that users use. ROU balances are amortized to zero either on a straight line or with the amortized portion of the lease expense, based on IFRS/USGAAP as a compliance regime. Impact of the

Amendments/additions/contractions/term additions are initiated in the current period (maybe backdated) are reported as differences as complementary information to the previously mentioned reports.

For post transition process, you do not need to run the calculation process explicitly. Calculations and recalculations are performed concurrently on trigger of events like lease activation, termination, extension, lease reclassification, discount rate index changes, and so on. You will only need to run the compliance data reports mentioned previously to view the data.

For equipment leases, the calculation program has no role. When an equipment lease is activated, all schedules, items and compliance balances are automatically generated for the entire life of the equipment lease. The same approach is followed for property leases, as well, but only after the "Transition Date" is finalized.

Setup Changes

The following new components were added and updated in Oracle Property Manager, for generating calculations and reports.

Discount Rate Index

You must create an index of rates (interest rates) for the different dates. This index can be created at the OU level. The index must be added on the lease header and, for the calculation of balances, the applicable interest rate from the index is used.

Additionally, you can also add an adder rate on the lease using a newly provided field. This adder rate is added or deducted from the index rate to arrive at the final rate.

The effective discount rate, which is the sum of rate from index and adder rate is applied to the payment terms of the lease for calculation/recalculation of balances.

The discount rate index is non-mandatory so that you can use Property Manager expense leases in the existing solution without any compliance changes.

Accounting Method

The Accounting Method is used to capture the lease classification for reporting, as well as the categorization of leases.

From the drop-down of values available, you can select:

- **Finance Lease** If the expense lease needs to be classified as a finance lease. This lease is reported if the you use finance lease as a parameter on the reports programs.
- **Operating Lease** If the expense lease needs to be classified as an operating lease. This is the default value for a new expense lease. This lease is reported if the you use operating lease as a parameter on the reports programs.
- **Both** If the expense lease needs to be classified both as finance lease and operating. This value is not available post transition as the same value can be selected from system options during system setup.
- **Exclude** If the expense lease should be excluded from reporting. For post

transition, if you do not want ROU or liability balances calculated and reported, then do not select the checkboxes.

Payment Terms Checkboxes

You must mark payment terms for inclusion into Lease Liability and ROU calculations or for the calculation of both balances. Based on this selection, Lease Liability and ROU balances are calculated using the amounts on these payment terms. A payment term may not be included for calculation of either of these balances, as well.

The values for these checkboxes can also come from Payment Term Templates and the templates are enhanced for capturing these values as checkboxes. For Variable Rent terms, these values are defaulted onto the lease from the payment term templates. Similarly, for rent increase terms, these checkbox values are considered as variable determinants.

A new checkbox, Report from Inception, is also provided. If you select this checkbox, the ROU or liability balance is calculated based on cash flows from the lease start date. If this checkbox is not selected, cashflows after January 1, 2017 are considered for calculations. Though the calculations are based on data from the lease's inception, reporting is limited to periods falling after January 1, 2017. Similarly the same logic is extended for calculation of balances at the transition date. You must consider whether to calculate lease balances from cashflows from lease commencement date or just from transition date.

Payment terms and options added to a lease with an amendment commencement date into the future are added on a future date and also amortized from that date to lease end date. However, you can also choose to add the terms from current date.

Compliance Setups

The following setups must be completed for you to use the Phase II solution for accounting of transactions:

- **Regime** - You must select the compliance regime as per their compliance needs. The available values are IFRS, ASC 842 and Both.
- **Primary Regime** - If you select Regime Name as Both, then you must select a primary regime as IFRS or "ASC 842. The primary regime is followed for all accounting into primary ledger and secondary ledger and will provide accounting representation.

Calculations Type

- **Periodical**: If you are following regular English calendars in primary ledger, you can choose periodical calculations. The balances are calculated as of the event date as period end for the regular calendar.
- **Daily**: If you are following an irregular calendar like 4-4-5, you will need daily calculations. Amortizations are calculated based on actual days in the period and similarly, interest amounts are calculated for the exact days in the month. You are advised to use only the days/month convention if you are using daily calculations.

Days in an adjustment period are not taken into consideration for calculations of numbers.

- **Transition Date:** On the date of transition, transition balances are calculated according to the lease and term, and also uploaded as accounting balances. An accounting event is triggered and the accounting is performed according to your configuration.

Lease History

- The Lease History window is enhanced to display all the newly introduced fields.
- The discussed setups are also applicable to Equipment Leases, with exception to Transition Date. You can navigate to the Setup tab using the Equipment Lease responsibility (attached to Property Manager) to finish setting up the following.
- Payment Term Templates for Equipment Leases
- Discount Rate Index (cost of funds) for equipment leases
- System Options: The System Options page does not need Transition Date, as the leases are migrated at the carrying values for ROU/Liability on the day the leases migrate and activate. You can use the API provided to load leases into equipment leases and activate them. Therefore, this elaborate Transition process is not applicable to equipment leases.
- New Responsibility named Equipment Lease defined with its related menu and functions
- All equipment related programs are available in a new request group called PN_EQP_REPORTS.
- Property Manager users have a new menu and all new programs for equipment leasing are added to the standard property manager menu and request group.

Handling Equipment Leases (Available in Release 12.1.3+ and Release 12.2.3 and above)

A new responsibility was added with new menus and functions, for creating and managing equipment leases. The Responsibility contains the following menu:

- Leases
 - Lease
 - View Transactions
- Setup
 - System option

- Term Templates
- Discount rate Index
- Reports

Navigation: Equipment Leases > Leases tab

Within the Leases tab, you have the option to do the following:

- **Search Leases:** You can search for your leases, based on the parameters provided in the screen.
- **Create Lease:** You can create new leases by selecting the Create Lease button.
- **Amend and Update:** You can query for a lease and then amend/update those leases. Only leases that are in a Draft status are enabled for update. Leases that are in a Final lease approval status can only be amended. You can select the Action icon to trigger the necessary action. There is no Edit functionality available for equipment leases.
- **Open Lease:** You can look at the contents of the lease by selecting the lease number hyperlink.
- **Create Lease:** You can create leases by navigating through the different tabs and filling in all information that is needed to create leases.
 - **General Tab:** Provide all lease header information, such as number, name, lessor, classification, discount rate index, and so on. You can also add additional information in the box provided for comments or by enabling descriptive flexfields provided in the page.
 - **Parties Tab:** Lessor and Lessee parties default, based on your selection within the General tab. You can add more vendors to this list.
 - **Asset Tab:** Provide information for the equipment, such as Asset number, Location, item, Serial Number, Units, Unit Cost, and so on.
 - **Options:** Provide all information needed to build an option for Renewal, Residual, Termination or Purchase.
 - **Payment Tab:** Provide all payment related information, such as schedule day, payment amount, payment for asset number, frequency, and so on. Finally, also provide the checkbox values for ROU/Liability/Report from Inception, and so on.
 - **Schedules Tab:** Displays compliance numbers and payment schedule of the lease in different stages. In the draft stage, this window displays the draft lease

detail report and the draft schedules. In the final stage, this tab displays the final lease detail report and the final schedules agreed upon.

- **Errors:** Displays any errors or warnings resulted during the lease validation when the generate balance option is clicked.
- **Versions:** Displays various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index.

After filling in all information, you can activate a lease by navigating to the General tab. You can use one of the following options:

- **Generate Balances**

To review the lease schedules and balances after specifying inputs, click the Generate Balances option. The system validates the inputs and generates a draft lease schedule and the lease detail report in a draft mode. You can use this option after entering the location and payment details.

- **Manage Rent Increase**

You can use the Manage Rent Increase option during the lease creation for property expense leases belonging to transitioned operating units (IFRS Customers). You specify a new rent increase agreement and or modify an existing rent agreement on the lease.

- **Finalize Lease**

To submit the lease version after authoring the lease, click the Finalize Lease option. The lease contract is activated, and the approval status of the lease version changes to Final. If the workflow is enabled, then the system initiates the workflow approval process, and the lease approval status changes to submitted.

Process for Equipment Leases

1. Create and finalize equipment leases.
2. Auto Trigger Schedules, Items and Booking events.
3. Approve payments on equipment.
 - Run new program: Approve or Cancel Approval of Equipment Schedules
4. Export to AP
 - Run new program: Export Equipment Payment Items to AP
5. Generate Period end Normalization expense and new Accruals for compliance accounting

- Run new program: Transfer Normalized Equipment Lines to GL

Calculation change for Payment Items

The below mentioned changes were made to the existing calculation logic for payment terms, for partial periods. This is only applicable for equipment leases:

- Enable schedule date > 28 (example: 29,30 or 31) days in any month
- There is no proration of payments for partial periods if the selected frequency is monthly. For example, if the period starts on the 14th, the first payment is considered a payment from the 14th of that month to 13th of the following month. Therefore, the first period and last period amounts are not prorated.

API signature change of Amend_Equip_Lease API

The API signature of the Amend_Equip_Lease procedure has been changed as follows:

```
PROCEDURE Amend_Equip_Lease
(p_Commit IN VARCHAR2 := Fnd_Api.g_False
 ,p_Validate IN VARCHAR2 :=Fnd_Api.g_False
 ,p_Equip_Lease_rec IN OUT NOCOPY Pn_Equip_Lease_Pvt.
eq_lease_rec_type
 ,p_Equip_dtls_Lease_rec IN OUT NOCOPY Pn_Equip_Lease_Pvt.
EQ_LEASE_DTLS_REC_TYPE
 ,p_Equip_Notes_Dtls_rec IN OUT NOCOPY Pn_Equip_Lease_Pvt.
EQ_NOTE_DETAILS_REC_TYPE
 ,p_Equip_Party_tbl IN OUT NOCOPY Pn_Equip_Lease_Pvt.
EQ_LS_PTY_TBL_TYPE
 ,p_Equip_Assets_tbl IN OUT NOCOPY Pn_Equip_Lease_Pvt.
eq_aststbl_type
 ,p_Equip_Srn_tbl IN OUT NOCOPY Pn_Equip_Lease_Pvt.
EQ_SRNUM_TBL_TYPE
 ,p_Equip_Option_tbl IN OUT NOCOPY Pn_Equip_Lease_Pvt.
eq_ls_options_tbl_type
 ,p_eqp_lease_term_tbl IN OUT NOCOPY pn_eqp_payments_pvt.
Eqp_Lease_Terms_Tbl
 ,p_extend_term IN VARCHAR2 DEFAULT 'N'
 ,p_renormalize IN VARCHAR2 DEFAULT 'N'
 ,p_cutoff_date IN DATE
 ,p_request_id IN OUT NOCOPY VARCHAR2
 ,x_Msg_Count OUT NOCOPY NUMBER
 ,x_Msg_Data OUT NOCOPY VARCHAR2
 ,x_Return_Status OUT NOCOPY VARCHAR2
 ,p_Equip_Lease_Context IN VARCHAR2 DEFAULT 'AMENDAPI');
```

Options

The Options feature was enhanced to include options, which are certain to be exercised from a tenant's perspective, in the calculations. Payment term information, such as amounts, start date, escalation amount, and escalation percentage, are included to capture information needed for calculations.

On the date of the options' exercise, you must amend the lease and add the new payment term for the option. The option must be updated to Exercise in that case and the calculations will thereafter be based on the Payment Term defined. Options are used to capture information on Termination, Purchase, Renewal or Residual options.

Amendments to the Renewal and Purchase option require recalculation, using the latest interest (discount) rate from the index but amendments to other options only require

recalculation based on existing discount rates.

Only options amounts are amortized beyond the lease termination date. You must end date an option if you wish to cancel, expire, or exercise the options. The calculations and recalculations are similar to termination of base terms. You can define actual payment terms to replace options when exercised.

Recalculations

Amendments, such as the addition of payment terms, renewals, contracts, require recalculation of the lease data. The future balances are re-derived and the new balances are re-amortized. The differences between the earlier calculations of balances for the period and the new balances are reported as differences with a statement of difference causing terms.

Some of these recalculations are computed using existing interest rates or the latest interest rates. Latest Interest rates are used for amendments due to Renewals/Lease/Term Contractions/Purchase options.

For the post transition process, accounting events are triggered and created for all amendments like lease extension, termination, index rate change and so on. These change amounts are captured as revision events. You can make use of sub-ledger accounting to weave accounting for all the new events types created as part of the enhancement with the Phase II part of the solution. Additional data views have been created for capturing and making available the calculated amounts needed for new compliance accounting.

Amendments for Renewal, Add Payment term, Lease Reclassification, Discount Rate Index change, and Future Dated Contractions are all assumed to be effective from first date of the current period and recalculations are performed accordingly. However, there are few exceptions to this rule like past-dated contractions and system-dated contractions.

Transition Date-Compliance Accounting

You can choose one of the following compliance accounting options:

1. Continue existing normalized and AP accounting or invoices without the Phase I or Phase II solutions.
2. Uptake the Phase I solution and generate the reports only, and never use Phase II solution (compliance accounting)
3. Uptake the Phase II solution with multiple GAAP accounting (IFRS, US GAAP, and existing normalization accounting) in primary and secondary ledgers. This option allows you to continue with existing accounting for normalization in one of the secondary ledgers with IFRS and US GAAP as the primary reporting.

If you are willing to generate ROU and liability, then your maintenance accounting must provide a transition date as part of the compliance setups. Until calculations are not finalized for the prior periods, the transition activity is not complete. On completion of the transition, an accounting event is triggered for each lease at payment term level, recognizing ROU and liability and any reserve for the carrying balances. The transition

calculation program calculates and also uploads the balances as an accounting event.

You can choose to calculate and upload these balances with cash flows from lease commencement date and rollover month to month or directly on the remaining cash flows as on transition date. For example, if the you select 10-Jan-19 as transition date, then:

1. You can run the calculation program in draft mode, verify the balances for ROU/Liability. You can run for each of the periods until 31-Dec-18 or cumulatively as of 31-Dec-18
2. You will then run the transition date calculation, which rolls forward the balances as of 31-Dec-18 until the transition date of 10th Jan 2019. An accounting event and transaction for booking is generated, which will account the debits and credits for ROU and liability and the difference, if any.
3. Or, you can also choose to only take remaining cash flows on and onwards from 10-Jan-19 by not checking Report From Inception at the term level.

Compliance Accounting

After the successful transition to Phase II accounting, Property Manager generates accounting events and transactions for various events in the lifecycle of a lease, as follows:

1. Booking - Lease Activation (generation of ROU and liability at payment term level).
2. Revisions events for lease extension, addition of new payment terms, reclassification of lease from OPER to FIN, discount rate changes, changes to Options and so on. (events for delta amounts).
3. Period end accruals for interest expense, amortization expense, and lease expense.
 - Period end accruals for interest expense, amortization expense, and lease expense.
 - Accruals can be run for only previous periods.
 - Accruals can be run for periods later than booking transaction only.
 - Accruals are generated when the same earlier Transfer Normalized Lines to GL is run.
 - Accruals are dated as first day of the current period. When accruals are run for multiple prior periods, one transaction for each of those periods are generated.
4. Lease and payment term - Termination and early end dating of Payment Terms.

Payment terms exported to AP from Property Manager also carry flags, which allow

you to direct to the lease liability account, instead of posting them to expenses (non-normalized) or accrued liability (normalized term).

Refer to the sample accounting at the end of this release note.

Note: Read through Section 9: Important Bug Fixes and Enhancements through Patch 28726503:R12.PN.C and 28726503:R12.PN.B for changes in accrual functionality.

Foreign Exchange Differences

All the amortizations and accounting transactions are generated in the entered currency (transaction currency). When the transaction is accounted, the functional currency amounts are generated using the following rules:

- ROU and liability initial balances are accounted using a user-defined rate on the payment term, if any, or the daily rate as of the lease booking event date.
- Lease Payments are accounted using a user-defined rate on the payment term, if any, or the daily rate existing on the schedule day of the payment term.
- Interest expense follows same rule as previously listed for Lease payments.
- Amortization amount uses the same rate as ROU creation, so that the ROU balance can be amortized to 0 in both the entered and the functional currency.

You can revalue the liability balance in the entered currency every period end in General Ledger using Oracle's revaluation functionality.

Archival of Data and Calculations

Archival of Data and calculations is provided with twin objectives:

- There is a proper trail and auditability of the data used for calculations and this data is secured from updates.
- The calculations for every month end are based on information existing as of that month.

Archive – The Lease Data program is used to archive the data, per user run. You can use the program until the Phase 1 patch is provided. After you use the Phase 1 patch, archival of data and calculations will take place after running the calculation program in Final mode. Thereafter, the archival program will not be operational.

Customers are advised to apply the patch to their production environment, after ensuring that the calculations and compliance functionality is meeting their requirements. Customers can keep archiving their production data through the earlier provided archival program while the testing is going on. This enables customers to execute corrected calculations on the periodical archived data.

This program will archive lease data with amendments starting from January 1, 2017 through the system date of when the program was executed.

The Calculation program performs the calculations on the archived data for the periods before the calculation program is available. The Archival program should be used in place of archival scripts after you uptake the archival program.

This program does not have any parameters and it archives only the data pertaining to the current operating unit until the system date.

All parameters for the calculation program, such as ROU, Liability checkbox, Adder Rates, Accounting Method, must be updated on the archived lease data from the period when the calculation program is made available. When the calculation program is executed in Final mode, the archival of lease data and calculations should be auto-triggered and completed.

Archival of data and calculation will not take place in Draft mode of the calculation program.

You must clean up archived calculations if you want to change from periodical calculations to daily calculations.

If foreign currency payments terms are used in calculations after conversion to functional currency, then the calculations have to be performed again for each of those periods (Phase II calculations are in entered currency in contrast to Phase I calculations, which are always in functional currency). After the transition to the Phase II solution there is no archival of lease data and calculations, as every change in the lease is represented through a proper accounting event.

Migration and Preparatory Work

You are expected to archive data regularly until the Phase I patch is provided. The archival will also include amendments data. The calculation program will run on the archived data if it is available for a period and on production data if archived data is not available.

At a high level, customers are required to complete the following activities as upgrade preparatory work.

1. Lease classification - Classify your leases into Finance/Operating/Both and leases which can be excluded from compliance reporting.
2. Set up the Discount Rate Index.
3. Identify adder rates for the contracts.
4. Identify checkbox values for ROU, Liability and Report from Inception for payment terms.
5. Identify Options with values and the effective from date to be added to the leases.
6. Update production leases and archived data with values required for all newly introduced attributes.

Based on the pre-decided values, customers can update their existing leases with

Oracle's upgrade script to provide the updated values on the leases. Customers should also update their existing archived data, so that the calculation program can run on the correct upgraded data.

Upgrade Lease API

Following topics describe the upgrade lease API.

Upgrade Process for Property Leases

This section describes the usage and structure of the Upgrade Lease API which can be used to upgrade the leases in both production and archive tables in Oracle Property Manager. The Upgrade Lease API will upgrade the leases with necessary new attributes to make the leases eligible to calculate ROU asset and Liability balances, per the IFRS 16 compliance guidelines.

Prerequisites

To utilize the Upgrade Lease API, the following prerequisites must be applied.

- Apply Patch <25887591:R12.PN.B>
 - This patch can be applied on Release 12.1.3 (R12.PJ_PF.B.delta.7).
- Create the necessary Discount Rate Indexes, in the Discount Rate Index setup page, after applying <Patch 25887591:R12.PN.B>.
 - These discount rate indexes will be used to upgrade the Discount Rate Index attribute at the lease header. The calculation of ROU asset and liability balances must have been executed in the Final mode for NONE of the ledger.
- List all leases to be upgraded with their new attribute values. The lease upgrade data can be loaded to a temporary table and the Upgrade Lease API script can be used for each of the leases present in the temporary table. The Upgrade Lease API will upgrade one lease at a time.

Available APIs

- Upgrade Lease (PN_UPGRADE_LEASE. UPGRADE_LEASE) Upgrade Lease Procedure Definition

The following structures can be used for upgrading the new attributes of the lease header and the Payment tab information of the lease.

Structure	Attribute Name	Required/Optional	Allowed Values
pn_upgrade_lease.lease_rec	accounting_method	Required	FINANCE, OPERATING, BOTH, EXCLUDED

	discount_rate_index_id	Required	Valid discount rate index id
	adder_rate	Optional	
	lease_id	Required	Valid lease id
Pn_upgrade_lease. lease_terms_tbl	rou_asset_flag	Optional	Y, N, NULL
	liability_flag	Optional	Y, N, NULL
	rept_inception_flag	Optional	Y, N, NULL
	payment_term_id	Required	Valid payment term id.

Following is the definition of the procedure UPGRADE_LEASE.

```

PN_UPGRADE_LEASE. UPGRADE_LEASE (
p_init_msg_list      IN      VARCHAR2      DEFAULT FND_API.G_FALSE,
p_commit             IN      VARCHAR2      DEFAULT FND_API.G_FALSE,
p_lease_rec          IN      OUT NOCOPY lease_rec,
p_lease_payment_term_tbl IN OUT NOCOPY lease_terms_tbl,
x_return_status      OUT     NOCOPY  VARCHAR2,
x_msg_count          OUT     NOCOPY  NUMBER,
x_msg_data           OUT     NOCOPY  VARCHAR2

```

Business Validations and Errors

No.	Validation Scenario	Error Message	Requirement
1	You are trying to upgrade leases after the calculation for ROU asset and Liability balances are already completed for at least one of the ledgers.	Upgrade Lease API can only be executed if no calculation is done in FINAL mode.	It's a prerequisite to use the Upgrade Lease API. All eligible leases must be upgraded in the system before Final calculation is done for any of the ledgers.

2	<p>You are not providing a value for the following attributes:</p> <pre>p_lease_rec.LEASE_ID p_lease_rec.ACCOUNTING_METHOD p_lease_rec.DISCOUNT_RATE_INDEX_ID</pre>	<p>LEASE_ID, ACCOUNTING_METHOD and DISCOUNT_RATE_INDEX_ID are the required parameters to upgrade a lease.</p>	<p>All three attributes are mandatory to identify an existing lease and successfully upgrade it.</p>
3	<p>You provide a lease_id that links to a lease which is not an EXPENSE lease</p>	<p>Only leases of class EXPENSE are eligible for upgrade through this API.</p>	<p>Upgrade Lease API works only for EXPENSE leases.</p>
4	<p>You provide a lease_id that does not exist in the system.</p>	<p>Lease Id <lease_ID> is not present in the system</p>	<p>A valid existing lease_id must be provided. The Upgrade Lease API works only for existing leases.</p>
5	<p>You provide an invalid Accounting Method other than the four values such as FINANCE, OPERATING, BOTH, EXCLUDED.</p>	<p>Invalid Lookup Type: <LOOKUP_TYPE> Lookup Meaning: <LOOKUP_MEANING> or Lookup Code: <LOOKUP_CODE></p>	<p>Allowed values for Accounting Method are FINANCE, OPERATING, BOTH, EXCLUDED.</p>
6	<p>You provide a discount rate index id which is not defined for the same Operating Unit of the lease to be upgraded. Also the effective start date of the discount rate index must be equal or prior to the lease commencement date.</p>	<p>Invalid Discount Rate Index Id.</p>	<p>Only the discount rate indexes defined for the same Operating Unit and with an effective start date of equal or prior to lease commencement date can be upgraded.</p>
7	<p>You provide an invalid payment terms id with reference to the lease_id provided.</p>	<p>Please enter a valid payment term id.</p>	<p>The payment terms specific to the lease_id provided can only be upgraded.</p>

Following is an example PL/SQL script to upgrade a single lease using Upgrade Lease API. The script can be customized to upgrade mass leases by looping the API call for each record present in one of the temporary table or staging table:

```

DECLARE
    lv_msg varchar2(2000);
    lv_init_msg_list varchar2(100);
    lv_lease_rec PN_UPGRADE_LEASE.lease_rec;
    lv_lease_payment_term_rec PN_UPGRADE_LEASE.lease_terms_rec;
    lv_lease_payment_term_tbl PN_UPGRADE_LEASE.lease_terms_tbl;
    lv_msg_count number;
    lv_msg_data varchar2(1000);
    lv_return_status varchar2(10);
begin
    lv_lease_rec.lease_id := 1240;
    lv_lease_rec.accounting_method := 'OPERATING';
    lv_lease_rec.discount_rate_index_id := 10001;
    lv_lease_rec.adder_rate := 2;

    lv_lease_payment_term_rec.payment_term_id := 1243;
    lv_lease_payment_term_rec.rou_asset_flag := 'Y';
    lv_lease_payment_term_rec.liability_flag := 'Y';
    lv_lease_payment_term_rec.rept_inception_flag := 'N';
    lv_lease_payment_term_tbl(1) := lv_lease_payment_term_rec;
    PN_UPGRADE_LEASE.UPGRADE_LEASE(
        p_init_msg_list          => fnd_api.g_true
        , p_commit               => fnd_api.g_true
        , p_lease_rec            => lv_lease_rec
        , p_lease_payment_term_tbl => lv_lease_payment_term_tbl
        , x_return_status        => lv_return_status
        , x_msg_count            => lv_msg_count
        , x_msg_data             => lv_msg_data
    );
    dbms_output.PUT_LINE('V_RETURN_STATUS : ' || lv_return_status);

    IF nvl(lv_msg_count,1) = 1
    THEN
        dbms_output.put_line (lv_msg_data);
    ELSE
        FOR i in 1 .. lv_msg_count
        LOOP
            dbms_output.put_line (fnd_msg_pub.get (fnd_msg_pub.g_next,
            fnd_api.g_false) || i);
        END LOOP;
    END IF;
END;

```

Upgrade Process for Equipment Leases

A new API, Create Equipment Leases (PN_EQUIP_LEASE_PUB), was created for loading equipment leases. The API signatures are as follows:

```

PROCEDURE Create_Equip_Lease(p_Commit    IN VARCHAR2 := Fnd_Api.g_False
, p_Validate                    IN VARCHAR2 :=Fnd_Api.g_False
, p_Equip_Lease_Rec            IN OUT NOCOPY eq_ls_details_rec_type
, p_Equip_dtls_Lease_Rec      IN OUT NOCOPY eq_ls_dtls_rec_type
, p_Equip_Notes_Dtls_Rec      IN OUT NOCOPY eq_note_dtls_rec_type
, p_Equip_Party_Rec           IN OUT NOCOPY eq_ls_parties_rec_type
, p_Equip_Assets_rec          IN OUT NOCOPY eq_assets_rec_type
, p_Equip_Srn_rec             IN OUT NOCOPY eq_srn_tbl_type
, x_Msg_Count                 OUT NOCOPY NUMBER
, x_Msg_Data                  OUT NOCOPY VARCHAR2
, x_Return_Status             OUT NOCOPY VARCHAR2
, p_Equip_Lease_Context      IN VARCHAR2 DEFAULT 'CREATE');
PROCEDURE Update_Equip_Lease(p_Commit    IN VARCHAR2 := Fnd_Api.g_False
, p_Validate                    IN VARCHAR2 :=Fnd_Api.g_False
, p_Equip_Lease_Rec            IN OUT NOCOPY eq_ls_details_rec_type
, p_Equip_dtls_Lease_Rec      IN OUT NOCOPY eq_ls_dtls_rec_type
, p_Equip_Notes_Dtls_Rec      IN OUT NOCOPY eq_note_dtls_rec_type
, p_Equip_Party_Rec           IN OUT NOCOPY eq_ls_parties_rec_type
, p_Equip_Assets_rec          IN OUT NOCOPY eq_assets_rec_type
, p_Equip_Srn_rec             IN OUT NOCOPY eq_srn_tbl_type
, x_Msg_Count                 OUT NOCOPY NUMBER
, x_Msg_Data                  OUT NOCOPY VARCHAR2
, x_Return_Status             OUT NOCOPY VARCHAR2
, p_Equip_Lease_Context      IN VARCHAR2 DEFAULT 'UPD');
PROCEDURE Create_Option(p_Commit        IN VARCHAR2
, p_Validate                    IN VARCHAR2
, p_Equip_Option_Rec          IN OUT NOCOPY eq_ls_opts_rec_type
, x_Return_Status             OUT NOCOPY VARCHAR2
, p_Option_Lease_Context      IN VARCHAR2 DEFAULT 'CREATE'
, x_Msg_Count                 OUT NOCOPY NUMBER
, x_Msg_Data                  OUT NOCOPY VARCHAR2);
PROCEDURE Update_Option(p_Equip_Option_rec  IN OUT NOCOPY
eq_ls_opts_rec_type
, p_Commit                    IN VARCHAR2
, p_Validate                    IN VARCHAR2
, p_Option_Lease_Context      IN VARCHAR2 DEFAULT 'UPD'
, x_Return_Status             OUT NOCOPY VARCHAR2
, x_Msg_Count                 OUT NOCOPY NUMBER
, x_Msg_Data                  OUT NOCOPY VARCHAR2);
PROCEDURE FINALIZE_LEASE(p_Commit    IN VARCHAR2 := Fnd_Api.g_False
, p_Validate                    IN VARCHAR2 :=Fnd_Api.g_False
, p_lease_id                    IN NUMBER
, x_Msg_Count                 OUT NOCOPY NUMBER
, x_Msg_Data                  OUT NOCOPY VARCHAR2
, x_Return_Status             OUT NOCOPY VARCHAR2
, p_request_id OUT NOCOPY NUMBER );
PROCEDURE Create_Term(p_eqp_lease_term_tbl IN OUT NOCOPY
pn_eqp_payments_pvt.Eqp_Lease_Terms_Tbl
, x_Return_Status OUT NOCOPY VARCHAR2
, x_Msg_Count OUT NOCOPY NUMBER
, x_Msg_Data OUT NOCOPY VARCHAR2);
PROCEDURE Update_Term(p_eqp_lease_term_tbl IN OUT NOCOPY
pn_eqp_payments_pvt.Eqp_Lease_Terms_Tbl
, x_Return_Status OUT NOCOPY VARCHAR2
, x_Msg_Count OUT NOCOPY NUMBER
, x_Msg_Data OUT NOCOPY VARCHAR2
);

```

Post Patch Application and Preparatory Work

You are expected to run the calculation program in draft mode for a period and ensure that the results are satisfactory. After ensuring that the calculations data is good, you should run the program in Final mode.

For best results, run the program providing the as of date in an incremental fashion for

each of the months after January 2017 until the date of patch application. After patch application, the calculation program should be executed as part of your period end activities.

The calculation program cannot run in Final mode multiple times for a given period. You should therefore be very careful in running the Final mode. The data used for the calculation program is frozen after the final run and thus amendments, addition of leases, and so on, should all be performed before the calculation program is run in Final mode.

New and Changed APIs

The following table lists new and modified public APIs to support the enhancement described in this document.

New/Changed API	New or Modified	Description
PN_INTEREST_INDEX_PUB	New	This package contains the PL/SQL procedures that provide facility to create and update interest index.
PN_LEASE_PUB	Modified	This package has been modified by adding the new fields on the lease that are needed to support calculations.

Concurrent Programs

The following table lists concurrent programs that were added to support the enhancements described in this document.

New/Changed NewComponents	New or Modified	Description
Calculate ROU Asset and Liability balances with streams	New	Calculates the ROU Asset and liability balances along with associated amortization streams
Generate Lease Details Report	New	Generates detailed report at the lease level
Generate Portfolio Detail Report	New	Generates detailed report at the portfolio level
Generate Portfolio Summary Report	New	Generates a summary report at the portfolio level

Equipment Schedules and Items	New	Generate schedules and items for equipment
Approve or Cancel Approval of Equipment Schedules	New	Approves the schedules on Equipment Leases
Export Equipment Payment Items to AP	New	Exports pay items to Accounts Payables for generation of accounts payable invoice
Exports pay items to Accounts Payables for generation of accounts payable invoice	New	Generates normalized lines and accruals for equipment leases

Note: This release has known issues which are reported as internal bugs. See Section 3: Known Issues for more information.

Intended Accounting

Intended Accounting for IFRS and USGAAP The following table lists the intended accounting for IFRS and USGAAP.

No.	Event	IFRS		USGAAP	
		Dr	Cr	Dr	Cr
1	Transition Date/Booking	ROU	Lease Liability	ROU	Lease Liability
2	Payment of Expenses	Lease Liability	Liability	Lease Liability	Liability
3	Accrual of Interest Expense	Interest Expense	Lease Liability	Interest Expense	Lease Liability
4	Accrual of Amort Expense	Amort Expense	ROU	Amort Expense	ROU
5	Lease Expense	-	-	Lease Expense	Interest Expense
		-	-	Lease Expense	Amort Expense

6	Non-Lease Expense	Expense	Liability	Expense	Liability
---	-------------------	---------	-----------	---------	-----------

- You can choose to continue normalization accounting in one of your secondary ledgers. All accounting sources, classes, events needed for the compliance accounting are seeded in the Phase II patch.
- Oracle's seeded Property Manager AAD is added with Booking, Revision, and Termination accounting classes. This setup is not complete. You must copy this and complete the AAD (user configuration). If you want to use Oracle's seeded AAD, then do not re-validate it, but rather, keep using it to run create accounting. If you try to validate Oracle's seeded AAD, then the new classes will turn into invalid and create accounting will continue to fail.

Accounting Enablers

The following tables list new accounting components for SLA accounting configurations:

New Journal Categories

The following table lists new journal categories.

New Journal Categories	New/Existing
PN Booking	New
PN Termination	New
PN Revision	New
Accrual	Existing

New Accounting Classes

The following table lists new accounting classes.

New Journal Categories	New/Existing
PN Booking	New

PN Termination	New
PN Revision	New
Accrual	Existing

New Event Classes

The following table lists new event classes.

New Event Classes	Use	How to Use
Booking	Current	Lease initiation ROU Liability Creation
Forex Fluctuation	Future Use	Future Use
Manual Adjustments	Future Use	Future Use
Revision	Current	For all amendments accounting
Termination	Current	For accounting of termination of leases, terms, and options
Lease Expense-Compliance	Current	Accounting of accruals for amortization, interest, and lease expense

New Views

The following table lists new views.

New Views	Events
PN_XLA_TRX_EXP_V	Booking
PN_XLA_TRX_EXP_V	Revision
PN_XLA_TRX_EXP_V	Termination
PN_XLA_TRX_EXP_V	Lease Expense-Compliance

New Values and Sources for Accounting Value

The following table lists new values and sources for accounting value.

New Values and Sources for Accounting Value	Value
Stream Type	LIABILITY
Stream Type	ROU
Stream Type	RESERVE
Stream Type	AMORTIZATION
Stream Type	INTEREST
Stream Type	GAIN
Stream Type	LOSS
Transaction Type	BOOKING
Transaction Type	REVISION
Transaction Type	TERMINATION
Regime Code	IFRS16
Regime Code	ASC842
Primary or Secondary Regime	SECONDARY
Primary or Secondary Regime	PRIMARY

Changes to Interfacing to AP Process

The following table lists changes to interfacing to AP process.

Changes in Interfacing to AP Process

- If payment term has ROU flag checked:
Invoice Line Flexfield Segment 1 = Y
- If payment term has Liability flag checked:
Invoice Line Flexfield Segment 2 = Y

Guidance on Accounting Configuration

The following table lists the guidance on accounting configuration.

Event	Dr/Cr	Stream Type	JLT Event	Accounting Class	Condition	ADR
Booking	Dr	ROU	Booking Create	PN Lease Booking	Stream Type and Regime Codes of IFRS16 or ASC842	Derive ROU
Booking	Cr	Liability	Booking Create	PN Lease Booking	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Lease Liability
Booking	Dr or Cr	Reserve	Booking Create	PN Lease Booking	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Reserve
Revision	Dr	ROU	Revision Create	PN Lease Revision	Stream Type and Regime Codes of IFRS16 or ASC842	Derive ROU
Revision	Cr	Liability	Revision Create	PN Lease Revision	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Lease Liability

Revision	Dr or Cr	Reserve	Revision Create	PN Lease Revision	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Reserve
Revision	Dr or Cr	Gain/Loss	Exchange Gain or Loss	Not Needed	Stream Type and Regime Codes of IFRS16 or ASC842	
Accrual	Dr	Interest/Lease Expense	Revision Create	Lease Expense-Compliance	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Interest Expense/Lease Expense
Accrual	Cr	Liability	Revision Create	Lease Expense-Compliance	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Liability
Accrual	Dr	Amortization/Lease Expense	Revision Create	Lease Expense-Compliance	Stream Type and Regime Codes of IFRS16 or ASC842	Derive Amortization/Lease Expense
Accrual	Cr	ROU	Revision Create	Lease Expense-Compliance	Stream Type and Regime Codes of IFRS16 or ASC842	Derive ROU

Termination	Dr	Interest	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	Interest
Termination	Dr	Amortization	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	Amortization
Termination	Cr	ROU	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	ROU
Termination	Cr	Liability	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	Liability
Termination	Cr	Gain	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	Gain
Termination	Dr	Loss	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	Loss

Termination	Dr	Liability (for reversal of balance)	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	Liability (for reversal of balance)
Termination	Cr	ROU (for reversal of balance)	Termination Create	PN Lease Termination	Stream Type and Regime Codes of IFRS16 or ASC842	ROU (for reversal of balance)
Termination	Dr or Cr		Gain or Loss	Exchange Gain or Loss	Not Needed	Derive Forex Account

Property Manager Liability Option

The Liability balance is maintained through the AP Invoice. The payment amount on the invoice reduces the Lease Liability Balance established by the Property and Equipment Lease.

After the enhancement, the payment item ID populates in Payables in the reference key 1. Using this value, you can create custom source to derive the Liability Flag value.

The solution strategy passes payment_item_id in REFERENCE_KEY1 column of the AP Invoice Lines Interface (AP_INVOICE_LINES_INTERFACE) table. Along with the columns, PRODUCT_TABLE as PN_PAYMENT_ITEMS_ALL or PN_EQP_PAYMENT_ITEMS_ALL based on if the payment is from property or equipment lease. Customize the source to derive the Liability flag. Use the following query:

```
SELECT pt.liability_flag FROM pn_payment_terms_all_v pt,
pn_payment_items_all_v pi WHERE pt.payment_term_id =
pi.payment_term_id AND pi.payment_item_id = <>;
```

The column REFERENCE_KEY1 is available for custom source Solution.

Following is the sample custom source with code for your guidance. Add required validations and conditions appropriately.

Follow these steps:

- Create Liability flag custom source in Oracle Payables using the Custom Sources window
- Define journal lines definition for the item expense

- Use the custom source in Account Derivation Rules (ADR) to define conditions for liability flag on Account Derivation Rules Conditions window.

Code for the custom source Function

```

Create Or Replace Function Get_Liability_Flag
p_payment_item_id IN VARCHAR2,
p_product_table IN VARCHAR2)
RETURN VARCHAR2
IS
l_lia_flag Varchar2(1) := 'N';
BEGIN
IF p_product_table IS NOT NULL AND p_product_table in
('PN_EQP_PAYMENT_ITEMS_ALL', 'PN_PAYMENT_ITEMS_ALL') THEN
Begin
Select Liability_flag
into l_lia_flag
From pn_payment_items_all_v pi,
pn_payment_terms_all_v pt
where pi.payment_term_id = pt.payment_term_id
and pi.payment_item_id = p_payment_item_id;
Exception
WHEN no_data_found
THEN
l_lia_flag := 'N';
End;
END IF;
return l_lia_flag;
end Get_Liability_Flag;

```

Options in Amortizations

If you are using the Renewal and Termination options, you can include start and end dates into leasing periods. For example, if the Lease Commencement Date (LCD) is January 1, 2019 (01-Jan-19) and the Lease Termination Date (LTD) is January 31, 2019 (31-Dec-19) and there is a renewal option with the start date of 01-Feb-20 until 31-Dec-20, then the lease is considered to be ending on 31-Dec-2020 for the purpose of Amortization of ROU for both USGAAP and IFRS purposes.

The new profile option considers renewal and end dates for amortization. A new Renewal option end date is provided to consider the Lease Termination Date (LTD) for amortization and if there is a Termination option.

Following changes are implemented to accommodate the following:

A new profile option, PN: Consider Termination And Renewal Options into ROU Amortizations, helps you specify the amortizing end date. If you specify Yes, then the End Date for Lease Amortization, for both Renewal and Termination, are considered. If you select No, the Renewal and Termination Lease End date is not considered.

A lease having both Termination and Renewal Option considers only the termination option. In a Lease with Renewal option, Lease Termination Date or Option End Date whichever comes later is considered for Amortization. Similarly, with Termination Option, the option end date or LTD whichever is earlier is considered as the Amortization End Date. Any cash flows that have the start date post the Termination option End Date ignores calculation of the ROU and Liability for the Amortization purpose. You setup business rules and processes during definition of Termination

Option. With start and end date within the LTD. You must enter the Renewal option start date is after LTD or at least ensure that the Renewal option end date is either greater than or equal to the Lease Termination Date. There will not be any systematic restrictions for the above-mentioned business rules.

Future Dated Termination or Contractions

Linking of terms lets you modify the Term Amount, Frequency, or Schedule Day and maintain linkage between the Contracting term and the new replacement term.

The new option, Expired Terms, is added. The valid values are, Yes or No. If you select No, then as per the existing functionality, the system calculates gain or loss and it is used. If the system does not calculate gain or loss but only adjusts the Liability or ROU, then that adjustment is used. If you specify Yes, then the system considers contraction as not contraction and but adjusts the Liability or ROU with the same amount. The remaining liability is subtracted from the existing liability on ACD date and this adjustment is made applicable to ROU as well.

When the ROU goes negative, the Gain or Loss is not calculated, and the ROU remains as negative amount and amortized over the lease period. During contraction, the Expired Terms option changes the amortization of ROU until the contraction date. When you select this option, the contracting term's left over ROU, amortizes over the remaining lease life. This change is applicable to both IFRS and USGAAP ROU amortization.

These changes are applicable through the Amendment API.

PV values on the lease are increased by the new terms added and reduced by the adjustment of PV. The net between these adjustments are the remeasurement value. Remeasurement value does not display on the Lease Detail Report, as the remeasurement is at the lease level and not identifiable to the particular term. Remeasurement value is calculated only at the Lease level unlike linking of terms where it is captured at the term level. You use Amendments API to enter schedule with the Term-level amendments.

Strategies and Methods on Transition Process for IFRS16 Solution

Following topics cover strategies and methods involved in transition process for IFRS15.

Strategies and Methods on Transition Process

IFRS16 (International Financial Reporting Standard) and ASC842 (Accounting Standards Codification) include primarily two Transition Methods:

- Full Retrospective Method
- Modified Retrospective Method

Full retrospective method requires generation of two- or one-year of balances before adopting this method. Oracle E-Business Suite solution supports both the Transition methods, and recommends that Full Retrospective is the most-effective method for

customers with existing data in the Property Manager.

If you are already using Oracle Property Manager, then migrate the existing leases from the Property Manager to the new IFRS regime. Use the Transition Process to complete this migration. To transition from current property manager system to Compliance Accounting, you should do one of the following:

- Continue with the existing normalized and AP accounting or invoices without adapting the Phase I or II solutions.
- Uptake the Phase I solution and generate reports only, and never use Phase II solution (compliance accounting). This is the Full or Modified Retrospective Methods.
- Uptake the Phase II solution with multiple GAAP accounting (IFRS, US GAAP, and existing normalization accounting) in primary and secondary ledgers

Detailed overview of the listed options are as follows:

Continue without Uptake of Phase I and II Solutions

If you continue with the existing solution, without adapting Phase 1 or II solutions, then the system does not calculate ROU, Liability balances, and interest expenses. You cannot select any of the compliance-related attributes and setups. Existing Product Management functionality work as is.

Accounting entry is generated when AP invoice is created and normalization entry is interfaced to General Ledger (GL).

Uptake the Phase I Solution and Generate Reports Only

When you uptake the Phase I solution, the system generates ROU, Liability balances, and interest and Amortization calculation and it also generates reports to extract these balances. No accounting entries are generated or interfaced with GL. If Normalization process is continued, then only Normalization lines are accounted.

The system supports both Full and Modified Retrospective. These methods are detailed later in this article. The steps for migrating from the existing Property Manager to New Compliance regime is as follows:

1. Apply the Phase I Patch
2. Finalize the Lease to be part of new Compliance requirement.
3. Update the Lease Agreements using the API.
4. Run the Calculation Program in the Draft mode.
5. Run the compliance reports and verify the data.
6. Run the Calculation Program in the Final mode.

Uptake the Phase II solution

The phase II solution patch includes the phase 1 patch as well that eliminates the need to apply the phase 1 patch separately. So if we need to migrate from existing property manager to Phase II solution, the below step needs to be followed:

1. Apply the Phase II Patch Step
2. Finalize the Lease to be part of new Compliance requirement.
3. Update the Lease Agreements using the API.
4. Setup the System options.
5. Run the Calculation Program in the Final mode with As of Date as the previous period.
6. Run the Calculation program as of Transition Date in the Draft mode.
7. Verify the reports and finalize the Balance.
8. Run the Calculation Program as of Transition Date in the Final mode.

Note: If you adopt the Modified Retrospective Approach, then you do not have to run Calculation program for previous period in the Final mode, which are explained in Step 5 in the flow. You can directly run the calculation program as of transition date with method as Modified Retrospective.

Transition Process

The accounting process starts after successful Transition. Transition process are performed by:

1. Performing Compliance Setups
2. Running Calculations for ROU and Liability or running the Calculate Transition program with Modified Retrospective method.

After the Transition process is complete:

1. The Compliance options for Transition Date, Calculation methods are frozen.
2. The lease and calculation data are archived for all the periods for which calculations are run in the Final mode.
3. Accruals and Accounting processes commence.
4. Data for each of the Final calculation run is finalized, and any amendment and addition have no impact on calculations.

Pre Compliance - Transition Process

Decide on your strategy and the Transition Process method you are going to use. The different methods and what they do are covered as follows:

Full Retrospective Method

1. a. When using this method, two years balances are available from Jan-17 till the transition period.
2. Use the checkbox report from inception (balances are calculated from cash-flows starting from lease commencement date that can be any date) or run the Calculate ROU Liability streams and balances program for the period first reporting is needed. For example, if you need data from Jan-18, then run the program with As Of date as Jan-18.
3. Run the Calculation program for all subsequent months that have amendments, additional leases and so on.
4. For best results, apply Oracle's Phase I to those periods for which reporting is needed. For example, if you need to generate data from Apr-17 onwards, then run the Calculation program from Apr-17 onwards. In the case, where Phase I patch was not applied but Phase II is directly applied, then run the balances on the latest cash flows for those periods.
5. When calculation program is run, it archives calculations and lease data. This ensures whenever reports are run, the amounts are always the same.
6. When the calculation program is run in the Final mode, you can make any more changes or amendments for that period.
7. To view the balances in Lease Detail report and other portfolio reports, run the Calculation in the draft mode. You can view the report details, make any changes, and then rerun the program in the Final mode.
8. The Lease Detail report generates balances lease by lease. If the report from inception is enabled, then the report can report from any past period. To print the report from any past periods, enable the Report from Inception. The Portfolio Detail and Summary reports can only be run from Jan 17 onwards.
9. For ease of use, enable Report from Inception option to customize Portfolio Detail report to generate balances from past periods. For example, if lease commences in Jan-2000 and Report from Inception option is enabled, then the system calculates all period (month) balances from Jan-2000 till lease termination date. The Portfolio Detail report only reports from the first period for which Calculate ROU or Liability Balances program is run. You can run the calculations only once for Dec-18 with report from inception enabled, but with modifications to Portfolio Detail Report.
10. Before running the Calculation program, provide information in Compliance setups

in the system option.

11. Select the Amortization method, Periodic or Daily, before running the calculation program.
12. After selecting the amortization method, choose the interest calculation method.
13. Run the calculation program till prior period to Transition Date in the Final mode. For example, if the Transition Date is 10-Jan-19, then the program needs to be run till 31-Dec-18. Only if this is run as explained the Transition process completes successfully. You can also run only for few periods like Jul-18 to Dec-18 with no report from inception, as needed. If Jul-18 to Dec-18 calculations are run, then reporting is restricted to only these periods.
14. Finally, run the Calculate Balances program as on Transition, to complete the transition. Booking event is generated, balances are uploaded in Subledger Accounting (SLA) and Transition Date is frozen.

Note: Post Transition, the Calculation Programs are not needed. Post Transition, the streams are calculated at the time of lease activation. Performance of Calculations may need a tuning and please find the explanation later in this document.

Modified Retrospective Method:

Use this method primarily when previous period balances are not needed.

1. Select the Modified Retrospective Method option in the Calculate Balances as on Transition Date program.
2. Run only this program to complete the Transition.
3. The compliance setups must be complete as a pre-requisite.
4. If Report from Inception is not selected, then the cash-flows on or after Transition Date period are only considered for calculations.
5. To calculate from commencement, select the Report from Inception option.
6. You can calculate liability and ROU with the same cash-flows. If you want the ROU to be different from Liability, then add Option amount for positive or negative as a One-Time value with the ROU checkbox. Specify the First day of Transition Period as the start and end date,
7. For finance leases, run the Modified Retrospective method with Report from Inception enabled, and for Operating leases Report from Inception must not be selected with one-time adjustments.

Changing Transition Processing from Date

The following transition methods of accounting standards are supported:

- **Modified Retrospective Method:** For Finance leases, you must move the existing balances if maintained as per IFRS17 (earlier standard). For operating leases, the Lease Liability is as a PV of remaining terms. The ROU may start with the liability balances with allowed adjustments.
- **Full Retrospective Method:** Under this method, the calculations run from lease commencement date.

Oracle Cash Management provides, Report from Inception option, you can select Modified or Full Retrospective method. Modified retrospective method starts one period in Oracle as the process is dependent on Calculation program. The calculation program starts from 1st day of previous month and rolls forward balances to Transition Date through amortization.

After this enhancement, Transition Date, is added in the Calculation Transition Date process. When this option is selected, the calculation process calculates the ROU and Liability with cash flows on and from the specified transition Date. For payment terms without report from inception selected, then calculations start from Transition Date and for from inception.

The Transition Calculation process, picks up balances as on Transition Date is calculated:

- Upload balances through the existing booking event
- Freeze the transition Date in the system
- The new process also resolve issues for:
 1. CATO- issue around running calculation programs
 2. Saudi Telecom- Modified Retrospective method
 3. FRBs issues around transition with negative numbers

Early Termination and Accounting Entries Creation

Under IFRS16, decrease of scope in the agreement is in two ways:

- Reduction of term of the lease
- Reduction of the area under occupation

Oracle Property Manager does not have the infrastructure to effect financial changes to the Compliance numbers on reduction of usage of the area under the agreement. When a reduction happens in the area under occupation, the existing ROU and Liability are reduced in a proportionate basis, on par with the reduction of percentage of area under occupation.

Oracle Property Manager handles reduction in lease life in exactly the same way as the renewal of lease life, but with numbers moving in opposite direction. The reduction of Liability due to reduction of payment terms (remeasurement difference) is used as a same amount for reduction of ROU as well (general rule of amendments). In a few cases, where the carrying value of Liability is higher than WDV of ROU, a reduction of lease life or some other amendment, may lead to a negative ROU balance.

For example, before an amendment, if Liability stands at \$1000 and ROU stands at 600, due to reduction in life by 60%, the new PV of payments may be only 350. This means that the Liability needs to be reduced by 650. When the same change is carried out to ROU, the ROU will go into negative of -50.

In a scenario, where the ROU goes negative, the adjustment to ROU is limited to the value of ROU. The amount over and above the ROU is charged to Gain/Loss account.

The accounting entry above will be generated after this fix as follows:

- Liability A/C.... Dr 650
- ROU A/C..... Cr 600 (remeasurement adjustment limited to the carrying value of ROU)
- Gain/Loss..... Cr 50

ROU negative checks are performed for all Amendments. ROU negative feature is applicable only for the IFRS Regime and applies only to adjustments on ROU. Only payment terms with amounts > 0 is used. If a payment term is negative, this change is not applied to the ROU balance going into Negative/Positive.

Normalization and Accrued Liability

If you use Normalization feature, then you would have normalization expense calculated and posted every period. The uneven nature of Lease Expense can give rise to Accrued Liability that gets evened out to 0 (zero) as per the accumulation of differences and disposal of these differences.

When you move over to Compliance accounting, you cannot use the normalization process as accounting normalization expense results in double booking of expenses. In compliance accounting, Interest and Amortization expenses are generated when Transfer Normalized Lines to GL is run. To close out the balances in accrued liability account, then use Normalized Rent Schedule Report which has these amounts lease by lease.

Equipment Leases

There is no elaborate process for Transition of Leases in Equipment module of Property Manager. The Transition entries are generated as of the date of Activation of leases in Equipment.

Blank Transition

You can also use a blank transition. When using this method, before any leases are loaded, run the Transition Date and Process. This completes the blank transition and when the leases are loaded, the Booking Event performs the Transition Accounting

events lease-wise.

Booking event is created with a Transaction Date of 1st day of the current month for all back dated leases. All streams for the life of the lease are generated at the start of the lease.

Tips, Workarounds and Ideas for Transition

1. Use options for adding +/- payment term amounts to affect Liability or ROU with different amounts. You can select only ROU checkbox for these leases and set the option as One-Time with start and end date in the Transition month, so that the booking event for Transition considers ROU with add or decrease amounts.
2. For best results, add options to the leases with an amendment before running the Transition process in the Final mode.
3. If the volume of One-Time payment terms is huge, then consider using Amend API for mass addition of terms. Ensure that you put the term On Hold status, so that it does not create payable invoice in AP or mark them with statuses such as Paid or Exported.
4. Do not run Calculate ROU Balances and Calculate Transition Balances-Modified Retrospective, both in the Draft mode for the same period. This results in the duplication of streams balances.
5. Each subsequent run of draft status deletes previously run draft calculations and re-inserts data.
6. Balances from previous periods are carried forward to the next period only when the calculations are run in the Final mode for a period. Otherwise, every draft run is considered as a new calculation run.

Performance Improvement plan for Calculate Balances Program (Phase 1)

1. The Calculation program has issues with performance and a few other issues. All these issues have been fixed in CU5/CU7 and till the new patch is available for the customers, they may need to run the below plan.
 - It was observed that customers running the Calculation program in the Draft mode on top of CU4/CU6 have seen the amounts doubling.
 - Portfolio Detail Report did not work when running Calculation program in Draft mode. Apply the debug file to fix the portfolio report issue.
(PNLSPFRB_36.pls)
2. Define the setup options to enable to daily compound interest calculation. Simple Interest Method reduced the performance due to the iterative nature of IRR.
3. Run the below statements to create new indexes. Ensure that all the statements are successful, if any statement errors out due to existing index, then drop that custom

index and run the statement to create the index with the given name:

```
create index PN.PN_PMT_ITEM_AMRTZN_ALL_T1 on
PN.PN_PMT_ITEM_AMRTZN_ALL(PAYMENT_TERM_ID);

create index PN.PN_PMT_ITEM_AMRTZN_ALL_T2 on
PN.PN_PMT_ITEM_AMRTZN_ALL(OPTION_ID);

create index PN.PN_PMT_ITEM_AMRTZN_ALL_T3 on
PN.PN_PMT_ITEM_AMRTZN_ALL(trunc(period_date), payment_term_id,
option_id);

create index PN.PN_PMT_ITEM_AMRTZN_ALL_T4 on
PN.PN_PMT_ITEM_AMRTZN_ALL(ORG_ID);

create index pn.PN_PMT_ITEM_PV_ALL_T1 on
PN.PN_PMT_ITEM_PV_ALL(payment_term_id);

create index pn.PN_PMT_ITEM_PV_ALL_T2 on
PN.PN_PMT_ITEM_PV_ALL(option_id);

create index pn.PN_PMT_ITEM_PV_ALL_T3 on
PN.PN_PMT_ITEM_PV_ALL(ORG_ID);
```

4. Apply the file PNCACBSB_220119.pls.
5. Gather table statistics for the tables: PN.PN_LEASE_ACCNT_TEMP and PN.PN_PMT_ITEM_PV_ALL
6. Run the program with the number of threads as thirty (30).

Accounting for Landlords

Oracle Property Manager uses the following GL account classes when defining normalized billing terms:

- Revenue
- Receivable
- Accrued Asset

For details, see *Setting Up Accounting Distributions for Billings*, page 5-129.

You can use the Transfer Normalized Lines to GL concurrent program to transfer revenue lines to Oracle Subledger Accounting. See *Transfer Normalized Lines to GL*, page 5-104.

Important: You do not transfer normalized revenue amounts to Oracle Receivables. However, you must pass receivable lines through Oracle Receivables before transferring them to Oracle Subledger Accounting.

Example

You have a 12-month lease, and the first month is rent-free. The rent is \$1000 per month. Real estate rules (FASB 13 or IAS 17) require that this rent be normalized (or straight-lined) across the entire lease term.

The table below illustrates the monthly amounts for the tenant. The key for this table is:

- Bal - Balance
- Rec - Receivable
- Rev - Revenue
- Accr - Accrued

Period	Rec (DR)	Rec (Bal)	Rev (CR)	Rev (Bal)	Accr Asset (DR)	Accr Asset (CR)	Accr Asset (Bal)
JAN-02	0	0	916.67	(916.67)	916.67	0	916.67
FEB-02	1000	1000	916.67	(1833.34)	0	83.33	833.34
MAR-02	1000	2000	916.67	(2750.01)	0	83.33	750.01
APR-02	1000	3000	916.67	(3666.68)	0	83.33	666.68
MAY-02	1000	4000	916.67	(4583.35)	0	83.33	583.35
JUN-02	1000	5000	916.67	(5500.02)	0	83.33	500.02
JUL-02	1000	6000	916.67	(6416.69)	0	83.33	416.69
AUG-02	1000	7000	916.67	(7333.36)	0	83.33	333.36
SEP-02	1000	8000	916.67	(8250.03)	0	83.33	250.03
OCT-02	1000	9000	916.67	(9166.70)	0	83.33	166.70
NOV-02	1000	10,000	916.67	(10,083.37)	0	83.33	83.37
DEC-02	1000	11,000	916.63*	(11,000)	0	83.37	0
Total		11,000		(11,000)			0

* Oracle Property Manager applies rounding differences to the amounts calculated for the last period.

For the month of JAN-02

Because the cash amount is \$0, you do not create a transaction in Oracle Receivables. You can transfer the distribution lines for the month of JAN-02 to Oracle Subledger Accounting using the Transfer Normalized Lines to GL concurrent program. The following table displays the accounting entries created in Oracle Subledger Accounting.

Account	Debit	Credit
Revenue		916.67
Accrued Asset	916.67	

For the month of FEB-02

You must process the receivable amount through Oracle Receivables and the revenue lines through Oracle Subledger Accounting. As illustrated in the following table, the header in Oracle Receivables shows a receivable amount of \$1000 and a line of \$1000 for accrued assets, indicating a debit of \$1000 to the Receivable account and a credit of \$1000 to the Accrued Asset account.

Invoice Header	Receivable = \$1000
Distribution Line 1	Accrued Asset = 1000

The distribution lines passed by Oracle Property Manager to Oracle Subledger Accounting are as illustrated in the following table:

Account	Debit	Credit
Revenue		916.67
Accrued Asset	916.67	

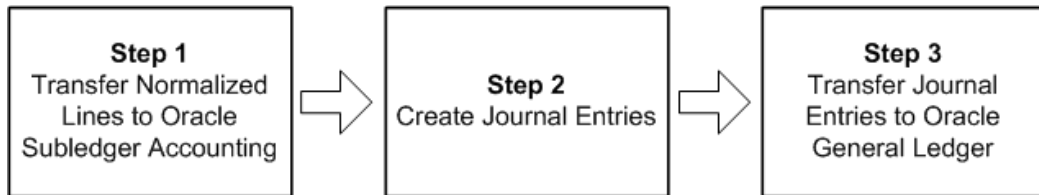
Accounting Rules

- You must approve the schedule before passing the accounting line to Oracle Subledger Accounting. For details, see Approval Rules for Schedules, page 5-55 and Approving Billing Schedules, page 5-133.

- In cases where a receivable line needs to be passed to Oracle Receivables, you must export the receivable line to Oracle Receivables before you can submit the Transfer Normalized Lines to GL concurrent program. See *Exporting Billing Items to Oracle Receivables*, page 5-136.

Transferring Normalized Expense and Revenue to Oracle General Ledger

The following diagram illustrates how accounting information flows from Oracle Property Manager to Oracle General Ledger through Oracle Subledger Accounting.



Step 1: Transfer Normalized Lines to Oracle Subledger Accounting

You transfer normalization-related information from Oracle Property Manager to Oracle Subledger Accounting by running the Transfer Normalized Lines to GL concurrent program. You can decide whether to transfer accounting information for revenue leases, expense leases, or both. You can also specify that you want to run the program for a range of leases, or for particular suppliers or customers. For details, see *Transfer Normalized Lines to GL*, page B-31.

Step 2: Create Journal Entries

You create journal entries by running the Create Accounting concurrent program. You can run the Create Accounting concurrent program from Oracle Property Manager. See *Submitting Requests*, page B-1.

When running the Create Accounting program, you can specify whether you want to process journal entries for a particular ledger, and whether you wish to transfer them to Oracle General Ledger. For details, see *Create Accounting Program, Oracle Subledger Accounting Implementation Guide*.

Step 3: Transfer Journal Entries to Oracle General Ledger

The Submit Journal Entry concurrent program transfers journal entries from Oracle Subledger Accounting to Oracle General Ledger. Depending on how Oracle General Ledger and Oracle Subledger Accounting are set up, the Submit Journal Entry program can run automatically when you run the Create Accounting concurrent program. For setup-related details, see *Oracle General Ledger, Oracle Property Manager Implementation Guide* and *Oracle Subledger Accounting, Oracle Property Manager Implementation Guide*.

Normalization Process for IFRS 16 and ASC 842 (US GAAP) Compliance

Normalization is the process of spreading lease expense from payment terms evenly for

all periods of the lease. The accrual process for recognizing the interest and amortization portion of lease expense is processed separately for each period. The current export normalized lines to GL are enhanced to recognize normalized expenses as well as compliance expenses for operating units on compliance solution. Compliance expenses, such as a lease expense, interest expense, and amortization of ROU, are calculated through the same program. This is a period end process and called the accruals process. You can retain the prior way of accounting in one of the secondary ledgers and resort to IFRS or FASB in the primary ledger. The accounting for normalization accounting, however, should only be set up in the secondary ledger and the primary ledger can use the guided accounting configuration in the primary ledger.

For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Transactions for Compliance Solution

The following transactions are available for Property/Equipment leases for complete cycle accounting of an expense lease:

- Booking - Lease Activation (generation of ROU and liability at payment term level).
- Revisions events for lease extension, addition of new payment terms, reclassification of lease from OPER to FIN, discount rate changes, changes to Options and so on. (events for delta amounts).
- Period end accruals for interest expense, amortization expense, and lease expense.
- Accruals can be run for only previous periods.
- Accruals can be run for periods later than booking transaction only.
- Accruals are generated when the an earlier Transfer Normalized Lines to GL is run.
- Accruals are dated as first day of the current period. When accruals are run for multiple prior periods, one transaction for each of those periods are generated.
- Lease and payment term - Termination and early end dating of payment terms.
- Payment terms exported to AP from Property Manager also carry flags, which allow you to direct to the lease liability account, instead of posting them to expenses (non-normalized) or accrued liability (normalized term).

Note: For more information refer to sample accounting in *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

Viewing Information in Oracle Subledger Accounting

Once you have transferred normalized accounting information to Oracle Subledger Accounting, you can use the Subledger Accounting submenu of the Leases and Documents menu to query for and view information related to accounting events, journal entries and journal entry lines.

For a detailed description of the process of viewing accounting information in Oracle Subledger Accounting, see Inquiries, *Oracle Subledger Accounting Implementation Guide*.

Subledger Drilldown View

From Oracle General Ledger, you can drill down to subledger details from the Account Inquiry, Enter Journals, or View Journals windows for journals that have specific journal sources assigned to them. For example, if a journal source is Oracle Property Manager, you can drill down to the transaction details in Oracle Property Manager.

When you drill down from Oracle General Ledger, the Oracle Property Manager Expense window will open for expenses or the Oracle Property Manager Revenue window will open for revenue items. When the window opens, the following information is displayed:

- Rent Purpose
- Rent Type
- Account
- Entered Currency
- Entered Debit
- Entered Credit
- Debit (USD)
- Credit (USD)
- Supplier or Customer
- Supplier or Customer Site

You can drill down to subledger details from the View Transactions window. Use the View Journal button to open the Accounting Events window and then click the View Journal Entries button to open the Subledger Journal Entry window, where you can view accounting distributions.

Customizing the Drilldown Windows

The drilldown window is a *folder*. You can easily customize the information that is

displayed in the window, as described in the *Oracle E-Business Suite User's Guide*.

See: Customizing the Presentation of Data in a Folder, *Oracle E-Business Suite User's Guide*.

Following is a list of all the hidden columns that you may choose to display:

- Accounting Date
- Currency Conversion Type
- Currency Conversion Date
- Currency Conversion Rate

Following is a list of all the columns that can be sorted:

- Rent Purpose
- Rent Type
- Line Type

For the columns above, sorting can be done by ascending or descending order.

View Transactions

The View Transaction form allows you to view all the transactions from Property Manager on a particular property or equipment lease. You can query the leases based on the operating unit, lease number, currency and so on, and view the transaction details for a particular lease.

You can click on the transaction number and drill down to transaction and stream details that are affected in that particular transaction. You can also drill down to the journal lines against each of these transactions using the View Transaction form

Setting Up Payments

You can set up payments that you export to Oracle Payables. Oracle Payables uses the payment information to create and pay invoices.

This discussion includes the following topics:

- Entering Payment Information, page 5-108
- Entering Payment Term Details, page 5-112
- Creating Payment Schedules and Events, page 5-117
- Approving Payment Schedule Events, page 5-118

- Exporting Payment Items to Oracle Payables, page 5-120
- Deferring Payment Items, page 5-123

Entering Payment Information

Prerequisites:

- Set up the suppliers to whom you want to make payments.
- Enter lease details in the Leases window. Select Expense as the lease class.

Entering Payment Terms

To enter payment terms:

1. Navigate to the Leases window.
2. In the Term Template field in the Payments tabbed region, select the term template from the list of values. If you selected a term template in the Details tabbed region, the Term Template field defaults to the term template you selected in the Details tabbed region. You can change the default value.
3. In the Payments tabbed region, select the location.
4. Select the purpose of the payment and the type of payment.
5. Select the frequency of payments. If you select One Time for the frequency, the start date and end date must be identical.
6. If you want to normalize the payments, select the Normalize check box and ensure that the payment start and end dates for the normalized term are within the start and end dates of the lease. For more information on normalizing payments, see Normalizing Payments or Billings, page 5-140.
7. Enter the schedule day. This is the day of the month for which schedules should be created. The schedule day must be between 1 and 28.
8. Enter the area type. See: Using Area Type, page 5-49
9. The start and end dates of the payment term defaults to the lease commencement and lease termination dates. For payments that are not normalized, the start date can be earlier and the end date can be later than the commencement and termination dates of the lease. For normalized payments, the start and end dates must be within the commencement and termination dates of the lease.
10. Select the supplier name and supplier site. This information is maintained in Oracle

Payables.

11. Enter the estimated amount of the payment if you do not know the actual amount. When you authorize the schedule in the Authorize Payments window, the estimated amount defaults to the actual amount.

Note: You cannot enter an estimated amount for a normalized payment.

12. Enter the actual amount of the payment. If you are setting up recurring payments, this is the amount of each individual payment. You must enter this amount if you do not enter an amount in the Annual/Area field, or if there is no location specified for the term. If you enter the actual amount, Property Manager calculates the annual/area amount.

Note: For information about converting payment amounts to your functional currency, see Currency Conversion for Billing and Payment Term Amounts, page 5-50.

13. Enter a target date if the type of payment is Prepayment. The target date is the date of a later scheduled payment event against which the prepayment will be applied.
14. Optionally enter the annual amount. If no location is specified, this field is disabled.
15. Enter the annual/area amount. You must enter this amount if you do not enter an amount in the Actual Amount field. If you enter the annual/area amount, Property Manager calculates the actual amount.
16. Mark payment terms for inclusion into Lease Liability and ROU calculations or for the calculation of balances by selecting the ROU Asset and Liability checkboxes.

Copying Payment Terms

To copy a payment term:

1. Navigate to the Payments tabbed region of the Lease window using one of the following paths:
Leases and Documents - Main Lease - Enter Leases and Documents
2. In the Payments tabbed region, select a new row under the payment term template to be copied.
3. From the menu, select the following:
Edit - Duplicate - Record Above

Note: This action will copy the payment term above into the new row. All fields are copied from the old term except the Name and Amount fields. Each field can be modified to suit the new payment term.

Payments Tabbed Region Reference

Date From/To: Date range used to filter payment records.

Term Template: The term template to be used for the transaction. Terms that are defaulted into the lease can be modified.

Location: Enter any of the locations defined in the Locations tabbed region.

Purpose: The reason for the payment.

Type: The type of payment which is being made.

Note: When the type of payment is Prepayment, the Start Date and the End Date must be identical.

Frequency: How often the scheduled payment is to be made.

Normalize: Check this option if this payment should be normalized. Normalization spreads the cost over the life of the lease to accurately reflect its expense or revenue over the whole contract period. For more information on normalizing payments, see Normalizing Payments or Billings, page 5-140.

ROU Asset: Check to ensure lease is calculated in ROU asset and liability balances.

Liability: Check to ensure lease is calculated in ROU asset and liability balances.

Report from Inception: If this checkbox is selected, the ROU or liability balance is calculated based on cash flows from the lease start date. If this checkbox is not selected, cashflows after January 1, 2017 are considered for calculations. Though the calculations are based on data from the lease's inception, reporting is limited to periods falling after January 1, 2017. Similarly the same logic is extended for calculation of balances at the transition date. You must consider whether to calculate lease balances from cashflows from lease commencement date or just from transition date.

Intercompany: Use this checkbox for marking payment terms to intercompany group members. If selected, the balances for ROU/Liability from the payment terms are reported separately in the compliance reports.

Natural Breakpoint Basis: Denotes whether or not the main lease term forms part of the natural breakpoint basis that Oracle Property Manager uses to calculate the natural breakpoints for variable rent.

Schedule Day: The day of the month for which schedules should be created. The value must be between 1 and 28.

Start Date: The first date of the period covered by the payment. For non-normalized terms, you can enter a start date that is earlier than the lease commencement date, but you will receive a warning message.

End Date: The last date of the period covered by the payment. For non-normalized terms, you can enter an end date that is later than the lease termination date, but you will receive a warning message.

Source: Source of the term.

Agreement Name: Name of the operating expense agreement. When users create estimated payment terms in the lease, they can associate an operating expense agreement with the payment term using this field.

Supplier Name: The name of the supplier. Supplier names are set up in the Enter Suppliers window.

Supplier Site: The location of the supplier. Supplier sites are set up in the Enter Suppliers window.

Customer Name: This field is enabled in the Billings feature. See Billings Tabbed Region, page 5-126.

Bill to Site: This field is enabled in the Billings feature. See Billings Tabbed Region, page 5-126.

Ship to Site: This field is enabled in the Billings feature. See Billings Tabbed Region, page 5-126.

Estimated Amount: The amount of the payment, estimated before the payment is actually made. You can use this field for payment types that you estimate in advance of making the actual payment, such as taxes and operating expenses. For normalized terms, you cannot enter an amount in this field.

Actual Amount: The actual amount of the payment to be made. If you enter an amount here, Property Manager calculated the annual/area amount.

Target Date: The date for which the payment is being made. For example, if a security deposit is paid in January, and the payment is intended to cover the last month's rent that is due the following December, the Target Date would be 01-DEC (YYYY).

Note: The Target Date field is only enabled when the Type of payment is Prepayment.

Annual Amount: This amount is calculated as actual amount x frequency. If no location is specified, this field is disabled.

Area: The rentable area, defaulted from the rentable area associated with the primary location. This field is view only.

Annual/Area: This is a user-entered or calculated field indicating annual/rentable area. If you enter an amount here, Property Manager calculates the actual amount. This field is disabled if there is no location associated with a term.

Invoice Grouping Name: Enter the name of the invoice grouping rule you want to use for grouping the payment items that belong to the lease payment terms. This is an optional field, and the default value is blank.

Entering Payment Term Details

When creating payment terms, you need to enter detailed payment term information in the Term Details window. This information includes supplier information, payment terms, tax information, distribution set, and account distribution information.

Providing Accounting Information

You can provide accounting information for a payment term in different ways depending on whether or not the term is normalized.

For non-normalized terms, you can specify

- A distribution set
- Project details
- Accounting information in the Accounts Distribution tabbed region of the Term Details window

For normalized terms, the distribution set and project-related fields are disabled, so you must specify the appropriate accounts for Expense, Liability, and Accrued Liability in the Account Distribution tab of the Term Details window.

For details on account defaulting, see *Setting Up Default Accounts, Oracle Property Manager Implementation Guide*.

See Also

Setting Up Accounting Distributions for Payments, page 5-113

Entering Term Details

To enter term details:

Note: You can use a term template to provide default values in the Term Details window.

1. Choose the Open button on the Payments tabbed region of the Lease window.
2. In the Pay tabbed region, enter the supplier name and supplier site. The supplier number defaults from the supplier name.
3. Optionally, enter the payment term. If nothing is specified here, Property Manager uses the default terms specified for the supplier to calculate the due date.

4. Optionally, enter the distribution set. For normalized terms, this field is disabled, however, you do need to define all three General Ledger accounts (Liability, Expense, and Accrued Liability).
5. Optionally, in the Tax Inclusive field, specify whether the term amount includes tax. For details, see Pay Tabbed Region, page 5-115.
6. Optionally, enter the tax input classification. This field helps determine the tax distributions in Oracle Payables.
7. Optionally, enter project information: project name, task, expenditure item date, organization, and expenditure type. For normalized terms, these fields are disabled.
8. Save your work.

Setting Up Accounting Distributions for Payments

You can specify accounting information in the Accounts Distributions tabbed region of the Term Details window. The accounting information you provide in the associated term template is displayed here by default. However, you can change the information as required.

Important: The order in which Oracle Property Manager considers accounting distribution information is as follows:

- Term level
- Lease level
- Term Template level

To set up accounting distributions for payments:

1. From the Term Details window, navigate to the Accounts Distribution tabbed region.
2. Specify the account classes and GL accounts.

Important: All the accounts you enter must belong to the same legal entity. Oracle Property Manager will display an error if you enter accounting codes that belong to different legal entities. For details, see Derivation of Legal Entity, page 5-114.

- For normalized terms, specify at least one General Ledger account for each account class (Expense, Liability, and Accrued Liability).

- For non-normalized terms, specify at least one General Ledger account and one for the Expense account class. If a liability account is not defined at the payment term level, Property Manager uses the default liability account setup for the supplier and supplier site in Payables.

Note: For non-normalized terms, at a minimum you need to define the Expense account. If you used a term template at the Lease Details level, the accounts you entered in the Details tabbed region override any accounts defaulted from the term template. See: *Payment and Billing Term Templates, Oracle Property Manager Implementation Guide.*

3. Save your work.

Derivation of Legal Entity

Legal entity is one of the mandatory grouping attributes that Oracle Property Manager uses to group payable invoices. See *Grouping Payable Invoices, page 5-119 and Payment Item Grouping Rules, Oracle Property Manager Implementation Guide.*

Oracle Property Manager derives the legal entity from the information you provide for the payment term. The legal entity is set to the first item listed below that is available:

1. The legal entity associated with the supplier site
2. The legal entity derived from the accounting distributions
3. The default legal entity for the operating unit

Payment Term Details Window Reference

Purpose: The reason for the payment. Defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

Rent Type: The type of payment being made, for example, base rent. This information is defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

Frequency: How often the scheduled payment is to be made. This information is defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

Estimated: The estimated amount of the payment/billing. This information is defaulted from the Payment/Billing tabbed region on the Lease window.

Actual: The actual amount of the payment to be made. This field is required if there is no value in the Annual/Area field. This information is defaulted from the Payment/Billing tabbed region on the Lease window.

Normalize check box: Indicates whether the payment/billing is normalized. This information is defaulted from the Payments/Billings tabbed region.

Location Code: The location code assigned by Oracle Property Manager when you set up the location. This information is defaulted from the Payments/Billings tabbed region.

Start Date: The first date of the period covered by the payment. This information is defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

End Date: The last date of the period covered by the payment. This information is defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

Target Date: The date for which the payment is being made. This information is defaulted from the Payment/Billing tabbed region on Lease window. This field is required.

Schedule Day: The day of the month for which schedules should be created. The schedule day must be after the last approved schedule, and must be a value between 1 and 28. This information is defaulted from the Payment/Billing tabbed region on Lease window. This field is required.

Annual: The annualized actual amount, calculated as actual amount x frequency. This information is defaulted from the Payment/Billing tabbed region on Lease window. This field is view only.

Area: Defaults from the rentable area associated with the primary location. This field is view only.

Annual/Area: This is a user-entered or calculated field indicating Actual/rentable area. If you enter an amount here, Property Manager calculates the actual amount. This information is defaulted from the Payment/Billing tabbed region on Lease window.

Invoice Grouping Name: Enter the name of the invoice grouping rule you want to use for grouping the payment items that belong to the lease payment terms. This is an optional field, and the default value is blank. This field is only displayed for expense leases.

Pay Tabbed Region

Supplier: The name of the supplier. Defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

Supplier Number: The supplier number.

Supplier Site: The location of the supplier. Defaulted from the Payment/Billing tabbed region on the Lease window. This field is required.

Payment Term: Select the payment term from the list of values. This field applies only to expense leases.

Distribution Set: Select the distribution set from the list of values.

Tax Inclusive: Enter a value in this field to indicate if the term amount includes tax. Possible values are: Yes, No, and Use System Default.

- Yes: Indicates that the term amount includes tax.
- No: Indicates that the term amount does not include tax
- Use System Default: Indicates that Oracle Payables must decide whether or not the term amount includes tax based on tax-related setups for the supplier.

Consider the example of a payment term for a monthly rent of \$700 that is taxable at a rate of 6%.

If you set Tax Inclusive to No, you should enter a term amount of \$700. Oracle Payables will calculate tax as \$42 and create an invoice for \$742. The invoice will have two lines: \$700 for rent and \$42 for tax.

If you set Tax Inclusive to Yes, you should enter a term amount of \$742. Oracle Payables will then calculate the tax amount (based on the rate) as \$42 and the rent as \$700. The invoice amount will be the same: \$742, with the rent and tax detailed at the item level.

If you set Tax Inclusive to Use System Default, the term amount you enter will be either \$700 or \$742 depending on how the supplier is set up in Oracle Payables.

Tax Input Classification: Select the tax input classification from the list of values.

Project: The project associated with the lease term. For non-normalized terms, you can specify a project as the source of accounting information instead of specifying account distribution information or a distribution set. See *Entering Payment Term Details*, page 5-112.

Task: The project task name.

Expenditure Type: The expenditure type associated with the project.

Expenditure Item Date: The expenditure item date associated with the project.

Expenditure Organization: The expenditure organization name. If this information exists in Oracle Projects, the value in this field is defaulted automatically.

Accounts Distributions Tabbed Region

Num: This number is system-generated, and indicates the number of lines you entered.

Class: For expense leases, the possible values are: Expense, Liability, and Accrued Liability. You need to enter one expense and one liability account. This field is required if you have set up Oracle Property Manager to perform all of the accounting, or if the Normalized check box is checked on the Leases window.

- For normalized terms, you must specify one General Ledger account for each of the three classes.
- For non-normalized terms, you must specify a General Ledger account for the

Expense class and the Liability class.

GL Account: Select the General Ledger account from the list of values. This field is required if you have set up Oracle Property Manager to do all of the accounting, or if the Normalized check box is selected on the Leases window

%: Enter a percentage between 0 and 100. This field is required if you have Property Manager set up to do all of the accounting, or if the Normalized check box is checked on the Leases window.

Amount: This value is system calculated.

Account Name: The name of the General Ledger account.

Creating Payment Schedules

After you have entered the required information in the Payments tab of the Lease window, you can create payment schedules as follows:

- For leases in Signed or Lease Ordered status, click Save. Oracle Property Manager creates payment schedules and items if the term represents a one-time non-normalized payment. After creating the schedules, you cannot alter the one-time non-normalized terms even though the lease still has an Approval Status of Draft.
- For leases in other lease statuses, set the approval status to Final. Oracle Property Manager creates payment schedules and items for all the lease terms.
- Equipment leases schedules are created for payment term start and end dates.

Example

The payment schedule can run from January 14, 2018 to February 13, 2018 if the frequency is monthly. Hence, the payment terms are not prorated as in the case with Property Leases for the period beginning with payment start date to the period end date.

To create payment schedules:

- In the Approval Status field in the upper region of the Leases window select Final and save your work. Oracle Property Manager automatically creates payment schedules for the lease payment terms you entered.

Note: After you have changed the approval status to Final and saved your work, you can make changes to the lease information either by editing the lease or by creating a lease amendment. See: Making Changes and Additions to the Lease, page 5-153.

Approving Payment Schedules

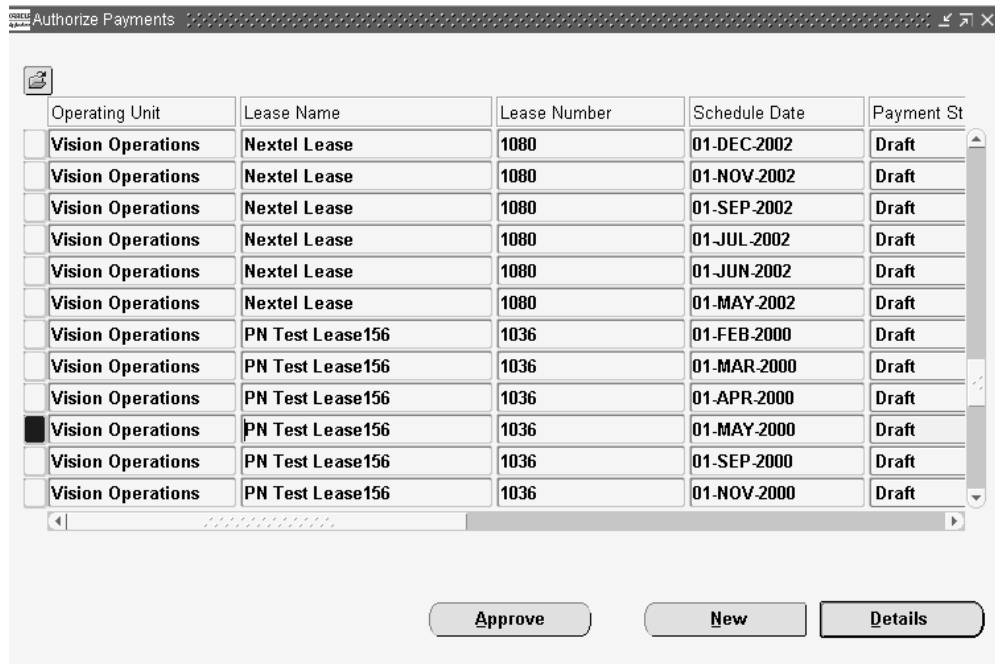
When you approve a payment schedule, all of the individual payment items in that event are approved.

Prerequisites:

- Enter lease payment terms in the Payments tabbed region of the Leases window.
- Create a payment schedule by changing the status of the lease to Final and saving your work.

To approve a payment schedule:

1. In the Authorize Payments window, select the specific payment schedule that you want to approve. Choose the Details button to open the Payment Schedule Details window.



2. Optionally add any comments, such as special payment instructions. The comments you enter here will appear on the Rent Schedule Detail report.
3. Change the payment status of the payment schedule from Draft to Final.

Note: If any schedules have been placed on hold, you will not be able to approve them. Also, the schedule must contain an actual amount or an estimated amount, which defaults to the actual

amount. Otherwise, you will not be able to approve the schedule.

Term Template	Purpose	Type	Transaction Date	Estimated	Actual	Accounted	Currency
	Rent	Base Rent	01-MAY-1999		12,500.00	12,500.00	USD

4. Save your work.

Note: If the details of a payment or billing term is changed through the Edit Lease, Amend Lease, or Terms Details window, you are prompted with the following message:

If you change the rate for this payment/billing term, it will affect all it's items that belong to unapproved schedules. If you change any other details for this term, it will affect all unexported items belonging to this term. Do you want to proceed? You can choose either Yes or Cancel.

Grouping Payable Invoices

Use the Invoice Grouping functionality to include multiple payment items on one invoice. This can eliminate the redundancy of creating a transaction for each payment item and greatly decrease the number of payment transactions exported to Oracle Payables. If you export payment items without using this feature, it results in the export of each individual payment item as an individual invoice.

Note: In order for a payment item grouping to take place, the payment grouping rule must be created in Oracle Property Manager and specified for the desired grouping level before exporting the payments

to Oracle Payables.

You can create grouping rules to allow grouping of payment items based on various invoice attributes, such as supplier, transaction date, purpose, type, and others. You can apply grouping rules at various application levels to further tailor the grouping characteristics.

You can group Oracle Property Manager payment items based on the combination of mandatory and optional grouping attributes. The mandatory grouping attributes are always included in payable grouping rules. You can add optional attributes with the mandatory attributes to create new grouping rules. To be included in a group transaction, a payment item must match all of the mandatory attributes as well as any of the optional attributes included in the grouping rule.

Note: Oracle Property Manager can only group payment items that use the same liability account number. If all the payment items that are to be grouped on an invoice do not have the same liability account CCID, the payment items will be exported individually, and no grouping will be performed.

For information on setting up and using grouping rules, see *Payment Item Grouping Rules, Oracle Property Manager Implementation Guide*.

Exporting Payment Items to Oracle Payables

You can export any individual payment item that is included in an approved payment schedule.

Prerequisite:

- Create suppliers.
- Approve all payment schedules that include payment items that you want to export.

To export payment items to Oracle Payables:

1. Navigate to the Export Payments to Payables window by selecting Leases and Documents: Payments: Export to Payables.

Note: You can export payment items to Oracle Payables by using the Submit Request window to run the Export Payment Items to AP concurrent program. See *Export Payment Items to AP*, page B-16.

2. In the Find Payments window enter search criteria to retrieve the specific payment items that you want to approve. The criteria available are the following:
 - Operating Unit
 - Lease Name
 - Number
 - Schedule Dates (range)
 - Due Date (range)
 - Payment Purpose
 - Period Name
 - Amount (range)
 - Supplier Name
 - Invoice Number
 - Exported check box
3. Choose the Find button to open the Export Payments to Payables window.
4. In the Export Payments to Payables window every payment item for which the Export check box is checked will be exported.

Note: Uncheck the Export check box for any payment item that you do not want to export.

Operating Unit	Export	Supplier Name	Payment Purpose	Payment Type	Transactic
<input checked="" type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-FEB-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-MAR-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-APR-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-MAY-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JUN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JUL-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-AUG-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-SEP-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-OCT-20

Lease Name	<input type="text" value="Nextel Lease"/>	Number	<input type="text" value="1080"/>
Schedule Date	<input type="text" value="01-JAN-2001"/>	Period Name	<input type="text" value="Jan-01"/>
Currency	<input type="text" value="USD"/>	Amount	<input type="text" value="1,000.00"/>

5. Click the Export button to export all payment items with checked Export check boxes. Oracle Property Manager runs a concurrent program to export the payment information to Oracle Payables interface tables. See Export Payment Items to AP, page B-16.
6. Oracle Property Manager assigns a unique invoice number to each exported payment item. To view the payment item invoice number navigate back to the Export Payments to Payables window.
7. From Oracle Payables, run the Payables Open Interface Import program to import Property Manager transactions into Oracle Payables. See: Submitting the Payables Open Interface Import Program, *Oracle Payables User Guide*.
8. From the Payments Exported to Payables window, choose the Transactions button to view the invoices generated in Oracle Payables.

Operating Unit	Export	Supplier Name	Payment Purpose	Payment Type	Transactic
<input checked="" type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	Allied Manufacturing	Rent	Base Rent	01-JAN-20

Lease Name	PN Test Lease679	Number	1032
Schedule Date	01-JAN-2000	Period Name	Jan-00
Currency	USD	Amount	1,000.00

Related Topics

Approving Payment Schedule Events, page 5-118

Deferring Payment Items

If a payment schedule event is in Draft status you can defer the included payment items from that event to the next payment schedule.

Prerequisite:

- Create a payment schedule. See: Creating Payment Schedules, page 5-117.

To defer payment items:

1. In the Find Payment Schedules enter search criteria to retrieve the specific payment schedules that include the payment items that you want to defer. Choose the Find button to open the Authorize Payments window.
2. In the Authorize Payments window, select the specific payment schedule that includes the payment items that you want to defer. Choose the Details button to open the Payment Schedule Details window.
3. Select the payment item that you want to defer.
4. Choose the Defer Payment button.

5. Save your work.

Note: When early terminating a lease with payments deferred to the next period, a message appears notifying you that there are outstanding deferred payments and early termination is not allowed in the period for which payments are already authorized.

Related Topics

Lease Window and Edit Lease Window Reference, page 5-19

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Normalizing Payments or Billings, page 5-140

Setting Up Billing

You can enter billing information in Oracle Property Manager that you export to Oracle Receivables. Oracle Receivables uses this information to create invoices and record payments.

- Entering Billing Information, page 5-124
- Entering Billing Term Details, page 5-128
- Creating Billing Schedules and Events, page 5-132
- Approving Billing Schedule Events, page 5-133
- Exporting Billing Items to Oracle Receivables, page 5-136
- Deferring Billing Items, page 5-139

Related Topics

Payments and Billings Overview, page 5-44

Entering Billing Information

Prerequisites:

- In Oracle Receivables, set up the customers for whom you want to generate billings. See *Creating a Customer*, *Oracle Receivables User Guide*.
- In Oracle Property Manager enter lease details in the Leases window. Select either **Revenue** or **Sublease** as the Lease Class. See: *Abstracting a Lease*, page 5-12.

Entering Billing Terms

To enter billing terms:

1. Navigate to the Leases window. Choose the Billings tabbed region.
2. In the Term Template field in the Billings tabbed region, select the term template from the list of values. If you selected a term template in the Details tabbed region, the Term Template field defaults to the term template you selected in the Details tabbed region. You can change this default value.
3. In the Billings tabbed region, select the location.
4. Select the purpose of the billing and the type of billing.
5. Select the frequency of billings. If you select One Time for the frequency, the start date and end date must be identical.
6. If you want to normalize your billings, check the Normalize check box and ensure that the payment start and end dates for the normalized term are within the start and end dates of the lease. For more information on normalizing billings, see Normalizing Payments or Billings, page 5-140.
7. Enter the schedule day. This is the day of the month for which schedules should be created. The schedule day must be between 1 and 28.
8. Enter the Area Type. See Using Area Type, page 5-49.
9. The start date and end dates of the billing term defaults to the lease commencement and lease termination dates. For billings that are not normalized, the start date can be earlier than the commencement date of the lease and the end date can be later than the termination date of the lease. For normalized billings, the start and end dates must be within the commencement and termination dates of the lease.
10. Select the Customer Name, Bill to Site, and Ship to Site. This information is maintained in Oracle Receivables.
11. Enter the estimated amount of the billing if you do not know the actual amount. When you authorize the schedule in the Authorize Billings window, the estimated amount defaults to the actual amount.

Note: You cannot enter an estimated amount for a normalized billing.

12. Enter the actual amount of the billing. If you are setting up recurring billings, this is the amount of each individual billing. You must enter this amount if you do not

enter an amount in the Annual/Area field or if there is no location specified for the term. If you enter the actual amount, Property Manager calculates the annual/area amount.

Note: For information about converting billing amounts to your functional currency, see: Currency Conversion for Billing and Payment Term Amounts, page 5-50.

13. You must enter a target date if the type of billing is Prepayment. The target date is the date of a later scheduled billing event against which the prepayment will be applied.
14. Optionally enter the annual amount. If no location is specified, this field is disabled.
15. Enter the annual/area amount. You must enter this amount if you do not enter an amount in the Actual Amount field. If you enter the annual/area amount, Property Manager calculates the actual amount.

Copying Billing Terms

To copy a billing term:

1. Navigate to the Billings tabbed region of the Lease window using one of the following paths:
Leases and Documents - Main Lease - Enter Leases and Documents
2. In the Billings tabbed region, select a new row under the billing term template to be copied.
3. From the menu, select the following:
Edit - Duplicate - Record Above

Note: This action will copy the billing term above into the new row. All fields are copied from the old term except the Name and Amount fields. Each field can be modified to suit the new billing term.

Billings Tabbed Region

Date From/To: Date range used to filter billing records.

Term Template: The term template to be used for the transaction. Terms that are defaulted into the lease can be modified.

Location: Enter any of the locations defined in the Locations tabbed region.

Purpose: The purpose for which the payment is made.

Type: The type of payment which is being billed.

Note: When the type of payment is Prepayment, the Start Date and the End Date must be identical.

Frequency: The period over which payments are due.

Note: If the type of payment is Prepayment, the Frequency must be One Time.

Normalize:check box: Check this option if this billing should be normalized. Normalization spreads the cost over the life of the lease to accurately reflect its expense or revenue over the whole contract period. For more information on normalizing payments, see Normalizing Payments or Billings, page 5-140.

Natural Breakpoint Basis: Check box denoting whether or not the main lease term forms part of the natural breakpoint basis that Oracle Property Manager uses to calculate the natural breakpoints for variable rent.

Schedule Day: The day of the month for which schedules should be created. The value must be between 1 and 28.

Start Date: The date of the beginning of the billing schedule. For non-normalized terms, you can enter a start date that is earlier than the lease commencement date, but you will receive a warning message.

End Date: The date the final payment is due. For non-normalized terms, you can enter an end date that is later than the lease termination date, but you will receive a warning message.

Source: Source of the term.

Supplier Name: This field is enabled in the Payments feature. See Payments Tabbed Region, page 5-110.

Supplier Site: This field is enabled in the Payments feature. See Payments Tabbed Region, page 5-110.

Customer Name: The name of the payer. You can enter customer information in the Customers windows.

Customer Bill to Site: The customer location to which bills are sent.

Ship to Site: The customer location where merchandise is sent.

Estimated Amount: The estimated amount of the payment due. For normalized terms, you cannot enter an amount in this field.

Actual Amount: The amount of the payment received.

Target Date: The date for which the received payment is being made. For example, if a

payment for a security deposit is received in January, and the payment is intended to cover the last month's rent in December, the Target Date would be 01-DEC (YYYY).

Note: The Target Date field is only enabled when the type of payment is Prepayment.

Annual Amount: The view only annual amount for the billing. This amount is calculated as actual amount x frequency. If no location is specified, this field has no value.

Area: The rentable area, defaulted from the rentable area associated with the location specified for a term. This field is view only.

Annual/Area: This is a user-entered or calculated field indicating annual/rentable area. If you enter an amount here, Property Manager calculates the actual amount. This field is disabled if there is no location associated with a term.

Entering Billing Term Details

When creating billing terms, you need to enter detailed billing term information in the Term Details window. This information includes customer information, payment terms and methods, account distributions, PO numbers, and tax information. It also includes such information as transaction type, invoice and accounting rules, salesperson, Projects information, and accounts distribution information.

Entering Term Details

To enter term details:

Note: You can default the values on the Term Details window by using a term template.

1. Choose the Open button on the Billings tabbed region of the Lease window.
2. In the Bill tabbed region, enter the customer name and customer bill-to site. Oracle Property Manager automatically displays the customer number based on the customer name.
3. In the Bill tabbed region, enter the ship-to site.
4. Enter the payment term.

Important: Depending on how you have set up Oracle Receivables, the payment term you specify here might be overwritten by the payment term associated with the customer profile when you export billing information.

5. Optionally, enter the payment method and PO Number.
6. Optionally, select the Tax Inclusive check box. For the implications of selecting this check box, see Bill Tabbed Region, page 5-131.
7. Enter the tax output classification. This field is required if you select the Tax Inclusive check box.
8. Enter the transaction type.
9. Optionally enter the invoice rule and accounting rule. You must enter information in both of these fields or in neither field. These fields are disabled for normalized terms.
10. Optionally enter the salesperson. This field is required if the Require Salesperson check box is checked on the System Options window in Oracle Receivables. The values in the LOV are drawn directly from the same field in Oracle Receivables.
11. Optionally enter Projects information in flexfields. The five optional Projects fields you can define are: Project Name, Task, Expenditure Item Date, Organization, and Expenditure Type. These fields are sent to Oracle Receivables as information only.
12. Save your work.

Setting Up Accounting Distributions for Billings

You can specify accounting information in the Accounts Distributions tabbed region of the Term Details window. The accounting information you provide in the associated term template is displayed here by default. However, you can change the information as required.

Important: The order in which Oracle Property Manager considers accounting distribution information is as follows:

- Term level
- Lease level
- Term template level

To set up accounting distributions for billings:

1. In the Billings tabbed region of the Lease window, choose the Open button.
2. From the Term Details window, navigate to the Accounts Distribution tabbed region.

3. Specify the account classes and GL accounts according to the value set for the Accounting Option system option.

You can set the Accounting Option system option to the following three values:

- All Terms
- Normalized Terms Only
- None

The following table illustrates the accounting information you must provide for non-normalized terms depending on how you have set up the Accounting Option system option.

Accounting Option	Receivable	Revenue	Accrued Asset
All Terms	Required	Required	Not Required
Normalized Terms Only	Not Required	Not Required	Not Required
None	Not Required	Not Required	Not Required

Note: If you choose to enter any accounting information when the Accounting Option system option is set to Normalized Terms Only or None, you must specify both a Receivable and Revenue account.

The following table illustrates the accounting information you must provide for normalized terms depending on the setup of the Accounting Option system option.

Accounting Option	Receivable	Revenue	Accrued Asset
All Terms	Required	Required	Required
Normalized Terms Only	Required	Required	Required
None	Not Required	Not Required	Not Required

Note: If you choose to enter any accounting information when the Accounting Option system option is set to None, you must specify

all three accounts.

4. Save your work.

For details on account defaulting for billing terms, see *Setting Up Default Accounts, Oracle Property Manager Implementation Guide*.

Derivation of Legal Entity

Legal entity is one of the mandatory grouping attributes used to group billing invoices. See *Grouping Receivable Invoices, page 5-135* and *Billing Item Grouping Rules, Oracle Property Manager Implementation Guide*.

Oracle Property Manager derives the legal entity from the information you provide for the billing term. The legal entity is set to the first item listed below that is available:

1. The legal entity associated with the customer's Bill To site
2. The legal entity associated with the transaction type
3. The legal entity associated with the transaction source
4. The default legal entity for the operating unit

Billing Term Details Window Reference

For information on fields in the Rent, and Dates and Metrics regions, see *Payment Term Details Window Reference, page 5-114*.

Bill Tabbed Region

Customer Name: The name of the customer. This field is required.

Customer Number: The customer number.

Bill to Site: The customer location to which bills are sent.

Ship to Site: The customer location.

Payment Term: Select the payment term from the list of values. This field applies only to revenue leases and subleases.

Payment Method: Select the payment method from the list of values. This field is required.

PO Number: Specify the PO Number associated with the billing term.

Tax Inclusive check box: Use this check box to indicate if the billing term amount includes tax. If you select this check box, you must specify a tax output classification.

Tax Output Classification: Select the relevant tax output classification to be used for

calculating the tax amount from the list of values. This field is required if you select the Tax Inclusive check box.

Transaction Type: Select the transaction type from the list of values.

Invoice Rule: Select the invoice rule from the list of values. This field is required if you enter information in the Accounting Rule field. Otherwise, this field is optional. This field is disabled for normalized terms.

Accounting Rule: Select the accounting rule from the list of values. This field is required if you enter information in the Invoice Rule field. Otherwise, this field is optional. This field is disabled for normalized terms.

Salesperson: Enter the salesperson from the list of values.

Accounts Distributions Tabbed Region

Num: This number is system-generated, and indicates the number of lines you entered.

Class: For revenue leases and subleases, the possible values are: revenue, asset, receivable, and accrual. You need to enter a revenue, asset, and receivable account. This field is required if you have set up Oracle Property Manager to perform all of the accounting, or if the Normalized check box is checked on the Leases window.

In addition to terms, requirements are also dependent on the value of the Accounting Option system option. See Setting Up Accounting Distributions for Billings, page 5-129.

GL Account: Select the General Ledger account from the list of values. This field is required if you have set up Oracle Property Manager to do all of the accounting, or if the Normalized check box is selected on the Leases window

%: Enter a percentage between 0 and 100. This field is required if you have Property Manager set up to do all of the accounting, or if the Normalized check box is checked on the Leases window.

Amount: This value is system calculated.

Account Name: The name of the General Ledger account.

Creating Billing Schedules

After you have entered the required information in the Billings tab of the Lease window, you can create billing schedules as follows:

- For leases in Signed or Lease Ordered status, click Save. Oracle Property Manager creates billing schedules and items if the term represents a one-time non-normalized billing. After creating the schedules, you cannot alter the one-time non-normalized terms even though the lease still has an Approval Status of Draft.
- For leases in other statuses, set the approval status to Final. Oracle Property Manager creates billing schedules and items for all the lease terms.

To create billing schedules:

- In the Approval Status field in the upper region of the Leases window select Final and save your work. Oracle Property Manager automatically creates billing schedules for the lease billing terms you entered.

Note: After you have changed the approval status to Final and saved your work, you can make changes to the lease information either by editing the lease or by creating a lease amendment. See: Making Changes and Additions to the Lease, page 5-153.

Approving Billing Schedules

When you approve a billing schedule, all of the individual billing items in that schedule are approved.

Prerequisites:

- Enter lease billing terms in the Billings tabbed region of the Leases window. See: Entering Billing Information, page 5-124.
- Create a billing schedule by changing the status of the lease to Final and saving your work.

To approve a billing schedule:

1. Navigate to the Find Billing Schedules window.
2. In the Find Billing Schedules window, enter search criteria to retrieve the specific billing schedules that you want to approve. Choose the Find button to open the Authorize Billings window.
3. In the Authorize Billings window, select the specific billing schedule that you want to approve.

Authorize Billings

Operating Unit	Lease Name	Lease Number	Schedule Date	Billing Status
<input checked="" type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-FEB-2000	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-MAR-2000	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-APR-2000	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-MAY-2000	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-SEP-2000	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-NOV-2000	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-JAN-2001	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-MAR-2001	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-MAY-2001	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-FEB-2002	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-JAN-2002	Draft
<input type="checkbox"/> Vision Operations	PN Billing Lease156	1037	01-DEC-2001	Draft

4. Change the billing status of the billing schedule from Draft to Final. You can also approve schedules from the Billing Schedule Details window.
5. In the Billing Schedule Details window, optionally add any comments, for example, special billing instructions. The comments you enter here will appear on the Rent Schedule Detail report.
6. The system defaults the Oracle Receivables period based on the schedule date. If the period is closed, the system defaults to the next open Receivables period using the name format: MM-YYYY.

Billing Schedule Details

Operating Unit: **Vision Operations**
 Lease Name: **ABC Convenience Store at H**
 Schedule Date: **01-APR-2000**
 Approved By: **OPERATIONS**
 Transferred By: **OPERATIONS**
 Functional Currency: **USD**

Lease Number: **1262**
 Billing Status: **Approved**
 Period Name: **Oct-00**
 Accounted Amount: **2,775.00**

Billing Items

Term Template	Purpose	Type	Transaction Date	Estimated	Actual	Accounted	Currency
ABC Corp - Billing Terms	Operating Expens	Common Area M	01-APR-2000	1,275.00	1,275.00	1,275.00	USD
ABC Corp - Billing Terms	Rent	Base Rent	01-APR-2000	1,500.00	1,500.00	1,500.00	USD

Customer Name: **ABC Corporation Americas**
 Bill To Site: **6504**
 Comments:

Customer Number: **2637**
 Ship To Site:

Buttons: **Defer Billing** **Current Term Details**

7. Save your work.

Note: If you change the details of a payment or billing term through the Edit Lease, Amend Lease, or Terms Details window, you are prompted with the following message:

If you change the rate for this payment/billing term, it will affect all it's items that belong to unapproved schedules. If you change any other details for this term, it will affect all unexported items belonging to this term. Do you want to proceed? You can choose either Yes or Cancel.

Grouping Receivable Invoices

Use the Invoice Grouping feature to include multiple billing items on one invoice. This can eliminate the redundancy of creating a transaction for each billing increase and greatly decrease the number of billing transaction exported to Oracle Receivables. If you export transaction items without using this feature, it results in the export of each individual billing item as an individual invoice.

Note: In order for a receivable grouping logic to apply, the grouping rule must be created in Oracle Receivables and associated with the transaction source named Property Manager Batch Source before exporting billing items from Oracle Property Manager.

You can create grouping rules to allow grouping of billing items based on various

invoice attributes, such as customer, transaction date, purpose, type, and others.

For information on creating and using Receivable Invoice Grouping Rules, see Billing Item Grouping Rules, *Oracle Property Manager Implementation Guide*.

Related Topics

Importing Transaction Information Using AutoInvoice, *Oracle Receivables User Guide*

Exporting Billing Items to Oracle Receivables

You can export any individual billing item that is included in an approved billing schedule.

When exporting items with normalized terms to Oracle Receivables, ensure that the Revenue Account Allocation field in the Property Manager Batch Source is set to Amount. The Property Manager Batch Source is defined in the Transaction Sources window in Oracle Receivables. The Amount value is seeded in Oracle Property Manager.

For terms that are not normalized, the Revenue Account Allocation field can be set to either Amount or Percent. If invoice and accounting rules are specified, Property Manager sends a percentage to the Oracle Receivables interface table. If invoice and accounting rules are not specified, Property Manager sends both percentages and amounts to the Oracle Receivables interface table.

Prerequisite:

- Approve all billing schedules that include billing items that you want to export. See: Approving Billing Schedule Events, page 5-133.

To export billing items to Oracle Receivables:

Note: When exporting a negative dollar amount to Oracle Receivables, the GL Account specified in the Billing Term Template window should be credited with the negative amount.

1. Navigate to the Export Billings to Receivables window by selecting Leases and Documents: Billings: Export to Receivables.

Note: You can export billing items to Oracle Receivables by running the Export Billing Items to AR concurrent program from the Submit Request window. See: Export Billing Items to AR, page B-14.

2. In the Find Billings window enter search criteria to retrieve the specific billing items that you want to approve. The criteria available are the following:

- Operating Unit
 - Lease Name
 - Number
 - Schedule Dates (range)
 - Transaction Dates (range)
 - Payment Purpose
 - Period Name
 - Amount (range)
 - Customer Name
 - Exported check box
3. Choose the Find button to open the Export Billings to Receivables window.
 4. In the Export Billings to Receivables window, every billing item for which the Export check box is checked will be exported.

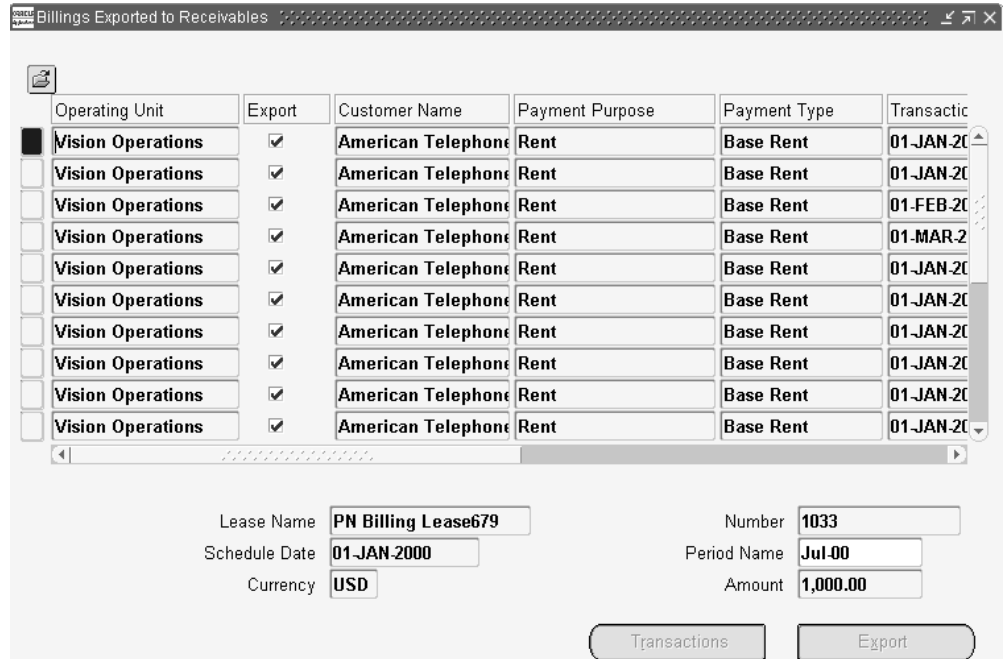
Note: Uncheck the Export check box for any billing item that you do not want to export.

Export Billings to Receivables

Operating Unit	Export	Customer Name	Payment Purpose	Payment Type	Transactic
<input checked="" type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-MAR-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-APR-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-MAY-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-JUN-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-JUL-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-AUG-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-SEP-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-OCT-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-NOV-2
<input type="checkbox"/> Vision Operations	<input checked="" type="checkbox"/>	AT&T Universal Card	Rent	Base	01-DEC-2

Lease Name:
 Number:
 Schedule Date:
 Period Name:
 Currency:
 Amount:

5. Click the Export button to export all billing items with selected Export check boxes. Oracle Property Manager runs a concurrent program to transfer billing information to Oracle Receivable interface tables. See: Export Billing Items to AR, page B-14.
6. In Oracle Receivables, run the Autoinvoice Master Import program to import transactions into Oracle Receivables.
7. Oracle Receivables assigns a unique transaction number to each exported billing item. To view the billing item transaction number navigate back to the Export Billings to Receivables window.
8. From the Billings Exported To Receivables window choose the Transactions button to view the transactions generated by Oracle Receivables.



Deferring Billing Items

If a billing schedule is in Draft status you can defer the included billing items from that event to the next billing schedule.

Prerequisite:

- Create a billing schedule. See: Creating Billing Schedules and Events, page 5-132.

To defer a billing item:

1. Navigate to the Find Billing Schedules window by selecting Billings: Authorize from the Navigator.
2. In the Find Billing Schedules enter search criteria to retrieve the specific billing schedules that include the billing items that you want to defer. Choose the Find button to open the Authorize Billings window.
3. In the Authorize Billings window, select the specific billing schedule that includes the billing items that you want to defer. Choose the Details button to open the Billing Schedule Details window.
4. Select the billing item that you want to defer.
5. Choose the Defer Billing button.

6. Save your work.

In the figure below the August billing item has been deferred to September.

Operating Unit	Lease Name	Lease Number	Schedule Date	Billing Status
Vision Operations	PN Billing Lease156	1037	01-FEB-2000	Draft
Vision Operations	PN Billing Lease156	1037	01-MAR-2000	Draft
Vision Operations	PN Billing Lease156	1037	01-APR-2000	Draft
Vision Operations	PN Billing Lease156	1037	01-MAY-2000	Draft
Vision Operations	PN Billing Lease156	1037	01-SEP-2000	Draft
Vision Operations	PN Billing Lease156	1037	01-NOV-2000	Draft
Vision Operations	PN Billing Lease156	1037	01-JAN-2001	Draft
Vision Operations	PN Billing Lease156	1037	01-MAR-2001	Draft
Vision Operations	PN Billing Lease156	1037	01-MAY-2001	Draft
Vision Operations	PN Billing Lease156	1037	01-FEB-2002	Draft
Vision Operations	PN Billing Lease156	1037	01-JAN-2002	Draft
Vision Operations	PN Billing Lease156	1037	01-DEC-2001	Draft

Normalizing Payments or Billings

Corporate landlords and tenants need to comply with FASB 13 or IAS 17 standards for accounting of leases. According to these rules, companies need to calculate the average rent payments or billings over the term of the lease. These calculated amounts need to be reported as revenue or expense, along with accrued revenue or liability, so that the lenders, investors and government agencies can accurately analyze the company's financials.

If you have a lease for which payment/billing amounts vary over the lease term, you can use Property Manager to normalize a lease for you and renormalize it if you amend the lease. *Normalization*, also known as straight-lining, spreads the cost of rent payments/billings and rent abatements over the life of a lease to more accurately record the lease expense or revenue during the time it was incurred.

Rent amounts may vary over the life of a lease term to:

- Provide an incentive for the lessee
- Reflect the anticipated effects of inflation
- Ease the lessee's near term cash flow requirements

Using the rent normalization feature provides you with detailed monthly deferred liability and accrued asset amounts that can be accessed by accounting and finance departments to accurately calculate and estimate company-level revenue and expenses.

Only those lease terms for which the Normalize check box is checked can be normalized.

Only actual amounts can be specified for normalized terms.

All normalized terms must lie within the lease term. In other words, the start date of a normalized term cannot be earlier than the lease commencement date, and the normalized payment/billing term end date cannot be later than the lease termination date.

When you enter a lease, you check the Normalize check box for a payment, billing, or abatement if you want it to be included in the normalization calculations. Refer to the accounting rules used by your organization to confirm which payments/billings you are allowed to normalize.

Important: Enter all terms, and be certain which terms you want to normalize.

Note: You cannot have normalized payment terms for a lease with a lease status of Month-to-Month or Holdover.

After you finalize and save the lease, Property Manager creates a payment or billing schedule. In the View Requests window you can then review the payment/billing schedule and the normalized amounts, or you can run the Normalized Rent Schedule Report.

If Property Manager needs to prorate a normalized amount, for example, if your payments are monthly and the lease begins mid-month, Property Manager uses the proration rule you selected in the Details window to prorate the cash amount. The normalized average for that month is also prorated.

Property Manager transfers revenue and expense distribution lines directly to Oracle General Ledger.

To calculate the average (normalized) amount for a term, Oracle Property Manager adds up all the cash items for that term over the entire lease term, and divides this sum with the number of months between the lease start and end dates.

If the lease starts or ends mid-month, the proration rule specified at the Lease Details level is used to calculate the number of months.

Note: Renormalization starts on the Amendment Commencement Date.

Example 1 of Rent Normalization: One Schedule Day for all Terms

This example uses the following terms:

- Lease begins mid-month on 15 January, 2001 and ends mid-month on 14 January, 2002.
- Rent for the first quarter is \$100; rent for the second quarter is \$200; rent for the third quarter is \$300, rent for the fourth quarter is \$400; rent for the fifth quarter is \$500.
- Rent abatement of \$10 is given only in the first month.
- Rent is scheduled to be paid in full at the beginning of every month.
- Proration rule is Days/Month.

The following table illustrates rent normalization calculations. Note that in the table:

- Adj, the heading for Column F, stands for Adjustment.
- Column B minus Column C equals Column D.
- Column E equals the sum total cash rent divided by twelve months. This column shows the average expense/revenue associated with the lease that needs to be reported.
- Column E minus Column D equals Column F.
- Column G contains a running total of Column F. Column F shows deferred liability. From the payment perspective, it is the amount that the tenant owes that will be paid later on as the lease progresses.

The adjustment is the amount in addition to the cash that the expense/revenue needs to be adjusted if the system passes only the cash amount to Oracle Payables or Oracle Receivables.

- Column H contains the rentable area of the property on the lease.
- Note that for the first month (15 January, 2001 to 31 January, 2001), the tenant owes rent for 17 days. This is calculated as $100 * (17/31) = \$54.84$.

For the last period (01 January, 2001 to 14 January, 2002), the tenant owes $500 * (14/31) = \$225.81$.

- For the first month, the prorated normalized amount is 133.75 (the normalized amount of 243.90 is prorated based on 17 days in January using the Days/Month proration rule).

The prorated normalized amount for the last month is 110.148 (the normalized amount of 243.90 is prorated based on 14 days in January using the Days/Month proration rule.

- The proration rule is Days/Month.

Schedule Date (A)	Base Rent (B)	Rent Abatement (C)	Total Cash Rent (D)	Account Expense (E)	Adj (F)	Deferred Liability (G)	Rentable Size (H)
15-JAN-01	\$54.84	\$10	\$44.84	\$144.89	\$100.05	\$100.05	3429
01-FEB-01	\$100.00	0	\$100.00	\$264.22	\$164.22	\$264.27	3429
01-MAR-01	\$100.00	0	\$100.00	\$264.22	\$164.22	\$428.49	3429
01-APR-01	\$200.00	0	\$200.00	\$264.22	\$64.22	\$492.71	3429
01-MAY-01	\$200.00	0	\$200.00	\$264.22	\$64.22	\$556.93	3429
01-JUN-01	\$200.00	0	\$200.00	\$264.22	\$64.22	\$621.15	3429
01-JUL-01	\$300.00	0	\$300.00	\$264.22	(\$35.78)	\$585.37	3429
01-AUG-01	\$300.00	0	\$300.00	\$264.22	(\$35.78)	\$549.59	3429
01-SEP-01	\$300.00	0	\$300.00	\$264.22	(\$35.78)	\$513.81	3429
01-OCT-01	\$400.00	0	\$400.00	\$264.22	(\$135.78)	\$378.03	3429
01-NOV-01	\$400.00	0	\$400.00	\$264.22	(\$135.78)	\$242.25	3429
01-DEC-01	\$400.00	0	\$400.00	\$264.22	(\$135.78)	\$106.47	3429
01-JAN-02	\$225.81	0	\$225.81	\$244.68	(\$106.49)	\$0.02	3429

Example 2 of Rent Normalization: Different Schedule Days For Different Terms

This example uses the following terms:

- Lease begins mid-month on 15 January, 2001 and ends mid-month on 14 January, 2002.

- Rent for the first quarter is \$100; rent for the second quarter is \$200; rent for the third quarter is \$300, rent for the fourth quarter is \$400; rent for the fifth quarter is \$500.
- The schedule day for the first four payment terms is 1. The schedule day for the last payment term is 2.

Schedule Date	Base Rent	Rent Abatement	Total Cash Rent	Account Expense	Adjustment	Free Rent Liability
01-JAN-01	\$55.89	\$0.00	\$55.89	\$137.45	\$81.56	\$81.56
02-JAN-01	\$0.00	\$0.00	\$0.00	\$10.70	\$10.70	\$92.26
01-FEB-01	\$100.00	\$0.00	\$100.00	\$245.93	\$145.93	\$238.19
02-FEB-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$257.34
01-MAR-01	\$100.00	\$0.00	\$100.00	\$245.93	\$145.93	\$403.27
02-MAR-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$422.42
01-APR-01	\$200.00	\$0.00	\$200.00	\$245.93	\$45.93	\$468.35
02-APR-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$487.50
01-MAY-01	\$200.00	\$0.00	\$200.00	\$245.93	\$45.93	\$533.43
02-MAY-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$552.58
01-JUN-01	\$200.00	\$0.00	\$200.00	\$245.93	\$45.93	\$598.51
02-JUN-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$617.66
01-JUL-01	\$300.00	\$0.00	\$300.00	\$245.93	(\$54.07)	\$563.59
02-JUL-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$582.74
01-AUG-01	\$300.00	\$0.00	\$300.00	\$245.93	(\$54.07)	\$528.67
02-AUG-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$547.82
01-SEP-01	\$300.00	\$0.00	\$300.00	\$245.93	(\$54.07)	\$493.75

Schedule Date	Base Rent	Rent Abatement	Total Cash Rent	Account Expense	Adjustment	Free Rent Liability
02-SEP-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$512.90
01-OCT-01	\$400.00	\$0.00	\$400.00	\$245.93	(\$154.07)	\$358.83
02-OCT-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$377.98
01-NOV-01	\$400.00	\$0.00	\$400.00	\$245.93	(\$154.07)	\$223.91
02-NOV-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$243.06
01-DEC-01	\$400.00	\$0.00	\$400.00	\$245.93	(\$154.07)	\$88.99
02-DEC-01	\$0.00	\$0.00	\$0.00	\$19.15	\$19.15	\$108.14
01-JAN-02	\$0.00	\$0.00	\$0.00	\$113.20	\$113.20	\$221.34
02-JAN-02	\$230.14	\$0.00	\$230.14	\$8.81	(\$221.33)	\$0.00

Related Topics

Normalized Rent Schedule Report, page 11-13

Editing or Amending a Normalized Payment or Billing, page 5-194

Approving and Canceling Approval of Schedules

You can select and approve (or cancel approval of) groups of payment or billing schedules by using the Approve or Cancel Approval of Schedules concurrent program. See Approve or Cancel Approval of Schedules, page B-2.

Setting Exceptions

In the Authorize Payments or Authorize Billings window, you can review, modify, and exclude scheduled billings before running the Approve or Cancel Approval of Schedules concurrent program. To exclude a schedule, set it as an exception by selecting the On Hold check box.

On Hold Status Rules

Rules for placing schedules on hold include the following:

- You cannot cancel approval of a schedule or place it on hold if you have exported any of its items.
- You cannot approve a schedule that has a status of On Hold.
- If you have approved a schedule but not exported any items within it, you can change the status of this schedule from Approved to Draft. After changing the status to Draft, you can select the On Hold check box.

Validation

If any record fails validation, the Lease Name, Number, Schedule Date, and the potential cause of the failure are noted in the request's output and log file. The remaining schedules that pass validation are approved. If the concurrent program completes as normal, you can see the approved records by requerying the Authorize Payment or Authorize Billings window.

Approval and Cancellation of Lease Schedules

You take the following steps while approving schedules.

Review Lease Schedules

To review lease schedules and place selected schedules on hold:

1. In the Navigator window, choose Leases and Documents: Payments: Authorize or Leases and Documents: Billings: Authorize.
2. Find the schedules you want to review as potential approval exceptions.
3. Optionally, you can prevent approval of a schedule by selecting the On Hold check box.
4. Save your work.

Run the Approve or Cancel Approval of Schedules Program and Review the Result

For details on how to run the concurrent program for approving schedules and view the results, see Approve or Cancel Approval of Schedules, page B-2 .

Canceling Approval of Schedules

You might have to cancel approval of schedules once they have been approved. The process of canceling approval of schedules is similar to that of approving schedules. Run the Approve or Cancel Approval of Schedules concurrent program and select Unapprove in the Action parameter in the Parameters window. For more information, see: Approve or Cancel Approval of Schedules, page B-2.

Related Topics

The Payments and Billings Processes, page 5-45

Approve Payment Schedule Events, page 5-118

Approve Billing Schedule Events, page 5-132

Prepaying Rent Payments or Billings

You can record rent prepayments for both payments and billings. You enter separate payment terms for prepayments. The start date and end date are the same. You enter a *target date*, which is the rent payment date that the prepayment pays.

For the prepayment, you need to enter the General Ledger accounts: expense, liability, and accrued liability for paying leases, and revenue, receivable, and accrued asset for billing leases. You then enter payment terms for the lease to create a recurring lease payment schedule just as you would if you had not made a prepayment.

After you enter a prepayment, Oracle Property Manager automatically creates a payment item for the target date. This amount of the payment item is the negative amount of the prepayment, and the payment item uses the same account as the prepayment. On the payment date, you export to Payables both the negative amount payment item and the regularly scheduled rent payment item. Exporting these payment items creates unpaid invoices in Oracle Payables. Make sure that the supplier site is not set to Pay Alone in the Supplier Sites window. If the sum for the period is zero, then Oracle Payables creates no payment. However, even if Oracle Payables creates no payment, it records accounting for the two invoices: the prepaid expense account is relieved and the rent expense is applied in the correct period.

For example, you are the tenant, rent payments are \$6000 per month, and the lease term is from January 1 to June 30. On January 1 you pay the first and last month's rent. You create a \$6000 payment item for the prepayment with the start date and end date both January 1, and the target date of June 1. You then create a payment schedule for the lease term from January 1 through June 30, with payments of \$6000 per month. Because you entered a target date for the prepayment item, Oracle Property Manager automatically creates a payment item for -\$6000 for the target date, June 1. The following table shows the payment schedules you set up and the payment schedule Oracle Property Manager automatically generates.

Month	Payment Schedule - Prepayment	Payment Schedule - Lease	Payment Schedule - Automatic
January	\$6000	\$6000	
February		\$6000	

Month	Payment Schedule - Prepayment	Payment Schedule - Lease	Payment Schedule - Automatic
March		\$6000	
April		\$6000	
May		\$6000	
June		\$6000	\$-6000

Accounting for Prepayments

When Property Manager generates the negative payment for the target date, it uses the same prepaid expense account as the prepayment. This ensures that the prepaid expense account is relieved on the target date.

The payment for the target date, which was generated by the recurring payment schedule, charges the expense account on the target date.

Using the above example, Oracle Property Manager generates payments to your landlord of: \$12,000 in January, and \$6000 from February through May. The accounting for January will be a \$6000 debit to the prepaid expense account, a \$6000 debit to the rent expense account, and a \$12,000 credit to the cash account.

Payments in February through May will each debit the rent expense account \$6000 and credit the cash account \$6000. In June, you export the items to Oracle Payables, which creates invoices that are accounted, but since the balance is zero, no payment is made.

The negative invoice (credit memo) relieves the prepaid expense account, and the rent invoice debits the expense account \$6000.

The two remaining accounting entries net to zero in either the liability or cash account, depending on the accounting method you use.

From the perspective of the tenant, the accounting for prepayments is shown in the following table:

Account	Debit	Credit
Prepaid	X	
Cash		X

On the target date, Property Manager submits the negative of the prepaid amount.

Because a regular rent schedule has been set up, on the same date, the rent expense account is also debited, creating the correct journal entries, as shown in the following table:

Account	Debit	Credit
Prepaid		X
Expense	X	

Normalizing Prepayments

Property Manager normalizes all payment items on a lease that have the Normalize check box checked. In the above example, if you normalize all payment items, Property Manager normalizes the sum of the six payment items (\$36,000) and divides them over the lease term (January 1 until June 30). The normalized amounts charge the expense account \$6000 per month during the lease term. You can view these amounts in the Normalized Rent Schedule report.

Entering Prepayments

You can record rent prepayments for both payments and billings. For example, the tenant might prepay the first or last month's rent.

To manage a prepayment:

1. Enter the prepayment payment/billing terms:
 - Choose the payment/billing type of prepayment.
 - Enter One Time in the Frequency field and use the same Start Date and End Date.
 - If you are normalizing the rent payments, check the Normalize check box for the prepayment payment item. You cannot normalize a prepayment if the start date or end date of the prepayment is outside the lease term.
 - Enter the schedule day, which is the date on which the schedule should occur.
 - Enter a target date, which is the rent payment date that the prepayment will prepay.

Property Manager will create a payment item to offset the prepayment on the target date.

2. Enter payment terms for the term of the lease to create a recurring payment schedule. This payment schedule should include a payment for the target date.
3. On the target date export all payments to Oracle Payables or Oracle Receivables, even if the sum of the payments is zero. This ensures that the accounting is correct.

Related Topics

Normalized Rent Schedule Report, page 11-13

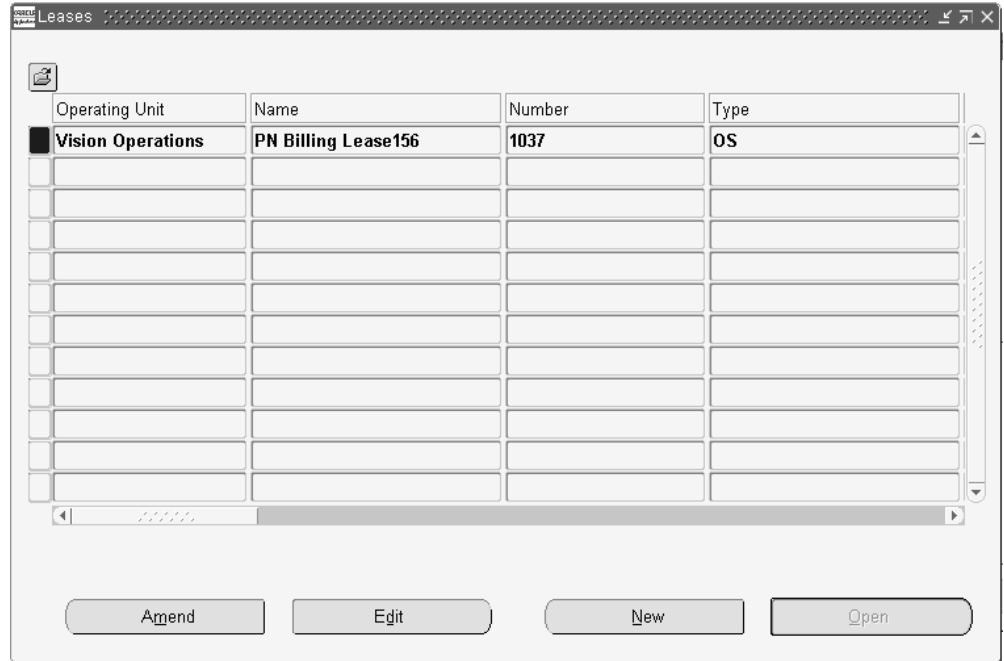
Reviewing Leases

You can inquire on a lease to review basic information for the lease. You can also view any amendments, transaction history, or payments/billings.

To review lease information:

1. View your lease by navigating to the Find Leases window and entering search criteria to retrieve the lease you want to view.

When you press the Find button, the Leases window displays all of the leases that meet your search criteria. At the bottom of the window are four buttons that enable you to view different information about the lease you select.



2. In the Leases window view information for the lease by choosing a button, as shown in the following table:

Choose this button...	To view...
Transactions	Information on all transactions, both amendments and edits, that have been done on the lease.
Amendments	Information on all the amendments that have been created.
Edits	Information on all the edits that have been done.
Open	General lease information, including information that was entered in the tabbed regions of the Leases window. You can view lease information as of a particular date by entering a date in the Date Effective field. The default for this field is the current date.

Related Topics

Searching for Information, *Oracle E-Business Suite User's Guide*

Lease Window Reference, page 5-19

Modifying Leases

You can change information in the Leases window as long as the approval status of the lease is Draft. Once you finalize the lease, the approval status of the lease changes to Final, and saved the lease, you must use one of these two methods to modify Lease window information:

- **Amend** the lease information. Use the Amend feature when the lease has been amended and you have to update your lease information to include the lease amendment.

The Amend feature is similar to the Edit feature in that a lease amendment may be created to cover changes or additions to the terms of the lease. However, when you create a lease amendment in Property Manager, the amendment will have its own name and number, distinct from the lease name and number.

- **Edit** the lease information. Use the Edit feature to correct errors you might have made entering lease information, and to enter additional information after the lease is finalized.

In addition, you can update a lease using the following APIs: Update Lease API, Create Terms API, Update Terms API, and Update Approval Status or Lease Status API. For more information about the PN_LEASE_PUB.UPDATE_LEASE, PN_LEASE_PUB.CREATE_TERMS, PN_LEASE_PUB.UPDATE_TERMS, PN_LEASE_PUB.UPDATE_STATUSES APIs, see Oracle Integration Repository.

This discussion includes the following topics:

- Changes and Additions to the Lease, page 5-153
- Lease Status Changes, page 5-181
- Transactions and History, page 5-191

Related Topics

Amend Lease Window Reference, page 5-192

Editing or Amending a Normalized Payment or Billing, page 5-194

Making Changes and Additions to a Lease

This section provides a series of tables that specify the fields you can modify in the Edit Lease and Amend Lease windows.

Amend Lease and Edit Lease windows

The following table specifies the fields you can modify in the header region of the Amend Lease and Edit Lease windows.

Field	Amend	Edit
Operating Unit	No	No
Name	No	Yes
Number	No	Yes
Type	No	No
Class	No	No
Master Lease	No	No
Abstracted By	No	No
Approval Status	No	No
Lease Status	Yes	No
Primary Location	Yes	No
Customer	No	Yes

Details Tabbed Region

The following table specifies the fields you can modify in the Details tabbed region of the Amend Lease and Edit Lease windows.

Field	Amend	Edit
Execution (Key Lease Dates region)	No	No
Commencement (Key Lease Dates region)	No	No
Termination (Key Lease Dates region)	Yes	No
Expense or Revenue (Account Defaults region)	Yes	Yes
Liability or Receivable (Account Defaults region)	Yes	Yes
Accrued Liability or Accrued Asset (Account Defaults region)	Yes	Yes
Lease Term	Yes	No
Term Template	Yes	Yes
User Responsible	No	Yes
Functional Currency	No	No
Proration Rule	No	No
Invoice Grouping Name	Yes	Yes

Locations Tabbed Region

You can modify all the fields in the Locations tabbed regions of the Amend Lease and Edit Lease windows. The following fields are not relevant for expense leases.

- Recovery Type
- Recovery Space Standard
- Financial Obligation End Date

Also, note that changing the location code does not affect the Area and Annual/Area fields. Oracle Property Manager populates the new location you define in the Location field for all new payment or billing terms created.

Contacts, Insurance, Rights and Obligations, and Options Tabbed Regions

You can modify all the fields in the Insurance, Rights and Obligations, and Options

tabbed regions of the Amend Lease and Edit Lease windows.

Payments and Billings Tabbed Region

The following table specifies the fields, common to the Payments and Billings tabbed regions of the Amend Lease and Edit Lease window, which you can modify.

Field	Amend	Edit
Term Template	No	No
Location	Yes	Yes
Purpose	No	No
Natural Breakpoint Basis	Yes	Yes
Type	No	No
Frequency	No	No
Normalize	No	No
Schedule Day	No	No
Start Date	No	No
End Date	Yes	Yes
Estimated Amount	No	No
Annual/Area	No	No
Accounts Distribution	Yes	Yes

The following table lists the fields, specific to the Payments tabbed region and the payment Term Details window, which you can modify.

Item	Amend	Edit
Agreement Name	No	No

Item	Amend	Edit
Invoice Grouping Name	Yes	Yes
Supplier Name	Yes	Yes
Supplier Number	Yes	Yes
Supplier Site	Yes	Yes
Payment Term	Yes	Yes
Distribution Set	No	No
Tax Input Classification*	Yes	Yes
Tax Inclusive	Yes	Yes
Project	No	No
Task	No	No
Expenditure Type	No	No
Expenditure Item Date	No	No
Expenditure Organization	No	No

* Changes to Tax Input Classification Codes are reflected in all the items that you have not exported.

The following table lists the fields, specific to the Billings tabbed region and the billing Term Details window, which you can modify.

Item	Amend	Edit
Customer Name	Yes	Yes
Customer Number	Yes	Yes
Bill To Site	Yes	Yes

Item	Amend	Edit
Ship To Site	Yes	Yes
Payment Terms	Yes	Yes
Payment Method	Yes	Yes
PO Number	Yes	Yes
Tax Inclusive	Yes	Yes
Tax Output Classification*	Yes	Yes
Transaction Type	Yes	Yes
Invoice Rule	No	Yes
Accounting Rule	No	Yes
Salesperson	Yes	Yes

* Changes to Tax Output Classification Codes are reflected in all the items that you have not exported.

Notes Tabbed Region

The following table specifies the fields you can modify in the Notes tabbed region of the Amend Lease and Edit Lease windows.

Item	Amend	Edit
Type	Yes	Yes
Date	Yes	Yes
User	No	No

Schedules Tabbed Region

The Schedules tab displays compliance numbers and payment schedule of the lease in different stages. In the draft stage, this window displays the draft lease detail report and

the draft schedules. In the final stage, this tab displays the final lease detail report and the final schedules agreed upon.

Errors Tabbed Region

The Error tab displays any errors or warnings resulted during the lease validation when the generate balance option is clicked.

Versions Tabbed Region

The Versions tab displays various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index.

Generate Balance, Finalize or Discard Amendment

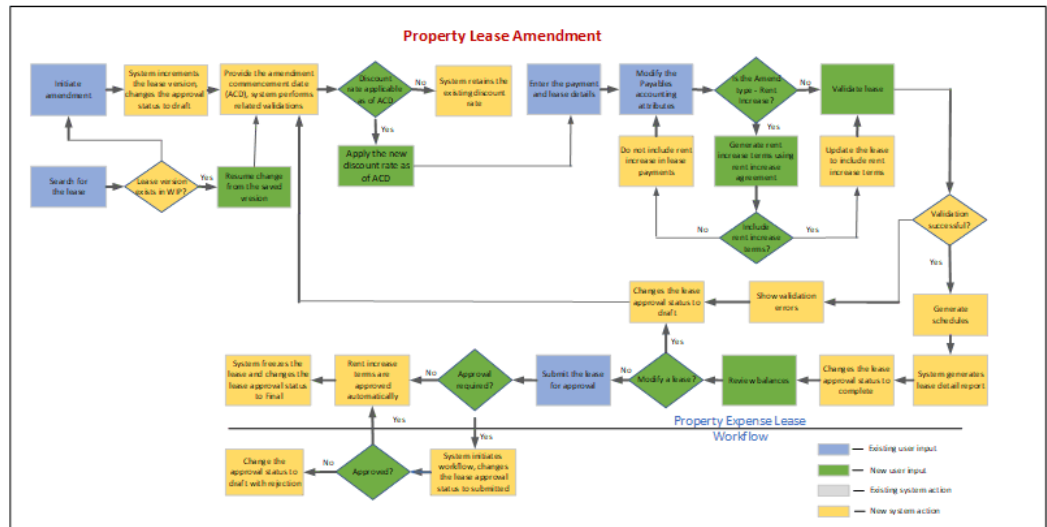
The Lease Creation window also includes the following options:

- **Generate Balances**
To review the lease schedules and balances after specifying inputs, click the Generate Balances option. The system validates the inputs and generates a draft lease schedule and the lease detail report in a draft mode. You can use this option after entering the location and payment details.
- **Finalize Amendment**
To submit the lease version after amendment, click the Finalize Amendment option. The amended lease contract is activated, and the approval status of the lease version changes to Final. The lease version is incremented and the final lease detail report is generated and appears in the schedules tab.
- **Discard Amendment**
- If you want to cancel the changes you have made, click the Discard Amendment option.

Amending a Lease

During the amendment of property lease, you can review the schedules and balances that were entered with the original lease. After reviewing the schedules and balances, you can modify the required changes such as changing the termination date or amendment commencement date or change the discount rate or rent increase details. After you complete changes to the lease, you must regenerate the schedules and balances for the lease. You can then simulate, validate balances and payment schedules before finalizing the lease amendment.

All changes to the existing rent increase agreements or creation of a new rent increase agreement on the lease must go through a Rent Increase amendment option.



Oracle Property Manager supports the following property lease amendments:

1. Initiate a lease amendment by querying the lease.
2. Choose the lease that has been already activated and in the final state. When you select the lease, the Amend and Edit lease options are activated if there are no active working in progress lease. You can amend a lease or edit a lease. Amendment of the lease goes through the same approval process of lease creation, and it also submits workflow notification during approval. The lease approval status changes in the case of Amend Lease. A new working version of the lease is created when an amendment or edit to the lease is chosen.
3. The system initiates a new lease version by incrementing version number.
4. The system also changes the lease approval status as draft.
5. The system also assigns the amendment commencement date (ACD).
6. You must enter the required fields and change the needed values as required for the amendment. You also can change the rent increase details.
7. You can save the lease and then Generate Balance.
8. System validates the lease.
9. After the lease is validated successfully, the system generates the draft balances. The lease approval status changes to Draft. If the validation is not successful, then errors appear, and they are shown in the Errors tab. You can correct the errors and

perform the above steps again.

10. The lease detail report is created in the draft mode.
11. The system changes the lease approval status to complete.
12. You can then review the lease, schedules, and balances.
13. If you are satisfied with the lease terms, then submit the lease for approval by clicking the Finalize Lease option. If the lease needs to be modified, then modify the lease and follow all the above steps to validate the same.
14. If the lease needs approval, then a workflow is initiated, and the system updates the lease approval status to submitted. If the validation is successful, then the amendment is approved with the rent increase terms. If the lease does not need approval, then the system automatically approves the lease with the rent increase terms.
15. The system activates and freezes the lease version and changes the lease approval status for the version to Final.
16. The Final lease detail report along with the payment schedules are attached and is shown in the Schedules tab.

You create an *amendment* to your lease information in Oracle Property Manager when the tenant and landlord have executed an amendment to the lease. An amendment usually describes agreements between the landlord and tenant that are not in the original lease. These agreements may cover changes to the original lease terms, or they may cover new lease terms that do not appear in the lease itself.

For example, if the original lease did not include a provision covering payment of insurance, and the landlord and tenant agree that the tenant will pay for liability insurance, they can create an amendment that reflects the new agreement. You can then update your Oracle Property Manager information using the Amendment feature.

When you create an amendment in Oracle Property Manager you name the amendment, and identify its execution, commencement, and termination dates. Choose a name for the amendment that will indicate its connection to the lease. For example, if the name of the location is *National Trade Center*, and the name of the lease is *NTC*, you could name the amendment *NTC-a*.

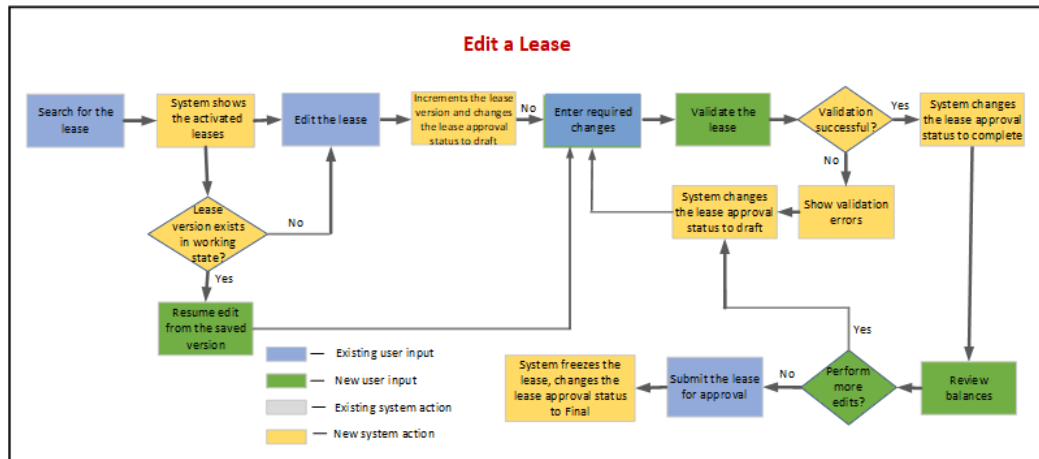
Depending upon how Oracle Property Manager is implemented at your site, either you or Oracle Property Manager will assign a number to the lease amendment. You enter an execution date, a commencement date, and a termination date for the amendment. The dates for the amendment must fall within the range of dates defined for the lease. You also enter the name of the person who abstracted the amendment, and the name of the person to whom the amendment is assigned.

Note: The information that identifies the amendment applies only to the amendment itself, not to the original lease.

Note: For IFRS 16 and ASC 842 (US GAAP) compliance, amendments, such as the addition of payment terms, renewals, contracts, require recalculation of the lease data. The future balances are re-derived and the new balances are re-amortized. The differences between the earlier calculations of balances for the period and the new balances are reported as differences with a statement of difference causing terms. Some of these recalculations are computed using existing interest rates or the latest interest rates. Latest Interest rates are used for amendments due to Renewals/Lease/Term Contractions/Purchase options. For the post transition process, accounting events are triggered and created for all amendments like lease extension, termination, index rate change and so on. These change amounts are captured as revision events. You can make use of sub-ledger accounting to weave accounting for all the new events types created as part of the enhancement with the Phase II part of the solution. Additional data views have been created for capturing and making available the calculated amounts needed for new compliance accounting. Amendments for Renewal, Add Payment term, Lease Reclassification, Discount Rate Index change, and Future Dated Contractions are all assumed to be effective from first date of the current period and recalculations are performed accordingly. However, there are few exceptions to this rule like past-dated contractions and system-dated contractions.

For more information refer to *Enhancements to Property Manager for Compliance with New Accounting Standards* (Doc ID 2388210.1) in My Oracle Support.

The following diagram illustrates the Edit lease flow:



Making Lease Amendments

Oracle Property Manager provides an ability to simulate lease expense, amortization, and schedules before activating an amendment on an existing lease. Capability to perform lease amendment across multiple sessions.

Ability to Discard Amendments before finalizing.

Ability to trail changes to the lease contract during its lifecycle.

Ability to choose whether to change discount rate on Amendment commencement date (ACD) or retain the original discount rate existing on the lease before an amendment.

To amend a lease:

1. Navigate to the **Property Manager** responsibility.
2. Select **Leases and Documents**, and then choose **Main Lease**, and then **Enter Leases and Documents**.
3. From the **Find Lease** window.
The **Lease** window appears.
4. The search result displays different leases in different status.
 - The **Approval Status** field shows the lease in different status of the approval lifecycle.
 - The **Version** field indicates the currently activate lease version number.
 - The **Resume Changes** option is enabled for the saved work-in-progress lease. This option is disabled for the final activated lease.

- The **Amend** option is enabled for the final activated lease.
 - The **Edit** option lets you edit a lease instead of amending. The system does not send workflow notification for approval when the edits are finalized. Amend and edit options are disabled for final activated lease.
 - The **Open** option enables you to open and review the lease as per its current state. The lease displays in a read-only mode. The New option lets you create a new lease.
5. In the **Find Leases** window, perform a query to display the lease that you want to amend.
 6. Select the lease that you want to amend and then choose the amend, edit, or resume changes.
 7. Change previously entered information and add new lease terms as necessary.

Note: You can add new payment or billing terms if the start and end dates of the new term fall within the commencement and termination dates of the lease, and no approved payment schedule already covers the same period as the payment or billing term. You can add payment or billing terms as long as the start date post dates the last approved schedule.
 8. Save your work.

Changes to Lease Amendment

The Amendment functionality, now enables, following features as part of the compliance solution for IFRS16 and ASC842:

- General Lease Amendments
 - Expansion of the lease
 - Contraction of Lease
 - Addition of Payment terms
- Lease Classification Change
- Change of Discount Rate Index

Amendments changes have built-in rules and actions required to perform selected amendments and apply to the following:

- Property Leases in the first phase
- Expense Leases only
- Leases under Compliance - at least one term has ROU and Liability

Changes to Amendment Window

1. Select a final activated lease and click **Amend**.
The **Amend Lease** window appears.
2. The system prompts you to select one of the following options:
 - Amend Lease (default option)
 - Amend Terms
 - Amend Lease Classification
3. Enter the Header details of the lease in the General tab or change Payment terms or modify lease classification.
4. To add new terms and perform an amendment at the header level of the lease like renewals, then break them up into multiple amendments.
5. The following validations must be considered for Amendments:
 1. Commencement Date (Amendment Commencement Date) cannot precede the booking date
 2. Commencement Date on a lease cannot precede an earlier Amendment Commencement Date
 3. Termination Date on the lease cannot precede the on the lease
6. When multiple amendments are made in a single period, adjustments from previous amendments are reversed and new adjustments are created for full change.
7. The Accounting Method on Amend Lease has the following two options, Operating Lease and Finance Lease.
8. **Approval Status:** This field displays the lease approval status as the lease goes through changes and approvals. When a lease is amended the field displays the draft status.
9. **Version:** This field shows the new version number of the lease being modified.

10. **Existing Discount Rate Index:** This field displays the discount rate index that exists on the lease in the activated lease version.
11. **Discount Rate Index:** Indicate the new discount rate applied on the Amendment Commencement Date (ACD). This field is disabled when the Continue Existing Discount Rate option is selected.
12. **Continue Existing Discount Rate:** When this option is selected, the system does not apply the effective discount rate on ACD. System applies the rate as per the current active version of the lease.
13. Enter the required changes and mandatory values.
14. Save your changes.
The Generate Balance option is enabled.
15. After you enter changes in other tabs, click **Finalize Amendment**.
To exit without pursuing the amendment, click **Discard Amendment**.

Booking PN balances at Full Value

Currently, leases with a lease commencement date in the past and Report from Inception option is set to No, then the transaction date is booked on the 1st day of the period, and balances as on transaction date. Accruals for period before lease creation date is not run.

If the Report from Inception option is set to Yes and the commencement date is Dec-18 and it is an open period, then the booking events are done for an amount calculated on 25-Dec-18 for the discount rate existing on 25-Dec-18. Accruals are generated from the Lease Booking Date.

For example, if the Transition Date is 01-Jan-19, and the Lease Commencement Date is 10-Feb-18 and earliest open period is Jan-19, then the booking date is 01-Jan-19 with balances calculated from 10-Feb-18.

Whenever Booking Date is later than the Lease Commencement Date, then the Property Manager does the catchup accruals for those periods.

This Transaction has two lines for IFRS and 3 lines for USGAAP as:

- AMORTIZATION stream line
- LIABILITY stream line (net of Payments and Interest amounts)
- LEASE EXPENSE stream line

The Booking Event is generated with the stream amounts as on the lease commencement date.

Accruals after Booking Date is generated when you run accruals. For example, if

Booking Date is determined as 1-Feb-19 and LCD is 18-Jan-18, then the accruals for the period prior to booking date is created as catchup Accruals at the time of booking and post 1-Feb-19, gets generated when accruals are run manually.

Transition Accounting

Retro Dated leases feature can also be used by the customers for completing their Transition of Property and Equipment leases.

- For a Property Leases, complete your Blank Transition with a date of 01-Jan-19.
- Run the Calculate Balances on Transition Date process for Modified Retrospective method with no leases in the OU. Load all your leases.
- Keep your Accounting Period for Jan-19 and future periods open. Activate your leases with Report from Inception option set to yes for all your leases.
- For Equipment leases, since there is no Transition Date, follow the same steps as above and Keep your earliest period for Jan-19 open.

Accounting Configuration for Past and Present Accruals

You have two ways of accounting for old accruals.

Method 1:

Accounting for Transition of Leases

Reserve A/C DR (using the Amortization Stream)

ROU A/C CR

LIABILITY A/C DR (using the Liability stream)

Reserve A/C CR

After Transition is complete, channel amortization amounts back to amortization with a configuration like:

AMORTIZATION A/C DR

ROU OR ACCUMULATED ROU

AMORTIZATION A/C

INTEREST A/C DR (Interest Stream is generated for accruals past Booking Event)

LIABILITY A/C

Method 2:

For the past accruals, use a custom source around line-level description of Catch up Accruals and with amortization stream derive.

Reserve A/C DR (using amortization Stream)

ROU A/C CR

LIABILITY A/C DR (use a custom source around line-level description of Catch up

Accruals and LIABILITY stream) Reserve A/C CR Accruals post Transition accounting and Booking Date with existing configuration derive. AMORTIZATION DR

ROU CR

INTEREST DR (interest stream is available for Accruals run post Booking Date)

LIABILITY

Restrictions on ROU and Proration-rule Selection

- For Daily amortization, you can only select Days and Month to be prorated
- In case of a recurring term, ROU is not available for selection. You can either not select an option or select Both Liability and ROU. ROU is available for the One-Time payment term.
- If the Report from Inception option is checked, then the schedule day of the one-time payment term is the first day of the lease commencement month. If the Report from Inception option is not selected, then the schedule day of the one-time payment term is the first day of the current period.

This topic explains changes to amendments functionality in Equipment.

Following options are available on the Equipment Lease window:

- Amend Lease Classification
- Amend Lease

Amend Lease Classification:

When you select the Amend Lease Classification, you can update and create the following:

1. Amend Name
2. Amend Execution Date
3. Amend Commencement Date (a date must be in the current month)
4. Amend Termination Date
5. Assigned To
6. Lease Classification
7. Additional Comments
8. Add attachments

You can change the following values:

1. Amend Status
2. Term Template
3. Lessor Name
4. Invoice Grouping Rule
5. Proration Rule
6. Discount Rate Index
7. Adder Rate%
8. Lease Termination Date
9. Extend Term
10. Renormalize All Terms

On clicking Apply, then a message displays. You can only click Return to Leases Search

Amend Lease

On selecting Amend Lease, following list of items are updateable and or not updateable:

Updateable:

1. Amend Name
2. Amend Execution Date
3. Amend Commencement Date
4. Amend Termination Date
5. Assigned To
6. Additional Comments
7. Add attachments
8. Amend Status
9. Term Template
10. Lessor Name
11. Discount Rate Index

12. Adder Rate%
13. Lease Termination Date
14. Extend Term
15. Renormalize All Terms

Not updateable:

1. Lease Classification
2. Invoice Grouping Rule
3. Proration Rule

If you make changes to any of the following fields, click Save:

- Discount Rate Index
- Adder Rate%
- Lease Termination Date
- Extend Term
- Renormalize All Terms

Changes are saved and the following message displays:

- You successfully submitted an amendment to change the Lease financial information. If you do not make any changes to the fields, then all tabs are rendered and you can add another party, create new or update asset and asset details, create payment terms, and create options.

The following message displays after changes are saved:

- You successfully submitted an amendment to change the Lease financial information.

Computing Lease Expense during Amendments

Under this method, the rate, Daily consumption rate for Daily calculations, which is arrived at is used for the complete month of amendment. This leads to few discrepancies in the calculations of month end balances in the month of Amendment and subsequently reported ROU balances for the USGAAP.

The amendments are classified into two groups and the calculation of Lease Expense is modified:

1. Terminations for the Lease Term - current period or past period terminations and

contractions

2. All other amendments includes future month contraction or other amendments like rate change

Terminations

Whenever there is a termination (in the current period or past period), consider the prorated cash for the month of termination or contraction and the amount becomes the Lease Expense for the month of Termination or Contraction. The Termination Date of the Lease or Term is used to classify a lease as current or past period termination.

For example, if a system date of the lease is 10th Apr, 2019 and lease is terminated as of 15-Mar-19, then the prorated cash for the month of Mar-19 shall become the basis for Lease Expense for the Termination Month.

Based on the proration rule of 360, 365 or days or month, the system calculates prorated cash shall become the basis for lease expense for that period. Based on lease expense for the period from previous calculations, the prorated lease expense is calculated.

Continuing the same example, if proration rule is 360, and full cash for the month is 1000, then prorated cash is calculated as follows:

$$1000/360 * 12 * 15 = 500$$

Lease expense is calculated as the partial period lease expense on the same lines as cash calculation.

Other Amendments

For all other changes like Rate Change, Shortening life, Extension, and so on please follow the below method for calculation lease expense for the month of amendment and for future months thereafter:

- Calculate Delta A = ROU-Liability on the first day of the period of amendment (current practice)
- Add remaining cash on or after the first day of the month of amendment B to A above -A+B
- Deduct prorated Lease Expense from 1st day of the period of amendment till the day of amendment - C. finally, A+B-C

For example, if 15-Mar is the ACD (for all scenarios embedded in the excel), then compute A on 01st Mar.

Add remaining cash B to A above.

Compute prorated lease expense as per previous rate or month C (in our example, compute lease expense till 15th Mar (excluding 15th) – C.

Finally, A+B-C = lease expense to be recovered

Use the above lease expense to arrive at new rate for the rest of the lease. Compute the

days from the ACD to end of lease. The new recoverable lease expense to be divided with remaining days to arrive at the new rate.

Follow same principles to compute for other prorations as well.

For example, from the embedded book, example on extension- ACD is 15th Mar, two months of payments have been added (Jan and Feb)

ACD Month – March

ACD Date- 15th March

Opening ROU-Liability - A= 60.2739726(9874.13- 9813.86)

Remaining Cash as on 01-March - B = 12000

Prorated Lease Expense for March - C= 460.2739726 (1019.17808 /31*14)

Finally Lease Expense to be recovered= A+B-C= 11600

Use 11600 to derive new rate= 33.048433 - 11600/351

Lease Expense for March= 460.2739726+ 33.048433X17 days= 460.273973+ 561.823362= 1022.09733

Linking of Terms

The following enhancements lets you do the following in the Property Manager and Equipment:

- Amount of a payment term
- Frequency of a payment term or
- Schedule Day of the payment

Payment terms cannot be updated in Property Manager or Equipment leasing. You can add new payment term in place of Contracting payment term. The ROU balances are not carried forward for calculating re-measurement value, and the ROU balance is recalculated. As a result of recalculation of Liability, the re-measurement amount is not captured but in its place Liability and ROU are calculated afresh from the new term.

The Create Remeasurement Term API lets you link payment terms. The API includes the following parameters:

- Lease ID
- Payment Term ID
- New Amount
- New Frequency
- New Schedule Day

- Contraction Date for the old term

The API uses these details and performs the following:

1. Contracts the old term and derives the carrying values of 1170, 1145 as per above example
2. The Contraction Date is user-specified
3. API adds new payment term with the start date as Contraction Date+1 day
4. ACD for the new term and contraction are the Contraction date provided by the user
5. The New Payment Term takes the updated Amount, Frequency, and Schedule Day
6. The new payment term adds from the Contraction Date until existing payment term end date.
7. The booking amounts for the new payment term is the same amount as derived by carrying balances on Contraction Date from the old term
8. On the old term, in place of Gain or Loss, the difference is posted to Reserve account
9. On the new term, the same difference between Liability or ROU is posted to the Reserve account, that is used to knock off the created reserve created.
10. The remeasurement amount (Recalculated Liability-Old Liability) is provided with Liability or ROU streams stamped to them. You can account these amounts to increase or decrease, ROU or Liability on the new terms. With this, the ROU or Liability amounts reinstated.
11. ROU amortization is calculated based on 1150 on a going forward basis until the end of the lease.
12. The API copies the following values from the term which is contracted onto the new term.
 - DFFs values on the Payment term
 - Tax values
 - Vendor Name, Site
 - Payment Term(AP_AR_TERM_ID)
 - Intercompany Flag

- Term Comments
- Location and so on

13. If creation of new term fails, resubmit creation of term and link it to the contracted term

14. Linking of Terms is supported only for Property Leases.

Here is a code snippet for the calling script for the api and also the api name:

/* User needs to update the following:

```

- ORG_ID FOR SET_POLICY_CONTEXT
- Lease ID, Payment Term ID, Term END DATE.
- p_actual_amount , p_sch_day , p_freq_code are optional . They can
update it if any change.
- NULL should be passed in case of no change.
*/
SET SERVEROUTPUT ON;
begin
fnd_global.APPS_INITIALIZE(user_id=>1318,
                           resp_id=>21513,
                           resp_appl_id=>240);

MO_GLOBAL.SET_POLICY_CONTEXT('S',204);
end;
/

Declare
lv_msg varchar2(2000);
lv_api_version number;
lv_init_msg_list varchar2(100);
lv_validate varchar2(100);
lv_msg_count number;
lv_msg_data varchar2(1000);
lv_return_status varchar2(10);
L_LEASE_ID NUMBER;
L_PAYMENT_TERM_ID NUMBER;
L_TERM_END_DATE DATE;

begin

--Lease Header section
--388558 544562
L_LEASE_ID := 388558;
L_PAYMENT_TERM_ID := 544562;
L_TERM_END_DATE := to_date('31-may-2019','dd-mon-yyyy');

pn_lease_pub.create_remeasurement_term (
  p_api_version => 1.0
, p_init_msg_list => FND_API.g_false
, p_commit => FND_API.g_false
, p_validate => FND_API.g_false
, p_lease_id => L_LEASE_ID
, p_payment_term_id => L_PAYMENT_TERM_ID
, p_term_end_date => L_TERM_END_DATE
, p_actual_amount => 125
, p_sch_day => null
, p_freq_code => NULL
, x_msg_count => lv_msg_count
, x_msg_data => lv_msg_data
, x_return_status => lv_return_status
);

--Output
DBMS_OUTPUT.PUT_LINE ('V_RETURN_STATUS : '||lv_return_status);
IF (lv_return_status <> FND_API.G_RET_STS_SUCCESS) THEN
  lv_msg_count := FND_MSG_PUB.COUNT_MSG;
  IF lv_msg_count > 0 THEN
    lv_msg := ';' || SUBSTR(FND_MSG_PUB.GET(FND_MSG_PUB.G_FIRST,
FND_API.G_FALSE),1, 512);
    FOR I IN 1..(lv_msg_count-1) LOOP
      lv_msg := lv_msg || ';' || SUBSTR(FND_MSG_PUB.GET
(FND_MSG_PUB.G_NEXT,FND_API.G_FALSE), 1, 512);
    END LOOP;
    FND_MSG_PUB.DELETE_MSG();
  
```



```

END IF;
    DBMS_OUTPUT.PUT_LINE ('lv_MESG : ' || lv_MESG);
END IF;
    DBMS_OUTPUT.PUT_LINE ('Lease ID : ' || L_LEASE_ID);
--commit;
END;

```

Accruals on any day of the month

Oracle Property Manager added new process around accruals for compliance project. Accruals process generates Interest and Amortization transactions for a period. Accruals are run for a particular GL period or for unaccrued previous GL periods. Currently, this accrual process has these conditions:

1. Accruals can be run only after period end
2. Accruals can only be generated once for a period
3. Accruals cannot be run for periods before booking event

There is a need to run accruals any day of the period. With this solution, following accrual features are supported:

- You can run the Transfer Normalized expenses to GL process to generate transactions for accruals on any day for the current period.
- You can run accruals for the current month and past months on any day of the month. You cannot run accruals for future period.
- If you run the accrual process multiple times in the current period, then the previous accruals for the current period only is reversed-negative transaction line.
- When accruals for previous periods are run multiple times, then accruals process picks up accruals for previous periods only once.
- The transaction date for the current month accruals is the system date and for all previous period it is the first day of the specified month.
- If there are past termination, ACD/Term Date in prior months, then using the Termination process, new Accrual streams are generated for the terminated month and onwards.
- Whenever accruals process is run for the current month, all eligible unaccrued streams from the past get catchup accruals. For example, in the previous point, if the system month is Jan-19 and past termination month is Oct-18, then through the Termination process, all streams for Oct-18, Nov-18 and Dec-18 are redrafted. When accruals process is run for Jan-19, these new set of streams are accrued and previously any accrued amounts are reversed.
- The above reversal of past period already accrued amounts is the ONLY exception

to the general rule that past period accruals shall never be reversed.

- Accruals work similarly for Option's, Rent Increase and Variable, and Equipment Leases.
- In case of catch up of accruals for multiple months, each month accrual to be a separate accrual item for easier identification.
- In case of amendments, accruals need to work with multiple sets of accrual streams and sum total of all these streams are the accrual amount for the month.
- If accrual for a payment term cannot be transacted, then accruals for the entire lease should not be skipped.
- ROU-Rate shall be checked for only Forex payment terms and it should not be criteria for failure of accruals for non-forex payment terms
- In cases, where Booking event is not fired due to not expired carrying balances, then accruals are tagged to the Revision streams.

Inclusion of Adjustments into Reports

During amendments, the system generates adjustments to ROU and Liability and in some cases Gain or Loss amounts. These amounts are reflected in the accounting transactions and these amounts are reflected in the reports as well.

1. Following columns are added in the Lease Details report:
 - ROU Adjust
 - Liability Adjust
 - Gain or Loss
2. When amendments like renewals such as extend payment terms, terminations including reversals, reclassification of leases, discount rate and increase or decrease in values for Liability and ROU, then ROU and Liability balances for a particular payment term impacted are shown on the reports.
3. Gain to be shown as a positive number and loss as a negative number.
4. The above adjustment amounts to be derived payment term by term and also to include Options amounts.

Using Compounding Rate for Compound Interest

Oracle Property Manager supports the following calculation methods, Periodical and Daily, for the Present Values, Interest Amounts, and Amortization amounts-Straight line.

Periodical calculations are designed to work with the standard calendar both for calculations and reporting. While daily calculations are designed to arrive at daily rate that are used to compute Daily Amortization, Daily Interest, and the calculations and reporting suit customers with the needs of specified calendars.

Periodical calculations are suited for customers who have a regular Calendar month for calculations and do not need daily calculations for Interest and Amortizations. While a few customers use irregular calendars like 4-4-5 or 5-4-4 where not all periods in a quarter have equal days or do not start on regular month beginning day like 1st and end on 31.

Important Similarities and Differences

- Present Value (PV) calculation for both Periodical and Daily are based on Daily Calculations using the formula:

$$P \times (1 + R/365 \text{ or } 360)^{-n}$$

where P is the Payment amount, R is the Discount Rate, and it is divided by 365 or 360 based on proration rule on the lease. PV calculations are always Daily calculations without differentiation between Periodical and Daily calculations.

- IFRS Amortizations: In periodical calculations, irrespective of proration rule, the amortization is always per period. For example, if ROU is 10000 and lease life is 10 months, it is a simple calculation of 10000/10= 1000 per month. Unless there is a mid-month or partial month, the amortizations are not prorated.

In Daily calculations, a daily rate is always derived. Based on number of days present in a month, amortizations for the period are derived. Therefore, February, March and April months have different amounts of IFRS Amortizations.

Note: There is an identified issue for 360-day prorating in daily amortizations. For 360-day prorating, Daily amortizations are not uniform even though every period is considered to have 30 days.

- Interest Calculations: In Periodical calculations, the Interest amount is calculated using a simple interest formula:

$$P \times N \times IRR/365 \text{ or } 360 \text{ days}$$

where P is the PV obtained from PV calculations. Since PV calculation logic for periodical is daily as explained, and employ IRR to calculate interest amount so that the Liability amortization is ending with Zero by end of payment terms.

For Daily calculations, a Compound Interest formula is almost the reverse method of PV calculation is used, to calculate interest:

$$\text{Interest} = P \times (1 + R/365 \text{ or } 366)^n - P$$

where P is the PV, from PV calculation process.

- Calendars: Property Manager calculations are based on regular calendar months.

When the Daily calculation method was introduced, all compliance calculations like PVs, Interests are based on calendar that are defined in general ledger. Accruals, Interest, period-end report for compliance balances are all based on such calendars defined by customers.

Customer Issues around Compound Interest calculations:

1. Interest and PV amounts in Daily calculations are not matching their expectations as the Interest Rate derivation logic is different from Oracle's method of dividing Discount Rate 365 or 366 days.

When using the below mentioned method of deriving Discount Rates for 360- and 365-day convention:

$$\begin{aligned} 360\text{- Day- } & (1+\text{Discount Rate}) ^ { (1/360)-1} \\ 365\text{- Day- } & ((1+\text{Discount Rate}) ^ { (1/365)-1} \end{aligned}$$

While Oracle is using Linear rate of Discount Rate/365, customer is using a compounding rate.

While Customer's and Oracle's PV and Interest calculation formulas are same, the rates provided to the formulas are different. Hence there are considerable differences in their calculations

2. Customers also expect a uniform periodical amortization amounts with Compound Interest formula.

Solution

The below mentioned areas which use discount rates need to be modified:

1. Discount Rates provided to the PV and
2. Interest calculation processes
3. All recalculation processes and
4. Transition calculation processes
5. As of dates for the reports
6. Transaction dates

The below areas are going to be impacted due to this additional calculation method:

- Initial calculation of balances during lease activation
- Recalculations originating from all types of Financial Impacts from Revisions to Contracts
- Transition Date calculation of balances

- Equipment leases activation.

Detailed Solution

1. Select Periodic and Daily calculations for amortizations. Calendars defined in general ledger are considered.
2. Select the Interest calculation method as follows:
 - For Periodic- Between Simple Interest and Compound Interest
 - For Daily- Compound Interest and Linear Interest Rate with Compounding formula
3. Current processes of Transition and freezing of these options continue as-is.
4. The new option will be available for a combination of Ledger and operating unit as per current process.
5. You continue providing Discount Rate index in the discount rate index.
6. The rate fetched from Discount Rate Index, going forward will be subjected to Rate Conversion to Compound Rate using customers above logic. This rate will be converted prior to providing it to
 - PV Calculations
 - Interest Amounts calculation
 - PV amortizations
 - Recalculations
 - Transition Calculations and
 - Equipment leases calculations and recalculations
7. Discount Rate appears at its pre-conversion rate of 9% or 10% etc in all the reports. Though converted rate is employed in calculations, full discount rate displayed on all the reports.
8. Customers selecting Compound interest in Periodical calculations, will get
 - Compound interest in interest expense
 - PV calculations with the new rate
 - Uniform Amortizations for all prorations for IFRS

- 9. Daily calculations will be restricted to only Days or Month prorations
- 10. Simple Interest for Periodical method calculations is not impacted and will work as earlier.
- 11.

Summary of the options available as displayed as follows:

Setup Options

Period Amortization	System Options Name	PV Calc	Interest Calc Formula	Interest Rate	Amortization Expense	Proration Allowed	Calendar
a.	Interest Method: Simple Interest	Std PV formula with linear Rate	Simple Interest	Linear Rate	Uniform	All	PN Calendar
b.	Interest Method: Compound Interest	Std PV formula with Compounding Rate	Compound Interest	Daily Compounding	Uniform	All	PN Calendar
Daily Amortization							

c. **Interest Method: Linear Compound Interest**

Std PV formula with linear Rate	Compound Interest	Linear Rate	Daily Rate X Days	Days/ Month	User-defined
---------------------------------	-------------------	-------------	-------------------	-------------	--------------

d. **Interest Method: Compound Interest**

Std PV formula with Compounding Rate	Compound Interest	Daily Compounding	Daily Rate X Days	Days/ Month	User-defined
--------------------------------------	-------------------	-------------------	-------------------	-------------	--------------

Definitions

Linear Rate= $R\%/365$ or 360

Daily Compounding Rate= $[(1+R\%)^{1/365 \text{ or } 360}] - 1$

Simple Interest formula= Principle X Days X R%

Compound Interest formula = $P[(1+R\%/365)^n] - P$

Changing the Lease Status

This section describes the implications of using the amend function to change the status of a lease.

Changing Lease Status from Active to Month-to-Month

When you change the lease status from Active to Month-to-Month, the Extension End Date field becomes required and the Termination Date field is disabled. The extension end date cannot be earlier than the lease termination date. When you save the changes, payment schedules and billing items are created for the new period that has been added.

When the lease status changes from Active to Month-to-Month, not-normalized payment or billing terms are extended only if the extension does not overlap with an approved schedule. Otherwise, a new not-normalized item is created. The schedule day for the new term would be the same as the original term.

For existing normalized terms with an end date that is the same as the lease termination date, Property Manager creates a new term with the Normalized check box unchecked.

Note: Property Manager does not allow normalized terms to be created when the lease status is changed to Month-to-Month or Holdover, in compliance with FASB 13 or IAS 17.

Example of Changing Lease Status from Active to Month-to-Month

Scenario 1

You have an active, finalized, expense lease with commencement and termination dates of 01-JAN-02 and 31-DEC-02. This lease has three payment terms, as shown in the following table:

Term	Start Date	End Date	Normalized	Amount	Frequency	Term Type
1	01-JAN-02	31-DEC-02	Yes	\$1000	Monthly	Base Rent
2	01-JAN-02	31-DEC-02	No	\$3000	Quarterly	Operating Expenses
3	01-JAN-02	31-OCT-02	No	\$500	Monthly	Maintenance Charge

Using the amendment function, you change the lease status from Active to Month-to-Month, and enter an extension end date of 03-31-03. Assuming all schedules in 2002 have been approved, Property Manager updates the lease status to Month-to-Month and creates new payment terms and corresponding schedules and items as shown in the following table:

Term	Start Date	End Date	Normalized	Amount	Frequency	Term Type
1	01-JAN-02	31-DEC-02	Yes	\$1000	Monthly	Base Rent

Term	Start Date	End Date	Normalized	Amount	Frequency	Term Type
2	01-JAN-02	31-MAR-03	No	\$3000	Quarterly	Operating Expenses
3	01-JAN-02	31-OCT-02	No	\$500	Monthly	Maintenance Charge
4	01-JAN-03	31-MAR-03	No	\$1000	Monthly	Base Rent

The above table shows the changes in the payment terms of the lease. Term 4, not normalized, was created as a result of the lease status change. This term is the same as term 1, except that this new term is not normalized. The end date of term 2 changed from 31-DEC-02 to 31-MAR-03. Term 3 was not selected because the end date of this term did not coincide with the original lease termination date.

If the lease is amended and the extension end date changed from 31-MAR-03 to 15-APR-03, and none of the schedules have been approved, the changes shown in the following table occur:

Term	Start Date	End Date	Normalized	Amount	Frequency	Term Type
1	01-JAN-02	31-DEC-02	Yes	\$1000	Monthly	Base Rent
2	01-JAN-02	15-APR-03	No	\$3000	Quarterly	Operating Expenses
3	01-JAN-02	31-OCT-02	No	\$500	Monthly	Maintenance Charge
4	01-JAN-03	15-APR-03	No	\$1000	Monthly	Base Rent

In the above table, Property Manager did not pick up terms 1 and 3, since their end dates did not coincide with the old extension end date of 31-MAR-03.

Changing Lease Status from Month-to-Month to Active

When changing from Month-to-Month status to Active status, the billing terms, rent index, and variable rent, as well as any tenancies must be set up or extended. You are required to change the lease termination date. The Extension End Date field is disabled.

Changing the Lease Status from Lease Ordered or Signed

You can change the lease status from LOF or SGN to another status freely in either of the following cases:

- You change lease status from LOF to SGN and vice versa
- You have not created payment or billing terms

If terms exist, the implications depend on the new lease status. If you are terminating the lease, the following rules apply:

- If you contract the lease, Oracle Property Manager deletes draft schedules.
- If you have approved schedules, you must finalize the lease before terminating it. Oracle Property Manager then creates schedules and items for recurring terms.

When moving the lease to any other lease status, you must finalize the lease first. Oracle Property Manager then creates schedules and items for existing lease terms.

Changing the Lease Status to Month-to-Month or Holdover

When changing the lease status of a finalized lease to MTM or HLD, you must provide an extension end date. This date must be later than the previous end date of the lease. Thus, you *extend* a lease when you change the lease status from Active or Terminated to MTM or HLD. See also, *Extending or Expanding Leases*, page 5-185.

Extending Leases in Month-to-Month or Holdover Lease Status

After a finalized lease is in MTM or HLD status, you can either manually extend the lease every month or run the concurrent program PN - Month to Month Rollforward Process. This concurrent program acts as follows:

- Extends leases to the specified date. The concurrent program *catches up* with extensions that you skipped in previous extensions by extending all selected leases to the same date.
- Extends rent increase and variable rent agreements, if required
- Prorates term amounts and creates appropriate items for non-monthly terms
- Records amendments so that you can track lease history

For more information, see *Month to Month Rollforward*, page B-22.

Changing the Lease Status from Month-to-Month or Holdover to Active

When you change the lease status to Active from MTM or HLD, you must provide a new lease termination date. If the new termination date is the same as the extension end date, Oracle Property Manager takes no further action. Else, Oracle Property Manager behaves as follows:

- If the new termination date is earlier than the extension end date, Oracle Property Manager treats this modification as a lease contraction. See Contracting Leases, page 5-186.
- If the new termination date is later than the extension end date, Oracle Property Manager treats this modification as a lease expansion. See Extending or Expanding Leases, page 5-185.

Note: If you create a new normalized term or normalized terms existed before you originally changed the lease status to MTM or HLD, Oracle Property Manager normalizes the new terms or the child terms of the old normalized terms. It does not renormalize existing terms. See Normalizing Terms During Lease Expansion, page 5-186.

Extending or Expanding Leases

You can lengthen the life of a lease by either expanding or extending it, as follows:

- Lease expansion: You expand a lease when you amend the lease termination date to a date later than the previous end date of the lease.
- Lease extension: You extend a lease when you change the lease status to Month-to-Month or Holdover.

When you expand or extended a lease, Oracle Property Manager deals with associated tenancies, terms, and variable rent and rent increase agreements based on the following rules:

- Oracle Property Manager extends tenancies and customer space assignments only if you have set the profile option PN: Change Tenancy Dates When Lease Dates Change to Yes.
- Oracle Property Manager extends tenancies and associated customer space assignments, recurring main lease terms, and variable rent and rent increase agreements only if their termination dates coincide with the previous end date of the lease. Note that the effective end date can either be the lease termination date or the extension end date.

For information on extending variable rent agreements, see Extending and Contracting Agreements, page 7-16.

Extending Terms

You can select to extend terms when extending or expanding leases. In case of lease *extensions*, Oracle Property Manager automatically extends non-normalized terms that end on the current lease end date. Oracle Property Manager does not extend any normalized terms ending on the current lease end date. Instead, it creates a new *child*

term beginning a day after the end date of the existing term and ending on the extension end date. The new term is a copy of the existing normalized term in all respects except that it is not normalized. Oracle Property Manager considers the original normalized term as the *parent* of the new non-normalized term.

Normalizing Terms During Lease Expansion

Normalization is not required when extending leases. However, when you expand a lease, Oracle Property Manager ordinarily renormalizes normalized terms. If you add normalized terms when expanding a lease, Oracle Property Manager normalizes them from the amendment commencement date up to the new lease termination date.

Renormalization of Existing Terms

When you expand a lease that already has normalized terms, rent increase terms, or both, you can select to renormalize all existing normalized terms to the new lease termination date. If you select not to renormalize all terms, you must enter a cutoff date. You can use the cutoff date to efficiently handle normalization for different extension and renewal scenarios. Oracle Property Manager does not normalize terms whose previous normalization end date is earlier than the cutoff date.

Replacement of Non-Normalized Child Terms

When you extend a lease, Oracle Property Manager creates non-normalized child terms to continue any existing normalized terms. If you subsequently expand a lease when changing the lease status back to Active, Oracle Property Manager extends these terms by creating new normalized terms.

Contracting Leases

You can contract a draft lease as required. However, you must create a lease amendment when contracting finalized leases.

Contracting Draft Leases

When you change the termination date of a draft lease to an earlier date, Oracle Property Manager acts as follows:

- Contracts tenancies and associated customer space assignments to the new termination date if you set the profile option PN: Change Tenancy Dates When Lease Dates Change to Yes
- Contracts associated variable rent agreements to the new termination date

Oracle Property Manager does not modify main lease terms or rent increase, operating expense, and recoveries agreements.

Contracting Finalized Leases

The profile option PN: Allow Early Termination Before Last Approved Schedule determines the earliest date to which you can contract finalized leases. If you set the profile option to Yes, you can contract a lease to any date equal to or after the start date of the lease. If you set the profile option to No, Oracle Property Manager determines the

earliest possible termination date for the lease based on approved schedules.

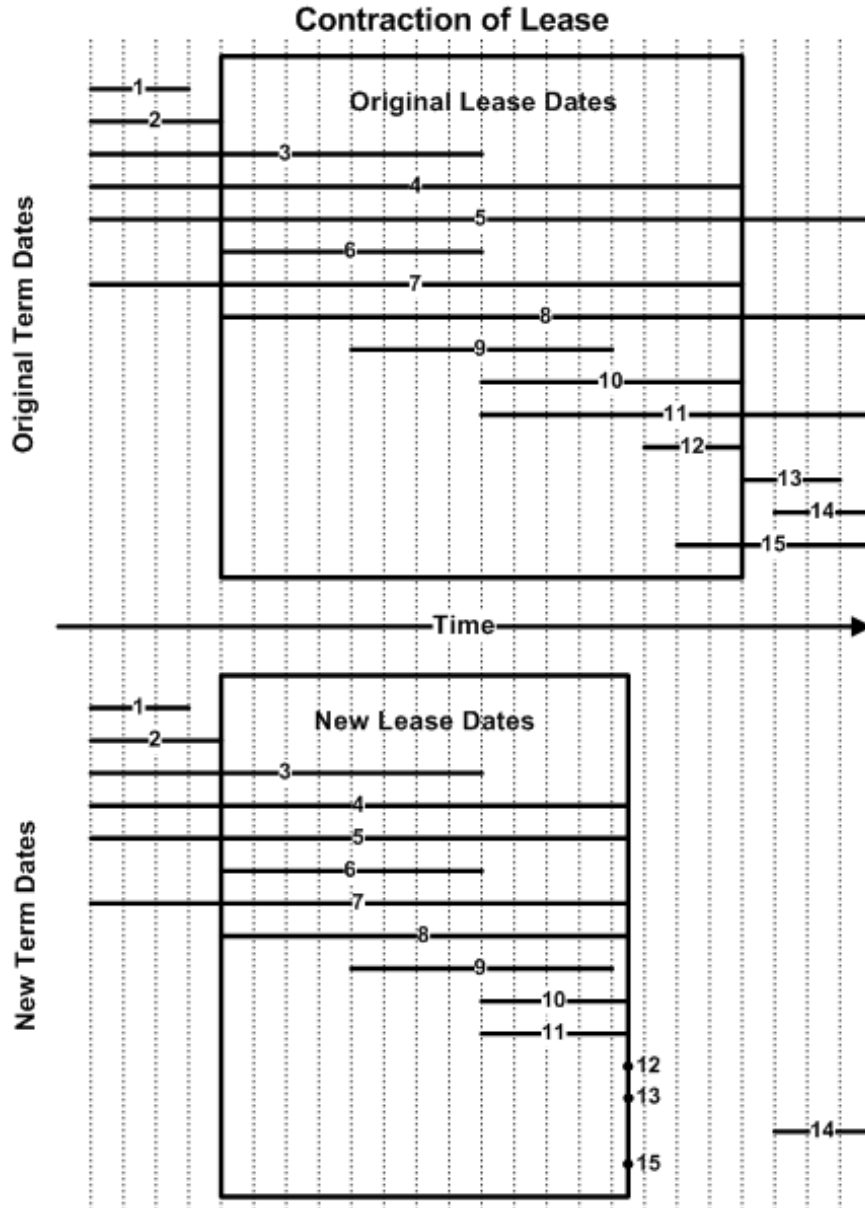
Important: Before contracting a lease, you must cancel approval of all schedules that you have approved but not exported to Oracle Receivables or Oracle Payables.

When you contract a finalized lease, Oracle Property Manager may also contract terms, tenancies, and agreements, as described in the table below.

Lease Component	Description
Variable rent agreements	See Extending and Contracting Agreements, page 7-16.
Rent increase agreements	See Contracting Rent Increase Agreements.
Terms	When you contract a lease, Oracle Property Manager contracts terms to the new lease termination date or to other dates depending on how you set the profile option PN: Allow Early Termination Before Last Approved Schedule. See description below.
Tenancies	When you contract a lease, Oracle Property Manager performs the following tasks if you set the profile option PN: Change Tenancy Dates When Lease Dates Change to Yes: <ul style="list-style-type: none">• Deletes tenancies and associated customer space assignments that start after the new termination date• Contracts tenancies and associated customer space assignments that start before but end after the new termination date

Allowing Contraction Before the Last Approved Schedule

If lease contraction is not constrained by the existence of approved schedules, you can contract leases to any date equal to or after the lease start date. During lease contraction, Oracle Property Manager amends constituent terms depending on their original end dates, as described in the graphic and text below. The graphic represents a lease and its constituent terms before and after contraction.



Terms ending before the new termination date: For such terms (for example, terms 1, 2, 3, 6, and 9 in the graphic), Oracle Property Manager does not change the term dates or create adjustments during lease contraction. Oracle Property Manager renormalizes normalized terms except those whose existing normalization end dates are before the new lease termination date. Such terms exist because you previously extended or expanded the lease and elected not to renormalize these terms. See *Extending or Expanding Leases*, page 5-185.

Terms beginning after original termination date: For such terms (for example, term 14 in the graphic), Oracle Property Manager does not change the term dates or create an adjustment during lease contraction. Note that a term starting after the lease termination date cannot be normalized. Therefore, renormalization is unnecessary.

Terms beginning before new termination date and ending after: For such terms (for example, terms 4, 5, 7, 8, 10, and 11 in the graphic), Oracle Property Manager sets the term end date to the new lease termination date and creates new adjusting items. It renormalizes normalized terms.

Term beginning after new termination date (but not after old termination date): For such terms (for example, terms 12, 13, and 15 in the graphic), Oracle Property Manager sets the term start and end dates to the new lease termination date. Oracle Property Manager also sets the term amount to zero and creates adjusting items.

Termination/Contraction impact on compliance accounting: The carrying balances for ROU/Liability are reversed on the date of termination. If the term life is shortened, then an adjustment is made to the carrying balances to represent recalculated balances. There can be termination gain/loss based on which balance is higher between ROU and Liability. The amortization/interest expense are also recalculated and revised for future periods based on termination.

Renormalization

If renormalization is required, Oracle Property Manager renormalizes across all available draft schedules. It does not include approved schedules in renormalization. If there are no existing draft schedules for renormalization, Oracle Property Manager creates a draft schedule in the last period of the lease and makes any renormalization adjustments in that schedule.

Normalizing Terms During Lease Contraction

Existing terms are renormalized to recalculate expense or revenue amounts start from the amendment commencement date up to the new lease termination date. When approved terms exist after the new contracted termination date, an adjustment is automatically created at the new lease termination date.

Oracle Property Manager contracts terms using their item end dates rather than the new lease termination date. The item end date is the end date of the period for which a term's item is a payment. Consider the example provided below. The following table describes the terms for a lease:

Term	Frequency	Term Length
Term 1	Monthly	January 1, 2006 to December 31, 2009
Term 2	Monthly	January 1, 2006 to April 15, 2007
Term 3	Quarterly	January 1, 2006 to December 31, 2009

Term	Frequency	Term Length
Term 4	Semiannual	January 1, 2006 to December 31, 2009

All terms have a schedule day of 1 and the current schedule date is April 1, 2007. Therefore, the item end dates for the terms are as follows:

- Term 1: For monthly terms, the item end date is normally the last day of the month, that is: April 30, 2007
- Term 2: Because the term ends before the last day of the schedule period, the term end date is also the item end date: April 15, 2007
- Term 3: For quarterly terms, the item end date is the last day of the quarter, that is: June 30, 2007
- Term 4: For semiannual terms, the item end date is the last day of the half year, that is: December 31, 2007

Contracting Leases with No Normalized Terms

Existing terms with a normalization end date that is earlier than the cutoff date are not renormalized. Terms with a normalization date after cutoff date are renormalized to recalculate expense or revenue amounts, starting from the amendment commencement date through the new lease termination date.

When you contract a lease, Oracle Property Manager deletes draft schedules beyond the new termination date. It deals with terms as follows:

- Monthly terms whose item end dates are later than the new termination date: Oracle Property Manager contracts terms to the new termination date.
- Non-monthly terms whose item end dates are later than the new termination date: Oracle Property Manager contracts terms to the last approved item end date. Consider the following example (with the terms described above):

New lease termination date: April 30, 2007

Date of last approved schedule: April 1, 2007

If the schedule date for the last approved schedule is April 1, 2007, the new term end dates for monthly and quarterly terms would be as follows:

- Term 1 (monthly): March 31, 2007
- Term 3 (quarterly): June 30, 2007

Contracting Leases with Normalized Terms

Existing terms will be renormalized to recalculate expense or revenue amounts from the

amendment commencement date to the new lease termination date.

When you contract a lease, Oracle Property Manager deletes draft schedules beyond the new termination date and contracts all terms to the new lease termination date. In addition, it renormalizes all normalized terms to the new lease termination date.

Consider the following example of a lease active from January 1, 2006 to December 31, 2009. The lease has two normalized terms, both valid between January 1, 2006 and December 31, 2009, as described in the following table:

Term	Frequency	Schedule Day	Last Approved Schedule	Item End Date
Term 1	Monthly	1	May 1, 2007	May 31, 2007
Term 2	Quarterly	2	April 2, 2007	July 1, 2007

Here, the last approved schedule is dated May 1. However, the item end date for the last approved item is July 1. Therefore, you cannot contract the lease to a date earlier than July 1.

Related Topics

Editing or Amending a Normalized Payment or Billing, page 5-194

Viewing Transactions and History

Transactions

Each amendment that you do is a separate *transaction*. Property Manager keeps a record of all transactions that are done for every lease. This record is linked to the lease, so that when you view lease information, you can also view any amendments. The transaction record can provide you with an audit trail of changes and additions that were made to a lease.

The upper region of the Transactions window displays a summary of all transactions for an individual lease. It shows the type of transaction (amendment), the date of the transaction, and the name of the user who did the transaction.

The tabbed regions of the Transactions window are linked to the transaction records in the upper region. When you select a transaction record, each tabbed region shows the changes, if any, that were made as part of the selected transaction.

To view transaction information

1. In the Navigator window, choose Leases and Documents:Main Lease:View Lease History.
2. Query the leases for which you want to view transaction information.

3. On the Leases window, select the lease for which you want to view transaction information.
4. Choose the Transactions button to bring up the Transactions window.

History

If you make a change to any of the terms in a tabbed region, Property Manager will keep track of the previous terms as well as the current terms. When you choose the History button in the Transactions window, Property Manager displays the information in the selected tabbed region that was effective immediately prior to the current information.

To view transaction history information

1. Navigate to the Transactions window.
2. Select the transaction for which you want to view history information.
3. Choose the History button to bring up the Lease Details History window.

Related Topics

Lease Modifications, page 5-152

Amend Lease Window Reference

In the header of the Amend Lease window you enter information that identifies and defines the lease amendment.

Note: For information on the tabbed regions of this window, see Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25.

Name: The name of the amendment. You can name amendments according to the naming conventions used by your organization.

Number: This field is display only. Oracle Property Manager assigns the amendment number automatically.

Execution Date: The date that the amendment is executed, as stated in the amendment. If no execution date is stated in the amendment, the date the amendment was signed may also be the execution date.

Commencement Date: The date that the lease amendment begins.

Termination Date: The date that the lease amendment ends.

Term: Property Manager calculates the duration of the lease amendment in days, based on the commencement and termination dates that you enter. This field is display only.

Abstracted By: The name of the person who creates the amendment to the lease.

Assigned To: The name of the person to whom responsibility for the amendment is assigned.

Related Topics

Modifying Leases, page 5-152

Editing a Lease

You edit a lease to make changes or additions because of an error or omission that was made when the lease information was originally entered. The following are a few points to keep in mind while editing leases:

- When you edit a lease, the new information becomes part of the lease information. Unlike lease amendments, edits are not identified by a name or number.

Important: If you change the lease name or number using the edit function, you can track the history of those changes in the Lease Details History window. The Lease Details History window shows the both the before and after lease name and number of the lease before and after the change. See Viewing Transactions and History, page 5-191.

- As is the case with lease amendments, all Draft schedules are renormalized when you edit a lease.
- You cannot change the lease status using the Edit function.

Making Lease Edits

To edit a lease:

1. In the Find Leases window, perform a query to find the lease that you want to edit.
2. Select the lease that you want to edit, and then choose the Edit button to display the Edit Lease window.
3. Select the tabbed region that contains the fields to which you want make changes or additions.
4. Change previously entered information and add new lease terms as necessary.

Note: You can add new payment or billing terms if the start and end dates of the new term fall within the commencement and termination dates of the lease, and no approved payment schedule

already covers the same period as the payment or billing term. You can add payment/billing terms as long as the start date precedes the last approved schedule.

5. Save your work.

Related Topics

Lease Window Reference, page 5-19

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Editing or Amending a Normalized Payment or Billing Term, page 5-194

Editing or Amending a Normalized Payment or Billing

Oracle Property Manager normalizes new lease terms and renormalizes any existing lease terms that are changed, when you make changes to the lease using either the edit or amend functions.

- When you add a new normalized payment or billing term using the edit function, the normalization start date is the commencement date of the lease.
- When you add a new term using the amend function, the new payment or billing term is normalized based on the commencement date of the amendment.
- When you change the end date of an existing normalized term, Oracle Property Manager renormalizes the term. Renormalization occurs across all draft schedules in the lease. Approved schedules are not included in renormalization.

Example of Rent Normalization for New Term Added by Amendment

The original lease has one payment term.

- Lease is from January 01, 2013 to December 31, 2013 with rent (\$100) scheduled for full payment at the beginning of every month.
- The proration rule is Days or Month.

The following table illustrates the rent normalization calculations.

Schedule Date	Base Rent	Total Cash Rent	Acct Expense	Adjustment	Deferred Liability
01-JAN-2013	\$100.00	\$100.00	\$100.00	0	0

Schedule Date	Base Rent	Total Cash Rent	Acct Expense	Adjustment	Deferred Liability
01-FEB-2013	\$100.00	\$100.00	\$100.00	0	0
01-MAR-2013	\$100.00	\$100.00	\$100.00	0	0
01-APR-2013	\$100.00	\$100.00	\$100.00	0	0
01-MAY-2013	\$100.00	\$100.00	\$100.00	0	0
01-JUN-2013	\$100.00	\$100.00	\$100.00	0	0
01-JUL-2013	\$100.00	\$100.00	\$100.00	0	0
01-AUG-2013	\$100.00	\$100.00	\$100.00	0	0
01-SEP-2013	\$100.00	\$100.00	\$100.00	0	0
01-OCT-2013	\$100.00	\$100.00	\$100.00	0	0
01-NOV-2013	\$100.00	\$100.00	\$100.00	0	0
01-DEC-2013	\$100.00	\$100.00	\$100.00	0	0

Scenario 1

The lease is amended to add a new payment term.

- The amendment commencement date is April 01, 2013.
- The additional rent is \$50.00 a month.
- The term is normalized, monthly, and between July 01, 2013 and December 31, 2013.
- None of the schedules are approved.

Term 2 is normalized from the commencement date of the amendment, April 01, 2013.

Term 1, the original lease term, is renormalized from the lease commencement date, January 01, 2013.

The following table displays the normalized rent amounts.

Schedule Date	Base Rent	Amendment Rent	Total Cash Rent	Acct Expense	Adjustment	Deferred Liability
01-JAN-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-FEB-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-MAR-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-APR-2013	\$100.00	0	\$100.00	\$133.33	\$33.33	\$33.33
01-MAY-2013	\$100.00	0	\$100.00	\$133.33	\$33.33	\$66.66
01-JUN-2013	\$100.00	0	\$100.00	\$133.33	\$33.33	\$99.99
01-JUL-2013	\$100.00	\$50.00	\$150.00	\$133.33	(\$16.67)	\$83.32
01-AUG-2013	\$100.00	\$50.00	\$150.00	\$133.33	(\$16.67)	\$65.65
01-SEP-2013	\$100.00	\$50.00	\$150.00	\$133.33	(\$16.67)	\$49.98
01-OCT-2013	\$100.00	\$50.00	\$150.00	\$133.33	(\$16.67)	\$33.31
01-NOV-2013	\$100.00	\$50.00	\$150.00	\$133.33	(\$16.67)	\$16.64
01-DEC-2013	\$100.00	\$50.00	\$150.00	\$133.33	(\$16.67)	(\$0.03)

Scenario 2

Now assume that the first four payment schedules have a status of Approved when term 2 is added to the original lease by amendment.

- The amendment commencement Date is April 01, 2013.

- The additional rent is \$50.00 a month.
- The term is normalized and starts on July 01, 2013 and ends on December 31, 2013.
- Approved payment schedules are 01-JAN-13, 01-FEB-13, 01-MAR-13, AND 01-APR-13.

Term 2 is normalized starting from the date of the first available draft payment schedule, or May 31, 2013. Term 1, the original lease term, is renormalized from the date of the first available draft payment schedule, May 01, 2013. The normalized lease amounts are as follows:

Schedule Date	Base Rent	Amendment Rent	Total Cash Rent	Acct Expense	Adjustment	Deferred Liability
01-JAN-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-FEB-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-MAR-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-APR-2013	\$100.00	0	\$100.00	\$100.00	0	0
01-MAY-2013	\$100.00	0	\$100.00	\$137.50	\$37.50	\$37.50
01-JUN-2013	\$100.00	0	\$100.00	\$137.50	\$37.50	\$75.00
01-JUL-2013	\$100.00	\$50.00	\$150.00	\$137.50	(\$12.50)	\$62.50
01-AUG-2013	\$100.00	\$50.00	\$150.00	\$137.50	(\$12.50)	\$50.00
01-SEP-2013	\$100.00	\$50.00	\$150.00	\$137.50	(\$12.50)	\$37.50
01-OCT-2013	\$100.00	\$50.00	\$150.00	\$137.50	(\$12.50)	\$25.00

Schedule Date	Base Rent	Amendment Rent	Total Cash Rent	Acct Expense	Adjustment	Deferred Liability
01-NOV-2013	\$100.00	\$50.00	\$150.00	\$137.50	(\$12.50)	\$12.50
01-DEC-2013	\$100.00	\$50.00	\$150.00	\$137.50	(\$12.50)	0

Note: While normalization for abstracted terms is prorated over partial months, normalization for amended terms is not prorated.

Example of Rent Normalization for Mid Month Amendment to Expand the Lease Termination Date

The original lease has one payment term.

- Lease begins on January 15, 2013 and ends on January 14, 2014.
- Monthly rent of \$100 starts on April 15, 2013.
- The proration rule is Days or Month.

The following table illustrates the schedules and items on finalization of lease:

Date	Total Cash Rent	Normalization Cash	Account Expense	Adjustment	Accrued Liability
01-JAN-2013	0	0	\$41.06	\$41.06	\$41.06
01-FEB-2013	0	0	\$74.87	\$74.87	\$115.93
01-MAR-2013	0	0	\$74.87	\$74.87	\$190.81
01-APR-2013	\$53.33	\$53.33	\$74.87	\$21.54	\$212.35
01-MAY-2013	\$100	\$100	\$74.87	(\$25.13)	\$187.23
01-JUN-2013	\$100	\$100	\$74.87	(\$25.13)	\$162.10
01-JUL-2013	\$100	\$100	\$74.87	(\$25.13)	\$136.97

Date	Total Cash Rent	Normalizatio n Cash	Account Expense	Adjustment	Accrued Liability
01-AUG-2013	\$100	\$100	\$74.87	(\$25.13)	\$111.85
01-SEP-2013	\$100	\$100	\$74.87	(\$25.13)	\$86.72
01-OCT-2013	\$100	\$100	\$74.87	(\$25.13)	\$61.60
01-NOV-2013	\$100	\$100	\$74.87	(\$25.13)	\$36.47
01-DEC-2013	\$100	\$100	\$74.87	(\$25.13)	\$11.35
01-JAN-2014	\$45.16	\$45.16	\$33.81	(\$11.35)	0

Amend the Lease to Expand the Termination Date

The lease is amended to expand the lease termination date to March 14, 2014.

- The amendment commencement date is June 15, 2013.
- The payment term is extended to end on March 14, 2014.

The following table illustrates the schedules and items after amendment of lease:

Date	Total Cash Rent	Normalizatio n Cash	Account Expense	Adjustment	Accrued Liability
01-JAN-2013	0	0	\$41.06	\$41.06	\$41.06
01-FEB-2013	0	0	\$74.87	\$74.87	\$115.93
01-MAR-2013	0	0	\$74.87	\$74.87	\$190.81
01-APR-2013	\$53.33	\$53.33	\$74.87	\$21.54	\$212.35
01-MAY-2013	\$100	\$100	\$74.87	(\$21.09)	\$187.23
01-JUN-2013	\$100	\$100	\$78.91	(\$17.55)	\$166.14
01-JUL-2013	\$100	\$100	\$82.45	(\$17.55)	\$148.59

Date	Total Cash Rent	Normalization Cash	Account Expense	Adjustment	Accrued Liability
01-AUG-2013	\$100	\$100	\$82.45	(\$17.55)	\$131.04
01-SEP-2013	\$100	\$100	\$82.45	(\$17.55)	\$113.49
01-OCT-2013	\$100	\$100	\$82.45	(\$17.55)	\$95.94
01-NOV-2013	\$100	\$100	\$82.45	(\$17.55)	\$78.39
01-DEC-2013	\$100	\$100	\$82.45	(\$17.55)	\$60.84
01-JAN-2014	\$100	\$100	\$82.45	(\$17.55)	\$43.29
01-FEB-2014	\$100	\$100	\$82.45	(\$17.55)	\$25.74
01-MAR-2014	\$100	\$100	\$82.45	(\$17.55)	\$8.19
01-APR-2014	\$46.67	\$46.67	\$38.48	(\$8.19)	0

Steps for calculating normalization amounts for the above example

1. Determine the amount of cash to be normalized after amendment

- Total Cash is 1,200.00
- Normalized before Amendment Date
 - January to May (Whole Months) is $(41.06 + (74.87455 * 4)) = 340.56$
 - June (Partial Month) is $(74.87 * 14/30) = 34.94$
- Total is $340.56 + 34.94 = 375.50$
- Remaining Cash to be Normalized is $1200 - 375.50 = 824.50$

2. Number of months for normalization after amendment

- 15-Jun to 30-Jun (16 days) is $(16 / 30) = 0.53333$
- July to Mar (whole months) is 9
- 1-Apr to 14-Apr (14 days) is $(14/30) = 0.46666$
- Total is $0.53333 + 0.46666 = 9.99999$ (rounded to 10)

3. Full month normalization
 - Remaining Cash to be Normalized is 824.50
 - Number of Months is 10
 - Monthly Normalization is $(824.50 / 10)=82.45$

4. Partial Month Normalization
 - Jun $(82.45 * 0.53333)=43.97$
 - Apr $(82.45 * 0.46667)=38.48$

5. Normalization for June
 - Retained normalization is 34.94
 - New normalization is 43.97
 - Total is 78.91

Example of Rent Normalization for Term Changed by Editing

The original lease has one payment term.

- Lease begins on January 01, 2013 and ends on December 31, 2013.
- Lease has one term, \$100 per month and normalized.
- Rent is scheduled to be paid in full at the beginning of every month.

The lease term is then reduced by three months, through edit, to end 30 September, 2013

The following table illustrates the rent normalization calculations for the lease after edit.

Schedule Date	Base Rent	Total Cash Rent	Account Expense	Adjustment	Deferred Liability
01-JAN-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$25.00)
01-FEB-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$50.00)
01-MAR-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$75.00)
01-APR-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$100.00)

Schedule Date	Base Rent	Total Cash Rent	Account Expense	Adjustment	Deferred Liability
01-MAY-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$125.00)
01-JUN-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$150.00)
01-JUL-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$175.00)
01-AUG-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$200.00)
01-SEP-2013	\$100.00	\$100.00	\$75.00	(\$25.00)	(\$225.00)
01-OCT-2013	0	0	\$75.00	\$75.00	(\$150.00)
01-NOV-2013	0	0	\$75.00	\$75.00	(\$75.00)
01-DEC-2013	0	0	\$75.00	\$75.00	0

Leases Windows

Oracle Property Manager includes four windows you can use for entering and displaying lease information.

- Leases window.** You can use the Leases window to set up a new lease, and to view multiple leases. The information in the Leases window is identical to the information in the header and Details tabbed region of the Lease window.
- Lease window.** The Lease window displays detailed information from a single lease. The information in the header and the Details tabbed region of the Lease window is identical to the information in the Leases window, so you can also use the Lease window to set up a new lease.
- Edit Lease window.** The Edit Lease window includes the same information that is in the Lease window. However, you use the Edit Lease window to enter changes and additions to lease information that you entered and saved previously.

Note: The **Lease** window and the **Edit Lease** window include the same fields, but each window is used for a different purpose. You use the Lease window to enter lease terms for new leases. You use the Edit Lease window to make changes or additions to information in existing leases. The information in the headers of

these windows cannot be changed after the lease has been finalized and saved, with the exception of the lease name and lease number. You can change the lease name and lease number using the Edit function after a lease has been finalized. For details on the tabbed regions of this window, see *Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows*, page 5-25.

- **Amend Lease window.** Use this window to enter information from a lease amendment.

Note: The Lease, Edit Lease, and Amend Lease windows include the same tabbed regions. To create accurate lease records, use each of these windows for its designated purpose. For information on the tabbed regions of these windows, see: *Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows*, page 5-25.

Related Topics

Lease Window Reference, page 5-19

Amend Lease Window Reference, page 5-192

Tabbed Regions Reference for Lease, Edit Lease, and Amend Lease Windows, page 5-25

Lease Milestones Window Reference, page 5-43

Payment Term Details Window Reference, page 5-114

Billing Term Details Window Reference, page 5-131

Equipment Leases

Equipment Lease window. Use this window for creating and managing equipment leases.

The Equipment Lease responsibility contains the following menus:

- Leases
 - Lease
 - View Transactions
- Set up
 - System Option

- Term Templates
- Discount Rate Index
- Reports

Within the Leases tab, you have the option to do the following:

- **Search Leases:** You can search for your leases, based on the parameters provided in the screen.
- **Create Lease:** You can create new leases by selecting the Create Lease button.
- **Amend/Update:** You can query for a lease and then amend/update those leases. Only leases that are in a Draft status are enabled for update. Leases that are in a Final lease approval status can only be amended. You can select the Action icon to trigger the necessary action. There is no Edit functionality available for equipment leases.
- **Open Lease:** You can look at the contents of the lease by selecting the lease number hyperlink.
- **Create Lease:** You can create leases by navigating through the different tabs and filling in all information that is needed to create leases.
- **General Tab:** Provide all lease header information, such as number, name, lessor, classification, discount rate index, and so on. You can also add additional information in the box provided for comments or by enabling descriptive flexfields provided in the page.
- **Parties Tab:** Lessor and Lessee parties default, based on your selection within the General tab. You can add more vendors to this list.
- **Asset Tab:** Provide information for the equipment, such as Asset number, Location, item, Serial Number, Units, Unit Cost, and so on.
- **Payment Tab:** Provide all payment related information, such as schedule day, payment amount, payment for asset number, frequency, and so on. Finally, also provide the checkbox values for ROU/Liability/Report from Inception, and so on.
- **Options:** Provide all information needed to build an option for Renewal, Residual, Termination or Purchase.
- **Schedules Tab:** Displays compliance numbers and payment schedule of the lease in different stages. In the draft stage, this window displays the draft lease detail report and the draft schedules. In the final stage, this tab displays the final lease detail report and the final schedules agreed upon.

- **Validations Tab:** Displays errors or warnings resulted during the lease validation when the generate balance option is clicked.
- **Versions Tab:** Displays various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index.

After entering all the information, you can activate a lease by navigating to the General tab and changing the approval status from Draft to Final. This status change triggers the schedules and items, and also creates the necessary Booking event amount.

Process for Equipment Leases:

1. Create and finalize equipment leases.
2. Auto Trigger Schedules, Items and Booking events.
3. Approve payments on equipment.
4. Run new program: Approve or Cancel Approval of Equipment Schedules.
5. Export to AP.
6. Run new program: Export Equipment Payment Items to AP.
7. Generate Period end Normalization expense and new accruals for compliance accounting.
8. Run new program: Transfer Normalized Equipment Lines to GL.

Detailed set up information is in the Equipment-Specific Setups for Compliance, *Oracle Property Manager Implementation Guide*.

For more information on the Equipment Leasing windows and navigation paths, see, *Equipment Leasing Navigator Paths*, page A-5.

Lease Versioning in Equipment Leases

When an Equipment lease contract is authored or a modification is performed to an existing Equipment lease contract, you should be able to review the payment schedules and compliance balances. Lease Versioning lets you simulate lease contracts and amendments to generate the final balance. This feature lets you trace lease modifications and helps you make critical decisions in the lease contract. If workflow is enabled, before the final balances are generated, all stakeholders can review it before submitting during amendment and lease authoring.

Oracle Property Manager supports following features during equipment lease lifecycle:

- **Lease Versioning**

Each lease state is assigned a unique version number. This versioning helps you track the lease through its contract lifecycle.

- **Simulations and Reviews through Multiple Iterations**

Lease authoring generates payment schedules and lets you review these balances and schedules before finalizing the lease. This feature lets you run simulations of multiple scenarios before activating a new lease.

- **Lease Detail Report**

The Lease Details report displays the booking ROU, liability details and the reserve amount along with the booking transaction date. It also displays the compliance attributes for the operating unit. The lease detail report contains the compliance balances, amendment related details, change in the compliance values per each amendment.

- **Workflow**

You can use the AME workflow to leverage the multi-level approval process for lease authoring and lease amendment.

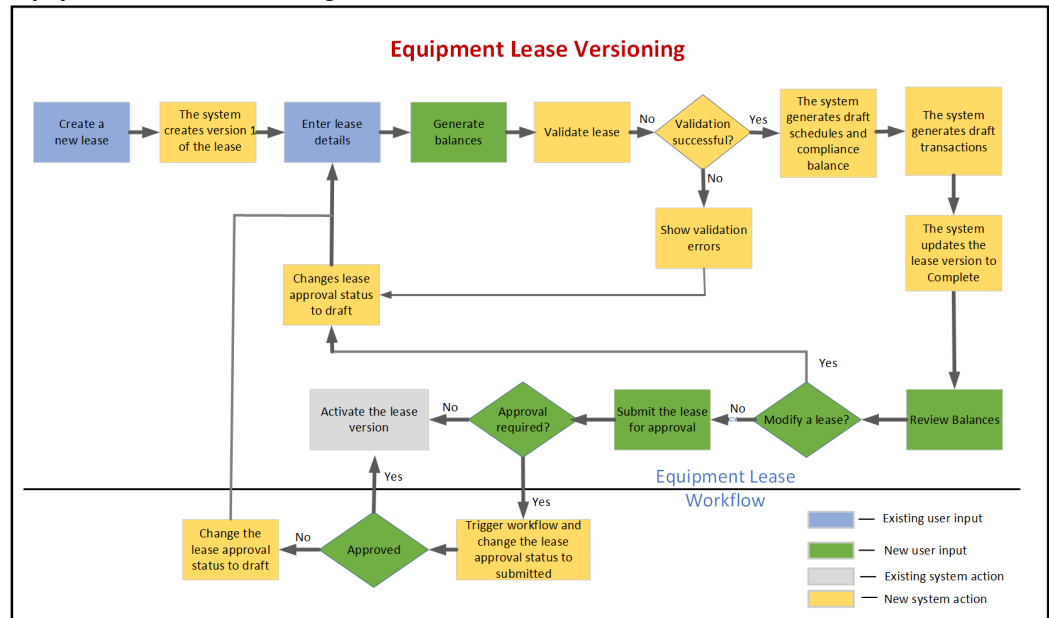
Who Can manage Equipment Lease lifecycle?

Lease contract management is performed by the lease administrator. The system administrator performs the relevant workflow configuration needed for the lease management.

Equipment Lease Versioning Flow

Below is the solution flow for the Equipment Lease Creation and Versioning:

Equipment Lease Versioning Flow



Oracle Property Manager supports the following the equipment lease creation as shows in the flow:

1. Create a new equipment lease.
2. The system creates a lease starting with a version 1. The version number increments with each change made to the original lease.
3. You enter the equipment lease details. Also, modify payables accounting attributes.
4. Generate balances for the newly created equipment lease.
5. During the generation of balances, the system validates the lease. After the lease is validated successfully, the system generates draft schedules, balances and transactions.

If the validation is not successful, then errors appear and they are shown in the Validations tab. You can correct the errors and perform the steps again. In this scenario, the lease approval status remains as Draft. The lease detail report, payment schedules and transactions are created in the draft mode. The system changes the lease approval status to complete.

6. You can review the lease, schedules, and balances.
7. If you are satisfied with the lease terms, then submit the lease for approval.
If the lease needs to be modified, then modify the lease and follow all the above

steps to validate the same.

8. If the lease needs approval, then a workflow is initiated, and the system updates the lease to submitted. If the validation is successful, then the lease is approved with the rent increase terms.

If the lease does not need approval, then the system automatically approves the lease with the rent increase terms and activates the initial version of the lease.

9. The system activates and freezes the first lease version and changes the lease approval status to Final.
10. The Final lease detail report is attached and is shown in the Schedules tab, along with the payment schedule.

1. 6.

Creating an Equipment Lease

During the creation of Equipment Expense leases, after providing all the necessary inputs, you can review the schedules and balances before submitting the lease. Even at draft stage, user can review the schedules and balances, you can modify inputs at the draft phase, regenerate the schedules and balances. You can simulate and validate balances and payment schedules along with its details in multiple iterations.

When the lease is initially authored, the lease version 1 assigned. The lease version increments with every amendment and edits to the lease. A unique version number is assigned to every unique state of the lease during the lease contract lifecycle. The payment schedules, accruals, accounting entries, unique to each lease state will have the unique version number associated.

You can modify the draft lease version and generate draft balances as many times as you want until it is activated. You can also save and work on lease to resume it later. You can also use the multi-level AME workflow integration during the lease creation which will allow authorized approvers to approve the lease creation.

To create a new equipment lease, perform the following steps:

1. Navigate to the **Property Manager** responsibility.
2. Select **Equipment** and then choose **Equipment Lease**.
3. From the **Search Leases** window, select **Create Lease**.
4. Enter the values to create a new lease.

The Lease creation window appears.

5. Enter the mandatory fields.

6. Click **Save**.

The Equipment Lease page includes the following new fields:

- **Lease Version Status:** This field displays the following values:

1. **Draft**

This is the status used when the lease creation is initiated.

2. **Complete in Progress**

This is the status used when the draft lease detail report and the payment schedules are in the process of generation.

3. **Complete**

When the lease is in this status, you can review the balances and schedules generated using the attributes entered at in the draft state. The lease approval status changes to Complete after the balances are generated successfully. The system then generates a draft lease details report, payment schedules and transactions.

4. **Submitted**

This status is displayed when the lease is submitted for further approval.

5. **Final**

This status is displayed when the lease is approved and has been finalized.

- **Version:** This field displays the lease version number. This field is read-only.

The Equipment Lease Creation page includes the following new tabs:

- **Schedules**

The Schedules tab displays compliance numbers and payment schedule of the lease in different stages. In the draft stage, this window displays the draft lease detail report and the draft schedules. In the final stage, this tab displays the final lease detail report and the final schedules agreed upon.

- **Validations**

The Validations tab displays errors or warnings resulted during the lease validation when the generate balance option is clicked.

- **Versions**

The Versions tab displays various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index.

The Actions menu in the Equipment Lease Creation/Amendment page includes the following options:

- **Generate Balances**

To review the lease schedules and balances after specifying inputs, click the Generate Balances option. The system validates the inputs and generates a draft lease schedule and the lease detail report in a draft mode.

- **Finalize Lease**

To activate the lease, click the Finalize Lease option. The lease contract is activated, and the approval status of the lease version changes to Final/Submitted.

If the workflow is enabled, then the system initiates the workflow approval process, and the lease approval status changes to Submitted. If the workflow is not enabled, then after you click the finalize lease option, the system submits the concurrent program and after the completion of the program successfully, the lease version status is updated to Final and the lease version activates. Any further amendment on the lease results in a new version.

The following new tabs are added to the existing equipment lease page:

Viewing Schedules

The Schedules tab displays the lease schedules and balance details along with the link to the generated lease details report as shown in the diagram: The draft lease detail report is generated and appears in the Schedules tab. The file format used for the draft lease detail report is, *Lease_Detail_Report_<lease_number>_v<version_number>_draft.xlsx*. For example, the filename appears like this, *Lease_Detail_Report_23468_v1_draft.xlsx*. In the Schedules region, the system displays the payment and normalization schedules.

Viewing Validations

The Validations tab displays any errors or warnings resulted during the lease validation when the generate balance option is clicked.

Viewing Lease Versions

The Versions tab displays various stages of the lease life. You can view the previous lease version in a read-only mode. The tab also displays the discount rate percentage applicable on the lease version as per the discount rate index, the type of amendment related to each version, the ACD date and the changes in lease end dates. After the lease is created and the related balances and schedules are reviewed, you can click the Finalize Lease from the Actions menu.

Amending an Equipment Lease

During the amendment of equipment lease, you can review the schedules and balances that were entered with the original lease. After reviewing the schedules and balances, you can perform the required modifications such as changing the termination date, changing the discount rate or the payment details.

Lease can be amended as per business requirement for example extension/contraction of lease, adding new payment terms and termination of lease. After you complete changes to the lease, you must generate the schedules and balances for the lease. You can then simulate, validate balances and payment schedules before finalizing the lease amendment.

Amend a Lease

Oracle Property Manager provides an ability to simulate lease expense, amortization, and schedules before activating an amendment on an existing equipment lease across multiple sessions. Property Manager supports the following amendment functionalities:

- Ability to discard amendments before finalizing.
- Ability to track changes to the lease contract during its lifecycle.
- Ability to choose change discount rate on amendment commencement date (ACD) or retain the original discount rate existing on the lease before an amendment.
- Supports continuous lease amendment by saving and resuming lease amendment at any time.

To amend an existing lease, perform the following steps:

1. Navigate to the **Property Manger** responsibility.
2. Click **Equipment** and then **Equipment Lease**.
3. From the **Search Leases** window, query for the lease you want to amend.
4. The **Actions** menu has the following option:
 - Amend Lease
 - Amend Classification
 - Amend Terms
 - View Lease

5. Click the **Amend Lease** option and then **Go**.

The **Amend Equipment Lease** page appears.

Click the lease number to open the lease. The lease number link allows you to open the last activated lease in a read-only mode. If a working version exists for the lease, then the lease number opens the last activated lease in a read-only mode with a **Resume Changes** button on the top right section of the page to start editing the Work-In-Progress Lease Version.

6. The Amend Equipment Lease page includes the following new fields:
 - **Lease Version Status:** This field displays the lease approval status as the lease goes through changes and approvals. When a lease is getting amended the field displays a draft status.
 - **Version:** This field shows the new version number of the lease being modified.
 - **Existing Discount Rate Index:** In the **Compliance Details** region, this field displays the discount rate index that exists on the lease in the activated lease version.
 - **Continue Existing Discount Rate:** When this option is selected, the system does not apply the effective discount rate on ACD. The system applies the rate as per the current active version of the lease.
 - **Discount Rate Index:** Indicates the new discount rate applied on the Amendment Commencement Date (ACD).

You can modify the rate. If the Continue Existing Discount Rate option is enabled, then this field is disabled.
7. Enter the required changes and mandatory values.
8. Apply your changes.

The Schedules, Validation and Versions tabs are activated. You can view the details of the newly generated schedules and payment details with the changes you have entered.
9. After you are satisfied with the modifications, click the **Generate Balance** option from the Actions menu and then **Go**.

The generate balance runs the concurrent program and the lease version status changes to **Complete in Progress** and then to **Complete** once the program completes successfully. The payment schedules are generated for revision. The draft lease details report is also generated for the revised schedule. The versions tab displays previous and current lease versions available. If you are not satisfied with the changes you had entered, then click the **Discard Amendment** option from the **Actions** menu and then **Go**. This will discard all your changes and reverts you to the previous lease version.
10. Click **Resume Changes** to continue with lease modification. If you have exited the lease amendment page, then choose the lease to amend and click **Resume Changes** from the **Actions** menu.
11. Click the **Finalize Balance** option from the **Actions** menu and then **Go** to finalize the lease.

To exit without pursuing amendment, click **Discard Amendment**.

After the concurrent program runs successfully, the amended lease status changes to **Final**.

Multi-Level AME Workflow Support for Equipment Lease

Oracle Property Manager allows multi-level AME workflow approval during equipment lease booking and amendment. When a lease has multi-level AME workflow associated, once submitted, the approval status will change from **Complete** to **Submitted**, and the approval process using the Workflow. Once the approval process completes, the lease approval status changes from **Submitted** to **Final**, and the lease version will be frozen. If the lease is rejected during the workflow approval process, the lease version changes back move to **Draft** approval status.

When the lease is in the Submitted approval status, the lease status is automatically changed to Draft, when the following actions occur on the lease:

- Payments get authorized and exported to Accounts Payables
- Month-end accrual is run

Multi-Level AME Workflow

If you set the *PN: Use Lease Approval Workflow* profile option to Yes, then the system enables the approval status of the lease version when the lease is finalized. The lease version status remains read-only when the approval status is Submitted.

Oracle Property Manager allows multiple approvers to approve a lease version as per the defined hierarchy. After the lease is approved, the system finalizes the lease version and changes the approval status to final. If an approver rejects the lease, then the approval status changes to draft.

Enhancements to Lease Detail Report

The lease detail report displays detailed information on balances as of amendment commencement date for each payment term. For each amendment and for every payment term, the report displays the sum of reversed accrued balances with the sum of revised accrued balances generated.

The header region of the report displays the lease version and the amendment type of the lease, along with the Operating Unit's compliance setup details.

Following fields are included in the header region:

- **Transition Date:** Indicates the effective transition date of the Operating Unit. For a non-transitioned operating unit, this field appears empty.
- **Interest Method:** Indicates the value set up in the system options such as the Daily

Compound Interest.

- **Calculation Frequency:** Indicates the value set up in the system options such as Periodical Amortization.
- **GAAP Regime:** Indicates the value set up in the system options such as Both.
- **Primary Regime:** Indicates the set up in the system options such as IFRS16.
- **Lease Booking Date:** Indicates the transaction date the lease is booked.
- **Booking ROU:** Indicates the account amount for the booked ROU. If you have not accounted for the booking transaction either in draft or final lease, then the field is left blank.
- **Booking Liability:** Indicates the account amount for the booked Liability. If you have not accounted for the booking transaction either in draft or final lease, then the field is left blank.
- **Booking Reserve:** Indicates the account amount for the booked Reserve. If you have not accounted for the booking transaction either in draft or final lease, then the field is left blank.
- **Approval Status:** Indicates the approval status of the lease version such as draft, complete, submitted, or final.
- **Adder Rate:** Indicates the adder rate provided on the discount rate index rate.

The existing field Representation has been renamed to Lease Classification.

- **Lease Version:** Indicates the version number of the lease for which the lease detail report is generated.
- **Amendment Type:** Indicates the amendment type.
- **Amendment Commencement Date:** Indicates commencement date of the amendment lease.
- **Amendment Details**

Payment Schedule and Present Value Calculation

Highlights the changes to the cash flow elements of the payment due to the amendment. This section includes the following fields:

- **Payment till ACD:** Represents the total cash paid till the ACD for the current version.
- **Payment till ACD on ACD period:** Represents the cash paid on the ACD period till

ACD.

- **Remaining Cash:** Represents the cash remaining to be paid after ACD.
- **Changes to Cash Flow:** Represents the change in cash flow for the payment term due to the amendment.
- **Rate Change on ACD:** Represents the delta of effective discount rate on ACD.
- **Credit Memo:** Represents the amount of credit memo which system generates due to reversal of exported payments beyond ACD date.

Right of Use (USGAAP and IFRS)

Highlights the key changes to Right of Balances due to amendment. This section includes the following fields:

- **Beginning ROU Balance on ACD Period:** Represents the outstanding ROU Balance on the lease at the beginning of the ACD period.
- **Total Amortization till ACD:** Represents The total amortization expense incurred till ACD date from the beginning of lease life.
- **Amortization till ACD for ACD period:** Represents the amortization expense incurred till ACD date on the ACD period.
- **Opening ROU Balance on ACD:** Represents the ROU Balance which is outstanding on the lease as of the ACD date (before amendment took effect).
- **ROU-Adj:** Represents the ROU Adjustment which occurs due to amendment.
- **Gain/Loss:** The Gain/Loss which is incurred due to the amendment.

Liability

This section highlights the key changes to Liability balances due to amendment. This section includes the following fields:

- **Beginning Liability Balance on ACD Period:** Represents the Liability balance outstanding on the lease at the beginning of the ACD period.
- **Opening Liability on ACD:** Represents the liability balance which is outstanding on the lease as of the ACD date.
- **Total Interest expense till ACD:** Represents the Interest expense incurred till ACD date from the beginning of lease life.
- **Interest Expense Till ACD for ACD Period:** Represents the interest expense incurred till ACD date on the ACD period.

- **Liability adjustment:** Represents the liability adjustment which occurs due to amendment.
- **Total Lease expense till ACD:** Represents the lease expense incurred till ACD date from the beginning of lease life.
- **Lease Expense till ACD for ACD Period:** Represents the lease expense incurred till ACD date on the ACD period.

Reversal Details

For each payment term, there will be a Reversal Details region that illustrates the following:

- **Reversed Amortization:** Indicates the amount of the total accrued amortization expense reversed until the amendment commencement date.
- **Revised Amortization:** Represents the amount of recalculated amortization expense in the period where the accrued amortization expense is reversed until the amendment commencement date.
- **Reversed Interest:** Indicates the amount of accrued interest expense that has been reversed on the amendment commencement date.
- **Revised Interest:** Indicates the recalculated interest expense amount for a period for which the accrued interest expense is reversed.
- **Reversed Lease Expense:** Indicates the accrued lease expense amount that has been reversed on the amendment commencement date. This field is disabled for the finance lease.
- **Revised Lease Expense:** Indicates the recalculated lease expense amount for a period in which the accrued lease expense has been reversed. This field is disabled for the finance lease.

Additionally, the reversal details section displays the reversed ROU and catchup accruals, which is relevant for payment terms which are entirely reversed due to any amendment.

Calculating Rent Increases

This chapter details the functionality provided by Oracle Property Manager to calculate rent increases based on fixed percentages or an index that you specify.

This chapter covers the following topics:

- Overview of Index Rent Increases
- Calculating Rent Increases
- Allocating Rent Increase
- Extending and Contracting Rent Increase Agreements
- Rent Increase Window References

Overview of Index Rent Increases

You can create or update index rent using APIs. For more information about the `PN_INDEX_RENT_PUB.CREATE_INDEX_RENT` and `PN_INDEX_RENT_PUB.UPDATE_INDEX_RENT` APIs, see Oracle Integration Repository.

You can use Oracle Property Manager's Rent Increase feature to automatically increase base rent either by a fixed percentage or by an amount proportional to the index change for the remainder of the lease term. Fixed increases raise rental costs, while index increases protect landlords against inflation by raising rent every year in proportion to hikes in consumer price indexes.

Although index leases are not often used when inflation is low, this functionality is very useful in the following lease scenarios:

- A significant number of existing leases have their origins in the seventies when inflation rose dramatically and index leases were prevalent
- Index leases are common in many parts of the world where inflation is problematic
- Index leases are important for many government users. Governments themselves are responsible for publishing index values, and often base their own rents on index

values

- In business environments where hundreds or thousands of leases are managed, automatic rent calculation is essential to streamline business processes and to avoid data entry errors

To use the rent increase feature, you first associate a Rent Increase with an existing, finalized or draft lease. Next, you enter index information into the Index History window. You then complete the following to create your rent increase:

- Enter Agreement details
- Enter defaults
- Generate Periods
- Enter constraints, such as minimum and/or maximum rent/% increase

Oracle Property Manager automatically calculates the correct annual rent increase amount. The constraints are then applied and the constrained rent increase amount is calculated on an annualized basis and index rent terms are created for each period.

- Review term details

You can review the term details and approve the rent increase payment or billing terms. When you approve a term, Oracle Property Manager transfers it to the main lease and either creates a new schedule or inserts lines into an existing payment or billing schedule.

Note: While approving a term from the Terms Detail window, you can specify your user name in the Approver field. When you run the Approve Rent Increase Terms concurrent program, the Approver field is set to your user name automatically. See Approve Rent Increase Terms, page B-5.

From this point forward, the rent increase is treated as a scheduled rent item. Once you approve and export the rent increase, it is sent to Oracle Payables or Oracle Receivables.

Entering Index History

You can define multiple indices, each indicated by an index type. The index type is a unique name or identifier. In a given index type, you can enter index values with corresponding dates in the Index History window. You can associate an index with multiple leases across operating units. This feature is useful for landlords who may administer hundreds of index leases based on one index.

Multiple rent increase agreements can share index history. You can change or update

the values in the Index History window at any time. However, if Oracle Property Manager detects that the changed value are used for rent increase calculations, it gives you the option either to continue with the change or to cancel. If you continue with the change, Oracle Property Manager initiates the Recalculate Index Periods for Updated Index History Lines concurrent program that updates the rent increase agreements affected by this change, including all leases using this value. It does not affect periods that have approved index rent terms. See Recalculate Index Periods for Updated Index History Lines, page B-24.

An Index Source indicates from where index information is derived and can consist of descriptions you enter.

The multi-row block contains the history of index values over time. For each date, you can enter the actual index amount, two unadjusted figures, and two seasonally adjusted figures.

Important: Unadjusted and seasonally adjusted values are optional and you can create terms based on actual index values only.

Viewing Index History

You can view an index history by choosing the View Index History button on the Rent Increase window. Choosing this button opens up the Index History window with the selected index type displayed.

Entering Rent Increases

To enter rent increases, you first associate the rent increase with an existing lease and specify the rent increase commencement and termination date.

Viewing Leases

You can view leases by choosing the View Lease button on the Rent Increase window. Choosing this button opens up the main lease in the View Leases and Documents window.

Querying a Rent Increase

You can query existing rent increases associated with a specific lease using the Rent Increase window. You can query on a particular index type, lease number, lease class or rent increase number.

Entering a New Rent Increase

To enter a new rent increase, you enter information into the Rent Increase window. You enter critical lease information in the Lease Details region, such as the main lease associated with the rent increase. You also need to enter rent increase information in the Rent Increase Details region, such as the rent increase number, index type, and rent

increase commencement and termination dates. You then enter agreement and term template details, and constraints, if applicable.

You can associate multiple index rent agreements with one main lease. For example, you can create one rent increase agreement for fixed base rent increases, another one for operating expense increases, and associate both with the same lease.

Entering an Agreement

You define the rent increase agreement in the Agreement tabbed region of the Rent Increase window. This includes information such as the frequency of rent increase assessment (Assess in Year field) and date assessed. This agreement determines the calculation of rent increases for the entire rent increase term. At the core of this process is the following calculation:

$$\text{Basis} * \% = \text{Rent Increase}$$

The following table shows the values in the Agreement tabbed region that affect the rent increase calculation:

Function	Fields
Generation of Periods	Assess in Years, Date Assessed
Basis	Increase On, Gross check box, Basis Type, Initial Basis, Relation
Composition of the percentage	Index Finder, Reference Period, Base Year, Base Index, Index Multiplier

Some fields in the Agreement tabbed region contain defaults. The following table shows the defaulted fields and the defaulted values:

Field	Default Value
Assess in Years	1
Basis Type	Fixed
Negative Rent	Ignore
Spread Frequency	Monthly
Reference Period	Base Year

Entering Defaults

You define default parameters that should be used in rent increase calculations in the Agreement tabbed region (Defaults region) of the Rent Increase window. You enter information such as

- The default relation
- The default percentage basis
- The index finder months (used to determine the index finder date when periods are generated)
- The default term template

Oracle Property Manager creates rent increase terms based on the underlying base rent terms or from a specific term template depending on how you set the Aggregation check box. If you select the Aggregation check box, Oracle Property Manager may create multiple rent increase terms for a single rent increase agreement. For details, see *Allocating Rent Increase*, page 6-33.

By default, the Aggregation check box is selected and the Term Template field is disabled. You can specify a term template only if you deselect the Aggregation check box.

Use the Term Template LOV if you want to specify attributes for all the payment or billing terms created for the rent increase agreement.

Note: The Term Template LOV only displays term templates that belong to the same operating unit as the lease and the rent increase agreement.

You can also create term templates by clicking the Term Template button and entering term information in the Term Template window. When you access the Term Template window from the Rent Increase window, you can create term templates only for the operating unit to which the rent increase agreement belongs.

Note: You must enter the required attributes for term templates. If you do not provide the required attributes, the application presents an error.

Generating Periods

You can view the timing of rent increase-related events by using the Basis Periods tabbed region on the Rent Increase window. To determine the timing of rent increase related events, the system uses information you entered in the Agreement tabbed region to calculate the following:

- Date Assessed - When rent increases are assessed
- Assess in Years - Frequency of assessment

You can automatically generate these periods by choosing the Generate Periods button. You can undo the periods by choosing the Undo Periods button. You can choose the Open button to access the period details, including information such as the previous index and the basis amount.

You can also use the Periods tabbed region to calculate rent increases by choosing the Calculate button. The Calculate button triggers the following four calculations.

- Annualized basis
- Appropriate percentage by which to multiply the basis
- Annualized rent increase
- Constrained rent increase

Calculating for All Periods

You can calculate rent increase amounts for all periods by choosing the Calculate All button on the Rent Increase window. The Calculate All button is enabled only after the periods have been generated. You can also calculate the rent increase individually per period, by selecting the period for which you want to calculate the rent increase, then choosing the Open button. Once inside the Period, you can choose the Calculate button to calculate the rent increase amount for that period.

See: Calculating Rent Increases, page 6-14.

Entering Rent Increase Constraints

You can specify the constraints that apply across all periods of rent increase in the Constraints tabbed region of the Rent Increase window. You can define any floor or ceiling caps on rent due or period-to-period increases. The most common type of constraint is a cap on the increase from year to year, or a minimum increase required from year to year. You can enter up to four constraints: a maximum and a minimum for rent due, and a maximum and a minimum for period-to-period increase.

For each constraint, you can define either an absolute amount increase or relative percentage increase. If you enter an absolute amount as a constraint, then you must enter all constraints as absolute amounts. For example, when you enter a value in the Maximum Amount column, the Maximum Percentage column becomes disabled. All of the remaining constraints must then be entered as amounts.

This is done to insure that upper and lower limits do not cross each other. For example, you enter a rent increase maximum constraint as \$4,000 and a minimum constraint as 5% of base rent. To prevent this type of situation, the maximum and minimum constraints are required to be of the same type and the maximum constraint must be

equal to or greater than the minimum. If you enter a minimum and maximum for rent due, and a minimum and maximum for period to period increases, then the system calculates the acceptable area for rent as the lesser value of the two maximums, or the greater value of the two minimums.

Prorating Rent Increase Constraints

Use rent increase constraints to specify the lower (minimum) and upper (maximum) limits for rent increases. You can either constrain the rent amount due for a period or specify that the rent increase can be a maximum or minimum of a certain amount over the previous year's rent. Constraints are applicable to all periods of the rent increase agreement. If the first basis period of the agreement is longer or shorter than the standard basis period, you can specify rules to prorate constraints.

Specifying the Proration Method

When entering constraints, you can select not to prorate or choose one of the proration methods described in the table below.

Constraint Proration Method	Description
Days per Year	<p>Oracle Property Manager calculates the prorated constraint as follows:</p> <ol style="list-style-type: none"> 1. Multiplies the constraint amount by the number of days from the proration period start to the agreement commencement date 2. Divides the result by the number of days in the year (366 for leap years)
Full and Partial Months per Year	<p>Oracle Property Manager calculates the prorated constraint as follows:</p> <ol style="list-style-type: none"> 1. Multiplies the constraint amount by the number of months from the proration period start to the agreement commencement date 2. Divides the result by 12 <p>Oracle Property Manager counts all months, whether partial or complete.</p>

You must also specify the date used to calculate the proration factor. By default, Oracle Property Manager uses the lease start date as the proration period start date. However, you can select any other date earlier than the agreement start date.

You can update the values for constraint proration or the proration period start as

required. If you have already calculated rent increase, you must recalculate to modify the rent increase amount. If the rent increase amount changes, Oracle Property Manager creates new terms, deletes any existing draft terms, and creates adjustment terms for the approved terms. The table below provides examples of applying the two methods of prorating constraints in the first basis period.

Step	Full and Partial Months per Year	Days per Year
Proration period start date	June 15, 2002	June 15, 2002
Agreement commencement date	January 1, 2003	January 1, 2004
Actual index change percent for the first basis period	5%	5%
Maximum percent	7%	3%
Number of months or days	Difference between the proration period start and the agreement commencement date: 7 months	Difference between the proration period start and the agreement commencement date: 565 days
Proration factor	Number of months divided by 12: 0.58333	Number of days divided by 365: 1.54795
Maximum percent applicable for the first basis period	Maximum percent multiplied by proration factor: 4.083%	Maximum percent multiplied by proration factor: 4.64%
Annualized basis	\$12,000	\$12,000
Annual constrained rent (In both cases, the prorated maximum constraint is lower than the index change percent)	Annualized basis multiplied by prorated constraint percent: \$490	Annualized basis multiplied by prorated constraint percent: \$557.26
Monthly constrained rent	\$40.83	\$46.44

To enter index history:

The screenshot shows a software window titled "Index History". At the top, there are two input fields: "Index Type" and "Source". Below these is a save button icon. The main area contains a table with five columns: "Index Date", "Actual Index", "Unadjusted 1", "Unadjusted 2", and "Seasonally Adjusted". The table has several empty rows for data entry. At the bottom of the window is a "Comments" text area.

1. Navigate to the Index History window.
2. In the Index Type field, enter a unique Index Type name for the index history.
3. Optionally, enter a source in the Source field.
4. In the Index Date field, enter the day-month-year combination associated with the index. The format is DD-MMM-YYYY.
5. Enter the actual index value for each index date.

Note: You can optionally specify unadjusted and seasonally adjusted values.

6. Save your input by choosing the save button.

To view an existing rent increase:

1. Navigate to the Rent Increase Leases window.
2. Query the rent increase you want to view based on the following:

- Operating unit
 - Rent Increase number
 - Lease name and number
 - Lease Class
 - Other values
3. Choose the Open button to view details of the rent increase in the Rent Increase window.

To enter a new rent increase:

1. Navigate to the Rent Increase Leases window.
2. Choose the New button.
3. In the Lease Details region of the Rent Increase window, select the operating unit for which you want to create an index rent agreement.
4. Select either the name or number of the lease for which you want to enter a rent increase. When you select the name or number of a lease, Oracle Property Manager automatically provides the other lease-related details, such as class, commencement and termination dates, and the code of the primary location.

If the lease you selected has a status of Draft, you cannot approve the index rent terms. You can approve the index rent term only after you finalize the main lease.

Important: The Leases list of values only displays leases that belong to the operating unit you have selected.

5. Optionally, in the Location Code field, replace the default location with another location associated with the lease.
6. In the Rent Increase Details region, enter the index type.
7. Review the default commencement date and termination date of the rent increase.

Commencement and Termination dates influence the generation of rent increase period(s). The rent increase commencement date cannot be changed once there are any approved payment/billing term in the lease term. The rent increase termination dates can be changed as long as the new termination date postdates the last approved schedule in the main lease that is associated with a rent increase item.

Note that the commencement date and termination date of the rent increase must

fall within the commencement date and termination date of the lease. The rent increase commencement date defaults to one year after the main lease commencement date.

8. Select the user responsible from the list of values. The user responsible defaults from the user name used to access the Property Manager responsibility.

Agreement Tabbed Region:

9. In the Assess in Years field, enter the frequency, in years, that rent increase is assessed. This value cannot be fractional.
10. Select a value in the Increase On field. The Increase On LOV displays all billing or payment types used in the main lease terms. For example, Base Rent is displayed in the LOV if payment or billing terms for base rent exist in the main lease. If you select a payment or billing type here, Oracle Property Manager sums amounts of all the payments or billings of that type and uses the total as the basis for rent increase calculation. For details, see Calculating the Basis, page 6-17.
11. Select the Gross check box if you want the calculation of basis amount to consider all the terms defined in the main lease window. The Gross check box and the Increase On field are mutually exclusive.

Note: If you select the Gross check box, you can click on the Exclude button to view a list of all main lease terms. By default, all the lease terms are selected for inclusion in the basis. If you want any of these terms excluded, you can deselect them here.

12. Accept the Basis Type field value of Fixed, the default value. When the basis type is Fixed, the basis stays the same from period to period. Also, if the initial basis is defined and the Basis Type field value is Fixed, then it is the initial basis amount that is populated in the annualized basis fields for all periods. You can only specify a reference period of Base Year if the basis type is Fixed.
13. Negative Rent indicates where the negative rent increase values are allowed by selecting Ignore, This Period, or Next Period in the Negative Rent field. Select the appropriate value. The default is Ignore.
14. Select the spread frequency. Values include Monthly, One Time, Quarterly, Semiannually and Annually. This field cannot be updated after a rent increase term has been approved. The default is Monthly.
15. Select the Rounding check box if you want the payment term amount (annualized constrained rent increase amount/spread frequency) rounded.
16. Enter the date assessed, which indicates the date each period that rent increase is

assessed in DD-MMM-YYYY format. The date cannot exceed the 28th of the month entered.

17. Enter the base year in DD-MMM-YYYY format.
18. Enter the base index. This is the base index value agreed upon in the lease as the basis for which comparison will be made in the second year. It is defaulted with the value specified in the Index History window for the base year. This value can be overwritten.
19. Enter the reference period. Values include Base Year, Previous Year - Use assessment date duration, Previous Year - Use previous current CPI. For a reference period of Base Year, only the basis type of fixed can be selected. You cannot select a basis type of Rolling and Compounding for a reference period of Base Year.
20. If the main lease and rent increase commencement dates are the same, initial basis becomes required.
21. Specify an index multiplier to increase the index change percentage and hence the rent increase amount. If you set the Default Relation to Greater of or Lesser of, Oracle Property Manager applies the multiplier to the index change percentage before comparing it to the default basis percentage.
22. Select the index finder. The default is Always Finder Date Without Backbill. Other choices include Always Finder Date With Backbill and Default Most Recent.
23. Optionally enter a default relation. Values include Fixed Rate Only, Greater Of, Index Only, and Lesser Of. The default is Fixed Rate Only.
24. Optionally enter a default basis percentage to be used for calculations. This field is disabled when the relationship Index Only is specified. The default is 0 percent.
25. Enter the index finder months. This is the number that will be added to the Date Assessed to find the Index Finder Date for each period. The default is -2.
26. Enter the name of the term template you want to use for payment or billing purposes or select the Aggregation check box. You can only select one of the two.
27. Optionally select the Aggregation check box if you want Property Manager to allocate the net rent increase assessed for a period proportionally across the main lease terms.
28. Optionally, check the Retain initial basis for calculation check box if you do not want to over-ride the initial basis when the rent increase is recalculated. If the check box is checked, and the initial basis field is not null, the initial basis is not overridden. The default value is unchecked.

29. To view the term template, choose the Term Template button. You can create a new term template and associate it with multiple increase agreements.

Basis Periods Tabbed Region:

30. Optionally, override the defaulted value for annualized basis. The default annualized basis is calculated as the sum of annualized amounts of terms from the main lease, which lie between the Basis Start and End dates and value in the Increase On field.

Note: Oracle Property Manager does not include terms that have a frequency of One Time while calculating the annualized basis.

31. Select the relationship. Other values include Greater Of, Lesser Of and Index Only.
32. Optionally, enter the index change percent. The default is the system calculated index change. Factors in calculation include the reference period, the index type, and the index finder. This field is mandatory if the relation is Index Only, Greater Of, or Lesser Of.
33. You must enter basis change percent if you are using fixed rent increases (all relations other than Index Only).
34. Unconstrained Rent Due is the calculated annualized rent increase amount for the period.
35. Constrained Rent Due is the calculated annualized rent increase with constraints applied. The constraints applied are from the Constraints window and negative rent from the Agreement tab.
36. Optionally, choose the Open button to view period details, including the period, index details, relationship and basis. These values default from prior input completed in other tabs and windows.
37. Optionally, click Terms to access the Term Details window and review term details, including location, purpose, type, frequency, status, and normalization. You enter the values displayed here in other tabs and windows. However, you can modify the values if required. For example, you can select or deselect the Normalize check box depending on whether you want to normalize the rent increase term. You can also change the status of the term to Approved if you want to transfer it to the main lease.

Important: Once you approve the term, you cannot modify it.

Constraints Tabbed Region:

38. Specify whether you want to prorate constraints in partial periods and the method you want to use. If you select to prorate constraints, you must specify the date from which the proration begins.
39. Optionally choose an Increase Over constraint. The default is No Carry Forward. See: *Entering Rent Increases*, page 6-3
40. If you want to enter constraints, choose the scope: either Period to Period or Rent Due.
41. Enter either a minimum amount or a minimum percentage. These fields are mutually exclusive. If you enter one, the other field is disabled.
42. Enter either a maximum amount or a maximum percentage. These fields are mutually exclusive. If you enter one, the other field is disabled.

Related Topics

Entering Rent Increase Constraints, Oracle Property Manager User Guide

Calculating Rent Increases

When you click Calculate on the Basis Periods tabbed region, Oracle Property Manager determines the following:

- Annualized basis: See: *Determining the Basis*, page 6-17.
- Percentage: See: *Calculating the Percentage*, page 6-19.
- Rent increase: Annualized basis * Percentage
- Constrained rent increase: The rent amount due after constraints are applied

The constrained rent increase is an annualized amount that results in a term for a particular period. Rent increase term details are based on the selected term template. The term start date is the greater of the date assessed or the current date. The end date is the lease termination date.

Note: The Term Details window displays the annualized amount divided by the spread frequency, or the recurring amount due. If the frequency is monthly, the annualized amount is divided by 12.

When you approve a term, it is transferred to the main lease and schedules and items are created.

Note: You cannot modify approved terms or a period that contains an

approved term.

Timing Rent Increase Events

Oracle Property Manager uses information from the Agreement tabbed region of the Rent Increase window to time rent increase events. A period is the time frame used to assess rent increases. For each period, Oracle Property Manager records the following information:

- Date Assessed, page 6-15
- Start and end dates, page 6-16
- Index Finder Date, page 6-15

Date Assessed

To generate periods, you must define the assessment frequency (Assess in Years field) in the Agreement tabbed region of the Rent Increase window. The assessment frequency is stated in multiples of a year. For example, if you enter 2, then rent increase is assessed every two years.

The date that the rent increase is assessed is determined as follows:

- In the first period, the date assessed in the Basis Periods tabbed region is the commencement date of the rent increase agreement.
- In subsequent periods, the Date Assessed field in the Agreement tabbed region determines the date assessed (anniversary date).

Every year, the rent increases begin from the date in the Date Assessed field. When you change the date assessed or assess in years, Oracle Property Manager regenerates periods and recalculates rent increase amounts if rent increase calculations have been performed for the periods.

If the main lease and the rent increase agreement share commencement dates, then the basis start and end dates are blank for the first period because it lies outside the lease term. The value of the initial basis is then used as the annualized basis for the first period. The initial basis is required.

Index Finder Date

The value of the Index Finder Date field in the Basis Periods tabbed region is the sum of the date assessed and index finder months. This value is calculated for each period. However, you can update the default value. The index finder date is used to select the current index value.

Basis Start and End Dates

The basis start and end dates comprise the year before the date assessed. For example, if the date assessed is January 01, 2002, then the basis period starts on January 01, 2001 and ends December 31, 2001.

The application picks up the terms that fall within the basis date range for calculating the basis.

Rent Increase Date Examples

The following example illustrates how Oracle Property Manager derives the assessment date and the basis start and end dates, assuming the dates shown in the first table.

Type of Date	Date
Lease Commencement Date	01-JAN-2000
Lease Termination Date	31-DEC-2004
Rent Increase Commencement Date	15-JAN-2001
Rent Increase Termination Date	31-DEC-2003
Assessment Date	03-MAR-2001

Derived Dates

Period Number	Assessment Date	Basis Start	Basis End
1	15-JAN-2001	15-JAN-2000	14-JAN-2001
2	03-MAR-2001	03-MAR-2000	02-MAR-2001
3	03-MAR-2002	03-MAR-2001	02-MAR-2002
4	03-MAR-2003	03-MAR-2002	02-MAR-2003

Modifying Periods

After you generate periods and a payment or billing term is approved, you can modify only the Rent Increase Termination Date in the header region of the Rent Increase window. When you extend a rent increase agreement, a concurrent program

automatically generates additional periods. See: Generate Rent Increase Periods, page B-20.

When early terminating rent increases, the application first verifies that there are no approved and transferred invoices beyond the new termination date. If invoices exist (that is, the last invoice was exported or approved on December 31, 2003, and you try to early terminate rent increase on August 31, 2003, the application displays an error.

If there is no conflict, the concurrent program deletes the rent increase periods past the early termination date. In other words, it checks whether transferred rent increase terms have been approved or are still in Draft status. If rent increase terms are not associated with approved schedules, they can be deleted.

Determining the Basis

Oracle Property Manager calculates the basis as the first step in calculating rent increases.

Oracle Property Manager uses the Increase On (or Gross check box), Initial Basis, and Basis Type fields in the Agreement tabbed region to determine the basis. The Increase On field and Gross check box are mutually exclusive. If you select the Gross check box, the Increase On field is disabled.

Note: The Calculate Annualized Basis for Index Rent system option affects the calculation of annualized basis. For more information, see: System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

- Increase On: Indicates the term types used to calculate the basis. Select a term type in the Increase On field to restrict the basis to terms of one type.
- Gross check box: Select this check box if you do not want the basis restricted to terms of one type.

You can click Basis Terms to view all main lease terms that are of the type selected in the Increase On field or, if you have selected the Gross check box, all terms. You can then select the terms you want to include in the basis.

Note: If you have set the Include Terms As Rent Increase Basis By Default system option to No, Oracle Property Manager deselects all the terms displayed in the Basis Terms window by default. Conversely, Oracle Property Manager includes all the terms displayed in the Basis Terms window if you set the system option to Yes.

- Initial Basis: For the first period, the value of Initial Basis is used as the basis amount. You can enter this value or it can be calculated by the application.

- **Calculated initial basis:** Oracle Property Manager calculates the initial basis by summing the schedule amounts for the included terms (as determined by the value of the Increase On field or Gross check box and modified by Basis Terms) for the period between the basis start and end dates. The application enters this amount into the Initial Basis field after performing the calculation.
- **User-defined initial basis:** You can enter an initial basis amount directly in the field. You must also select the Retain Initial Basis check box to ensure that the application uses this value. If the agreement start date is equal to the lease commencement date, Oracle Property Manager cannot calculate an initial basis. So, you must enter an amount.
- **Retain Initial Basis:** Unless you select this check box, Oracle Property Manager recalculates the initial basis every time you perform a calculation. You can select this check box either to preserve a user-defined initial basis or to preserve a system-generated initial basis regardless of subsequent changes to base rent terms.

Note: Changing the value of the Increase On field or the Gross check box after running the Calculate Rent Increase concurrent program clears the amount in the Initial Basis field. The value in the Initial Basis field is recalculated during the next rent increase calculation.

- **Basis Type:** This field determines how the basis is calculated for subsequent periods, as follows:
 - **Fixed basis:** For all assessment dates, the basis is the initial basis.
 - **Rolling basis:** The basis for each assessment is determined separately for each period, based on that period's basis start and end dates. As with the calculated initial basis, the base rent terms included are determined by the Increase On or Gross check box, as modified by Basis Terms.
 - **Compound basis:** The basis is determined separately for each period, as in the case of rolling basis type. However, the basis includes the amounts of the previously calculated Rent Increase terms as well as the selected base rent terms.

Example: Impact of Basis Type

Assume a four-year lease with a rent increase commencing in the second year. The tables below show the base rent amounts and then the annualized basis and rent increase amounts that would result for each basis types.

Fixed Basis

Year	Base Rent	Annualized Basis	Rent Increase
Year 1	\$12,000	NA	NA
Year 2	\$18,000	\$12,000	\$1,200
Year 3	\$24,000	\$12,000	\$1,200
Year 4	\$25,000	\$12,000	\$1,200

Rolling Basis

Year	Base Rent	Annualized Basis	Rent Increase
Year 1	\$12,000	NA	NA
Year 2	\$18,000	\$12,000	\$1,200
Year 3	\$24,000	\$18,000	\$1,800
Year 4	\$25,000	\$24,000	\$2,400

Compound Basis

Year	Base Rent	Annualized Basis	Rent Increase
Year 1	\$12,000	NA	NA
Year 2	\$18,000	\$12,000	\$1,200
Year 3	\$24,000	\$19,200	\$1,920
Year 4	\$25,000	\$27,120	\$2,712

Calculating the Percentage

The percentage can be a fixed user-defined value, a changing percentage determined by an index, the greater of the two, or the lesser of the two. You select among these four choices using the Default Relation field on the Agreement tab. The default relation determines the value of the Relationship field in the Basis Periods tab. However, you

can override this value for any period.

You enter a fixed percent amount in the Default Basis field on the Agreement tab. The default basis determines the value of the Basis Change % field for each period. You can override this value.

Oracle Property Manager derives the index change percentage by comparing the current index value with the previous index value. Oracle Property Manager applies the index multiplier to the index change percentage to arrive at the adjusted index change percentage.

Thus, the Default Relation, Default Basis, and Index Type fields on the Agreement tab determine the default values for the Relationship, Basis Change %, and Index Change % fields, respectively, on the Basis Periods tab. The values on this tab are used in the calculation for each period.

The value selected for Relationship determines the source for the percentage, as follows:

- Index Only: Index Change %
- Fixed Rate Only: Basis Change %
- Greater Of: Greater of Index Change % or Basis Change %
- Lesser Of: Lesser of Index Change % or Basis Change %.

The following table indicates whether the Index Change % or the Basis Change % is required, given the relation indicated. If the Index % is required, then the Reference Period in the Agreement tabbed region is also required.

Relationship	Index Change % Required	Basis Change % Required
Use Index	Y	N
Use Basis	N	Y
The Greater Of	Y	Y
The Lesser Of	Y	Y

The Index Change % is calculated as the percent change in the index over an earlier index value. The previous index value used depends on the value in the Reference Period field, as follows:

Base Year: The prior index value is from the base year. Thus, Index Change % = (Current Index - Base Index) / Base Index

Previous Year - Use previous current CPI: The prior index value is that from the previous period, as scheduled. Thus, Index Change % = (Current Index - Previous

Index)/ Previous Index

Previous Year - Use assessment date duration: The Index Change % is calculated as with Previous Year - Use Previous Current CPI, with one exception. If Index Finder is set to Default Most Recent, and the current index value is not available, Oracle Property Manager locates the latest available index value and uses this earlier index value as the current index. Under these conditions, Oracle Property Manager uses an earlier index value for the prior index as well, so that the value of Index Change % is calculated over the same duration.

The following example illustrates the difference between the two Previous Year selections. Assume:

- The current Index Finder Date is November 1, 2006 and the previous Index Finder Date was November 1, 2005
- Index Finder is set to Default Most Recent, and the index values for October and November of 2006 are not available at the time the rent increase is calculated

Oracle Property Manager uses the index available for September 1, 2006 as the current index. The value of the previous index depends on the value of Reference Period:

- Previous Year - Use previous current CPI: The previous index is the index value from November 1, 2005
- Previous Year - Use assessment date duration: The previous index is the index value from September 1, 2005

If the Index Change % is required in any of the rent increase periods, you must specify a reference period in the Agreement tabbed region. The base index is provided in the Agreement tabbed region.

Creating Rent Increase Terms

This section describes the process of creating rent increase terms after the basis and the percent are determined.

Note: The examples and scenarios outlined in this section are based on the assumption that terms are not being allocated. For information on creating allocated terms, see: Allocating Rent Increase, page 6-33.

Oracle Property Manager creates rent increase terms depending on how you set the Default Relation field and, if you are using an index, whether you calculate rent increase on time (the current date is prior to the Date Assessed) or late (the current date is later than the Date Assessed).

Important: If you set the Default Relation to Fixed Rate Only, then

Oracle Property Manager always generates a single, recurring rent increase term for a period.

The following table describes the rent increase terms created if you use an index to calculate rent increase on time.

Default Relation	Number of Terms
Index Only	One recurring term
Lesser Of	One recurring term
Greater Of	Two terms: <ol style="list-style-type: none">1. One term for the minimum amount (normalized, if you select the Normalize check box in the Term Details window)2. One term for the amount that equals the difference between the default basis percent and the actual index percent change.

The following sections describe the rent increase terms created when you use an index to calculate rent increase late.

Creating Terms when the Default Relation is Index Only or Lesser Of

The following table explains how Oracle Property Manager creates rent increase terms when you set the default relation to Index Only or Lesser Of and calculate rent increase late. These selections decide whether Oracle Property Manager:

1. Calculates the rent increase if the specified index value is not available.
2. Creates a back bill when the rent increase is calculated late. (after the assessment date.)

Note: Use the Legacy Cutoff Date system option to specify whether Oracle Property Manager should create backbilled terms. For more information, see: System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Index Finder	Effect on Rent Increase Terms
Always Finder Date with Backbill	Oracle Property Manager calculates the rent increase amount only after an index is available. It creates a recurring term starting from the next scheduled invoice period and a one-time back bill term. If the current index value is not available, it displays an error message.
Always use Finder Date without Backbill	Oracle Property Manager calculates the rent increase amount only after an index is available. It creates a recurring term starting from the next scheduled invoice period.
Default Most Recent	Oracle Property Manager calculates rent increase using the most recent index available if the current value is not available. It creates a recurring term starting from the next scheduled invoice period and a one-time back bill term. If the current index value is not available, it displays an error message.

A back bill is a separate term that is created to cover the period between the assessment date and the calculation date, in cases where the rent increase is calculated after the assessment date. For example, if the assessment date is January 01 and rent increase is calculated on April 01, two terms are created. The regular recurring rent increase term starts April 01 instead of January 01. A one time back bill term is created for the three months (January through March) missed. If the calculated rent increase amount is 100 per month, the back bill term will be for 3000. The payment start and end date for the back bill term is the current date.

Note: If the basis type is compounded, the back-billed rent increase is included in the next annual rent increase.

Oracle Property Manager performs the following steps to create the recurring rent increase term.

1. Calculates the term amount as follows:

Rent increase amount = the constrained annual rent increase / the spread frequency based on which base rent is paid

Note: The spread frequency is displayed in the Agreement tabbed region of the Rent Increase window. The rent increase has the same

frequency as the base rent.

The annual rent increase appears in the Rent Increase window.

2. Creates a term from the current date or the Date Assessed (whichever is later) to the end of the lease term.
3. Runs a concurrent program to transfer the term to the main lease after you approve the rent increase term. Corresponding schedules are created in the Authorize Payments and Billings window. See: Approve Rent Increase Terms, page B-5.

You can then authorize the schedule and export the amount to Oracle Payables or Oracle Receivables as a regular schedule item.

Calculating Rent Increase when the Default Relation is Greater Of

If you are calculating rent increase late and the Index Finder is Always Finder Date with Backbill, then three terms are created as follows:

1. A term for the normalized minimum amount
2. A term for the amount that equals the difference between the default basis percent and the actual index percent change to be paid from the current date to the end of the lease term
3. A term for the one-time back bill amount

When the minimum amount is assessed at a later date, Oracle Property Manager may create up to four terms.

1. A term for the recurring minimum amount
2. A term for the one-time back bill amount
3. Two terms created when the index is available

In all other cases, Oracle Property Manager creates a minimum of two payment or billing terms.

Determining the Length of Rent Increase Terms

After calculating rent increase, you create terms for the rent increase amount and, if required, for any back bill amount. Use the profile option PN: Rent Increase Term End Date to determine the length of regular rent increase terms. You can specify that Oracle Property Manager should create rent increase terms either up to the end of the lease or the end of the agreement. Consider the following example:

Agreement dates: January 1, 2000 to December 31, 2009

Lease end date: December 31, 2010

If you calculate rent increase on January 1, 2007, on time, the length of the term is one of the following, based on the profile option:

- Lease end: January 1, 2007 to December 31, 2010
- Agreement end: January 1, 2007 to December 31, 2009

Note: Use the Smallest Term Amount system option to specify the smallest value for which Oracle Property Manager creates index rent terms and auto generated adjusted terms. For more information, see: System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Creating Terms When Reference Period is Base Year

When you select base year as the reference period, Oracle Property Manager allows you to specify that rent increase terms must terminate on the end date of the assessment period rather than the end of the agreement or the lease. Consider the example provided above with additional information in the following table:

Required Information	Value
Rent increase end date	End of Agreement
Base year	2000
Reference period	Base Year
Basis type	Fixed
Assess in years	1
Initial basis	\$20,000
Index in base year	100
Index in first period	110
Index in second period	120
Date assessed	January 1, 2007

When you calculate rent increase for the first period, the index change percent is 10 percent and, consequently, the rent increase is \$2,000. The rent increase term spans from 2001 to 2009, when the agreement ends.

When you calculate rent increase for the second period, the index change percent is 20 percent and consequently, the rent increase is \$4,000. This rent increase term spans from 2002 to 2009. Therefore, in the year 2002, the tenant pays \$26,000 (base rent plus \$6,000 as the total rent increase) even though this subsequent assessment naturally incorporates the prior increase in the index. In such cases, you may want to *replace* the rent increase terms created for previous assessment periods rather than add to them.

The profile option PN: End Date for Base Year Reference Rent Increase Terms determines the length of the rent increase term in such cases. To continue the example provided above, assume that you have set the profile option to Assessment Period End. If you calculate rent increase on time, then rent increase terms have the following start and end dates:

- **Term 1:** January 01, 2007 to December 31, 2007
- **Term 2:** January 01, 2008 to December 31, 2008
- **Term 3:** January 01, 2009 to December 31, 2009

Important: The change in index takes care of the increase if you base rent increase on an index. However, if you use a fixed rate, you must manually change the fixed rate for each period to increment the rent increase.

Creating Rent Increase Terms After Late Calculations

If you select to create terms up to the end of the assessment period only and calculate rent increase for a period after the start date of the next, Oracle Property Manager does not create a rent increase term. It only creates a back bill term for the total amount. Assume the conditions listed in the earlier example, along with the following:

Index finder: Always Finder Date with Backbill

Monthly rent increase amount: \$1,000

You calculate rent increase for the first period (January 1, 2007 to December 31, 2008) on February 15, 2009. Oracle Property Manager multiplies the monthly rent increase (\$1,000) by the number of months in the period (24) to calculate the back bill term amount: \$24,000.

The back bill is a one-time or a recurring term depending on how you perform late calculations. See *Calculating Rent Increase After the Assessment Date*, page 6-32.

Important: If you select not to create a back bill, Oracle Property Manager does not create any term for the rent increase amount.

Normalizing Rent Increase Terms

The following rules relating to normalization affect the creation of rent increase terms.

- Back billed terms and one time payment for the difference between default basis percentage and the actual index percentage (if the default relation is Greater Of) are never normalized.
- All recurring rent increase terms that are generated from normalized parent terms are normalized by default.
- Rent increase terms are normalized using the normalization start date of the parent term. If the rent increase term is based on multiple parent terms that are normalized as of different dates, Oracle Property Manager uses the latest normalization start date.

Note: The normalization start date of the parent term is generally the lease commencement date. If the parent term is added as part of a lease amendment, the normalization start date is the amendment commencement date.

- If approved schedules already exist, the date of the first draft schedule is used to normalize the rent increase term.

Example: Normalization of Rent Increase Terms

The following example illustrates normalization of rent increase terms when the default relation is Greater Of.

A rent increase agreement stipulates that a tenant should pay an increase of at least 5 percent. The 5 percent portion of the rent increase can be normalized because it is known in advance and approved (transferred to the main lease.) The index is not available when the lease is signed, but when, 4 months later, say on May 01, 2001 the index is available, and if the new percentage is 12 percent, an additional amount (7 percent) must be paid.

Note that this additional amount is not normalized.

To summarize, two payment terms are created as follows:

1. A one-time back billed amount for the duration of 4 months (4 X \$70 = \$280)
2. A recurring rent increase of \$ 70 from May 01, 2001 to the end of the lease term

Dealing with Increases over Constraints

You can use the Increase Over Constraints field in the Constraints tab of the Rent Increase window to decide how amounts that exceed the rent increase maximum

constraints to subsequent periods.

You can define the treatment of the amounts that exceed the rent increase maximum constraints. The available options include the following:

- No Carry Forward, page 6-28
- Carry Forward Percentage, page 6-28
- Carry Forward Amount, page 6-30

Note: If the Carry Forward Percent or Carry Forward Amount constraint option is used, you can only calculate unconstrained rent and constrained rent for a single period if the prior period has been successfully calculated.

Changing Options

You can modify the value of the Increase Over Constraints field after rent increase has been calculated but not after terms are approved.

When you change the value of this field, previously generated periods and amounts are deleted and new periods and amounts are generated. Since the three Carry Forward options define the treatment of amounts that are less than or greater than the minimum or maximum constraints, they do not recalculate the amount when changed.

No Carry Forward

If you select No Carry Forward, amounts in excess of the maximum constraints are not carried forward when the calculated CPI or the basis percentage rent increase exceeds the maximum constrained increase allowed.

Carry Forward Percentage

If you select Carry Forward Percentage, the amounts in excess of the rent increase maximum constraints are carried forward in the form of a percentage.

Example of Carry Forward Percentage: Scenario 1

This example is based on the following assumptions:

- Constraint for rent due: Maximum amount is \$1300, minimum amount is \$1100
- Default relation: Fixed Rate Only
- Constraint Proration: None

The following table illustrates the constraints and calculated amounts for the example. The key for this table is:

- Ann - Annual
- Uncon - Unconstrained
- Con - Constrained

Base Year	Ann Basis	Basis Change %	Constraint Amount	Constraint %	Carry Forward %	Uncon Rent Due	Con Rent Due
2001	12,000	12	1300	NA	1.167%	1440	1300
2002	12,000	9	NA	NA	0%	1080	1220
2003	12,000	8.5	1100	NA	0%	1020	1100

Example of Carry Forward Percentage: Scenario 2

This example is based on the following assumptions:

- Constraint for rent due: Maximum percentage is 10%, minimum percentage is 2%
- Default relation: Fixed Rate Only
- Constraint Proration: None

The following table illustrates the constraints and calculated amounts for the example. The key for this table is:

- Ann - Annual
- Uncon - Unconstrained
- Con - Constrained

Base Year	Ann Basis	Basis Change %	Constraint Amount	Constraint %	Carry Forward %	Uncon Rent Due	Con Rent Due
2001	12,000	13	NA	10%	3%	1560	1200
2002	15,000	8	NA	10%	1%	1200	1500
2003	20,000	1	NA	2	0%	200	400

Example of Carry Forward Percentage: Scenario 3

This example is based on the following assumptions:

- Constraint for rent due: Maximum amount is \$1300
- Negative rent: Next Period
- Default relation: Fixed Rate Only
- Index Multiplier: 1
- Constraint Proration: None

The following table illustrates the constraints and calculated amounts for the example.

The key for this table is:

- Ann - Annual
- Uncon - Unconstrained
- Con - Constrained

Base Year	Ann Basis	Basis Change %	Constraint Amount	Constraint %	Carry Forward %	Uncon Rent Due	Con Rent Due
2001	12,000	12	1300	NA	1.167%	1440	1300
2002	20,000	-5	NA	NA	0%	-1000	0
2003	12,000	9	NA	NA	0%	1080	313.34

Carry Forward Amount

If you select Carry Forward Amount, the amounts in excess of the rent increase maximum constraints are carried forward to subsequent periods as numeric amounts.

Example of Carry Forward Amount: Scenario 1

This example is based on the following assumptions:

- Constraint for rent due: Maximum amount is \$1300, minimum amount is \$1100
- Default relation: Fixed Rate Only
- Constraint Proration: None

The following table illustrates the constraints and calculated amounts for the example.

The key for this table is:

- Ann - Annual
- Amt - Amount
- Uncon - Unconstrained
- Con - Constrained
- Fwd - Forward

Base Year	Ann Basis	Basis Change %	Constraint Amt	Constraint %	Carry Fwd Amt	Uncon Rent Due	Con Rent Due
2001	12,000	12	1300	NA	140	1440	1300
2002	12,000	9	NA	NA	0	1080	1220
2003	12,000	8.5	1100	NA	0	1020	1100

Example of Carry Forward Amount: Scenario 2

This example is based on the following assumptions:

- Constraint for rent due: Maximum percentage is 10%, minimum percentage is 2%
- Default relation: Fixed Rate Only
- Constraint Proration: None

The following table illustrates the constraints and calculated amounts for the example.

The key for this table is:

- Ann - Annual
- Amt - Amount
- Uncon - Unconstrained
- Con - Constrained
- Fwd - Forward

Base Year	Ann Basis	Basis Change %	Constraint Amt	Constraint %	Carry Fwd Amt	Uncon Rent Due	Con Rent Due
2001	12,000	13	NA	10%	360	1560	1300
2002	15,000	8	NA	10%	60	1200	1500
2003	20,000	1	NA	2%	0	200	400

Calculating Rent Increase After the Assessment Date

When setting up rent increase agreements, you specify an *index finder* to determine how rent increase terms are created when you calculate rent increase late, that is, after the assessment date. You must select one of the following index finder values:

- Always Finder Date Without Backbill: You can calculate rent increase only after an index value is available for the index finder date. For late calculations, Oracle Property Manager creates one rent increase term from the next scheduled invoice period, ignoring the period missed.
- Always Finder Date: You can calculate rent increase only after an index value is available for the index finder date. For late calculations, Oracle Property Manager normally creates the following two terms:
 1. A *back bill* term to cover the rent increase for the period between the assessment date and the calculation date
 2. A regular recurring rent increase term from the current date. See Determining the Length of Rent Increase Terms, page 6-24.
- Default Most Recent: You can calculate rent increase as required. If the index value for the index finder date is unavailable, Oracle Property Manager uses the most recent index value. For late calculations, Oracle Property Manager normally creates two terms, a back bill term and a rent increase term, as described earlier.

Use the profile option PN: Rent Increase Calculated After Assessment Date to determine whether Oracle Property Manager creates back bill terms, as described below.

- If you select to create a single term, Oracle Property Manager does not create back bill terms. It creates one rent increase term from the assessment date. The result is similar to calculating rent increase on time (on or before the assessment date).
- If you select to create back bill terms as one-time terms, Oracle Property Manager

uses the calculation (current) date as the term start and end dates, and as the transaction date.

- If you select to create back bill terms as recurring terms, Oracle Property Manager determines the term dates as follows:
 - Start date: The assessment date (the scheduled calculation date)
 - End date: One day before the start date of the rent increase term
 - Transaction date: The current date. Oracle Property Manager uses the current date as the transaction date (for billings) or invoice date (for payments) for all items belonging to the recurring back bill term. Therefore, you can use grouping rules to group all the back bill terms on a single invoice, if required.

The back bill term shares all other attributes with the regular rent increase term.

Allocating Rent Increase

When you select the Aggregation check box, Oracle Property Manager creates rent increase terms based on the underlying main lease terms. Oracle Property Manager creates a single rent increase term (for each assessment period) for a unique combination of key term details. Therefore, one term is created for all main lease terms that share the key term details. When multiple terms are required, Oracle Property Manager allocates the total increase to these terms in proportion to the amounts in the main lease terms. For example, if you have two tenants on the same lease, with separate terms for each tenant, Oracle Property Manager creates a new rent increase term for each tenant, reflecting the additional amounts owed by each tenant.

Oracle Property Manager considers the following term details when allocating a rent increase:

- GL accounts (specified for each main lease term)
- Rent types
- Frequency
- Supplier or customer names and sites
- Normalize check box (used when calculating allocated rent increases using the Relation values of Greater Of and Fixed Rate Only)
- Locations assigned to terms

Creating Allocated Terms

The following example shows how multiple terms are created as a result of allocation. When you select the Aggregation check box, the resulting escalation (rent increase) terms are driven by the underlying lease terms specifically from the type, purpose, frequency, GL accounts, customer/vendor name, and customer/vendor site. The terms are initially filtered by the value in the Increase On field or the Gross check box. After this initial filtering, the selected payment/billing terms are further filtered into their unique combinations.

Rent Increase Allocation Example

Main lease terms:

Num	Purpose	Type	Cust	Cust Site	GL Acct and % Split	Start and End Date	Amount
1	Rent	Base Rent	Vendor 1	Site 1	Account A: 60%	01-JAN-01 31-DEC-03	1000
					Account B: 40%		
2	Rent	Base Rent	Vendor 1	Site 1	Account C: 100%	01-JAN-01 31-DEC-03	1000
3	Rent	Base Rent	Vendor 2	Site 2	Account C: 100%	01-JAN-01 31-DEC-03	100

Increase Periods:

Num	Effective Date	Start and End Date	Increase On	Increase Type	%
1	01-JAN-02	01-JAN-02 31-DEC-04	Base Rent	Fixed	10
2	01-JAN-03	01-JAN-03 31-DEC-04	Base Rent	Fixed	10

Index Increase Terms for Effective Date: 01-JAN-02:

Num	Purpose	Type	Cust	Cust Site	GL Acct and % Split	Start and End Date	Amount
1	Rent	Base Rent	Vendor 1	Site 1	Account A: 60%	01-JAN-02 31- DEC-03	100
					Account B: 40%		
2	Rent	Base Rent	Vendor 1	Site 1	Account C: 100%	01-JAN-02 31- DEC-03	100
3	Rent	Base Rent	Vendor 2	Site 2	Account C: 100%	01-JAN-02 31- DEC-03	10

Index Increase Terms for Effective Date: 01-JAN-03:

Num	Purpose	Type	Cust	Cust Site	GL Acct and % Split	Start and End Date	Amount
1	Rent	Base Rent	Vendor 1	Site 1	Account A: 60%	01-JAN-03 31- DEC-03	110
					Account B: 40%		
2	Rent	Base Rent	Vendor 1	Site 1	Account C: 100%	01-JAN-03 31- DEC-03	110
3	Rent	Base Rent	Vendor 2	Site 2	Account C: 100%	01-JAN-02 31- DEC-03	11

Extending and Contracting Rent Increase Agreements

This section describes the implications of extending or contracting rent increase agreements either independently, or as part of a lease extension or contraction.

Extending Rent Increase Agreements

You extend a rent increase agreement by modifying the agreement termination date to any date before or equal to the effective end date of the associated lease. In addition, when you expand or extend a lease, you can select to extend associated rent increase agreements that terminate on the previous lease end date. See Extending or Expanding

Leases, page 5-185.

Oracle Property Manager behaves as follows when extending an agreement:

- **Basis periods:** Extends basis periods to the new agreement termination date or creates new basis periods, as appropriate.
- **Rent increase terms:** Creates or extends rent increase terms to the end of the lease, agreement, or assessment period. For more information, see *Determining the Length of Rent Increase Terms*, page 6-24.

Note: Oracle Property Manager extends rent increase terms only if you have set the Extend Index Rent Terms upon Lease Extension system option to Yes. See System Options in Property Manager, *Oracle Property Manager User Guide*.

The following table describes how Oracle Property Manager deals with rent increase terms when extending or expanding a lease:

Terms Created To	Implication
End of the lease	Oracle Property Manager extends rent increase terms that end on the previous lease end date to the new effective end date of the lease even if you select not to extend the associated rent increase agreement.
End of the agreement	<p>If you select to extend rent increase agreements, Oracle Property Manager extends existing terms that end on the agreement termination date to the new termination date.</p> <p>Oracle Property Manager also creates rent increase terms for the new assessment periods. Each term ends on the new agreement termination date.</p>
End of the assessment period	If you select to extend rent increase agreements, Oracle Property Manager creates rent increase terms for the new assessment periods. Terms end on the end date of the associated period.

Oracle Property Manager deals with rent increase term normalization as it does in the case of other normalized terms. See *Normalizing Terms During Lease Expansion*, page 5-186.

Related Topics

System Options, *Oracle Property Manager User Guide*

Lease Modifications, *Oracle Property Manager User Guide*

Contracting Rent Increase Agreements

You contract rent increase agreements by modifying the agreement termination date. When you contract an agreement, Oracle Property Manager deletes all basis periods that start after the new agreement termination date and contracts the periods that start before but end after the new agreement termination date. Oracle Property Manager then recalculates rent increase for affected basis periods. It deals with rent increase terms based on term length, as described below.

- Terms created to end of lease: Oracle Property Manager does not contract terms. When deleting associated periods, it deletes draft terms and creates adjustments for approved terms.
- Terms created to end of agreement: Oracle Property Manager contracts rent increase terms to the new agreement termination date. When deleting associated periods, it deletes draft terms and creates adjustments for approved terms.
- Terms created to end of assessment period: Oracle Property Manager contracts or deletes terms if it must contract or delete associated periods. It creates adjustment items, if required.

Contracting Agreements When Contracting Leases

Oracle Property Manager automatically contracts rent increase agreements when you contract the associated lease to a date earlier than the agreement termination date. Based on the new agreement termination date, Oracle Property Manager deletes, or contracts basis periods and recalculates rent increase for those periods. It deals with rent increase terms as described in the table below.

Location	Description
Rent Increase Agreement	<p>Oracle Property Manager performs the following tasks in the rent increase agreement:</p> <ul style="list-style-type: none"> • Deletes draft terms • Deletes approved terms that begin after the new lease termination date • Contracts approved terms that end after the new lease termination date • Creates new draft terms
Lease	<p>Oracle Property Manager performs the following tasks in the lease:</p> <ul style="list-style-type: none"> • Deletes terms that begin after the new lease termination date and have no approved schedules • Contracts terms that begin after the new lease termination date and have approved schedules to make them one-time terms with zero as amount. It also creates adjustment items for the terms' approved items. • Contracts terms that end after the new lease termination date. It creates adjustment items for approved amounts after the new lease termination date.

New or contracted rent increase terms end on the lease termination date, agreement termination date, or the assessment period end date, as appropriate.

Important: Oracle Property Manager treats rent increase terms with one or more approved schedules like any other lease term. That is, it deletes or contracts terms, and creates adjustments as required. For more information, see *Contracting Finalized Leases*, page 5-186.

Determining the Agreement Termination Date

When automatically contracting a rent increase agreement, Oracle Property Manager determines the agreement termination date based on the profile option PN: Allow Early

Termination Before Last Approved Schedule, as described in the table below.

Allow Contraction Before Last Approved Schedule	Lease has Normalized Terms	Impact
Yes	Yes or No	Oracle Property Manager contracts the agreement to the new lease termination date.
No	Yes	<p>Oracle Property Manager contracts the agreement to the new lease termination date.</p> <p>Important: The restrictions on lease termination dates in the case of a lease with normalized terms are the same as those for rent increase agreement termination.</p>
No	No	<p>Oracle Property Manager uses the later of the following dates as the new agreement termination date:</p> <ul style="list-style-type: none"> • New lease termination date • Item end date of the last approved rent increase term item

Consider the following example: You want to contract a lease for which you have approved schedules up to April 1, 2007. The lease has an associated rent increase agreement. The rent increase term, included in the schedule for April 2007, is a quarterly term. Thus, its item end date is June 30, 2007. Therefore, while you can contract the lease to a date as early as April 30 you cannot contract the rent increase agreement to a date earlier than June 30.

Related Topics

Determining the Length of Rent Increase Terms, page 6-24

Lease Modifications, *Oracle Property Manager User Guide*

Rent Increase Window References

This section contains window references for the windows you use to define rent increases.

Rent Increase Window Reference

Lease Details Region

Operating Unit. The operating unit to which the rent agreement belongs.

Name. The main lease name is selected from an LOV of existing leases. If the lease number is already selected, the name will default. This field is required.

Number. The main lease number is selected from an LOV of existing leases. If the lease name is already selected, the number will default. This field is required.

Class. The lease class is a display-only field that defaults from the Lease window.

Commencement Date. The lease commencement date is a display-only date field that defaults from the Lease window.

Termination Date. The lease termination date is a display-only field that defaults from the Lease window.

Location Code. The Location Code that is associated with the main lease. The system defaults the primary location associated with the main lease. You can override this location with any of the other locations that are associated with the same lease that are not primary locations.

Rent Increase Details Region

Number. This field is required. Depending on how the Automatic Number Generation (Rent Increase) system option has been set, you may have to specify a unique rent increase number manually. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

Index Type. The name of the index you want to use with the rent increase agreement. You define Index Types in the Index History window. This field is required.

Commencement Date. The rent increase commencement date must lie between the main lease commencement and termination dates. It defaults to one year greater than the commencement date of the lease, but can be overridden. It is used to generate rent increase periods. This field is required.

Termination Date. The rent increase termination date must lie between the main lease commencement and termination dates and must be equal to, or later than, the rent increase commencement date. It defaults to the termination date of the lease, but can be overridden. The rent increase termination date cannot be greater than the main lease termination date. This is the last date by which rent increases can be evaluated. This

field is required.

User Responsible. The Username LOV is similar to the Abstracted by LOV used in the Lease window. This field is required.

Agreement Tabbed Region

Details Region

Assess in Years. The frequency, in years, that rent increase is assessed. It can be any positive, whole integer. This field is used to generate periods in the Periods tabbed region. This field is required.

Date Assessed. The date of every year that fixed increase or rent increase is assessed, and expressed as day-month-year, e.g. DD-MMM-YYYY. The date cannot exceed the 28th day of any month. This field is required.

Base Year. The base year value is required if the reference period is base year. The base year is formatted as DD-MMM-YY.

Base Index. The base index value agreed upon in the lease as the basis for which comparison will be made in the second year. The system can default the base index value by using the index type from the Rent Increase Details region and the Base Year. You can overwrite this value

Increase On. The Increase On field is a validated list of values. If there is no base rent in the main lease, then base rent will not appear in this LOV. This field brings up all types defined for the main lease associated with this rent increase agreement. If you select Operating Expenses, the system adds all the payments or billings of the type operating expense for the period duration. A payment/billing term of Base Rent must exist in the main lease for base rent to appear in the LOV. This field is required.

Note: Changing the value of the Increase On field after calculating rent increase clears the initial basis amount. The value in the Initial Basis field is recalculated during the next rent increase calculation.

Gross check box. The field denotes if the system should take into account all the terms defined in the main lease for calculation of the basis amount. The Gross check box and the Increase On fields are mutually exclusive.

Reference Period. The Reference period is a poplist containing the values of Base Year, Previous Year-Use Assessment Date Duration, or Previous Year-Use Previous Current CPI.

- If the Reference Period is Base Year, then all the calculations are compared to the values in the Base Period and the Basis Type can only be the Fixed type. You cannot select the Basis Type of Rolling or Compounded if the Reference Period is Base Year.
- If the Reference Period is Previous Year, then all increases are calculated based on

the previous rent increase period and the Basis Type can be either Rolling or Compounded. It cannot be Fixed.

- Increase from Previous Year-Use Assessment Date Duration: If the increase is from the previous year, then the current index value is compared to the previous year index value.

For the previous year, the calculation is: (current period index value - previous year index value)/previous year index value.

The following table illustrates a two-step process outlined to calculate the index percentage when the reference period is Previous Year-Use Assessment Date Duration. This process helps explain how the index date is determined if the reference period is previous year - Use Assessment Date and the second period begins less than a year after the first period.

Period	Date Assessed	Index Finder Date
1	01/01/01	09/01/00
2	05/01/01	01/01/01

If the reference period is Previous Year and the default relation is Index Only, Greater Of, or Lesser Of: for period 1, the current index is the index corresponding to the index finder date: 09/01/00. This information is available in the Index History for the Index Type defined. The previous index is the base index for the 1st period. .

If the index finder date is Default Most Recent, the current index would be the index corresponding to a date that is the closest to the index finder date for that period. If the index finder is Always Finder Date with BackBill, then the current index would correspond to the CPI for 09/01/00. The same applies if the index finder is Always Finder Date without BackBill.

For the second period, the index date is 01/01/01, and this date is used to calculate the current index. To calculate the previous index, the system first calculates the difference between the assess dates of the current and the previous period. In this case, the difference is four months (01/01/01 - 05/01/00).

If the index finder is Always Finder Date with/without Backbill, the previous index date = current index date - 4 months (as calculated above) = 09/01/00. This date is used to find the previous index.

If the index date is Use Most Recent, the system finds the most recent current index. If the Index Finder date was 01/01/01 and the most recent, published index available was for 12/01/00, then the current index is the one that was published for 12/01/00. The previous index date is then calculated as 12/01/00 - 4 = 08/01/00. The previous index is the one published for 08/01/00.

- Increase from Previous Year-Use Previous Current CPI: In this case, the previous index for each period = the current index of the prior period. Considering the previous example, for period 2, the current index = the index corresponding to the index finder date of 01/01/01 and the previous index = the current index for period 1 = the index corresponding to index finder date of 09/01/00.

Basis Type. The basis type can be Fixed, Rolling, or Compound. If fixed, the basis stays the same from period to period. If Rolling, the basis for each new period is calculated as selecting all payment/billing items, depending on the value of the Increase On field, that lie within the basis start and end dates. If the basis is compounded, then the system will add this year's rent, plus the previous year's rent increase, to calculate the new basis. Also, if the initial basis is defined and the Basis Type is fixed, then it is the initial basis amount that is populated in the annualized basis fields for all periods. This field is required.

Index Finder. The Index Finder field is a scroll box containing three values and a contingency default if the index is unavailable. The three values include the following:

- Always Finder Date without BackBill - The finder date is always used
- Default Most Recent - The most recent index date defaults
- Always Finder Date with BackBill - The systems waits until the index date is available. It then creates an extra payment/billing term for the backbilled amount

Defaults Region

Default Relation. The default relation value is selected from four available options, including; Greater Of, Lesser Of, Fixed Rate Only, and Index Only

Default Basis %. The optional default basis percentage to be used for calculations. This field is disabled when the relationship Index Only is specified.

This field is required and defaults to the value Default Most Recent.

Term Template. The term template used for payment/billing purposes. The LOV will only display existing term templates. This field is required.

Negative Rent. This field is a pop list with three possible values, including the following:

- Ignore: Choosing this value will cause the system to ignore the negative rent.
- This Period: This value recognizes the negative rent in this period.
- Next Period: Choosing this value will pass on the negative rent as an abatement to the next period.

The default is to disallow negative rent increase. This field is required.

Spread Frequency. The spread frequency is how the annual invoiced amount is spread

over the year. It cannot be updated after one rent increase invoice has been exported. This field is required.

Index Finder Months. This is the number that will be added to the Date Assessed to find the Index Finder Date for each period. The number can be any whole integer. (positive, negative or zero). This field is required and defaults to -2.

Initial Basis. The Basis rent to be used in calculations of the first period. System picks up all the payments or billings of type base rent for the period duration, and puts the sum in this field. Although you can update this field, once the basis amounts in the basis periods have been calculated, updating the initial basis in the Agreements tabbed region would not change the basis amounts in the periods dynamically. To recalculate, you would first have to Undo periods or delete the individual basis amounts.

The basis is automatically calculated as the annual amount of what the increase is on. Optionally, check the Retain initial basis for calculation check box if you do not want to override the initial basis when the rent increase is recalculated. If the check box is checked, and the initial basis field is not null, the initial basis is not overridden. If the check box is selected and the initial basis is null, the null initial basis is overridden and replaced with a new calculated value.

If the increase is on base rent, then the sum of all lease payments or billings of type Base Rent for the duration of the year are defaulted into the Base Rent field. Individual payment/billing terms are displayed in the non-validated LOV. The calculations are defaulted, but the you can update the values. Also, if the Gross check box is checked, the basis amount is the sum of all the payment/billing terms defined in the main lease for the basis period. This field is required with rent increases.

Rounding Flag check box. The rounding flag check box field controls whether or not the payment term amount (annualized constrained rent increase amount/spread frequency) is rounded. More rounding options can be added at the main lease level and are effective at the line item level before the payment/billing is exported.

Aggregation check box. Select this check box to create rent increase terms based on the terms in the main lease (that are the basis for the rent increase) and to create multiple rent increase terms. Oracle Property Manager allocates the net rent increase assessed for a period to each rent increase term in proportion to the amounts in the main lease terms. For details, see Allocating Rent Increase, page 6-33.

Basis Periods Tabbed Region

Number. The number of the periods, distinguished by assessment dates. The field is system-generated.

Date Assessed. The date the rent increase is assessed. It is not updatable if there are any approved payment/billing term for that period. The field is system-generated.

Start Date. This value is system generated, but can be updated. The basis start date is 366 days prior to the Assess Date.

End Date. The Basis End date is the day prior to the Assessed Date. This field is system-generated.

Index Finder Date. The index finder date is the sum of the values of the Date Assessed plus the Index Finder Months. This value is defaulted into the Index Finder Date field for each period. The index finder date is the date associated with the index and is the date used to select the current index value. You can update the Index Finder Date field.

Actual Index Date. The actual index date represents the index finder date used to calculate the previous index. This field is especially useful in determining the index finder date for the previous index when the Default Most Recent option is selected in the Index Finder Method field.

Annualized Basis. The value of this system calculated field depends on the following scenarios:

- If Increase On has the value of Base Rent, then the field is the sum of Base Rent for the period
- If the increase is on operating expenses, then the field is the sum of the operating expenses for the period. The same is applicable for any type selected from the LOV that lists all types defined for that lease
- If the Gross check box is checked, and the increase is on Gross Rent, then the field is the sum of all types defined for the period.
- If the basis is defined to be fixed in the Agreement, it will stay the same from period to period.
- If the basis is defined as rolling, it is calculated as the sum of all types defined in the Increase On field for that basis period.
- If the basis is compounded, then the field is calculated as the sum of this year's basis plus all previous rent increases.

The basis is calculated as all pertinent schedule items between the Basis Start and End dates. However, Oracle Property Manager ignores all terms that have a frequency of One Time (including terms for back-billed rent increases) when calculating or recalculating the annualized basis. You can update the value calculated by Oracle Property Manager if required.

Relationship. The possible values for this field include; Greater Of, Lesser Of, Fixed Rate Only, and Index Only.

- Greater Of - The system calculates rent increase % and compares it to a user entered basis increase %. The system selects the greater % and uses it to calculate the Rent Increase
- Lesser Of - Of the two percentages, index and basis, the smaller percentage is selected and used to calculate the rent increase
- Fixed Rate Only- The system uses the user entered percentage for basis increase,

and calculates a fixed percentage increase

- Index Only - The system only examines the index percentage increase

This field is required.

Index Change %. Index Change % is system calculated based on the change in the index over a specific period. Oracle Property Manager applies the index multiplier to the index change percentage to arrive at the adjusted index change percentage.

If the rent increase is based on the Base Year, then the % Change formula is $(\text{Current Index} - \text{Base Year Index}) / \text{Base Year Index}$.

If the rent increase reference period is Previous Year, then the % Change formula is $(\text{Current Index} - \text{Previous Year}) / \text{Previous Year}$.

The field is required only if the relation is Index Only, Greater Of and Lessor Of.

Basis Change %. The user-entered % of basis change to be compared with the index % change. If rent increases are fixed, then this field is required and user entered. If there is a comparative, such as the greater of or the lesser of, then this field is required.

Unconstrained Rent Due. The calculated annualized rent increase amount.

Constrained Rent Due. The constraints from Constraints window are applied to the unconstrained rent increase. Constraints from Negative Rent in the Agreement tabbed region are also applied.

Constraints Tabbed Region

Increase Over Constraint. You can define the treatment of the amounts that exceed the rent increase maximum constraints. The available options include the following:

- No Carry Forward: If you use the No Carry Forward option, none of the amounts in excess of the rent increase maximum constraints are carried forward when the calculated CPI or the basis percentage rent increase exceeds the maximum constrained increase allowed.
- Carry Forward Percentage: If you use the Carry Forward Percentage option, the amounts in excess of the rent increase maximum constraints are carried forward in the form of a percentage.
- Carry Forward Amount: If you use the Carry Forward Amount option, the amounts in excess of the rent increase maximum constraints are carried forward to subsequent periods as numeric amounts.

Scope. The scope poplist consists of two values: Rent Due or Period to Period Increase.

Minimum Amount. The Minimum Amount constraint is mutually exclusive with the Minimum Percentage constraint.

Maximum Amount. The Maximum Amount constraint is mutually exclusive with the Maximum Percentage constraint and must be equal to or greater than the Minimum

Amount.

Minimum Percentage. The Minimum Percentage increase constraint is mutually exclusive with the Minimum Amount constraint.

Maximum Percentage. The Maximum Percentage constraint is mutually exclusive with the Maximum Amount constraint and must be equal to or greater than the Minimum Percentage.

Rent Increase Terms for Compliance Calculations. Rent Increase Terms are made eligible for compliance calculations based on underlying payment term's compliance check boxes.

Related Topics

Assigning Office Space to Employees and Cost Centers, page 4-2

Assigning Office Space to Customers, page 5-39

Modifying Employee Office Space Assignments, page 4-11

Managing Properties, page 3-1

Managing Variable Rent

This chapter provides a complete description of the functionality for creating variable rent agreements and calculating rent.

This chapter covers the following topics:

- Overview of Variable Rent
- Creating Variable Rent Agreements
- Calculating Variable Rent

Overview of Variable Rent

The Variable Rent feature enables you to calculate rent based on a variety of factors or by using the Create Variable Rent API. You can create variable rent agreements and calculate rent on any variable volume such as sales volumes, utility consumption, hours, or services provided. For example, you can calculate rent based on a percentage of the sales volume on the leased premises. For more information about the `PN_VAR_RENT_PUB.CREATE_VAR_RENT` API, see Oracle Integration Repository.

Before you can calculate rent, you must create a variable rent agreement to define the attributes that Oracle Property Manager uses for rent calculation. These attributes include calculation methods, rent periods, breakpoints, constraints, and allowances.

To calculate rent, you must periodically collect and report the volumes against which you calculate rent. The calculation process applies agreement attributes to the reported volumes to determine the rent amount for each invoice. If actual volumes are not available for rent calculation, Oracle Property Manager enables you to use forecast volumes to calculate rent. You can later reconcile the difference between actual and forecast rent and if necessary, generate an adjustment to settle the difference.

To update variable rent, you can use the Update Variable Rent API. For more information about the `PN_VAR_RENT_PUB.UPDATE_VAR_RENT` API, see Oracle Integration Repository.

Creating Variable Rent Agreements

Before you can calculate variable rent and create variable rent terms, you must create variable rent agreements. You can directly create a variable rent agreement or use an agreement template. You create a variable rent agreement for a defined duration. You can extend or shorten this duration, if required.

You create a variable rent agreement for a lease, a business category, and business volume type. For example, you can create a variable rent agreement for a camera store with a volume type of sales.

You can further define lines of business or line items for which you separately enter volumes and calculate rent. For example, for a camera store, you can calculate rent separately for the line items of sales, camera repair services, and film processing.

In addition, you must define the following agreement attributes that the calculation process uses to calculate rent:

- Calculation and partial year methods to specify how Oracle Property Manager calculates rent for annual periods and partial annual periods. See *Calculating Gross Variable Rent*, page 7-22.
- Variable rent periods to specify when to report business volumes, calculate rent, and create variable rent terms for invoices. See *Generating Periods*, page 7-6.
- Line items to specify the detailed lines of business for which you want to separately calculate rent
- Breakpoints to specify a rate that you apply to calculate the rent for the reported volume that exceeds the breakpoint volume for a line item. See *Defining Line Items and Breakpoints*, page 7-8.
- Constraints to limit variable rent to a maximum and minimum amount. See *Defining Constraints*, page 7-12.
- Abatements and allowances to specify reductions or adjustments on rent amounts. See *Defining Abatements and Allowances*, page 7-13.

You define attributes for calculating rent and generating periods in the Variable Rent window. You define line items, breakpoints, constraints, and abatements and allowances in the Set Up window. You navigate to the Set Up window from the Variable Rent window.

Entering Agreement Details

You enter details for a variable rent agreement that determine the purpose of the agreement, and the frequency and procedure for calculating variable rent. You enter these details in the Variable Rent window. These details are listed below.

- **Lease.** You associate an agreement with a lease. If you select a different lease, you must redefine agreement attributes.
- **Category and Volume Type.** You define a category to identify the business for which you are calculating rent. You also specify a volume type to identify the type of volume you are using to calculate rent. The category and volume type enable you to classify variable rent agreements.
- **Invoice On.** You specify an Invoice On value to indicate whether to calculate rent based on forecast volumes or actual volumes. For more information, see *Working with Forecast Volumes*, page 7-33.
- **Calculation Method.** You select the method for calculating rent for an entire agreement annual period. For more information, see *Calculating Gross Variable Rent*, page 7-17.
- **Partial Year Method.** You select the method for calculating rent if the agreement has partial periods at the beginning or the end of the agreement.
- **Negative Rent.** You select the method for treating variable rent that is a negative amount. For more information, see *Calculating Net Variable Rent*, page 7-29.
- **Term Template.** You select the template that you want to use to copy default values when creating a payment or billing term for the rent amount. Values include customer or supplier name and account codes. For more information, see *Payment and Billing Term Templates*, *Oracle Property Manager User Guide*.
- **Dates and Frequencies.** You enter dates and frequencies for generating variable rent periods used to report volumes and calculate rent. For example, you can choose to generate annual periods for the agreement using a General Ledger or a sales calendar. For more information, see *Generating Periods*, page 7-6.
- **Line Items.** You define line items to identify different lines of business for which you want to separately calculate rent. For each line item, you enter volumes and define breakpoints. For more information, see *Defining Line Items and Breakpoints*, page 7-8.

You can enter agreement details manually each time you create a variable rent agreement. Alternatively, you can create an agreement template in the Variable Rent Template window and use this template to copy default details into new agreements. If required, you can modify default values in the Variable Rent window.

Variable Rent Window Reference

This section explains selected fields of the Variable Rent window.

Lease Details Region

Name/Number. Select the name or number of the lease for which you are creating this variable rent agreement. If you select either the lease name or number, Oracle Property Manager automatically displays the other.

Extension End Date. Displays the new end date if you extend the lease.

Location. Select the location for which you are creating this variable rent agreement. The default value is the primary location for the lease.

Variable Rent Details Region

Number. Based on your setting for the Automatic Number Generation (Variable Rent) system option, you can either enter the number for the agreement or have Oracle Property Manager generate the number. For more information, see System Options, *Oracle Property Manager User Guide*.

Commencement/Termination Date. Displays lease start and end dates for the agreement. You can edit these dates.

Term Template. Select the payment or billing term template you want to use to create variable rent terms. Alternatively, you can use the Term Template button to create a new one or modify an existing one.

Currency. Enter the currency in which you pay or receive variable rent.

Agreement Tab

Negative Rent. Select how Oracle Property Manager treats rent that is a negative amount. The default value is Ignore.

Volume Type. Select the type of business volume for which you are calculating rent. The volume type you select determines the labels for the Channel and Product Category fields for line items. See Window Reference for the Breakpoints Tab in the Setup Window, page 7-11.

Category. Select the business category for which you are creating a rent agreement.

Use GL Calendar. Select to generate variable rent periods using a GL calendar. The default value is No.

GL Calendar. If you choose to use a GL calendar to generate variable rent periods, select a GL accounting calendar. Ensure that the duration of the GL calendar is longer than that of the variable rent agreement.

To derive the billing date on the last date of calendar period, select the GL Calendar and use the Last Date of Calendar Period value of the PN: Variable Rent Billing Date profile option. For more information, see PN: Variable Rent Billing Date, in *Oracle Property Manager Implementation Guide*.

Period Type. If you choose to use a GL calendar to generate variable rent periods, select the type of GL calendar period. For example, you can choose Month, Week, or Quarter.

Annual Period Start Day. If you are not using a GL calendar, enter the day of the year on which Oracle Property Manager begins generating periods. For percentage rent, this is the start day of the sales reporting calendar.

When you define the Annual Period Start Date and use a GL calendar, the last date of the period is derived based on the Start Date defined applying the same logic of 29, 30, and 31st dates as stated in GL Calendar above.

Frequency. Select the frequency with which Oracle Property Manager generates the respective period. The invoicing frequency must be greater than or equal to the calculation frequency. In turn, the calculation frequency must be greater than or equal to the reporting frequency. You can select from a frequency of monthly, quarterly, semiannually, or annually.

You enter volumes for a reporting period, calculate gross variable rent for a calculation period, and derive rent for an invoice period. You cannot change the frequency *after* you approve a rent amount for an invoice.

Due Day/No. of Days After (Reporting). Enter the due day or the number of days after the reporting period to derive the due date for the volume report. Enter a day from 1 through 28 or the number of days after the reporting period when the volume report is due.

For example, if you enter a due day value of 10 for an agreement with monthly reporting frequency, the volume report is due on the tenth day of every month.

Alternatively, if you enter 10 as the number of days after the reporting period and the reporting period ends on February 14, 2007, the due date for the volume report is February 24, 2007.

Day/No. of Days After (Invoicing). Enter the due day or the number of days after the invoice period to derive the due date for variable rent payment. The value you enter appears as the start date and schedule day for the invoice rent amount in the Term Details window. Enter a day from 1 through 28 or the number of days after the invoice period when variable rent is due.

For example, if you enter a due day value of 10 for a variable rent agreement that starts on January 1, 2007 and has a quarterly invoicing frequency, the first variable rent due date is April 10, 2007.

Alternatively, if you enter 10 as the number of days after the invoice period and the invoice period ends on April 14, 2007, the due date for the next variable rent payment is July 24, 2007.

Annual Periods Tab

Actual Variable Rent. Displays the rent for the annual period based on actual volumes.

Forecasted Variable Rent. Displays the rent for the annual period based on forecast volumes.

Variance. Displays the difference between actual and forecast rent amounts.

Status. Displays the system-defined status of the annual period. The status can be any

of the following:

- **Null.** For annual periods with no change in status.
- **Reversed.** For unavailable annual periods caused by reducing the duration of the agreement, often as a result of lease contraction.

Using an Agreement Template

You can create a template that you can use to create variable rent agreements. You define the following agreement details for the agreement template in the Variable Rent Template window:

- Template name and operating unit
- Variable rent category and business volume type
- Calculation method and partial year calculation method
- Treatment for rent that is a negative amount
- Dates and frequencies for annual, calculation, reporting, and invoice periods
- Line items

When you select a template for the agreement in the Variable Rent window, Oracle Property Manager automatically copies agreement details that you defined in the template to the new variable rent agreement. You can manually override any default value in the agreement.

You can also delete existing templates or change an existing template for use on future variable rent agreements. Changing and deleting a template has no effect on existing agreements based on the template.

Variable Rent Template Window Reference

For information on the fields in this window, see the following window references:

Variable Rent Window Reference, page 7-3

Window Reference for the Breakpoints tab in the Setup Window, page 7-11

Generating Periods

You must generate periods for a variable rent agreement in order to enter volumes, calculate rent, and create and approve terms for invoice rent amounts. To enable Oracle Property Manager to generate periods, you can either use the Generate Periods API or you must enter annual period dates, and invoicing, calculation, and reporting frequencies. To enter breakpoint details, you can use the Create Breakpoint API. For

more information about the PN_VAR_RENT_PUB.GENERATE_PERIODS API, and PN_VAR_RENT_PUB.CREATE_BKPT_CONST_ALLOW_ABAT API, see Oracle Integration Repository.

A variable rent agreement has the following periods:

- **Annual period.** This period spans a sales year. Oracle Property Manager uses the start day that you enter or the GL calendar that you select to generate annual periods. The number of annual periods depends on the duration of the agreement. An agreement can have partial periods if it starts or finishes in the middle of a year. Each annual period can contain multiple invoice, calculation, and reporting periods.

You can view the variable rent amount for an annual period in the Annual Periods tab of the Variable Rent window. This is the sum of variable rent amounts for invoice periods of the annual period.

- **Invoice period.** This period defines the frequency with which you calculate and approve rent amounts for invoices. The invoicing frequency you enter determines the duration of each invoice period and the number of invoice periods that an annual period contains. An invoice period can consist of multiple calculation periods.
- **Calculation period.** This period defines the frequency with which you calculate gross variable rent. The calculation frequency you enter determines the duration of each calculation period and the number of calculation periods in an annual period. A calculation period can contain multiple reporting periods.

In addition, Oracle Property Manager uses the calculation frequency to generate group dates for an annual period. A group date is a way of naming the calculation period with a single value of start date instead of using both the start and end dates.

For example, if the annual period is the year 2001, and the calculation frequency is quarterly, Oracle Property Manager generates and stores four group dates: 01-Jan-2001, 01-Apr-2001, 01-Jul-2001, and 01-Oct-2001.

- **Reporting period.** This period defines the frequency with which the tenant must report sales volumes that you enter for the agreement. The reporting frequency that you enter determines the duration of each reporting period and the number of reporting periods in an annual period.

After you generate periods, you can change the following components of the variable rent agreement any time before you approve terms:

- GL calendar
- Annual period start day
- Reporting, calculation, or invoicing frequency
- Breakpoints

- Constraints
- Abatements or allowances
- Agreement duration

To change dates and frequencies, you must first undo generated periods and regenerate them after you make your changes. Undoing periods removes all related data. For example, you must re-enter breakpoints, constraints, abatements, allowances, and volumes.

When you extend an agreement, Oracle Property Manager automatically generates periods for the extension. Similarly, when you contract an agreement, Oracle Property Manager automatically shortens periods that start before the new termination date and deletes periods that start after the new termination date.

Related Topics

Calculating Gross Variable Rent, page 7-22

Calculating Net Variable Rent, page 7-29

Extending and Contracting Agreements, page 7-16

Defining Line Items and Breakpoints

A line item enables you to define a specific detail business activity, and enter volumes and calculate rent for the line item. For each agreement, you can enter one or more line items. For example, a restaurant with the volume type of quantity, can have food and bar as line items.

After you define line items, you can enter breakpoints for them. A breakpoint is a volume that Oracle Property Manager compares with the line item volume for the calculation period in order to calculate rent.

After you define line items and breakpoints, you must generate them before you enter volumes and deductions for line items. Oracle Property Manager displays generated breakpoints in the Line Items window and uses them when calculating rent. For more information, see *Entering Volumes*, page 7-18. To change line items or breakpoints *after* you generate them, Oracle Property Manager enables you to *undo* the generation.

Defining Line Items

You can define line items for a variable rent agreement template in the Variable Rent Template window. When you create an agreement from the template, Oracle Property Manager automatically copies these line items to the agreement. Alternatively, you can set up new or additional line items in the Setup window *after* you generate periods.

Defining Breakpoints

You define breakpoints for a line item in the Setup window. For a breakpoint, you define a range of volumes, a rate, and a period when the rate is applicable. Each breakpoint can have its own set of breakpoint details. Each breakpoint detail has its own range of volumes, rate, and period. Oracle Property Manager uses the applicable breakpoint detail volume for the calculation period to calculate rent.

Breakpoints for a line item and breakpoint details for a breakpoint must not overlap. Neither must dates nor volumes for breakpoints and breakpoint details overlap.

To calculate rent, Oracle Property Manager uses the calculation method to determine the reported volume and applicable breakpoint detail volume that it must compare. If you are calculating rent for a partial annual period, Oracle Property Manager uses the partial year method to determine the volumes. If the reported volume exceeds the breakpoint detail volume, Oracle Property Manager applies the breakpoint detail rate to the overage volume to calculate variable rent.

You can choose to define either natural or artificial breakpoints. For natural breakpoints, Oracle Property Manager creates breakpoint details. For artificial breakpoints, you must create breakpoint details. You can change breakpoint definitions for both natural breakpoints and artificial breakpoints at any time. To change artificial breakpoints, you must first *undo* the breakpoints, make your changes, and then generate the changed breakpoints. For natural breakpoints, Oracle Property Manager automatically updates them with your changes. In either case, you must recalculate rent *after* making changes.

Note: Deleting a breakpoint deletes all breakpoint details for the breakpoint. Deleting a line item deletes breakpoints, breakpoint details, and all associated volumes and deductions.

Defining Natural Breakpoints

For natural breakpoints, Oracle Property Manager uses the specified breakpoint rates and dates to derive the annualized basis amount, and calculate breakpoint detail volumes and rates.

To derive the annualized basis amount, Oracle Property Manager considers the terms you included and the frequency of these terms in an annual period. In the Payment or Billing tab of the Lease window, you can select to include in the annualized basis either the term, or both the term and the approved rent increase term based on the term. The annualized natural breakpoint basis amount is thus the sum of included term amounts. For each change in the total of basis terms, Oracle Property Manager creates a new breakpoint detail.

For each breakpoint detail, Oracle Property Manager calculates the period breakpoint volume and then uses this period breakpoint volume to calculate the group breakpoint volume. The period breakpoint volume is for an annual period whereas the group

breakpoint volume is for a calculation period. See the following formulas:

1. Period breakpoint volume equals Annualized basis amount divided by Breakpoint rate for the annual period
2. Group breakpoint volume equals Period breakpoint volume divided by Number of calculation periods in an annual period

If the annualized basis changes or you change the natural breakpoint rate, then Oracle Property Manager automatically recalculates the breakpoint detail volumes. The annualized basis can change if you change your inclusion selections. For example, you may approve a new rent increase term, which is marked for inclusion in the natural breakpoint basis.

The natural breakpoint basis can also change if you make changes in the lease either directly in a draft lease or through amendments and edits for a finalized lease. When you save the edits, the Update Natural Breakpoint concurrent program runs automatically and retroactively recalculates the new annualized basis amount. Oracle Property Manager then creates new breakpoints for the new annualized basis.

Defining Artificial Breakpoints

For artificial breakpoints, you must manually enter the ranges of volumes and corresponding rates for breakpoint details. For breakpoint details, you can either enter period breakpoint volumes or group breakpoint volumes, and Oracle Property Manager calculates the other using the following formula. A period breakpoint volume is for an annual period; a group breakpoint volume is for a calculation period.

Group breakpoint detail volume equals Period breakpoint detail volume divided by Number of calculation periods in an annual period

You can enter multiple breakpoint volumes and change them at any time. A variable rent agreement can have the following artificial breakpoint types each with its own method of applying breakpoint rate:

- **Stratified.** This breakpoint type has multiple breakpoint details with different volume ranges for the same set of dates. For stratified breakpoints, Oracle Property Manager calculates overage volumes separately for each range and multiplies each volume with the rate associated with that range. The total gross variable rent for the calculation period is the sum of the gross variable rents for all ranges.

For example, if the volume is \$3,000 and the agreement states that the tenant pays 15 percent for a volume below \$1,000, and 10 percent for any volume over \$1,000, then the tenant must pay a rent amount of \$350. You derive this amount using the following formula:

$$(\$1,000 \text{ at } 15\%) + (\$2,000 \text{ at } 10\%) \text{ or } \$150 + \$200$$

- **Flat.** This breakpoint type supports only one breakpoint detail with one range of volume for a set of dates. For a flat breakpoint, Oracle Property Manager calculates

variable rent on the reported volume above the breakpoint detail volume per the rate of the last included breakpoint detail volume.

For example, if the volume is \$3,000 and the agreement states that the tenant pays 10 percent of any volume over \$1,000, the tenant must pay 10 percent of \$2,000, which is \$200.

- **Sliding.** This breakpoint type has multiple breakpoint details with different volume ranges for the same set of dates. For a sliding breakpoint, Oracle Property Manager calculates variable rent on the total reported volume per the rate of the last included breakpoint detail volume.

For example, if the volume is \$3,000 and the agreement states that the tenant pays 5 percent for any volume over \$1,000, and 10 percent for any volume over \$2,000, then the tenant must pay \$300 (\$3,000 at 10 percent).

Window Reference for the Breakpoints Tab in the Setup Window

This section describes selected fields of the Breakpoints tab in the Setup window.

Lines Region

Channel. Enter the channel that identifies the line item. You must enter either a Channel or a Product Category, or both, for every line item.

Product Category. Enter the product category that identifies the line item.

Start/End Date. Line item start and end date. Oracle Property Manager displays the start date of the earliest breakpoint and the end date of the latest breakpoint. These dates must match the agreement start and end dates.

Breakpoint Header Region

Start/End Date. Enter the start and end date of the breakpoint for which the rate is applicable.

Note: Oracle Property Manager displays the dates of the agreement as the default start and end dates of the breakpoint. You can modify the dates. The start date of subsequent breakpoints is always one day *after* the end date of the previous breakpoint.

Frequency. Displays the calculation frequency that you defined for the agreement. The calculation frequency can be monthly, quarterly, semiannually, or annually. Oracle Property Manager uses this value to calculate the group breakpoint.

Break Type. Select the type of breakpoints you want to define for the line item; natural or artificial. The default value is Natural. The default for a subsequent breakpoint is the value of the previous breakpoint for that line item.

Natural Break Rate. Enter the rate that Oracle Property Manager must use to calculate

natural breakpoints. This can be different from the rate for the period or group breakpoint.

Breakpoint Type. If you choose to define artificial breakpoints, select if you want to define flat, sliding, or stratified breakpoints. The default value is Flat. The default for a subsequent breakpoint is the value of the previous breakpoint.

Note: Save a breakpoint before creating another. When you save a breakpoint, Oracle Property Manager validates the saved breakpoint against existing breakpoints for the line item to ensure that dates and volumes do not overlap.

Breakpoint Detail Region

Start/End Date. For a natural breakpoint, displays the calculated start and end dates of breakpoint details based on the dates that the natural breakpoint basis amount changes. For an artificial breakpoint, enter start and end dates of breakpoint details that fall within the start and end dates of the breakpoint.

From/To Period/Group Breakpoint Volume. For a natural breakpoint detail, displays the range of period and group volumes derived by dividing the annualized basis by the natural breakpoint rate. For an artificial breakpoint detail, enter either the range of period volumes or the range of group volumes.

Rate. For an artificial breakpoint detail, enter the rate to be applied to the overage volume to calculate rent. For a natural breakpoint detail, the default value is the rate that you defined for the natural breakpoint. You can override this rate. Oracle Property Manager retains and uses the override rate to calculate the new breakpoint detail volumes when the annualized basis changes.

Annualized Basis. For a natural breakpoint detail, displays the annualized sum of basis term amounts for the range of dates.

Defining Constraints

A constraint is a limitation on the variable rent amount. You can enter a maximum constraint on the amount of variable rent that a tenant can pay and a minimum constraint amount that a landlord can charge as variable rent for a period.

When defining a constraint, you specify the dates for which the constraint is valid. You define constraints in the Constraints tab of the Setup window. Dates must be within the agreement dates. However, a single constraint can span multiple annual and invoice periods. For an agreement, you can enter one or more constraints of the maximum or minimum type. However, dates for constraints of the same type must not overlap.

After you define and generate constraints, Oracle Property Manager applies them to the calculated gross variable rent for an invoice period. For example, if you specify a maximum constraint of \$4,000 for a period in the variable rent agreement and the calculated variable rent for the same period is \$5,000, then the system creates a term for

\$4,000. Similarly, if you specify a minimum constraint of \$3,000 for a period in the variable rent agreement and the calculated variable rent is \$2,500 for the same period, then system creates a term for \$3,000.

Constraints can change. If you change a constraint *after* it is applied to the gross variable rent amount to calculate the net rent for an invoice period, you must recalculate rent. When recalculating, Oracle Property Manager deletes existing unapproved variable rent terms and creates adjustment terms to reverse approved terms.

However, constraints are unaffected if you extend a variable rent agreement without undoing the generated periods. If you also want constraints extended for the extended variable rent agreement, you must undo constraints, manually change the dates on the Constraints tab of the Setup window, generate constraints again, and recalculate variable rent. Additionally, if you undo the generated periods you must enter and generate constraints again. Contracting a variable rent agreement automatically either contracts or deletes constraints.

Window Reference for the Constraints Tab in the Setup Window

This section describes selected fields in the Constraints Tab of the Setup window.

Year Start Day. Displays the annual period start day if you did not select to use a GL calendar to generate annual periods.

Type. Select the type of constraint you want to define; maximum or minimum.

Amount. Enter the constraint amount.

Constraints Window Reference

For information on the fields in this window, see Window Reference for the Constraints tab in the Setup window, page 7-13. In addition, see below for the description of the additional fields specific to this window.

Period Num. Displays the number of the annual period.

Reporting. Displays the reporting frequency that you defined for the agreement.

Invoicing. Displays the invoicing frequency that you defined for the agreement.

Period Start/End Date. Displays the start and end dates of the annual period.

Num. Displays the constraints record number.

Defining Allowances and Abatements

An abatement or allowance is a reduction or adjustment on the variable rent amount. Abatements can be fixed amounts that you specify or lease terms that you select as abatements.

In addition, you can have a one-time allowance for tenant improvement that the landlord and tenant negotiate, and that the calculation process adjusts against variable rent until it is used up. For example, the landlord might agree to provide the tenant an

allowance for such occurrences as refitting space or performing in-store maintenance.

Allowances are usually large enough to affect multiple invoices before being used up. The natural order of application is by invoice date sequence. However, you may sometimes skip an invoice period when calculating variable rent. In this case, when you later calculate for the missed period, the change in allowance balance can affect subsequent invoice periods.

If you define both abatements and allowances, you can specify the order in which the calculation process must apply them to gross variable rent for an invoice period after constraints.

You can enter the following types of abatements:

- **Rolling Allowance.** This is a lump sum allowance that diminishes as it is applied to variable rent and used up. You can enter multiple rolling allowance amounts with different start and end dates.

You enter the allowance amount in the Allowances and Abatements tab of the Setup window. For example, a landlord provides a lump sum amount of \$120,000 at the beginning of the variable rent period. The first year's variable rent is \$100,000. In this case, the first year's rent is \$0 after the allowance abatement is applied. The remaining \$20,000 is automatically entered as an abatement in the next variable rent period.

- **Recurring Abatement.** You can select as recurring abatements, payment or billing terms for the lease such as base rent terms and operating expense terms that are displayed in the Abatement Details window.

In addition, you can select to include as recurring abatement any rent increases on the selected payment or billing term. *Before* you calculate rent, you can navigate to the Abatement Details window from the Abatements and Allowances tab of the Setup window. *After* you calculate rent, you can navigate to the same window from the Invoice Review window.

- **Fixed Abatement.** This is a fixed amount that is to be applied to every variable rent amount for calculation periods within the abatement period. You can specify multiple fixed abatements to be applicable over different periods.

Oracle Property Manager applies the sum of the recurring and fixed abatement amounts for the invoice period to the constrained gross variable rent. For more information, see *Calculating Net Variable Rent*, page 7-17.

If the sum of the abatements is in excess of the gross variable rent for an invoice period, you can select whether Oracle Property Manager must ignore the excess abatement amount or treat it as negative rent. If you select to treat excess abatement as negative rent, Oracle Property Manager validates this against your specifications for the treatment of negative rent. For example, if you want excess abatement to be treated as negative rent you cannot choose to ignore negative rent. For more information on treatment of negative rent, see *Negative Rent*, page 7-29.

The calculation process uses the following rules when applying fixed abatements and allowances:

1. Uses the abatement or allowance start date to start applying
2. Ignores any remaining balance after the abatement or allowance end date
3. Uses the order of the start dates when applying allowances. For example, if two allowances have different start dates, Oracle Property Manager applies the one that starts first and exhausts this before applying the next one.

For recurring abatements, the calculation process uses the following rules:

1. At the time that the first calculation for an agreement is performed, the check box values from the prior invoice period are rolled forward to all subsequent invoice periods.
2. If you manually change check box selections after the initial roll-forward, Oracle Property Manager does not override the manual changes.
3. If you manually change check box selections after variable rent for a later invoice period has been calculated, you can specify if you want to roll forward the changes you made to all subsequent invoice period calculations.
4. If a recurring backbill term exists for the rent increase term included in the abatement, then Oracle Property Manager includes this term.
5. If you select to also include rent increase terms, Oracle Property Manager includes as abatement only the rent increase terms that are available when calculating variable rent. If the selected rent increase term has not yet been created, you must include it when it is available and recalculate variable rent.

Note: For an agreement with partial periods and First Year and Last Year partial year method for which invoice periods in the partial periods are longer, the calculation process prorates the fixed abatement amount before applying it.

For example, if the invoice frequency is semi-annual, the abatement amount is \$1,000, and the First Year invoice period is 9 months, the calculation process applies an abatement amount of \$1,500 for this invoice period.

Window Reference for the Allowances and Abatements Tab in the Setup Window

This section explains selected fields of the Allowances and Abatements tab in the Setup window.

Year Start Day. Displays the annual period start day of the year if you select not to use

a GL calendar to generate annual periods.

Order of Application. Select whether Oracle Property Manager must apply allowances first or abatements. The default value is Allowance First. If you select to apply abatements first, Oracle Property Manager first applies any applicable recurring and fixed Abatements and if variable rent is remaining, applies allowances.

Allowance Type. Select whether you are defining a rolling allowance or fixed abatement.

Description. Enter the description of the allowance or abatement.

Amount. Enter the amount of allowance or fixed abatement that Oracle Property Manager must apply to the constrained variable rent.

Extending and Contracting Agreements

You can change the termination date of the variable rent agreement at any time *after* you calculate variable rent, and create and approve terms. You can also extend an agreement that you contracted. For such an agreement, existing reversals and adjustments do not affect new terms that you create.

You can also extend or contract the agreement by contracting or extending the lease with which the variable rent agreement is associated. You can amend the lease to contract or extend it. For example, you can change the lease status to Month-to-Month.

When you contract the lease, Oracle Property Manager terminates all the variable rent agreements for the lease to the new lease termination date. When you extend the lease, you can choose to have Oracle Property Manager extend the associated variable rent agreements and agreement breakpoints.

Contracting an Agreement

When you contract the agreement, Oracle Property Manager shortens annual periods, calculation periods, invoice periods, and breakpoint definitions that end after the new termination date. In addition, Oracle Property Manager deletes constraints, volumes, deductions, and draft terms that are no longer relevant. If dates for constraints and volumes overlap the new termination date, Oracle Property Manager sets the end dates for the records to the new termination date. Oracle Property Manager also shortens existing breakpoints that extend beyond the new agreement end date and automatically generates new periods for them. For shortened breakpoints, you must manually prorate volumes before recalculating rent.

For annual and invoice periods that start after the new end date, Oracle Property Manager performs the following actions:

- Deletes all draft terms
- Deletes invoice periods that have no approved terms
- Deletes annual periods with no invoice periods

- Retains for display annual periods, invoice periods, and approved terms, if the annual periods have invoice periods with approved terms

For invoice periods that start after the new end date and have approved terms, Oracle Property Manager creates the necessary reversal invoices. Then, you can enable the Create Term check box or run the PRC: Create Variable Rent Terms concurrent program to create the corresponding adjustment terms. If the original terms that Oracle Property Manager reverses via the new adjustment terms used some of the rolling allowance amount, the rolling allowance is recharged for this amount. For shortened invoice periods with approved terms, you must recalculate rent and create the necessary adjustment terms.

Extending an Agreement

When you extend an agreement and choose to have Oracle Property Manager automatically extend breakpoints, Oracle Property Manager performs the following actions:

- Extends the last breakpoint and breakpoint detail to be the same as the new agreement termination date or the end date of the annual period, whichever is earlier
- Extends all breakpoint details for stratified or sliding breakpoints
- Extends constraints to be the same as the new agreement termination date or the end date of the annual period, whichever is earlier
- Adds one or more calculation or annual periods if the last calculation or annual period ends before the extended agreement, and adds constraints, breakpoints, and breakpoint details for the new periods
- For calculation and annual periods that do not end on the natural period end date, change the end dates for the last calculation and annual periods to the natural period end dates or the extended end date of the agreement, whichever is earlier
- Extend end date for all line items to the extended termination date

Calculating Variable Rent

After you set up a variable rent agreement and generate periods, breakpoints, constraints, and abatements and allowances, you must enter volumes for every reporting period and any deductions on these volumes. Oracle Property Manager considers deductions and uses the net volume to calculate rent. You enter volumes and deductions for a line item.

To calculate rent, you run the Calculate Variable Rent concurrent program. You can submit the Calculate Variable Rent concurrent program from the navigator, concurrent

manager, or from the Annual Periods tab of the Variable Rent window. When you submit the program from the Variable Rent window, the program calculates rent for invoice periods in the selected annual period in the context of a single lease. Otherwise, the program calculates rent for specified leases.

Oracle Property Manager uses the following steps to calculate the net rent for an invoice period for which you create a variable rent term for approval:

1. Determines reported volume for the calculation period and subtracts deductions to arrive at net volume
2. Determines applicable breakpoint detail volume for the calculation period, depending on the method, and prorates, if necessary
3. Compares net volume with breakpoint detail volume, depending on the method, to arrive at the overage volume
4. Applies the breakpoint detail rate to the overage volume to determine gross variable rent for each segment. A segment can be an entire calculation period or a partial calculation period. Each range of a stratified and sliding breakpoint has a segment. Oracle Property Manager then adds segment gross rents in the calculation period and calculation period gross rents in an invoice period to determine the total gross variable rent for the invoice period.
5. Applies constraints to determine constrained gross variable rent for the invoice period
6. Subtracts deferred negative rent, if any, and applicable allowances and abatements to determine the net variable rent for the invoice period

Note: The steps above describe the calculation process if you select to invoice on actual volumes. For information on steps for calculating variable rent if you select to invoice on forecast volumes, see *Working with Forecast Volumes*, page 7-33.

Entering Volumes

Oracle Property Manager enables you to record volumes that the tenant reports on a regular basis. The Calculate Variable Rent concurrent program considers these volumes for calculating rent.

You enter volumes for a reporting period. You can enter volumes manually by line items or in a batch for multiple leases in the Variable Rent Gateway. You can also use the Variable Rent Gateway to enter batches of volumes directly from the tenant's application.

The calculation process only uses volumes with approved status. The VR Volume Status Default profile option controls the default status value. You can set the default value for

the profile option to Draft or Approved, depending on your business process.

You can change a volume in the Line Items window till you approve the variable rent term using this volume. You can change volumes in the Variable Rent Gateway at any time. However, if you change a volume after approving the variable rent term based on this volume, you must recalculate variable rent. The calculation process creates adjustment terms for the difference in the approved term amount and the recalculated amount. For more information, see *Recalculating and Adjusting Rent*, page 7-32.

Entering Volumes by Line Items

You can enter reported volumes by line items in the Volume tab of the Line Items window. If you select to invoice on forecast volumes, you can enter actual volumes in the Line Items window only after you enter forecast volumes and calculate rent based on forecast volumes. For more information, see *Working with Forecast Volumes*, page 7-33.

Since the calculation process only uses approved volumes, you must ensure that you set the status to Approved for volumes that Oracle Property Manager must consider for calculating variable rent.

Window Reference for the Volume Tab in the Line Items Window

This section describes selected fields of the Volume tab in the Line Items window.

Start/End Date. Displays the annual period start and end dates.

Actual/Forecasted Amount. Based on the Invoice On value for the agreement, enter either only the actual volume, or enter first the forecast volume and *after* calculating rent and approving the rent amount for the invoice, enter the actual volume.

Status. Select the status for the reported volumes. The VR Volume Status Default profile option controls the default value for the status. You must change the status to Approved before you calculate or reconcile variable rent.

Group Date. Displays the group date that Oracle Property Manager generates based on the calculation frequency. You can enter any number of volume records for different date ranges and Oracle Property Manager associates them with the appropriate group date based on the calculation period start and end dates.

Due Date. Displays the date on which the volume report is due. Oracle Property Manager derives this date from the value you enter in the Variable Rent window for either the reporting due day of the month, or the number of days after the reporting period.

Actual/Forecasted Cumulative. Displays the running total of actual and forecast volumes for an annual period.

Report Type. Optionally, select the report type to be used to report sales.

Certified By. Displays the user ID of the person responsible for certifying the volume and changing the volume status to Approved.

Entering Volumes Using the Variable Rent Gateway

The Variable Rent Gateway enables you to view volumes for multiple agreements and leases on a single page, and quickly enter in a single batch, relevant volumes reported by the tenant. You can create a batch for actual volumes, forecast volumes, or deductions for different variable rent agreements. You can create a new batch of volumes that you enter manually in the Create Volume History page from Variable Rent Gateway Volume Import. Alternatively, you can design a custom process to automatically load batches of volumes into the Variable Rent Gateway directly from another application.

The Variable Rent Gateway consists of interface tables in which you enter volumes for import into Oracle Property Manager using the Variable Rent Gateway Import Process concurrent program. To create a batch, you specify a range of leases or locations, and dates for which you want to enter volumes. You can then enter volumes for each reporting period of the variable rent agreements associated with the lease or location.

You can also edit reporting period dates for a volume in the Variable Rent Gateway. When you edit reporting dates, Oracle Property Manager validates the new dates against the defined calculation frequency. You can save the batch, search for it later, and continue editing and adding to the batch before you import volumes. After you enter volumes, you can import a single batch from the Create Volume History page or run the Variable Rent Gateway Import Process concurrent program from the concurrent manager to import multiple batches.

After you import batches, you can revise volumes including volumes used in calculations for approved variable rent terms. After you revise volumes, you must re-import and recalculate rent. To revise volumes in the Variable Rent Gateway, create a new batch and select the Show Period Volumes for Revision check box on the Create History page to display existing volumes for editing. This batch includes existing volumes for the specified date range and leases or locations, and reporting periods that do not have any existing volumes. When you import changed volumes, the Variable Rent Gateway Import Process concurrent program saves the original volumes in a volume archive table. You can also update the status and report types for volumes in the Variable Rent Gateway.

In addition, you can change the dates of existing volumes. The Variable Rent Gateway validates the changed dates based on the calculation frequency. For example, for a standard calendar year with monthly reporting frequency and quarterly calculation frequency, the Variable Rent Gateway Import Process program imports volumes for the January, February, and March reporting periods. If you change the dates of the first volume from the original January 1 to 31 to the new dates of January 13 to February 19, Oracle Property Manager accepts the change because the new dates are within the calculation period.

After calculating rent or reconciling rent for an invoice period, you can run the Variable Rent Gateway Purge Process concurrent program to clear old batches of volumes from the interface tables.

Related Topics

PN_VOL_HIST_BATCH_ITF Interface Table, *Oracle Property Manager User Guide*

PN_VOL_HIST_LINES_ITF Interface Table, *Oracle Property Manager User Guide*

Variable Rent Gateway Import Process

Variable Rent Gateway Purge Process

Entering Deductions

A landlord and tenant can agree to exclude certain sales volumes from the gross sales volumes before you calculate variable rent. These are deduction volumes that can be used for bad debt expenses, employee purchases, reductions, or gift certificates. You can enter deduction amounts manually for a line item in the Deductions tab of the Line Items window or in a batch in the Variable Rent Gateway. You enter a deduction for a group date or calculation period.

Deductions apply only to actual volumes. When you calculate rent, the calculation process applies these deductions to actual sales volumes to calculate the gross variable rent. If you are invoicing on forecast volumes, Oracle Property Manager ignores deductions till you reconcile variable rent. For more information, see *Working with Forecast Volumes*, page 7-33.

You can change a deduction amount after you calculate variable rent and also after you approve variable rent terms. You can change deduction amounts in the Line Items window or in the Variable Rent Gateway. If you change deductions in the Variable Rent Gateway, you must run the Variable Rent Gateway Import Process concurrent program to import the new deductions to Oracle Property Manager. While importing the new deductions, this program saves the original deduction amount in the volume archive table.

After you make changes to deductions, you must run the Calculate Variable Rent concurrent program to recalculate variable rent. The recalculation process deletes draft terms and enables you to create and approve the term for the recalculated variable rent amount. If approved terms exist for variable rent amounts based on actual volumes or for variance amounts after you reconcile forecast variable rent amounts, the recalculation process determines the adjustment amount for which you must then create and approve an adjustment term. This term defines the difference between the approved term and the recalculated amount.

Window Reference for the Deductions Tab in the Line Items Window

For information on the fields in the Deductions tab, see *Window Reference for the Volume tab in the Line Items window*, page 7-19. In addition, see below for the description of the additional field specific to this tab.

Deduction Type. Select the type of deduction you are entering. Examples of deduction types include employee sales, damaged goods, and bad debt.

Calculating Gross Variable Rent

This is the first step in calculating variable rent. Oracle Property Manager calculates gross variable rent first for a calculation period and sums the results for an invoice period. Oracle Property Manager considers the following factors when calculating gross variable rent:

- Reporting, calculation, and invoice periods
- Calculation method
- Partial Year method
- Invoice On method
- Breakpoint definitions
- Reported volumes
- Deductions

To calculate the gross variable rent for a calculation period, the Calculate Variable Rent concurrent program must derive the volume and breakpoint volume to be compared. To do this, the program uses the calculation and partial year methods that you selected.

The calculation process then applies deductions to the volume and compares the net volume with the breakpoint volume to determine the overage volume. Oracle Property Manager then applies the breakpoint rate to the overage volume to calculate the gross actual variable rent for the entire calculation period or segment of calculation period. For the gross variable rent of an invoice period, the calculation process adds up the segment and calculation period gross variable rents.

Using Calculation Methods

To calculate gross variable rent for a calculation period, Oracle Property Manager uses the calculation method that you select to derive the volume and the breakpoint volume that it must consider.

This section describes how Oracle Property Manager uses the calculation method to determine volume and breakpoint for a calculation period for flat breakpoints and calculate gross variable rent. For stratified breakpoints, the process is the same for each stratified range in a calculation period. Oracle Property Manager then adds the gross variable rents from stratified ranges for the calculation period gross variable rent.

Using the Noncumulative Calculation Method

The noncumulative calculation method compares the total volume for the current calculation period with the breakpoints for the same period to determine the overage, then multiplies the overage with the rate for the gross variable rent.

A calculation period can have a subperiod if the calculation period is at the start or end of the agreement or if the calculation period has a change in breakpoint or breakpoint rate. In this case, Oracle Property Manager uses the following steps to calculate the gross variable rent:

1. Determines prorated group breakpoints using the proration factor for the subperiod
2. Determines prorated net volume for the subperiod
3. Determines overage for the calculation subperiod by comparing prorated breakpoints with prorated volumes
4. Calculates segment gross variable rents for calculation subperiods by multiplying the rate with the overage for each subperiod
5. Adds segment gross variable rents for the calculation period

Using the Cumulative Calculation Method

The cumulative calculation method compares the year-to-date cumulative volume for the calculation period with the cumulative breakpoint volume for each breakpoint rate in the same period. For the volume, this method considers the cumulative cycles of the agreement. A cumulative cycle starts and ends with an annual period unless the breakpoint rate changes. A change in the breakpoint rate starts a new cumulative cycle.

If a breakpoint changes in the middle of a cumulative cycle, and particularly if it changes in the middle of a calculation period, the calculation for gross variable rent is as follows.

For the cumulative cycle, Oracle Property Manager follows the steps below to determine annual breakpoints:

1. Determines prorated group breakpoints using the proration factor for each calculation subperiod
2. Adds group breakpoints for all calculation periods and subperiods in the cumulative cycle to arrive at annual breakpoint

Next, Oracle Property Manager follows the steps below to calculate gross variable rent for each calculation period:

1. Determines the net volume to date, as of the end of the calculation period
2. Determines overage for the calculation period by comparing the annual breakpoints with the year-to-date volume
3. Calculates gross variable rent for the calculation period by multiplying the rate with the overage

Using the Year-to-Date Calculation Method

The Year-to-Date calculation method compares the year-to-date cumulative volumes with year-to-date breakpoints. This method considers the cumulative cycles in the agreement. For information on cumulative cycles, see Cumulative Calculation Method, page 7-23.

As with the cumulative method, if a breakpoint changes in the middle of a cumulative cycle, and particularly if it changes in the middle of a calculation period, Oracle Property Manager follows the steps listed below to determine year-to-date breakpoints:

1. Determines prorated group breakpoints using the proration factor for each calculation subperiod
2. Adds group breakpoints for all calculation periods and subperiods up through the end of the current calculation period to derive the year-to-date breakpoint

Next, Oracle Property Manager follows the steps listed below to calculate gross variable rent for each calculation period:

1. Determines the net volume to date, as of the end of the calculation period
2. Determines overage for the calculation period by comparing the year-to-date breakpoints with the year-to-date volume
3. Calculates gross variable rent for the calculation period by multiplying the rate with the overage

Using the True Up Calculation Method

The True Up calculation method is a combination of the cumulative and noncumulative calculation methods. The calculation process first performs a noncumulative calculation for each invoice period. You then create a variable rent term for this rent amount that is essentially an estimated payment or billing term.

At the end of the annual period, you must run the Variable Rent True Up concurrent program to calculate the actual rent amount for the annual period. This program compares the cumulative annual period volume with the annual breakpoint. If the breakpoint changes in the annual period, Oracle Property Manager determines and uses a blended annual breakpoint.

If the calculated gross variable rent amount for the annual period using the cumulative method is different from the sum of the estimated terms, you must create an adjustment term called the true-up term for the difference.

Note: The true-up process considers approved and draft estimated terms when calculating the difference between estimated terms and the cumulative true-up rent amount for the entire annual period.

You can run the Variable Rent True Up concurrent program for agreements by a selected lease or property. For more information, see Variable Rent True Up concurrent program, page B-36.

Using Partial Year Calculation Methods

When an agreement has first or last years that are partial years, you can select from the various partial year methods that Oracle Property Manager provides to calculate rent for these periods. To calculate rent for a partial period, Oracle Property Manager must prorate volumes and breakpoints.

Partial year methods ensure that variable rent amounts are appropriate to the duration of the first or last year of an agreement. For example, many retailers in the US make more than half of their yearly sales in the three months leading up to Christmas. For these retailers, using a prorated annual breakpoint for a partial year can lead to a very high or very low percentage of rent.

Example

If \$1,800,000 of annual sales, instead of being steady, comes from six months at \$100,000 followed by six months at \$200,000 per month. If the six-month partial year is in the first half of the year and the annual prorated breakpoint is \$750,000, the overage is $(6 \times \$100,000) - \$750,000 = \$0$. If it falls, however, in the last half of the year, the overage volume is $(6 \times \$200,000) - \$750,000 = \$450,000$. Neither of these is fair. Consequently, lease negotiation is likely to result in a blended annual breakpoint with an overage rate of approximately \$25,000 per month, as it would be, on average, during a full year.

For the other years of the agreement that have complete annual periods, Oracle Property Manager uses the calculation method you select to calculate rent.

Oracle Property Manager provides the following partial year methods:

- Standard
- First Year
- Last Year
- First Year and Last Year
- Combined Sales with Breakpoint Proration
- Combined Sales Without Breakpoint Proration
- No Proration

Note: For agreements with a last partial year, Oracle Property Manager uses the Standard Proration partial year method to calculate rent unless you select a Last Year or a First Year and Last Year partial year method.

Only certain partial year methods are compatible with certain calculation methods. The table below shows valid and invalid combinations.

Partial Year Calculation Method	Noncumulative Calculation Method	Cumulative Calculation Method	Year-to-Date Calculation Method	True Up Calculation Method
Standard	Yes	Yes	Yes	Yes
First Year	No	Yes	Yes	Yes
Last Year	No	Yes	Yes	Yes
First Year and Last Year	No	Yes	Yes	Yes
Combined Sales Without Breakpoint Proration	No	Yes	Yes	Yes
Combined Sales with Breakpoint Proration	No	Yes	Yes	Yes
No Proration	Yes	Yes	No	No

Note: If the agreement has an Invoice On value of Forecasted, then Oracle Property Manager only uses the Standard and No Proration partial year methods.

Using the Standard Proration Calculation Method

The Standard Proration method has no special treatment for the first or last partial years of the agreement. This method takes the percentage rent that is based directly on the actual sales for the partial period.

For example, if an organization uses a July to June calendar and the variable rent agreement begins in January 1, 2005, Oracle Property Manager prorates the annual breakpoint such that it represents the breakpoint for the first partial year of 181 days between January 1 and June 30. Oracle Property Manager then compares this breakpoint volume with the reported volumes for those six months.

Using First, Last, and First and Last Partial Year Calculation Methods

For these partial year methods, Oracle Property Manager compares the annual

breakpoint with an estimate of the volume for a full 12-month cycle to determine the monthly overage volume. Oracle Property Manager then calculates net variable rent for the full 12-month cycle, and prorates it back to the actual length of the partial year.

First Partial Year Calculation Method

For a first partial year, the calculation process determines the volume for a full year by combining the actual volume for the partial year with the actual volume from the first part of the next year to make up for the missing volumes in the year. For example, if the sales year starts on January 1, but the agreement begins on April 1, the variable rent for the first annual period is based on the nine months of volumes from April to December, plus the volumes from January to March of the second sales year.

Oracle Property Manager calculates variable rent as if it was for a full year and prorates the result so that the actual percentage rent is proportional to the fraction of the year covered by the agreement. First Year Proration is always based on 365 or 366 days.

The calculation formula for the first partial year is as follows:

$((\text{Sales for first 365 or 366 days} - \text{365 or 366 days Breakpoint volume}) * \text{Rate}) * (\text{Number of days in the partial year} / \text{365 or 366 days})$

Note: You can only create a term for an invoice for the first partial year at the end of the first full year. Negative rent rules apply starting with the first full year. If the agreement also has a last partial year, Oracle Property Manager applies the standard proration method to calculate the rent for the last partial year.

If you select the true-up, cumulative, or year-to-date calculation method with the First Year partial year method, Oracle Property Manager performs all true-up, cumulative, and year-to-date calculations only after you enter volumes for the first twelve months.

Last Year Partial Year Calculation Method

The method is the same as the First Year method, except that it uses the volume from the last 12 months of the lease instead of the first 12 months. However, if you select this method for an agreement with partial first and last years, Oracle Property Manager uses the Standard Proration method to calculate rent for the first partial year.

First Year and Last Year Partial Year Calculation Method

This method uses the First Year partial year method for a partial first year and the Last Year partial year method for a partial last year.

Using the Combined Sales with Breakpoint Proration Calculation Method

This method evens out the overage amount for the partial period by blending it with a full year of sales. The calculation process for this method compares the sum of the sales for the first partial year and the first full year with the total breakpoint for the combined period.

For example, if the annual breakpoint is \$1,500,000, the effective annual breakpoint is \$750,000 for a combined period of 6 months, and \$2,250,000 for a combined period of 18 months. If you select a cumulative calculation method, the calculation process uses a

breakpoint value of \$750,000 for 6 months and \$2,250,000 for 18 months. The monthly breakpoint stays at \$125,000 for either combined period.

You can use this method with the cumulative, year-to-date, or true-up calculation methods. The calculation process uses the calculation method to calculate rent for the first combined period that combines the first two years making the first annual period more than 12 months. Thus, the cumulative cycle, normally one year or less, may be longer than a year. The calculation process must determine both volumes and breakpoints for this cumulative cycle.

Unlike with the First Year and Last Year partial period methods, Oracle Property Manager creates terms throughout the combined period. If you select the true-up calculation method, Oracle Property Manager performs a single true-up calculation for the combined period of partial year and first full year.

Note: The combined rules do not deal with last partial years. If the agreement has a last partial year, Oracle Property Manager uses standard proration to calculate rent for the last partial period.

Using the Combined Sales Without Breakpoint Proration Calculation Method

This partial year method compares the sum of the sales for the first partial year and the first full year to an annual blended breakpoint for the combined period.

An annual *blended* breakpoint is the average monthly breakpoint for the combined period multiplied by 12 (the number of months in a period). The average monthly breakpoint for the combined period is the sum of the monthly breakpoints for the combined period divided by the number of months in the combined period. The blended annual breakpoint is, in effect, one that does not change with the length of the combined period though the sales does.

Note: Because the breakpoint is calculated for 12 months rather than for the combined period which is longer than 12 months, the breakpoint is considered not prorated.

You can use this method with the cumulative, year-to-date, or true-up calculation methods. The calculation process also uses a blended monthly breakpoint if you select the true-up or year-to-date calculation methods with this partial year method. Oracle Property Manager creates noncumulative terms throughout the combined period. If you select the true-up calculation method, Oracle Property Manager also performs a single true-up calculation for the combined period of partial year and first full year.

Using the No Proration Calculation Method

This partial year method does not prorate the annual breakpoint for the partial year. The calculation process for this method compares the volume for the partial annual period with the breakpoint for the annual period. Oracle Property Manager creates terms during the partial year if the volume exceeds the breakpoint.

Calculating Net Variable Rent

This is the process of deriving the net variable rent for an invoice period for which you create and approve the term for the invoice. Oracle Property Manager applies the following to the gross variable rent for the invoice period to derive the net rent:

1. Constraints
2. Deferred negative rent (can also result from excess abatement of previous invoice period)
3. Allowances or fixed and recurring abatements by specified order of application

For rent based on forecast volumes, Oracle Property Manager ignores constraints, negative rent, allowances, and abatements. The invoice rent amount is simply the gross forecast rent. For more information, see *Working with Forecast Volumes*, page 7-33.

Handling Negative Rent

When calculating rent, negative amounts can result in two ways. First, if the actual volume is less than the lowest breakpoint volume or the breakpoint rate for the breakpoint range is negative, this results in a negative overage and a negative gross variable rent for the calculation period. Second, it can result when abatement amounts are in excess of the gross variable rent for an invoice period.

When this happens, you can choose to have Oracle Property Manager treat negative rent assessments in any of the following ways:

- **Ignore.** This is the default value. You can change this value. When the overage is negative, Oracle Property Manager ignores the negative overage and considers the variable rent amount to be zero.
- **Defer.** Oracle Property Manager ignores the negative rent amount for this invoice period and applies the amount to the next invoice period. The variable rent for this invoice period is zero. If this invoice period is the last one for the variable rent agreement, Oracle Property Manager credits the negative rent amount or applies it as abatement.
- **Credit.** When the calculated variable rent is negative, you must create a term for this rent. Oracle Property Manager applies this term amount as abatement for the current invoice period.

Creating and Approving Terms

You must create terms for amounts that you calculate as rent or as adjustment against rent for an invoice period and approve them before you can pay or receive payment for them. In Oracle Property Manager, you create and approve terms for the following types of amounts:

- Net variable rent amount for an invoice period
- Gross forecast variable rent amount for an invoice period
- Variance amount between gross forecast variable rent for an invoice period and net variable rent for the same period
- Adjustment amount after recalculating rent for an invoice period

You can review calculated net rent amounts by line items in the Line Items window and by annual periods in the Annual Periods tab of the Variable Rent window. You can also review calculated net rent amounts for invoice periods in the Invoice Review window and create terms for selected invoice periods from this window. Alternatively, you can submit the Create Variable Rent Terms concurrent program from the navigator or the concurrent manager to create variable rent terms across agreements, leases, or locations. Oracle Property Manager uses the term template you attached to the variable rent agreement to create terms and enter default account distribution information.

Note: If you set the Require Volume for Entire Invoice Period profile option to *Yes*, you must ensure that you enter volumes for the entire invoice period before you create a term for that period.

You can then review the terms you create in the Term Details window and approve them. You can also approve terms from the Term History window which displays calculations and adjustment terms for the annual period. You can approve terms for invoice periods in any order. To modify approved terms, you must create an adjustment. See *Recalculating and Adjusting Variable Rent*, page 7-32.

After you approve a term, Oracle Property Manager transfers the term to the lease and creates payment schedules and items. You must authorize a payment schedule to approve the payment items on the schedule for export to Oracle Payables. For more information, see *Payments and Billings Overview* in the *Oracle Property Manager User Guide*.

Invoice Review Window Reference

This section describes selected fields for the Invoice window.

Annual Period Details

Total Variable Rent. Displays variable rent for the annual period.

Summary Tab

Create Terms check box. Select the check box to create terms for selected invoice periods. Oracle Property Manager enables this check box for this tab only if the agreement has an Invoice On value of Forecasted and you have calculated and approved forecast rent amount.

PTD Variance. The difference between actual and forecast rent.

YTD Variance. The year-to-date difference between actual and forecast rent.

Actual Tab

Create Terms. Select this check box for one or more invoice periods to create terms for the invoice periods. When you save your selections, Oracle Property Manager runs the Create Variable Rent Terms concurrent program to create terms and enable the Term Details button. You can then review the term in the Term Details window, and approve it to transfer it to the main lease. If you change data and recalculate rent after you create a term, then Oracle Property Manager deletes the existing term and deselects the Create Terms check box for the old rent amount.

Oracle Property Manager enables this check box for this tab if the agreement has an Invoice On value of Actual.

Start/End. This is the invoice period start date.

Total. Total variable rent amount for the invoice period.

New Term Amount. Displays the total variable rent for the invoice period less the amount of any previously approved terms. This is the total variable rent until you approve the first term, after which it is zero. Displays the adjustment amount for a subsequent calculation until you approve the adjustment term, after which it is again zero.

Gross Rent. Displays the gross variable rent amount for the invoice period before constraints.

Constrained Variable Rent. Displays the gross variable rent amount for the invoice period after constraints.

Negative Rent Applicable. Displays deferred negative rent that Oracle Property Manager must apply to the gross variable rent after constraints.

Allowance. Displays the rolling allowance available for Oracle Property Manager to apply to the gross rent for this invoice period after constraints and deferred negative rent.

Abatement. Displays the sum of all recurring or fixed abatements available for this invoice period.

Abatements Override. Enter a different override abatement amount that is less than the total recurring abatement amount for this invoice period.

Net Rent. Displays the variable rent amount for the invoice period after constraints, negative rent, allowances and abatements.

Cumulative Rent. Displays the running total of the net variable rent amounts till this invoice period.

Invoice Date. Identifies the invoice period start date.

The number date you enter determines the day of the month on which schedules will be

created. The schedule day you enter defaults to the transaction date in Oracle Receivables and the invoice date in Oracle Payables. The Invoice Date generated on the Variable Rent Agreement overrides the Term Template Schedule Days.

Adjusted. Oracle Property Manager automatically selects this check box if there has been an adjustment in this invoice period since the original term was created.

Approved. Oracle Property Manager automatically selects this check box if you have approved the term for the most current invoice period calculation.

Forecasted Tab

Create Terms. Select this check box to create terms for selected invoice periods. Oracle Property Manager enables this check box for this tab if the agreement has an Invoice On value of Forecasted.

Forecasted Variable Rent. Displays the sum of the forecast rent amounts for all invoice periods.

Cumulative Variable Rent. Displays the running total of the calculated forecast rent till this period.

Recalculating and Adjusting Variable Rent

A recalculation is the calculation of variable rent for invoice periods for which you have already calculated variable rent. Reasons for recalculation can be summarized as follows:

- Adding or revising volumes
- Changing deductions
- Change in natural breakpoint basis which can happen when you include indexed rent terms in the basis or when you edit or amend the lease
- Changing terms that are abated against variable rent
- Changing agreement parameters such as treatment of negative rent, and order of application of abatements and allowances
- Changing breakpoint definitions
- Changing the agreement end date

If you make any changes to lease terms that affect the natural breakpoint basis, Oracle Property Manager automatically updates the breakpoints. After any of the above changes, you must run the Calculate Variable Rent concurrent program again. The recalculation process deletes and replaces all existing unapproved variable rent terms.

If an invoice period has approved terms, Oracle Property Manager creates an adjustment term when the recalculated value for an invoice period is different from the

sum of existing approved terms for that invoice period.

When you run the Calculate Variable Rent concurrent program for a recalculation, the process calculates the net variable rent for the selected agreements and invoice periods regardless of whether variable rent or approved terms for them exist. After variable rent is recalculated, the process checks to see if there are approved terms and, if so, creates an adjustment term for the difference between the new variable rent amount and the sum of approved terms. If no approved terms exist, the process deletes existing draft terms and creates an original term for the recalculated variable rent amount.

You can use Calculate in the Variable Rent window to recalculate for invoice periods in a selected annual period and all subsequent annual periods. In the same window, you can use Calculate All to recalculate for *all* invoice periods in the agreement.

If you selected a First Year or First Year and Last Year partial year method and you recalculate for the second year, the calculation process recalculates the entire agreement. This recalculation occurs because changes in volumes that directly affect the second year can also affect the first partial year. If you selected the true-up calculation method, the PN - Variable Rent True Up concurrent program recalculates for selected true-up periods and all subsequent annual periods.

Note: You can override the variable rent amounts calculation using the Calculate Override client extension. For more information about PN_VRA_CLIENT_EXTN.CALCULATE_OVERRIDE, see Oracle Integration Repository.

Working with Forecast Volumes

Based on your Invoice On selection, Oracle Property Manager calculates variable rent based on actual or forecast volumes. The Calculating Variable Rent section describes the process of calculating rent for actual volumes. This section describes calculating rent for forecast volumes.

This calculation has two parts. For the first part, you enter forecast volumes and submit the Calculate Variable Rent concurrent program. When calculating rent based on forecast volumes, this program only calculates gross variable rent for the forecast volumes. In addition, the program ignores partial year methods and deductions. You then create and approve the term for the gross forecast rent amount of an invoice period.

For the second part, you enter actual volumes when available and submit the Reconcile Variable Rent concurrent program. This program performs the same function as the Calculate Variable Rent program and additionally calculates the variance between the forecast gross variable rent and the actual net variable rent. You then create and approve a reconciliation term for the invoice period based on this variance amount.

Note: If you select the true-up calculation method, you can submit the

true-up process only *after* you enter actual volumes. You cannot run the true-up process on forecast volumes.

When calculating rent based on forecast volumes, the Calculate Variable Rent concurrent program uses the following steps:

1. Determines total forecast volume for the calculation period
2. Determines applicable breakpoints for the calculation period
3. Compares volume with breakpoints to derive the overage volume
4. Applies the breakpoint detail rate to the overage volume to determine gross forecast rent for each segment. A segment can be an entire calculation period or a partial calculation period. Oracle Property Manager then adds segment gross forecast rents in the calculation period and calculation period gross forecast rents in an invoice period to determine the total gross forecast rent for the invoice period. You then create and approve a variable rent term based on this invoice period gross forecast rent amount.

For the second part of using forecast volumes, the Reconcile Variable Rent concurrent program uses the following steps to reconcile forecast rent with actual rent:

1. Determines actual volume for the calculation period and subtracts deductions to derive net volume
2. Determines applicable breakpoints for the calculation period, depending on the method, and prorating, if necessary
3. Compares net volume with breakpoints, depending on the method, to derive overage volume
4. Applies the breakpoint detail rate to the overage volume to determine gross variable rent for each segment. A segment can be an entire calculation period or a partial calculation period. Oracle Property Manager then adds segment gross rents in the calculation period and calculation period gross rents in an invoice period to determine the total gross variable rent for the invoice period.
5. Applies constraints to determine constrained gross variable rent for the invoice period
6. Subtracts deferred negative rent, if any, and applicable allowances and abatements to determine the net variable rent for the invoice period
7. Calculates the variance between the net variable rent and the gross forecast rent calculated by the Calculate Variable Rent program. You then create and approve a reconciliation term for this variance amount.

Note: You can run the Reconcile Variable Rent program after you approve the forecast variable rent term and after you enter actual volumes for a group date.

You can view forecast and actual gross rent and their variance by line items for a calculation period in the Line Items window and for an annual period in the Annual Periods tab of the Variable Rent window. You can view gross and net variable rent by invoice period for actual volumes in the Invoice Review window.

If you make any of the following changes that affect one or more invoice periods, then you must resubmit the Calculate Variable Rent concurrent program to recalculate the new net variable rent for each of the affected invoice periods:

- Breakpoints, constraints, or abatements or allowances
- Selections for negative rent, calculation method, or partial year method
- Volumes or deductions

When you recalculate, the calculation process automatically creates adjustment terms to reverse existing approved terms. Otherwise, the calculation process replaces existing terms with the new terms.

Related Topics

Calculating Variable Rent, page 7-17

Creating and Approving Terms, page 7-29

Recalculating and Adjusting Variable Rent, page 7-32

Window Reference for Rent Tabs in Line Items Window

This section describes selected fields of the Line Items window.

Line Items Region

Channel. Displays the business channel that identifies the line item.

Product Category. Displays the product category that identifies the line item.

Actual Rent. Displays the calculated gross rent for the line item that is based on actual volumes.

Forecasted Rent. Displays the calculated gross rent for the line item that is based on forecast volumes.

Rent – Actual Tab

Gross Volume. Displays the total reported volume for the invoice period.

Deductions. Displays the deduction amount for the invoice period.

Net Amount. Displays the net volume for the invoice period after applying deductions to the gross volume.

Cumulative Volume. Displays the running total of the net volume for the line item across invoice periods.

Actual Variable Rent. Displays the sum of net rent for all group dates within an invoice period. You can view actual variable rent for a single group date by choosing the Details button.

Cumulative Actual Variable Rent. Displays the running total of the calculated net variable rent for the line item across invoice periods.

Calculation Breakdown Region. This region displays each component that contributed to the total net rent for the invoice period. The breakdown displays one row per calculation period and per breakpoint range. For the noncumulative calculation method, a row can represent a calculation subperiod if the breakpoint detail or breakpoint rate changes in the middle of a calculation period.

Rent - Forecasted Tab

Forecasted Amount. Displays the sum of forecast volumes reported for all group dates within an invoice period.

Cumulative Volume. Displays the running total of forecast volumes for the line item across invoice periods.

Forecasted Variable Rent. Displays the sum of forecast rent for all group dates in the invoice period. You can view forecast variable rent for a single group date by selecting the Details button.

Cumulative Variable Rent. Displays the running total of the calculated forecast variable rent for the line item across invoice periods.

Variable Rent Terms for Compliance Calculations

You can include or exclude terms from the operating expenses process into compliance calculations based on the payment term template associated to the payment term.

Recovery Expense

This chapter details the functionality that Oracle Property Manager provides landlords for calculating and recovering expenses such as those for common area maintenance from tenants.

This chapter covers the following topics:

- Overview of Recoveries
- Recovery Agreements
- Calculate Recovery Agreement
- Recovery Window References
- Recovery Field References

Overview of Recoveries

The Recoveries feature supports the calculation and reconciliation of common area maintenance (CAM) expenses. CAM is important to any landlord that has multiple tenants in a single property and any tenant that shares a property with other tenants.

Property Manager supports the recovery and verification of the following types of recoverable costs:

- Common area maintenance costs
- Insurance
- Taxes

Common area maintenance (CAM) costs are incurred in the operation, management, and maintenance of the common area of a facility. CAM expenses can include, but are not limited to, the following.

- Personnel - administration and security expenses

- Facility Structure - floors, ceilings, roofs, parking areas, and maintenance expenses
- Operations - cleaning and sewage
- Utilities - water, electricity, gas
- Appearance - painting, fixtures, signage, seasonal decorations, landscaping, snow and trash removal

While calculating recovery cost, landlords bill tenants an estimate of CAM costs throughout the year. Once a year, the actual CAM expenses are summarized and allocated out to the tenants of a particular property for that year. The prorata share of CAM expense is calculated for each tenant and is offset with the estimates paid for that year. The difference is either billed or reimbursed to the tenants.

CAM reconciliation is often difficult, time-consuming, and prone to error. Oracle Property Manager provides the structure to automate this process to save time, make verification easier, and improve accuracy. Oracle Property Manager enables landlords to maximize revenue with the ability to allocate the CAM costs back to the tenants in accordance with the terms and conditions of the lease. From a landlord perspective, CAM functionality is critical as it involves complex calculations that can be different for every lease.

Oracle Property Manager provides four recovery calculation methods for the three recovery types of CAM, Taxes, and Insurance. The four recovery calculation methods include the following:

- Prorata share
- Fixed or constant charges
- Fixed rate or cost per area
- Fixed percentage of total expense incurred on the property

Oracle Property Manager Recoveries functionality uses the following variables:

- Expense: total expense incurred on property stored in General Ledger
- Area: total property area or the total assignable area
- Tenant's Area: area occupied by tenant

Oracle Property Manager also factors in the time period the tenant occupies a space and the multiple percentage.

Prerequisites for Recoveries

Before the recoveries process begins, the following prerequisites must be met.

- A property must be defined in Property Manager.
- The property must have one or more buildings defined.
- The building(s) must have at least one floor and one office.
- A lease must be abstracted.
- The lease must have at least one primary tenancy.
- A tenant must be assigned to a space.
- The billing or payment terms that will be used for recoveries must be defined for the lease.
- The Recoverable check box on the Billings or Payment tabbed region must be checked for each recoverable cost.

Defining Recovery Billing Terms

In the typical recovery process, landlords estimate annual recovery costs and distribute it between the tenants based on the tenants' occupied area. The tenants are billed accordingly throughout the year.

Landlords bill tenants for each type of expense to be recovered. For example, if a lease between a landlord and tenant includes terms for the tenant to pay a share of CAM expenses and taxes, then the landlord would enter two billing terms expense types: CAM and Taxes. A billing term is entered for each expense type. For each recoverable billing term, the Recoverable check box in the Billing tabbed region of the Leases window must be checked.

For information on entering billing terms, see: *Entering Billing Information*, page 5-124.

Billing Recovery Estimates

The landlord approves authorized schedules for the recovery calculation and exports the recovery amount to Oracle Receivables. In recoveries, the billed recovery amount is the total of expenditure items exported from the main lease for the recovery calculation period.

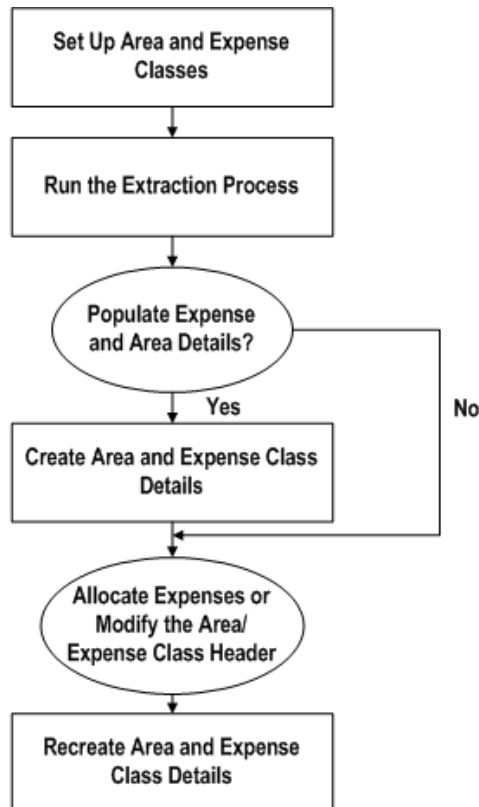
For example, if the authorized schedule for recovery costs is \$1,000 per month and the billing items for the past twelve months have been exported to AR, then the billed recovery amount for that year will be \$12,000.

For information on creating recovery schedules and exporting billed recovery amounts, see: *Payment and Billing Events and Schedules*, page 5-53.

Recovery Setup

In Property Manager, recovery costs are calculated by dividing the total expense incurred on a property by the area of the property and prorating the result by the tenant's occupied area. The expense class definition drives total expense, and the area class definition drives total area, used in the recovery calculation. Recovery setup involves the creation of the area and expense classes. The following diagram represents the recovery setup and extraction process.

Recovery Setup and Extraction Process



The recovery setup process begins with the creation of area and expense classes. After area and expense classes are created, a concurrent program is run to extract recoverable expenses. You can use the concurrent program to populate the area and expense class details, or allocate expenses and modify the area and expense classes, and populate class details later. After the area and expense class details are created, it can be used in the recovery calculation.

Area Class Setup

Before the recovery costs can be calculated, you must create an area class. Area classes are set up to correspond to expense classes. They define a property, location, or both,

and the exclusions of contributors area, expenses, or both. Area classes are used to determine the total assignable area, which is the denominator in the recovery calculation.

An area class is set up for either an entire property, or for a group of tenants, depending on the expense type. For example, an expense type of Food Court would only be applicable to food court tenants, and the area denominator for each food court tenant would be the total area of the food court tenants.

For an expense type of Tax that is incurred for an entire property, all the tenants would be responsible for the recovery cost, and the area denominator for each tenant would equal the total area of the property or location.

Area Class Example AC10

The text and table below represents the Area Class region of the View Area Class window for the AC10 area class number.

View Area Class: Area Class Details

Field	Data
Area Class Number	AC10
Area Class Name	Tot_Area
Area Class Description	Total Area
Property Name	P1
Location Code	B3
Portion %	100

If no exclusions are specified, the total area of location B3 will be used as the area denominator for the recovery calculation.

If a major tenant's area is excluded from the area class, the major tenant is deemed a contributor.

A contributor is a tenancy type, which is a combination of recovery space standard and recovery type, whose area or prorata share of expenses, or both, are excluded from the calculation of the total assignable area or the total expenses for all other tenants in an area class. The exclusion of area, expense, or both, is determined by the Exclusion Type field. Area exclusions reduce total assignable area, and expense exclusion reduces total expenses.

The area being excluded is the contributor's area. If no contributors exist for a property

area, exclusions are not entered.

Area Class Example AC20

The text and table below represents the Area Class region of the View Area Class window for the AC20 area class number.

View Area Class: Area Class Details

Field	Data
Area Class Number	AC20
Area Class Name	Tot_Area_no_maj_sp
Area Class Description	Total Area No majors are included.
Property Name	P1
Location Code	B3
Portion %	100

The text and table below represents the Area Class Exclusions region of the View Area Class window for the AC20 area class number. The major tenants are contributors, and the area of these tenants is excluded from the total property area. In this example, as specified by the relation, all major tenants would be contributors to the total area of location B3.

Area Class Exclusions

Space Standard	Recovery Type	Relation	Area	Exclusion Type
Exterior	Majors	NA	NA	Area

As illustrated in the example above, to exclude an individual tenant area, recovery expense contributions, or both, you must specify the area class exclusions. Exclusions require a recovery type, which defines the type of tenant that occupies a property. Examples of recovery types are Major, Cinema, Food Court, Freestanding, Kiosk, Pad, and Specialty. Recovery types are user-defined.

Exclusions also require a space standard. The space standard describes the usability or quality of a location. A space standard is classified as either interior or exterior. Interior means the entrance to the tenant occupied space is only from inside the building. Exterior means the entrance to the tenant occupied space is from both inside and

outside the building. Space standards are user definable.

To exclude tenants of specified space standard and recovery type combination, the Relation and Area fields must be specified. The relations available include the following:

- All
- Greater Than
- Lesser Than
- Greater or Equal To
- Lesser or Equal To

The exclusion type must be specified for each exclusion record. The exclusion type defines whether contributors area, expenses, or both, will be excluded from the total assignable area or total expense. There are three possible exclusion type values: Area, Prorata Share, or Both.

To set up area classes:

1. Navigate to the Create Area Class window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Setup: Area Classes: Create Area Class.
2. Enter values for the following fields in the Area Class Details region:
 - Operating Unit
 - Area Class Number
 - Area Class Name
 - Area Class Description
 - Property Name
 - Location Code
 - Portion %
3. Optionally, if specifying contributors, enter values for the following fields in the Area Class Exclusions region:
 - Space Standard
 - Recovery Type

- Relation
- Area
- Exclusion Type

Note: If you are creating an area class for an entire property, you do not need to specify exclusions.

Note: All tenants of a specified space standard or recovery type, whose area satisfies the relation criteria, are contributors. Either the contributor's area or prorata share, or both, will be excluded from the area or expense during the recovery calculation, based on the choice of the exclusion type.

4. Choose Apply.

Expense Class Setup

An expense class is a group of the tenants that are responsible for paying a certain type of expense. The expense class associates the expense type to properties or locations, or both. For each expense type, the expense class specifies the tenancy types, such as the combination of recovery space standard and recovery type that will contribute to the recovery expenses.

The expense class can be set up to include either all tenants in a property, or a group of tenants, depending on the types of expenses for which the tenants are responsible.

For example, for an expense type of Tax, incurred for an entire property, all the tenants would be responsible for the recovery cost. If there are no contributors, the numerator in the recovery calculation would equal the total tax amount incurred for the property.

Expense Class Example EC10

The text and table below represents the Expense Class region of the View Expense Class window for the EC10 expense class number.

View Expense Class: Expense Class Details

Field	Data
Expense Class Number	EC10
Expense Class Name	TAX

Field	Data
Expense Class Description	Tax Expense Class
Property Name	P1
Location Code	B3
Currency	USD
Portion %	100
Fee% before contributors	NA
Fee % after contributors	NA

The text and table below represents the Expense Type region of the View Expense Class window for the EC10 expense class number.

Expense Type Region

Expense Type	Inclusions
Taxes	NA

Expense type inclusions are entered for each expense type specified in the expense class. There may be more than one expense type defined in the expense class. The text and table below represents the Expense Class Type Inclusions region of the View Expense Class window for the EC10 expense class number.

Expense Class Type Tax Inclusions

Space Standard	Recovery Type	Share %	Fee % Before Contributors
Exterior	Majors	100	20
Interior	Food court	100	20
Interior	Specialty	100	20

In the above example, all tenants on the property pay taxes. So, all tenancy types are

included in the expense class type inclusions. The expense class numerator for each of the tenant recovery calculations is the total tax expense amount incurred on the property unless the contributors are specified. In a different example, an expense type of Food Court would only be applicable to food court tenants, and the expense numerator for each food court tenant would be the total food court expense amount.

Expense Class Example EC30

The text and table below represents the Expense Class region of the View Expense Class window for the EC30 expense class number.

View Expense Class: Expense Class Details

Field	Data
Expense Class Number	EC30
Expense Class Name	Food Court
Expense Class Description	Food Court Expense
Property Name	P1
Location Code	B3
Currency	USD
Portion %	100
Fee% Before Contributors	NA
Fee % After Contributors	NA
Area Class Defaults	NA

The text and table below represents the Expense Type region of the View Expense Class window for the EC30 expense class number.

Expense Type Region

Expense Type	Inclusions
Food Court	NA

The text and table below represents the Expense Class Type Inclusion region of the View Expense Class window for the EC10 expense class number.

Expense Class Types: Food Court Inclusions

Space Standard	Recovery Type	Share %	Fee % Before Contributors
Interior	Food court	100	NA

In the above example, only food court tenants are included in the expense class.

To set up expense classes:

1. Navigate to the Create Expense Class window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Setup: Expense Classes: Create Expense Class.
2. Enter values for the following fields in the Expense Class Details region:
 - Operating Unit
 - Expense Class Number

Note: If the Automatic Number Generation (Recovery Expense) system option is set to Yes, Oracle Property Manager enters a number automatically. See System Options in Oracle Property Manager, *Oracle Property Manager Implementation Guide*.

- Expense Class Name
- Expense Class Description
- Property Name
- Location Code
- Currency
- Portion %
- Fee % Before Contributors
- Fee % After Contributors
- Area Class Default

3. Enter the Expense Type in the Expense Class Types region.
4. Choose Inclusions.
5. Enter Values for the following fields in the Create Expense Class Types region:
 - Space Standard
 - Recovery Type
 - Share % (for the expense type)
 - Fee % Before Contributors (for the expense type)
6. Choose Apply.

Load Expenses from Oracle General Ledger

You can extract selected expense amounts from Oracle General Ledger and load them into the Expense Lines interface table using the Extract Expenses from GL concurrent program. For details, see *Extract Expenses from GL*, page B-18.

The Extract Expenses from GL concurrent program uses an intersection or mapping table to map selected ranges of General Ledger accounts to a location and expense type. This table contains the following information:

- The definition of the location to which the expenses are mapped.
- The expense accounts that are mapped to the location.
- The expense types that are assigned to expense accounts.
- The flag indicating whether or not the expense amount is recoverable.

Creating a General Ledger Expense Account Mapping

To create a General Ledger expense account mapping:

1. Navigate to the Expense Account Mapping window by choosing Setup: Expense Account Mapping.
2. Fill in the required fields.
3. Choose Save to save your mapping.

General Ledger Expense Account Mapping Field Descriptions

- Mapping Name: Enter a name for the General Ledger expense account mapping.

This field is required.

- Property Name: Choose a valid value from the list of values. This field is optional.
- Location Type: Choose a valid value from the list of values. This field is optional.
- Location Code: Choose a valid value from the list of values. This field is optional.
- GL Account From: Enter the beginning account segment values of the account range to include in the account mapping.
- GL Account To: Enter the ending account segment values of the account range to include in the account mapping.
- Expense Type: Enter the expense type to associate with the General Ledger accounts and location.
- Effective From: The beginning date from which the mapping is effective.
- Effective To: The ending date to which the mapping is effective.
- Recoverable: Check the check box to mark the expense as recoverable when it is imported to expense details.

Import Recovery Expense Lines

After you extract the selected expense amounts from Oracle General Ledger and load them into the Expense Lines interface table, use the Recovery Module Expense Lines Extraction concurrent program to import the selected recovery expense lines into the Recovery Expense Lines table. See: Recovery Module Expense Line Extraction, page B-26.

Tip: You can set the Recovery Module Expense Line Extraction program to run automatically when you run the Extract Expenses from GL program. See: Extract Expenses from GL, page B-18.

Related Topics

PN_REC_EXP_ITF, *Oracle Property Manager Implementation Guide*

Purge the Expense Lines Interface Table

Use the Recovery Module Expense Lines Interface Table Purge concurrent program to purge the records contained in the PN_REC_EXP_ITF open interface table. See: Recovery Module Expense Lines Interface Table Purge, page B-27.

Recovery Extract

When you extract expenses using the Extract Expenses from GL concurrent program or the Expense Lines interface table, you can also populate the area and expense class details. If you populate the details, Oracle Property Manager generates area and expense class details through the expense extraction concurrent programs. If any changes are made to the area and expense class setup, or if expenses are to be allocated, then class details must be regenerated.

If you choose not to populate the area and expense class details, you can allocate expenses, change the area and expense class setup, and modify the extracted recovery expenses. You can populate the class details at a later time.

For information on the Populate Recoveries with Expenses concurrent program, see: Recovery Module Expense Line Extraction, page B-26 and Extract Expenses from GL, page B-18.

The table below is a representation of the Recovery Expenses window after the successful completion of the extraction program. The key for the table is:

- Loc - Location
- Exp - Expense
- Alloc - Allocated
- Rec - Recoverable

Loc Code	Exp Acct	Exp Type	Budget Exp	Actual Exp	Actual % Alloc	Amount Alloc	Rec
B3	6001	Main Mall expenses: Air Conditioning	NA	780,000	NA	NA	NA
B3	6002	Main Mall expenses: CAM Operating expenses	NA	1,750,000	NA	NA	NA
B3**	6003	Main Mall expenses: Food court	NA	55,000	NA	NA	NA

Loc Code	Exp Acct	Exp Type	Budget Exp	Actual Exp	Actual % Alloc	Amount Alloc	Rec
B3*	5001	Tax expenses	NA	550,000	NA	NA	NA
B3	4001	Insurance expenses	NA	610,000	NA	NA	NA
Major-DS	3001	Major expenses	NA	100,000	NA	NA	NA
Major-S	3002	Major expenses	NA	50,000	NA	NA	NA

Legend:

* Expenses that would belong to class EC10

** Expenses that would belong to class EC30

The expense class details must be recreated in the following scenarios:

- The expense amount of any expense line is updated.
- The expense amounts are further allocated.

See: Expense Allocation Example, page 8-15.

Expense Allocation Example

The following is an example of expense allocations. Since the property includes several buildings, and the expense extract was done for the entire property, you may wish to distribute the total expense amount between buildings on the property. The total of the distributed amount must add to 100 percent.

The property (P10) has three buildings (B1, B2, and B3). The extract creates a recovery expense line (Security) with an expense amount that is applicable to the entire property. The recovery expense line is represented by the following table.

Property Name	Expense Account	Expense Type	Budget Expense Amount	Actual Expense Amount	Actual % Allocated	Actual Amount Allocated
P10	7001	Security	NA	550,000	100	550,000

The security amount may need to be distributed between the three buildings on the

property. The expense amount would typically be distributed between the buildings and to different accounts. The following table represents an example of expense allocation or expense distribution:

Location Code	Expense Account	Expense Type	Budget Expense Allocated	Budget % Allocated	Actual % Expense Allocated	Actual % Allocated
B1	7001-10	Security personnel	NA	NA	250,000	45
B2	7001-20	Security equipment	NA	NA	180,000	33
B3	7001-30	Security uniform	NA	NA	120,000	22

Create Area Class Details

Area class details can be created through the Extract Expenses from GL or Populate Recoveries with Expenses concurrent program, or they can be generated from the Area Class Details window. Area class details include property data, occupancy and vacancy details, and area totals for a specific period of time.

Occupancy and vacancy details list all tenants that occupy space, and all space that is vacant, for a specified period of time. Each property unit record displays the assignable, assigned, and occupied area of a tenant or the vacant area of a space. The weighted average is calculated for all tenant records. The Exclude Area and Exclude Prorate Share check boxes identify contributors for each record. The total area for all records is computed for the specified as of date. The following area values are calculated as of a specified date:

- Total Assignable Area
- Total Occupied Area
- Total Vacant Area
- Total Weighted Average Area

Total areas are displayed in the Area Class Details region of the View Area Class Details window. Only units of property for which the Included in Total check box is checked contribute to the totals. These units can either be occupied by tenants or vacant.

For example, if area class details are created for the period of January 1, 2001 to December 31, 2001, the as of date is August 1, 2001, and a tenant occupies Unit A from October 1, 2001 to the end of the year, then Property Manager creates two records for

Unit A.

The first record shows that Unit A is 100 percent vacant, and the assigned area, occupied area, and weighted average are equal to zero. The Included In Total check box is checked, and the unit's area is counted in the totals as of August 1, 2001.

The second record shows that Unit A is fully occupied during the last part of the year. Since the tenant occupies Unit A from October 1 to the end of the year, the tenant occupancy percent is equal to 25.21 percent, and the weighed average area is calculated as occupied area * occupancy percent.

The Included In Total check box is not checked for the second record because the tenant was not physically occupying the space on August 1, 2001.

The units of property with the Exclude Area check box checked are considered to be contributors for the property, and their area is excluded from the total property area when recovery is calculated.

Units of property with the Exclude Prorata Share check box checked are contributors for the property expense. The prorata share of the tenants occupying the units will be excluded from the total expense during recovery calculation.

Area Class Details Example

The text and table below represents the Area Class Detail region of the View Area Class Lines window for the AC10 area class number.

View Area Class Lines: Area Class Detail

Field	Data
Area Class Name	TOTAL_AREA
Area Class Number	AC10
Area Class Description	Total Property Area
Property Name	P1
Location Code	NA
As of Date	12/31/01
Period From Date	01/01/01
Period To Date	12/31/01

Field	Data
Portion %	100
Status	Open
Total Assignable Area	250,000
Total Override Assignable Area	250,000
Total Occupied Area	250,000
Total Override Occupied Area	250,000
Total Vacant Area	0
Total Override WA Area	250,000
Total Weighted Average Area	250,000
Total Excluded Area	0

The table below represents the first level, or tenant level, details generated for the area class AC10:

Occupancy and Vacancy Details

Lease Name	Location Code	Start Date	End Date	Assignable Area	Assigned Area	Override Assigned Area	Vacant Area
SVC	SVC100	01/01/01	12/31/01	250,000	250,000	NA	0

Occupancy and Vacancy Details (continued)

Occupied Area	Occupied Area Override	Weighted Average	Weighted Average Override	Exclude Area	Exclude Prorata Share	Include in Total
250,000	NA	250,000	NA	No	No	Yes

To create area class details:

1. Navigate to the Area Class Details window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Area: Area Class Details.
2. Click Generate.
3. Enter the following fields in the Generate Area Class Details window:
 - Operating Unit
 - Area Class Name
 - Area Class Number
 - Property Name
 - Location Code
 - As Of Date
 - Start Date
 - End Date
 - Use Override Values
4. Choose Apply to generate area class details.

To view and modify area class details:

1. Navigate to the Area Class Details window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Area: Area Class Details.
2. Enter the search parameters.
3. Choose Go. Area Class Details appear.
4. To view area class details, choose the link in the Area Class Name field.
5. To modify area class details, choose Select and Update.

Create Expense Class Details

You can create expense class details by running the Recover Module Expense Line Extraction concurrent program or generate them from the Expense Class Details page. The expense class details combine the recovery expenses of a particular expense type

with the tenants that occupy the property space.

The concurrent program retrieves data from the Expense Lines interface table, and checks if any expense classes exist for the associated property. The system uses the expense class setup data and extracted recovery expense information to create expense details for the class.

There are two levels of expense class details. The first level, or the tenant's level, represents the total expense included in the expense class for a particular tenant. The lease name, customer name, and location code, along with original expense amount are displayed for each tenant record. The recoverable amount is derived by applying portion percent to the actual expense amount and the actual recoverable amount is calculated by applying the share percent and management fees, if applicable. The variance represents the difference between the original expense amount and the amount after portion percent, share percent, and fees are applied.

The second level, or the individual expense account level, displays the detailed split of the total expense. The actual account segments, expense types, and the expense amounts that comprise the total expense of a tenant are displayed. The expense amounts of individual accounts are displayed at this level. The original expense amounts are reduced by the portion and share percent, if applicable, and increased by the management fees to arrive at the actual recoverable amount of an individual expense account.

If both the fees before contributors and the fees after contributors are entered in the expense class setup, the fees before contributors will override the fees after contributors. The fees before contributors are applied when Property Manager generates the expense class details. The fees after contributors are applied in the recovery agreement for a tenant.

Note: To apply only the fees after contributors to a recovery calculation, do not enter the fees before contributors.

The fees before contributors can be defined during the setup of both levels: for the entire expense class and for individual expense types within the class. Fees entered at the expense type level take precedence over those entered for the entire expense class and will be applied at the individual expense account level of the expense class details.

For example, the fees defined at the individual expense type level are 10 percent for the expense type of Tax, and 15 percent for the expense type of CAM. If fees are then defined for the entire expense class equaling 20 percent, only fees at the individual expense type levels will be applied, 10 percent and 15 percent respectively, and the 20 percent fee for the expense class will be ignored.

Note: To apply the expense class fee, do not enter any fees for the individual expense type inclusions during the expense class setup. The fee will be applied to the total expense amount of a tenant.

You can use the share percentage to reduce the share of a specific expense for an individual tenant. Any share percentage defined at the expense type level in the expense class setup, will override a share percentage defined at the total expense level.

Expense Class Details Example

The text and table below represents the Expense Class Details region of the View Expense Class Lines window for the EC10 expense class number.

View Expense Class Lines: Expense Class Details

Field	Data
Expense Class Number	EC10
Expense Class Name	CAM+Tax
Expense Class Description	CAM Operating Exp and Taxes
Property Name	P1
Location Code	B3
Recovery Expense Number	RE2002
From Date	01/01/02
To Date	12/31/02
Portion %	100
Fee% Before Contributors	NA
Fee % After Contributors	NA
Area Class Default	AC10
Status	Open

The table below represents the first level, or tenant level, details generated for the expense class EC10.

The key for the table is:

- Loc - Location

- Rec - Recovery
- Std - Standard
- Over - Override
- Cont - Contribution
- Var - Variance

Note: All amounts in the table are in multiples of 1000.

Recovery Expense Lines

Lease Name	Cust Name	Loc Code	Rec Type Code	Rec Space Std Code	Actual Amt	Rec Amt	Share %	Over Fee% Before Cont	Actual Rec Amt	Var Amt
SVC 00	SVC	The SVC Specialty Unit 1	Specialty	Interior	160	160	NA	NA	156	4
MC 200	Mc Dun	MC 200	Food Court	Interior	230	230	NA	NA	230	0
WM 300	Wm-Markum	WM 300	Major	Exterior	230	230	NA	NA	230	0

The recoverable amount is determined by applying the portion percent to the actual amount. For example, if the actual amount for a tenant is \$160,000, and the portion percent is 50 percent, then the recoverable amount is \$80,000.

The actual recoverable amount is determined by applying the share percent and management fees to the recoverable amount. The actual recoverable amount for each tenant, which is derived in the expense class details, is used as the numerator for the recovery calculation in the recovery agreement. The unrecovered variance is the difference between the actual amount and the actual recoverable amount.

Expense Class Line Details Example

The text and table below represents the Expense Class Line Details region of the View Line Details window for the EC10 expense class number.

View Expense Class Line Details

Field	Data
Expense Class Number	EC10
Expense Class Name	CAM+Tax
Expense Class Description	CAM operating expense and taxes for a property
From Date	01/01/01
To Date	12/31/01
Actual Expense Amount	156,000
Portion %	80%

The table below represents the second level, or individual account level, details generated for the expense class EC10.

The key for this table is:

- Exp - Expense
- Desc - Description
- Amt - Amount
- Recov - Recoverable
- Cont - Contribution

Note: All amounts in the table are in multiples of 1000.

Recoverable Amount Details

Exp Acct	Exp Acct Desc	Exp Type	Actual Amt	Recov Amt	Share %	Fee % Before Cont	Fee Amt Before Cont	Computed Recov Amt
5000 - 100	Ground Maint.	CAM Operating	50	40	100%	20%	8	48
5000 - 250	Snow Removal	CAM Operating	50	40	100%	20%	8	48
6000 - 200	Land Tax	Tax	60	48	100%	25%	12	60

To create expense class details:

1. Navigate to the Expense Class Details window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Expenses: Expense Class Details.
2. Choose Generate Class Details.
3. Enter the following fields in the Generate Expense Class Details window:
 - Operating Unit
 - Expense Class Name
 - Expense Class Number
 - Property Name
 - Location Code
 - Recovery Expense Number
 - Currency Code
 - Period Start Date
 - Period End Date
 - Use Override Values
4. Choose Apply to generate expense class details.

To view and modify expense class details:

1. Navigate to the Expense Class Details window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Expenses: Expense Class Details.
2. Enter search parameters.
3. Choose Go. Expense Class Details appear.
4. To view expense class details, choose the link in the Expense Class Name field.
5. To modify expense class details, choose Select and Update.

Recovery Agreements

Recovery agreements define how recovery amounts are calculated and adjustments for recoveries billed over a given period. Generally, the recovery is done once a year after the year end. Recovery can be calculated more often if needed, such as in the case of new property developments, or when a new tenant is added in the middle of a year.

There are two steps involved in creating a recovery agreement. The first step includes entering the agreement details, such as tenant name, lease terms, and specifying recovery lines for all or part of the recovery agreement duration. The second step includes entering recovery lines details for the duration of a recovery agreement time period or less.

After the recovery agreement is set up, recovery can be calculated for specific periods. The recovery lines and line details of the specified periods are available for review after specifying the start date, end date, and the as of date of the period that needs to be calculated. One or more lines can be calculated simultaneously, and the Calculate Recovery concurrent program is available to calculate recovery for multiple agreements.

When the Calculate Recovery concurrent program completes, the recovery terms are populated. If subsequent changes are made to the recovery agreement or lines, you must recalculate to update the calculated data and recreate the recovery terms. By default, the recalculation process displays the last period calculated.

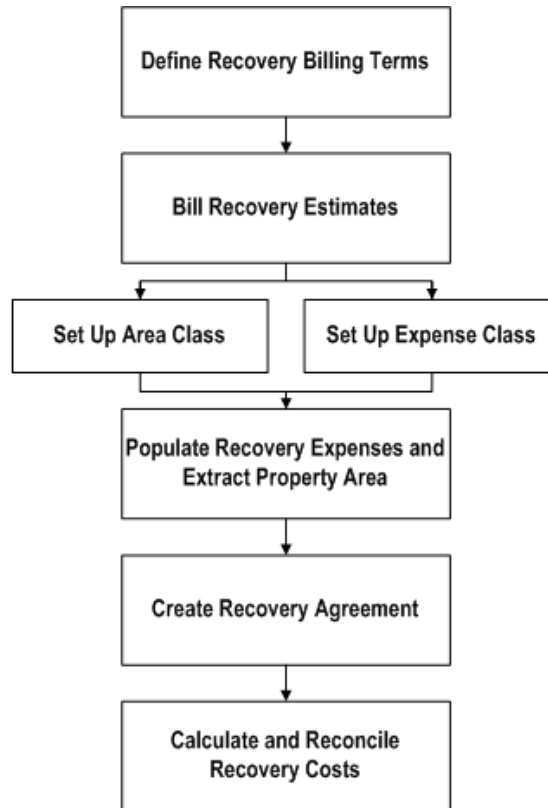
Note: If you recalculate an approved agreement line, a term for the adjustment amount will be created.

The Review Terms process is also period specific. The terms for the last calculated period are displayed by default.

Based on the Consolidate Recovery Terms system option, a term is created for each recovery line, or a consolidated term is created for all recovery lines for a period. All recovery lines must be successfully calculated in order to view consolidated term. Individual recovery terms or a consolidated term can be reviewed, and the associated

amount can be approved. The diagram below illustrates the landlord recovery process.

Landlord Recovery Process



Recovery Agreement Calculation Methods

The recovery calculation is performed by one of four methods. The calculation methods are Fixed Amount, Fixed Rate, Fixed Percentage or Prorata Share. The calculation method can be defined independently for each recovery line.

Prorata Share

The Prorata Share calculation method computes the actual recovery amount based on the total expense incurred by a landlord for a property, the total area of the property, and the tenant specific recoverable area. The system also takes into account the period of time tenants occupy a space (occupancy percentage), and it applies a multiple that increases the standard recovery rate. The multiple is typically used with food court tenants.

The recovery amount that was billed to a tenant throughout the year, or Billed Recovery, is subtracted from the tenant's actual prorata share to determine the recovery adjustment amount.

Note: If the main lease includes abatements that are marked as recoverable, the abatements will be automatically included in the billed recovery.

The reconciled or recovery adjustment amount is determined as follows:

Reconciled Amount = Actual Prorata Share - Billed Recovery

Entering the constraints and abatements for the actual recovery amount is an optional step. If the constraints or abatements are entered, they are applied to the actual recovery amount to determine the actual prorata share. The actual prorata share is calculated as follows:

Actual Prorata Share = Constrained and Abated Actual Recovery

The basic calculation for the tenant's actual recovery amount is as follows:

Tenant's Actual Recovery = (Tenant's Recoverable Area * Occupancy %) * (Total Expenses / Total Area) * (Multiple %)

Where:

- Total Expenses: Is derived from the Expense class specified for a recovery line. See: Variables Used for Prorata Share Recovery Calculation., page 8-28.
- Total Area: Is derived from the Area class specified for a recovery line. See: Variables Used for Prorata Share Recovery Calculation., page 8-28.
- Multiple %: A deviation of the standard calculation. The multiple is typically used for prorata share of food court tenants to adjust their rate. See: Multiple %, page 8-30.
- Tenant's Recoverable Area: Is derived from the tenant's assigned area that is specified in the Area Class. See: Variables Used for Prorata Share Recovery Calculation., page 8-28.
- Occupancy %: Is calculated based on the degree of overlap between tenant's occupancy dates and recovery calculation period start and end dates.

Fixed Rate

The Fixed Rate calculation method uses a fixed dollar per area amount and remains as a constant charge every year. If constraints are defined, this charge can increase from year to year by a specific percentage.

A fixed rate recovery must be entered for the recovery lines, and the manually entered tenant recoverable area is required for this type of calculation. The actual recovery amount is computed as follows:

Tenant's Actual Recovery = Fixed Rate * Tenant's Recoverable Area * (Occupancy %) * (Multiple %)

Entering the constraints and abatements for the charge is an optional step. If the constraints or abatements are entered, Oracle Property Manager applies them to the recovery amount to determine the actual recovery amount. The billed recovery is subtracted from the actual recovery amount to derive the reconciled amount.

Fixed Amount

The Fixed Amount calculation method uses a fixed dollar amount as the recovery amount. The fixed recovery amount remains as a constant charge every year. This charge can increase from year to year by a specific percentage if constraints are defined.

When this calculation method is used, a fixed amount of recovery must be entered for a recovery line. Entering constraints and abatements for the charge is an optional step. If the constraints and allocations are entered, Oracle Property Manager applies it to the recovery amount to determine the actual recovery amount. The billed recovery is subtracted from the actual recovery amount to derive the reconciled amount or recovery adjustment amount.

Fixed Percentage

The Fixed Percentage method calculates the recovery amount based on the total recoverable expense incurred on the property and the manually entered fixed percentage amount. The total expense is derived from the expense class specified for a recovery line. Also, no constraints or abatements are applied to the recovery calculation when using this method. The actual recovery is computed as follows:

Actual Prorata Share = Total Expense * Fixed %

The reconciled or recovery adjustment amount is determined as follows:

Reconciled Amount = Actual Prorata Share - Billed Recovery

Variables Used for Prorata Share Recovery Calculation

The variables used in Recoveries are derived from several sources. The variables used in the prorata share recovery calculation include the following:

- Total Expenses
- Total Area
- Occupancy %
- Multiple %
- Tenant's Recoverable Area

Total Expenses

The total expense amount is derived from the details of an expense class that are

specified for a recovery line. Landlords and tenants often agree that the recoveries charges will be the excess of the expenses after the contributors have been accounted. The prorata share of certain contributors, if any, is excluded before the total expense is used to calculate the actual recovery.

The management fees after contributors are applied before the total expense is used to calculate the actual recovery.

Note: When using the Prorata Share calculation method, do not enter a management fee before and after contributors for the same expense class.

Total expense is only applicable to the Prorata Share and Fixed calculation methods.

Total Area

The total area is derived from the details of an area class specified for a recovery line. You must specify the area type when you associate an area class to a recovery line. The total area can be one of the following five area types:

- Total Assignable Area
- Total Occupied Area
- Total Weighted Average Area
- Greater of Floor % Total Assignable Area or Total Occupied Area on the As of Date - Total Assignable or Total Occupied, option of Area Type field
- Greater of Floor % Total Assignable Area or Total Weighted Average Area - Total Assignable or Total Weighted Average, option of Area Type field

If the area type is either: Greater of Floor % Total Assignable Area or Total Occupied Area on the As of Date, and Greater of Floor % Total Assignable Area or Total Weighted Average Area, the Floor percentage is required.

A floor limits the cost per square foot that a landlord can charge, and also serves as a limit on under-occupancy. Floors only apply when the tenant lease is based on occupancy or weighted average. A floor compares the weighted average area number with a percentage of the gross leasable area, and takes the largest of the two. As the denominator in a tenant's calculation gets smaller, the cost per square foot, and the prorata share, will increase. A tenant may attempt to limit their exposure by requesting a floor on the value of the denominator that the landlord can use.

Typically, when there is a floor, the tenant forces a comparison between two area figures, and can choose the greater of the two. For example, a common floor could include the following: The denominator of the weighted average area cannot be less than 80 percent of the total assignable area, which can also be expressed as: The greater of 80 percent Total GLA or WA.

Typically, the total weighted average and occupied area denominators are compared to a portion of the total assignable area. If the area class specifies contributors, then the comparison is as follows:

$(\text{Floor \%}) * (\text{Total Assignable Area} - \text{Contributors Total Assignable Area})$ vs. $(\text{Weighted Average} - \text{Contributors Weighted Average Area})$

A value for the floor can be entered as a percentage value between 0 percent and 100 percent. The most common floors used are in the range from 75 percent to 95 percent.

Note: Total area is only applicable to the Prorata Share calculation method.

Occupancy %

The occupancy percentage is calculated based on the degree of overlap between the tenant's occupancy dates and the recovery calculation period start and end dates.

Multiple %

The multiple percentage is a deviation of the standard calculation. The multiple percentage is typically used for prorata share of food court tenants to adjust their rate. For examples, if the standard calculation determined interior tenants cost per area is \$18, food court tenants charges would be a multiple of that rate, for example $2 * \text{CAM} = \$18 * 2 = \36 per square foot. Typically, for regular or non food court tenants, the multiple percentage is 100 percent.

Tenant's Recoverable Area

When the calculation method is Prorata Share, the tenant recoverable area is derived from the tenant's assigned area specified in the area class.

Note: If you override the tenant's assigned area in the area class, the recovery calculation will use the override value.

If the Fixed Rate calculation method used, the tenant's recoverable area must be manually entered. There is no need to enter the recoverable area when the Fixed Amount or Fixed Percentage methods are used.

Find Tenants Without Recovery Agreements

Use the Tenants Without Agreements window to find new tenants that moved in the property within the recovery year, or tenants with recovery agreements that expire in the recovery year.

To search for tenants without recovery agreements:

1. Navigate to the Tenants Without Agreements window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Recovery Agreements tabbed region: Tenants Without Agreements window.
2. Enter the available search criteria in the following fields:
 - Property Name
 - Location Code
 - Customer Name
 - Lease Name
 - Lease Number
 - Period Start Date
 - Period End Date
3. Choose Go to find the tenants meeting the search criteria.
4. You can choose to create an agreement for a tenant when the search results are displayed. Choose the Create Agreement icon in the tenant record to create a recovery agreement.
5. All the fields related to location, lease, and customer are defaulted.

Create a Recovery Agreement

Creating a recovery agreement setup is a two-step process. First, you enter the basic agreement details and recovery lines. Second, you enter the recovery line details.

The agreement start and end date are defaulted from the tenant's lease commencement and termination dates. You can define a recovery agreement for any time period within the main lease commencement and termination dates. You can define the recovery lines for any time period within the recovery agreement start and end dates.

Each recovery line type and purpose defaults from the tenant's lease billing terms. If you choose the Add All Lines button, each line start and end date defaults to the agreement start and end date.

The text and table below represents the Recovery Agreement Details region of the Create Recovery Agreement window.

Create Recovery Agreement: Recovery Agreement Details

Field	Data
Lease Number	SVC00
Lease Name	SVC lease 00
Status	Final
Lease Status	Active
Location Code	SVC100
Customer Name	SVC
Property Name	P1
Currency	USD
Recovery Agreement Name	SVC-CAM-Insurance
Recovery Agreement Number	SVC 100
Agreement Start Date	01/01/00
Agreement End Date	12/31/05
Negative Recovery	Credit
Term Template	Recoveries Template

The text and table below represents the Recovery Lines region of the Create Recovery Agreement window.

The key for this table is:

- Recov - Recovery
- Calc - Calculation
- Amt - Amount
- Ins - Insurance
- Bil - Billing

- Pur - Purpose
- Fix - Fixed

Recovery Lines

Bil Type	Bil Pur	Recov Start Date	Recov End Date	Calc Method	FixAmt	Fix Rate	Fix %	Multiple %
CAM	Operating Expense	01/01/00	12/31/05	Prorata Share	Na	Na	Na	100
Ins	Ins	01/01/00	12/31/05	Prorata Share	Na	Na	Na	100

Note: You need not enter a fixed amount, rate, or fixed percentage when the calculation method is Prorata Share.

The recovery line start and end dates default from the recovery agreement. Typically, recovery lines can span the entire duration of the recovery agreement. You can override the start and end dates and create multiple recovery lines, provided the new recovery line collectively span the same time frame with no gaps or overlaps. Also, the new recovery lines must contain the same type and purpose; however, the expense class can vary between the new lines.

Note: You would split the line if you wished to specify more than one details for a line. For example, for a five year agreement, you can define five records that each span one year, for a recovery line with a billing type and purpose of Tax. You would assign different details for each year.

To create basic recovery agreement details:

1. Navigate to the Create Recovery Agreement window by selecting Leases and Documents: Recovery: Recovery Agreement Landlord: Recovery Agreement tabbed region: Existing Agreements.
2. Click Create Agreement.
3. Select the operating unit for which you want to create a recovery agreement.
4. Enter the Number or Name of the lease for which you want to create a recovery

agreement. The other lease-related fields are populated automatically. Some lease-related fields (Status, Lease Status, Customer Name, and Property Name) are read-only. The Agreement Start and End Dates are also set to the Lease Commencement and Termination Dates by default.

5. Enter (or update) the values for the following parameters:
 - Currency
 - Recovery Agreement Name
 - Agreement Start Date
 - Agreement End Date
 - Negative Recovery
 - Term Template

6. Create recovery lines by specifying the following for each recovery line:
 - Billing Type
 - Billing Purpose
 - Recovery Start Date
 - Recovery End Date
 - Calculation Method
 - Depending on the calculation method used, only one of the four values must be specified:
 - Fixed Amount
 - Fixed Rate
 - Fixed %
 - Prorata Share method
 - Multiple %

7. Choose the Add All Lines button to default all the recovery lines to the recoverable terms defined in the main lease.

8. Choose the Apply button to save the recovery agreement and recovery lines or

choose the Complete Line Details button to continue to the Create Line Details: Expense window, and the related windows for area, constraints, and abatements.

Create Recovery Agreement Line Details

The second step of creating a recovery agreement is entering the recovery line details. When you click Complete Line Details, Oracle Property Manager displays the Create Line Details: Expenses window.

The recovery line details start and end dates automatically default to the recovery line start and end dates. The line details, such as area and expense, are automatically populated if the Add All Lines button is chosen, but they may be manually entered. The constraints and abatements are not required to calculate recovery, but are available as calculation options.

The recovery line detail start and end dates default from the recovery line dates. You can override the start and end dates and create multiple line details for a recovery line, provided the new line details collectively span the same time frame with no gaps or overlaps.

Also, the new recovery line details must contain the same type and purpose.

Create Recovery Agreement Line Details for Expense

Use the Expense region of the Create Line Details page to associate an expense class to a recovery line for a specific time period.

The text and table below represent the Expense region of the Create Line Details page. The key for this table is:

- Calc - Calculation
- Exp - Expense
- Desc - Description
- Recov - Recovery
- Bil - Billing

Create Line Details: Expense

Bil Type	Bil Purpose	Calc Method	Exp Class Name	Exp Class Num	Exp Class Desc	Recov Start Date	Recov End Date
CAM	Operating Exp	Prorata Share	CAM Operating Exp	EC4	CAM Operation Exp for Property P1	01/01/00	12/31/05
Insurance	Insurance	Prorata Share	Insurance	EC5	Insurance for Property P1	01/01/00	12/31/05

To create recovery agreement expense line details:

1. Choose the Complete Line Details button to navigate to Recovery Lines Details and Expense region from the Create Recovery Agreement window.
2. Enter values for the following parameters:
 - Billing Type
 - Billing Purpose
 - Calculation Method
 - Expense Class Name
 - Expense Class Number
 - Expense Class Description
 - Recovery Start Date
 - Recovery End Date

Note: If a recovery line has a billing purpose that is a combination of two expense types, such as CAM and Tax, you will need to create an expense class for the same combination of expense types: CAM and Tax.

3. Choose the Add All Lines button to default information from the Recovery Lines window.
4. Choose the Next button to continue to the Create Line Details: Area window, or

choose the Finish button to save the record.

Create Recovery Agreement Line Details for Area

The Area region of the Create Line Details window, represented by the text and table below, is used to associate an area class to a recovery line for specific time period.

The key for this table is:

- Calc - Calculation
- Num - Number
- Desc - Description
- Rec - Recovery
- Ins - Insurance

Create Line Details: Area

Billing Type	Billing Purpose	Calc Method	Area Class Name	Area Class Num	Area Class Desc	Rec Start Date	Rec End Date	Area Type
CAM	Operating Expense	Prorata Share	Total area less contributors	AC10	Total less contributors	01/01/00	12/31/05	Total Assignable Area
Ins	Ins	Prorata Share	Total area	AC20	Total property area	01/01/00	12/31/05	Total Assignable Area

To create recovery agreement area line details:

1. Choose the Next button in the Create Line Details: Expense window to navigate to the Area window.
2. Enter values for the following parameters:
 - Billing Type
 - Billing Purpose
 - Calculation Method

- Area Class Name
 - Area Class Number
 - Area Class Description
 - Recovery Start Date
 - Recovery End Date
 - Area Type
 - Floor %
3. Choose the Add All Lines button to default information from the Recovery Lines window.
 4. Choose the Next button to continue to the Create Line Details: Constraints window, or choose the Finish button to save the record.

Create Recovery Agreement Line Details for Constraints

The Constraints region of the Create Line Details window is used to enter constraints for a recovery line for a specific time period. This is an optional step.

You can specify the following constraints for each recovery line:

- **Minimum Prorata Share:** Acts as a floor on the prorata share amount. The prorata share amount the tenant must pay cannot be less than a minimum fixed amount.
- **Maximum Prorata Share:** Acts as a ceiling on the prorata share amount. The prorata share amount the tenant must pay cannot exceed a maximum fixed amount.
- **Minimum Rate:** Acts as a floor on the cost per area. The rate amount the tenant must pay cannot be less than a minimum amount per square foot.
- **Maximum Rate:** Acts as a ceiling on the amount per area. The rate amount the tenant must pay cannot exceed a maximum amount per square foot.
- **Floor and Ceiling:** Tenant may have both a ceiling and floor on the same recovery type. In this case, you will need to set up two records: one for the floor and one for the ceiling. Floor and ceiling can be setup for either the prorata share or rate.
- **% Over Prior Year Amount:** The tenant's prorata share amount is capped, or limited, to a specified percentage over the prior year actual amount. Example: Assuming the cap is set to 10 percent over the prior year actual amount. The tenant must pay their prorata share, but it cannot exceed 110 percent of the prior year actual amount.

- **% Over Prior Year Cap:** The tenant's prorata share amount is capped, or limited, to a specified percentage over the prior year capped amount. This type of constraint is sometimes called a compound increase over the first year actual amount or cumulative cap.

You can define multiple constraints per line for different time periods. For a recovery line, you can specify minimum and maximum constraints for both the amount and rate of the same period.

You cannot define both the percentage over prior year actual and the percentage over prior year cap constraints for a recovery line during the same period. You cannot combine percentage over prior year actual or percentage over prior year cap constraint with another constraint type.

The text and table below represents the Constraints region of the Create Line Details window. The key for the table is:

- Bil - Billing
- Calc - Calculation
- Purp - Purpose
- Recov - Recovery

Create Line Details: Constraints

Bil Type	Bil Purp	Calc Method	Scope	Relation	Value	Recov Start Date	Recov End Date
CAM	Operating Expense	Prorata Share	Prorata Share	Min	5000	01/01/00	12/31/05
CAM	Operating Expense	Prorata Share	Prorata Share	Max	10,000	01/01/00	12/31/05

To create recovery agreement constraints line details:

1. Choose the Next button in the Create Line Details: Area window to navigate to the Constraints window.
2. Enter values for the following parameters:
3. Billing Type
4. Billing Purpose

5. Calculation Method
6. Scope
7. Relation
8. Value
9. Recovery Start Date
10. Recovery End Date
11. Choose the Add All Lines button to default information from the Recovery Lines window.
12. Choose the Next button to continue to the Create Line Details: Abatement window, or choose the Finish button to save the record.

Create Recovery Agreement Line Details for Abatements

The Abatement region of the Create Line Details window is used to enter abatement for a recovery line for a specific period. You can define additional abatements that landlords give tenants. Abatements are optional and can only be applied to an actual recovery amount. The text and table below represents the Abatement region of the Create Line Details window. The key for the table is:

- Bil - Billing
- Purp - Purpose
- Calc - Calculation
- Abat - Abatement
- Amt - Amount
- Desc - Description
- Recov - Recovery

Create Line Details: Abatement

Bil Type	Bil Purp	Calc Method	Abat Type	Abat Amt	Abat Desc	Recov Start Date	Recov End Date
CAM	Operating Expense	Prorata Share	Relocation	1000	Tenant Relocation	01/01/00	12/31/05
Insurance	Insurance	Prorata Share	Relocation	500	Tenant Relocation	01/01/00	12/31/05

To create recovery agreement abatement line details:

1. Choose the Next button in the Create Line Details: Constraints window to navigate to the Abatements window.
2. Enter values for the following parameters:
3. Billing Type
4. Billing Purpose
5. Calculation Method
6. Abatement Type
7. Abatement Amount
8. Abatement Description
9. Recovery Start Date
10. Recovery End Date
11. Choose the Add All Lines button to default information from the recovery line.
12. Choose the Finish button to save the record.
13. Choose Finish to save the input.

Calculate Recovery Agreement

Although the recovery agreement setup is date insensitive, the recovery calculation is period specific. The calculation period can be one year or less, and you must use an expense class and area class with the same duration as the calculation period to successfully calculate the recovery agreement.

To calculate recovery, specify the beginning and ending dates of the calculation period, and the as of date. The system requires a specific date range since the recovery agreement and recovery lines can span several years.

After the calculation period is selected, the system displays all the existing lines that fall within the specified date range of the calculation period. You can review the details of the recovery lines. There are restrictions related to the recovery calculation, and they are controlled by the following selection constraints:

Note: If the system cannot find expense class details with the start, end, and as of dates that match the date range given for the calculation, the line status will remain as Open, and the Expense Class tabbed region in the Review Line Details window will be blank. You will not be able to calculate recoveries. If the system cannot find an area class details with start and end dates matching the date range given for the calculation, the line status will remain as Open, and the Area Class tabbed regions will be blank.

The text and table below represents the initial region of the Calculate Recovery Agreement window.

Recovery Agreement Details

Field	Value
Location Code	SVC100
Property Name	P1
Customer Name	SVC
Lease Name	SVC Lease 00

The text and table below represents the Calculation Period region of the Calculate Recovery Agreement window.

Calculation Period

Field	Value
Period Start Date	01/01/00
Period End Date	12/31/00

Field	Value
As of Date	12/31/00

There are two recovery lines that apply to the selected calculation period. These two recovery lines are represented in the following table.

The key for this table is:

- Calc - Calculation
- Recov - Recoverable
- Ins - Insurance
- Op - Operation

Recovery Period Lines

Billing Type	Billing Purpose	Calc Method	Recov Area	Fixed Amt	Fixed Rate	Fixed %	Multiple %	Status
CAM	Op Expense	Pro Rata Share	NA	NA	NA	NA	100	Complete
Ins	Ins	Pro Rata Share	NA	NA	NA	NA	100	Complete

Recoverable Area

If the calculation method is Prorata Share, the recoverable area is derived from the tenant's assigned area, or the Override Assigned area, that is specified under the Area Class Details.

See: Area Class., page 8-4

If the calculation method is Fixed, the recoverable area is not needed.

The Recoverable Area field is only required if the Fixed Rate calculation method is used. You can manually update this value.

Note: If Recoverable Area is entered with the calculation method other than Fixed Rate, the value will be ignored.

Recovery Line Status

The recovery line Status field displays the status of a recovery line and is automatically updated by the system. The possible values include the following:

- **Open:** The system cannot find the area or expense class details for the specified start, end, and as of dates. You cannot calculate a line with a status of Open.
- **Complete:** The system has all the details required to calculate recovery. For example, when the Area and Expense tabbed regions have been populated.
- **Processing:** The system is calculating the recovery line.
- **Error:** A system failure occurred during the calculation of the recovery line.

If one or more recovery lines have the status of Complete, you can execute the recovery calculation for those lines.

To calculate recovery for a single period:

1. Navigate to the Recovery Agreement window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord.
2. Choose the Existing Agreement window found in the Recovery Agreement tabbed region.
3. Find the agreement you want to calculate and choose the associated Calculate button.
4. Enter the Start Date, End Date, and the As Of Date of the calculation period, and choose the Go button.
5. Choose the Calculate button for a line that has a status of Complete, or choose the Calculate All button to initiate the Calculate Recovery concurrent program for all lines with a status of Complete.

Recalculate Recovery Agreement

Recalculation is used when any recovery agreement setup data has been modified.

Use recalculation for recovery lines that meet the following criteria:

- Previously calculated
- Setup data has been modified

To recalculate a recovery agreement:

1. Navigate to the Recovery Agreement window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord.
2. Choose the Existing Agreement window found in the Recovery Agreement tabbed region.
3. Find the agreement you want to recalculate and choose the Recalculate button.
4. Choose the desired period from the list of previously calculated periods, and choose the Go button.

Note: The last period calculated is displayed by default.

5. Choose the Calculate button to calculate a single recovery line, or choose the Calculate All button to calculate all Recovery Lines.

Running the Calculate Recovery Concurrent Program

Use the Calculate Recovery concurrent program to calculate recovery expenses for selected periods across multiple recovery agreements. For details, see Calculate Recovery, page B-8.

Review Recovery Lines

Review Line Details

Before you initiate the calculation, you can review the line details.

To review line details:

1. Navigate to the Existing Recovery Agreement window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord: Recovery Agreement tabbed region.
2. Choose the recovery agreement you wish to review.
3. Choose the Calculate button.
4. Enter a value for the Start Date, End Date, and As of Date of the period you wish to review.
5. Choose the Review Line Details button in the Calculate Recovery Agreement window to navigate to the Review Line Detail windows.

After you specify the start and end dates of a calculation period, and the as of date, the system will display the period specific recovery line details. The line details displayed will include the following:

- Billed Recovery
- Expense summary
- Area summary
- Constraints
- Abatements

The status of a line will be Complete if the lines have enough details to calculate actual recovery. Otherwise, the line status will be Open.

Reviewing Billed Recovery of the Recovery Line

The first page that Property Manager displays for review is Billed Recovery. All the lease billing terms, which are defined in the Billing Terms tabbed region of the lease and marked as recoverable, that occur within the specified recovery calculation time period and correspond to the recovery line billing type, are displayed in the Billed Recovery window.

Note: In the terms extracted for the billed recovery calculation, the abatement billing term is included only if it is defined as recoverable in the main lease.

Reviewing Expense Details of the Recovery Line

You can use the Calculate Recovery Agreement: Line Details: Expense window to review expense class details that are specific to the calculation period. For each recovery line, Property Manager displays the total expense amount from the corresponding expense class details. The prorate share of contributors that is identified in the area class details is subtracted from the total expense amount to determine the net expense. The management fee is calculated after contributors are accounted for, and the total expense is calculated as the net expense plus the fee after contributors. The total actual expense will be used as the numerator in the recovery calculation.

See: Calculate Recovery Agreement., page 8-41

Note: If you define the recovery line using a combination of two expense types, such as CAM and Tax, and you exclude the contributors prorata share from the total expense of the recovery line, then all the contributors recovery agreements must have the same expense type

combination defined in the recovery line. Not following this recommendation will result in inaccurate calculations.

The text and table below represents a personalized version of the Expense region of the Review Line Details window. You can use the window personalization function to show only the columns you select. For example, the window representation below only includes columns that are relevant to the two example recovery lines. The columns for the Expense Class Name, Expense Class Number, and Expense Class Description are not included.

The key for this table is:

- Calc - Calculation
- Exp - Expense
- Contr - Contributor's
- Cont - Contribution
- Mgt - Management

Note: All amounts in the table are in multiples of 1000.

Review Line Details: Expense

Billing Type	Billing Purpose	Calc Method	Exp Amt	Contr Pro rata Share	Net Exp	Fee % Cont	Mgt Fee	Total Actual Exp
CAM	Operating Expense	Prorata Share	200	50	150	10%	0	165
Insurance	Insurance	Prorata Share	300	20	280	NA	0	280

Calculate Recovery Agreement: Review Line Details: Area

You can use this window to review the area class details that pertain to the selected calculation period. The area class details includes the total calculations of the three types of area: assignable, occupied, and weighted average. When you associate an area class with a recovery agreement, you must select an area type to restrict the area used for recovery.

The area type defines the area used in the recovery calculation. The area can be defined as one of the following five area types:

- Total Assignable Area
- Total Occupied Area
- Total Weighted Average Area
- Greater of Floor % Total Assignable Area or Total Occupied Area on the As of Date
- Greater of Floor % Total Assignable Area or Total Weighted Average Area

By default, Property Manager displays all three types of area from the area class details. If the contributors were identified in the area class details, you will see the contributors area being subtracted in the area review window. Net area is the area after contributors are accounted for. See: Create Area Class Details., page 8-16.

The applicable area is the class area that is used as the denominator for the recovery calculation. The applicable area is different for each area type, as illustrated in the following table:

Area Type	Equals	Applicable Area
Assignable Area	Equal	Net Assignable Area
Occupied Area	Equal	Net Occupied Area
Weighted Average Area	Equal	Net Weighted Average Area
Assignable or Occupied Occupied	Equal	Greater of Floored Assignable Area or Net Occupied
Assignable or WA Weighted Average Area	Equal	Greater of Floored Assignable Area or Net Weighted Average Area

Based on the value of the area type defined for each recovery line, Property Manager will use the corresponding applicable area value as the denominator in the recovery calculation.

The text and table below represents a personalized version of the Area region of the Review Line Details window. You can use the window personalization function to show only the columns you select. For example, the window representation below only includes columns that are relevant to the two example recovery lines. The columns for the area class name, area class number, and area class description are not included. The columns for the areas other than the ones specified by the area type are not included.

These columns are Total Occupied, Occupied Contributors, Net Occupied, Total Weighted Average, Weighted Average Contributors, Net Weighted Average, and Floor %. The key for this table is:

- Calc - Calculation
- Assign - Assignable
- Cont - Contribution
- Appl - Applicable

Note: All amounts in the table are in multiples of 1000.

Review Line Details: Area

Billing Type	Billing Purpose	Calc Method	Area Type	Total Assign Area	Assign Cont	Net Assign	Appl Area
CAM	Operating Expense	Pro rata Share	Total Assign Area	400	50	350	350
Insurance	Insurance	Pro rata Share	Total Assig Area	380	50	330	330

Reviewing Constraint Details of the Recovery Line

Use this page to review constraints that are specific to the calculation periods. The table below represents the Constraints region of the Review Line Details window.

Review Line Details: Constraints

Billing Type	Billing Purpose	Calculation Method	Scope	Relation	Value	Constraint Value
CAM	Operating Expense	Pro rata Share	Pro rata Share Amount	Min	5000	5000

Billing Type	Billing Purpose	Calculation Method	Scope	Relation	Value	Constraint Value
CAM	Operating Expense	Pro rata Share	Rate	Max	10,000	10,000

Reviewing Abatement Details of the Recovery Line

You can use this window to review abatements that are assigned to the specific calculation periods.

The text and table below represents the Abatements region of the Review Line Details window.

Review Line Details: Abatements

Billing Type	Billing Purpose	Calculation Method	Abatement Type	Abatement Amount
CAM	Operating Expense	Prorata Share	Relocation	50,000
Insurance	Insurance	Prorata Share	Relocation	20,000

Review and Approve Terms

After a period is successfully calculated, you can review the calculation summary, then review and approve the recovery terms.

To view the Recovery Term Summary:

1. Navigate to the Existing Agreement window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord.
2. Choose the Existing Agreement window found in the Recovery Agreement tabbed region.
3. Find the agreement you want to review or approve and choose the Review Terms button.

The text and table below represents the initial region of the Review Terms: Recovery Calculation window.

Review Terms: Recovery Calculation

Field	Value
Operating Unit	Vision Operations
Property Name	SVC Mall
Recovery Agreement Name	SVC Recovery Agreement
Customer Name	SVC
Recovery Agreement Number	10020
Lease Number	1325
Location Code	SVC100

The text and table below represents the Recovery Period region of the Review Terms: Summary window.

Recovery Period

Field	Value
Calculation Period	01/01/00 - 12/31/00 - 12/31/00 (The dates are for the start, end, and as of dates.)

The text and table below represents the Recovery Period Summary region of the Review Terms: Summary window. The key for the table is:

- Act - Actual
- Bil - Billing
- Budg - Budget
- Recov - Recovery

Recovery Period Summary

Bil Type	Bil Purpose	Status	Budg Cost Per Area	Budg Pro Rata Share	Act Cost Per Area	Act Pro Rata Share	Billed Cost Per Area	Billed Recov	Reconciled Amt
CAM	Operation Expense and Tax	Complete	0	0	0.126	30,000	1.24	31,000	-1,000

The text below represents the expanded details of the Recovery Period Summary region found in the Review Terms: Summary window.

Show Details

Total Area: 450,000 Actual Recovery: 31,666.67

Total Expense: 57,000 Constrained Actual: 30,000.00

Recoverable Area: 250,0000 Abatements: 0

Multiple %: 100 Actual Prorata Share: 30,000.00

Occupancy % 100 Billed Recovery: 31,000.00

Fixed %

Tenancy Start Date: 01/01/00 Reconciled Amount: <1,000.00>

Tenancy End Date: 12/31/05

Budget Prorata Share: 0 Budget Cost Per Area: 0

The possible values for the Status column include the following:

- Complete: Indicates a successful calculation
- Error: Indicates an error in processing the data

Depending on how the Consolidate Recovery Terms system option was set, the system will generate one term for a period, or multiple terms: one term per recovery line. All the terms generated for the period are displayed in the Billing Terms window.

Consolidate Recovery Terms

The Consolidate Recovery Terms system option controls how the system will generate recovery term details. If the Consolidate Recovery Terms system option is set to No, the system will generate a term detail line for each recovery line. The system uses the corresponding billing term details from the main lease. If there is more than one billing term with the same type and purpose, but with different billing details, the system will default the details of the most recent term.

If the consolidated recovery terms system option is set to Yes, the system will create one consolidated term for a total of all recovery line amounts. The system uses the term template specified in the recovery agreement to populate the recovery term details. If the Consolidate Recovery Terms system option is set to Yes, all of the recovery lines in the Review Terms: Summary table must have a status value of Complete in order to proceed. The recovery lines with an error status require recalculation.

Approve Terms

You can change the status from Draft to Approved in the Billing Terms Summary and the Term Details windows.

To approve billing terms:

1. Navigate to the Existing Agreement window by choosing Leases and Documents: Recovery: Recovery Agreement Landlord.
2. Choose the Existing Agreement window found in the Recovery Agreement tabbed region,
3. Find the agreement you wish to approve and choose the Review Terms button.
4. From the Review Terms: Summary window, choose the Continue button to navigate to the Review Billing Terms window.
5. Change the status of the term from Draft to Approved or select the Approve All button to approve all recovery terms.

See: Approving Billing Schedule Events., page 5-133

Note: If changes are made to the agreement details after any of the recovery terms have been approved, recalculation has to be conducted. Property Manage will create a term for a difference between the calculated recovery amount and previously approved recovery term amount. You can then review and approve the adjustment term.

Recovery Window References

The following are descriptions of the windows available in the Recoveries feature.

Recovery Agreement. Search for existing recovery agreements or for tenants without agreements.

Create Recovery Agreement. Create new recovery agreements and related recovery lines.

Create Line Details: Expense. Create recovery line expense details.

Create Line Details: Area. Create recovery line area details.

Create Line Details: Constraints. Create recovery line constraint details.

Create Line Details: Abatements. Create recovery line abatement details.

Calculate Recovery Agreement. Calculate recovery agreements for selected periods.

Review Terms: Summary. Review a summary of the recovery calculation for a selected period.

Review Terms: Billing Summary. Review a summary of the billing terms for a selected period. Approve a term by changing the status from Draft to Approved.

Billing Term Details. Approve a term by changing its status from Draft to Approved.

Re-Calculate Recovery Agreement. Recalculate a previously calculated recovery agreement for a selected period range.

Review Lines Details. Review the details of all the lines within a specified period. Details available for review include billed recovery for the period and expense, area, constraints, and abatements.

Update Recovery Agreement. Modify previously created recovery agreements and recovery lines.

Update Line Details: Expense. Modify previously created recovery line expense details.

Update Line Details: Area. Modify previously created recovery line area details.

Update Line Details: Constraints. Modify previously created recovery line constraint details.

Update Line Details: Abatements. Modify previously created recovery line abatement details.

Duplicate Recovery Agreement. Create new recovery agreements by duplicating previously created or updated recovery agreements and changing the data as needed prior to saving the record as a new recovery agreement.

Duplicate Line Details: Expense. Create new recovery line expense details by duplicating previously created or updated recovery line expense details and changing the data as needed prior to saving the record as a new expense detail line.

Duplicate Line Details: Area. Create new recovery line area details by duplicating previously created or updated recovery line area details and changing the data as needed prior to saving the record as a new area line detail.

Duplicate Line Details: Constraints. Create new recovery line constraint details by duplicating previously created or updated recovery line constraint details then changing the data as needed prior to saving the record as a new constraint line detail.

Duplicate Line Details: Abatements. Create new recovery line abatement details by duplicating previously created or updated recovery line abatement details then changing the data as needed prior to saving the record as a new abatement line detail.

View Recovery Agreement. Review previously completed recovery agreement details

and recovery lines.

View Lines Details. Review previously completed line details including expenses, area, constraints, and abatements.

Tenants Without Agreement. Query all or tenants with recovery agreements that expire in the recovery year.

Recovery Expenses. Query recovery expenses that are extracted as a result of running the Recovery Module Expense Line Extraction concurrent program.

View Recovery Expenses. Review recovery expenses extracted by the Recovery Module Expense Line Extraction concurrent program.

Create Recovery Expenses. Create recovery expense details and lines to capture expenses incurred on a property or location. It is used as a way to enter expenses through the user interface instead using the concurrent programs.

Update Recovery Expense. Modify previously created or extracted recovery expenses.

Allocate Recovery Expenses. Create expense line allocations.

View Allocated Expenses. Query and review allocated expenses.

Expenses: Expense Class Details Tabbed Region

Expense Class Details. Query expense class details.

Generate Expense Class Details. Generate expense class details for expense classes.

Update Expense Class Lines. Modify previously created expense class details lines of the expense class details.

Update Line Details. Modify previously created expense line details under expense class details.

View Expense Class Lines. Review previously created or updated expense class lines of expense class details.

View Lines Details. Review previously created or updated expense line details under expense class details.

Area: Area Class Details Tabbed Region

Area Class Details: Query area class details.

Generate Area Class Details: Generate area class details for area classes.

Update Area Class Details. Modify previously created area class details.

View Area Class Details. Review previously created or updated area class details.

Setup: Area Classes

Area Classes. Search for previously created area classes.

Create Area Class. Create new area classes.

Update Area Class. Modify previously created area classes.

View Area Class. Review previously created or updated area classes.

Duplicate Area Class. Create new area classes by duplicating previously created or updated area classes and changing the data as needed prior to saving the record as a new area class.

Setup: Expense Classes

Expense Classes. Search for previously created expense classes.

Create Expense Class. Create new expense classes.

Define Expense Type. Define inclusions for an expense type.

Update Expense Type: Modify previously created inclusions to expense types.

Duplicate Expense Type. Create new inclusions to expense types by duplicating previously created or updated inclusions and changing the data as needed prior to saving the record as a new expense type.

Update Expense Class. Modify previously created expense classes.

Duplicate Expense Class. Create new expense classes by duplicating previously created or updated expense classes and changing the data as needed prior to saving the record as a new expense class.

View Expense Class. Review previously created or updated expense classes.

Recovery Field References

The following are descriptions of selected unique fields contained in the Recovery windows.

Abatement Type: A user specified lookup that can be defined for different purposes. For example, you may need to give a tenant an abatement for relocation, in which case you would create a Relocation abatement type.

Abatement Amount: A reduction to the actual recovery amount used to determine the actual prorata share of a tenant.

Actual Cost Per Area: The actual cost per area is equal to the following: $\text{Actual Cost Per Area} = (\text{Total Expense} / \text{Total Area}) * \text{Multiple } \%$.

Actual Expense: The expense amount incurred on a property for a given Expense Type for a given time period.

Actual % Allocated: The percent, between 0 and 100, of the actual expense incurred on a property and allocated between buildings on the property or distributed to different expense accounts.

Actual Prorata Share: The proportionate share of actual expenses for the maintenance and operation of the property that the landlord passes on to the tenant. The allocated share of operating expenses and common area expenses or expense increases to be charged to a specific tenant, are usually based upon the area of the tenant's premises divided by the total area in the building or complex. In properties where some tenants provide certain services for themselves, such as air conditioning and refrigeration maintenance by a supermarket within a shopping center, other tenants may then have differing proportionate shares of individual expense items depending upon whether those items are provided to all tenants or only to a subset of tenants.

The Actual Prorata Share is equal to the following:

Actual Prorata Share = (Total Expense/Total Area)*Multiple %*Tenant's Recoverable Area *Occupancy%

Actual Recoverable Amount: The actual expense amount used in recovery calculation. It is derived from the expense class specified for a tenant recovery agreement and is the numerator for the recovery calculation for a tenant.

Area Type: The area type determines the area used in the denominator of recovery calculation. It helps to identify the area of a property for which the total expense of a particular type is incurred. For example, you would pick Total Assignable Area if you want the expenses to be applied against the total assignable area denominator. You must specify the area type when an area class is associated with a recovery line. Area types can be one of the following:

- Total Assignable Area
- Total Occupied Area
- Total Weighted Average Area
- Total Assignable or Occupied: Equals the greater of the Floor % * Total Assignable Area or Total Occupied Area on the As of Date.
- Total Assignable or Weighted Average: Equals the greater of the Floor % * Total Assignable Area or Total Weighted Average.

Assigned Area: The area that is assigned to a tenant. It is derived from the Space Assignment. The assigned area determines a tenant's recoverable area in recovery calculation.

As of Date: The date on which the total area of area classes is calculated.

Billed Cost per Area: The billed expense amount per area. It is equal to the following: Billed Cost per Area = Billed Recovery / (Tenant Area * Occupancy %), where Tenant Area is the Recoverable Area of a tenant unit.

Billed Recovery: The recovery amount that was billed to a tenant throughout the year.

Budget Cost Per Area: The budgeted expense amount per area. It is equal to the following: Budget Cost Per Area = (Budget Expense/Total Area) * Multiple %.

Budget Expense: The expense used by landlords for budgeting purposes to calculate recovery billing for the following year.

Budget Prorata Share: The amount budgeted for the prorata share of CAM expenses.

Calculation Method: Property Manager provides the following methods to calculate recovery:

- Prorata Share
- Fixed Amount
- Fixed Rate
- Fixed Percentage

Exclude Area check box: The units of property, displayed in the area class details, with the Exclude Area check box selected are considered to be contributors for the property, and their area is excluded from the total property area.

Exclusion Type: All tenants of a specific recovery type and space standard, whose area satisfies the relation criteria, are contributors. The Exclusion Type defines whether contributors' area, expense, or both will be excluded from the total assignable area or total expense during the recovery calculation. The Exclusion Type is selected during the setup of area classes.

Expense Type: The type of expense to be recovered from the tenant base, such as Insurance, HVAC, Security, Cleaning, etc. The expense type and billing purpose are one in the same. The expense type is used as the billing purpose on the billing term that is created as a result of the recovery process.

Fee % Before Contributors: Management or administrative fees. These fees are applied before contributors' prorata share is excluded from the total expense in recovery calculation, i.e. when the expense class details are generated.

Fee % After Contributors: Management or administrative fees. These fees are applied after contributors' prorata share is excluded from the total expense in recovery calculation, i.e. in the recovery agreement for a tenant.

Fixed Amount: A recovery calculation method that uses a fixed user entered amount as the actual recovery amount. The fixed recovery amount remains as a constant charge every year. This amount can increase from year to year by a specific percentage if constraints are defined.

Fixed %: A recovery calculation method that will calculate the recovery as a fixed percentage of the total recoverable expense incurred on the property. The percentage is user specified.

Fixed Rate: A recovery calculation method that uses a fixed user entered amount per area that remains a constant charge every year. The fixed rate recovery charge is specified for a recovery line.

Floor %: Limits the cost per square foot that a landlord can charge. It can range between

0 percent and 100 percent, but the typical range would be 75 percent to 95 percent. Floors are only applicable when a tenant's lease bases the calculation on occupancy or weighted average. The purpose of a floor is to compare a weighted average number (or occupied area number on the as of date) with a percentage of the gross leasable area and take the larger of the two. The following area calculation shows an example of how Floor % is used:

Greater of (Floor %) * (Total Assignable Area) or Total Occupied Area on the As of Date

Multiple %: The multiple percentage is a deviation of the standard calculation. The multiple percentage is typically used for prorata share of food court tenants to adjust their rate. For example, if the standard calculation determined interior tenants cost per area is \$18, food court tenants charges would be a multiple of that rate. For example, 2 * CAM = \$18 * 2 = \$36 per square foot. Typically, for regular or non-food court tenants, the multiple percentage is 100 percent.

Negative Recovery: Methods of handling the negative outcome of Actual Prorata Share calculation. There are two options:

- Negative Actual Prorata Share can be ignored for a tenant for a year, i.e. tenant does not get refund.
- Credited, in which case a recovery term for a negative amount is created and sent to Oracle Receivables.

Occupied Area: The tenant's assigned area on the As of Date. It is either equal to the assigned area or 0. For example, a tenant might occupy a space from January through June. The tenant's assigned area could be 1000. If the as of date is August 1, the tenant's occupied area on August 1 is 0, because the tenant is not occupying the space in August.

Portion %: The percent of the actual expenses to include in the recoverable expense amount. The recoverable expense amount is determined by applying the portion percentage to the actual expense amount. For example, if the actual expense amount for a tenant is \$160,000 and the portion percentage is 50 percent, then the recoverable expense amount would be \$80,000. The portion percentage on the area side reduces the area of an area class during recovery calculation.

Reconciled Amount: The recovery due, such as the recovery adjustment amount or the current amount owed for recovery. It is equal to the actual prorata share minus previously billed recovery amounts.

Reconciled Amount = Actual Prorata Share - Billed Recovery.

Recoverable Amount: Determined by applying the portion percent to the actual amount. For example, if the actual amount for a tenant is \$160,000, and the portion percent is 50 percent, then the recoverable amount is \$80,000.

Recoverable check box: Indicates if a recovery expense line is recoverable.

Recovery Type: An attribute that describes the usability of a particular space by a certain type of tenant, such as Major, Specialty, Freestanding, Kiosk, or Food Court. Used in conjunction with the recovery space standard, it describes different types of

areas that are treated differently in the recovery process. The recovery type is a user defined lookup.

Relation: The value used to specify the area comparative for exclusions during the setup of area classes. The relation narrows down the range of tenants of a specific recovery type and space standard, e.g. only the tenants whose area is greater than 20,000 square feet should be considered contributors for recovery calculation. The value for relation that may be specified include:

- Equal To
- Greater Than
- Lesser Than
- Greater or Equal To
- Lesser or Equal To

Scope: The scope, together with a value of Maximum or Minimum, is used define a constraint. The available values for scope include:

- Prorata Share Amount
- Rate
- Over Prior Year Actual
- % Over Prior Year Cap

Space Standard: Classification of a location used in the recovery process, along with the recovery type, to derive the tenancy type for this particular location. The recovery space standard is generally Internal or External. Internal means the entrance to the tenant's occupied space is from inside of the mall. External means that the tenant's space can be accessed from both inside and outside of the mall. Used in conjunction with the recovery (tenancy) type, it describes different types of areas that are treated differently in the recovery process. The space standard is user-defined.

Status: The recovery line Status field displays the status of a recovery line for the calculation. It is automatically updated by the system. The possible values include the following:

- Open: The system cannot find the area and/or expense class details for the specified start and end dates, and the As of Date.
- Complete: The system has all the details required to calculate recovery. For example, when the Area and Expense tabbed regions have been populated.
- Processing: The system is calculating the recovery line.

- Error: A system failure occurred during the calculation of the recovery line.

Use Override Values check box: Determines whether the overrides made in the expense class or area class details are kept or removed during the re-extraction process, or whether the system utilizes the overrides from the class details populated in a previous extraction period.

Variance Amount: The difference between the actual amount and the actual recoverable amount.

Weighted Average: The weighted average is calculated as (Occupied Area * Occupancy %). The weighted average area can be 0 if the space is vacant on the As of Date.

Managing Operating Expenses

This chapter describes the Operating Expenses feature in Oracle Property Manager. Refer to this chapter for information on creating operating expense agreements if a lease requires you to pay your landlord a pro rata share of operating expenses for a property.

This chapter covers the following topics:

- Overview of Operating Expenses
- Creating Operating Expense Agreements
- Making Estimated Payments
- Reconciling Payments
- Using the Operating Expenses Dashboard
- Selected Field References

Overview of Operating Expenses

Landlords regularly incur expenses for enhancing and maintaining their properties. These expenses are commonly referred to as operating expenses, common area maintenance, other rent, recoveries, or expense pass-through. Landlords generally pass some or all such expenses to tenants as part of rent. They estimate operating expenses during their annual budgeting process and bill tenants regularly using this estimated amount. Periodically, landlords may update estimates and notify tenants. If the new estimated amount is effective retroactively, tenants must make an adjustment payment based on revised estimates. Oracle Property Manager refers to these adjustments as *catch-up* payments.

At the end of the year (or other mutually agreeable period), landlords calculate actual operating expense amounts, compare them to estimated payments received, and send their tenants a reconciliation statement. Depending on payments made during the period, tenants may then make a *reconciliation* payment.

If your organization leases space *to* tenants and charges them for operating expenses, then you must create recovery agreements. See *Recovery Expense*, page 8-1.

If you lease space *from* a landlord, then you can create operating expense agreements to perform the following tasks:

1. Document provisions related to operating expenses in a lease
2. Make payments to landlords based on initial and revised estimates
3. Track reconciliation and audit dates
4. Reconcile payments made based on estimates with actual operating expenses
5. Review the landlord's calculation of your pro rata share of expenses

Creating Operating Expense Agreements

After creating an expense lease, you can create one or more operating expense agreements to represent the lease clauses for operating expense recovery. You create agreements from the Operating Expense Dashboard. The standard flow for creating an agreement is as follows:

1. Specify the expense clause, agreement name, status, dates, and other basic information. Enter an expense clause to describe the expense recovered through the agreement.
2. Specify the fees, constraints, and stops that you apply to operating expenses (method details) and the method of calculating your share (pro rata bases).
3. Associate pro rata bases with the different expenses covered (expense groups).
4. Specify any maximum or minimum constraints (caps).
5. Enter estimated payments, if required. You can also create estimated payment terms directly in the associated lease. See *Making Estimated Payments*, page 9-13.
6. Specify the critical dates for the agreement, for example, the reconciliation due date or the payment due date.

When setting up or updating agreements, you can create notes to record important information. Oracle Property Manager marks agreement notes depending on where you created them. So, during reconciliation, you can find and review notes if you require the information.

Specifying Method Details

When creating an agreement, you must provide information for determining the following:

- **Reconciliation periods:** Specify how often you reconcile estimated payments with the landlord's actual expenses and when your landlord's financial year ends.
- **Fees:** Specify whether the expenses described in the agreement are subject to an administration fee, and if so, the fee percent.
- **Constraints:** Specify whether operating expenses can be subject to maximum or minimum constraints (caps) and, if so, whether you apply them before or after calculating fees.
- **Tax and gross up:** Specify whether expenses can be subject to tax or gross up (leveling of expenses to adjust for less than full occupancy).
- **Stops:** Specify whether the landlord charges operating expenses only after they cross a stop (floor) amount or percent.

Determining Reconciliation Periods

You specify a reconciliation frequency and the month in which the landlord's expense year ends to indicate how you want Oracle Property Manager to create reconciliation periods. The reconciliation frequency determines how often you reconcile your estimated payments with the landlord's actual expenses. The expense year end month indicates the month in which the landlord's fiscal year ends. For example, if your reconciliation frequency is yearly and the expense year ends in December, each reconciliation period is from January 1 to December 31. For details, see *Entering Basic Reconciliation Information*, page 9-19.

You can change the reconciliation frequency or the month in which the landlord's fiscal year ends at any time. However, changes do not have a retroactive impact on existing reconciliations.

Specifying a Stop

Stops indicate the amount over which your landlord recovers operating expenses. That is, you calculate your pro rata share of total expenses (after applying caps and fees) and compare it to the stop. You only pay the amount *over* the stop amount to your landlord. Enter the tenant's value of the shared space in the Stop Amount field. You can enter a flat stop amount or an amount per unit of area.

Specifying Pro Rata Bases

Pro rata bases describe the method for calculating your share of the total operating expenses incurred by the landlord. Generally, a pro rata basis represents the ratio of the area you occupy to the landlord's area expressed in terms of a percentage. Your lease agreement and the type of operating expense determines whether you base the calculation on the landlord's total property area or only a part. For example, parking lot maintenance benefits all of a mall's tenants and all tenants may share in the expense. In

this case, you compare the area you occupy to the total area of the mall to derive the pro rata percent. You then apply the percent to the total expense for parking lot maintenance to calculate pro rata share.

On the other hand, only interior tenants or food court tenants may share in expenses that benefit them. So, you compare your area to the sum of the area occupied by all interior or food court tenants to derive the pro rata percent.

Alternative methods of defining a pro rata basis include specifying a fixed percent or deriving a percentage by comparing your sales to the total sales on the premises. The following table describes available pro rata basis types:

Pro Rata Basis Type	Description	Information Required
Fixed Percentage	A user-specified pro rata percent	You must manually enter the fixed pro rata percent value. You can also specify values for the tenant area and total area.
Gross Leasable Area	Oracle Property Manager derives the pro rata percent by comparing the area you occupy (tenant area) to the total area of the property, whether occupied or not.	You must enter values for the tenant area and total area, either when creating the agreement or during reconciliation.
Occupied Area	Oracle Property Manager derives the pro rata percent by comparing the tenant area to the total occupied area of the property.	You must enter values for the tenant area and the total area. You enter information for occupied area when creating the reconciliation.
Occupied Area with Floor	Oracle Property Manager derives the pro rata percent by comparing the tenant area to the total occupied area of the property or the specified floor percent, whichever is greater.	You must enter values for the tenant area and the total area, You must also specify the floor percent. You enter information for occupied area when creating the reconciliation.

Pro Rata Basis Type	Description	Information Required
Pro Rata Share of Sales	<p>Oracle Property Manager derives the pro rata percent by comparing your sales with the total sales on the premises.</p> <p>Note: You cannot use pro rata share of sales if:</p> <ul style="list-style-type: none"> You specify a stop amount You specify first year caps or minimum amounts per unit area. See <i>Specifying Caps</i>, page 9-7. 	<p>You only specify names for the pro rata bases you create. You enter sales information when creating the reconciliation.</p>

You must select one pro rata basis *type* when creating an agreement. However, you can create multiple pro rata bases, each with its own area or sales values. You can then associate the different pro rata bases with different expense groups so that Oracle Property Manager calculates tenant share of each expense appropriately. Note that if your lease specifies different methods of pro rata basis calculation for different expenses, you can create multiple operating expense agreements for the lease.

Specifying Expense Groups

A lease may stipulate that you pay a share of several operating expenses, including your landlord's utility expenses, cleaning, and insurance liability. You generally do not record each expense item in the agreement. Rather, you create an expense *group* to represent a set of expenses that Oracle Property Manager must treat similarly, in terms of rules such as pro rata basis, caps, and fees. Consequently, when creating a reconciliation, you enter the subtotal amount for each expense group using information from the landlord's reconciliation statement.

You must create at least one expense group for an agreement. However, the number of expense groups you create depends on your business requirements. So, if you must track expenses separately even though you treat them alike, create multiple expense groups.

For each expense group, specify a name, and optionally, provide a description. You can also specify the standard group to which the group belongs, for example, tax, landscaping, or security. You must then select the pro rata basis and indicate whether caps and fees apply.

Important: You cannot specify that an expense group is subject to cap but not to fee if you apply caps to the landlord total before calculating fees. See *Specifying Caps*, page 9-7.

You can also specify a multiple if your lease indicates that you must increase (or decrease) the total landlord expense before calculating tenant share. Consider the following example. The following table lists assumptions for agreement details and expenses for a particular reconciliation period:

Required Information	Value
Landlord expenses for expense group	\$20,000
Pro rata basis type	Gross Leasable Area
Tenant area/total area	1,000/10,000 (square feet)
Pro rata percent	10% (1,000/10,000)
Cap, tax, and gross up	No
Fees	2.5%
Multiple	1.5

Based on the provided information, Oracle Property Manager calculates tenant share for the expense group using the following formula:

Pro rata percent * (Landlord expense * Multiple) * (1 + Fee)

That is: 10% of (\$20,000 * 1.5) * (1 + 2.5%)

So, the tenant share for the expense group is \$3,075

Specifying Contributions

Contributions describe deductions from the landlord's total expenses before calculation of tenant share. Usually, contributions represent fixed amounts that anchor (major) tenants pay towards a particular operating expense. However, you can create contributions to describe other credits, for example, the deduction of parking lot revenue from parking lot expenses before pro rata share calculation.

You define contributions when creating expense groups. Like other expense groups, you can apply fees, caps, and taxes to contributions. For example, if your lease states that you must subtract contributions from expenses before you calculate fees (that is, contributions are *before fee*), you can select to apply fees to the contribution. Similarly,

you can specify that you deduct contributions before you apply caps.

Using Contributions as Stops

Creating contributions that Oracle Property Manager applies after calculating caps or fees is similar to entering stop amounts. However, the following points differentiate constraints from stops:

- Oracle Property Manager always deducts stops from the total tenant share. It deducts contributions from the total of all expenses calculated using a particular pro rata basis.
- Oracle Property Manager always deducts stops after calculating caps and fees. You can deduct contributions before or after applying caps or calculating fees.

Specifying Caps

Specify caps to indicate the maximum or minimum amounts that landlords can declare as their total expenses or charge you as tenant share of operating expenses. You specify caps separately for the first year (first reconciliation period) and for subsequent reconciliation periods of the agreement. Consider the following points when specifying first year maximum or minimum constraints:

- You must enter either a full amount or an amount per unit area.
- You must enter first year constraints specifically for the length of the first partial year or on an annualized basis.

When you select to *prorate* first year constraints, Oracle Property Manager assumes that you have entered annualized constraint amounts that it must increase or decrease based on the length of the first partial period.

To create constraints for reconciliation periods other than the first year of the agreement, specify a *subsequent year cap* or a *subsequent year minimum*. Keep the following points in mind when creating constraints for subsequent years:

- Unlike first year constraints, you do not enter absolute amounts as subsequent year constraints. Instead, Oracle Property Manager *derives* the maximum or minimum increase allowed over the operating expense amount for previous years based on the method you specify.
- If you specify a cap, you can also specify that Oracle Property Manager carries forward landlord overruns (amounts over the cap) or landlord savings (the difference between the cap and the actual expense when the expense falls short of the cap).

The following sections describe the calculation of subsequent year constraints and the process of carrying forward cap overruns or shortfalls.

Calculating Subsequent Year Caps and Minimums

Oracle Property Manager derives caps or minimums as follows:

- Multiplies a basis amount (determined by the basis type) by a percent value (determined by the rate type)
- Adds the result to the basis amount

Deriving the Percentage

Specify a rate type to indicate which of the following Oracle Property Manager must use as the source of the percentage:

- A user-specified fixed percentage
- A variable percent determined by the change in index values over a period
- The lesser of the fixed percentage and index change percent
- The greater of the fixed percentage and index change percent

If you use an index to calculate caps, you must select an existing index and indicate the month whose index value you want to use. For information on creating, updating, and viewing index data, see *Entering Index History*, page 6-2.

The following table describes how Oracle Property Manager calculates the current and previous index values that it compares to calculate the index change percent:

Value	Description
Current index value	Oracle Property Manager derives the current index value by incrementing the month in which the current reconciliation period ends by the index finder month value.
Prior index value	Oracle Property Manager derives the prior index value by incrementing the month in which a prior reconciliation period ended by the index finder month value. Depending on the basis type, Oracle Property Manager uses the index value from a month in the previous reconciliation period or the first reconciliation period as the prior index value. See <i>Deriving the Basis</i> , page 9-9.

The example below describes how Oracle Property Manager derives the index values

for calculating the index change percent. The following table lists basic assumptions:

Required Information	Value
Basis type	Previous Year Actual Amount
Index finder month	-1
Reconciliation period start	January 1, 2006
Reconciliation period end	December 31, 2006

Based on the available information, Oracle Property Manager derives the months as follows:

- Month for current index value: One month before the reconciliation period end, that is, November 2006
- Month for prior index value: The current reconciliation period starts on January 1, 2006, so the previous reconciliation ended on December 31, 2005. So, one month before the end date of the previous reconciliation is November 2005.

Deriving the Basis

When calculating constraints, Oracle Property Manager uses expense amounts and index values from a prior period. You determine the prior period by specifying a basis type, as described below.

Previous Year Actual Amount

If you select Previous Year Actual Amount as the basis type, Oracle Property Manager derives the unconstrained expense amount and prior index value, if required, from the previous reconciliation period.

Note: Oracle Property Manager uses an appropriate amount based on whether you apply constraints to the landlord's total expenses or to pro rata tenant share.

It then multiplies the *unconstrained* amount by the percentage (determined by the rate type) to calculate the cap. Consider the example, provided below, for calculating subsequent year minimum. The following table lists basic assumptions:

Required Information	Value
Total expense for previous year	\$100,000

Required Information	Value
Apply to	Landlord Total
Rate type	Greater of Fixed Percent or Index
Fixed percent	8%
Prior index (previous year)	10
Index in current year	11

Based on the above information, Oracle Property Manager determines that the index change percent is 10% (representing a rise in index from 10 to 11). The index change percent is greater than the fixed percent. Therefore, Oracle Property Manager applies the index change percent to the total expense for the previous year to arrive at the minimum for the current period: \$110,000.

Previous Year Constrained Amount

If you use Previous Year Constrained Amount as the basis type, Oracle Property Manager uses the *constrained* expense amount and prior index value, if required, from the previous reconciliation period. It multiplies the constrained amount by the appropriate percentage to calculate caps.

Base Year Actual Amount (Non-Compounding)

If you use Base Year Actual Amount (Non-Compounding) as the basis type, Oracle Property Manager uses the expense amount and prior index value, if required, from the base year (first reconciliation period). Oracle Property Manager calculates caps using the following formula:

Base year actual amount * (1 + (Percentage * Number of years since the agreement began))

Base Year Actual Amount (Compounding)

If you use Base Year Actual Amount (Compounding) as the basis type, Oracle Property Manager uses the expense amount and prior index value, if required, from the base year. Oracle Property Manager calculates caps using the following formula:

Base year actual amount * (1 + (Percentage)^{Num})

Here, Num represents the number of years since the agreement began.

Base Year Constrained Amount (Non-Compounding)

If you use Base Year Constrained Amount (Non-Compounding) as the basis type, Oracle Property Manager uses the constrained expense amount and prior index value, if required, from the base year. Oracle Property Manager calculates caps using the following formula:

Base year constrained amount * (1 + (Percentage * Number of years since the agreement

began))

Base Year Constrained Amount (Compounding)

If you use Base Year Constrained Amount (Compounding) as the basis type, Oracle Property Manager uses the constrained expense amount and prior index value, if required, from the base year. Oracle Property Manager calculates caps using the following formula:

$$\text{Base year constrained amount} * (1 + (\text{Percentage})^{\text{Num}})$$

Here, Num represents the number of years since the agreement began.

Carrying Forward Cap Overruns or Savings

While setting up subsequent year *cap*, you specify how Oracle Property Manager must deal with expense overruns or savings. An expense overrun represents the amount over the cap while a saving represents the difference between the actual expense amount and the cap when the expense falls below the cap. You can specify that Oracle Property Manager must do one of the following:

- Ignore savings or overruns
- Allow the landlord to accumulate overruns
- Allow the landlord to accumulate savings

Calculating Accumulated Overruns

If your landlord accumulates overruns, Oracle Property Manager carries the amount over the cap (plus any accumulated overruns from previous years) to the next year as accumulated overruns. If the expenses fall below the cap in some future period, the landlord may increase the actual amount, up to the cap amount, by using the accumulated overruns.

Consider the example below. The following table describes the calculation of the overrun for years three through six of an operating expense agreement:

Year	Unconstrained Amount	Overrun	Cap	Constrained Amount
3	\$500,000	\$0	\$485,000	\$485,000
4	\$495,000	\$15,000	\$505,000	\$505,000
5	\$500,000	\$5,000	\$525,000	\$505,000
6	NA	\$0	NA	NA

- In the third year of the agreement, the unconstrained amount is greater than the cap. The amount, \$15,000, is the overrun available in the following year.
- In the fourth year of the agreement, the unconstrained amount is less than the cap, so the landlord can recover some of the previous year's overrun. Oracle Property Manager compares the sum of the unconstrained amount and the overrun with the cap to calculate the constrained amount. Because the sum of the unconstrained amount and the overrun is again greater than the cap, overrun of \$5,000 is available for the following year.
- In the fifth year of the agreement, the unconstrained amount is less than the cap. Oracle Property Manager adds the remaining overrun credit to the unconstrained amount. Because the sum is less than the cap, Oracle Property Manager considers it the constrained amount. Now, the landlord has used the entire overrun, and so nothing carries forward to the sixth year.

Calculating Accumulated Savings

Your agreement may specify that the landlord accumulates savings. When your expense is below the cap, Oracle Property Manager carries the difference to the next year, along with any savings from previous years, as accumulated savings. If the expenses in a future period are above the cap, the landlord may increase the cap up to the actual expense amount by using the accumulated savings.

Consider the example below. The following table describes the calculation of the savings for years three through six of an operating expense agreement:

Year	Unconstrained Amount	Savings	Cap	Constrained Amount
3	\$470,000	\$0	\$485,000	\$470,000
4	\$515,000	\$15,000	\$505,000	\$515,000
5	\$535,000	\$5,000	\$525,000	\$530,000
6	NA	\$0	NA	NA

- In the third year of the agreement, the unconstrained amount is less than the cap. This amount, \$15,000, is the savings credit available in the following year.
- In the fourth year of the agreement, the unconstrained amount is greater than the cap, so the landlord can apply some of the savings credit. Oracle Property Manager compares the unconstrained amount to the sum of the cap and savings credit. The smaller amount is the constrained amount. Because the unconstrained amount is

less than the sum of the cap and the savings credit, \$5,000 is available as savings credit for the following year.

- In the fifth year of the agreement, the unconstrained amount is greater than the cap. Oracle Property Manager adds the accumulated savings to the cap. Because the sum is less than the unconstrained amount, Oracle Property Manager considers the accumulated savings plus the cap as the constrained amount. Now the landlord has used all savings credit and so nothing carries forward to the sixth year.

Specifying Rules for Critical Dates

When creating an agreement, you can specify how Oracle Property Manager derives important agreement and reconciliation dates for each reconciliation period. For example, you can define rules for determining the following dates:

- When the landlord must send you payment estimates
- When the landlord must send you reconciliation statements
- When you must make reconciliation payments
- When your audit periods end

You can specify rules for these and create additional critical dates to determine how Oracle Property Manager calculates the actual date for each reconciliation period. You express the rules as a number of years, months, or days before or after certain predefined events. For example, to determine the critical date *Reconciliation Statement Due from Landlord*, you can specify that the landlord must deliver the reconciliation statement a maximum of three months after the end of the reconciliation period.

Making Estimated Payments

Tenants generally make regular payments to landlords based on estimates of operating expenses. You can create, and when required, update estimated payments at any time after you create and save an agreement. You can create estimated payment terms in the operating expense agreement or directly in the lease.

Creating Estimated Payments in the Agreement

When first creating an estimated payment, you must provide the following general term information:

- Estimated payment frequency
- Payment type and purpose
- Term template

- Currency

Oracle Property Manager uses this general information for all estimated payment terms. You then enter the start and end dates, and the amount for the *first* estimated payment. You enter the following information for dates:

- Start date: Indicates when the payment begins. Oracle Property Manager sets this date to the agreement start date. However, you can select any later date. Note that for the first estimated payment, the start date is also the effective date.
- End date: Indicates when the estimated payment ends. Oracle Property Manager sets this date to the agreement end date. However, you can select any earlier date.

Oracle Property Manager uses the estimated payment information you enter and the information in the term template to create a draft estimated payment term.

Important: If you do not specify a schedule day in the term template, Oracle Property Manager uses the payment start date.

You can view and update draft estimated payment terms before approving them.

Updating Estimated Payments

Landlords change estimated payment amounts through the life of the operating expense agreement. To update your payments accordingly, create a new estimated payment. The process of entering subsequent estimated payments is similar to that for creating the first estimated payment. The key differences are as follows:

- You must enter an effective date, that is the date from which the new estimated amount is effective. If your landlord changes estimated payments retroactively and you have already made payments based on the earlier estimate, Oracle Property Manager calculates a catch-up amount.
- Oracle Property Manager sets the default start date to the later of the following dates:
 - The first day of the payment period following the last approved estimated payment item
 - The effective date
- Oracle Property Manager automatically ends the existing estimated payment one day before the start of the new estimated payment.

The following example describes how Oracle Property Manager calculates the default start date of a new estimated payment. Assume the following values:

Effective Date: January 1

Estimated Payment Frequency: Monthly

Schedule Day: 1

Oracle Property Manager calculates the start date as follows:

- If the last approved payment item is for February, the default date is March 1. You cannot change the date to one earlier than March 1.
- If the last approved item is for the previous November, the default date is January 1. You cannot change the date to one earlier than December 1.

You can modify default dates and other term information before approving the term.

Calculating the Catch-Up Amount

When a catch-up payment is required, Oracle Property Manager calculates the amount using the following formula:

$$((\text{Annual amount for new term} - \text{Annual amount for previous term}) / 12) * \text{Number of payments between the effective date and the start date}$$

The following rules apply to catch-up amount calculation:

- Oracle Property Manager uses the annual amount for the new and previous term to neutralize the impact of any changes in payment frequency.
- Oracle Property Manager does not prorate payments made for partial months. It always uses the sum of all approved payment items beginning with the first item whose schedule day is equal to or later than the effective date.
- Oracle Property Manager calculates negative catch-up amounts if your revised estimated payment is lower than the payments you made earlier.
- Although unlikely, the effective date of the new term can be earlier than the start date of the previous estimated payment. In this case, Oracle Property Manager calculates the catch-up amount based only on the most recent estimated payment. It does not adjust for differences between the new term and earlier estimated payments.

Creating Terms for Updated Payments

When you create terms for updated estimated payments, Oracle Property Manager performs the following tasks:

- Compares the end date of the current payment with the effective date of the new estimated payment
- Ends the previous payment one day before the effective date of the new term (or the start date, if that is later)

- Creates a recurring term for the new estimated payment as well as a one-time payment term for any required catch-up amount

Except for the dates and the payment amount, the new estimated payment term inherits default term information from the previous estimated payment term. You can modify term details until you approve the estimated payment.

Important: If you change the dates or amounts for the new estimated payment term while viewing term details, Oracle Property Manager does not recalculate the catch-up amount.

The catch-up payment term also inherits most values from the previous estimated payment, with the following exceptions:

- Amount: The calculated catch-up amount
- Frequency: One-time
- Start date: Current date

You can modify catch-up payment term details, except for the frequency and the term start date, until you approve the term.

Approving Operating Expense Terms

When you approve an operating expense term from the agreement, reconciliation, or dashboard, Oracle Property Manager runs the Approve Operating Expense Terms concurrent program. This concurrent program transfers the term to the main lease and initiates the Schedules and Items concurrent program to create the appropriate draft schedules.

Note: You can manually run the Approve Operating Expense Terms concurrent program for a range of leases, agreements, or terms.

When transferring an operating expense term to the main lease, Oracle Property Manager performs the following tasks:

- Associates the agreement name and number with the term
- Sets the payment function depending on whether you are approving an estimated payment term, a catch-up term, or a reconciliation term
- Sets the source to Operating Expenses Agreement

Rules for Approving Terms

Keep the following points in mind when approving terms:

- You cannot approve terms until you finalize the associated expense lease.
- When you approve an estimated payment, Oracle Property Manager simultaneously changes the end date of the previous estimated payment term, if required.
- You cannot update an approved term from the agreement.
- You must approve payment term and catch-up terms before creating a payment term.

Related Topics

Payment/Billing Terms, page 5-46

Creating Operating Expense Terms in the Lease

You can create estimated payment and catch-up payment terms in the lease and associate them with an existing agreement. The process for creating operating expense terms is the same as that of creating other lease terms. For details, see *Setting Up Payments*, page 5-107.

Estimated payment or catch-up amounts that you enter in the lease do not appear in the operating expense agreement. However, Oracle Property Manager does include the appropriate amount in the total Paid in Period amount displayed in the reconciliation.

Reconciling Payments

Landlords periodically assess actual operating expenses and compute each tenant's share. Landlords then reconcile the tenant's share of expenses for a reconciliation period with the estimated payments made. As a tenant, you may receive a reconciliation statement detailing the calculation of your share of expenses, showing the amount already paid, and invoicing for the reconciliation payment amount. On receipt of the reconciliation statement, you can create a reconciliation in Oracle Property Manager.

Reconciliations present a side-by-side comparison of information from the landlord's statement and that calculated by Oracle Property Manager (expected information). So, you can use reconciliations to review the landlord's reconciliation statement, identify discrepancies, and then initiate disputes or make appropriate reconciliation payments. Reconciliations include the following:

- Information from the landlord's reconciliation statement
- Critical dates, and reconciliation and audit status information
- Information from the agreement for methods, pro rata basis, and expense groups

- Calculated constraint amounts
- Information relating to the days you occupied the property. If you occupied the property only for part of the reconciliation period, Oracle Property Manager prorates your net share of expenses accordingly.
- User notes for the current reconciliation (and direct access to notes from the agreement and earlier reconciliations)
- Attachments such as scanned reconciliation statements and correspondence

Creating Reconciliations

You create reconciliations either from the operating expense agreement or from the dashboard. You must create a reconciliation for each reconciliation period. That is, reconciliations must be contiguous and non-overlapping. Often, you may skip the reconciliation process for one year and perform a detailed reconciliation in the following year. To skip a reconciliation, enter at least the end date and statement received date, accept the default revision name, and save the reconciliation.

You perform the following tasks when creating a reconciliation:

- **Enter data:** When abstracting information from the landlord's reconciliation statement, you revise or enter basic information such as the period end date, revision name, the date on which you received the statement, the amount due, the auditors, and critical dates. You then enter information for pro rata bases and expense groups depending on agreement setup.
- **Review reconciliation:** After entering reconciliation information, you review the computed total expense and compare it with the amount specified in the landlord's reconciliation statement.

Viewing and Entering Information in a Reconciliation

For each data input and calculation, Oracle Property Manager presents the landlord *statement* version alongside the *expected* version. You enter values directly from the landlord statement in the statement sections. Depending on the value, the expected version could be one of the following:

- A value that Oracle Property Manager calculates using information you enter from the landlord's statement
- A value that Oracle Property Manager calculates using information from the agreement, payment records, and prior reconciliations
- Override values that you enter directly into the reconciliation

When you review your reconciliation, Oracle Property Manager also displays the

difference between the expected values and the statement values. Therefore, you can easily identify any discrepancies and initiate a dispute with the landlord, if required.

Entering Basic Reconciliation Information

When you first create a reconciliation, you must enter information including the revision name, reconciliation status, and reconciliation-related dates. Important information is described below.

- **Revision Name:** Oracle Property Manager automatically creates an initial revision when you first create a reconciliation. The default name of this revision is Original. However, you can enter another name, as required. You can freely update the original revision until you create a reconciliation payment or manually create a new revision. For more information, see *Revising Reconciliations*, page 9-30.
- **Reconciliation-related dates:** Oracle Property Manager displays the following dates:
 - **Reconciliation period dates:** Oracle Property Manager calculates the reconciliation period dates using information in the agreement. You can change the period end date until you create a reconciliation for the next reconciliation period. However, you cannot modify the start date.
 - **Statement dates:** You can provide the dates on which you received the reconciliation statement and when you created the reconciliation. You can enter a Reconciliation Performed Date to be activated prior to the Period Start Date.
 - **Critical dates:** Oracle Property Manager displays the critical dates *Audit Period End* and *Reconciliation Payment Due* calculated based on critical date rules from the agreement. You can provide override values, if required.
- **Persons involved in the reconciliation:** The people responsible for creating the reconciliation in Oracle Property Manager and for auditing the reconciliation statement.

Oracle Property Manager automatically supplies other general information, such as agreement number and period start date based on the agreement.

Determining Reconciliation Period Dates

Reconciliations must be contiguous. Therefore, Oracle Property Manager sets the start date as follows:

- **First reconciliation period:** Oracle Property Manager sets the date to the agreement start date.
- **Subsequent periods:** Oracle Property Manager sets the date to the day after the end date for the previous reconciliation.

The table below provides examples of how Oracle Property Manager derives the default

value for the next natural period end date after the period start date, based on the reconciliation frequency and expense year end month from the agreement. The examples are based on the following assumptions:

Expense Year End Month: December

Reconciliation Period Start Date: March 1, 2007

Reconciliation Frequency	Impact	Example Period End Date
Annual	The end date is the next occurrence of the last day of the expense year end month.	December 3, 2007
Semiannual	The agreement implies two reconciliation periods, ending six months apart. Therefore, the default end date is the first of these dates after the start date.	June 30, 2007
Quarterly	The agreement implies four reconciliation periods, ending three months apart. Therefore, the default end date is the first of these dates after the start date.	March 31, 2007

Viewing and Entering Notes

While working on a reconciliation, you can append new notes, and view existing notes for previous reconciliations and from the associated agreement. The process of entering reconciliation notes is similar to that of creating agreement notes. See *Creating Operating Expense Agreements*, page 9-2.

When viewing notes, you can select to view notes of a particular type and notes from a particular reconciliation period.

Entering Area or Sales Information for Pro Rata Bases

You must enter data from the landlord's reconciliation statement for each pro rata basis specified in the agreement. You can also review, and in some cases, override expected information derived from the agreement.

As described in the table below, the information you can enter or modify depends on the pro rata basis type. Note that unless you are using a pro rata basis type of Fixed Percent, Oracle Property Manager calculates the pro rata percent. You can override the calculated value, as required.

Pro Rata Basis Type	Information Required
Fixed Percent	Enter a value for pro rata percent and for tenant and total area from the statement. You can also override the default expected values.
Gross Leasable Area	Enter values for tenant and total area from the statement. You can also override the default expected values.
Occupied Area	<p>Enter values for the tenant and total areas from the statement. Also, specify a value for either the occupied area or occupancy percent. Oracle Property Manager calculates the other value using the following formula:</p> <p>Occupancy percent equals occupied area divided by total area</p> <p>You can also enter expected area values if your figures do not agree with the values in the landlord reconciliation statement.</p>
Occupied Area with Floor	<p>Along with area values, you must also specify the floor percent, based on information in the landlord statement.</p> <p>You can also enter expected area values. However, Oracle Property Manager displays the expected floor percent from the agreement. You cannot override this value.</p>
Pro Rata Share of Sales	Enter values for tenant sales and total sales based on information in the landlord's statement. You can also enter an expected sales figure, if your estimate of total sales differs from the information in the landlord statement.

Entering Amounts for Expense Groups

For each expense group or contribution, you enter the statement amount and multiple, if any. Oracle Property Manager calculates the statement *recoverable* amount by applying the multiple to the statement amount. Oracle Property Manager then compares the statement amount with the amount from the reconciliation for the previous period to calculate the change percent.

Important: Oracle Property Manager uses the recoverable amount, rather than the statement amount for the expense group in all further reconciliation calculations.

If you have information that differs from the amounts in the landlord's reconciliation statement, you can provide an *expected* recoverable amount for a contribution or expense group. After you specify all the required information, Oracle Property Manager displays totals and percent change figures for all expense groups and all contributions.

Entering Other Information That Affects Net Tenant Share

After you enter general reconciliation information and data for each pro rata basis and expense group, you can review and override information such as fees, constraints, stops, and proration factors, which affect the calculation of net tenant share. Oracle Property Manager calculates the following amounts and figures based on information in the agreement and reconciliation:

- Fee percent
- Base year stop amount
- Total number of days in a reconciliation period and the days (of the current reconciliation period) for which you occupied the premises
- Minimums, caps, and carry forward amounts

Note: If you apply constraints to the landlord total, Oracle Property Manager displays constraint information separately for each pro rata basis.

- Estimated amount paid in the period
- Reconciliation amount already paid for this reconciliation

If the values in the reconciliation statement do not agree with expected values calculated by Oracle Property Manager, you can enter *statement* overrides. You can also provide *expected* override values, if required.

Determining the Proration Factor

In the first and last periods of an agreement, you may not occupy the location space for a full reconciliation period. In such cases, your landlord may prorate your share of expenses based on the length of occupancy. Oracle Property Manager calculates the proration factor by dividing the occupied days by the total days. Oracle Property Manager determines these values as follows:

- **Occupied Days:** The actual number of days in the reconciliation period, that is,

from the period start date to the period end date. The reconciliation period represents the number of days you occupied the premises.

- **Total Days:** The number of days in a full reconciliation period. Oracle Property Manager derives this value based on the reconciliation frequency and either the period end date or the period start date, as follows:
 - First reconciliation period: The number of days in a full period (year, half-year, quarter, or month) ending with the period end date
 - Last reconciliation period: The number of days in a full period starting with the period start date. That is, the number of days from the period start date to the last day of the month in which the landlord's expense year ends

The number of days for which you occupy a location may be greater than the days in the reconciliation period. This occurs if the agreement starts shortly before the end of a reconciliation period and you combine the first partial period with the second reconciliation period. In this case, you pay an increased share of the expenses for the full period.

Consider the following example. Your agreement begins on December 1, 2006 and is subject to annual reconciliation with years ending in December. The default end date of the first reconciliation period is December 31, 2006. However, you may change it to December 31, 2007. In this case, Oracle Property Manager calculates your share based on the expenses for 2007 multiplied by a proration factor of 396/365.

Reviewing Reconciliations and Making Payments

When reviewing the reconciliation, you examine, side-by-side, amounts calculated based on the reconciliation statement, expected amounts based on the agreement and information available with you, and the difference between the two. Oracle Property Manager first presents calculations of your share for each pro rata basis and then a summary of your total net share after applying fees and caps, and deducting stops.

Reviewing Information for Individual Pro Rata Bases

Oracle Property Manager performs the following calculations for each pro rata basis:

- Subtracts contributions from expenses
- Calculates and adds fees
- Applies caps
- Determines your pro rata share of expenses using the pro rata basis percent

The parameters in the agreement influence the order in which the application performs these steps and displays the resultant information. For example, if some expense groups

using a pro rata basis are subject to caps and others are not, then Oracle Property Manager displays information separately for both types of expenses. In addition, Oracle Property Manager totals amounts for all expense groups subject to fees and all expense groups not subject to fees separately.

The table below provides a detailed description of how Oracle Property Manager calculates your tenant share for each pro rata basis. Keep the following points in mind while reviewing the table:

- If you apply caps to the landlord total, then Oracle Property Manager applies the cap individually to the amount for each pro rata basis. If you apply caps to tenant share, then Oracle Property Manager applies the cap to the sum of tenant share amounts for all pro rata bases.
- Oracle Property Manager applies cap before calculating the fee and adding it to the total, or after.
- The table displays all data applicable to pro rata share calculation. Oracle Property Manager never displays all rows. For example, the table displays the calculation of caps twice. Your reconciliation will display cap data before or after fee calculation depending on agreement setup.

Amount	Subject to Cap	Not Subject to Cap
Expenses Subject to Fee	The sum of all amounts you enter in the reconciliation for expense groups that are subject to fee	The sum of all amounts you enter in the reconciliation for expense groups that are subject to fee
Total Contributions Before Fee	The sum of all amounts you enter in the reconciliation for expense contributions deducted before you calculate a fee amount	The sum of all amounts you enter in the reconciliation for expense contributions deducted before you calculate a fee amount
Net Expenses Subject to Fee	Expenses subject to fee minus the contributions deducted before fee calculation	Expenses subject to fee minus the contributions deducted before fee calculation
Overrun Credit	The cap overruns from previous years. Oracle Property Manager displays the value <i>here</i> if you apply caps before fee.	Not applicable
Minimum	The minimum constraint. Oracle Property Manager displays the value <i>here</i> if you apply caps before fee.	Not applicable

Amount	Subject to Cap	Not Subject to Cap
Cap	Oracle Property Manager displays the cap <i>here</i> if you apply caps before fee. Note that the cap includes any carried forward savings.	Not applicable
Capped Expenses	<p>If you apply caps before fee, then Oracle Property Manager calculates the capped expense as follows:</p> <ol style="list-style-type: none"> 1. Calculates the greater of the net not subject to fee amount (plus any overrun credit) and the minimum constraint 2. Compares the figure arrived at above to the cap and selects the lesser amount 	Not applicable
Fee Percent	The fee percent from the agreement	The fee percent from the agreement
Fee	<p>If you apply caps before fee, then Oracle Property Manager calculates the fee by multiplying the capped expenses by the fee percent.</p> <p>Else, the fee is the net subject to fee amount multiplied by the fee percent</p>	The net subject to fee amount multiplied by the fee percent
Subtotal of Expenses with Fee	If you apply caps before fee, then Oracle Property Manager calculates the subtotal with fee by adding the fee amount to the capped expenses. Else, it adds the fee amount to the net subject to fee amount.	The net subject to fee amount plus the fee
Expenses Not Subject to Fee	The sum of all amounts you enter in the reconciliation for expense groups that are not subject to fee	The sum of all amounts you enter in the reconciliation for expense groups that are not subject to fee
Total Contributions After Fee	The sum of all amounts you enter in the reconciliation for contributions deducted after calculating the fee amount	The sum of all amounts you enter in the reconciliation for contributions deducted after calculating the fee amount

Amount	Subject to Cap	Not Subject to Cap
Net Expenses Not Subject to Fee	Expenses not subject to fee minus the contributions deducted after fee calculation	Expenses not subject to fee minus the contributions deducted after fee calculation
Total Expenses	The subtotal with fee amount plus the net not subject to fee amount	The subtotal with fee amount plus the net not subject to fee amount
Overrun Credit	The cap overruns from previous years. Oracle Property Manager displays the value <i>here</i> if you apply caps to the landlord's expense after calculating the fee.	Not applicable
Minimum	The minimum constraint. Oracle Property Manager displays the value <i>here</i> if you apply caps to the landlord's expense after calculating the fee.	Not applicable
Cap	Oracle Property Manager displays the cap <i>here</i> if you apply caps to the landlord's expense after calculating the fee. Note that the cap includes any carried forward savings.	Not applicable
Capped Expenses	<p>If you apply caps to the landlord total after calculating the fee amount, then Oracle Property Manager calculates the capped expense as follows:</p> <ol style="list-style-type: none"> 1. Calculates the greater of the total expenses (plus any overrun credit) and the minimum constraint 2. Compares the figure arrived at above the cap and selects the lesser amount 	Not applicable
Pro Rata Percent	The pro rata percent calculated when you enter pro rata basis information in the reconciliation	The pro rata percent calculated when you enter pro rata basis information in the reconciliation

Amount	Subject to Cap	Not Subject to Cap
Tenant Share	If you apply caps to the landlord total after calculating the fee amount, then Oracle Property Manager calculates the tenant share by multiplying the capped expenses by the pro rata percent. Else, Oracle Property Manager multiplies the total expenses by the pro rata percent.	The total expenses multiplied by the pro rata percent

Reviewing and Adjusting Total Tenant Share

After displaying the calculations for individual pro rata bases, Oracle Property Manager displays the calculations used to derive your net obligation and the final reconciliation payment amount. As it did for each pro rata basis, Oracle Property Manager displays amounts based on the landlord's statement, expected amounts, and the difference, if any. Oracle Property Manager allows you to specify corrections or adjustments to the following:

- Your total charge
- The reconciliation amount

Based on its calculations and any adjustments you specify, Oracle Property Manager displays two final amounts:

1. **Statement Amount Due:** The amount you abstract from the reconciliation statement when entering reconciliation overview information. If the landlord's statement contains no errors, and you have created the agreement and reconciliation correctly, this amount matches the Amount Due calculated based on statement information. When the reconciliation results in an amount due, the balance is displayed in the Operating Expense Dashboard as the unpaid amount.
2. **Payment Term Amount:** Oracle Property Manager uses this amount when creating the reconciliation term. This amount is the calculated value for the expected amount due. If the amount due is not available, then Oracle Property Manager uses the statement amount due. You can override this value, as required.

Note: The payment term amount is calculated using the estimated terms and is for information only; the amount due balance is calculated based on actual terms.

The following table provides a detailed description of the information for the total

tenant share calculations. The table displays all possible rows. When you create a reconciliation, Oracle Property Manager displays rows based on your agreement. For example, Oracle Property Manager displays either a row for tenant share or for tenant share subject to cap, but never both.

Amount	Description
Tenant Share	The sum of the tenant share subject to cap and the tenant share not subject to cap <i>for each pro rata basis</i>
Tenant Share Subject to Cap	The sum of your expenses (tenant share) that are subject to caps
Overrun Credit	The cap overruns from previous years. Oracle Property Manager displays the value <i>here</i> if you apply caps to your pro rata share of expenses.
Minimum	The minimum constraint. Oracle Property Manager displays the value <i>here</i> if you apply minimum constraints to your pro rata share of expenses.
Cap	Oracle Property Manager displays the minimum constraint <i>here</i> if you apply caps to your pro rata share of expenses. Note that the cap includes any carried forward savings.
Capped Tenant Share	<p>If you apply caps to your pro rata share of expenses, then Oracle Property Manager calculates the capped value as follows:</p> <ol style="list-style-type: none"> <li data-bbox="873 1346 1357 1434">1. Calculates the greater of the tenant share subject to cap (plus any overrun credit) and the minimum constraint <li data-bbox="873 1476 1357 1539">2. Compares the figure arrived at above the cap and selects the lesser amount
Tenant Share not Subject to Cap	The sum of your expenses (tenant share) that are not subject to cap
Total Tenant Share	The capped tenant share plus the tenant share not subject to cap

Amount	Description
Previous Period	Your total pro rata share of expenses in the previous reconciliation period
Percent Change	The difference between the total tenant share and the previous period amount expressed in terms of a percentage
Expense Stop Amount	Oracle Property Manager displays this value if the agreement specifies a flat stop amount.
Expense Stop (Unit Area)	Oracle Property Manager considers this value if the agreement specifies a stop amount per unit area. It calculates the stop amount for the area by dividing the stop amount by the area you occupy.
Expenses over Stop	Oracle Property Manager calculates the expenses over the stop by deducting the stop amount from the total tenant share. Note: Oracle Property Manager replaces negative amounts with zero.
Adjustment	Enter an adjustment amount, if required.
Adjusted Total Charge	The expenses over the stop plus the adjustment amount
Occupied Days	The value for occupied days entered in the reconciliation
Total Days	The value for total days entered in the reconciliation. See Entering Other Reconciliation Information, page 9-22.
Occupancy Proration Factor	The occupied days divided by the total days
Occupancy Prorated Total Charge	The adjusted total charge multiplied by the occupancy proration factor

Amount	Description
Paid in Period	The total amount paid to the landlord in the form of estimated payments in the current reconciliation period
Prior Reconciliation Payments	The total amount paid to the landlord in the form of reconciliation payments in the current reconciliation period (through prior reconciliation revisions)
Reconciled Amount	The occupancy prorated total charge minus all estimated and reconciliation payments made in this reconciliation period
Adjustment	Enter a second adjustment amount, if required.
Amount Due	The reconciled amount plus the second adjustment amount

Creating and Approving Reconciliation Terms

After you review the reconciliation payment term amount, save the reconciliation and create the reconciliation payment term. You can then review the payment term, make any required modifications, and approve the term. You can also save the term and approve it later. For more information, see *Approving Operating Expense Terms*, page 9-16.

Revising Reconciliations

When you first create a reconciliation, Oracle Property Manager creates an original revision. You can update this revision as required until you manually create a new revision or make a reconciliation payment. In either case, you must create a new revision to accommodate any changes or create new reconciliation terms. You can base a new revision on the prior reconciliation version or the current agreement. The implications are as follows:

- **Creating revision using the current agreement:** Oracle Property Manager creates the new revision based on the current values in the agreement. However, it does copy information you entered in the previous reconciliation that is not affected by any agreement modifications you made after creating the previous revision.
- **Creating revision on the previous revision:** Oracle Property Manager copies nearly all the data from the previous revision including all the information you entered

and most of the data derived from the agreement.

The tables below describe the default data in a new revision depending on the method you employ to create it.

General Reconciliation Information

Details	Agreement	Previous Reconciliation
Period End Date and Reconciliation Status	Copied from prior reconciliation revision	Copied from previous reconciliation revision
Revision Name	Set to Revision x by default (x is the revision number)	Set to Revision x by default (x is the revision number)
Other information	Calculated automatically	Calculated automatically

Reconciliation Overview and Notes

Details	Current Agreement	Copy Previous
Last Updated	Current date	Current date
Critical Dates (calculated values)	Derived using current agreement rules	Copied from previous reconciliation revision
User-specified values	Copied from previous reconciliation revision	Copied from previous reconciliation revision

Pro Rata Bases

Details	Current Agreement	Copy Previous
Expected values from Agreement	Derived from current agreement	Copied from previous reconciliation revision
User-specified values	Copied from previous reconciliation revision	Copied from previous reconciliation revision

Expense Groups

Details	Current Agreement	Copy Previous
Name and all attributes defined in the agreement	Derived from current agreement	Copied from previous reconciliation revision
User-specified values	Copied from previous reconciliation revision	Copied from previous reconciliation revision
Change and Total Change over Last Period	Calculated automatically	Calculated automatically

Other Information

Details	Current Agreement	Copy Previous
User-specified values	Copied from previous reconciliation revision	Copied from previous reconciliation revision
Administration Fee and Stop Amount	Derived from current agreement	Copied from previous reconciliation revision
Fields related to caps	Derived using current agreement rules	Derived using current agreement rules
Fields describing days and prior payments	Calculated automatically	Calculated automatically

Note: Oracle Property Manager always recalculates constraints using current agreement rules.

Review Reconciliation Page

Details	Current Agreement	Copy Previous
User-specified values	Copied from previous reconciliation revision	Copied from previous reconciliation revision

Details	Current Agreement	Copy Previous
Others	Calculated automatically	Calculated automatically

Using the Operating Expenses Dashboard

Use the Operating Expenses Dashboard to create new operating expense agreements or to access existing agreements, reconciliations, and payment terms. Oracle Property Manager does not display any information when you first navigate to the dashboard. To view information, you must search for agreements. After you perform a search, Oracle Property Manager displays information for agreements that fit the criteria you specified, and their associated reconciliations and payment terms. You can filter information in the individual regions as follows:

- Agreements: By agreement status
- Reconciliation: By reconciliation status and audit status
- Payment terms: By payment status and function

Filtering for information in one region or selecting a row in a table has no effect on the information in the other regions. The table below lists the tasks that you can perform from the dashboard.

Region	Description
Agreements	<p>Create a new agreement, or perform the following tasks for existing agreements:</p> <ul style="list-style-type: none"> Update: You can update agreements at any time unless they are in Inactive status. <p>Note: Agreement modifications do not have a retroactive impact on existing reconciliation revisions. However, you do have the option of basing new revisions on the changed agreement. See Revising Reconciliations, page 9-30.</p> Delete: You can delete an operating expense agreement until you approve payments. View: Access operating expense agreements in the display-only mode by clicking on the agreement name. Create or edit reconciliation: Create a new reconciliation or edit the current reconciliation for the selected agreement. Maintain attachments: Add, update, or delete attachments to an agreement.
Reconciliations	View or edit existing reconciliations. You can also add or delete attachments to a reconciliation.
Payment Terms	View, edit, or approve existing payment terms. Note that once you have approved a term, you can no longer edit it.

Selected Field References

This section provides brief descriptions of important fields on the Operating Expense Agreement and Reconciliation pages, and the Operating Expense Dashboard.

Operating Expense Agreement

Location Code. The location associated with the operating expense agreement. If you associate only one location with the main lease, Oracle Property Manager displays the appropriate location code here. If you associate multiple locations with the lease, Oracle

Property Manager behaves as follows:

- If you select a primary location (in the header region of the Lease window), Oracle Property Manager displays it here. However, you can select any other location associated with the lease.
- If multiple primary locations exist or you do not specify a primary location, Oracle Property Manager does not display any location by default. You must select one from the list of associated locations.

Expense Clause. A short description that uniquely identifies the type of expense your landlord intends to recover. Oracle Property Manager concatenates the name of the expense clause and the lease name to create the agreement name. Therefore, you must ensure that each expense clause for a lease has a unique name.

Note: You can enter other agreement information only after you specify the expense clause and save your work.

Agreement Status. The status of the agreement. Indicate whether the agreement is in draft status, is active, inactive, or concluded. Keep the following points in mind when setting or changing an agreement's status:

- You can only create reconciliations for active agreements.
- You can change the agreement status to active only after specifying information for all required fields and creating at least one expense group.
- You cannot update inactive agreements except to add notes or to change the status. After you change the status from Inactive, you can update the agreement, as required.

Method Details Tab

Credit Against. Indicates whether you apply the credit for any overpayment to future payments for this agreement, all operating expense agreements with the same landlord, or that there are no restrictions. This value is for your information only.

Pro Rata Basis Tab

Area Units. The units used to specify area values, for example, acre, square feet, or square meters.

Tenant Area. The area of your leased premises

Total Area. Depending on your agreement, the landlord's total area (or a part) that you compare to the area you occupy, to derive the pro rata percentage.

Total Area Type. A description of the area you specify in the Total Area field. For example, total area, interior tenants, total area less pad, or food court.

Floor Percent. The minimum occupancy percent that Oracle Property Manager uses to calculate your share of occupied area, according to the agreement. You specify a floor percent only if you select Occupied Area with Floor as the pro rata basis type.

Expense Groups Tab

Gross Up. Indicates that the expense group is subject to the gross up percent you specified when entering method details. This value is for your information only.

Tax. Indicates that the expense group is taxable. You can specify that an expense group is taxable only if you selected to apply taxes when entering method details. This value is for your information only.

Caps Tab

Units. The units based on which you enter first year constraint amounts in the Maximum or Minimum fields. If you select Amount, you enter a total amount as the constraint. If you select Amount Per Area, Oracle Property Manager multiplies the amount in the Maximum or Minimum fields by the area you occupy to calculate the actual constraint amount.

Prorate. Indicates whether you want to increase or decrease constraints in accordance with a first period that is either more or less than one year (or standard reconciliation period).

Index Finder Month. A number (between -12 and +12) signifying the months whose index values are used for calculating the cap. The index finder month (along with the value for Basis Type) helps determine the value of the current index as well as the previous index. The index finder month is relative to the last month of the reconciliation period.

Estimated Payments Tab

Percent Change. The change in the amount you pay as estimated payment compared to the amount you paid previously. Oracle Property Manager uses annual amounts to calculate the change.

Annual Amount. Annualized estimated payment term amount. Oracle Property Manager arrives at this amount by multiplying the amount by the estimated payment frequency.

Critical Dates Tab

Period and Period Type. The combination of a number and a unit to indicate that the critical date occurs a specific period before or after an event. For example, you can enter 15 and select Days to specify that a critical date is 15 days before or after an event.

Relationship. The relationship between critical date and event. Critical dates can be either before or after an event.

Event. A predefined event that you select when creating a critical date. You can select

one of the following:

- Beginning of calendar year
- Beginning of reconciliation period
- End of reconciliation period
- Receipt of reconciliation statement

Reconciliation

This section describes the important fields on the Create Reconciliation: Enter Data page. For a detailed description of information available on the Create Reconciliation: Review Reconciliation page, see *Reviewing Reconciliations and Making Payments*, page 9-23.

Reconciliation Status. The status of the reconciliation. A new reconciliation has a status of Not Started. You can select another status at any time when creating or updating a reconciliation. You can use reconciliation status to search for and display reconciliations on the Operating Expenses Dashboard. Note that the creation or approval of reconciliation payment terms is not dependent on the reconciliation status. The table below describes default statuses.

Value	Description
Not Started	You have received the reconciliation statement from your landlord. However, you have not started reconciliation analysis.
Skipped	You do not intend to perform a reconciliation analysis for this period.
In Progress	You are currently working on the reconciliation.
Pending Review	You have completed work on the reconciliation and have sent it for review.
In Audit	The reconciliation statement is under audit.
In Dispute	You have identified a potential problem in the statement and have initiated a dispute with your landlord.

Value	Description
Complete	No further action is required for this reconciliation. All disputes that arose are resolved and you have made the appropriate reconciliation payments. Note that you cannot update or delete a complete reconciliation.

Overview and Notes Tab

Statement Received. The date on which you received the reconciliation statement. By default, this is the current date. However, you can change it, as required. Oracle Property Manager uses this date, in combination with the rules you specified in the agreement to determine two critical dates: Reconciliation Payment Due date and Audit Period End date.

Statement Amount Due. The reconciliation amount due according to the reconciliation statement or invoice sent by the landlord. Oracle Property Manager uses this value for reconciliation calculations. If you make a reconciliation payment before completing the reconciliation, Oracle Property Manager uses this amount as the payment term amount.

Audit Status. The status of the reconciliation audit. Use the audit status to indicate that a reconciliation requires audit, and if it does, the current status of the audit. Note that you can search for and display reconciliations based on audit status on the Operating Expenses Dashboard. The following table describes default audit statuses:

Value	Description
Blank	Leave the field blank to indicate that the reconciliation statement does not need an audit.
Needs Audit	Recommend that the reconciliation must undergo an audit to verify that the landlord's reconciliation statement contains accurate and legitimate costs.
In Audit	Indicate that the reconciliation is under audit.
Audit Complete	Indicate that audit is complete.

Auditor. The external or internal auditor for the reconciliation. You must enter the name of external auditors. However, if the auditor is an employee, select the appropriate user name from the list of values.

Note Type. The type of existing note that you want to view. You can view all notes or one of the following types:

- All agreement notes or a particular type, for example, method details, cap, or critical dates
- Reconciliation notes

Pro Rata Basis Tab

Tenant Area (Statement). The area you occupy, according to the landlord's reconciliation statement. Oracle Property Manager labels this column Tenant Sales if the pro rata basis is Pro Rata Share of Sales.

Total Area (Statement). The total area (or applicable part) of the property, according to the landlord's reconciliation statement. Oracle Property Manager uses this value if the pro rata basis is Gross Leasable Area or Occupied Area with Floor. Oracle Property Manager labels this column Total Sales if the pro rata basis type is Pro Rata Share of Sales.

Expense Groups Tab

Amount (Statement). The expense amount for each expense group from the landlord's reconciliation statement

Previous Period. The statement amount for each expense group from the reconciliation (most recent revision) for the preceding reconciliation period

Recoverable (Statement). The amount derived by applying the multiple to the statement amount. You can override this value, if required.

Note: You can enter a recoverable amount in the override region if the amount you have arrived at through your calculation differs from the amount stipulated by the landlord's reconciliation statement.

Operating Expense Dashboard

User Responsible. Specify the user who created the latest reconciliation revision for an agreement. Use this advanced search option to search for and display specific agreements and their related reconciliations and estimated payments.

Estimated Payment Increase. Specify a percentage range when performing an advanced search to locate agreements for which the estimated payments have increased by the specified percentage. If you specify only the lower end of the range, Oracle Property Manager displays all agreements whose estimated payments have increased at least by the value specified. Conversely, if you specify only the higher end of the range, Oracle Property Manager displays all agreements whose estimated payments have increased by a maximum of the value specified.

Support for Statement of Federal Financial Accounting Standards 54

This chapter describes Support for Statement of Federal Financial Accounting Standards 54 (SFFAS 54) in Oracle Property Manager.

This chapter covers the following topics:

- Overview
- Prerequisites
- Required Setups for SFFAS 54
- Lease Creation
- Import Existing Lease or Create Lease Using APIs
- Running Period End Accrual
- Payment Approval
- Manage Invoices
- Payable Interface Invoice Import
- Equipment Lease Creation

Overview

SFFAS 54 refers to the Statement of Federal Financial Accounting Standards (SFFAS) 54, which provides a comprehensive set of lease accounting standards established by the Federal Accounting Standards Advisory Board (FASAB). The SFFAS 54 provides guidance on accounting and reporting for federal lease activities in the financial statements of federal entities. SFFAS 54 requires federal agencies to recognize the rights and obligations arising from leases on their balance sheets. This includes recognizing the leased asset and a corresponding liability for the rental payments.

This statement requires the lessees to recognize a lease liability and a lease asset at the commencement of the lease term and the lessors can recognize a lease receivable and

unearned revenue. The purpose of SFFAS 54 is to ensure that federal agencies provide accurate and reliable information about their leasing activities in their financial statements. The standard is designed to enhance transparency and accountability in the reporting of leases by federal agencies.

Oracle Property Manager has been enhanced to digitize SFFAS 54 requirement of lease accounting and reporting. Using Oracle Property Manager, the federal agencies can perform following features:

- Standard Regime and Calculation Method

The system provides a standalone regime and the standard calculation. This ensures consistent adherence to SFFAS54 standards across federal customers.

- Standard Accounting and Proration Rules

The system offers a uniform accounting method (Right-to-Use) and rules of proration to use with SFFAS54 leases. The System helps lessee to seamlessly manage lease life cycle in accordance with SFFAS54 compliance needs allowing them to recognize period end interest expense and amortization expense.

- Streamline Payment and Accrual Tracking with Purchase Order or CLM Award Integration

The federal agencies can link each payment terms set up in the property manager with the purchase orders (created in Oracle iProcurement) or awards created in Oracle CLM. This integration provides the following accounting benefits:

- Perform budgetary and encumbrance accounting by managing commitments or obligations.
 - Tie the lease payments with the purchase order or awards along with the Project Name, Organization, Expenditure Type and Task (POET) information.
 - Capture purchase order number, PO Line, and the related PO distributions on lease payments.
 - View POET information (if any) attached to the PO Line distribution on lease payments.
 - Derive distribution accounts from the PO Line distribution specified on the lease payment.
 - Provide single source of truth for lease payment distribution account (PO/CLM account Distribution/POET).
- Maintain Lease Repository

Create and maintain leases with all the necessary lease attributes such as the lease start date, lease end date, cost of borrowing (the Treasury Rate), location/asset, and

the rental payments.

- **Manage Lease Modifications**

Agencies can create adjustments to right-to-use, lease liabilities and calculate Gain/Loss (whenever applicable) from lease modifications.

Property Manager maintains lease versions that lets you track lease modifications through unique version number and statuses.

- **Accounting**

Perform lease accounting as specified under SFFAS 54.

- **Reporting**

Property Manager provides several out-of-the box reports that helps you view the detailed lease amortization schedule at the individual lease level and view compliance balances at the portfolio level. You can also view discounted and undiscounted lease liability projections.

This document describes only the enhancement done to Oracle Property Manager application to accommodate SFFAS 54 accounting and reporting standards.

Refer to *Oracle Property Manager Implementation Guide* and *Oracle Property Manager User Guide* for details on lease creation and management.

The subsequent topics list prerequisites and necessary setups to be performed by the Federal Administrators to use the SFFAS 54 feature with the existing Oracle Property Manager.

Prerequisites

Mandatory Requirements

To use the SFFAS54 solution for leases, you must install and implement the following Oracle applications:

- Oracle E-Business Suite application 12.2.7 and later
- Oracle Property Manager (EBS)
- Oracle Contract Lifecycle Management (CLM) or Oracle Purchasing
- Oracle Federal Financials

Optional Requirements

- Oracle Project Costing

If you are already using Oracle Project Costing, then you can leverage the functionality to perform allotment activity on budgeted amounts. You can use the

allotment information such as Project Name, Organization, Expenditure Type and Task (POET) to derive accounting.

Required Setups for SFFAS 54

The federal agencies must perform the following setups before initiating the lease creation.

Setting Up a Profile Option

The Federal Agency must set up the following profile option to use Oracle Property Manager.

To set up the profile option, perform the following steps:

1. Log into **Oracle E-Business Suite** application.
2. Click the **System Administrator** responsibility.
3. Click **Profile** and then **System**.
4. Query for the **FV: Federal Enabled** profile option.
5. Set the profile option value to **Yes** at the site, responsibility, or user level.
6. Save.

Setting Up a System Options

The Federal Agency must set up the following system options for the operating unit, which will be used to create leases.

To set up system options, perform the following steps:

1. In EBS, click the **Property Manager US Federal** responsibility.
2. Click **Setup**, then **Options**, and then **System Options**. The **System Options** page appears.

Defining System Options

3. Query for the operating unit as shown in the diagram.
4. Click **Create**. The **Create System Options** page appear:

Create System Options

5. Enter the required values. This document lists the values you must set for some of the options to use Property Manager for SFFAS 54.
6. Select **Yes** for the **Allow Export of Invoice to Payables** option. The payment invoices are sent to Oracle Payables interface tables automatically. If you select No, then you must manually interface the invoices to Oracle Payables or upload or create invoices manually in Oracle Payables.
7. Select **Yes** for the **Allow Tenancy Overlap Within Lease** option. This option lets you use a particular property in multiple lease contracts with overlapping tenure.
8. In the **Compliance Setups** region, enter the following values:
 - Enter or select a date in the **Transition Date** field. The SFFAS 54 accounting considers payments for the remaining lease periods from the transition date specified.
 - In the **GAAP Regime** field, the system defaults SFFAS54.
 - In the **Calculation Frequency** field, the system defaults Periodical Amortization. This value determines how amortization expense is calculated. In

the case of SSFAS54, the amortization expense is calculated in a straight-line, equally distributed among lease periods.

- In the **Interest Method** field, the system defaults **Daily Compound Interest**. This value determines interest expense calculation method.

9. Click **Apply**.

Enable the Operating Unit for SFFAS 54 Compliance

The federal agency must run the Calculate Balances as on Transition Date to configure the operating unit. To run the concurrent program, perform the following steps:

1. In EBS, click the **Property Manager US Federal** responsibility.
2. Click **Other** and then **Run**.
3. Click **Single Request**.
4. In the **Name** field, enter **Calculate Balances as on Transition Date** and tab out of the field.

The **Parameters** window appears.

5. In the **Mode** field, enter **Final**.
6. Click **Ok**.
7. Click **Submit** and **No** to submit another request.

After the concurrent program completes successfully the Operating Unit is enabled for SSFAS54 compliance features such as Lease Recognition (Booking), Month - End Accruals, Revision and Termination Transactions.

Configure a Property

The federal agency must configure properties to be included in the lease contract. Property Manager includes seeded hierarchies that can be renamed by the agency. The seeded hierarchy is as follows:

- Property > Building > Floor > Office
- Property > Land > Parcel > Section

To define a new building in Oracle Property Manager, perform the following:

1. In EBS, click the Property Manager US Federal responsibility.

2. Click **Property**.
3. Click **New** in the **Find Property** window. The **Property** window appears.

Create a Property

The screenshot shows a software window titled "Property - [New]". It contains several input fields and a table. The fields are:

- Operating Unit: US Federal Government
- Property Name: (empty)
- Region: (empty)
- Zone: (empty)
- Portfolio: (empty)
- Class: (empty)
- Condition: (empty)
- Description: (empty)
- Property Code: (empty)
- Office Park: (empty)
- District: (empty)
- Tenure: (empty)
- Status: (empty)
- Country: United States

Below the fields is a checkbox labeled "Active Property" which is checked. There are two tabs: "Building" (selected) and "Land". Below the tabs is a table with three columns: "Name", "Location Code", and "Address". The table has four rows, all of which are empty. At the bottom of the window are three buttons: "New Building", "New Land", and "Open".

4. Enter the required fields such as the property name, property code, tenure, and the location where the property is located.
5. Save.
6. Click **New Building** in the Property window to define the building details. The Building window appears.

Create a Building

Operating Unit **US Federal Government**

Details

Name

Alias

Location Code

Property

Tenure **Leased**

Class

From

To []

Address

Country **United States**

Address

Area | Occupancy | Features | Contacts

UOM

Gross

Rentable 0

Usable 0

Assignable 0

Vacant 0

% Vacant 0.00

Levels 0

Units 0

Load Factor 0

Floor

7. Enter values for the required fields such as the name of the building, tenure from and to date range, and the address where the building is located.
8. Save.
9. Click **Floor** in the **Building** window.
The **List Floor** window appears where you define the floor list details.

Create Floor Details

The screenshot shows a window titled "List Floor - US Federal Government, [New]". Inside the window is a table with the following columns: Floor, Alias, Location Code, From, To, and Occupancy Stat. The first row of the table is highlighted in yellow and contains the text "Occupiable". Below the table, there are two buttons: "Open" and "Office".

Floor	Alias	Location Code	From	To	Occupancy Stat
					Occupiable

10. Click **Office** in the **List Floor** window.

The **List Office** window appears where you define office list details.

Create Discount Rate Index

The screenshot shows the Oracle Property Manager Discount Rate Index creation interface. The window title is "ORACLE Property Manager Discount Rate Index" and the user is logged in as "FEDERAL". The interface is divided into two main sections: "Index Details" and "Discount Rates".

Index Details: This section contains several input fields: "Operating Unit" (a dropdown menu), "Effective Start Date" (a date picker), "Index Name" (a text field), and "Description" (a text area). Buttons for "Cancel", "Apply", and "Save" are located in the top right corner of this section.

Discount Rates: This section features a table with columns for "Effective Start Date" and "Discount Rate(%)" and a "Delete" button. Above the table, there are icons for "Add Another Row", "Refresh", "Print", and "Help".

5. Enter the operating unit.
6. Enter the index name for the selected operating unit.
7. Specify the effective start date. The discount rate index can only be used in lease contracts that start on or before the specified effective start date specified.
8. In the **Discount Rates** region, enter the effective start date for each rate index line.
The system applies the discount rate on a lease is determined by the effective start date of the individual discount rate index line. For Example, if the lease starts from 01-Jan-2022, then the specified discount rate is applied.
9. Click **Save** and **Apply**.

Define Payment Term Template

The federal agency must define a payment term template. The agency can use the payment term template when defining a payment for a lease contract, to populate the payment term with pre-defined values.

1. In EBS, click the **Property Manager US Federal** responsibility.
2. Click **Leases and Document**, then **Payments**, and then **Payment Term Template**.
3. Click **New** in the **Find Payment Term Template** window.

The **Payment Term Template** window appears.

Creating Payment Term Template

The screenshot shows the 'Payment Term Template - [New]' window. The 'Term' section contains the following fields: Operating Unit (US Federal Government), Name, Location, Purpose, Schedule Day, Currency (USD), Description, Property, Type, and an Active checkbox. The 'Pay Accounts Distribution' section contains: ROU Asset and Liability checkboxes, Tax Inclusive dropdown (No), Tax Input Classification, Project Name, Task, Expenditure Type, Expenditure Item Date, Expenditure Organization, Supplier Name, Supplier Number, Supplier Site, Payment Term, and Distribution Set.

4. Enter the operating unit.

In some cases, the system defaults the operating unit as specified in the MO: Default Operating Unit profile option.

5. Enter the name of the payment term template.

6. Enter the location as one of the locations defined in configure a property.

You can provide a name from any level of the hierarchy (Building, Floor, or Office). It represents the exact location for which the lease payment is defined.

7. Enable the **ROU Asset** and the **Liability** Flags to classify the payment term as the compliance payment.

If the ROU Asset and the Liability flags are not enabled, then the payment term is excluded from compliance. Property Manager does not calculate the right-to-use and lease liability for such payment terms.

8. Enter a supplier name and site for the payment term.

During lease creation, Property Manager lets you attach the purchase order number or the award document number (from either Oracle iProcurement or CLM) based on the operating unit and supplier name specified on the payment term.

9. Save.

Agencies can optionally capture the POET information for reference in the payment term template. However, in the lease contract's payment term, the POET information would be overridden based on the PO details that you specify.

- If the PO distribution do not have any POET information, then the POET fields would be blanked on the payment term.
- However, the POET details entered on the template is retained for reference.

You can optionally capture the account distributions on the payment term template. However, in the lease contract's payment term, the account distributions entered on the template is not displayed. The account distributions entered on the payment term template is retained for reference.

Lease Creation

The federal agency can create lease. Before creating a lease contract, the agency must have created, approved, and reserved funds through a standard purchase order that contains the goods and service lines representing a leased asset.

The lease payments within the lease contract are defined using a pre-approved and reserved standard purchase order.

Prerequisite

The federal agency must create, release, approve, and reserve funds through the standard purchase order in Oracle Purchasing or the CLM Award Document in CLM.

The lease payments within the lease contract are defined using a pre-approved and reserved standard purchase order.

- The Property Manager performs periodic accruals for the purchase order when it is associated with a lease contract. Oracle recommends that you create purchase orders with the accrue on receipt option disabled (Navigation: Purchasing US Federal > Purchase Orders > Lines (tab) > select a PO line shipments > More (tab)).
- Ensure that you have satisfied all the required prerequisites and setups completed before initiating the lease creation.

Refer to "**Purchase Orders**" in the *Oracle Purchasing User Guide* and "**Awards**" in the *Oracle Contract Lifecycle Management for Purchasing User Guide* for more details on creating a purchase order or CLM awards.

Refer to "**Managing Leases**" topic in the *Oracle Property Manager User Guide* for details on lease creation.

Federal agencies can create leases using one of the following two methods:

- Using the lease creation user-interface
- Import existing or create leases using APIs

Create a Lease Contract Using the User Interface

The federal agency must create a lease contract and define payment term details.

Refer to "**Entering Lease Elements**" topic in the *Oracle Purchasing User Guide* for details on lease creation.

To create a lease, perform the following steps:

1. In EBS, click the Property Manager US Federal responsibility.
2. Click **Leases and Documents**, then **Main Lease**, and then **Enter Leases and Documents**.
3. Click **New** in the **Find Lease** window.

The **Lease** window appears.

Create a Lease

Operating Unit: US Federal Government
Accounting Method: Right-to-Use
Name: []
Type: []
Master Lease: []
Approval Status: Draft
Primary Location: []
Schedule Year Start Date(DD-MM): []
Discount Rate Index: [] %
Number: []
Class: Expense
Abstracted By: FEDERAL
Lease Status: Active
Supplier: []
Adder Rate: []
Version: 1

Details | Contacts | Locations | Insurance | Rights and Obligations | Options | Payments | Notes | Schedules | Error | Versions

Key Lease Dates
Execution: []
Commencement: []
Termination: []

Lease Term
Years: []
Months: []
Days: []

Account Defaults
Expense: []
Liability: []
Accrued Liability: []

Invoice Grouping Name: []
Term Template: []
User Responsible: []
Proration Rule: Days/Month
Functional Currency: USD []

Generate Balances | Manage Rent Increase | Finalize Lease | Term Template | Milestones

4. Enter the required values.

This document lists the values you must set for some of the fields to use Property Manager for SFFAS 54.

5. The operating unit is defaulted.

6. For accounting method, the system defaults Right-to-Use, which is the only accounting method supported for SFFAS 54.

7. For the Discount Rate Index, the list of values displays the rate index you had configured.

The discount rate index is the cost of borrowing used to derive the present value of the future lease payments. The present value represents the right-to-use and the lease liability. Refer to "Defining Discount Rate Index" for more details.

8. In the Key Lease Dates region, enter the following:

- Execution – Enter the date when the lease agreement is signed by the partner agencies.
- Commencement - Enter the date when the lease agreement is activated.
- Termination - Enter the date when the lease agreement ends.

Note: The commencement and termination dates represent the lease period that cannot be canceled.

9. In the Proration Rule, the system defaults Days/Month.

The proration rule defines the method to prorate payments or compliance expenses when calculating for partial month.

For example, if \$6000 USD is the full month payment, then the payment for 20 days for a 31-day month is calculated as $(20/31 * 6000)$.

Attach a Property Hierarchy to the Lease Contract

The agency must attach the property hierarchy defined earlier. Refer to "Configure a Property" topic to see your property hierarchy definition such as building, floor, or office.

Assign a Property

The screenshot shows the 'Assign a Property' window with the following details:

- Operating Unit:** US Federal Government
- Name:** TS-RISFFAS54-04
- Type:** Gross Lease
- Master Lease:** (empty)
- Approval Status:** Draft
- Primary Location:** (empty)
- Schedule Year Start Date(DD-MM):** (empty)
- Discount Rate Index:** Treasury Rate, 5%
- Accounting Method:** Right-to-Use
- Number:** 16480
- Class:** Expense
- Abstracted By:** FEDERAL
- Lease Status:** Active
- Supplier:** (empty)
- Adder Rate:** (empty)
- Version:** 1

The **Locations** tab is active, showing a table with the following data:

Type	Code	Primary	Usage	Estimated Occupancy Date	Actual Occupancy Date	Expiration Date
Building	USFed - Leased	<input type="checkbox"/>	Commercial Spac	01-JAN-2020	01-JAN-2020	31-DEC-2029
Floor		<input type="checkbox"/>				
Office		<input type="checkbox"/>				
Section		<input type="checkbox"/>				
Land		<input type="checkbox"/>				
Parcel		<input type="checkbox"/>				

Additional fields at the bottom of the window:

- Region:** (empty)
- Office Park:** (empty)
- Property:** USFed - Property01
- Building/Land:** USFed - Leased Building
- Floor/Parcel:** (empty)
- Office/Section:** (empty)
- Address:** 4425 Anmoore Road, Staten Island, NY, 10301, United States Minor Outlying Islands

To assign a property to the lease contract, perform the following steps:

1. In the **Lease** window, click the **Locations** tab.
2. Enter values in the required fields such as property type, code, usage, and

estimated occupancy date and lease expiration date. The agency can attach multiple locations to the lease contract.

3. Save.

Refer to "Defining Properties", "Defining Buildings", "Defining Floors", and "Defining Offices" topics in *Oracle Property Manager User Guide* for more details.

Configure Lease Payments

The agency must setup lease payments.

Refer to "Setting Up Payments" topic in the *Oracle Property Manager User Guide* for details on lease creation.

To set up payment details for the lease contract, perform the following steps:

1. In the **Lease** window, click the **Payments** tab.

The **Payments** tab appears:

Lease Payments Window

Term Template	Location	Purpose	Type	Frequency	ROU Asset	Liability	Report
Monthly Compliance	USFed - Leased Buildi	Base Rent	Base	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Monthly Compliance	USFed - Leased Buildi	Base Rent	Base	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	USFed - Leased Buildi	Base Rent	Base	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	USFed - Leased Buildi	Base Rent	Base	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	USFed - Leased Buildi	Base Rent	Base	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	USFed - Leased Buildi	Base Rent	Base	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	

2. Enter values in the required fields.
3. Select the payment term template you had defined earlier.
4. Enter the location defined for the lease contract.

5. Select the payment purpose and type. The LOV includes the pre-seeded values, but you can modify them.
6. Select the frequency of the payment. Property Manager supports Monthly, One Time, Annually, Quarterly, Semi-annually payment frequency.
7. Click and enable the ROU and Liability checkbox for a compliance enabled payment.

When these options are selected, the system calculates the right-to-use and lease liability for the payment term and generates the associated interest or amortization expense.

For an exempt payment, the agency does not need to select the ROU and Liability checkboxes and the right-to-use and liability lease are not calculated.

Agencies can select the ROU checkbox for one-time upfront prepayments that does not contribute to lease liability but affects the right-to-use asset.

Refer to "**Defining Payment Term Template**" for more details.

Note: Using the payment templates, agencies can define payments faster, error free and implement the corporate-level policies for SFFAS 54.

8. Scroll to right to access the remaining fields in the **Payments** tab.
9. Click and enable the **Report From Inception** checkbox that determines the compliance calculation starts from the lease start date. If the option is not enabled, then the compliance calculation starts from the day the lease contract is activated.
10. Enter the schedule day when the payment is due.
11. Enter the start and end date that determines the tenure of the lease payment.
12. Enter the supplier to be paid.
13. Enter the supplier site associated to the supplier.
14. The **Payments** tab in the **Lease** window contains the three new fields PO Number, PO Line Number, and PO Distribution Number.

Purchase Order Details in Lease Payments

Supplier Name	Supplier Site	PO Number	PO Line Number	PO Distribution Number	Payment Term	Trans.
Corporate Express Off	FED CEOS	2018	1	1		
Corporate Express Off	FED CEOS	2023	1	1		

Select the purchase order number. This is a mandatory field.

The LOV lists all the approved and reserved standard purchase orders or CLM Awards that are associated to the supplier selected on the payment term and the operating unit of the lease contract.

15. Select the PO line number and the PO distribution number associated with the purchase order. These are mandatory fields.

The System pulls the associated POET and PO Account Descriptions related to the PO distribution number selected.

The Project Name, Organization, Expenditure Type and Task (POET) are optionally attached to a PO in PO Distribution. If the POET details are attached to the selected PO when defining the lease payment term, then the system pulls them into Property Manager. Similarly, the accounting distributions are attached to the PO distribution that are pulled into Property Manager as well.

The PO distribution and POET information are used to account for allocations. Both Proprietary and Budgetary accounting is achieved using this contextual information.

16. Enter an actual or an estimated amount for the payment term.

The amount specified represents the payment calculated for each payment frequency per payment item. For example, if the payment tenure is for 5 years, and the frequency is Monthly, then the system creates 60 payment items, one for each month during the 5-year tenure.

If the estimated amount is specified, then the system overrides the amount with an actual amount at the time of approving the payment item. If the estimated amount is provided, the agency can modify the actual amount while approving the payment item.

17. Click **Open** to view the project details.

If the project details exist, then they are pulled into the payment term.

18. Save.

Generate Lease Balance and Review

1. Click the **Details** tab on the **Leases** window.
2. Click the **Generate Balance** option.

The generate balance runs several concurrent programs to generate the balance. These programs generate draft payment schedules, draft compliance balances and attaches them to the lease contract for review. The system updates the lease status to Complete – In Progress. The lease contract is in the read only mode.

3. After the system generates the draft schedules and compliance balances, the lease status is updated to Complete.
4. Click the **Schedules** tab to review the draft payment schedules and compliance balances generated. You can also click the lease details report draft (.xls) to view the amortized schedule of lease.

The Lease Details Report provides period-wise schedules for ROU, Liability, Cash and Expenses. During an amendment, this report also provides details on the numbers before and after amendment and quantifies the impact of an amendment.

Activate the Lease Contract

1. In the **Leases** window, click the **Finalize Lease** option.

The finalize lease updates the lease version to Final.

Any changes to the final lease are allowed by using the Lease Edit or Amendment functionality, which increments the lease version.

After the lease is activated, the system creates booking transactions with ROU and liability that indicate the present value of all payments.

The system calculates the right-to-use and lease liability using the present value of lease contract's future payments discounted using the cost of borrowing specified during lease creation.

2. SFFAS54 solution has out of box multi-level workflows for Lease Activation and amendments flows. If you have enabled workflows, then the approver can approve or reject the lease activation after reviewing the schedules. If the lease is approved, the lease status changes to Active. You can only update the lease by using the lease amendment or edit feature.

Import Existing Lease or Create Lease Using APIs

The federal agencies can create leases or import existing leases using the following APIs.

Note: Ensure you have addressed all the required prerequisites and setups completed before initiating the lease creation.

You can use the following APIs to migrate leases into Property Manager:

Lease Creation APIs

Action	API Name	Technical Name	Comment
Lease creation	pn_lease_pub. create_lease	Lease_creation_a pi.sql	<ul style="list-style-type: none">• Enter D for status_code parameter of p_lease_rec record to initiate a draft version.• Enter F for status_code parameter of p_lease_rec record to directly activate the initial version.• Enter values for the following parameters to pass purchase order or CLM award details for payment terms:<ul style="list-style-type: none">• pn_lease_pvt. lease_terms_rec . supplier_id•

Action	API Name	Technical Name	Comment
			<p>pn_lease_pvt. lease_terms_rec . supply_line_id</p> <ul style="list-style-type: none"> pn_lease_pvt. lease_terms_rec . supply_dist_id
Updating a draft lease to final	pn_lease_public.update_status	Finalize_Draft_Lease.sql	<ul style="list-style-type: none"> Enter F for p_new_lease_status Enter UPDATE_STATUS p_operation

Action	API Name	Technical Name	Comment
Amend a lease	pn_lease_pub. update_lease	Lease_amend_te rms_api.sql	<ul style="list-style-type: none"> • Enter D for p_amend_status to initiate a draft version. • Enter F for p_amend_status to finalize the amendment. • Enter Y for p_extend_terms to extend the lease payment terms during the lease renewal. • Enter values for the following parameters to pass purchase order or CLM award details for payment terms: <ul style="list-style-type: none"> • pn_lease_pvt. lease_terms_rec . suppl_provider_id

Action	API Name	Technical Name	Comment
			<ul style="list-style-type: none"> pn_lease_pvt.lease_terms_rec suppl_p_o_line_id pn_lease_pvt.lease_terms_rec suppl_p_o_dist_id
Finalize a draft amendment	pn_lease_public.update_amend_status	Finalize_Amend.sql	Enter F for the p_new_approval_status_code to finalize a draft amendment version.

Running Period End Accrual

To generate period end accrual transaction, perform the following steps:

1. In EBS, click the **Property Manager US Federal** responsibility.
2. Click **Others**, and then **Run**.
3. Click **Single Request**.
4. In the **Name** field, enter Transfer Normalized Lines to GL and tab out of the field.
The **Parameters** window appears.
5. Enter the journal category. Enter All to generate compliance accrual numbers for SFFAS 54 lease contracts. All the other values are not relevant for SFFAS 54 compliance accrual numbers.

6. Enter the Lease Number Low and Lease Number High values to run the process for a single lease contract or for a range of lease contracts within an Operating Unit.
7. Enter the period name, supplier name, and or customer name.
8. Click **Ok**.
9. Click **Submit** and **No** to submit another request.

After the concurrent program runs successfully, the system generates the accrual transactions. The transaction type is generated as accrual which is generated for each period. The associated PO with the reference data is interfaced with Oracle Payables. Commitment and allocation details are reused from PO when accounting for Invoice or Debit Memo.

Each period's accrual line contains the Interest accrued for the period and the amortization expense incurred.

During create accounting, the system accounts for the transaction lines as shown:

- Interest Expense (Stream Type - INTEREST) - Debit
- Amortization Expense (Stream Type - AMORTIZATION) - Debit
- Accrued Interest Payable (Stream Type - INTEREST) - Credit
- Accumulated Amortization on Lessee Lease Assets (Stream Type - AMORTIZATION) – Credit

Or you can choose to account this credit into Right-To-Use account as well.

Payment Approval

To approve payments, perform the following:

1. In EBS, click the **Property Manager US Federal** responsibility.
2. Click Leases and **Documents**, then **Payments**, then **Authorize**.
3. Select the lease name and click **Find**.
4. Select the line in the **Authorize Payments** window and click **Approve**.

Lease payments can be exported to Oracle Payables only after they are approved.

- Oracle recommends that you approve payments and the invoice management in Oracle Property Manager regardless of payables integration enabled with Property Manager. As the

input is required by Property Manager to compute credit memos for over-payments during lease terminations.

- To approve or cancel multiple pay items that are yet not invoiced, in Property Manager click Leases and Documents and then Approve or Cancel Approval of Schedules.

Manage Invoices

After the payment is approved, agencies can generate interface invoices and export them to Payables. The Manage Invoices Processing generates interface invoices and exports them to payables when the Allow Export of Invoice to Payables on the Systems Option is set to Yes. If Allow Export of Invoice to Payables is set to No, then the manage invoice process marks the approved payment item as invoiced in Property Manager to be used in further processes. For Example, these invoices can be used when computing credit memos for overpayments during lease terminations.

To load invoices manually to Payables and creating PO matching, then disable the Allow Export of Invoices to Payables on the Systems Options window.

Refer to "Setting Up a System Options" for details on setting this option.

To manage invoices for approved payments, perform the following steps:

1. In EBS, click the **Property Manager US Federal** responsibility.
2. Click Leases and **Documents**, then **Payments**, then **Manage Invoice Processing**.
3. Enter the search criteria and click **Find**.
4. Select the line in the **Export Payments to Payables** window and click **Manage Invoice**.

The concurrent program is submitted.

Payable Interface Invoice Import

When the Manage Invoice process in Property Manager generates interface invoice and exports it to Oracle Payables, then the agency can view these invoices in the Payables Open Interface Invoice window. The interface invoice imported to payables contains the purchase order or CLM award number entered in Property Manager in the Payments tab in the Lease creation window.

To view the interface invoice in Oracle Payables, perform the following steps:

1. In EBS, switch responsibility to **Oracle Payables**.

2. Click **Invoices**, then **Entry**, and then **Open Interface Invoice**.
3. Query for the invoice.
4. Select the invoice and click **Lines**.

The open interface invoice lines window displays the details along with the PO Header ID, PO Number, PO Line ID, PO Line Number, PO Distribution ID, and the PO Distribution Number.

The payables open interface import program uses these details to retrieve account details of the Purchase Order or the CLM Award Document into the invoice workbench.

The PO details on the invoice makes more information available in payables for configuration of accounting for AP transactions like Invoice or Debit Memos sourced from Property Manager.

Refer to "**Open Interface Invoices**" topic in the *Oracle Property Manager User Guide*.

Equipment Lease Creation

The federal agency can create equipment lease and associate a purchase order with it. Before creating a lease contract for an equipment, the agency must have created, approved, and reserved funds through a standard purchase order that contains the goods and service lines representing a leased asset. The lease payments within the lease contract are defined using a preapproved and reserved standard purchase order.

Prerequisite

- The federal agency must create, release, and approve the standard purchase order in Oracle Purchasing or the CLM Award Document in CLM.
- Refer to "**Awards**" in the *Oracle Contract Lifecycle Management for Public Sector Purchasing User Guide*.
- Refer to "**Purchase Orders**" in the *Oracle Purchasing User's Guide*.

Create Equipment Lease

- The window has been enhanced to select Right-to-Use Lease Classification and Days/Month as a Proration Rule selected by default.
- The Payments tab in the Equipment Lease Details window contains the following fields - PO Number, PO Line Number, and PO Distribution Number. You must select or enter the purchase order and details to associate with the lease.
- The lease detail report has been enhanced to display SFFAS 54 related details. The

Lease Detail Report displays the key information for the overall lease. The header region displays the key compliance setup information at the Organization Level. The lease details region displays the key header level information related to the lease contract.

Import Existing or Create Equipment Lease Using APIs

The federal agencies can create equipment leases or import existing equipment leases using the following APIs:

Note: Ensure you have addressed all the required prerequisites and setups completed before initiating the lease creation.

- **Lease Creation API**

The Lease Creation API, `pn equip lease pub.create equip lease`, lets you create new leases.

In the case of an equipment lease, direct lease finalization is not possible. Use the Lease Creation API in conjunction with Updating a draft lease to final API to activate a lease during booking.

Use the below parameters to pass the PO/CLM Award details:

- `pn equip payments pvt.Eqp_Lease_Terms_Rec.supplier_po_header_id`
- `pn equip payments pvt.Eqp_Lease_Terms_Rec.supplier_po_line_id`
- `pn equip payments pvt.Eqp_Lease_Terms_Rec.supplier_po_dist_id`

- **Updating a Draft Lease to Final**

The Update a Draft Lease as Final API, `pn equip lease pub.finalize lease`, to book lease to finalize a lease in a draft status.

- **Amend a Lease**

The Amend a Lease API, `pn equip lease pub.amend equip lease`, lets you amend a lease and include payment terms with the purchase order details.

To review the amended version in draft and finalize the lease after reviewing the balances, pass the `p_amend_status` parameter as Draft. Enter values for the following parameters to pass purchase order or CLM award details for payment terms:

- `pn equip payments pvt.Eqp_Lease_Terms_Rec.supplier_po_header_id`
- `pn equip payments pvt.Eqp_Lease_Terms_Rec.supplier_po_line_id`

- `pn_eqp_payments_pvt.Eqp_Lease_Terms_Rec.supplier_po_dist_id`
- **Finalize a Draft Amendment**
The Finalize a Draft Amendment, `pn equip_lease_pub.finalize_lease`, lets you amend a lease to finalize a draft version.

Refer to "Equipment Leases, page 5-203" topic for more details.

Reports

This chapter describes the reports you can create using Oracle Property Manager.

This chapter covers the following topics:

- Submitting Standard Reports
- Oracle Property Manager Reports
- Variable Format Reports
- Compliance Reports for Property and Equipment Management
- Common RXi Report Fields
- Property Manager RXi Reports

Submitting Standard Reports

Oracle Property Manager provides reports that you can use to:

- review your leases
- review your space allocation

From the Submit Request window, you can submit a single request, or you can submit a request set to run several reports as a group. For detailed information on running requests from the Submit Request window and monitoring requests, see Submitting Requests, page B-1.

Oracle Property Manager Reports

Alphabetical Space Assignments Report

Use this report to review an alphabetical listing of all employee office space assignments for the specified leases. This report works only for direct leases.

Report Submission:

You submit this report only for direct leases from the Submit Request window. See: Submitting Standard Reports, page B-1.

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the space assignments for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all space assignments for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all space assignments for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all space assignments for lease numbers lower than or equal to the Lease Number High.

Report Headings

Full Name: The full name of each employee, listed alphabetically by last name.

Employee Number: The employee number of each employee.

Location Code: The location code of the location that is assigned to the employee. If more than one location code is assigned to the employee, all will be listed.

Alphabetical Space Assignments Report by Floor

Use this report to review the names, office space assignments, cost centers, and space usage of employees on a specific floor.

Report Submission:

You submit this report only for direct and third party (revenue) leases from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Floor Code: The code for the floor that has the space assignments you want to review.

Lease Number: The number of the lease for the location that includes the floors that have the space assignments you want to review.

As of Date: The effective date of the report.

Report Headings

Lease Number: The number of the lease for the location where the assigned employees

are located.

Lease Name: The name of the lease for the location where the assigned employees are located.

Building: The name of the building where the assigned employees are located.

Floor: The number of the floor where the assigned employees are located.

Employee Name: The full name of each employee on the specified floor, listed alphabetically by last name.

Office: The name or number of the office where the assigned employee is located.

Cost Center: The cost center of the assigned employee.

Usage: The type of use of the specified office.

Alphabetical Space Assignments Report by Postal Code

Use this report to review the names and locations of employees in a specific postal code.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Postal Code: The zip code of the location for which you want to review the location of employees.

Report Headings

Full Name: The full name of each employee, listed alphabetically by last name.

Office: The number of the office allocated to the employee.

Location Code: The location code of the employee's office.

Annual Accounting Pro Forma Report

Use this report to review normalized payments and concessions for leased facilities over annual periods. The report lists expenses separated by payment purpose, payment term type, and fiscal year. The list is ordered by Purpose and by Type. This report includes normalized expenses for both actual and estimated payment terms.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the accounting information for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all accounting information for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all accounting information for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all accounting information for lease numbers lower than or equal to the Lease Number High.

Fiscal Date: The date of the first fiscal year for which the accounting information will be reported.

Report Headings

Note: Payables are listed for expense leases. Receivables are listed for revenue leases and subleases.

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Commencement: The commencement date of the lease.

Termination: The termination date of the lease.

Fiscal Year Ending: The month that the fiscal year used for calculating annual payments is based on.

Payables-Purpose: The purpose of the payment term

Payables-Type: The type of the payment term.

Receivables-Purpose: The purpose of the billing term.

Receivables-Type: The type of the billing term.

Annual Cash Flow Pro Forma Report

Use this report to review projected payments and concessions for leased facilities over annual periods. The report lists expenses separated by payment purpose, payment term type, and fiscal year. The list is ordered by Purpose and by Type. Oracle Property Manager forecasts using actual amounts, when available. If no actual amount exists for an item, Property Manager uses the estimated amount.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the cash flow information for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all cash flow information for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all cash flow information for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all cash flow information for lease numbers lower than or equal to the Lease Number High.

Fiscal Date: The date of the first fiscal year for which the cash flow information will be reported.

Report Headings

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Master Lease Number: The number of the master lease if this is a sublease.

Master Lease Name: The name of the master lease if this is a sublease.

Commencement: The commencement date of the lease.

Termination: The termination date of the lease.

Fiscal Year Ending: The month that the fiscal year used for calculating annual payments is based on.

Payables-Purpose: The purpose of the payment.

Payables-Type: The type of payment.

Receivables-Purpose: The purpose of the billing.

Receivables-Type: The type of billing.

Employees Deleted From Space Allocation Report

Use this report to keep track of employees whose Human Resources status is no longer Active, and to remove them from allocated office space. See Assigning Space to Employees and Cost Centers, page 4-5.

Report Submission

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1.

Report Parameters

Termination Date From: The earliest date on which employees were terminated in Oracle HRMS.

Termination Date Through: The latest date on which employees were terminated in Oracle HRMS. This field is set to the current date. However, you can specify another date if required. If you do not enter a Termination Date From, then the report lists all terminated employees up to the date specified in the Termination Date Through.

Report Headings

Person ID: The identification number of the employee that was deleted from allocated space.

Person Name: The name of the employee that was deleted from allocated space.

Employee Title Report

Use this report to review the title, cost center, and assigned office number for employees at the location covered by the specified lease. You can also review the intended use and the usable area of the assigned office.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the employees for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all employees for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all employees for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all employees for lease numbers lower than or equal to the Lease Number High.

Report Headings

Location Code: The code of the location that is assigned to the employee. If an

employee has multiple assignments, all are listed.

Full Name: The name of the employee.

Cost Center: The cost center of the employee.

Title: The title of the employee.

Function Type: The intended use of the office

Standard Type: The type of employee who uses the assigned location, for example, manager, director, or vice president

Assignable Area: The amount of usable space in the employee's office.

Future Minimum Rent Obligations Report

Use this report to review all future rent obligations that you are committed to pay. The report summarizes payments for base rent, escalation, and abatement terms for each of the next five fiscal years. For all the following years, the report shows the sum of all the payments you are obligated to pay in the remainder of the lease term.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the rent obligations for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all rent obligations for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all rent obligations for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all rent obligations for lease numbers lower than or equal to the Lease Number High.

Fiscal Date: Specify a date. This date determines the month in which the first period ends.

Use System Date for Reporting: Specify whether you wish to use the current date to generate the report.

- **No:** The information displayed for the first year will be for a one-year period up to the end date (the last day of the month specified in the Fiscal Date field).
- **Yes:** If the system date is before the end date, then for the first year, the report displays data from the period between the system date and the end date.

Note: If the system date is equal to or later than the end date, Oracle Property Manager ignores the Use System Date for Reporting parameter and displays information for a full year up to the end date.

Report Headings

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Commencement: The commencement date of the lease.

Termination: The termination date of the lease.

MMM-YYYY: The total amount of rent obligations with a term type of BASE, ESC, and ABATE for the fiscal year ending MMM-YYYY.

Thereafter: The summation of the future minimum rent obligations for all years after the first five fiscal years with a term type of BASE, ESC, and ABATE.

Total Amount: The total future minimum rent obligations. The total is calculated by adding each of the fiscal year amounts to the amount in the Thereafter column.

Functional Currency: The currency for your ledger.

Calculation of the Future Minimum Rent Obligations Report

The example report includes a single lease (lease number 1001) with a commencement date of January 01, 1999 and a termination date of December 31, 2007. The two payment terms are:

1. Type = Base Rent, Frequency = Monthly, Term = January 01, 1999 to December 31, 2007, Amount = 100 per month.
2. Type = Escalation, and Frequency = Monthly, Term = January 01, 1999 to December 31, 2007, Amount = 50 per month.

The report is generated on January 01, 2000 with the following parameters:

- **Lease Number:** 1001
- **Fiscal Date:** January 01, 2000
- **Use System Date for Reporting:** Yes

MMM-YYYY Column Calculation

Because the Use System Date for Reporting parameter is set to Yes, Oracle Property Manager determines the first fiscal period as follows:

- **Start date of the fiscal period:** January 01, 2000
- **End date of the fiscal period:** January 31, 2005

Therefore, the total for the first column, JAN-2000, is 150. It is composed of the sum of the payment items with a term type of BASE, ABATE and ESC from January 01, 2000 to January 31, 2000.

Accordingly, the second column, JAN-2001, has a total sum of 1800. The report sums up all the payment term amounts with a type of base rent, abatement, and escalation in the lease from 01-FEB-2000 to 31-JAN-2001.

Thereafter Column Calculation

The Thereafter column sums up all the payment items with term types of BASE, ABATE and ESC for the remaining four years from 01-FEB-2004 to the end of the lease on 31-DEC-2007. $1800 + 1800 + 1800 + 1650 = 7050$

Total Amt Column Calculation

The Total Amt column is the sum of the previous columns. $150 + 1800 + 1800 + 1800 + 1800 + 7050 = 14400$

Lease Abstract Summary Report

Use this report to review the lease information that was abstracted from the leases you specify in the Parameters.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the lease with the lease number specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all leases with lease numbers lower than or equal to the Lease Number High.

Show Distribution: Enter Yes if you want to review Payment/Billing Term distribution details. Enter No if you do not want Payment/Billing Term distribution details to be displayed.

Report Headings

Note: The Lease Abstract Summary Report provides the information that you enter in the Enter Leases window. See Leases Windows, page 5-202

Milestone Analysis Report

Use this report to review milestone events for a given period of time, a lease, or an individual. The report lists:

- The date of the milestone event.
- The date on which to take action.
- The type and description of the milestone
- The person responsible for taking action.
- The name and number of the lease.
- Any comments about the milestone.

Milestones are ordered by the notification date, action date, milestone type, milestone description, and name of responsible user.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the milestones for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all milestones for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all milestones for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all milestones for lease numbers lower than or equal to the Lease Number High.

Milestone Date Low: The lowest milestone date in the range of milestone dates you want to include in the report.

Milestone Date High: The highest milestone date in the range of milestone dates you

want to include in the report.

User Name Low: The first name alphabetically in the group of Responsible Users for which you want milestones reported. If you do not enter a User Name High, Property Manager reports only the milestones associated with the User Name Low. If you enter both User Name Low and User Name High, Property Manager reports all milestones for the range of user names you enter. If you enter neither, Property Manager reports all milestones.

User Name High: The last name alphabetically in the group of Responsible Users for which you want milestones reported. If you do not enter a User Name Low, Property Manager reports all milestones with user names alphabetically lower than the User Name High.

Report Headings

Milestone Date: The date on which the milestone occurs.

Action Date: The date by which action must be taken.

Type: The type of milestone.

Description: A description of the milestone.

Assigned To: The person to whom the milestone action is assigned.

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Comments: Any additional comments about the milestone.

Monthly Accounting Pro Forma Report

Use this report to review normalized payments and concessions for leased facilities over monthly periods. The report lists expenses separated by payment purpose, payment term type, and month. The list is ordered by Purpose and by Type. This report includes normalized expenses for both actual and estimated payment terms.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only accounting information for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists accounting information for all leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all accounting information for all

leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists accounting information for all lease numbers lower than or equal to the Lease Number High.

End Month: The month which marks the end of the fiscal year.

Year: The fiscal year that you want reported.

Individually: Select Yes if you want a separate report printed for each lease in the lease range. If you select Yes, the report is run for each lease individually, and then a summary report is printed at the end for the lease range that you selected.

Report Headings

Note: Payables are listed for expense leases. Receivables are listed for revenue leases and subleases.

Payables-Payment Purpose: The payment term purpose.

Payables-Payment Term Type: The payment term type.

Receivables-Payment Purpose: The billing term purpose.

Receivables-Payment Term Type: The billing term type.

Monthly Cash Flow Pro Forma Report

Use this report to review projected payments and concessions for leased facilities over monthly periods. The report lists expenses separated by payment purpose, payment term type, and month. The program uses actual amounts to make cash flow forecasts. If no actual amount exists for an item, the program uses the estimated amount.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the cash flow information for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists cash flow information for all leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists cash flow information for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report

lists cash flow information for all lease numbers lower than or equal to the Lease Number High.

Fiscal Date: The date of the first fiscal year for which the accounting information will be reported.

Report Headings

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Master Lease Number: The number of the master lease if this is a sublease.

Master Lease Name: The name of the master lease if this is a sublease.

Functional Currency: The currency for your ledger.

Commencement: The commencement date of the lease.

Termination: The termination date of the lease.

Payables-Purpose: The purpose of the payment.

Payables-Type: The type of payment.

Receivables-Purpose: The purpose of the billing.

Receivables-Type: The type of billing.

Normalized Rent Schedule Report

Use this report to keep track of the rent schedule for a location. The report shows all payment schedule dates for the term of the rent payment schedule. For each specific payment schedule event date, the report shows the amount of base rent, the amount of any rent abatement, and the amount of any rent adjustment. In addition, the report shows the effect of each abatement and adjustment on the base rent and on the total cash rent for that rental period. The report also tracks the accumulated free rent liability as monthly adjustments are applied.

Report Submission

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the rent schedules for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all rent schedules for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all rent schedules for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all rent schedules for lease numbers lower than or equal to the Lease Number High.

Report Headings

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Functional Currency: The currency for your ledger.

Schedule Date: The date each of each payment schedule.

Base Rent: The sum of all normalized cash payments of the base rent payment type.

Rent Abatement: The amount of rent abatement that will be applied to the payment schedule event.

Total Cash Rent: The amount of rent after the rent abatement for the payment schedule event is applied.

Expense: The rent expense account after any rent adjustment for the payment schedule event is applied.

Adjustments: The amount of the adjustment applied to the Total Cash Rent for the payment schedule event.

Accrued Liability: The amount of free rent liability, calculated for each rental period, showing the cumulative effect of rent adjustments on free rent liability.

Total Rentable Size: The rentable area of the location.

Receivables Details Report

Use this report to review billing items included in specified receivable schedules. This report is generated for subleases only.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the receivable schedules for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all receivable schedules in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all receivable schedules.

Lease Number High: The highest lease number in the range of lease numbers that you

want to include in the report. If you do not enter a Lease Number Low, then the report lists all receivable schedules with lease numbers lower than or equal to the Lease Number High.

Schedule Date Low: The date of the receivable schedules that you want to review. If you do not enter a Schedule Date High, then the report lists only the receivable schedules that are specified by the Schedule Date Low. If you enter both a Schedule Date Low and a Schedule Date High, then the report lists all receivable schedules that are in the specified date range. If you enter neither a Schedule Date Low nor a Schedule Date High, then the report lists all receivable schedules for the specified leases.

Schedule Date High: The latest date in the range of receivable schedule dates that you want to include in the report. If you do not enter a Schedule Date Low, then the report lists all receivable schedules with schedule dates earlier than or the same as the Schedule Date High.

Report Headings

Schedule Date: The date of each billing schedule.

Lease Number: The number of the lease for the location covered in the report.

Lease Name: The name of the lease.

Functional Currency: The currency for your ledger.

Tenant Name and Address: The name and address of the tenant who is being billed.

Status: The current status of the rent schedule.

Purpose: The purpose for the billing transaction.

Term Type: The type of billing term.

Amount : The summation of all cash payment items grouped by purposes and term types. The program uses actual amounts for all cash payment items unless no actual amount is defined, in which case it uses an estimated amount.

Billing Currency: The currency for the billing transaction.

Accounted Amount: The billing amount converted to the functional currency. This amount is available only when the status of the billing is Approved.

Accounting Flexfield: The accounting flexfields that identify the type of expense being authorized for payment.

Distribution Amount: The summation of all cash payments grouped by accounting flexfields. The program uses actual amounts for all cash payment items unless no actual amount is defined, in which case it uses an estimated amount.

Schedule Total: The summation of all cash payment items, both by purposes and term types and separately by accounting flexfields.

Receivables Summary Report

Use this report to review current invoice payments due. The report lists the lease, customer information, lease address, accounting flexfields, and total amount due. Rent schedules are ordered by schedule date and lease number. This report is generated for subleases only.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the receivable schedules for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all receivable schedules for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all receivable schedules for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists receivable schedules for all lease numbers lower than or equal to the Lease Number High.

Schedule Date Low: The date of the receivable schedules that you want to review. If you do not enter a Schedule Date High, then the report lists only the receivable schedules that are specified by the Schedule Date Low. If you enter both a Schedule Date Low and a Schedule Date High, then the report lists all receivable schedules that are in the specified date range. If you enter neither a Schedule Date Low nor a Schedule Date High, then the report lists receivable schedules for all specified leases.

Schedule Date High: The latest date in the range of receivable schedule dates that you want to include in the report. If you do not enter a Schedule Date Low, then the report lists all receivable schedules with schedule dates earlier than or the same as the Schedule Date High.

Report Headings

Schedule Date: The date of the scheduled payment event.

Lease Number Range: The range of lease numbers in the report.

Functional Currency: The currency for your ledger.

Lease Number: The number of the lease that the summary information covers.

Lease Name: The name of the lease that the summary information covers.

Status: The status of the lease. This can be Draft or Final.

Tenant Information: Information about the tenant who is being billed.

Lease Address: The address of the leased location.

Accounting Flexfield: Account that will be charged for the transaction.

Actual Amount: The amount of the receivable for the specified billing schedule date.

Billing Currency: The specified currency for a payment transaction.

Accounted Amount: The billing amount converted to the functional currency.

Schedule Total: The summation of all billing amounts.

Rent Schedule Details Report

Use this report to review current payments due for leased facilities. For each schedule that you select, the report lists amounts for payment purposes, payment term types, accounting flexfields, and total schedule payment due. Rent schedules are ordered by lease number and rent schedule date.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the rent schedules for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all rent schedules for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all rent schedules for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all rent schedules with lease numbers lower than or equal to the Lease Number High.

Schedule Date Low: The date of the rent schedules that you want to review. If you do not enter a Schedule Date High, then the report lists only the rent schedules that are specified by the Schedule Date Low. If you enter both a Schedule Date Low and a Schedule Date High, then the report lists all rent schedules that are in the specified date range. If you enter neither a Schedule Date Low nor a Schedule Date High, then the report lists all rent schedules for the specified leases.

Schedule Date High: The latest date in the range of rent schedule dates that you want to include in the report. If you do not enter a Schedule Date Low, then the report lists all rent schedules with schedule dates earlier than or the same as the Schedule Date High.

Report Headings

Lease Name: The name of the lease that the detail information covers.

Lease Number: The number of the lease.

Schedule Date: The date of each billing schedule.

Schedule Total: The summation of all billing terms for a lease.

Status: The current status of the billing.

Functional Currency: The currency for your ledger.

Vendor Name and Address: The name and address of the supplier to whom payment is made.

Phone: The phone number of the supplier.

Location Code: The location code of the rented property for which payment is made.

Payment Purpose: The payment term purpose of an expense.

Payment Term Type: The payment term type of an expense.

Payment Amount: The summation of all cash payment items grouped by purposes and term types. The program uses actual amounts for all cash payment items unless no actual amount is defined, in which case it uses an estimated amount.

Payment Currency: The specified currency for a payment transaction.

Term Currency:

Accounting Flexfield: The accounting flexfields that identify the type of expense being authorized for payment.

Amount: The summation of all cash payments grouped by accounting flexfields. The program uses actual amounts for all cash payment items unless no actual amount is defined, in which case it uses an estimated amount.

Accounted Amount: The billing amount converted to the functional currency.

Site Total: The summation of all cash payment items, both by purposes and term types and separately by accounting flexfields.

Rent Schedule Export Report

Use this report to review the export status of rent schedules. For each schedule date, the report lists:

- Approval status
- Payment period
- Lease Number

- Lease Name
- Supplier Name
- Supplier Number
- Site Code
- Actual Amount

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Schedule Date Low: The schedule date of the item that you want to review. If you do not enter a Schedule Date High, then the report lists only the schedule date that is specified by the Schedule Date Low. If you enter both a Schedule Date Low and a Schedule Date High, then the report lists all schedule dates that are in the specified date range. If you enter neither a Schedule Date Low nor a Schedule Date High, then the report lists all schedule dates for the specified leases.

Schedule Date High: The latest date in the range of schedule dates that you want to include in the report. If you do not enter a Schedule Date Low, then the report lists all schedule dates earlier than or the same as the Schedule Date High.

Schedule Status: The status of the schedule dates you want to review.

Export Flag: Enter Yes if you want to review scheduled payments that have been approved for export to Payables. Enter No if you want to review scheduled payments that have not been approved for export to Payables.

Transferred Flag: Enter Yes if you want to review scheduled payments that have been transferred to Payables. Enter No if you want to review scheduled payments that have not been transferred to Payables.

Report Headings

Schedule Date: The date of the scheduled payment event.

Status: The current status of the scheduled payment.

Period: The name of the GL accounting period.

Lease Number: The number of the lease for which the payment event is scheduled.

Lease Name: The name of the lease for which the payment event is scheduled.

Supplier Number: The number of the supplier to whom payment is made.

Supplier Name: The name of the supplier to whom payment is made.

Site Code: The supplier site to which payment is made.

Actual Amount: The amount of the scheduled payment.

Payment Currency: The currency for a payment transaction.

Accounted Amount: The payment amount converted to the functional currency.

Rent Schedule Summary Report

Use this report to review current invoice payments due for leased facilities. The report lists the lease, supplier information, lease address, accounting flexfields, and total amount due. Rent schedules are ordered by rent schedule date and lease number.

Report Submission:

You submit this report from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the rent schedules for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all rent schedules for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all rent schedules for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all rent schedules with lease numbers lower than or equal to the Lease Number High.

Schedule Date Low: The date of the rent schedules that you want to review. If you do not enter a Schedule Date High, then the report lists only the rent schedules that are specified by the Schedule Date Low. If you enter both a Schedule Date Low and a Schedule Date High, then the report lists all rent schedules that are in the specified date range. If you enter neither a Schedule Date Low nor a Schedule Date High, then the report lists all rent schedules for the specified leases.

Schedule Date High: The latest date in the range of rent schedule dates that you want to include in the report. If you do not enter a Schedule Date Low, then the report lists all rent schedules with schedule dates earlier than or the same as the Schedule Date High.

Report Headings

Supplier Information: The name, address, and phone number of the supplier to whom the rental payment is made.

Lease Address: The address of the building of the primary leased location.

Accounting Flexfield: The flexfields identifying the type of expense being authorized

for payment.

Amount (by accounting flexfield): The summation of all cash payment items by accounting flexfields. The program uses actual amounts for all cash payment items unless no actual amount is defined, in which case the program uses an estimated amount.

Grand Total: The summation of all amounts of all payment schedules.

Account: The accounts to which the payments are applied, for each payment schedule range that is selected.

Amount: The total amount paid to each account for the payment schedule range that is selected.

Space Allocation Report

Use this report to review the amount of office space that is allocated to each cost center that has space in the locations associated with the leases you specify. For each cost center, the report provides details of space allocation, including:

- Size of allocated usable areas.
- Size of allocated common areas.
- Allocated usable area as a percentage of the total usable area.
- Allocated common area as a percentage of the total common area.
- Total area allocated to a cost center in the location.
- Total area allocated to a cost center as a percentage of the total allocated area in the location.
- Number of employees (head count) in the location.

Report Submission

You submit this report only for direct leases from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the space allocation for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all space allocation in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all space allocation for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists all space allocation for lease numbers lower than or equal to the Lease Number High.

Report Headings

Cost Center: The cost center number.

Head count: The number of employees in the cost center who occupy some allocated space in the location.

Allocated Usable Area: The amount of usable space allocated to a cost center.

Allocated Usable Area %: Allocated usable area expressed as a percentage of the total allocated area.

Allocated Common Area: The amount of common space allocated to a cost center.

Allocated Common Area %: Allocated common area space expressed as a percentage of the total allocated area.

Total Allocated Area: Total amount of space allocated to a cost center: Allocated Usable Area plus Allocated Common Area.

Total Allocated Area %: Total amount of space allocated to a cost center expressed as a percentage of the total allocated area.

Space Utilization Report

Use this report to review space utilization summarized by lease. For each lease, the maximum and optimum occupancies, occupied workstations, vacant workstations, and vacancy percentages are listed. This report lists leases that have already commenced but have not yet terminated. Only offices in active tenancies will be incorporated into the summaries listed in this report.

Report Submission

You submit this report only for direct leases from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the space utilization for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all space utilization for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all space utilization for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report

lists all space utilization for lease numbers lower than or equal to the Lease Number High.

Report Headings

Lease #: The number of the lease, as assigned in the Leases window.

Name: The name of the location.

Rentable Size: The sum of the rentable sizes of all the current tenancies.

Maximum Occupancy: The sum of the maximum occupancies of all offices in the current tenancies. For those offices without maximum occupancies, Oracle Property Manager uses the optimum occupancy.

Optimum Occupancy: The sum of the optimum occupancies of all offices in the current tenancies. For those offices without optimum occupancies, Oracle Property Manager uses the maximum occupancy.

Employee Occupants: The total number of personnel space assignments for offices in the current tenancies.

Vacancy at Maximum-Other: The number of vacant individual work spaces that are not assigned workstations, if the location is occupied at the maximum occupancy.

Vacancy at Maximum-Vacant Spaces: The number of vacant individual work spaces, if the location is occupied at the maximum occupancy.

Vacancy at Maximum-Vacancy Percentage: The number of vacant workstations expressed as a percentage of the maximum occupancy.

Vacancy at Optimum-Other: The number of vacant individual work spaces that are not assigned workstations, if the location is occupied at the optimum occupancy.

Vacancy at Optimum-Vacant Spaces: The number of vacant individual work spaces, if the location is occupied at the optimum occupancy.

Vacancy at Optimum-Vacancy Percentage: The number of vacant workstations expressed as a percentage of the optimum occupancy.

Other Occupants: The number of workstations assigned to a cost center but not assigned to specific employees.

Space Utilization Report by Floor

Use this report to review the utilization of space summarized by floor and lease. For each lease, the report lists all floors where offices exist in active tenancies. For each floor covered by a lease, the report lists:

- The amount of usable space.
- The optimum and maximum occupancies.

- The number of occupied and vacant workstations.
- The percentage of vacancies.

Report Submission:

You submit this report only for direct and third party leases from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the space utilization for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all space utilization for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all space utilization for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists space utilization for all lease numbers lower than or equal to the Lease Number High.

Report Headings

Lease Name: The name of the lease that includes the floor on which the reported space is located.

Building: The name of the building that includes the floor where the reported space is located.

Floor: The name or number of the floor where the reported space is located.

Usable Area: The total usable area of the specified floor.

Maximum Occupancy: The sum of the maximum occupancies of all offices on each floor. The program uses the optimum occupancy for those offices without maximum occupancies.

Optimum Occupancy: The sum of the optimum occupancies of all offices on each floor. The program uses the maximum occupancy for those offices without optimum occupancies.

Occupied Workstations: The total number of personnel space assignments for offices on each floor.

Other: The total number of spaces that have been allocated to a cost center.

Vacant Workstations: The optimum occupancy minus the combined number of occupied workstations and workstations assigned to cost centers (Other). If the result is negative (for example, because of over-occupancy), the column displays a zero.

Vacancy at Maximum: The number of vacancies expressed as a percentage of the maximum occupancy. If the value is negative, the column displays a zero.

Vacancy at Optimum: The number of vacancies expressed as a percentage of the optimum occupancy. If the value is negative, the column displays a zero.

Space Utilization Report by Office

Use this report to review the utilization of space summarized by office. For each lease, the report lists all offices that exist in active tenancies. The offices are listed by floor. For each office covered by a lease, the report lists:

- The total usable space of each floor and office.
- The optimum, maximum, and actual occupancies of each floor and office.

Report Submission:

You submit this report for direct, third party (revenue) and sub leases from the Submit Request window. See: Submitting Standard Reports, page B-1

Report Parameters

Lease Number Low: The lowest lease number in the range of lease numbers you want to include in the report. If you do not enter a Lease Number High, then the report lists only the space utilization for the lease specified by Lease Number Low. If you enter both Lease Number Low and Lease Number High, then the report lists all space utilization for the leases in the specified range. If you enter neither a Lease Number Low nor a Lease Number High, then the report lists all space utilization for all leases.

Lease Number High: The highest lease number in the range of lease numbers that you want to include in the report. If you do not enter a Lease Number Low, then the report lists space utilization for all lease numbers lower than or equal to the Lease Number High.

Report Headings

Building: The name of the building that includes the office where the reported space is located.

Usable Area: The total usable area of each office.

Maximum Occupancy: The maximum number of employees that can occupy the office.

Optimum Occupancy: The optimum number of employees that can occupy the office.

Actual Occupancy: The number of employees assigned to the office.

Variable Rent Billing Report

This new report enables you to review and validate either a summary or details of the

variable rent calculations executed for the specified variable rent agreements.

Report Submission

Use the Submit Request window to submit the Variable Rent Billing Report. See: Submitting Standard Reports, page B-1.

Report Parameters

This report has the following parameters:

Term Status. Select to limit the report to rent agreements with draft or approved terms.

Invoice Date From/To. Optionally, select to limit the report to rent calculations for invoice periods that fall within the specified dates.

Lease Class. Select to create a report for variable rent agreements associated with expense leases, third party leases, or subleases.

Lease Number From/To. Optionally, enter lease numbers to limit the report to variable rent agreements associated with the specified range of leases.

Agreement Number From/To. Optionally, enter agreement numbers to limit the report to the specified range of variable rent agreements.

Print Summary? Select *Yes* to print a summary report. Otherwise, select *No*.

Print Detail. Select *Yes* to print a detail report. Otherwise, select *No*.

Location Code From/To. Optionally, enter location codes to limit the report to variable rent agreements for the specified range of locations.

Supplier. Optionally, select to limit the report to variable rent agreements of leases for the specified supplier. You can select a supplier if you selected the *Expense* lease class.

Customer. Optionally, select to limit the report to variable rent agreements of leases for the specified customer. You can select a customer if you selected the *Third Party* or *Sublease* lease class.

Abstracted By. Optionally, select to limit the report to variable rent agreements associated with leases abstracted by the specified user.

Property Name. Optionally, select to limit the report to variable rent agreements associated with the specified property.

Current Annual Period Only. Select *Yes* to limit the report to variable rent calculations for the current annual period. Otherwise, select *No*.

Show periods with zero amount. Optionally, select *Yes* to include in the report invoice periods with no terms. Select *No* to exclude from the report invoice periods with no terms.

Parent. Optionally, select to limit the report to variable rent agreements by the company name of the lease contact.

Breakpoint Type. Optionally, select to limit the report to variable rent agreements by

breakpoint type of natural or artificial.

Report Headings

The report has the following five main regions:

Property Details Region. This region contains the headings of Property, Property Code, Tenant Name (Lease Name), Billing Period, Lease Number, and Unit or Space code.

Variable Rent Agreement Details. This region contains the headings of Variable Rent Agreement Number, Purpose, Type, Variable Rent Commencement and Termination Dates, Period Frequency, Year Start Date, Reporting Frequency, Invoicing Frequency, and Calculation Method.

Breakpoint Header Details. This region contains the headings of Breakpoint Header ID, Channel, Category, Break Type, Breakpoint Rate, and Breakpoint Type for each line item of a variable rent agreement in succession.

Breakpoint Volume Information. This region contains the headings of Start and End Dates, Range for Period Breakpoint Volumes and Group Breakpoint Volumes, and Rate information.

Volume History for Period. This region contains the headings of Net Sales Amount, Cumulative Sales Amount, Report Type, Invoice Date, Gross Sales, Deductions, Percent Rent, Net Sales Amount Transferred, Adjustments for Net Amount.

Variable Format Reports

Use the Publish RX Reports concurrent program to generate an RXi report. You can generate an RXi report with one of the report's default attribute sets, or with an attribute set that you defined in the Attribute Set window. The report prints according to the layout definition of the attribute set. You can print reports in text, HTML, CSV, or tab-delimited format.

There are two steps involved in generating an RXi report:

- Run the RXi report to extract data to the temporary table.
- Run the Publish RX Reports concurrent program to print the extracted data.

The RXi report and Publish RX Reports concurrent programs can run together in one step, depending on the setup of RXi reports and concurrent programs:

- If you run the RXi report and Publish RX Reports concurrent program together in one step, the RXi report parameters include the Publish RX Reports concurrent program parameters.
- If you need to run the RXi report and Publish RX Reports concurrent program in two separate steps, submit the RXi report to retrieve data, then submit the Publish RX Reports concurrent program to print data.

Note: If you use two steps to generate the report, use the Request window to obtain the request ID of the RXi report. You need to enter the request ID to print a report that was previously run.

To generate and publish a variable format report using the one step process:

1. In the Property Manager responsibility, run your RXi report using the path: Navigator > Reports > RXi > Space for space reports, or Navigator > Reports > RXi > Lease for lease reports.
2. Select the Publish RXi report you want to run.
3. Enter the parameters in the Parameters window.
4. Choose OK.
5. Submit your request.

Your one-step report will be published automatically.

Note: Two concurrent request IDs are created: one initial ID to generate your report and a second ID to apply formatting and to publish your report.

For more information, see: Oracle Financials RXi Reports Administration Tool, *Oracle Financials RXi Report Administration Tool User Guide*.

Compliance Reports for Property and Equipment Management

The following are compliance reports for property and equipment management:

- **Portfolio Summary:** This report provides information on the entire portfolio of leases (OU level), for a particular As of date month end, for example May 2017 or June 2017 until a user-provided date.
- **Portfolio Detail:** This report provides information on the entire portfolio of leases (OU level), lease by lease, on a particular As of date.
- **Lease Detail:** This report provides the balances for a particular selected contract As of date. This report includes detailed amortization schedules, which explain the basis of the calculations for the balances.
- **Lease Analysis Report:** This report provides a high level view of the tenant's liability both discounted and undiscounted for the periods into the future until

lease termination date.

Common RXi Report Fields

The following are report fields common to many Oracle Property Manager RXi reports:

1-15 Attribute Sets: Flexfield column names and definitions.

Action Due Date: The date by which the required action for the milestone must be completed.

Action Taken: The date that an action was taken on an option. For example, the date that a tenant notifies the landlord that he will exercise the option.

Actual Occupancy Date: The first date when the location is occupied.

Address: The address of the leased location.

Assignable Area: The area that you can assign for the lease.

Assignable Area (at office level): The area that you can assign at the office level.

Assigned Area: The area of the lease that has been assigned.

Assigned Area (at office level): The area of the office that has been assigned.

Average Annual Base Rent: Equal to the following: (summation of all payment items of type = base rent for the entire lease term) / (total number of months within the lease term) X (12).

Average Monthly Base Rent: Equal to the following: (Average Annual Base Rent / 12)

Building or Land Name: The name of the building or land.

City: The city of the leased location.

Commencement Date: The date the lease begins.

Common Area: The type of area for a shared expense, for example, lobby or parking garage.

Common Area (at office level): The type of office area for a shared expense.

Country: The country of the leased location.

County: The county of the leased location.

Customer Account Number: The General Ledger account to which all payments are credited.

Customer Assigned from Date: The date on which the customer will begin occupying the space.

Customer Assigned to Date: The date on which the customer will stop occupying the space.

Customer Category: The category of the customer.

Customer Name: The name of the customer.

Customer Project Number: The project number associated with a customer.

Customer Site: The location of the customer.

Customer Task Number: The project task name associated with a customer.

Deposit: A security payment held by the lessor.

Employee Assigned from Date: The date on which the employee will begin occupying the space.

Employee Assigned to Date: The date on which the employee will stop occupying the space.

Employee Category: The employee category, such as full-time or part-time. If this information exists in HRMS, the value in this field is defaulted automatically.

Employee Name: The full name of each employee on the specified floor.

Employee Number: The value in this field is defaulted automatically from HRMS.

Employee Position: This title is specific to a particular organization, for example, finance manager. If this information exists in HRMS, the value is defaulted automatically.

Employee Project Number: The project number associated with an employee. If this information exists in Oracle Projects, the value is defaulted automatically.

Employee Task Number: The task number associated with the project.

Employee Type: The type of employee, as defined in HRMS.

Estimated Occupancy Date: The first date when you expect the location to be occupied.

Floor or Parcel Name: The name of the floor or parcel.

Gross Area: The gross area of the building.

Invoicing Address: The address to which invoices are sent.

Landlord Name: Name of lessor.

Landlord Site: The location or place of business of the landlord.

Lease Class: Indicates your role as it is defined in the lease, including Expense, Revenue, and Sub Lease.

Lease Commencement Date: The beginning date of the lease as stated in the lease.

Lease Execution Date: The date the lease was executed or signed.

Lease ID: The identification number of the lease.

Lease Milestone ID: The identification number of the lease milestone.

Lease Name: The name of the lease.

Lease Number: The number of the lease for the location covered in the report.

Lease Responsible User: The user name of the person responsible for taking action on the lease.

Lease Status: The status of the lease, either Draft or Final.

Lease Term: The duration of the lease calculated by Property Manager, and based on the commencement and termination dates that you enter.

Lease Termination Date: The date that the lease ends.

Lease Type: Describes how the rental amount is calculated. Three common types of leases include: gross lease, net lease, and percentage lease.

Location Code: The location code assigned by Oracle Property Manager when you set up the location.

Location Flexfield attributes 1-15: Flexfield column names and definitions.

Location ID: A unique identifier generated from an Oracle database sequence. This number should be tagged/mapped to the vendor's own location identifier for reference and future updates.

Location Name: The name of the location.

Location Type: The type of space. Can be any of the following: building, floor, office, land, parcel, or section.

Maximum Occupancy: The sum of the maximum occupancies of all offices in the current tenancies.

Maximum Vacancy: The difference between the maximum occupancy and the space utilized.

Milestone Begin Date: The first date that a notification regarding the milestone will be generated.

Milestone Type: The milestone type describes various events that will require action. Some common milestone types are for insurance, lease options, and for lease payment and billing terms.

Monthly Operating Expense: Tenant expenses that are in addition to rent. These may include common expenses, insurance, and taxes.

Office or Section Name: The name of the office or section.

Optimum Occupancy: The optimum number of occupants permitted in the specified location.

Optimum Vacancy: The number of vacant individual work spaces that are not assigned workstations, if the location is occupied at the optimum occupancy.

Option Action Date: The date by which action must be taken.

Option Area Change: The area that will be increased or decreased related to an expansion, contraction, or must take option right.

Option Commencement Date: The date the lease option begins.

Option Comments: Any additional comments about the milestone.

Option Cost: The cost of the option, if it is exercised. Examples are \$2 per square foot, or 95% of fair market value.

Option Currency: Currency in which the option cost is denominated.

Option Exercise Start Date: The first date that option exercise notifications can be sent to the landlord.

Option Exercise End Date: The last date that option exercise notifications can be sent to the landlord.

Option Expiry Date: The date the option expires.

Option Notice Required: Indicates if the option requires notice from one party to the other.

Option Size: The amount of additional space that can be leased by exercising the option, if the option is for expansion of the leased space.

Option Status: The current status of the option. Examples include: Exercised, Not Exercised, or No Action.

Option Term: The length of the option term in your company's time units.

Option Type: Type of option right. For example, right to sublease or roof rights.

Property Code: An abbreviation of the property name. For example, HQ.

Property Name: The unique property name. For example, Headquarters.

Province: The province where the building or land is located.

Reference: The paragraph in the lease that references the terms of this right.

Region: The name of the region.

Remaining Lease Liability: The amount of free rent liability, calculated for each rental period, showing the cumulative effect of rent adjustments on free rent liability.

Rent Per Rentable Area: Rent divided by the rentable area of the location.

Rentable Area: The rentable area of the location.

Rentable Area (at office level): The rentable area at the office level.

Space Function: The anticipated use of the leased space, for example retail space or office space.

Space Standard: Property Manager measures gross area only for Land and Buildings, as a part of IFMA Space Measurement Standard.

Space Type: The type of space. For example, File Room.

State: The state where the service provider is located.

Tenure: Indicates whether the property is leased, managed, mixed, or owned.

Termination Date: The last date of the lease term. It defaults to the termination date of

the lease, but can be overridden. This is the last date by which rent increases can be evaluated.

Total Lease Liability: The sum of all payment types of base rent and operating expenses.

UOM Code: The unit of measurement code that is used for area and capacity.

Usable Area: The total usable area that can be utilized.

Usable Area (at office level): The amount of usable space in the employee's office.

Utilized: The number of people occupying the space. Equals assignable area less assigned area.

Vacant Area: The total area that is not leased and available to tenants.

Vacant Area (at office level): The total office area that is not leased and available to tenants.

Zip Code: The zip code of the location.

Property Manager RXi Reports

RXi: Rent Increase Detail Report

This new report enables you to review and validate detail components of rent increase calculations for selected rent increase agreements.

Report Submission

Use the Report Exchange Designer responsibility to select the columns and headings for display on your report. Submit the Publish Rent Increase Detail Report from the Submit Request window, using the following path:

Navigator: Reports: RXi: Lease.

See: Variable Format Reports, page 11-27.

Report Parameters

In addition to the parameter described below, this report shares other parameters with the Rent Increase Summary Report.

Rent Type. Optionally, select a rent type to limit the report to rent agreements for the specified rent type.

For information about other parameters, see Rent Increase Summary Report, page 11-34.

Available Column Headings

You can choose from available column headings related to lease, lease terms and

periods, project, transactions, customer, supplier, rent increase, variable rent, project, and Oracle Payables attributes.

RXi: Rent Increase with Accounting Details Report

This new report enables you to review and validate all the components in rent increase calculations including accounting distribution information for selected rent agreements.

Report Submission

Use the Report Exchange Designer responsibility to select the columns and headings for display on your report. Submit the Publish Rent Increase with Accounting Detail Report from the Submit Request window, using the following path:

Navigator: Reports: RXi: Lease

See: Variable Format Reports, page 11-27.

Report Parameters

In addition to the parameters described below, this report shares other parameters with the Rent Increase Summary Report.

Rent Type. Optionally, select a rent type to limit the report to rent agreements for the specified rent type.

Account Class. Optionally, select an account class to limit the report to rent agreements for the specified account class.

For information about other parameters, see Rent Increase Summary Report, page 11-34.

Available Column Headings

You can choose from available column headings related to lease, lease terms and periods, customer, supplier, rent increase, variable rent, project, Oracle Payables, and Oracle Receivables attributes.

RXi: Rent Increase Summary Report

This new report enables you to review a summary of rent increase calculations for selected rent increase agreements.

Report Submission

Use the Report Exchange Designer responsibility to select the columns and headings for display on your report. Submit the Publish Rent Increase Summary Report from the Submit Request window, using the following path:

Navigator: Reports: RXi: Lease.

See: Variable Format Reports, page 11-27.

Report Parameters

This report has the following parameters:

Lease Number Low/High. Optionally, specify a range of leases to limit the report to rent increase agreements associated with the specified leases.

Rent Increase Number Low/High. Optionally, select to limit the report to the specified range of rent increase agreements.

Assessment Date From/To. Enter dates to limit the report to a specified assessment period within the basis period.

Location Code. Optionally, select to limit the report by rent increase agreements associated with the specified location.

Lease Class. Optionally, select to limit the report to rent agreements for leases of the specified lease class.

Property Name. Optionally, select to limit the report to rent agreements associated with the specified property.

Building Name. Optionally, select to limit the report to rent agreements associated with the specified building.

Include Draft Terms. Optionally, select *Yes* to include draft terms in the report. Select *No* to include only approved rent increase terms in the report.

Available Column Headings

You can choose from available column headings related to lease, lease terms and periods, and rent increase attributes.

RXi: Space Utilization by Location Report

Use this report to review space utilization information for selected ranges of locations.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the Submit Request window, using the path: Navigator > Reports > RXi > Space.

See: Variable Format Reports, page 11-27

Report Parameters

Property Code Low: The lowest property code in the range you want to include in your report.

Property Code High: The highest property code in the range you want to include in

your report.

Location Code Low: The lowest location code in the range you want to include in your report.

Location Code High: The highest location code in the range you want to include in your report.

Location Type: The type of location. Choices are Building, Floor, Office, Land, Parcel, and Section.

As of Date: The effective date of the report, and the last date to which utilization data is included for the selected locations.

Report Fields Available

Assignable Area, Assigned Area, Common Area, Location Code, Location Flexfield attributes 1-15, Location Name, Location Type, Maximum Occupancy, Maximum Vacancy, Optimum Occupancy, Optimum Vacancy, Property Code, Rentable Area, Space Function, Space Standard, Space Type, Usable Area, Utilized, Vacant Area.

RXi: Space Utilization by Lease Report

Use the Space Utilization by Lease report to review space utilization for selected ranges of leases.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the Submit Request window, using the path: Navigator > Reports > RXi > Space.

See: Variable Format Reports, page 11-27

Report Parameters

Lease Number Low: The lowest lease number in the range you want to include in your report.

Lease Number High: The highest lease number in the range you want to include in your report.

As of Date: The effective date of the report.

Report Fields Available

Assignable Area, Assigned Area, Commencement Date, Common Area, Lease Name, Lease Number, Location Flexfield attributes 1-15, Location Name, Location Type, Maximum Occupancy, Maximum Vacancy, Optimum Occupancy, Optimum Vacancy, Rentable Area, Space Function, Space Standard, Space Type, Termination Date, Usable Area, Utilized, Vacant Area

RXi: Space Assignment by Location Report

Use the Space Assignment by Location report to review space assignment information for selected ranges of locations.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the Submit Request window, using the path: Navigator > Reports > RXi > Space.

See: Variable Format Reports, page 11-27

Report Parameters

Property Code Low: The lowest property code in the range you want to include in your report.

Property Code High: The highest property code in the range you want to include in your report.

Location Code Low: The lowest location code in the range you want to include in your report.

Location Code High: The highest location code in the range you want to include in your report.

Location Type: The type of location. Choices are Building, Floor, Office, Land, Parcel, and Section.

As of Date: The effective date of the report.

Report Type: The type of report. Choices are All, Employee, and Customer.

Report Fields Available

Assignable Area (at office level), Assigned Area (at office level), Common Area (at office level), Customer Account Number, Customer Assigned from Date, Customer Assigned to Date, Customer Category, Customer Name, Customer Project Number, Customer Site, Customer Task Number, Employee Assigned from Date, Employee Assigned to Date, Employee Category, Employee Name, Employee Number, Employee Position, Employee Project Number, Employee Task Number, Employee Type, Location Code, Location Name, Location Type, Property Code, Property Name, Rentable Area (at office level), Space Function, Space Standard, Space Type, Usable Area (at office level), Vacant Area (at office level)

RXi: Space Assignment by Lease Report

Use the Space Assignment by Lease report to review space assignment information for selected ranges of leases.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the Submit Request window, using the path: Navigator > Reports > RXi > Space.

See: Variable Format Reports, page 11-27

Report Parameters

Lease Number Low: The lowest lease number in the range you want to include in your report.

Lease Number High: The highest lease number in the range you want to include in your report.

As of Date: The effective date of the report.

Report Type: The type of report. Choices are All, Employee, and Customer.

Report Fields Available

Assignable Area, Assigned Area, Building / Land Name, Commencement Date, Common Area, Customer Account Number, Customer Assigned from Date, Customer Assigned to Date, Customer Category, Customer Name, Customer Project Number, Customer Site, Customer Task Number, Employee Assigned from Date, Employee Assigned to Date, Employee Category, Employee Name, Employee Number, Employee Position, Employee Project Number, Employee Task Number, Employee Type, Floor / Parcel Name, Lease Name, Lease Number, Location Flexfield attributes 1-15, Location Name, Location Type, Property Name, Rentable Area, Space Function, Space Standard, Space Type, Termination Date, Usable Area, Vacant Area

RXi: Lease Options Report

Use the Lease Options report to review lease options information for selected ranges of leases.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the Submit Request window, using the path: Navigator > Reports > RXi > Lease.

See: Variable Format Reports, page 11-27

Report Parameters

Lease Number Low: The lowest lease number in the range you want to include in your report.

Lease Number High: The highest lease number in the range you want to include in your report.

Location Code Low: The lowest location code in the range you want to include in your report.

Location Code High: The highest location code in the range you want to include in your report.

Lease Responsible User: The user name of the responsible person for which the accounting information will be reported.

Option Type: The type of option. Some examples of option types are renewal, purchase, and early termination.

Exercise Window Term From: The first date the option can be exercised.

Exercise Window Term To: The last date the option can be exercised.

Lease Termination From: The beginning date of the range of terminated leases you want to include in your report.

Lease Termination To: The ending date of the range of terminated leases you want to include in your report.

Report Fields Available

1-15 Attribute Sets, Actual Occupancy Date, Address, Building or Land Name, City, Country, County, Estimated Occupancy Date, Floor or Parcel Name, Gross Area, Lease Class, Lease Commencement Date, Lease Execution Date, Lease ID, Lease Name, Lease Number, Lease Responsible User, Lease Status, Lease Term, Lease Termination Date, Lease Type, Location Code, Location ID, Location Name, Location Type, Office or Section Name, Option Action Date, Option Area Change, Option Commencement Date, Option Comments, Option Cost, Option Currency, Option Exercise End Date, Option Exercise Start Date, Option Expiry Date, Option ID, Option Notice Required, Option Size, Option Status, Option Term, Option Type, Property Name, Province, Reference, Region, Rentable Area, Space Function, State, Tenure, UOM Code, Usable Area, Zip Code

RXi: Milestone Report

Use the Milestones report to review milestone information for selected ranges of leases.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the Submit Request window, using the path: Navigator > Reports > RXi > Lease.

See: Variable Format Reports, page 11-27

Report Parameters

Lease Number Low: The lowest lease number in the range you want to include in your report.

Lease Number High: The highest lease number in the range you want to include in your report.

Location Code Low: The lowest location code in the range you want to include in your report.

Location Code High: The highest location code in the range you want to include in your report.

Lease Termination From: The beginning date of the range of terminated leases you want to include in your report.

Lease Termination To: The ending date of the range of terminated leases you want to include in your report.

Milestone Responsible User: The user name of the responsible person for which the accounting information will be reported.

Action Due Date From: The beginning date of the range of valid action dates within which the option is active.

Action Due Date To: The ending date in the range of valid action dates within which the option is active.

Milestone Type: The user-defined lookups used to address the various lease events that will require action. Select milestone types to list in the report output.

Report Fields Available

1-15 Attribute Sets, Action Due Date, Action Taken, Actual Occupancy Date, Address, Building or Land Name, City, Country, County, Estimated Occupancy Date, Floor or Parcel Name, Gross Area, Lease Class, Lease Commencement Date, Lease Execution Date, Lease ID, Lease Milestone ID, Lease Name, Lease Number, Lease Responsible User, Lease Status, Lease Term, Lease Termination Date, Lease Type, Location Code, Location ID, Location Name, Location Type, Milestone Begin Date, Milestone Type, Office or Section Name, Property Name, Province, Region, Rentable Area, Space Function, State, Tenure, Usable Area, Zip Code

RXi: Rent Roll and Lease Expiration Report

Use the Rent Roll and Lease Expiration report to review rent roll and lease expiration information for selected ranges of leases.

Report Submission

Use the Report Exchange Designer responsibility to select the displayed columns and headings you want to appear on your report. You submit this RXi report from the

Submit Request window, using the path: Navigator > Reports > RXi > Lease.

See: Variable Format Reports, page 11-27

Report Parameters

Location Code Low: The lowest location code in the range you want to include in your report.

Location Code High: The highest location code in the range you want to include in your report.

Lease Type: Indicates how rent is calculated. Some common lease types are percentage, gross, and net leases.

Lease Number Low: The lowest lease number in the range you want to include in your report.

Lease Number High: The highest lease number in the range you want to include in your report.

Lease Termination From: The beginning date of the range of terminated leases you want to include in your report.

Lease Termination To: The ending date of the range of terminated leases you want to include in your report.

Lease Status: Indicates if the lease information is in draft or final form.

Lease Responsible User: The user name of the responsible person for which the accounting information will be reported.

Report Fields Available

1-15 Attribute Sets, Actual Occupancy Date, Address, Average Annual Base Rent, Building or Land Name, City Country, County, Deposit, Estimated Occupancy Date, Floor or Parcel Name, Gross Area, Invoicing Address, Landlord Name, Landlord Site, Lease Class, Lease Commencement Date, Lease Execution Date, Lease ID, Lease Milestone ID, Lease Name, Lease Number, Lease Responsible User, Lease Status, Lease Term, Lease Termination Date, Lease Type, Location Code, Location ID, Location Name, Location Type, Average Monthly Base Rent, Monthly Operating Expense, Office or Section Name, Property Name, Province, Region, Remaining Lease Liability, Rent Per Rentable Area, Rentable Area, Space Function, State, Tenant Name, Tenant Site, Tenure, Total Lease Liability, Usable Area, Zip Code

Oracle Property Manager Menu Paths

This appendix describes the default navigation paths for each window on the Oracle Property Manager menu.

This appendix covers the following topics:

- Oracle Property Manager Navigator Paths
- Equipment Leasing Navigator Paths

Oracle Property Manager Navigator Paths

The following table lists window names and typical navigation paths (if your system administrator has customized your navigator, your navigation paths may be different):

Window Name	Navigation Path
Approve Rent Increase Terms	Leases and Documents: Rent Increase: Approve Rent Increase Terms
Approve Schedules	Leases and Documents: Approve Schedules
Approve Variable Rent Terms	Leases and Documents: Variable Rent: Approve Variable Rent Terms
Authorize Billings	Leases and Documents: Billings: Authorize. Enter search criteria and choose the Find button.
Authorize Payments	Leases and Documents: Payments: Authorize. Enter search criteria and choose the Find button.

Window Name	Navigation Path
Billing Schedule Details	Leases and Documents: Billings:Authorize. Enter search criteria and choose the Find button. Choose the Details Button.
Billing Term Template	Leases and Documents: Billings:Billing Term Template
Billings Exported to Receivables	Leases and Documents:Billings:Export to Receivables. Check the Exported check box and choose the Find button.
Buildings	Property Definition: Building
Contacts	Agents: Contacts
Customers (Enter)	Agents: Customers: Standard or Agents: Customers: Quick
Customer Profile Classes	Agents:Customers:Profile Class
Customers Summary	Agents:Customers:Summary
Details Milestones	Leases and Documents:Main Leases:Enter Leases and Documents. Choose the New button. Enter lease information. Choose the Milestones button.
Employees (Enter)	Agents:Employees:Enter Employees
Employees (View)	Agents:Employees:View
Export Billings to Receivables	Leases and Documents:Billings:Export to Receivables. Enter search criteria and choose the Find button.
Export Payments to Payables	Leases and Documents:Payments:Export to Payables. Enter search criteria and choose the Find button.
Export to CAD Interface	Open Interfaces:Locations and Space Allocation:Export

Window Name	Navigation Path
Find Billing Schedules	Leases and Documents:Billings:Export to Receivables. Enter search criteria and choose the Find button.
Find/Enter Customers	Agents:Customers:Standard
Find Locations	Property Definition:View Locations. Enter search criteria and choose the Find button.
Find Payment Schedules	Leases and Documents:Payments:Export to Payables. Enter search criteria and choose the Find button.
Find Payments	Leases:Export Payments. Enter search criteria and choose the Find button.
Find Space Assignment	Assignments:Assign Space. Enter search criteria and choose the Find button.
Floors	Property Definition:Building. Choose the Floors button.
Import from CAD	Open Interfaces:Locations and Space Allocation:Import
Index History	Leases and Documents:Rent Increase:Enter Index History.
Land	Property Definition:Land
Lease	Leases and Documents: Enter Leases and Documents. Choose the New button. On the Lease window, choose the New or Open button.
Lease Amendment	Leases and Documents:View Lease History. Enter search criteria and choose the Find button. Choose the Amendments button.
Lease Details History	Leases and Documents:View Lease History. Enter search criteria and choose the Find button. Choose the Amendments button.

Window Name	Navigation Path
Lease Edit	Leases and Documents:View Lease History. Enter search criteria and choose the Find button. Choose the Transactions button, then choose the History button.
Leases	Leases and Documents: Enter Leases and Documents. Choose the New button.
Leases (History)	Leases and Documents:Main Lease:View Lease History. Enter search criteria and choose the Find button.
Locations Inquiry	Property Definition:View Locations. Enter search criteria and choose the Find button.
Milestone Templates	Setup:Milestones Template
Offices	Property Definition:Buildings: Choose the Floors button, then choose the Offices button.
Parcels	Property Definition:Land: Choose the Parcels button.
Payment Schedule Details	Leases and Documents: Payments:Authorize. Enter search criteria and choose the Find button. Choose the Details Button.
Payment Term Template	Leases and Documents: Payments:Payment Term Template
Payments Exported to Payables	Leases and Documents:Payments:Export to Payables. Check the Exported check box and choose the Find button.
Properties	Property Definition:Property
Regions and Office Parks	Property Definition: Regions
Roles and Sites	Agents:Contacts. Choose the New button.

Window Name	Navigation Path
Rent Increase	Leases and Documents:Rent Increase:Enter Rent Increase. Choose the Open or New button.
Rent Increase Leases	Leases and Documents:Rent Increase:Enter Rent Increase.
Reporting Currencies	Setup:International:Enable Reporting Currencies
Sections	Property Definition:Land: Choose the Parcels button, then choose the Sections button.
Space Assignment	Assignments:Assign Space
Space Assignment (View)	Assignments:View Space Assignments. Enter search criteria and choose the Find button.
Suppliers	Agents:Suppliers:Enter Suppliers
Suppliers (View)	Agents:Suppliers:View
Variable Rent	Leases and Documents:Variable Rent:Enter Variable Rent
Variable Rent (View)	Leases and Documents:Variable Rent:View Variable Rent

Equipment Leasing Navigator Paths

The following table shows the navigation for Equipment Leasing:

Icon/Tab/Window Name	Navigation Path
Equipment Lease Search	Equipment Leases: Leases: Equipment Lease Search
Create Lease	Equipment Leases: Leases: Equipment Lease: Search and Create Lease

Parties (B)	Equipment Leases: Leases: Equipment Lease Search: Create Lease: (B) Parties
Assets	Equipment Leases: Leases: Equipment Lease Search: Create Lease
Assets Payments (B)	Equipment Leases: Leases: Equipment Lease Search: (B) Create Lease: Payments
Options	Equipment Leases: Leases: Equipment Lease Search: (B) Create Lease: Options
View Transaction	Equipment Leases: Leases: View Transactions
Set up: System Option	Equipment Leases: Set up: System Option
Set up: Term Templates	Equipment Leases: Set up: Term Templates
Set up: Term Templates	Equipment Leases: Set up: Discount Rate Index

Detailed set up information is in the Equipment-Specific Setups for Compliance, *Oracle Property Manager Implementation Guide*.

For information in the Equipment Leases Window, see, Equipment Leases Window, page 5-203.

The following concurrent programs and reports can be run and monitored from Reports: Equipment Leases: Reports menu.

Programs

- Equipment Schedules and Items: Program to generate schedules and items for equipment.
- Approve or Cancel Approval of Equipment Schedules: Program for approving the schedules on equipment leases.
- Export Equipment Payment Items to AP: Program for exporting pay items to Accounts Payables for generation of an accounts payable invoice.
- Transfer Normalized Equipment Lines to GL: Program for generation of normalized lines and accruals for equipment leases

Reports

- Generate Lease Detail Report
- Generate Portfolio Detail Report

- Generate Portfolio Summary Report

Concurrent Programs

This appendix describes the concurrent programs used in Oracle Property Manager.

This appendix covers the following topics:

- Overview of Concurrent Programs
- Oracle Property Manager Concurrent Programs

Overview of Concurrent Programs

When you want to create a report in Oracle Property Manager or perform particular tasks such as creating schedules and items, approving schedules, or exporting data to the CAD interface, you must submit a concurrent request. Oracle Property Manager then runs the appropriate concurrent program to create the report or complete the assigned task.

Related Topics

Property Manager Reports, page 11-1

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*

Submitting Requests

To submit a standard request from the Submit Request window:

1. Navigate to the Submit Request window.

2. Select the concurrent program that you want to submit.
3. Select the operating unit.
4. Specify the appropriate parameters in the Parameters window. Click OK to save the parameters.
5. Click Submit. You can review the status of your request in the Requests window.

Monitoring Requests

To monitor the status of a concurrent program:

1. Select Other: View Concurrent Requests.
2. Optionally, specify a request in the Specific Requests region or select All My Requests and click Find.
3. In the Requests window, select a request and select View Output to view the related report or View Log to view the log file.

For more information, see Monitoring Requests, *Oracle E-Business Suite User's Guide*

Canceling Requests

To cancel a concurrent request:

1. In the Requests window, query the concurrent request number for your request.
2. Select your request.
3. Select Cancel Request.

For more information, see Canceling Requests, *Oracle E-Business Suite User's Guide*.

Oracle Property Manager Concurrent Programs

This section describes the concurrent programs used in Oracle Property Manager. For a description of reports, see Oracle Property Manager Reports, page 11-1.

Approve or Cancel Approval of Schedules

Use the Approve or Cancel Approval of Schedules concurrent program to approve or cancel approval of payment or billing schedules for one or a group of leases, locations, schedule dates, or transaction dates.

Rules for Approving Schedules

The Approve or Cancel Approval of Schedules concurrent request approves all schedules meeting the criteria specified in the Parameters window, except the following:

- Schedules that are on hold
- Schedule that contain an item with a null actual amount
- Schedules for which no GL Period name was assigned during approval. This occurs when the GL Period is closed or has never been opened.

The program skips these schedules, and lists their Lease Number and schedule information in the output and log file.

Defaulting GL Period Name

If you select a value in the Payment Period parameter field in the Approve or Cancel Approval of Schedules concurrent program, and the Lease Class and Billing Period parameter fields are blank, the concurrent program defaults the value entered in the Payment Period parameter field to the Payment Period field of the payment schedule. Otherwise, the program defaults the GL Period name to the Period Name field of the payment or billing schedule. The GL Period name defaulted is based on the GL Period name that corresponds to the schedule date. Defaulting of the period occurs only for Open and Future-Entry GL Periods.

Submission

You submit the Approve or Cancel Approval of Schedules concurrent program by selecting Lease and Documents: Approve Schedules. The Submit Request window is displayed where you can specify the appropriate parameters. See Submitting Requests, page B-1.

Parameters

The fields available in the Parameters window of the Approve or Cancel Approval of Schedules concurrent program include the following.

Action: Specify whether you wish to approve schedules or cancel approval of schedules. This is a required field.

Schedule Date range: Optionally, provide schedule from and to dates.

Transaction Date range: Optionally, provide transaction from and to dates.

Important: You must provide either a range of schedule dates or a range of transaction dates.

Lease Class Code: Specify whether the Lease is an expense lease, revenue lease, or a sublease. If you select Expense, only payment leases are selected for approval. If you select Revenue or Sublease then billing leases are selected for approval.

Note: When Lease Class is selected, only the relevant lease numbers for each lease class will be displayed in the Lease Number To and From fields, the associated Location Code, and other fields.

Payment Period: You can select an open or future enterable period. This field is optional. This field is applicable only to paying leases.

Billing Period: You can select an open or future enterable period. This field is optional. This field is applicable only to billing leases.

Lease Number: You can enter the beginning lease number or the ending lease number, both beginning and ending, or none. If no lease numbers are entered, then all lease numbers are selected.

Location Code: You can enter the beginning location code or the ending location code, both beginning and ending, or none. If no location codes are entered, then all location codes are selected.

User Responsible: Use this selection criterion to retrieve all leases for a responsible user.

Reports

The Approve or Cancel Approval of Schedules concurrent program does not generate a report.

Approve Operating Expense Terms

This program approves operating expense terms for the selected agreements. When approving the term for a selected agreement, the program ends the existing approved term, if any.

You must submit this program after you create operating expense terms. This program transfers these terms from the agreement to the lease.

Submission

Submit the Approve Operating Expense Terms concurrent program from the Submit Request window. See *Submitting Requests, Oracle Property Manager User Guide*.

Parameters

The Approve Operating Expense Terms concurrent program contains the following parameters:

Agreement Number - Low/High. Select to limit the approval to operating expense

terms for the specified range of agreements.

Lease Number - Low/High. Select to limit the approval to operating expense terms of agreements for the specified range of leases.

Location Code - Low/High. Select to limit the approval to operating expense terms of agreements associated with the specified range of locations.

User Responsible. Select to limit the approval to operating expense terms created by the specified user.

Payment Start Date - Low/High. Select to limit the approval to operating expense terms with the specified payment start dates.

Payment Function. Select to limit the approval to operating expense terms by function, such as estimated, catch-up, or reconciliation payments.

Property Code. Select to limit the approval to operating expense terms of agreements associated with the specified property.

Reports

The Approve Operating Expense Terms concurrent program does not generate a report.

Approve Rent Increase Terms

Use the Approve Rent Increase Terms concurrent program to approve index rent terms for one or a range of index rent agreements.

Submission

You submit the Approve Rent Increase Terms concurrent program by selecting Lease and Documents: Rent Increase: Approve Rent Increase Terms. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Approve Rent Increase Terms concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Approve Rent Increase Terms concurrent program contains the following parameters.

Index Lease Number range: Optionally, provide an index lease (rent increase) number or a range of numbers whose index rent terms you would like to approve.

Assessment Date range: Optionally, provide a date or a date range to specify that only terms belonging to index rent agreements with specific assessment dates should be approved.

Lease Class: Optionally, specify whether you want to approve index rent terms for expense leases, revenue leases, or subleases.

Main Lease Number range: Optionally, specify a lease or range of leases whose associated index rent terms you want to approve.

Location Code: Optionally, specify a location code if you want to approve index rent terms for index rent agreements associated with specific locations only.

User Responsible: Optionally, select a user name if you want to approve terms only for rent increase agreements for which a particular user is responsible.

Payment Date range: Optionally, provide a date range if you want to approve terms whose payment dates fall within the provided range.

Approve Normalize Only: Specify whether you wish to approve only the normalized terms created for the selected index rent agreements.

Reports

The Approve Rent Increase Terms program does not generate a report.

Approve Variable Rent Terms

Use the Approve Variable Rent Terms concurrent program to approve variable rent terms for one or a range of leases, variable rent agreements, or locations. For details, see *Creating and Approving Terms*, page 7-29.

Submission

You submit the Approve Variable Rent Terms concurrent program by selecting Lease and Documents: Variable Rent: Approve Variable Rent Terms. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Approve Variable Rent Terms request from the Submit Request window. See *Submitting Requests*, page B-1.

Parameters

The Approve Variable Rent Terms concurrent program contains the following parameters.

Lease Number range: Optionally, specify a lease or range of leases for which you want to approve variable rent terms in the Lease Number From and Lease Number To fields.

Location Code range: Optionally, specify a location code or range of location codes for which you want to approve variable rent terms in the Location Code From and Location Code To fields.

Rent Number range: Optionally, specify a variable rent agreement or range of agreements for which you want to approve variable rent terms in the Rent Number From and Rent Number To fields.

Period Number range: Optionally, specify a period number or range of period numbers in the Period Number From and Period Number To fields.

Responsible User: Optionally, select a user name if you want to approve terms for variable rent agreements associated with leases for which a particular user is responsible.

Reports

The Approve Variable Rent Terms concurrent program does not generate a report.

Approve Variable Rent Volumes

The Calculate Variable Rent concurrent program calculates variable rent only for variable rent agreements with approved volumes. When upgrading existing variable rent agreements, run the Approve Variable Rent Volumes concurrent program to perform a mass update for all volumes in Draft status to Approved status.

You can use the parameters in the program to limit the variable rent agreements whose volumes you want to set to Approved status. If you leave the parameters blank, this program updates all existing volumes that are not in Approved status.

Submission

Submit the Approve Variable Rent Volumes concurrent program from the Submit Request window.

Parameters

The Approve Variable Rent Volumes concurrent program contains the following parameters.

Property Code: Optionally, select the value for which you want to approve the variable rent volumes.

Property Name: Optionally, select the value for which you want to approve the variable rent volumes.

Location Code To: Optionally, specify the value up to which you want to approve the variable rent volumes.

Location Code From: Optionally, specify the value for which you want to approve the variable rent volumes.

Lease Number From: Optionally, specify the value for which you want to approve the variable rent volumes.

Lease Number To: Optionally, specify the value up to which you want to approve the variable rent volumes.

Variable Rent From: Optionally, specify the value for which you want to approve the variable rent volumes.

Variable Rent To: Optionally, specify the value up to which you want to approve the variable rent volumes.

Reports

The Approve Variable Rent Volumes concurrent program does not generate a report.

Calculate Recovery

Use the Calculate Recovery concurrent program to calculate recovery amounts for one or a range of recovery agreements.

Submission

You submit the Calculate Recovery concurrent program by selecting Lease and Documents: Recovery: Calculate Recovery. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Calculate Recovery concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Calculate Recovery concurrent program contains the following parameters.

Period Date Range: Optionally, provide date range for which you want to calculate recovery amounts.

As of Date: Optionally, provide the same As of Date which you have entered for the Area Class in recovery agreement.

Lease number range: Optionally, provide a range of lease numbers for which you want to calculate recovery amounts.

Location code range: Optionally, provide a range of location codes for which you want to calculate recovery amounts.

Recovery agreement range: Optionally, provide a range of recovery agreements for which you want to calculate recovery amounts.

Property code: Optionally, select the property for which you want to calculate recovery amounts.

Customer information: Optionally, specify a customer in the Customer name or Customer site fields.

Calculation period ending: Optionally, specify a date if you want to calculate recovery amounts for a period that ends on a particular date.

Reports

The Calculate Recovery concurrent program does not generate a report.

Related Topics

Calculate Recovery Agreement, page 8-41

Calculate Rent Increase

Use the Calculate Rent Increase concurrent program to calculate index rent for one or a range of rent increase agreements.

Submission

You submit the Calculate Rent Increase concurrent program by selecting Lease and Documents: Rent Increase: Calculate Rent Increase. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Calculate Rent Increase concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Calculate Rent Increase concurrent program contains the following parameters:

Index Lease Number range: Optionally, provide an index lease (rent increase) number or a range of numbers for which you want to calculate index rent in the Index Lease Number - Low and Index Lease Number - High fields.

Assessment Date range: Optionally, provide a date or a date range to specify that index rent should be calculated for agreements with specific assessment dates.

Lease Class: Optionally, specify a lease class.

Main Lease Number: Optionally, specify the lease number of the lease to which the index rent agreement is attached.

Location Code: Optionally, specify the location for which you want to calculate index rent.

User Responsible: Optionally, select a user name if you want to calculate index rent amounts for rent increase agreements associated with leases for which a particular user is responsible.

Recalculate Index: Specify whether you wish to recalculate the basis before calculating the rent increase.

Reports

The Calculate Rent Increase concurrent program does not generate a report.

Related Topics

Calculating Index Rent, page 6-14

Calculate Variable Rent

Use the Calculate Variable Rent concurrent program to calculate variable rent amounts for one or a range of leases, variable rent agreements, or locations.

Submission

You submit the Calculate Variable Rent concurrent program by selecting Lease and Documents: Variable Rent: Calculate Variable Rent. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Calculate Variable Rent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Calculate Variable Rent concurrent program contains the following parameters.

Property Name. Select a property to calculate true up for variable rent agreements associated with the specified property.

Property Code. Select the property code for the property you selected above.

Lease Number From/To. Optionally, specify a lease or range of leases for which you want to calculate variable rent amounts.

Location Code From/To. Optionally, specify a location or range of locations for which you want to calculate variable rent amounts.

Rent Number From/To. Optionally, specify a variable rent agreement or range of variable rent agreements for which you want to calculate variable rent amounts.

Period Number From/To. Optionally, specify a period or a range of periods for which you want to calculate variable rent.

Responsible User. Optionally, select a user name if you want to calculate variable rent for variable rent agreements associated with leases for which a particular user is responsible.

Invoice On. Optionally, specify whether you want to calculate variable rent amounts for variable rent agreements that have invoicing on actual sales amounts or forecasted sales amounts.

For Sales Month Ended. Optionally, specify a date if you want to calculate variable rent for periods up to a specific sales month.

Reports

The Calculate Variable Rent concurrent program does not generate a report.

Related Topics

Calculating Variable Rent, page 7-17

Cost Center Synchronization with HR

Use the Cost Center Synchronization with HR concurrent program to update an employee's cost center information using the information in Oracle Human Resources. For more information, see Synchronizing Employee Cost Centers with Oracle Human Resources, page 4-18.

The Cost Center Synchronization with HR concurrent program updates the records of all employees whose cost center assignment in Oracle Property Manager does not match their cost center assignment in Oracle Human Resources.

The program modifies employee records in Oracle Property Manager to include the new cost center starting from the as of date you specify in Parameters window. The main steps are:

- The existing employee assignment record is end-dated with the date before the as of date, or (As of Date - 1).
- A new employee assignment record is created with the start date equal to the as of date, or (Start Date = As of Date).
- If the old employee assignment was open-ended, no end date is specified for the new employee assignment record. If the old employee assignment record was end dated, the end date is assigned to the new employee assignment record.
- Oracle Property Manager uses the cost center assignment in Oracle Human Resources to specify the cost center in the new employee record.

The As of Date parameter determines the following:

- The employee assignment records selected for updating in Oracle Property Manager
- The current active cost center assignments in Oracle Human Resources used to update the cost center assignments in Oracle Property Manager
- The starting point of the synchronization process

Submission

You submit the Cost Center Synchronization with HR concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Cost Center Synchronization with HR concurrent program contains the following parameters.

As of Date: Enter the date on which you want to create new space assignments for employees whose records must be updated. This field is required and is set to the system date by default.

Location Type: Select the location type occupied by the employees you want to include. The list of values includes all the location types that currently exist in Oracle Property Manager. Leave the field blank to include all the existing location types.

Location Code range: Select the locations or range of locations occupied by employees you want to include in the update process. The Location Code From and Location Code To lists of values include all the location codes for the specified location type that are valid on or after the as of date you specify. Leave the fields blank to include all the location codes for a specified location type or for all the location types.

Employee Cost Center: The list of values displays valid employee cost centers that are assigned to a space in Oracle Property Manager. Select an employee cost center to include only the employees assigned to the specified cost center in the update process.

Reports

The Cost Center Synchronization with HR concurrent program does not generate a report.

Create Accounts Distribution

Use the Create Accounts Distribution concurrent program to create accounts distributions for one or a range of leases whose normalized payment terms do not contain liability and accrued liability account information or whose normalized billing terms do not contain receivable and accrued asset account information.

Submission

You submit the Create Accounts Distribution concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Create Accounts Distribution concurrent program contains the following parameters.

Lease Class: Optionally, specify whether you want to create accounts distributions for revenue leases, expense leases, or subleases.

Lease Number range: Optionally, specify a lease or a range of leases for which you want to create the accounts distribution.

Location Code range: Optionally, specify a location or a range of locations if you want to create accounts distributions for leases with tenancies for the specified location range.

Account information: Specify the appropriate Receivable, Accrued Asset, Liability, and Accrued Liability accounts depending on whether you are creating an accounts distribution for expense leases, or revenue leases and subleases.

Reports

The Create Accounts Distribution concurrent program does not generate a report.

Create Variable Rent Terms

Use the Create Variable Rent Terms concurrent program to create variable rent terms for one or a range of leases, variable rent agreements, or locations. For more information, see *Creating and Approving Terms*, page 7-29.

Submission

You submit the Create Variable Rent Terms concurrent program by selecting Lease and Documents: Variable Rent: Create Variable Rent Terms. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Create Variable Rent Terms concurrent program from the Submit Request window. See *Submitting Requests*, page B-1.

Parameters

The Create Variable Rent Terms concurrent program contains the following parameters.

Lease Number range: Optionally, specify a lease or a range of leases for which you want to create variable rent terms in the Lease Number From and Lease Number To fields.

Location Code range: Optionally, specify a location code or a range of location codes for which you want to create variable rent terms in the Location Code From and Location Code To fields.

Rent Number range: Optionally, specify a variable rent agreement or a range of variable rent agreements for which you want to create variable rent terms in the Rent Number From and Rent Number To fields.

Period Number range: Optionally, specify a period or range of periods for which you want to create variable rent terms in the Period Number From and Period Number To fields.

Responsible User: Optionally, select a user name if you want to create terms for variable rent agreements associated with leases for which a particular user is responsible.

Reports

The Create Variable Rent Terms concurrent program does not generate a report.

Employees Deleted from Space Allocation

Use the Employees Deleted from Space Allocation concurrent program to update Oracle Property Manager space assignment records so that they are current with Human Resources records.

Submission

You submit the Employees Deleted from Space Allocation concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Employees Deleted from Space Allocation concurrent program contains the following parameters.

Termination Date From: Optionally, specify the first date from which employees have been listed as non-active in Oracle HRMS.

Termination Date Through: Optionally, specify a date at which you want the concurrent program to stop looking for non-active employees. By default, this parameter is set to the system date.

Reports

The Employees Deleted From Space Allocation Report lists employees for whom Oracle Property Manager has entered end dates. See Employees Deleted From Space Allocation Report, page 11-5.

Related Topics

Removing Employees Listed as Nonactive in Human Resources, page 4-13

Export Billing Items to AR

After you approve a billing item in the Authorize Billings window, use the Export Billing Items to AR concurrent program to transfer the item to Oracle Receivables.

Submission

The Export Billing Items to AR concurrent program runs automatically when you click Export on the Export to Receivables window.

You can also submit the concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Export Billing Items to AR concurrent program contains the following parameters.

Lease Number range: Optionally, specify a lease or range of leases whose items you want to export to Oracle Receivables in the Lease Number From and Lease Number To fields.

Tip: If you specify only one end of the range, Oracle Property Manager exports items for all leases with lease numbers from or up to the value specified. The same rule applies to schedule dates, transaction dates, and amounts. To run the concurrent program for a specific lease, date, or amount, enter the same value in both the from and to fields.

Schedule Date range: Optionally, provide a date or a range of dates in the Schedule Date To and Schedule Date From fields if you only want to export items belonging to schedules with specific schedule dates.

Transaction Date range: Optionally, provide a date or a range of dates in the Transaction Date To and Transaction Date From fields if you only want to export items with specific transaction dates.

Payment Purpose: Optionally, specify a payment purpose, for example, base rent, operating expenses, or depreciation, if you want to export items for payment terms with the selected payment purpose.

Period Name: Optionally, specify the name of the period for which you want to export payment items.

Amount Range: Optionally, specify a payment amount or range in the Amount To and Amount From fields.

Customer Name: Optionally, specify the name of a customer for whom you wish to export billing items to Oracle Receivables.

Reports

The Export Billing Items to AR concurrent program does not generate a report.

Related Topics

Exporting Billing Items to Oracle Receivables, page 5-136

Export Locations to Enterprise Asset Management

Use the Export Locations to Enterprise Asset Management concurrent program to export location data to Oracle Enterprise Asset Management. For information on the Export Locations to Enterprise Asset Management concurrent program, see: Executing the Export Process, *Oracle Enterprise Asset Management User's Guide*.

Related Topics

Integration with eAM Property Manager, *Oracle Property Manager Implementation Guide*

Export Payment Items to AP

After you approve a payment item in the Authorize Payments window, use the Export Payment Items to AP concurrent program to transfer the item to Oracle Payables.

Submission

The Export Payment Items to AP concurrent program runs automatically when you click Export on the Export to Payables window.

You can also submit the program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Export Payment Items to AP concurrent program contains the following parameters.

Lease Number range: Optionally, specify a lease or a range of leases whose items you want to export to Oracle Payables in the Lease Number From and Lease Number To fields.

Tip: If you specify only one end of the range, Oracle Property Manager exports items for all leases with lease numbers from or up to the value specified. The same rule applies to schedule dates, transaction dates, and amounts. To run the concurrent program for a specific lease, date, or amount, enter the same value in both the from and to fields.

Schedule Date range: Optionally, provide a date or a range of dates in the Schedule Date To and Schedule Date From fields if you only want to export items belonging to schedules with specific schedule dates.

Transaction Date range: Optionally, provide a date or a range of dates in the Transaction Date To and Transaction Date From fields if you only want to export items with specific transaction dates.

Payment Purpose: Optionally, specify a payment purpose, for example, base rent, operating expenses, or depreciation, if you want to export items for payment terms with the selected payment purpose.

Period Name: Optionally, specify the name of the period for which you want to export payment items.

Amount Range: Optionally, specify a payment amount or range in the Amount To and Amount From fields.

Supplier Name: Optionally, specify the name of a supplier if you want to export items associated with a particular supplier.

Invoice Number: Optionally, specify an invoice number if you want to export items for a particular invoice.

Reports

The Export Payment Items to AP concurrent program does not generate a report.

Related Topics

Exporting Payment Items to Oracle Payables, page 5-120

Export to CAD Interface

Use the Export to CAD Interface concurrent program to export location or space assignment information from Oracle Property Manager to computer-assisted design (CAD) or computer-assisted facilities management (CAFM) applications. For more information, see Oracle Property Manager Open Interface Tables, *Oracle Property Manager Implementation Guide*.

Submission

You submit the Export to CAD Interface concurrent program from the Export to CAD Interface window. Click Export after you have provided the required information to export information to the interface tables.

Parameters

The Export to CAD Interface concurrent program contains the following parameters.

Locations or Space Assignments: In the Select region, specify whether you want to export location- or space assignment-related information by selecting either the Locations option or the Space Assignments option.

Operating Unit: Select the operating unit to which the locations or space assignments you are exporting belong.

Batch Name: Provide a batch name. Batch Name is a required field.

Location Type: Select the location type, such as building, floor, office, land, parcel, or section, which you want to export.

Location Code: Select a location code or a range of location codes that you want to export. This field is optional.

Last Update: Provide a date range to specify that you want to export records that were updated within a certain date range. This field is optional.

Reports

The Export to CAD Interface concurrent program does not generate a report.

Related Topics

Exporting Location Information, *Oracle Property Manager Implementation Guide*

Extract Expenses from GL

Use the Extract Expenses from GL concurrent program to load expenses from Oracle General Ledger into the Expense Lines interface table based on a General Ledger account mapping. The expense line information is used while calculating recoverable expenses.

Submission

You submit the Extract Expenses from GL concurrent program by selecting Leases and Documents: Recovery: Extract Expenses from GL. The Submit Request window is displayed where you can specify the appropriate parameters. See Submitting Requests, page B-1.

Parameters

The Extract Expenses from GL concurrent program contains the following parameters.

Mapping Name: Enter the name of the desired GL expense account mapping. This field is required.

Location Code: Choose a valid value from the location code list of values.

Property Name: Choose a valid value from the property name list of values.

Note: You must specify either a location code or a property name when running the Extract Expenses from GL concurrent program.

Ledger: This field is mandatory and is set to the ledger used in your organization by default. You can specify another ledger if required.

Period Name Start: Choose the Oracle General Ledger period name from the list of values that defines the beginning point of the expense extraction. This field is mandatory.

Period Name End: Choose the Oracle General Ledger period name from the list of values that defines the end point of the expense extraction. This field is mandatory.

Balance Type: Choose Actual or Budget as the balance type. This field is mandatory.

Budget Name: Choose a valid budget name if you chose Budget in the Balance Type field. This field is mandatory if the Budget Balance Type was chosen.

Populate Recoveries: Choose whether the expenses are automatically imported into the Recovery Expense Lines table via the Recovery Module Expense Line Extraction concurrent program. This field is mandatory.

- Yes: Expenses are automatically imported into the Recovery Expense Lines table via the Recovery Module Expense Line Extraction concurrent program.
- No: The extracted expenses from Oracle General Ledger are not automatically imported into the Recovery Expense Lines table and the Recovery Module Expense Line Extraction concurrent program must be manually initiated. If you select this option, the fields listed below are disabled. Although the period start and end dates appear as mandatory and are defaulted based on the General Ledger period name entered in the Period Name Start and Period Name End fields, the application ignores their values.

As Of Date: This date defaults to the last day of the period entered in the Period Name End field. This field is mandatory and can be updated.

Period Start Date: This date defaults to the first day of the period entered in the Period Name Start field. This field is mandatory and updatable.

Period End Date: This date defaults to the last day of the period entered in the Period Name End field. This field is mandatory and updatable.

Populate Expense Class Details: Choose whether the system automatically populates the expense class details in the result of the Extract Expenses from GL concurrent program. This field is mandatory if the Populate Recoveries field is set to Yes.

- Yes: Choose Yes to have the expense class details automatically populated after the concurrent program completes.
- No: Choose No if the extracted expenses will be further allocated, or the expense class details should not be populated when the concurrent program completes.

Populate Area Class Details: Choose whether the system automatically populates the area class details. This field is mandatory if the Populate Recoveries field is set to Yes.

- Yes: Choose Yes to automatically extract area class details.
- No: Choose No and the area class details are not automatically extracted.

Use Override: Choose whether the overrides made in the expense class or area class details are kept or removed during re-extraction, or whether the system utilizes the overrides from the class details populated in a previous extraction period.

- No: The overrides are removed.
- Yes: The overrides are kept.

Note: The entered value will be ignored by the system if you

choose not to populate the area or expense class details.

If the Extract Expenses from GL concurrent program is run for the same period that overrides are made to the expense class details or area class details, the following values control whether the overrides are kept or removed.

If overrides are made in the expense class details or area class details in a prior period, and you run the Extract Expenses from GL concurrent program for a later period, the Use Override parameter will control whether the system utilizes the overrides from the prior period.

If there are no prior periods in the system, the Use Overrides field has no effect on the new extraction.

Recovery Expense Number: Enter a recovery expense number if the Automatic Recovery Expense Number Generation system option is set to No. The field is mandatory if the system option is No.

If the Automatic Recovery Expense Number Generation system option is set to Yes, the field is automatically populated and displayed.

Note: Oracle Property Manager ignores any values entered to override the default recovery expense number.

Reports

The Extract Expenses from GL concurrent program does not generate a report.

Related Topics

Load Expenses from Oracle General Ledger, page 8-12

Generate Rent Increase Periods

Use the Generate Rent Increase Periods concurrent program to create periods for an index rent agreement.

Submission

You can submit the Generate Rent Increase Periods concurrent program in the following ways:

- Click Generate Periods on the Basis Periods tabbed region of the Rent Increase window.
- Select Lease and Documents: Rent Increase: Generate Rent Increase Periods. The

Submit Request window is displayed where you can specify the appropriate parameters.

- Submit the Generate Rent Increase Periods concurrent program from the Submit Request window. See *Submitting Requests*, page B-1.

Parameters

The Generate Rent Increase Periods concurrent program contains the following parameters:

Index Lease Number: Select the index lease (rent increase) number for which you would like to generate periods.

Regenerate Periods: Specify whether you want to undo existing periods (if any exist) before recreating all periods for the rent increase agreement.

Reports

This Generate Rent Increase Periods concurrent program does not generate a report.

Import from CAD Interface

Use the Import from CAD concurrent program to import employee space assignment entries or location records into Oracle Property Manager.

After importing the information, you can create, update, or delete employee space assignments or modify locations in Oracle Property Manager. For more information, see *Oracle Property Manager Open Interface Tables, Oracle Property Manager Implementation Guide*.

Submission

You submit the Import from CAD Interface concurrent program from the Import from CAD Interface window. Click Import after you have provided the required information to import information to the interface tables.

Parameters

The Import from CAD Interface concurrent program contains the following parameters.

Locations or Space Assignment: In the Select region, specify whether you want to import location- or space assignment-related information by selecting either the Locations option or the Space Assignments option.

Operating Unit: Select the operating unit to which the locations or space assignments you are importing belong.

Batch Name: Provide a batch name. Batch Name is a required field.

Reports

The Import from CAD Interface concurrent program does not generate a report.

Related Topics

Importing Property Information, *Oracle Property Manager Implementation Guide*

Month to Month Rollforward

This program automatically extends selected leases that are in Month-to-Month or Holdover status. The program simultaneously extends associated variable rent and rent increase agreements.

Submission

Submit the PN - Month to Month Rollforward concurrent program by selecting Lease and Documents: PN - Month to Month Rollforward Process. You can also submit the PN - Month to Month Rollforward Process concurrent program from the Submit Request window. See *Submitting Requests, Oracle Property Manager User Guide*.

Parameters

The Month to Month Rollforward concurrent program contains the following parameters:

Lease Number Low/High. Optionally, select to limit the month to month rollforward to the specified range of leases.

Lease Extension End Date. Enter the date to which the program must extend selected leases.

Lease Option. Select to extend variable rent agreements, rent increase agreements, both, or none.

Reports

The Month to Month Rollforward concurrent program does not generate a report.

Populate Existing Variable Rent Transactions

Oracle Property Manager calculates rent and stores the breakdown of this calculation in transaction tables. Use the Populate Existing Variable Rent Transactions concurrent program to upgrade existing variable rent agreements. This program takes inputs from variable rent agreements and updates transactions tables.

Submission

You can submit the Populate Existing Variable Rent Transactions concurrent program

from the Submit Request window.

Parameters

The Populate Existing Variable Rent Transactions concurrent program contains the following parameters.

Property Code: Optionally, select the value for the variable rent agreements for which you want to create records in the transaction tables.

Property Name: Optionally, select the value for the variable rent agreements for which you want to create records in the transaction tables.

Location Code from: Optionally, select the value for the variable rent agreements for which you want to create records in the transaction tables.

Location Code to: Optionally, select the value for the variable rent agreements up to which you want to create records in the transaction tables.

Lease Number from: Optionally, select the value for the variable rent agreements for which you want to create records in the transaction tables.

Lease Number to: Optionally, select the value for the variable rent agreements up to which you want to create records in the transaction tables.

Rent Number from: Optionally, select the value for the variable rent agreements for which you want to create records in the transaction tables.

Rent Number to: Optionally, select the value for the variable rent agreements up to which you want to create records in the transaction tables.

Reports

The Populate Existing Variable Rent Transactions concurrent program does not generate a report.

Purge Interface Tables

Use the Purge Open Interface Tables concurrent program to purge location and space assignment data from the Property Manager open interface tables. For more information, see: Oracle Property Manager Open Interface Tables, *Oracle Property Manager Implementation Guide*.

Submission

You submit the Purge Interface Tables concurrent program by selecting Open Interfaces: Locations and Space Assignments: Purge. The Submit Request window is displayed where you can specify the appropriate parameters. See Submitting Requests, page B-1.

Parameters

The Purge Interface Tables concurrent program contains the following parameters.

Purge: Choose the type of data you want to purge:

- **A:** Locations and Space Assignments
- **L:** Locations Only
- **S:** Space Assignments Only

This parameter is required.

Batch Name: Choose a batch name for the data to be purged.

Reports

The Purge Open Interface Tables concurrent program does not generate a report.

Recalculate Index Periods for Updated Index History Lines

Use the Recalculate Index Periods for Updated Index History Lines concurrent program to update index history and the rent increase agreements that use it after you have modified an Index History line.

Submission

The Recalculate Index Periods for Updated Index History Lines concurrent program runs automatically when you save the changes you make in the Index History window.

You can also run the concurrent program from the Navigator window, as follows:

- Select Lease and Documents: Rent Increase: Update Index History. The Submit Request window is displayed where you can specify the appropriate parameters.
- Submit the Recalculate Index Periods for Updated Index History Lines concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Recalculate Index Periods for Updated Index History Lines concurrent program contains the following parameters.

Index Type: Select the index type for which you want to update periods.

Recalculate: Specify whether you wish to recalculate the rent increase amounts.

- **Yes:** Index rent is recalculated. That is, Oracle Property Manager recalculates the basis amount before calculating the rent increase amount.

- No: Oracle Property Manager calculates the rent increase amount based on the current basis amount.

Reports

The Recalculate Index Periods for Updated Index History Lines concurrent program does not generate a report.

Reconcile Variable Rent

Use the Reconcile Variable Rent concurrent program to reconcile the variable rent calculated based on actual and forecasted amounts. For more information on variable rent reconciliation, see *Reconciling Variable Rent*, page 7-33.

Submission

You run the Reconcile Variable Rent concurrent program by clicking Reconcile on the Actual tabbed region of the Variable Rent Period window.

You can also submit the Reconcile Variable Rent concurrent program from the Submit Request window. See *Submitting Requests*, page B-1.

Parameters

The Reconcile Recovery concurrent program contains the following parameters.

Lease Number range: Optionally, specify a lease or a range of leases for which you want to reconcile variable rent amounts in the Lease Number From and Lease Number To fields.

Location Code range: Optionally, specify a location or a range of locations for which you want to reconcile variable rent amounts in the Location Code From and Location Code To fields.

Rent Number range: Optionally, specify a variable rent agreement or a range of agreements for which you want to reconcile variable rent amounts in the Rent Number From and Rent Number To fields.

Period Number range: Optionally, specify a period or a range of periods for which you want to reconcile variable rent amounts in the Period Number From and Period Number To fields.

Responsible User: Optionally, select a user name if you want to reconcile variable rent amounts for variable rent agreements associated with leases for which a particular user is responsible.

Invoice Date: Optionally, specify the invoice date. Oracle Property Manager performs reconciliation for periods belonging to variable rent agreements with this invoice date.

Reports

The Reconcile Variable Rent concurrent program does not generate a report.

Recovery Module Expense Line Extraction

Use the Recovery Module Expense Lines Extraction concurrent program to populate the Recovery Expense Lines table with expense-related information in the Expense Lines interface table.

Submission

You can access the Recovery Module Expense Lines Extraction concurrent program by navigating to Leases and Documents: Recovery: Populate Recoveries with Expenses.

You can also submit the Recovery Module Expense Lines Extraction concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Recovery Module Expense Lines Extraction concurrent program contains the following parameters:

Location Code: Choose a valid value from the Location Code list of values for this optional field. You must enter either the Location Code or the Property Name.

Property Code: Choose a valid value from the Property Code list of values for this optional field. You must enter either the Location Code or the Property Name.

As of Date: This date is used in Area Class details to compute the total area of the class. This field is mandatory and manually entered.

Period Start Date: The start date of the expense extract period. This date defaults to the first day. This field is mandatory and manually entered.

Period End Date: The end date of the expense extract period. This field is mandatory and manually entered.

Currency Code: Select the appropriate currency code from the Currency Code list of values.

Populate Expense Class Details: Choose whether the system automatically populates the expense class details when running the Extract Expenses from GL concurrent program. This field is mandatory.

Populate Area Class Details: Choose whether the system automatically populates the area class details. This field is mandatory.

- Yes: Choose Yes to automatically extract area class details.
- No: Choose No if the area class details should not be automatically extracted.

Use Override Values: Choose whether the overrides made in the expense class or area class details are kept or removed during re-extraction, or whether the system utilizes the overrides from the class details populated in a previous extraction period.

Note: The entered value will be ignored by the system if you do not choose to populate the area or expense class details.

If you rerun the Extract Expenses from GL concurrent program for the same period that expense or area class details are overridden, the Use Override field controls whether the overrides from the prior period are applied or ignored.

- Yes: The overrides are kept.
- No: The overrides are removed.

If any overrides are entered in the expense class details or area class details in a prior period, and the Extract Expenses from GL program is run for a later period, the Use Override parameter controls whether the overrides from the prior period are applied or ignored.

- Yes: The overrides from the prior period will be applied to the current period.
- No: the overrides entered in the prior period will be ignored by the system.

If there are no prior periods in the system, the Use Overrides field has no effect on the new extraction.

Recovery Expense Number: You must enter a recovery expense number if the Automatic Recovery Expense Number Generation system option is set to No. If the Automatic Recovery Expense Number Generation system option is set to Yes, this field is disabled.

Reports

The Recovery Module Expense Lines Extraction concurrent program does not generate a report.

Related Topics

Import Recovery Expense Lines, page 8-13

Extract Expenses from GL, page B-18

PN_REC_EXP_ITF, *Oracle Property Manager Implementation Guide*

Recovery Module Expense Lines Interface Table Purge

Use the Recovery Module Expense Lines Interface Table Purge concurrent program to delete the information in the Recovery Expense Lines table. For more information, see Purge the Expense Lines Interface Table, page 8-13.

Submission

You submit the Recovery Module Expense Lines Interface Table Purge by selecting Open Interfaces: Variable Rent Gateway: Volume Import.

You can also submit the Recovery Module Expense Lines Interface Table Purge concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Recovery Module Expense Lines Interface Table Purge concurrent program contains the following parameters.

Recovery Expense Number: Choose a recovery expense number from the list of values.

Location Code: Choose a location code from the list of values. A value must be entered for either the Location Code or Property Code field.

Property Code: Choose a property code from the list of values. A value must be entered for either the Location Code or Property Code field.

Period Start Date: Choose the start date of the expense extract period to be purged.

Period End Date: Choose the end date of the expense extract period to be purged.

Transfer Flag: Choose the type of data you want to purge:

- E: Erroneous
- N: Not Transferred
- Y: Transferred

Delete All: Specify whether all the expense lines in the interface table will be deleted, without regard to the value in the Transfer Flag field.

- Yes: Delete all the expense lines from the interface table.
- No: Do not delete any of the expense lines from the interface table.

Reports

The Recovery Module Expense Lines Interface Table Purge concurrent program does not generate a report.

Schedules and Items

This program creates billing or payment schedules for a lease. The Schedules and Items concurrent program runs automatically in the following situations:

- When you finalize a lease

- When you create new terms for a lease in Lease Ordered or Signed status
- When you extend or contract a finalized lease
- When you change a draft lease to Lease Ordered or Signed status
- When you approve variable rent, rent increase, operating expense, or recoveries terms

Submission

If the Schedules and Items concurrent program fails when run automatically, you can submit it from the Submit Request window.

Parameters

The Schedules and Items concurrent program contains the following parameters:

Lease Number. Select the lease number of the lease for which you want to create schedules and items.

Lease Context. Select the context in which you are running the concurrent program. For example, you can specify if you are creating schedules and items after you have abstracted a lease, extended or contracted a lease or term, added terms, made retroactive adjustments, or have changed the lease status to Lease Ordered, Signed, or the rollover status of the lease to Month To Month, or On Hold.

Called From. Optionally, specify whether you are creating schedules and items for terms you have specified directly in the lease, for variable rent terms, or for rent increase terms.

Payment Term. Optionally, specify a payment term if you want to create schedules for a specific term.

Calculate Index Rent. Optionally, specify whether you want to recalculate index rent after schedules and items are created for the specified lease. If you select Yes, Oracle Property Manager recalculates the basis for all periods in the agreements and then recalculates the index rent amounts.

Cutoff Date. Optionally, specify a cutoff date if you are running the concurrent program in the context of a lease extension. Oracle Property Manager will not renormalize terms whose normalization end date is earlier than the cutoff date.

Reports

This program generates Schedules and Items report. The report lists information by lease including the following information:

- Currency Code
- Total Cash

- Normalization Cash
- Account Expense
- Adjustment
- Accrued Liability

Related Topics

Payment and Billing Schedules, page 5-53

Calculate Rent Increase, page B-9

Extending or Renewing a Lease, page 5-185

Tenancy Attributes Upgrade

Use the Tenancy Attributes Upgrade concurrent program to update customer and recoveries-related information including recovery type, space standard, and financial obligation end dates on the Locations tab of the Lease window for revenue leases and subleases.

Note: You cannot use Oracle Property Manager's Recovery module until you provide customer and recovery information for locations specified on the lease.

Submission

You submit the Tenancy Attributes Upgrade concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Tenancy Attributes Upgrade concurrent program contains the following parameters:

Lease Number range: Select a lease or range of leases for which you want to update tenancy information in the Lease Number From and Lease Number To fields.

Space Standard: Select the space standard to be populated in the Recovery Space Standard field.

Recovery Type: Select a recovery type to be populated in the Recovery Type field.

Update Customer: Specify whether you want to update customer and customer site information. Oracle Property Manager identifies the customer and customer site from the first term in the lease and updates the Customer Name and Bill To Site field.

A customer space assignment is generated when customer information is populated in

the Customer Name and Bill To Site fields.

Financial Obligation End Date: Specify whether you want to update the Financial Obligation End Date field using the expiration date of the tenancy. Oracle Property Manager updates the financial obligation end date only if you have not provided the appropriate information already.

Important: Oracle Property Manager updates the Recovery Space Standard, Recovery Type, Customer Name, Bill To Site, and Financial Obligation End Date fields only if you have not specified the appropriate information already. Existing information is not overwritten.

Reports

The Tenancy Attributes Upgrade concurrent program does not generate a report.

Transfer Normalized Lines to GL

Use the Transfer Normalized Lines to GL concurrent program to transfer normalization-related expense and revenue accounting entries to Oracle Subledger Accounting.

Submission

You submit the Transfer Normalized Lines to GL concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Transfer Normalized Lines to GL concurrent program contains the following parameters.

Journal Category: You must select the journal category for the export to Oracle Subledger Accounting. The selections for this required field include the following:

- All: All revenue and expense items are included.
- Lease Expenses: Only expense items are included.
- Lease Revenue: Only revenue items are included.

Schedule Date range: Optionally, restrict the transfer to a schedule date range. Leaving the fields blank will include all schedule dates.

Lease Number range: Optionally, restrict the transfer to a lease number range. Leaving the fields blank will include all lease numbers.

Period Name: Optionally, enter the period name.

Supplier Name: Optionally, enter the name of the supplier.

Customer Name: Optionally, enter the name of the customer.

Derive GL Date: Select the option, Due Date, the default value, to derive GL Date based on the due date of the payment schedule. Optionally, select Period Name to derive GL Date based on the period name associated to the payment schedule.

Additional Information: If you have entered a period in the Payment Period or Billing Period parameters in the concurrent program, Approve or Cancel Approval Schedules, or have entered a period in the Period Name field of the Authorize Payments or Authorize Billings windows, normalization will be posted on the Due Date unless you select the option, Period Name.

Reports

The Transfer Normalized Lines to GL concurrent program does not generate a report.

Related Topics

Expense and Revenue Recognition Process, page 5-62

Update Location Alias

The Update Location Alias concurrent program is used to change the alias of a location. See Changing the Location Alias, page 3-30.

Submission

You submit the Update Location Alias concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Update Location Alias concurrent program contains the following parameters.

Location Type: Specify the location type of the location, for example, building, land, or office.

Location Code: Choose a location code from the Location Code list of values. The Location Code list of values is populated based on your choice of location type.

New Alias Name: Specify the new alias name for the location you have selected.

Reports

The Update Location Alias concurrent program does not generate a report.

Variable Rent - Cascade Breakpoints from Line Items UI to Setup UI

Use the Variable Rent - Cascade Breakpoints from Line Items UI to Setup UI concurrent program to make line item information for existing agreements available in the Setup window. The concurrent program links line items with the same product type and category from year to year to form a single line item displayed in the Setup window. Therefore, before running the program for an agreement, you must ensure that multiple line items in the same year do not share the same product type and category. Alternatively, you can continue to calculate variable rent with the non-upgraded agreement, or contract it and create an agreement. However, you cannot modify line items or breakpoint definitions for non-upgraded agreements.

Important: You need not run the concurrent program for old, inactive agreements or for agreements whose breakpoint definitions will not change. However, it is recommended that you upgrade all variable rent agreements so that you have a consistent view of breakpoint definitions and do not have to run the program for unexpected future changes, such as lease contraction.

Prerequisites

If your portfolio contains variable rent agreements where you have overridden the basis amount, run the Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program first.

Parameters

The Variable Rent - Cascade Breakpoints from Line Items UI to Setup UI concurrent program contains the following parameters.

Property Id: Optionally, select a value for which you want to upgrade the breakpoint definitions from line items to setup windows.

Location Id: Optionally, select a value for which you want to upgrade the breakpoint definitions from line items to setup windows.

Lease Id: Optionally, select a value for which you want to upgrade the breakpoint definitions from line items to setup windows.

Variable Rent Id: Optionally, select a value for which you want to upgrade the breakpoint definitions from line items to setup windows.

Reports

The Variable Rent - Cascade Breakpoints from Line Items UI to Setup UI concurrent program generates a report that lists the upgraded variable rent agreements.

Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints

Use the Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program to select lease terms to include in the breakpoint basis. If your portfolio contains variable rent agreements for which you have overridden the calculated basis or if you modify the breakpoint definitions later, you must run the Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program. The concurrent program converts natural breakpoint definitions to artificial breakpoints for agreements with overridden bases. (Natural breakpoints created using basis you have overridden are, in essence, artificial breakpoint definitions, with the artificial breakpoints entered indirectly rather than directly.)

You must run the concurrent program for all agreements with overridden breakpoint basis, whether or not you change the breakpoint definitions.

Important: The Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program does not modify volumes or rates of the converted breakpoint definitions.

Submission

You can submit the Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program from the Submit Request window.

Parameters

The Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program contains the following parameters.

Mode: Optionally, select the value that you want to use to convert natural breakpoint definitions to artificial breakpoint definitions.

- **Diagnostic:**In diagnostic mode, this program creates a report that shows which agreements have override values for Base Rent.
- **Update:**In update mode, this program converts to artificial breakpoints. This is a Required Parameter.

Property Id: Optionally, select the value you want to use to convert natural breakpoint definitions to artificial breakpoint definitions.

Location Id: Optionally, select the value you want to use to convert natural breakpoint definitions to artificial breakpoint definitions

Lease Id: Optionally, select the value you want to use to convert natural breakpoint definitions to artificial breakpoint definitions

Variable Rent Id: Optionally, select the value you want to use to convert natural breakpoint definitions to artificial breakpoint definitions

Reports

The Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints concurrent program generates a report, in both the diagnostic and update modes, which lists variable rent agreements with overridden base rent values. In the case of Update mode, the report lists modified agreements.

Variable Rent Gateway Import Process

Use the Variable Rent Gateway Import Process concurrent program to import data into the Volume History interface tables.

Submission

You submit the Variable Rent Gateway Import Process concurrent program by selecting Open Interfaces: Variable Rent Gateway: Volume Import. The Submit Request window is displayed where you can specify the appropriate parameters.

You can also submit the Variable Rent Gateway Import Process concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Variable Rent Gateway Import Process concurrent program contains the following parameter.

Batch Name: Select a batch name for which you want to import data from the Batch Name list of values.

Reports

The Variable Rent Gateway Import Process concurrent program does not generate a report.

Related Topics

Variable Rent Gateway, page 7-20

Variable Rent Gateway Purge Process

Use the Variable Rent Gateway Purge Process concurrent program to purge data available in the Volume History interface tables.

Submission

You submit the Variable Rent Gateway Purge Process concurrent program by selecting Open Interfaces: Variable Rent Gateway: Purge. The Submit Request window is displayed where you can specify the appropriate parameters. See Submitting Requests.

You can also submit the Variable Rent Gateway Purge Process concurrent program from the Submit Request window. See Submitting Requests, page B-1.

Parameters

The Variable Rent Gateway Purge Process concurrent program contains the following parameters:

Batch Name: Provide the name of the batch whose data you want to purge.

Reporting Date range: Provide a date or date range if you want to purge records belonging to volume history batches whose reporting dates fall within the given range.

Reports

The Variable Rent Gateway Import Process concurrent program does not generate a report.

Related Topics

Variable Rent Gateway, page 7-20

Variable Rent True Up

This program calculates the true up gross variable rent for the calculation period. When you select the True Up calculation method, Oracle Property Manager first calculates variable rent based on noncumulative group sales volume and the group breakpoint throughout the year and bills the customer for these terms.

Then you must submit this program after a sales year is complete. This program perform the annual true up calculation and creates a true up term. The true up terms is the adjustment amount for the difference in billed amounts during the year and the result of the true up calculation.

Submission

Submit the PN - Variable Rent True Up concurrent program from the Submit Request window. See Submitting Requests, *Oracle Property Manager User Guide*.

Parameters

The Variable Rent True Up concurrent program contains the following parameters:

Property Code. Select to limit the true up calculation for variable rent agreements associated with the specified property.

Lease Number Low/High. Select to limit the true up calculation to variable rent agreements for the specified range of leases.

Variable Rent Number Low/High. Select to limit the true up calculation to the specified range of variable rent agreements.

Period End Date. Enter to limit the true up calculation to agreements with end dates that are less than or equal to the specified date.

Reports

The Variable Rent True Up concurrent program generates a report with the actual true up amount.

Calculation Program for Compliance Reports: Calculate Balances

Run the calculation program during each period end. You can run the program in Draft mode at any time. You can run the program in Final mode only once for a portfolio, for a particular period end. When the program is executed in Final mode, an archival of the calculations and lease detail is taken and finalized. Each time reports are run for this period, the reports run on this archived data and not on the production data; this creates auditable calculations. Lease Liability is amortized to zero, using an iterative rate which brings the balance to 0. This rate is marginally off from the discounting rate that users use. ROU balances are amortized to zero either on a straight line or with the amortized portion of the lease expense, based on IFRS/USGAAP as a compliance regime. Impact of the amendments, additions, contractions, and term additions are initiated in the current period (may be backdated) are reported as differences as complementary information to the previously mentioned reports.

For post transition process, you do not need to run the calculation process explicitly. Calculations and recalculations are performed concurrently on trigger of events like lease activation, termination, extension, lease reclassification, discount rate index changes, and so on. You will only need to run the compliance data reports mentioned previously to view the data.

For equipment leases, the calculation program has no role. When an equipment lease is activated, all schedules, items and compliance balances are automatically generated for the entire life of the equipment lease. The same approach is followed for property leases, as well, but only after the Transition Date is finalized.

Attachments

This appendix describes the kinds of documents you can associate with data created in Oracle Property Manager.

This appendix covers the following topics:

- Attachments

Attachments

To illustrate or clarify your application data, you can link non-structured data such as images, word processing documents, spreadsheets, or video to more structured application data. For example, you could attach to a building description a photograph of the building.

The toolbar Attachment icon indicates whether the Attachments feature is enabled in a form. When the button is greyed out, the Attachment feature is not available. When the Attachment feature is enabled in a form, the icon becomes a solid paper clip. The icon switches to a paper clip holding a paper when the Attachment feature is enabled in a form and the current record has at least one attachment. To see the attachment, choose the Attachment icon.

You can attach documents to a lease in the Leases window or to the definition of a property. For example, you might want to attach a scanned copy of the lease to the lease, or you can attach a scanned copy of the floor layout to the property definition. You can attach documents in the following places:

- Leases window: Details tab, Notes tab
- Buildings window
- Floors window: Area tab, Occupancy tab

For detailed information on the Attachments feature and using the Attachments window, see: *About Attachments, Oracle E-Business Suite User's Guide*

Glossary

company contact

In Oracle Property Manager, a representative who is responsible for communication between the lease or property administrator and the contact organization.

See also: contact, page Glossary-1

constraint

In Oracle Property Manager, the upper (ceiling) or lower (floor) limit for either the actual amount a tenant must pay as rent or the increase in rent over a specific period

contact

A business that performs certain functions, called roles, for a property. Contacts can be associated with locations (land and building) and with leases.

contact role

The type of service provided by a contact for a particular location

escalation

See: rent increase, page Glossary-2

GL Date

The date, referenced from Oracle General Ledger, used to determine the correct accounting period for a transaction

grouping rule

A grouping rule specifies a set of attributes used to group multiple payment or billing items on a single invoice. You create billing grouping rules in Oracle Receivables and payment grouping rules in Oracle Property Manager.

index rent

See: rent increase, page Glossary-2

item

In Oracle Property Manager, the actual amount that is payable to a landlord or receivable from a tenant on a specific date for a particular lease term

percentage rent

See: variable rent, page Glossary-2

recovery expenses

Recovery expenses are employed by landlords to recover, from tenants, the costs of operating and maintaining leased premises. Thus, recovery expenses help landlords ensure that operating expenses, such as insurance, taxes, and common area maintenance (CAM), do not erode the total rent collected.

rent increase

A term created by applying an increase factor to another term. The increase may be based on an index, such as the Consumer Price Index, in which case it could be called index rent, or it could be a specified rate of increase.

role

See: contact role, page Glossary-1

schedule

A schedule represents the group of items that are payable to suppliers or recoverable from customers on a specific date for a particular lease. For example, if a lease contains two payment terms with a frequency as monthly, schedule day as 1, duration as three years, and amounts of \$500 each, Oracle Property Manager creates 36 schedules for the first day of the month with two items each, for a total amount of \$1000.

sublease

A subordinate lease agreement under the primary lease that occurs when a subtenant leases all or part of the primary tenant's leased space. Usually, the landlord's consent is required before a premises can be subleased.

term

In Oracle Property Manager, a term represents payment or billing related conditions specified in a particular lease. Terms incorporate information such as payment type and purpose, frequency, duration, currency, and tax information.

variable rent

Rent paid by tenants based on a variable amount. For retail tenants, variable rent is frequently based on sales volumes and would be called percentage rent or overage rent.

It may also be based on a quantity such as utility usage. A lease agreement may specify that a tenant must pay a certain amount of variable rent along with a fixed base rent. Alternatively, a tenant's rent burden may consist entirely of variable rent.

Index

A

abatements

- excess, 7-13
- fixed, 7-13
- recurring, 7-13

accounts distribution

- upgrading, B-12

Accounts Distributions tabbed region

- Billing Term Details window, 5-132
- Payment Term Details window, 5-116

adjustment term, 7-32

administration, lease, 5-1

aggregation, 6-44

- rent increase, 6-33

agreements

- entering, 6-4

Agreement tabbed region, 6-41

aliases

- floors, 3-10

allowances, 7-13

Alphabetical Space Assignments Report, 11-1

- by Floor, 11-2
- by Postal Code, 11-3

Amend Lease window, 5-203

- tabbed region of, 5-25
- window reference, 5-192

amendments, lease, 5-2, 5-152, 5-158, 5-162

- normalizing terms, 5-194

amount of payment and billing items, 5-58

anchor contribution, 9-6

- using as stop, 9-7

ancillary agreements, 5-2

Annual Accounting Pro Forma Report, 11-3

Annual Cash Flow Pro Forma Report, 11-4

approval

- concurrent program, B-2

approval rules, 5-55

approval status of leases, 5-6

Approve Operating Expense Terms concurrent program, B-4

approve variable rent volumes

- approve variable rent volume concurrent program, B-7

approving billing schedules, 5-133

approving payment schedules, 5-118

approving schedules, 5-

- exceptions, 5-145
- program, B-2
- validation, 5-146

approving schedules

- rules, 5-55

Area tabbed region, 4-17

area type

- term details, 5-49

area type used in term details, 5-49

assigning office space, 4-1

assigning space, 4-1

- cost centers, 4-5
- employees, 4-5
- finding vacancies, 4-3

attachments

- description, C-1

audit

- operating expense reconciliation, 9-38

Authorize Billings window, 5-56
Authorize Payments window, 5-56
authorizing payments and billings, 5-55

B

back-billed rent increase
 term frequency, 6-32
basis calculation, 6-17
 example, 6-18
basis dates, 6-16
Basis Periods tabbed region, 6-44
billing
 scheduling, 5-53
billing events, 5-53
 creating, 5-132
billing information
 entering, 5-124
billing items
 amount of, 5-58
 deferring, 5-139
 export , B-14
 exporting to Oracle Receivables, 5-136
billing line items
 defined, 5-57
billings, 5-11, 5-44
 authorizing, 5-55
 entering, 5-124
 prepayments, 5-147
 process overview, 5-45
Billing Schedule Details window, 5-57
billing schedules, 5-53
 approving, 5-133
 creating, 5-132
Billings milestones, 5-41
Billings tabbed region, 5-23
Billings tab control, 5-126, 5-155
billing term details
 entering, 5-128
billing terms, 5-46
Bill tabbed region
 Term Details window, 5-131
BOMA, 4-20
bookable locations, 3-13
breakpoints
 defining, 7-8
buildings

 defining, 3-6
Buildings window, 3-6
 window reference, 3-16

C

CAD, 4-20
CAD interface
 import, B-17, B-21
CAFM, 4-20
calculate recovery, B-8
calculate rent increase, B-9
calculate variable rent
 concurrent program, B-10
calculating variable rent, 7-17, 7-25
 gross variable rent, 7-22
 See also net variable rent
 invoicing method, 7-33
 methods, 7-22
 negative rent, 7-29
 net variable rent, 7-29
 recalculating, 7-32
 Variable Rent Billing Report, 11-25
calculation methods, 7-22
 See also partial year calculation methods
 cumulative volumes, 7-23
 partial year, 7-25
cancelling
 concurrent requests, B-2
cap
 operating expense, 9-7
catch-up payments, 9-1, 9-15
changing lease status, 5-181
child terms
 creation of, 5-185
 normalization of replacement, 5-186
common report fields
 RXi, 11-29
companies
 contacts for, 5-9, 5-28
Computer-Assisted Design, 4-20
Computer Assisted Facilities Management, 4-20
concurrent program
 approve rent increase terms, B-5
 approving variable rent terms, B-6
 calculate recovery, 8-45, B-8
 calculate variable rent, B-10

- cost center synchronization with HR, B-11
- creating accounts distribution, B-12
- creating variable rent terms, B-13
- load expenses from GL, B-18
- populate recoveries with expenses, B-26
- purge the expense lines interface table, B-27
- transfer normalized lines, B-31
- concurrent programs, B-1
 - approve operating expense terms, B-4
 - list, B-2
 - month to month rollforward, B-22
 - variable rent true up, B-36
- concurrent requests
 - cancelling, B-2
 - monitoring, B-2
 - viewing the status of, B-2
- Concurrent Requests Summary window, B-2
- constraints
 - Increase Over, 6-27
 - operating expense, 9-7
 - rent increase, 6-7
 - variable rent, 7-12
- Constraints tabbed region, 6-46
- Constraints window
 - variable rent, 7-13
- contacts
 - overview of, 5-9
- Contacts tabbed region, 5-22
- Contacts tab control, 5-28
- contracting leases, 5-186
 - before last approved schedule, 5-187
 - disallow before approved schedule, 5-189
 - draft leases, 5-186
 - finalized leases, 5-186
- contracting rent increase agreements, 6-37
- contracting tenancies
 - finalized leases, 5-187
- contracting terms, 5-60
 - finalized leases, 5-186
 - renormalization, 5-189
- contribution, 9-6
 - using as stop, 9-7
- copying locations, 3-14
- cost center
 - employee space assignment, 4-16
 - synchronization with HR, B-11
- cost centers

- assigning space to, 4-2
- coverage
 - insurance, 5-32
- coverage, insurance, 5-10
- Create Reconciliation: Enter Data, 9-37
- creating accounts distributions, B-12
- creating billing schedules, 5-132
- creating variable rent terms
 - concurrent program, B-13
- critical dates
 - operating expense agreement, 9-13
- currency conversion
 - term amount, 5-50
- customers
 - billings to, 5-44
- customer space assignments, 5-39
- Customer tabbed region, 4-16

D

- dashboard
 - operating expenses, 9-33
- dates
 - operating expense agreement, 9-13
- deductions, 7-21
- deferring billing items, 5-139
- deferring payment items, 5-123
- deferring payments and billings, 5-59
- defining
 - floors, 3-10
 - offices, 3-12
- deleting space assignments, 4-13
- Details milestones, 5-41
- Details tabbed region, 5-22, 5-153
- Details tab control, 5-26
- draft approval status of leases, 5-6
- draft lease
 - modify lease status, 5-7, 5-7
- draft status of leases, 5-153
- Draft status of leases, 5-16, 5-20
- drilldown
 - from General Ledger
 - customizing windows, 5-106
- duplicating locations, 3-14

E

- early termination

- terms, 5-60
- editing leases, 5-2, 5-152, 5-193
 - normalized terms, 5-194
 - steps, 5-193
- Edit Lease window, 5-202
 - tabbed region of, 5-25
 - window reference, 5-19
- employee
 - cost center
 - synchronizing, 4-18
- employee cost center
 - derivation, 4-16
 - synchronizing
 - human resources, 4-18
- employees
 - assigning space to, 4-1, 4-2
 - removing inactive, 4-13, B-14
- Employees Deleted From Space Allocation Report, 11-5
- Employee Title Report, 11-6
- entering billings, 5-124
- Enter Person window, 4-6
- Enterprise Asset Management
 - export to, B-15
- Equipment Leasing Navigator Paths, A-5
- estimated amount of payment, 5-111
- estimated payments, 9-13
 - approving terms, 9-16
 - rules, 9-16
 - calculating catch up, 9-15
 - creating terms, 9-15
 - entering in agreement, 9-13
 - entering in lease, 9-17
 - updating, 9-14
- event notification, 1-3
- expanding leases, 5-185
 - child terms, 5-186
 - extending terms, 5-185
 - normalizing new terms, 5-186
 - normalizing terms, 5-186
 - renormalizing existing terms, 5-186
- expansion
 - lease, 5-185
- expense and revenue recognition, 5-62
- expense class
 - setup, 8-8
- expense clause, 9-35

- expense groups, 9-5, 9-6
 - contributions, 9-6
 - standard group, 9-5
- Expense lease class, 5-5, 5-20
 - payments and, 5-44
- expense recognition, 5-53
- export billing items, B-14
- exporting payments to Oracle Payables
 - concurrent program, B-16
- exporting to Oracle Payables, 5-46, 5-120
- exporting to Oracle Receivables, 5-46, 5-136
- export locations, B-15
- Export to CAD Interface, B-17
- Export to CAD Interface concurrent program
 - submitting, B-17
- Export to Payables window, 5-60
- Export to Receivables window, 5-60
- extending and contracting rent increase agreements, 6-35
- extending leases, 5-185
 - extending terms, 5-185
 - impact on rent increase, 6-35
- extending rent increase agreements, 6-35

F

- field reference
 - operating expenses, 9-34
- final approval status of leases, 5-6
- finalized lease
 - contracting, 5-186
 - before last approved schedule, 5-187
 - rent increase agreements, 6-37, 6-37
 - tenancies, 5-187
 - terms, 5-186
 - extending or expanding, 5-185
 - modify lease status, 5-7
- finalizing payment and billing terms, 5-53
- final status of leases, 5-153
- Final status of leases, 5-16, 5-21
- Find Space Assignments, 4-3
 - As of Date, 4-5
- Find Space Assignments window, 4-3
- floors
 - defining, 3-10
- Floors window
 - window reference, 3-19

Future Minimum Rent Obligations Report, 11-7

G

general ledger
 transferring journal entries, 5-104
General Ledger
 drill down, 5-106
generate rent increase periods, B-20
generating periods, 6-5
gross variable rent, 7-22
grouping invoices
 payable, 5-119
 receivable, 5-135
grouping payable invoices, 5-119
grouping receivable invoices, 5-135

H

history of lease transactions, 5-192
Holdover lease status, 5-7
human resources
 synchronizing
 employee cost center, 4-18

I

IFMA, 4-20
Import from CAD, B-21
Import from CAD concurrent program
 submitting, B-21
inactive employees
 deleting, B-14
increase over constraints
 carry forward amount, 6-30
 carry forward percentage, 6-28
 no carry forward, 6-28
Increase Over constraints, 6-27
index finder date, 6-15
index history
 entering, 6-2
index rent, 6-1
 calculating the basis, 6-17
insurance information in leases, 5-10
Insurance milestones, 5-41
Insurance tabbed region, 5-23, 5-154
Insurance tab control, 5-31
integration, 1-4

 with Oracle Payables and Receivables, 5-60
Invoice Review window, 7-30
invoicing method
 for variable rent agreements, 7-33

L

land
 defining, 3-13
landlords
 accounting for, 5-101
Land window
 window reference, 3-16
lease
 description, 5-3
lease
 management, 1-1
Lease Abstract Summary Report, 11-9
lease class, 5-5, 5-16, 5-19
 payments and billings and, 5-44
Lease Contracts Command Center, 2-2
Lease Contracts Command Center Dashboard, 2-3
lease description
 general lease attributes, 5-4
Lease Details tabbed region, 6-40
Lease Milestones window
 window reference, 5-43
lease payment or billing, 5-53
leases
 abstraction of, 1-2, 5-2
 steps in, 1-5, 5-12
 administration of, 5-1
 amending, 5-162
 amendments to, 5-2, 5-158
 ancillary agreements, 5-2
 approval status of, 5-6
 contracting, 5-186
 editing, 5-2, 5-193
 expanding, 5-185
 extending, 5-185
 history, 5-191
 information sources, 5-2
 insurance information in, 5-10
 location information in, 5-9
 master, 5-5, 5-20
 modifications to, 5-2

- lease status and, 5-6
- modifying, 5-152
- name of, 5-4
- new
 - setting up, 5-15
- number of, 5-4
- obligation information in, 5-10
- options information in, 5-11
- overview, 5-1
- reviewing, 5-150
- services information in, 5-10
- statuses, 5-6
- status of, 5-16, 5-20, 5-153
- tenancy, 5-39
- transactions, 5-191
- type of, 5-4
- types of, 5-16
- lease schedule
 - approval, 5-146
- lease status, 5-6
 - changing, 5-181
 - Lease Ordered and Signed, 5-7
 - modify
 - draft leases, 5-7, 5-7
 - finalized leases, 5-7
 - Month to Month and Holdover, 5-7
- Leases window, 5-3, 5-7, 5-12, 5-202
 - payments and, 5-108
 - tabbed region of, 5-25
- leases windows, 5-202
- lease window
 - tabbed region, 5-22
- Lease window
 - Locations tab, 5-28
 - window reference, 5-19
- legal entity
 - derivation
 - billing terms, 5-131
 - payment terms, 5-114
- line items
 - defining, 7-8
- Line Items window
 - Deductions tab, 7-21
 - Volume tab, 7-19
- location
 - duplicating, 3-14
 - modify, 3-22

- location
 - modify
 - alias, 3-30
- location alias
 - update, B-32
- location codes
 - defined, 3-7
 - floors, 3-10
- locations
 - modify
 - from and to dates, 3-22
 - regions and office parks, 3-2
- Locations tab, 5-28
- Locations tabbed region, 5-22, 5-154

M

- Master lease, 5-16, 5-20
 - defined, 5-5
- menu paths, A-1
- Milestone Analysis Report, 11-10
- milestones, 1-3, 5-8, 5-41
 - setting up, 5-42
- Milestones
 - Lease
 - window reference, 5-43
- milestone types
 - overview of, 5-41
- modifying
 - leases, 5-152
- Monthly Accounting Pro Forma Report, 11-11
- Monthly Cash Flow Pro Forma Report, 11-12
- Month to Month lease status, 5-7
- Month to Month Rollforward concurrent program, B-22

N

- navigation
 - task categories, 1-5
- navigation paths, A-1
- Navigator
 - navigation paths, A-1
- negative rent, 7-29
- net variable rent, 7-29
 - negative rent, 7-29
- Normalized Rent Schedule Report, 11-13
- normalizing

- rent increase terms, 6-27
- normalizing payments and billings, 5-140
- notes
 - in Leases window, 5-12
 - operating expense agreement, 9-2
 - reconciliation, 9-20
- Notes tabbed region, 5-23
- Notes tab control, 5-34

O

- obligation information in leases, 5-10
- Obligations tabbed region, 5-154
- Obligations tab control, 5-32
- Occupancy tabbed region, 4-18
- offices
 - assigning, 4-2
 - defining, 3-12
- Offices window, 3-12
 - window reference, 3-20
- one time schedules, 5-47
- open interface tables
 - descriptions, 8-12
- operating expense agreement
 - caps, 9-7
 - first year constraints, 9-7
 - overruns and shortfalls, 9-11
 - subsequent year caps, 9-8
 - creating, 9-2
 - critical dates, 9-13
 - dashboard, 9-33
 - deleting, 9-34
 - estimated payments, 9-13
 - expense groups, 9-5
 - contribution, 9-6
 - method details, 9-2
 - notes, 9-2
 - pro rata basis, 9-3
 - reconciliation, 9-17
 - stops, 9-3
 - updating, 9-34
 - window reference, 9-34
- Operating Expense Agreement page
 - field references, 9-34
 - Caps tab, 9-36
 - Critical Dates tab, 9-36
 - Estimated Payments tab, 9-36

- Expense Groups tab, 9-36
- Method Details tab, 9-35
- Pro Rata Basis tab, 9-35
- Operating Expense Dashboard
 - field references, 9-39
- Operating Expense Reconciliation
 - audit, 9-38
 - field references, 9-37
 - Expense Groups tab, 9-39
 - Overview and Notes tab, 9-38
 - Pro Rata Basis tab, 9-39
- operating expenses
 - overview, 9-1
- operating expenses dashboard, 9-33
- options
 - lease, 5-11
- Options milestones, 5-41
- Options tabbed region, 5-154
- Options tabbed Region, 5-23
- Options tab control, 5-33
- Oracle Human Resources
 - inactive employees and, 4-13
- Oracle Payables
 - exporting payments to, 5-55, 5-120
 - payments and, 5-44
- Oracle Property Manager
 - about, 1-1
 - using, 1-5
- Oracle Receivables
 - billings and, 5-44
 - exporting billings to, 5-55, 5-136
- overrun credit, 9-11
- Overview
 - Lease Contracts Command Center, 2-2

P

- page reference
 - operating expenses, 9-34
- Parameters window, B-2
- Parcel window
 - window reference, 3-19
- partial year calculation methods, 7-25
- payment
 - entering, 5-108
 - scheduling, 5-53
- payment details

- entering, 5-112
- payment events, 5-53
- payment items
 - amount of, 5-58
 - deferring, 5-59, 5-123
 - export, B-16
 - exporting to Oracle Payables, 5-120
- payment line items
 - defined, 5-57
- payments, 5-11, 5-44
 - authorizing, 5-55
 - estimated amount of, 5-111
 - prepayments, 5-147
 - process overview, 5-45
 - setting up, 5-107
 - target date of, 5-111
- Payment Schedule Details window, 5-57
- payment schedules, 5-53
 - approving, 5-118
 - creating, 5-117
- Payments milestones, 5-41
- Payments tabbed region, 5-23
- Payments tab control, 5-110, 5-155
- payment terms, 5-46
- Pay tabbed region
 - Term Details window, 5-115
- People window, 4-6
- periods
 - generating, 6-5
- Populate Existing Variable Rent Transactions , B-22
- prepayments
 - entering, 5-149
- Prepayments, 5-147
- prerequisites
 - recoveries, 8-2
- Pro Forma reports
 - Annual Accounting, 11-3
 - Annual Cash Flow, 11-4
 - Monthly Accounting, 11-11
 - Monthly Cash Flow, 11-12
- programs
 - submitting, B-1
- properties
 - defining, 3-5
 - managing, 3-1
 - overview, 3-2

- Properties window, 3-5
 - window reference, 3-15
- property
 - hierarchy, 3-3
 - modify, 3-22
 - setting up, 3-4
 - space assignment and, 4-1
- property manager
 - reports, 11-1
- Property Manager concurrent programs, B-2
- property standards
 - BOMA, 4-20
 - IFMA, 4-20
- pro rata basis, 9-3
- prorating item amounts, 5-58
- purge interface tables, B-23
- purge variable rent gateway, B-35

R

- rate type, 9-8
- recalculating variable rent
 - adjustment term, 7-32
- Receivables Details Report, 11-14
- Receivables Summary Report, 11-16
- reconciliation
 - creating, 9-18
 - creating terms, 9-30
 - making payments, 9-23
 - reviewing, 9-23
 - data for pro rata bases, 9-23
 - summary information, 9-27
 - revising, 9-30
 - skipping reconciliations, 9-18
- reconciliation calculation
 - pro rata basis, 9-23
- reconciliation frequency, 9-3
- reconciliation notes, 9-20
- reconciling operating expenses, 9-17
 - creating reconciliations, 9-18
 - abstracting basic information, 9-19
 - expense groups, 9-21
 - notes, 9-20
 - other information, 9-22
 - pro rata bases, 9-20
- proration, 9-22
- reviewing reconciliations, 9-23

- revising reconciliations, 9-30
- reconciling variable rent, 7-33
- recoveries, 8-1
 - abatement details of the recovery line review, 8-50
 - agreement calculation methods, 8-26
 - agreement creation, 8-31
 - agreement line details creation, 8-35
 - agreement line details for abatements creation, 8-40
 - agreement line details for area creation, 8-37
 - agreement line details for expense, 8-35
 - agreements, 8-25
 - approve terms, 8-50, 8-53
 - area class setup, 8-4
 - billed recovery review, 8-46
 - billing recovery estimates, 8-3
 - calculate recovery agreement, 8-41
 - calculate recovery concurrent program, 8-45, B-8
 - calculation methods for agreements, 8-26
 - consolidate recovery terms, 8-52
 - constraint details of the recovery line review, 8-49
 - create a General Ledger account mapping, 8-12
 - create agreement, 8-31
 - create agreement line details, 8-35
 - create agreement line details for abatements, 8-40
 - create agreement line details for area, 8-37
 - create agreement line details for constraints, 8-38
 - create agreement line details for expense, 8-35
 - create area class details, 8-16
 - create expense class details, 8-19
 - expense class setup, 8-8
 - expense details of the recovery line review, 8-46
 - find tenants without agreements, 8-30
 - import expense lines, 8-13
 - load expenses from Oracle General Ledger, 8-12
 - populate recoveries with expenses, B-26
 - prerequisites, 8-2
 - prorata share recovery calculation
 - variables, 8-28
 - purge the expense lines interface table, 8-13
 - recalculate recovery agreement, 8-44
 - recovery agreement calculation, 8-41
 - recovery agreement recalculation, 8-44
 - recovery extract, 8-14
 - recovery line review, 8-45
 - recovery line status, 8-44
 - review abatement details of the recovery line, 8-50
 - review billed recovery, 8-46
 - review constraint details of the recovery line, 8-49
 - review expense details for recovery lines, 8-46
 - review line details: area, 8-47
 - review line details: expense, 8-47
 - review recovery lines, 8-45
 - setup, 8-4
 - status of recovery line, 8-44
 - terms review and approval, 8-50
 - variables
 - prorata share recovery calculation, 8-28
- recovery
 - field references, 8-56
 - window references, 8-53
- regions and office parks
 - overview, 3-2
 - setting up, 3-4
- Regions and Office Parks window, 3-2, 3-4
- rent increase, 6-1
 - agreement contraction, 6-37
 - agreement termination date, 6-37, 6-38
 - agreement extension, 6-35
 - basis dates, 6-16
 - calculating, 6-21
 - calculating the percentage, 6-19
 - constraints
 - prorating, 6-7
 - creating terms, 6-21
 - determining timing, 6-15
 - entering, 6-3
 - late calculation, 6-32
 - normalizing terms, 6-27
 - terms
 - length of, 6-24
 - window references, 6-40
- rent increase calculation
 - concurrent program, B-9

- rent increase constraints
 - entering, 6-6
- Rent Increase Details tabbed region, 6-40
- rent increase periods
 - generate, B-20
- rent increases
 - aggregation, 6-33
 - allocating, 6-33
 - calculating, 6-14
 - creating allocated terms, 6-34
- Rent Increase window
 - window reference, 6-40
- Rent Obligations Report, 11-7
- Rent Schedule Details Report, 11-17
- Rent Schedule Export Report, 11-18
- Rent Schedule Report, Normalized, 11-13
- Rent Schedule Summary Report, 11-20
- reports, 1-4
 - Alphabetical Space Assignments, 11-1
 - by Floor, 11-2
 - by Postal Code, 11-3
 - Annual Accounting Pro Forma, 11-3
 - Annual Cash Flow Pro Forma, 11-4
 - Employees Deleted From Space Allocation, 11-5
 - Employee Title, 11-6
 - Future Minimum Rent Obligations, 11-7
 - Lease Abstract Summary, 11-9
 - Milestone Analysis, 11-10
 - Monthly Accounting Pro Forma, 11-11
 - Monthly Cash Flow Pro Forma, 11-12
 - Normalized Rent Schedule, 11-13
 - Receivables Details, 11-14
 - Receivables Summary, 11-16
 - rent increase and accounting details, 11-34
 - rent increase details, 11-33
 - rent increase summary, 11-34
 - Rent Schedule Details, 11-17
 - Rent Schedule Export, 11-18
 - Rent Schedule Summary, 11-20
 - Space Allocation, 11-21
 - Space Utilization, 11-22
 - Space Utilization by Floor, 11-23
 - Space Utilization by Office, 11-25
 - variable format, 11-27
 - variable rent billing, 11-25
- reports
 - property manager, 11-1
 - RXi, 11-33
 - RXi: Lease Options Report, 11-38
 - RXi: Milestone Report , 11-39
 - RXi: Rent Roll and Lease Expiration Report, 11-40
 - RXi: Space Assignment by Lease Report, 11-37
 - RXi: Space Assignment by Location Report, 11-37
 - RXi: Space Utilization by Lease Report, 11-36
 - RXi: Space Utilization by Location Report, 11-35
- reports and listings
 - overview, 11-1
 - submitting, B-1
- Requests window, B-2
- responsible user, 5-8
- Revenue lease class, 5-5, 5-20
 - billings and, 5-44
- revenue recognition, 5-53
- reviewing
 - concurrent request status, B-2
- revising reconciliations, 9-30
- rights, 5-10
- Rights tabbed region, 5-22, 5-154
- Rights tab control, 5-32
- roles
 - service provider
 - Contacts tab control and, 5-28
- RXi
 - reports, 11-33
- RXi
 - common report fields, 11-29
 - RXi: Lease Options Report , 11-38
 - RXi: Milestone Report, 11-39
 - RXi: Rent Increase Detail Report, 11-33
 - RXi: Rent Increase Summary Report, 11-34
 - RXi: Rent Increase with Accounting Details Report, 11-34
 - RXi: Rent Roll and Lease Expiration Report, 11-40
 - RXi: Space Assignment by Lease Reports, 11-37
 - RXi: Space Assignment by Location, 11-37
 - RXi: Space Utilization by Lease Report , 11-36
 - RXi: Space Utilization by Location, 11-35

S

- schedule, 5-53
 - date, 5-54
 - scheduled billings, 1-2, 5-46
 - lease status and, 5-6
 - scheduled payments, 1-2, 5-46
 - lease status and, 5-6
 - schedule events
 - deferring an item in, 5-59
 - schedules
 - approve, B-2
 - approving approving schedules, 5-145
 - authorizing, 5-55
 - cancel approval, B-2
 - manual creation of, 5-59
 - one time, 5-47
 - schedules
 - approval rules, 5-55
 - schedules and items, 5-53
 - Schedules and Items
 - concurrent program, B-28
 - Section window
 - window reference, 3-20
 - services information in leases, 5-10
 - setting up
 - new lease, 5-15
 - payments, 5-107
 - regions and office parks, 3-4
 - Setup window
 - Allowances and Abatements tab, 7-15
 - Breakpoints tab, 7-11
 - Constraints tab, 7-13
 - SFFAS 54, 10-1
 - Support for, 10-1
 - Signed lease status, 5-7
 - sites
 - service provider
 - Contacts tab control and, 5-28
 - skipping reconciliations, 9-18
 - Space Allocation Report, 11-21
 - Space Allocation Report, Employees Deleted From, 11-5
 - space assignments, 4-1
 - cost centers, 4-5
 - deleting, 4-13
 - employees, 4-5
 - finding vacancies, 4-3
 - modifying, 4-11
 - viewing, 4-14
 - Space Assignments Report, Alphabetical, 11-1
 - by Floor, 11-2
 - by Postal Code, 11-3
 - Space Assignment window
 - window reference, 4-15
 - space management, 1-3
 - Space Utilization Report, 11-22
 - by Floor, 11-23
 - by Office, 11-25
 - status of leases, 5-16, 5-20
 - stops, 9-3
 - Sublease lease class, 5-5, 5-20
 - billings and, 5-44
 - Subledger Accounting
 - transferring normalized expense and revenue, 5-104
 - viewing information, 5-106
 - Submitted status of leases, 5-21
 - subsequent year caps, 9-8
 - carry forward, 9-11
 - overruns, 9-11
 - savings, 9-12
 - selecting basis type, 9-9
 - selecting rate type, 9-8
 - suppliers
 - payments to, 5-44
 - Support for Statement of Federal Financial Accounting Standards 54
 - SFFAS 54, 10-1
 - synchronization with HR
 - program, B-11
- ## T
-
- target date of payment, 5-111
 - template
 - for variable rent agreements, 7-6
 - tenancy, 5-39
 - Tenancy, 5-28
 - Tenancy Attributes Upgrade, B-30
 - tenants
 - accounting for, 5-63
 - term defaults

- entering, 6-5
- term details
 - area type, 5-49
- Term Details window, 5-114, 5-131
 - Billing Accounts Distributions tabbed region, 5-132
 - Bill tabbed region, 5-131
 - Payments Accounts Distributions tabbed region, 5-116
 - Pay tabbed region, 5-115
- terms
 - contracting, 5-60
- timing rent increases, 6-15
 - basis dated, 6-16
 - date assessed, 6-15
 - examples, 6-16
 - index finder date, 6-15
 - modifying periods, 6-16
- Transactions window, 5-191
- transfer normalized lines
 - concurrent program, B-31

U

- update index history
 - concurrent program, B-24
- update location alias, B-32
- upgrading tenancy attributes, B-30
- user responsible, 5-8

V

- vacant office space, 3-12
- variable format reports, 11-27
- variable rent
 - abatements, 7-13
 - agreements, 7-2
 - agreement template, 7-6
 - allowances, 7-13
 - approving terms, 7-29
 - calculating, 7-17
 - calculation frequency, 7-6
 - constraints, 7-12
 - contracting agreement, 7-16
 - creating terms, 7-29
 - deductions, 7-21
 - entering agreement details, 7-2
 - extending agreement, 7-16

- generating periods, 7-6
- invoicing frequency, 7-6
- line items
 - defining, 7-8
- overview, 7-1
- reconciliation, B-25
- reconciling, 7-33
- reporting frequency, 7-6
- Variable Rent Gateway, 7-20
- volumes, 7-18
 - manual entry, 7-19
- variable rent agreements, 7-2
- Variable Rent Billing Report, 11-25
- Variable Rent - Cascade Breakpoints from Line Items UI to Setup UI, B-33
- Variable Rent - Convert Natural Breakpoints to Artificial Breakpoints , B-34
- Variable Rent Gateway, 7-20
- Variable Rent Gateway Import Process
 - concurrent program, B-35
- variable rent gateway purge, B-35
- variable rent periods
 - annual, 7-6
 - calculation, 7-6
 - invoice, 7-6
 - reporting, 7-6
- Variable Rent Template window, 7-6
- variable rent term
 - approve, B-6
- Variable Rent True Up concurrent program, B-36
- Variable Rent window, 7-3
- viewing space assignments, 4-14
- volumes, 7-18
 - manual entry, 7-19
 - Variable Rent Gateway, 7-20

W

- window reference
 - operating expenses, 9-34
 - agreement, 9-34
 - dashboard, 9-39
 - reconciliation, 9-37
- window references
 - Amend Lease window, 5-192
 - Billing Term Details, 5-131
 - Buildings window, 3-16

- Edit Lease window, 5-19
- Floors, 3-19
- Land window, 3-16
- Lease Milestone window, 5-43
- Lease window, 5-19
- locations, 3-14
- Offices, 3-20
- Parcel window, 3-19
- Payment Term Details, 5-114
- Properties window, 3-15
- Rent Increase window, 6-40
- Section window, 3-20
- Space Assignment window, 4-15
- windows
 - Amend Lease, 5-203
 - tabbed region of, 5-25
 - window reference, 5-192
 - Authorize Billings, 5-56
 - Authorize Payments, 5-56
 - Billing Schedule Details, 5-57
 - Billing Term Details, 5-131
 - Buildings, 3-6
 - window reference, 3-16
 - Concurrent Requests Summary, B-2
 - Constraints window, 7-13
 - Edit Lease, 5-202
 - tabbed region of, 5-25
 - window reference, 5-19
 - Export to Payables, 5-60
 - Export to Receivables, 5-60
 - Floors, 3-10
 - window reference, 3-19
 - Invoice Review window, 7-30
 - Land
 - window reference, 3-16
 - Lease
 - window reference, 5-19
 - Lease Milestones
 - window reference, 5-43
 - leases, 5-202
 - Leases, 5-1, 5-3, 5-7, 5-12, 5-202
 - payments and, 5-108
 - tabbed region of, 5-25
 - Line Items window
 - Deductions tab, 7-21
 - Rent tabs, 7-35
 - Volume tab, 7-19
 - navigation paths, A-1
 - Offices, 3-12, 3-12
 - window reference, 3-20
 - Parameters, B-2
 - Parcel
 - window reference, 3-19
 - Payment Schedule Details, 5-57
 - Payment Term Details, 5-114
 - Properties, 3-5
 - window reference, 3-15
 - Regions and Office Parks, 3-2, 3-4
 - Rent Increase
 - window reference, 6-40
 - Requests, B-2
 - Section
 - window reference, 3-20
 - Setup window
 - Allowances and Abatements tab, 7-15
 - Breakpoints tab, 7-11
 - Constraints tab, 7-13
 - Space Assignment
 - window reference, 4-15
 - Submit Request, B-1
 - Transaction, 5-191
 - Variable Rent Template, 7-6
 - Variable Rent window, 7-3
- workflow, 1-3

