



Quick answers to common problems

Oracle E-Business Suite 12 Financials Cookbook

Take the hard work out of your daily interactions with E-Business Suite financials by using the 50+ recipes from this cookbook

Yemi Onigbode

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Yemi Onigbode



BIRMINGHAM - MUMBAI

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Credits

Author

Yemi Onigbode

Reviewers

Ola Tubi

Paul Wilkinson

Acquisition Editor

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Technical Editor

Merwine Machado

Copy Editor

Leonard D'silva

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Proofreader

Aaron Nash

Indexer

Rekha Nair

Production Coordinator

Shantanu Zagade

Cover Work

Shantanu Zagade

About the Author

Yemi Onigbode has experience of over a decade in ERP systems development and maintenance. He has progressed from the early days of the mainframe-based systems to the present day of web-based distributed systems.

Yemi is a hybrid techno-functional (Functional and Technical) independent Oracle consultant. He is a hands-on Project Manager, Business Architect, and Trainer/Instructor, specialized mainly in Financials and Supply Chain models. He has assisted a number of businesses to find solutions to complex business issues using various technologies. Yemi is also a keen believer in self-development and research—he is at par with the current developments in the IT and communications industry. He is currently developing and implementing e-business solutions for large and medium-sized companies, fully integrating their business applications with the Internet, and providing a totally integrated solution. He has been a developer in Java since 1996 and implementing Oracle Applications since 1997.

Yemi is a Fellow of the Association of Chartered Certified Accountants. He has a Bachelor of Science (Honors) degree in Mathematics. Yemi is also a technical writer on Accountancy and IT issues, and presents at Accounting and IT seminars. He motivates and mentors young adults on career management and planning. In his spare time, Yemi loves to study the Holy Bible, write, and is learning to play musical instruments. He authors a number of blogs including www.i-oracle.com, www.mentorbuilders.com, and www.cementors.com.

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About the Reviewer

Paul Wilkinson was born in New Zealand and qualified as a Chartered Accountant. He is a former employee of Price Waterhouse, The Hertz Corporation, and Oracle Corporation. In 1999, he became an independent Oracle Consultant specializing in Training Manager and Delivery roles. Paul is currently employed by the Ricoh Corporation Plc. as the UPK Administrator, assisting with the creation of over 1000 e-learning topics across the APRO, Dexterra, Click, Cognos, Hyperion, Oracle, and Siebel Applications. This includes translation into French and German.

Paul has worked with Yemi Onigbode for over 10 years and has thoroughly enjoyed reviewing the book. The market needs a book of this nature to link processes with the application.

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Preface

Oracle E-Business Suite 12 Financials is a solution that provides out-of-the-box features to meet global financial reporting and tax requirements with one accounting, tax, banking, and payments model, and makes it easy to operate shared services across businesses and regions. You may have read what EBS Financials does, but with this book on your work desk you will see how to do it.

There are many ways of configuring and using E-Business Suite 12 Financials. This cookbook demonstrates how to use E-Business Suite 12 Financials in a way that will enable you to understand the core functionalities of the main Financials modules. Each recipe is presented as a scenario-based topic that details typical business scenarios.

You will start by creating Items in Inventory, and then purchase Items in Procurement. Supplier invoices are entered and paid in Payables and Assets created and managed.

Items are sold and shipped to customers in Order Management, and funds received from customers in Receivables. Cash is managed and transactions transferred to the General Ledger through the Subledger Accounting with the corresponding tax calculations. The periods are then closed in the final chapter. Let's look at each chapter in brief summaries.

What this book covers

Chapter 1, Creating Items in Inventory, includes recipes for creating Items and exploring the Item attributes. It then continues with creating Item templates and exploring Item controls and concludes with adjusting Items in Inventory and classifying Items into categories.

Chapter 2, Purchasing Items in Procurement, covers the Requisition-to-Receiving flow, with recipes covering raising and approving Requisitions, creating Suppliers, Purchase Orders, and receiving Items. The chapter then concludes with reviewing the Procurement Accounting transactions.

Chapter 3, Paying Supplier Invoices in Payables, covers the Invoice-to-Payment flow, with recipes covering entering and managing various types of Invoices. The recipes then cover payment to Suppliers, and conclude with a review of the Payables Accounting transactions.

Chapter 4, Managing Assets, covers adding and adjusting assets. The recipes then cover depreciating and retiring assets and conclude with a review of Asset Accounting transactions.

Chapter 5, Selling Items to Customers in Order Management, covers the Orders-to-Invoice flow, with recipes covering creating customers and different types of sales orders. The recipes then cover adding Items to a Price List, reviewing Order Management workflow, and the management, releasing, and shipping of orders, and then conclude with creating invoices for customers.

Chapter 6, Receiving Funds in Receivables, covers the Invoice-to-Receipt flow, with recipes covering creating and adjusting invoices, entering receipts, and managing debts. It concludes with reviewing the Receivables Accounting transactions.

Chapter 7, Managing Cash, covers creating a bank account, and entering and reconciling bank statements. It then goes on to creating Cash Forecasts, and concludes with a review of Cash Accounting transactions.

Chapter 8, Defining Transactions for the General Ledger, covers defining the Chart of Accounts, and setting up the ledger. It then covers defining Subledger Accounting and concludes with defining E-Business tax accounting.

Chapter 9, End of Period Processing, covers closing Payables, Purchasing, Receivables, Inventory, and the General Ledger.

What you need for this book

You will need access to the standard Oracle E-Business Suite 12 demonstration Vision database. This can be downloaded from <http://edelivery.oracle.com>.

Who this book is for

This book is for E-Business Suite Financials specialists who want a broader understanding of particular areas of the Financials modules. Businesses can use this book to identify key functionalities of the financial modules, and very quickly demonstrate a pilot to obtain the core requirements.



If you are a business analyst, functional consultant, technical consultant, project sponsor, project manager, project team member, system accountant or solution designer, testing team member, training team member or support team member, then this book is for you.



This book assumes that you have basic navigation skills and you understand some key E-Business Suite terminology.

Conventions

In this book, you will find a number of styles of text that distinguish between different kinds of information. Here are some examples of these styles, and an explanation of their meaning.

New terms and **important words** are shown in bold. Words that you see on the screen, in menus or dialog boxes for example, appear in the text like this: "Search for the **PRD20001** Item."

 Warnings or important notes appear in a box like this. 

 Tips and tricks appear like this. 

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1

Creating Items in Inventory

In this chapter, we will start with recipes for creating Items. We will cover:

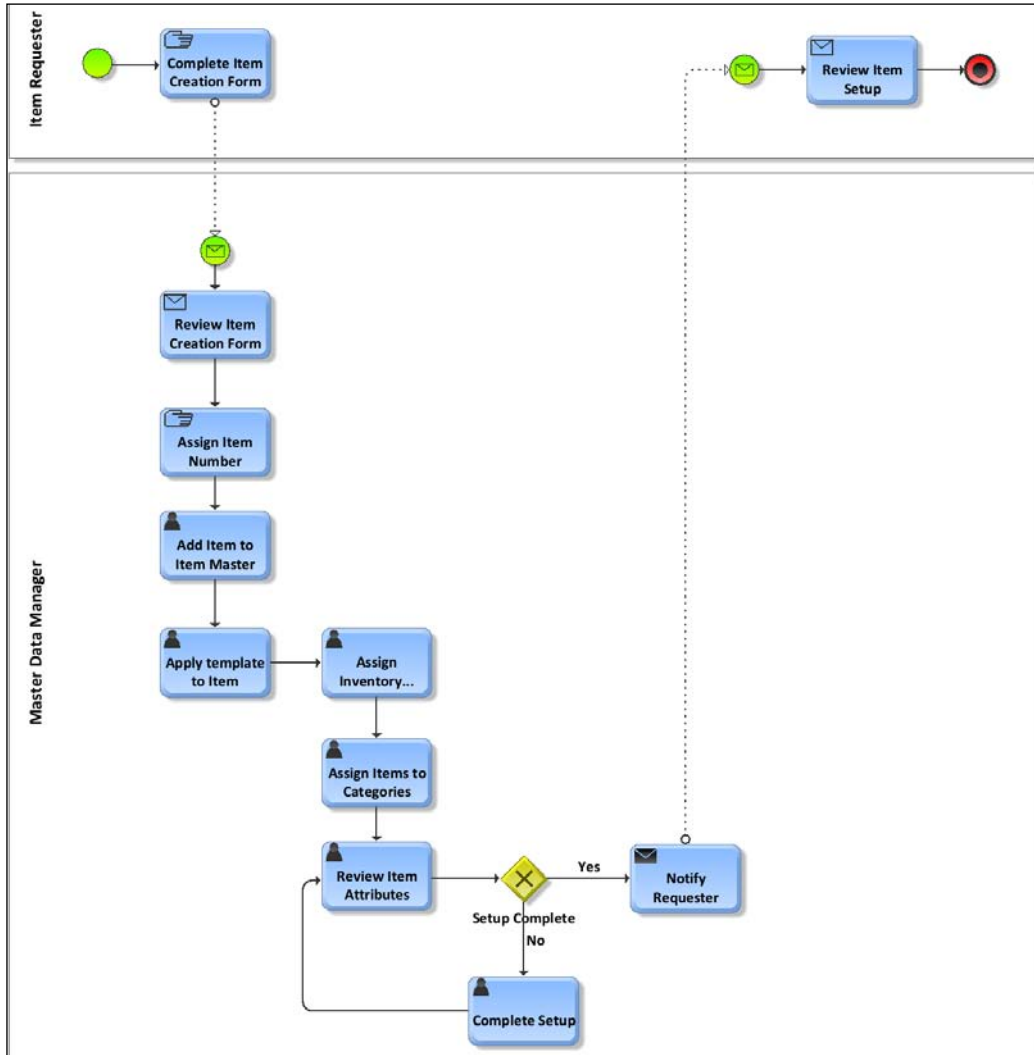
- ▶ Creating Items
- ▶ Exploring Item attributes
- ▶ Creating Item templates
- ▶ Exploring Item controls
- ▶ Adjusting Items in inventory
- ▶ Classifying Items

Introduction

An organization's operations include the buying and selling of products and services. Items can represent the products and services that are purchased and sold in an organization. Let's start by looking at the Item creation process.

Creating Items in Inventory

The following diagram details the process for creating Items:



1. The **Item Requester** (the person who requests an Item) completes an **Item Creation Form**, which should contain information such as:
 - ❑ Costing information
 - ❑ Pricing Information
 - ❑ Item and Product Categories
 - ❑ Details of some of the Item attributes
 - ❑ The inventory organization details

2. Once complete, a message is sent to the **Master Data Manager** (the person who maintains the master data) to create the Item. The message could be sent by fax, e-mail, and so on.
3. The **Master Data Manager** reviews the form and enters the details of the Item into Oracle E-Business Suite by creating the Item. Once complete, a message is sent to the **Item Requester**.
4. The **Item Requester** reviews the Item setup on the system.

Let's look at how Items are created and explore the underlying concepts concerning the creation of Items.

Creating Items

Oracle Inventory provides us with the functionality to create Items. Sets of attributes are assigned to an Item. The attributes define the characteristics of the Item. A group of attributes values defines a template, and a template can be assigned to an Item to automatically define the set of attribute values.

An Item template defines the Item Type. For example, a **Finished Good** template will identify certain characteristics that define the Item as a finished good, with attributes such as "Inventory Item" and "Stockable" with a value of "Yes". Let's look at how to create an Item in Oracle Inventory. We will also assign a **Finished Good** template to the Item.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD:

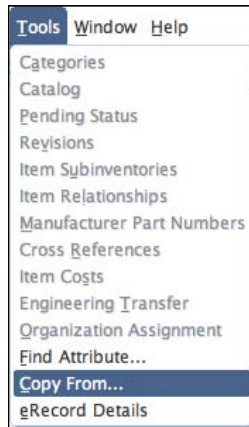
1. Select the **Inventory Responsibility**.
2. Select the **V1 Inventory Organization**.

How to do it...

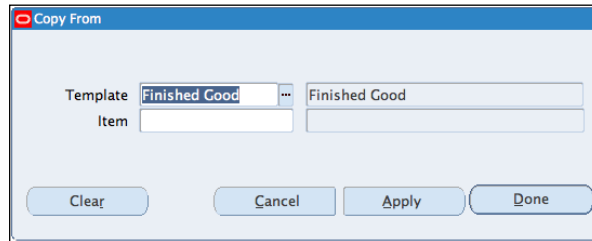
Let's list the steps required to create an Item:

The screenshot shows the 'Master Item (V1)' form. At the top, the Organization is 'V1' (Vision Operations), the Item is 'PRD20001', and the Description is 'Paper Widget'. The 'Display Attributes' section has radio buttons for 'Master', 'Org', and 'All', with 'All' selected. Below this are tabs for 'Main', 'Inventory', 'Bills of Material', 'Asset Management', 'Costing', 'Purchasing', 'Receiving', and 'Physical Attributes'. The 'Unit of Measure' section is expanded, showing 'Primary' as 'Each', 'Tracking' as 'Primary', and 'Pricing' as 'Primary'. 'Deviation Factor +' and 'Deviation Factor -' are both set to '0 %'. The 'Conversions' section has radio buttons for 'Standard', 'Item specific', and 'Both'. 'User Item Type' and 'Item Status' (set to 'Active') are also visible. A 'Long Description' text area is at the bottom.

1. Navigate to **Items | Master Items**. Please note that Items are defined in the Master Organization.
2. Enter the **Item code**, for example, **PRD20001**.
3. Enter a description for the Item:



- Select **Copy From** from the tools menu (or press *Alt+T*). We are going to copy the attributes from the **Finished Good** template:



- We can also copy attributes from an existing Item.
- Enter **Finished Good** and click on the **Apply** button (or press *Alt+A*) and click on the **Done** button.
- Save the Item definition by clicking on the **Save** icon (or press *Ctrl+S*).

How it works...

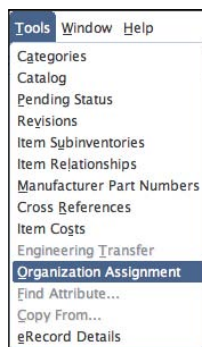
Items contain attributes and attributes contain information about an Item. Attributes can be controlled centrally at the Master Organization level or at the Inventory Organization level.

There's more...

Once the Item is created, we need to assign it to a category and an inventory organization.

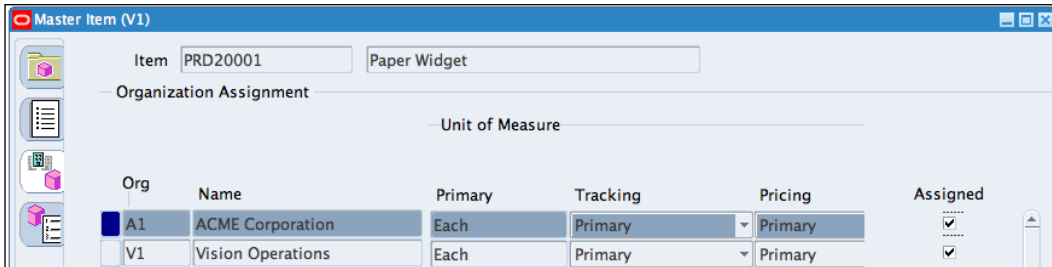
Assigning Items to inventory organizations

For us to be able to perform transactions with the Item in the inventory, we need to assign the Item to an inventory organization. We can also use the organization Item form to change the attributes at the organization level. For example, an Item may be classified as raw materials in one organization and finished goods in another organization.



Creating Items in Inventory

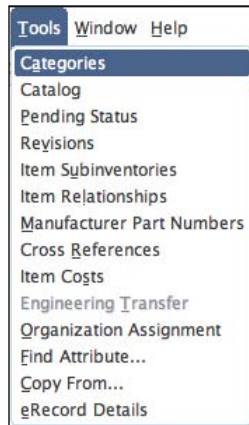
1. From the **Tools** menu, select **Organization Assignment**.
2. Select the inventory organization for the Item. For example, **A1-ACME Corporation**. Click on the **Assigned** checkbox.



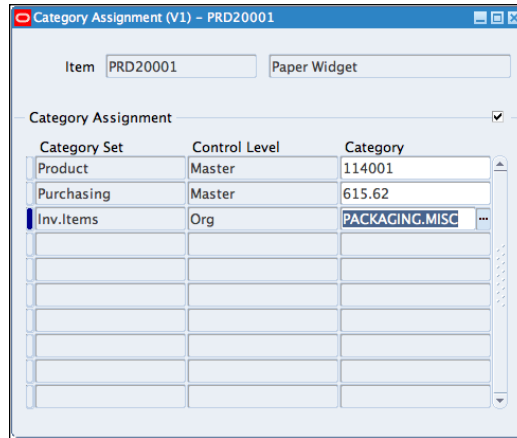
3. Save the assignment.

Assigning Items to categories

When an Item is created, it is assigned to a default category. However, you may want to perform transactions with the Item in more than one functional area, such as Inventory, Purchasing, Cost Management, Service, Engineering, and so on. You need to assign the Item to the relevant functional area. A category within a functional area is a logical classification of Items with similar characteristics.



1. From the **Tools** menu, select **Categories**.
2. Select the **Categories Set**, **Control Level**, and the **Category** combination to assign to the Item:



3. Save the assignment.

See also

Classifying Items recipe in this chapter

Exploring Item attributes

There are more than 250 Item attributes grouped into 17 main attribute groups. In this recipe, we will explore the main groups that are used within the financial modules.

How to do it...

Let's explore some Item attributes:

1. Search for the **Finished Good** Item by navigating to **Items | Master Items**:

The screenshot shows the 'Find Master Items (V1)' window. The 'Item' field is populated with 'PRD20001'. The 'Description' field contains 'Paper Widget'. Below these are several dropdown menus for attributes: 'Inventory Item', 'Transactable', 'Purchased', 'Customer Ordered', 'Internal Ordered', 'Invoiceable', 'Build in WIP', 'Recipe Enabled', 'Process Quality Enabled', 'Primary Unit of Measure', 'BOM Item Type', 'Category', 'EAM Item Type', 'Stockable', 'Costing Enabled', 'Purchasable', 'Customer Orders Enabled', 'Internal Orders Enabled', 'Invoice Enabled', 'BOM Allowed', 'Process Execution Enabled', and 'Process Costing Enabled'. At the bottom of the window are three buttons: 'Clear', 'New', and 'Find'.

2. Click on the **Find** icon. You then enter the Item code and click on the **Find** button to search for the Item.
3. Select the tabs to review each of the attributes group:

The screenshot shows the 'Physical Attributes' tab of the item master form. The 'Unit of Measure' section has 'Primary' set to 'Each', 'Tracking' to 'Primary', 'Pricing' to 'Primary', and 'Secondary' to an empty field. The 'Conversions' section has radio buttons for 'Standard', 'Item specific', and 'Both', with 'Both' selected. The 'User Item Type' is 'Finished good' and 'Item Status' is 'Active'. The 'Long Description' field contains the text: 'This Paper widget is a paper application that can be embedded into third party books by any user reading a book where they have rights of authorship. Paper widgets allow users to turn personal content into books that can be shared in libraries where the code can be installed.'

4. In the **Main** tab, check that the **Item Status** is **Active**. We can also enter a long description in the **Long Description** field.
5. The default value of the primary **Unit of Measure (UOM)** can be defined in the **INV: Default Primary Unit of Measure** profile option. The value can be overwritten when creating the Item. The Primary UOM is the default UOM used in other modules. For example, in Receivables it is used for invoices and credit memos.

The screenshot shows the 'Inventory' tab with the following settings:

- Inventory Item
- Revision Control (D)
- Stockable
- Reservable (G)
- Transactable
- Check Material Shortage
- Lot Expiration (Shelf Life)**
 - Control: No Control
 - Shelf Life Days: 0
 - Retest Interval: []
 - Expiration Action Interval: []
 - Expiration Action: []
- Lot**
 - Control: No Control
 - Starting Prefix: []
 - Starting Number: []
 - Maturity Days: []
 - Hold Days: []
- Serial**
 - Generation: No Control
 - Starting Prefix: []
 - Starting Number: []
- Grade Controlled
 - Default Grade: []
- Locator Control: No Control
- Restrict Subinventories
- Restrict Locators (J)

6. In the **Inventory** tab, check that the following are enabled:
 - Inventory Item:** It enables the Item to be transacted in **Inventory**. The default **Inventory Item** category is automatically assigned to the Item, if enabled.
 - Stockable:** It enables the Item to be stocked in Inventory.
 - Transactable:** Order Management uses this flag to determine how returns are transacted in Inventory.
 - Reservable:** It enables the reservation of Items during transactions. For example, during order entry in Order Management.

The screenshot shows the 'Costing' tab with the following settings:

- Costing Enabled
- Inventory Asset Value
- Include In Rollup
- Cost of Goods Sold Account: 01-510-5110-0000-000
- Standard Lot Size: []

7. In the **Costing** tab, check that the following are enabled:
 - ❑ **Costing:** Enables the accounting for Item costs. It can be overridden in the Cost Management module, if average costing is used.
 - ❑ **Cost of Goods Sold Account:** The cost of goods sold account is entered. This is a general ledger account. The value defaults from the Organization parameters.

The screenshot shows the 'Purchasing' tab of the SAP Item Master Data configuration. Key settings include:

- General:** Purchased, Purchasable, Use Approved Supplier, Outsourced Assembly.
- Update & Processing:** Allow Description Update, Outside Processing Item.
- RFQ & Taxation:** RFQ Required: Yes, Taxable: Yes, Input Tax Classification Code: VAT-15%.
- Invoice Matching:** Invoice Matching, Receipt Required: Yes, Inspection Required: Yes.
- Buyer & Tolerances:** Default Buyer: Brown, Ms. Casey, Unit of Issue: Dozen, Receipt Close Tolerance: 5%, Invoice Close Tolerance: 5%.
- Other Fields:** UN Number: (empty), List Price: 250, Price Tolerance: 10%, Encumbrance Account: (empty), Expense Account: 01-510-7530-0000-000, Asset Category: MACHINE-PACK, Hazard Class: (empty), Market Price: (empty), Rounding Factor: (empty).

8. In the **Purchasing** tab, enter a **Default Buyer** for the purchase orders, a **List Price**, and an **Expense Account**. Check that the following are enabled:
 - ❑ **Purchased:** It enables us to purchase and receive the Item.
 - ❑ **Purchasable:** It enables us to create a Purchase Order for the Item.
 - ❑ **Allow Description Update:** It enables us to change the description of the Item when raising the Purchase Order.
 - ❑ **RFQ Required:** Set this value to **Yes** to enable us to require a quotation for this Item.
 - ❑ **Taxable:** Set this value to **Yes** with the Input Tax Classification Code as **VAT-15%**. This can be used with the default rules in E-Tax.
 - ❑ **Invoice Matching:** Receipt Required-**Yes**. This is to allow for three-way matching.

9. In the **Receiving** tab, review the controls.

The screenshot shows the 'Receiving' tab in SAP, with the 'Order Management' sub-tab selected. The controls are organized into several sections:

- Order Management Section:**
 - Customer Ordered
 - Internal Ordered
 - Pick Components
 - Assemble to Order
 - Ship Model Complete
 - Returnable
 - RMA Inspection Required
 - Financing Allowed
- Enabled Section:**
 - Customer Orders Enabled
 - Internal Orders Enabled
 - Shippable
 - OE Transactable
- Configuration Section:**
 - Check ATP: (dropdown)
 - ATP Rule:
 - ATP Components: (dropdown)
 - Picking Rule:
 - Default Shipping Organization:
 - Default SO Source Type: (dropdown)
 - Shipping SubInventory:
 - Charge Periodicity:
- Tolerances Section:**
 - Over Shipment:
 - Over Return:
 - Under Shipment:
 - Under Return:

10. In the **Order Management** tab, check that the following are enabled:

- Customer Ordered:** This enables us to define prices for an Item assigned to a price list.
- Customer Orders Enabled:** This enables us to sell the Item.
- Shippable:** This enables us to ship the Item to the Customer.
- Internal Ordered:** This enables us to order an Item via internal requisitions.
- Internal Orders Enabled:** This enables us to temporarily exclude an Item from internal requisitions.
- OE Transactable:** This is used for demand management of an Item.

The screenshot shows the 'Invoicing' tab in SAP. The controls are as follows:

- Invoiceable Item
- Invoice Enabled
- Accounting Rule:
- Invoicing Rule:
- Output Tax Classification Code:
- Sales Account:
- Payment Terms:

11. In the **Invoicing** tab, enter values for the **Accounting Rule**, **Invoicing Rule**, **Output Tax Classification Code**, and **Payment Terms**. Enter the **Sales Account** code and check that the **Invoiceable Item** and **Invoice Enabled** checkboxes are enabled.

Creating Item templates

An Item template is a set of attributes that enable the 'quick' creation of an Item. In this recipe, we will create an Item template that can be used to create many similar Items. We will copy from the **Finished Good** template to our new template called **ACME Finished Good**.

Getting ready

Log in to Oracle E-Business Suite and select the Inventory responsibility.

How to do it...

Let's list the steps required to create an Item template:

1. Navigate to **Setup | Items | Templates**.
2. Select the Inventory Organization.

The screenshot shows the 'Find Item Templates' window with the following fields and options:

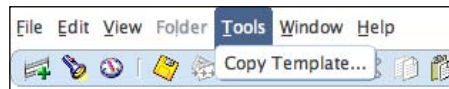
- Template: [] ...
- Description: []
- Organization: []
- Item Status: []
- User Item Type: []
- Primary Unit of Measure: []
- BOM Item Type: []
- EAM Item Type: []
- Inventory Item: []
- Transactable: []
- Purchased: []
- Stockable: []
- Costing Enabled: []
- Purchasable: []
- Customer Ordered: []
- Customer Orders Enabled: []
- Internal Ordered: []
- Internal Orders Enabled: []
- Invoiceable: []
- Invoice Enabled: []
- Build in WIP: []
- BOM Allowed: []
- Recipe Enabled: []
- Process Execution Enabled: []
- Process Costing Enabled: []
- Process Quality Enabled: []

Buttons at the bottom: Clear, New, Find

- From the **Find Item Templates** form, click on **New** button or press *Alt+N*.

Attribute Name	Controlled At	Value	Enabled
User Item Type	Org		<input type="checkbox"/>
Item Status	Master		<input type="checkbox"/>
Primary Unit of Measure	Master		<input type="checkbox"/>
Conversions	Master		<input type="checkbox"/>
Description	Master		<input type="checkbox"/>
Global Descriptive Flexfield	Org		<input type="checkbox"/>
Tracking UOM Indicator	Master		<input type="checkbox"/>
Pricing UOM Indicator	Master		<input type="checkbox"/>
Defaulting Control	Master		<input type="checkbox"/>
Secondary Unit of Measure	Master		<input type="checkbox"/>

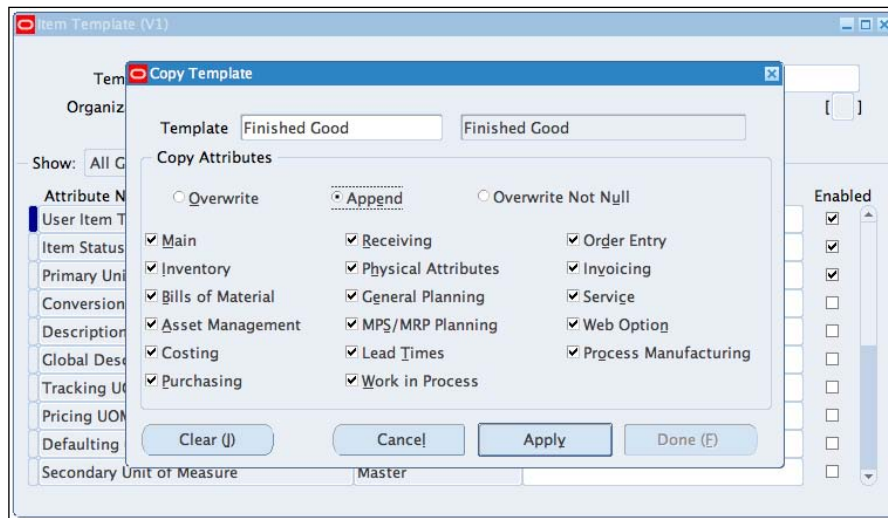
- In the **Template** field, enter the name of the new template; for example, enter **ACME Finished Good**.
- In the **Description** field, enter a suitable description, for example, enter **ACME Finished Good Template**.



- Select **Copy Template** from the **Tools** menu.
- We can use this form to select the attributes groups that we want to copy from the **Finished Good** template.
- Click on the **Apply** button.
- Click on the **Done** button.
- In the dialog box presented to us, with the message **"Do you want to save the changes you have made?"**, click on the **Yes** button.

How it works...

Item templates can be created from scratch. To make the template creation process easier, Oracle has provided us with a number of seeded templates as a starting point to copy from. We can also combine templates and manually amend the attributes to define our template. When we copy from an existing template, we have choices that determine how the copy will occur.



The three main choices are as follows:

1. **Overwrite:** All selected attribute values are copied to the new template and any values that we have manually created will be overwritten.
2. **Append:** Attributes that have no value will be copied across to our template. This mode is useful if you are using a combination of templates.
3. **Overwrite Not Null:** Only the selected attributes that contain values will be copied.

There's more...

Let's amend the template to allow us to automatically populate the template with some default values. Let's create an Item and apply the amended template to the Item.

Amending the template

Let's search for the template and amend the templates to include some of the default values:

1. Search for the **ACME Finished Good** template by navigating to **Setup | Items | Templates**.
2. Enter **ACME Finished Good** in the **Template** field and click on the **Find** button.
3. Click on the **Open** button to view the template.

Attribute Name	Controlled At	Value	Enabled
Purchased	Master	Yes	<input checked="" type="checkbox"/>
Purchasable	Master	Yes	<input checked="" type="checkbox"/>
Default Buyer	Org	Stock, Ms. Pat	<input checked="" type="checkbox"/>
Use Approved Supplier	Org		<input type="checkbox"/>
Input Tax Classification Code	Org	VAT - 15%	<input checked="" type="checkbox"/>
Taxable	Org	Yes	<input checked="" type="checkbox"/>
Receipt Close Tolerance	Org		<input type="checkbox"/>
Allow Description Update	Org	Yes	<input checked="" type="checkbox"/>
Inspection Required	Org		<input type="checkbox"/>
Receipt Required	Org	Yes	<input checked="" type="checkbox"/>

4. In the **Attributes Group** region, select **Purchasing** and enter some default values, for example:
 - Default Buyer: Stock, Ms. Pat**
 - Input Tax Classification Code: VAT-15%**
 - Taxable: Yes**
 - Allow Description Update: Yes**
 - Receipt Required: Yes**

5. Save the template.

The screenshot shows the 'Item Template (V1)' window. At the top, the 'Template' field is set to 'ACME Finished Good' and the 'Description' field is 'ACME Finished Good Template'. Below this, there is a 'Show:' dropdown menu set to 'Receiving'. A table lists various attributes with their controlled at, value, and enabled status.

Attribute Name	Controlled At	Value	Enabled
Over-Receipt Qty Action	Org	Warning	<input checked="" type="checkbox"/>
Receipt Routing	Org	Direct Delivery	<input checked="" type="checkbox"/>
Over-Receipt Qty Tolerance	Org		<input checked="" type="checkbox"/>
Enforce Ship-To	Org		<input type="checkbox"/>
Allow Substitute Receipts	Master		<input type="checkbox"/>
Allow Unordered Receipts	Org		<input type="checkbox"/>
Allow Express Transactions	Org		<input type="checkbox"/>
Days Early Receipt Allowed	Org	5	<input checked="" type="checkbox"/>
Days Late Receipt Allowed	Org	2	<input checked="" type="checkbox"/>
Receipt Date Action	Org	Warning	<input checked="" type="checkbox"/>

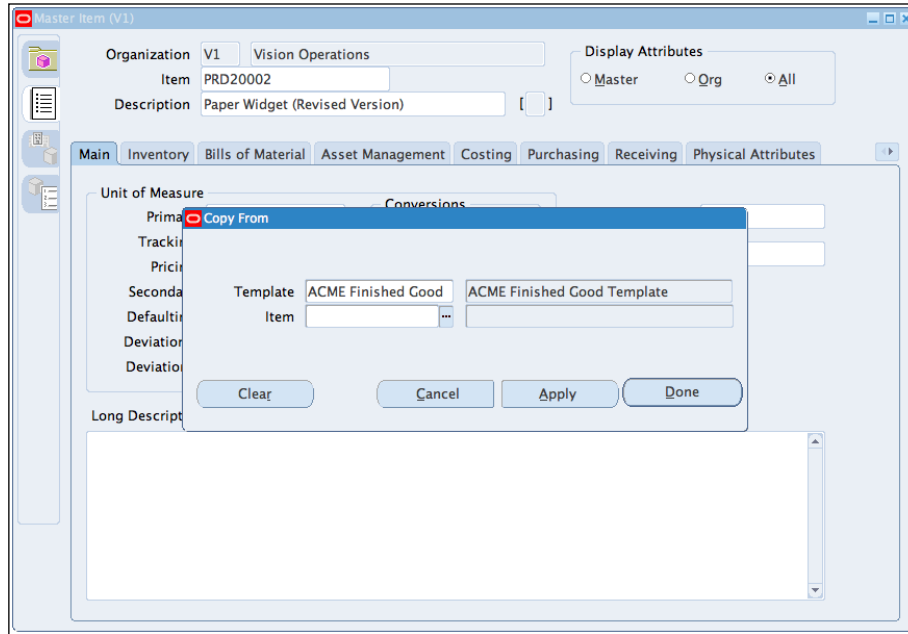
6. In the **Attributes Group** region, select **Receiving** and enter some default values, for example:
 - Over-Receipt Qty Action: Warning**
 - Receipt Routing: Direct Delivery**
 - Days Early Receipt Allowed: 5**
 - Days Late Receipt Allowed: 2**
 - Receipt Date Action: Warning**
7. Save the template.
8. In the **Attributes Group** region, select **Invoicing** and enter some default values, for example:
 - Accounting Rule: Immediate**
 - Payment Terms: Immediate**
9. Save the template.

Creating an Item and applying the template to the Item

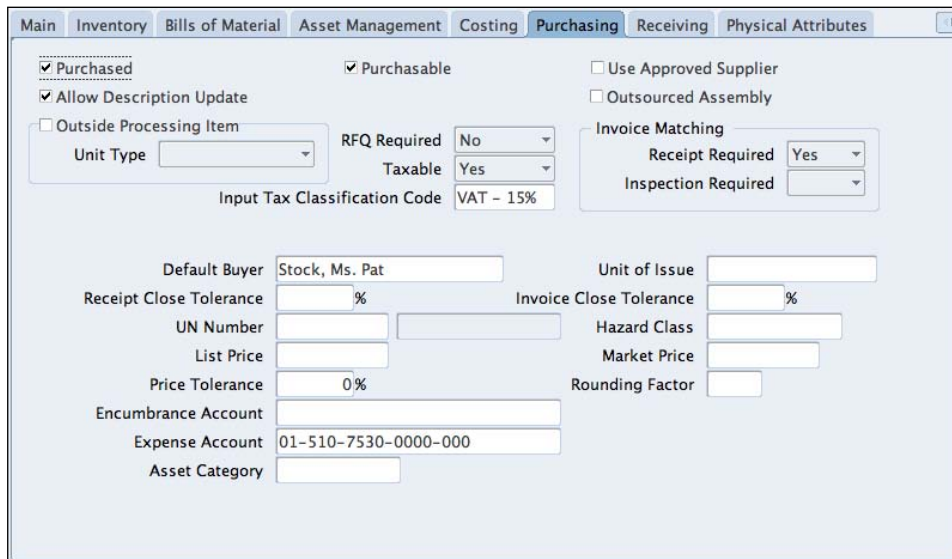
Let's create an Item and apply the template to the Item:

1. Navigate to **Items | Master Items**.
2. Enter the Item code and description.

3. Select **Copy From** in the **Tools** menu.



4. Click on the **Apply** button.
5. Click on the **Done** button. This action will validate the template created.



6. Click on the **Purchasing** tab to review the default values of the attributes assigned automatically by the template.
7. Save the Item.

Exploring Item controls

During the creation of Items, we may decide to restrict the use of the Items by controlling Items within an Inventory Organization. When an Item is defined, it is defined in the Item Master Organization and can then be assigned to other Inventory Organizations. Items are then held in Subinventories, which can contain Locators. Locator, Serial number, Lot number, and Revision number within a Subinventory can be used to control Items. In this recipe, we will explore some of the control parameters for Items.

Getting ready

Log in to Oracle E-Business Suite and select the Inventory responsibility.

How to do it...

Let's explore the following Item controls:

1. **Item Status**
2. **Item Attribute**

The Item Status is the status of an Item and it determines the actions that can be performed on an Item. For example, an obsolete Item may not be sold to the customer, but can be used as parts for repairs and can still be stockable. Let's create an Item status for obsolete Items.

1. Navigate to **Setup | Items | Status Code**.

	Value	Usage
Status	Obsolete	ACME Obsolete
Description	ACME's Obsolete item	
Inactive Date	[]	
BOM Allowed	<input checked="" type="checkbox"/>	Default control
Build in WIP	<input type="checkbox"/>	Default control
Customer Orders Enabled	<input type="checkbox"/>	Default control
Internal Orders Enabled	<input type="checkbox"/>	Default control
Invoice Enabled	<input type="checkbox"/>	Default control
Process Execution Enabled	<input type="checkbox"/>	Default control
Purchasable	<input type="checkbox"/>	Default control
Recipe Enabled	<input type="checkbox"/>	Default control
Stockable	<input checked="" type="checkbox"/>	Default control
Transactable	<input checked="" type="checkbox"/>	Default control

2. In the **Status** field, enter **Obsolete** and **ACME Obsolete** in the **Translated Status** field.
3. Enter a **Description**, for example, **ACME Obsolete** Items.
4. Enable the following attributes:
 - **BOM Allowed**
 - **Stockable**
 - **Transactable**
5. Save the form.

The levels that the attributes can be controlled at are set in the Item Attribute Controls form. Let's look at some of the **Item Attribute Controls**:

1. Navigate to **Setup | Items | Attribute Controls**
2. From the menu, select **View | Query By Example | Enter** (or press *F11* on the keyboard).
3. In the **Group Name** field, enter **Main%**.

The screenshot shows the 'Item Attribute Controls' window. It contains a table with the following data:

Group Name	Attribute Name	Controlled At
Main	User Item Type	Org Level
Main	Item Status	Master Level
Main	Primary Unit of Measure	Master Level
Main	Conversions	Master Level
Main	Description	Master Level
Main	Descriptive Flexfield	Org Level
Main	Global Descriptive Flexfield	Org Level
Main	Long Description	Master Level
Main	Tracking UOM Indicator	Master Level
Main	Pricing UOM Indicator	Master Level

Below this table is a section titled 'Status Attributes' with a table that is currently empty:

Group Name	Attribute Name	Controlled At	Status Setting

4. From the **Menu**, select **View | Query By Example | Run** (or press *Ctrl+F11* on the keyboard).
5. Observe that some attributes are controlled at the **Master Level** and some at the **Org Level**.
6. Close the form.

There's more...

Items are stored in a Subinventory and can be controlled using a locator. Items can be identified by lot and by serial numbers.

Storing Items by Subinventories

Subinventories are distinct separations of Items within an Inventory Organization. Subinventories can be physical or logical. Items within an Inventory Organization must reside in a Subinventory.

Transactions are performed from the Subinventories. Examples of Subinventories include: finished goods, van, stores, staging area, and fast moving goods. Let's create a finished goods Subinventory and restrict an Item to the Subinventory.

1. Navigate to **Setup | Organizations | Subinventories**.
2. Click on the **New** button.

The screenshot displays the 'Subinventories (A1)' form. At the top, the 'Name' field contains 'ACME-FG' and the 'Description' field contains 'ACME Finished Goods'. The 'Status' is set to 'Active', 'Default Cost Group' is 'CG-40505', and 'Type' is 'Storage'. Below these are tabs for 'Main' and 'Accounts'. The 'Parameters' section is expanded, showing 'Status Attributes' with checked boxes for 'Include in ATP', 'Allow Reservation', and 'Nettable', and 'Quantity Tracked' and 'Asset Subinventory'. 'Depreciable' and 'Enable PAR Level Planning' are unchecked. 'Locator Control' is set to 'Item level', 'Default Locator Status' is 'Active', and 'Default Replenishment Count Type' is 'Order Quantity'. The 'Sourcing' section has 'Type' as a dropdown, and 'Organization' and 'Subinventory' as text fields. At the bottom, there are buttons for 'Item / Subinventory' and 'Locators'.

3. In the **Name** field, enter **ACME-FG**.
4. In the **Description**, enter **ACME Finished Goods**.

5. In the **Locator Control** field, select **Item level**. This will enable the Inventory transactions for this Subinventory to use locator control, which we define at the Item level.
6. Save the record.

Let's restrict an **Item** to the **Subinventory**:

1. Navigate to **Items | Organization Items**.
2. Search for the **PRD20001** Item.

The screenshot shows the 'Inventory' tab of the Oracle Inventory Item Properties form. The 'Locator Control' dropdown is set to 'No Control'. The 'Restrict Subinventories' checkbox is checked. Other fields include 'Lot Expiration (Shelf Life)' with 'Control' set to 'No Control', 'Shelf Life Days' set to 0, and 'Lot' with 'Control' set to 'No Control'. The 'Serial' section has 'Generation' set to 'No Control'. The 'Grade Controlled' checkbox is unchecked.

3. Select the **Inventory** tab and select the **Restrict Subinventories** checkbox.
4. Save the record.

The screenshot shows the 'Item Subinventories (A1) - PRD20001' form. The 'Planning' tab is selected. The table below shows the subinventory 'ACME-FG' with a description of 'ACME Finished Goods'. The 'Min-Max Planning' section is visible.

Subinventory	Description	Min Qty	Max Qty	UOM	[]
ACME-FG	ACME Finished Goods				

Locators for this Item Subinventory			
Locator	Description	PAR Level	UOM

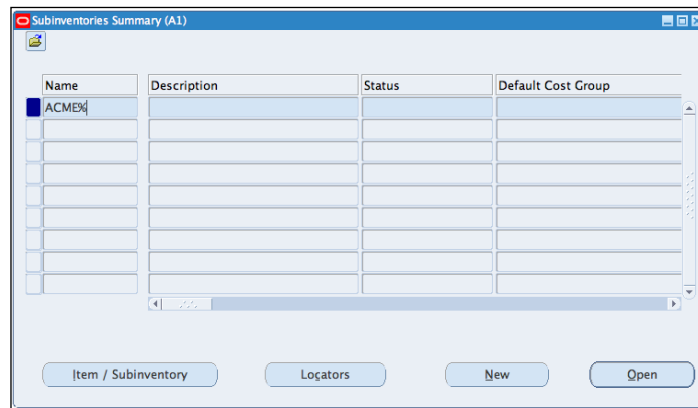
Creating Items in Inventory

5. In the **Tools** menu, select **Items Subinventories**.
6. Select **ACME-FG** in the Subinventory field.
7. Save the record.

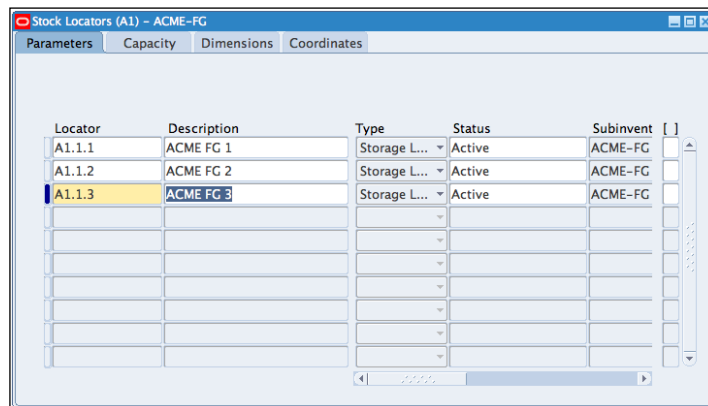
Storing Items by locators

Stock locators identify the physical areas where Items are stored. Additional controls can be placed on the Items in stock locators. For example, we can control the shelf life of an Item with stock locators. Stock locators are usually defined as Row, Rack, and Bin. Let's create three stock locators for the ACME Finished Goods Subinventory and restrict an Item by locator control:

1. Navigate to **Setup | Organizations | Subinventories**.



2. Search for the **ACME-FG** Subinventory (press **F11** on the keyboard, and enter the search mask **ACME%**, then press **Ctrl+F11** on the keyboard).
3. Click on the **Locator** button to enter the locator details.



4. Enter **A1.1.1** in the **Locator** field.
5. In the **Description** field, enter **ACME FG 1**.
6. In the **Type** field, select **Storage Locator**.
7. Enter another row for **A1.1.2, ACME FG 2**, with **Storage Locator** in the **Type** field.
8. Repeat for **A1.1.3, ACME FG 3**, with **Storage Locator** in the **Type** field.
9. Save the record.

The structure of the stock locator is defined in the stock locator Flexfield structure and can be defined to fit your business requirements. Locator Control can be "prespecified" before they are used or can be defined dynamically as Items are received or shipped.

Let's restrict an Item to the **Locator**:

1. Navigate to **Items | Organization Items**.
2. Search for the **PRD20001** Item.

The screenshot shows the Oracle Inventory Item Properties window with the **Inventory** tab selected. The **Locator Control** dropdown is set to **Prespecified**, and the **Restrict Locators (J)** checkbox is checked. Other visible settings include:

- Inventory Item** (checked), **Stockable** (checked), **Transactable** (checked)
- Revision Control (D)** (unchecked), **Reservable (G)** (checked), **Check Material Shortage** (unchecked)
- Lot Expiration (Shelf Life)**: Control: No Control, Shelf Life Days: 0, Retest Interval: (empty), Expiration Action Interval: (empty), Expiration Action: (empty)
- Lot**: Control: No Control, Starting Prefix: (empty), Starting Number: (empty), Maturity Days: (empty), Hold Days: (empty)
- Cycle Count Enabled** (checked): Negative Measurement Error: (empty), Positive Measurement Error: (empty)
- Serial**: Generation: No Control, Starting Prefix: (empty), Starting Number: (empty)
- Grade Controlled** (unchecked): Default Grade: (empty)
- Restrict Subinventories** (checked), **Restrict Locators (J)** (checked)

3. Select the **Inventory** tab, select the **Restrict Locators** checkbox, and then select the **Locator Control** as **Prespecified**.

Creating Items in Inventory

4. Save the record.

Subinventory	Description	Min Qty	Max Qty	UOM	
ACME-FG	ACME Finished Goods			Ea	<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

Locator	Description	PAR Level	UOM
A1.1.1	ACME FG 1		

5. In the **Tools** menu, select **Items Subinventories**.
6. Select **A1.1.1** in the **Locator** field.
7. Save the record.

Identifying Items by lot control

A lot of numbers can be used to identify Items that share the same specifications. For example, lot numbers can be used to specify the expiry period of an Item. Let's look at how to use lot numbers to control Items. We will impose a shelf life of **30** days on the Item and assign lot numbers to the Item:

1. Navigate to **Items | Organization Items**.
2. Search for the **PRD20001** Item.

Inventory Item: Stockable: Transactable:
Revision Control (D): Reservable (G): Check Material Shortage:
Cycle Count Enabled:
Negative Measurement Error:
Positive Measurement Error:
Serial: Generation: No Control
Starting Prefix:
Starting Number:
Grade Controlled:
Default Grade:
Locator Control: Prespecified
Restrict Subinventories:
Restrict Locators (J):

3. Select the **Inventory** tab.
4. In the **Lot Expiration (Shelf Life)** region, select the **Control** field and select **Shelf Life Days**.
5. Enter **30** as the number of days.
6. In the **Lot** region, select **Full Control** in the **Control** field.
7. Save the record.

Tracking Items using serial control

Serial numbers can be used to track an Item. A serial number is assigned to each unit of the Item, if serial control is used:

1. Navigate to **Items | Organization Items**.
2. Search for the **PRD20001** Item.

The screenshot shows the Oracle Inventory Item form with the following settings:

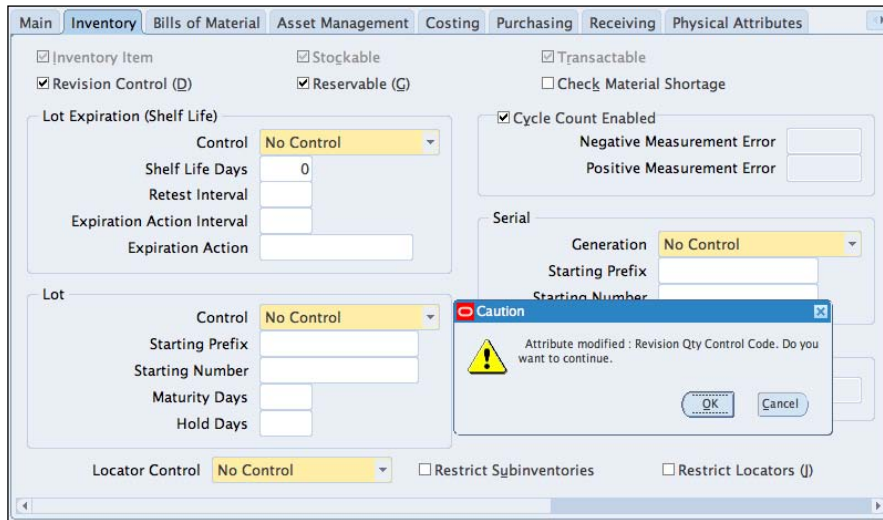
- Inventory Item** (checked)
- Stockable** (checked)
- Transactable** (checked)
- Revision Control (D)** (unchecked)
- Reservable (G)** (checked)
- Check Material Shortage** (unchecked)
- Lot Expiration (Shelf Life)**
 - Control**: Shelf life days
 - Shelf Life Days**: 30
 - Retest Interval**: (empty)
 - Expiration Action Interval**: (empty)
 - Expiration Action**: (empty)
- Lot**
 - Control**: Full Control
 - Starting Prefix**: (empty)
 - Starting Number**: (empty)
 - Maturity Days**: (empty)
 - Hold Days**: (empty)
- Cycle Count Enabled** (checked)
 - Negative Measurement Error**: (empty)
 - Positive Measurement Error**: (empty)
- Serial**
 - Generation**: At Receipt
 - Starting Prefix**: (empty)
 - Starting Number**: (empty)
- Grade Controlled** (unchecked)
 - Default Grade**: (empty)
- Locator Control**: Prespecified
- Restrict Subinventories** (checked)
- Restrict Locators (I)** (checked)

3. Select the **Inventory** tab.
4. In the **Serial** region, select the **Generation** field, and select **At Receipt**. This will allow us to specify the format of the serial numbers at the time of receipt.
5. Save the record.

Controlling Items using revisions

Items can have versions. Item versions are controlled using revisions. For example, we can decide to make the **PRD20002** revision controlled, and have another version of the Item. Let's change the attribute to revision controlled and add a revision **B** to the Item:

1. Navigate to **Items | Organization Items**.
2. Search for the Item **PRD20002**.



3. In the **Inventory** tab, enable the **Revision Control** checkbox.
4. In the displayed message, select **OK**.
5. Save the Item.

The screenshot shows the 'Organization Item (A1)' window for item PRD20002. The 'Revisions' section is expanded, showing a table with the following data:

Revision Label	Description	Effective Date	Implementation Date	Initiation Dat []
B	Revised Widget	12-NOV-2010 01:57:53	12-NOV-2010 01:57:53	
A	Main Widget	10-NOV-2010 21:26:20	10-NOV-2010 21:26:20	

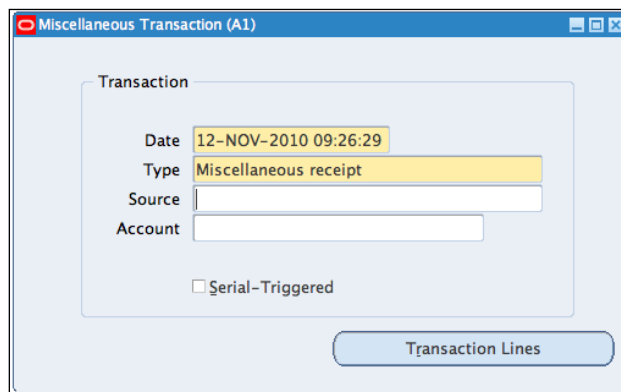
6. From the **Tools** menu, select **Revisions**.
7. Add a line for **Revision B** of the Item with the description **Revised Widget**.
8. Save the record.

Adjusting Items in Inventory

Item quantities can be adjusted in Inventory. In this recipe, we will use miscellaneous transactions to adjust Items. Let's try to enter transactions on some of the controls we have set up. We will try and enter a **Miscellaneous Transaction** for five paper widgets into Inventory.

How to do it...

1. Navigate to **Transactions | Miscellaneous Transactions**.



The screenshot shows a window titled "Miscellaneous Transaction (A1)". Inside the window, there is a "Transaction" section with the following fields:

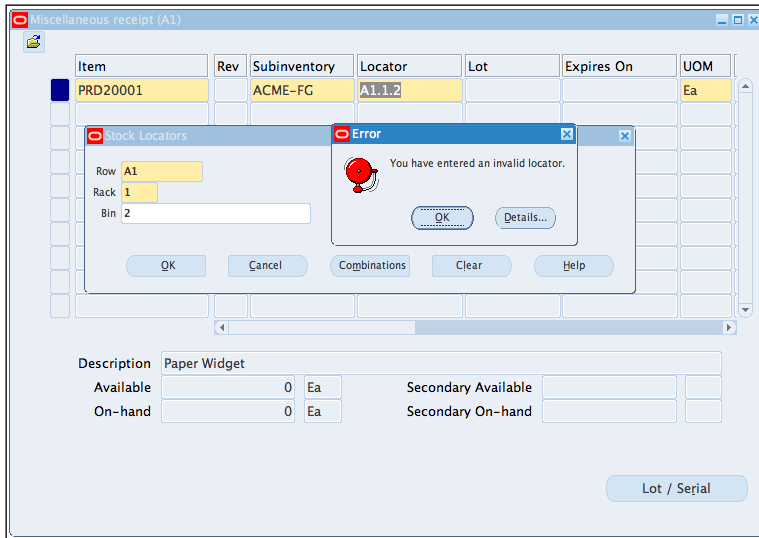
- Date: 12-NOV-2010 09:26:29
- Type: Miscellaneous receipt
- Source: (empty text box)
- Account: (empty text box)

Below these fields is a checkbox labeled "Serial-Triggered" which is unchecked. At the bottom right of the form is a button labeled "Transaction Lines".

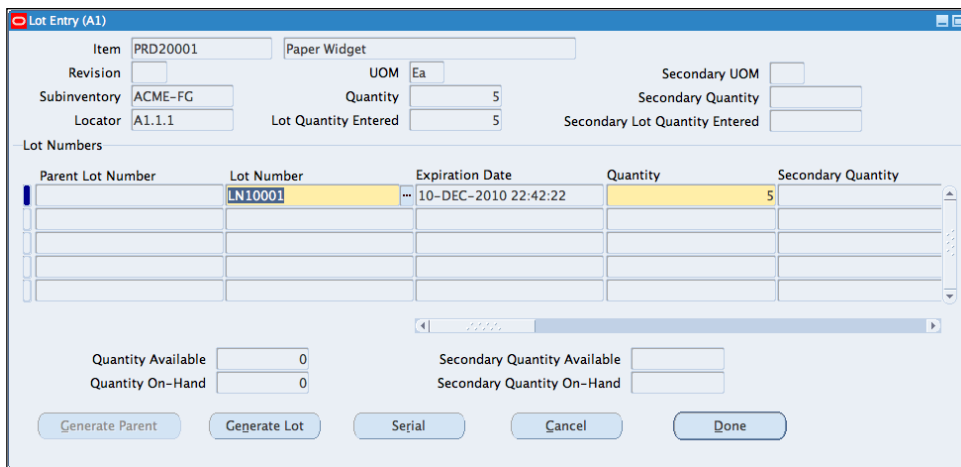
2. In the **Type** field, select **Miscellaneous receipt** from the list of values.
3. Click on the **Transaction Lines** button to enter the receipt.
4. Search for the **PRD20001** Item in the Item field.

Creating Items in Inventory

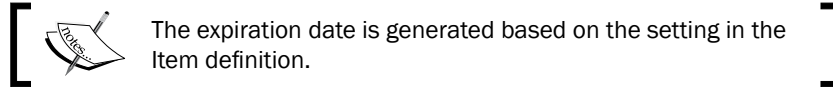
- Select the **Subinventory** list of values and the field should be automatically populated with **ACME-FG**.



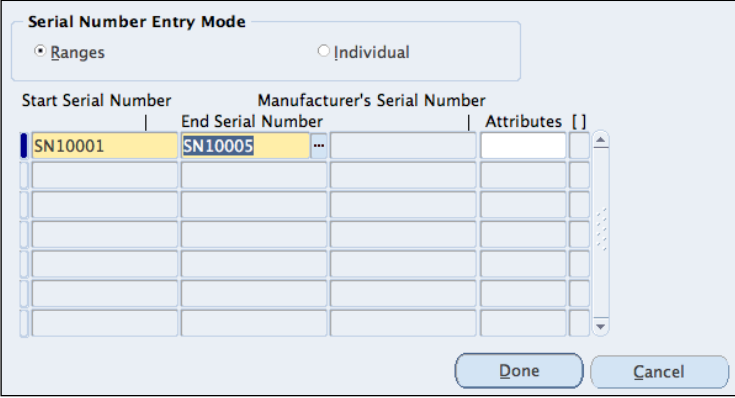
- In the **Locator** field, enter **A1.1.2**.
- The system should display an **Error** message to indicate that an invalid locator has been entered.
- Click on **OK** and enter **A1.1.1**—the system should accept this value.
- Enter a value of **5** in the **Quantity** field.
- In the account field, enter **01-000-1410-0000-000**. This is the account that will be charged for the Inventory transaction.



11. Select the **Lot / Serial** button.
12. Enter the **Lot** number-**LN10001**.



13. Enter the quantity of **5**.
14. Click on the **Serial** button.



Start Serial Number	End Serial Number	Manufacturer's Serial Number	Attributes []
SN10001	SN10005	...	

15. Enter **SN10001** in the **Start Serial Number** field and press *Tab* on the keyboard.
16. The **SN10005** should be automatically populated in the **End Serial Number** field.
17. Click on the **Done** button.
18. Click on the **Done** button again in the next screen.
19. Save the record.

There's more...

Let's search for the Items in Inventory.

Searching for Items

We will use the material workbench to search for the Items:

1. Navigate to **On-hand | Availability | On-hand Quantity**.
2. Enter **PRD20001** in the **Item / Revision** field.

Query Material dialog box showing search criteria:

- Query: [] Public
- Description: []
- Material: Organization: A1 ACME Corporation
- Subinventory: []
- Show Disabled Subinventory/Locator in LOV
- Locator: []
- Quantities: [] - []
- View By: Location Detailed
- Material Locations: On-hand, Receiving, Inbound

Item / Revision: PRD20001
Description: Paper Widget
Item Cross References: []
Cost Group: []
Status: []

Buttons: Save, Delete (A), Clear, Find

3. Click on the **Find** button.

Material Workbench window showing search results:

View By: Location
Detailed

Organizations: A1
On-hand: ACME-FG
A1.1.1.: PRD20001
LN10001

Lot	Serial	Grade	Lot Expiry D...	Parent Lot
LN10001	SN10001		10-DEC-2010	
LN10001	SN10002		10-DEC-2010	
LN10001	SN10003		10-DEC-2010	
LN10001	SN10004		10-DEC-2010	
LN10001	SN10005		10-DEC-2010	

Buttons: Attributes, Status, Availability

Quantity: []

4. **Expand** the **Organizations** tree to show **LN10001**.
5. Review the Item details.
6. Close the form.

Classifying Items

Items are grouped into logical classifications through categories. Categories can be further grouped into category sets. A default category set can be assigned to a functional area. When an Item is created, it is automatically added to the default category set.

The groupings are mainly used for reporting purposes. Let's look at how to classify Items using categories.

How to do it...

Let's list the steps required to create category codes:

1. Navigate to **Setup | Items | Categories | Category Codes**.
2. Click on the **New** button to enter the **Category**.

Structure Name	Category	Description	Enabled	Inactive On	Viewable by Supplier []
Item Categories	BOOKS.MISC	Other Books	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>

3. In the **Structure Name**, select **Item Categories**.
4. In the **Category** field, enter **BOOKS.MISC**.
5. In the **Description** field, enter **Other Books**.
6. Save the record.

Let's now create the **Category Set**, add the **Category Codes** to a new set called **ACME Books**, and assign it to the **PRD20001** Item:

1. Navigate to **Setup | Items | Categories | Category Sets**.
2. Click on the **New** button to enter the category set.

The screenshot shows the 'Category Sets' form with the following details:

- Name: ACME Books
- Description: ACME Paper Books
- Flex Structure: Item Categories
- Controlled At: Org Level
- Default Category: BOOKS.MISC
- Allow Multiple Item Category Assignments
- Enforce List of Valid Categories
- Category List:
 - BOOKS.NEW
 - BOOKS.MISC
 - BOOKS.USED
- Buttons: Category People, Assign

3. In the **Name** field, enter **ACME Books**.
4. Enter a description, for example, **ACME Paper Books**.
5. Select **Item Categories** for **Flex Structure**.
6. Select **Controlled At** as the **Org level**.
7. Enter **BOOKS.MISC** as the **Default Category**.
8. Select the checkbox **Allow Multiple Item Category Assignments**.
9. Add the following **Category Codes** to the list:
 - ❑ **BOOKS.MISC**
 - ❑ **BOOKS.NEW**
 - ❑ **BOOKS.USED**
10. Save the record.

Let's now assign the categories to the **PRD20001** Item:

1. Navigate to **Items | Organization Items**.

Category Set	Control Level	Category
Product	Master	114001
Purchasing	Master	615.62
Inv.Items	Org	NEW.MISC
ACME Books	Org	BOOKS.NEW

2. From the **Menu**, select **Tools** and then **Categories**.
3. Select **ACME Books** in the **Category Set**.
4. Enter **BOOKS.NEW** in the **Category** field.
5. Save the record.

How it works...

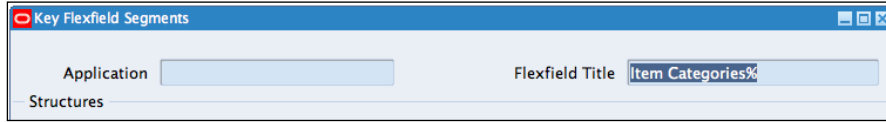
The structure of the Item category is defined in the Item Flexfield structure and the values are held in the individual Value Sets. The combination of the individual values forms the category code. For example, the structure we used previously is made of two segments, defined in the Flexfield structure. The segments are Family and Class. BOOKS is a value in Family and MISC, NEW, and USED are individual values in Class.

There's more...

Let's look at how the Item Flexfield structure is constructed and how values are added to the structure.

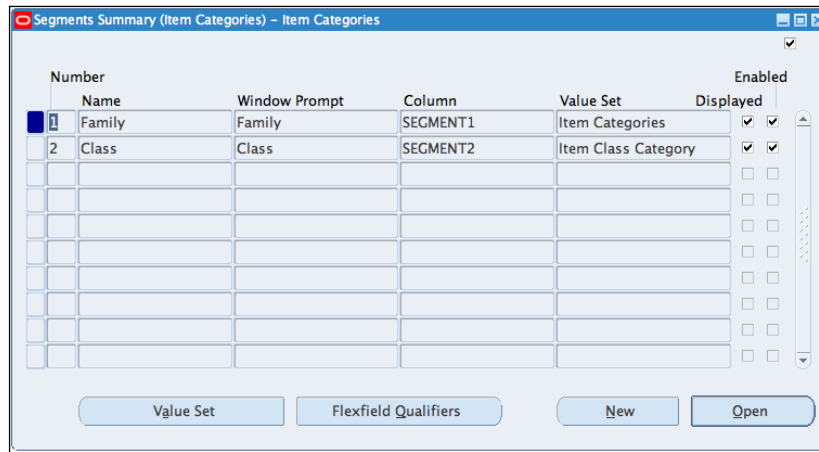
Viewing the Item Categories structure

1. Navigate to **Setup | Flexfields | Key | Segments**.



The screenshot shows the 'Key Flexfield Segments' window. It has a title bar with a red icon and the text 'Key Flexfield Segments'. Below the title bar, there are two input fields: 'Application' and 'Flexfield Title'. The 'Flexfield Title' field contains the text 'Item Categories%'. Below these fields is a 'Structures' label.

2. Search for **Item Categories** in the **Flexfield Title** field.
3. Select the **ITEM_CATEGORIES** code.
4. Click on the **Segments** button.

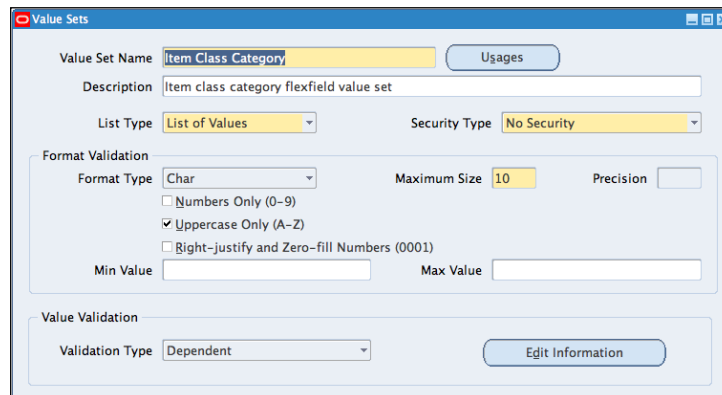


The screenshot shows the 'Segments Summary (Item Categories) - Item Categories' window. It features a table with the following columns: Number, Name, Window Prompt, Column, Value Set, and Enabled. The table contains two rows of data:

Number	Name	Window Prompt	Column	Value Set	Enabled
1	Family	Family	SEGMENT1	Item Categories	<input checked="" type="checkbox"/>
2	Class	Class	SEGMENT2	Item Class Category	<input checked="" type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
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					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

At the bottom of the window, there are four buttons: 'Value Set', 'Flexfield Qualifiers', 'New', and 'Open'.

5. The **Items Categories** we have used has two segments, namely, **Family** and **Class**. The **Item Category** structure can be configured to have a maximum of 20 segments.



The screenshot shows the 'Value Sets' window. It has a title bar with a red icon and the text 'Value Sets'. Below the title bar, there are several fields and buttons:

- Value Set Name:** Item Class Category (highlighted in yellow)
- Description:** Item class category flexfield value set
- List Type:** List of Values (dropdown menu)
- Security Type:** No Security (dropdown menu)
- Format Validation:**
 - Format Type:** Char (dropdown menu)
 - Maximum Size:** 10 (text field)
 - Precision:** (text field)
 - Numbers Only (0-9)
 - Uppercase Only (A-Z)
 - Right-justify and Zero-fill Numbers (0001)
 - Min Value:** (text field)
 - Max Value:** (text field)
- Value Validation:**
 - Validation Type:** Dependent (dropdown menu)
 - Edit Information:** (button)

- Click on the **Value Set** button to view the validation format of the data that can be stored in the **Value Set**. The **Class Segment** uses the **Item Class Category** value set, this segment has a **Validation Type** of **Dependent**. It is dependent on another segment for the validation of the values that can be stored.

Dependent Value Set Information

Independent Value Set

Name: Item Categories

Description: Item categories flexfield value set

Dependent Default Value

Value: MISC

Description: Miscellaneous

- Click on the **Edit Information** button to view the independent value set that it depends on. This is the Item Categories value set.
- Close the forms.

Viewing the values in the structure

Let's look at the values in the structure. We are also going to add a new value for Rare Books in the Item category. We are also going to add the new code to the category codes:

- Navigate to **Setup | Flexfields | Key | Values**.

Find Key Flexfield Segment

Find Values By

Value Set

Key Flexfield

Descriptive Flexfield

Concurrent Program

Application: Inventory

Title: Item Categories

Structure: Item Categories

Segment: Class

Independent Value: BOOKS

Value:

Description:

Clear Find

Creating Items in Inventory

2. Enter the following search criteria:
 - ❑ In the **Application** field, select **Inventory**.
 - ❑ In the **Title** field, enter **Item Categories**.
 - ❑ In the **Structure**, enter **Item Categories**.
 - ❑ In the **Dependent Segment**, enter **Class**.
 - ❑ In the **Independent Value**, enter **Books**.

The 'Segment Values' window displays the following search criteria:

- Title: Item Categories
- Structure: Item Categories
- Independent Segment: Family
- Dependent Segment: Class
- Independent Value: BOOKS
- Value Description: Books

The 'Values (Class)' section is active, showing a table of values:

Value	Translated Value	Description	Enabled	From	To
MISC	MISC	Miscellaneous	<input checked="" type="checkbox"/>		
NEW	NEW	New Books	<input checked="" type="checkbox"/>		
USED	USED	Used Books	<input checked="" type="checkbox"/>		
RARE	RARE	Rare Books	<input checked="" type="checkbox"/>		
			<input type="checkbox"/>		
			<input type="checkbox"/>		
			<input type="checkbox"/>		

3. Click on the **Find** button.
4. In the **Value** field, enter **RARE**, and **Rare Books** in the **Description**.
5. Save the record and click on **OK** in the note to compile the record.
6. Navigate to **Setup | Items | Categories | Category Codes**.

The 'Categories' window displays a list of categories with the following data:

Structure Name	Category	Description	Enabled	Inactive On	Viewable by Supplier
Item Categories	BOOKS.MISC	Other Books	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Item Categories	BOOKS.NEW	New Books	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Item Categories	BOOKS.USED	Used Books	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Item Categories	BOOKS.RARE	Rare Books	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>
			<input type="checkbox"/>		<input type="checkbox"/>

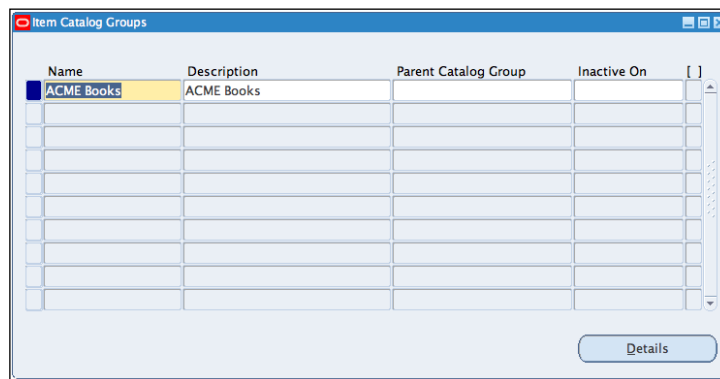
7. Click on the **New** button.
8. Search for the existing **BOOKS** codes by using **BOOK%** as the search criteria in the **Category** field.
9. Add a new line for **BOOKS.RARE** and **Rare Books** as the **Description**.
10. Save the record.

Items can also be grouped into logical catalogs. Let's look at how this is done.

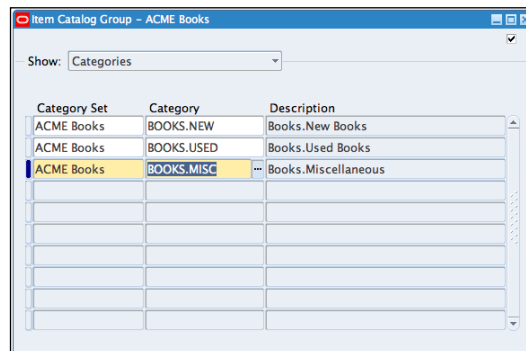
Creating catalogs

Catalogs are used to add descriptive information to Items that share common characteristics. For example, paper can have size, color, and weight. Let's look at how to create Item catalogs for **ACME Books**, with descriptive elements for size, color, and weight:

1. Navigate to **Setup | Items | Catalog Groups**.
2. From the **Menu**, select **File** and then **New**.



3. In the **Name** field, enter **ACME Books**, and enter **ACME Books** in the **Description**.
4. Click on the **Details** button.



5. Enter the following **Descriptive Elements**:
 - **Size**
 - **Color**
 - **Weight**
6. Select **Categories** and enter the following categories for **ACME Books**:
 - **BOOKS.NEW**
 - **BOOKS.USED**
 - **BOOKS.MISC**
7. Save the record.

Assigning a catalog description to an Item

Let's find the **PRD20002** Item and assign the catalog:

1. Navigate to **Items | Master Items**.
2. Search for the **PRD20002** Item.

The screenshot shows the 'Item Catalog (V1)' window. At the top, the 'Item' field contains 'PRD20002' and the 'Catalog Group' field contains 'ACME Books'. Below these fields, there is a 'Catalog Complete' checkbox which is unchecked. The 'Descriptive Elements' section contains a table with three columns: 'Name', 'Value', and 'Description Default'. The table has four rows, with the first three rows filled with data and the last one empty. Below the table is a text area for 'Item Catalog Description' containing the text 'ACME Books.A5 - 210 x 148 mm.White.80gsm'. At the bottom right of the window is an 'Update Description' button.

Name	Value	Description Default
Size	A5 - 210 x 148 mm	<input checked="" type="checkbox"/>
Color	White	<input checked="" type="checkbox"/>
Weight	80gsm	<input checked="" type="checkbox"/>
		<input type="checkbox"/>

3. Select **Catalog** from the **Tools** menu.
4. In the **Catalog Group** field, select **ACME Books**.

5. Enter the following in the **Descriptive Elements** field:
 - ❑ **A5 - 210 x 148 mm** as the value for the **Size** field
 - ❑ The **Color** as **White**
 - ❑ The **Weight** as **80gsm**

Master Item (V1)

Organization: V1 Vision Operations

Item: PRD20002

Description: ACME Books.A5 - 210 x 148 mm.White.80gsm [--]

Display Attributes: Master Org All

6. Select the **Update Description** button to change the Item description.
7. Save the record.

Searching for Items using catalog attributes

Let's search for Items using the catalog attributes:

1. Navigate to **Items | Items Search**.

Find Items

Organization: A1 ACME Corporation

Item Mask: []

Description: []

Base Model: [] []

Status: [] Show Quantity

Show: Item Catalog

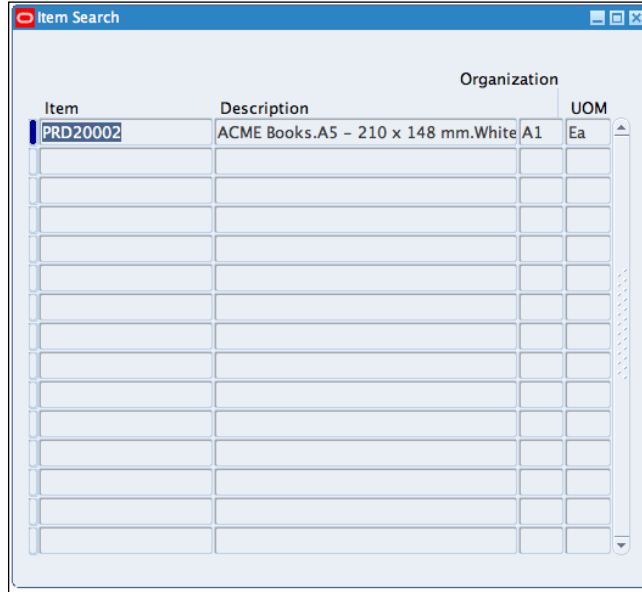
Catalog Group: ACME Books Complete: []

Name	Value
Size	A5 - 210 x 148 mm
Color	[]
Weight	[]
[]	[]
[]	[]
[]	[]
[]	[]

Clear Find

2. In the **Show** region, select **Item Catalog**.
3. In the **Catalog Group** field, select **ACME Books**.
4. In the **Size** field, select **A5 - 210 x 148 mm**.

5. Click on the **Find** button.



6. The **Item Search** form displays the record based on the catalog attributes.

2

Purchasing Items in Procurement

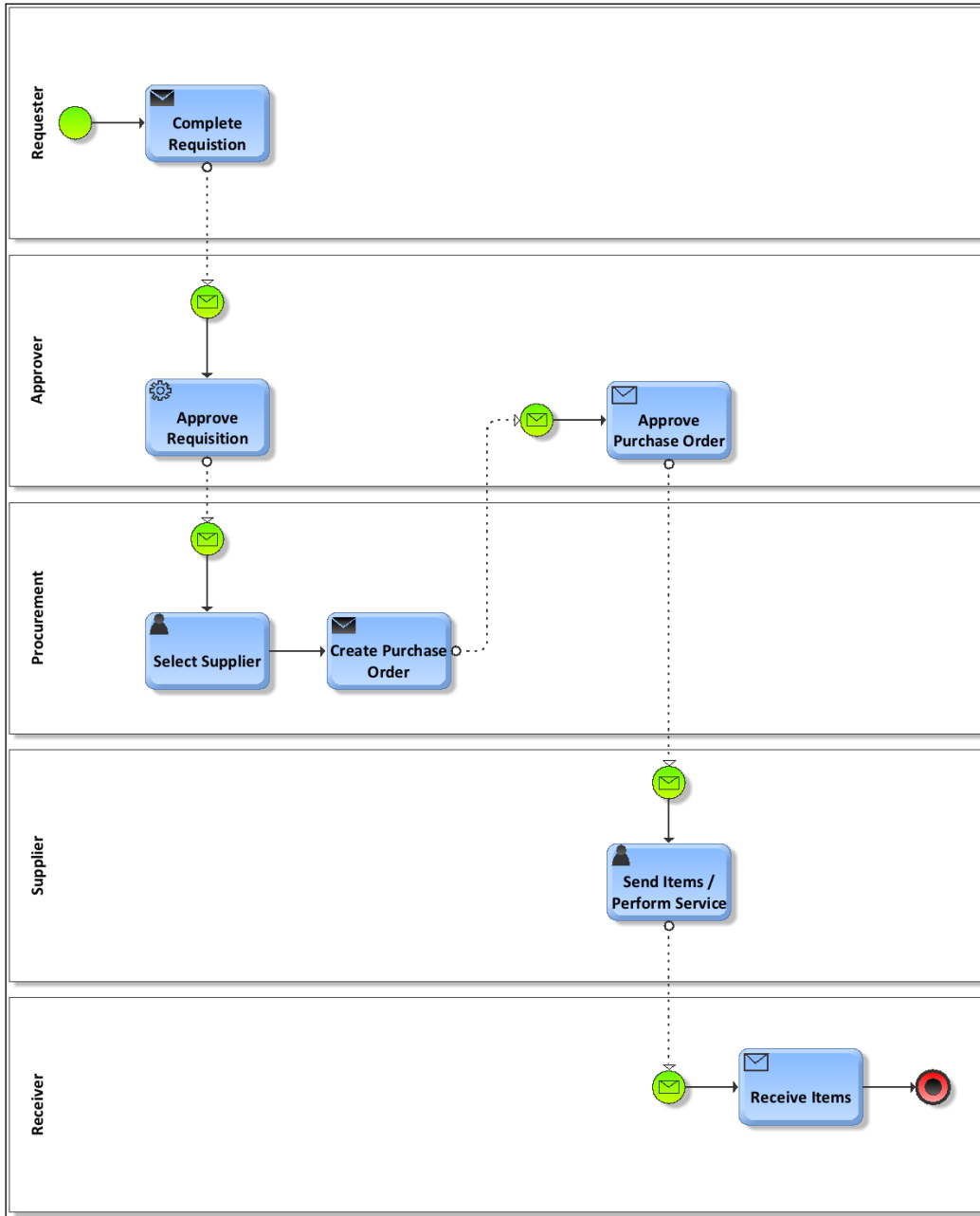
In this chapter, we will cover:

- ▶ Raising Requisitions for Items
- ▶ Approving Requisitions
- ▶ Creating Suppliers
- ▶ Creating Purchase Orders
- ▶ Receiving Items
- ▶ Reviewing Procurement Accounting Transactions

Introduction

Items that are sold in an organization are manufactured or purchased. In this chapter, we will look at how to purchase Items in procurement. Let's start by looking at the procurement process.

The following diagram details the procurement process:



1. **Requester** completes the requisition based on demand. Requisition creation can be automated through the Requisition Import program, based on demand from various sources. For example, drop shipments in Order Management and min-max planning in Inventory.
2. The **Approver** approves the requisition.
3. The **Supplier** is selected based on business sourcing rules, including **Request for Quotations (RFQ)**. If the supplier does not exist, a new supplier is created.
4. The **Procurement** team (buyers) creates the purchase order.
5. The **Approver** approves the purchase order. The purchase order is created and sent to the **Supplier**.
6. The **Supplier** receives the purchase order, and fulfills the order by sending the Items. If the purchase order is for a service, the service is provided to the organization.
7. The **Receiver** receives the Items and enters the receipts on the system.

Let's look at how requisitions are raised for Items.

Raising requisitions for Items

Oracle iProcurement provides us with the functionality to create requisitions. Requisitions can be manually created from the purchasing or iProcurement modules. Requisitions can be imported from external systems and also generated from other modules including Order Management, Work in Process, and Inventory.

In this recipe, we will raise a requisition with two lines:

1. Catalog Requisition: 100 Items of PRD20001 Paper Widgets
2. Non-Catalog Requisition: Consulting services relating to the Widgets for a fixed amount of \$150

We can raise a requisition for a catalog and a non-catalog Item in an iProcurement.

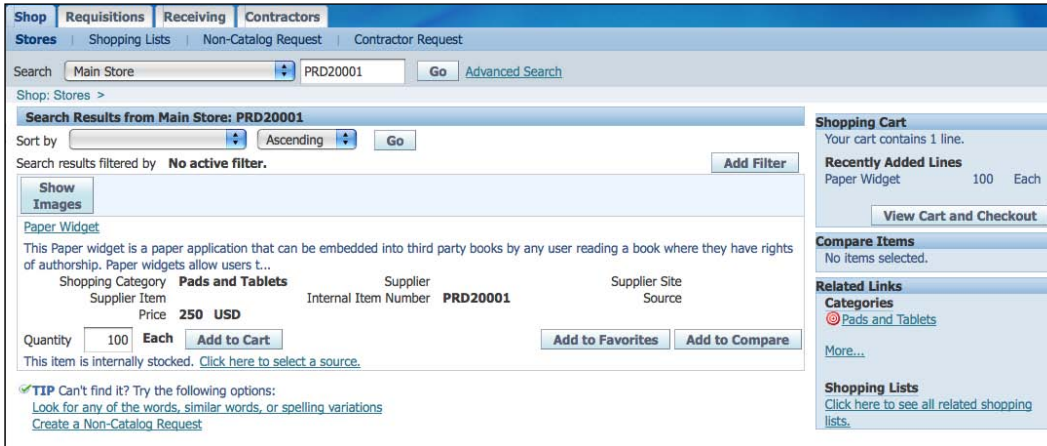
Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to create a requisition:

1. Navigate to the **iProcurement** responsibility.
2. Select the **Main Store**.



3. Search for the **PRD20001** Item and click on the **Go** button.
4. If the Item can be sourced internally, a link will be enabled that will allow the user to select the source. It is also possible to have a blanket agreement with a supplier to supply the goods at a specific price.
5. Enter the **Quantity** of **100** and click on the **Add to Cart** button.



6. Let's create the requisition line for the consulting services. We will create a non-catalog request for services billed by amount.
7. Select the **Non-Catalog Request** link to enter the details of fitting the Item at a fixed price.

The screenshot shows the SAP Non-Catalog Request form. The form is titled "Non-Catalog Request" and is part of the "Contractors" module. It contains several required fields: Item Type (set to "Goods or services billed by amount"), Item Description ("Paper Widgets Consulting"), Category ("MISC.CONSULTING"), Amount ("150.00"), and Currency ("USD"). There are also checkboxes for "RFQ Required" and "Negotiated". On the right, there is a "Supplier" section with fields for Contract Number, Supplier Name, Site, Contact Name, Phone, and Supplier Item. A "Shopping Cart" summary is visible on the right, showing two items: "Paper Widgets C..." for 150.00 USD and "Paper Widget" for 100 Each. Buttons for "Clear All", "Add to Cart", and "Add to Favorites" are present at the top and bottom of the form.

8. The following are the three Item types used for non-catalog requisitions:
 - Goods billed by quantity, for example, 10 widgets at 250 USD each
 - Services billed by quantity; for example, 10 hours of service at a rate of 50 USD an hour
 - Goods or services billed by amount, for example, for a fixed amount of 500 USD for services rendered
9. In the **Item Type** field, select **Goods or services billed by amount** in the drop-down list, because our request is for a fixed amount for service.
10. In the **Item Description** field, enter the description of the service. For example, **Paper Widgets Consulting**.
11. Enter the **Category**, for example, **MISC.CONSULTING**.
12. Enter the **Amount**, for example, **150.00**.
13. If the details of the supplier are known, the supplier details can be added to the requisition. It is also possible to have a Contract Agreement with a supplier that can be attached to the details of the Non-Catalog requisition.
14. Click on the **View Cart and Checkout** button.

Purchasing Items in Procurement

15. Click on the **Checkout** button.

Shopping Cart

Save Checkout

Line	Item Description	Special Info	Unit	Quantity	Price	Amount (USD)	Supplier Config ID	Source Document Number	Delete
1	Paper Widget		Each	100	250 USD	25,000.00			
2	Paper Widgets Consulting					150.00			
Total						25,150.00			

I need a purchase order number immediately
 TIP Purchase Order number will be assigned after completing checkout.

Return to Shopping

Save Checkout

Shop Requisitions Receiving Contractors Shopping Cart Home Logout Preferences Help Diagnostics
 About this Page Privacy Statement Copyright (c) 2006, Oracle. All rights reserved.

16. In the **Requisition Description** field, for example, enter **100 Paper Widgets**.

17. Review the **Need-by-Date**, **Requester**, and the **Deliver-To Location**.

18. Click on the **Edit Lines** button to review the line details.

Delivery Billing Accounts Attachments

Select Lines: Update Copy Delete

Select All | Select None

Select Line	Description	Urgent	Need-By Date	Requester	Deliver-To Location	Destination Type	Subinventory
<input type="checkbox"/> 1	Paper Widget	<input type="checkbox"/>	27-Nov-2010	Stock, Ms. Pat	M1- ACME Seattle Enter one-time address	Inventory	FGI
<input type="checkbox"/> 2	Paper Widgets Consulting	<input type="checkbox"/>	27-Nov-2010	Stock, Ms. Pat	M1- ACME Seattle Enter one-time address	Expense	

19. In the **Delivery Tab**, details of the **Destination Type** of **Inventory** and **Expense** with the **Subinventory** of **FGI** are displayed for the delivery of the Items.

Delivery Billing Accounts Attachments

P-Card

Select Lines: Update Copy Delete

Select All | Select None

Select Line	Description	Project	Task	Expenditure Type	Expenditure Organization	Expenditure Item Date	Split
<input type="checkbox"/> 1	Paper Widget						
<input type="checkbox"/> 2	Paper Widgets Consulting	IT Project	1.0	Consulting	Vision Operations	01-Dec-2010	

TIP Click on a Split icon to allocate costs to multiple projects.

20. Click on the **Billing Tab** to view the allocation to **Project** details.

Select Line	Description	Charge Account	Split
<input type="checkbox"/> 1	Paper Widget	01-000-1410-0000-000	
<input type="checkbox"/> 2	Paper Widgets Consulting	01-740-7699-0000-000	

TIP Click on a Split icon to allocate costs to multiple accounts.

21. Click on the **Accounts Tab** to view the **Charge Account** allocated to the transaction.

Title	Type	Description	Category	Last Updated By	Last Updated	Usage	Update	Delete	Publish to Catalog
No results found.									

Line	Item Description	Unit	Quantity	Price	Amount (USD)	Attachments
1	Paper Widget	Each	100	250 USD	25,000.00	
2	Paper Widgets Consulting				150.00	

TIP Click on an Attachment icon to add or update attachments for a particular line.

22. In the **Attachments** tab, we can add attachments at the line level.

23. Click on the **Next** button.

Shop	Requisitions	Receiving	Contractors						
Requisition Information		Approvals	Review And Submit						
Checkout: Approvals and Notes									
Your requisition will be sent to the following list of approvers.									
		<input type="button" value="Save"/> <input type="button" value="Submit"/> <input type="button" value="Back"/> Step 2 of 3 <input type="button" value="Next"/>							
Approvals									
			<input type="button" value="Manage Approvals"/>						
Notes									
Justification		Note To Buyer							
<input type="text" value="Widgets required including consulting service"/>		<input type="text" value="Please use Office Suppliers in New York"/>							
Attachments									
<input type="button" value="Add Attachment"/>									
Title	Type	Description	Category	Last Updated By	Last Updated	Usage	Update	Delete	Publish to Catalog
No results found.									
		<input type="button" value="Save"/> <input type="button" value="Submit"/> <input type="button" value="Back"/> Step 2 of 3 <input type="button" value="Next"/>							

Purchasing Items in Procurement

24. In the **Approvals** section, the approval details are shown. The requisition needs to be approved by **Baker, Catherine**.
25. In the **Notes** section, enter the **Justification**, for example, **Widgets required including consulting service**.
26. Enter the **Note To Buyer**, for example, **Please use Office Suppliers in New York**.
27. Click on the **Next** button.

Requisition 14337: Total 25,150.00 USD

Created By **Stock, Ms. Pat**
Creation Date **26-Nov-2010 12:48:49**
Description **100 Paper Widgets**
Justification **Widgets required including consulting service**

Requisition Attachments

Title	Type	Description	Category	Last Updated By	Last Updated	Usage	Update	Delete	Publish to Catalog
No results found.									

Lines

Details Line	Description	Cost Center	Unit	Quantity	Price	Amount (USD)	Attachments
Show 1	Paper Widget	000	Each	100	250 USD	25,000.00	
Show 2	Paper Widgets Consulting	740				150.00	
Total						25,150.00	

28. Review the **Requisition** details.
29. Click on the **Submit** button.

Confirmation

Requisition 14337 has been submitted to [Baker, Catherine](#) for approval.

To check on this requisition's status, click on the **Requisitions** tab or look in **My Requisitions** on the Shop page.

[Continue Shopping](#)

30. **Confirmation** of the **Requisition** is displayed. This includes the **Requisition** number **14337** and the submission to **Baker, Catherine** as the approver.
31. Click on the **Continue Shopping** button to proceed.

How it works...

Requisitions can be created for catalog and non-catalog Items. A catalog Item can be loaded directly from an XML file, CSV file, or by punchout (a link to an external source for automatic updates to the catalogs) to the supplier's site. We can also create a catalog requisition for Expense Items, Assets, and Items held in Inventory. If an Item is not found in a catalog, a non-catalog requisition may be created.

There's more...

Now let's explore the following relevant tasks concerning the creation of requisitions:

- ▶ The use of smart forms to create requisitions
- ▶ Review of the account generator to create the charge account codes
- ▶ The management of requisitions including copying, correcting, and canceling requisitions

Let's start by looking at smart forms.

Smart forms

Smart forms are templates for non-catalog requisitions that are pre-populated with values for a type of purchase. For example, smart forms for travel expenses, legal services, and so on. The requester only enters some information to complete the line entry. Additional information can also be entered into smart forms through information templates.

Let's assume that our company has a contract with **Jones, Gray, and Associates**, for the supply of legal services. A contract agreement No **4514** is already in place for these services. We are going to enter a requisition for legal services for **3** hours of work at **\$150** per hour. We also require **Alan Johnson**, a consultant from the **United Kingdom**, to supply these services. A smart form has already been created for this type of service.

1. Navigate to the **iProcurement** responsibility.

Legal Services

* Indicates required field

Request Type: Legal Consulting

Item Type: **Services billed by quantity**

* Item Description: Requisition for Tax Consulting

* Category: SERVICES.LEGAL

* Quantity: 3

* Unit of Measure: Hour

* Rate per Unit: 150

Currency: **USD**

RFQ Required

Negotiated

Contract Number: 4514

New Supplier

Supplier Name: **Jones, Gray, and Associates**

Site: **JGA MAIN**

Contact Name: Gray,Randy

Phone: 212 435-5435

Supplier Item:

[Clear All](#) [Add to Cart](#) [Add to Favorites](#)

Applicant Information

* Name: Alan Johnson * Date of Birth: 02-Jan-1980

* Country of Birth: United Kingdom * Phone Number: +44987230081

* Gender: Male

Legal Consultation

* Description of Issues: Filing of Tax Accounts * Type of Consultation: Taxes

[Clear All](#) [Add to Cart](#) [Add to Favorites](#)

Purchasing Items in Procurement

2. In the **Main Store** field, select the **Legal Services** link.
3. Select the **Legal Consulting** link.
4. Review the pre-populated values in the main area of the smart form. The **Supplier Name** and **Site** details are automatically populated and cannot be changed.
5. Enter **3** in the **Quantity** field.
6. Change the **Rate per Unit** to **150**.
7. Review the additional information section. This includes the **Applicant Information** and the **Legal Consultation** section.
8. In the **Name** field, enter **Alan Johnson**.
9. In the **Country of Birth** field, enter **United Kingdom**.
10. In the **Gender** field, select **Male**.
11. In the **Date of Birth** field, enter **02-Jan-1980**.
12. In the **Phone Number** field, enter **+44987230081**.
13. In the **Description of Issues** field, enter **Filing of Tax Accounts**.
14. In the **Type of Consultation** field, select **Taxes**.
15. Click the **Add to Cart** button.

Line	Item Description	Special Info	Unit	Quantity	Price	Amount (USD)	Supplier Config ID	Source Document Number	Delete
1	Requisition for Legal Consulting	Multiple	Hour	3	150 USD	450.00		4514	
Total						450.00			

I need a purchase order number immediately
 TIP Purchase Order number will be assigned after completing checkout.

[Return to Shopping](#)

16. Click on the **View Cart and Checkout** button.
17. Click on the **Submit** button.

<p> Confirmation Requisition 14340 has been submitted.</p> <p>To check on this requisition's status, click on the Requisitions tab or look in My Requisitions on the Shop page.</p> <p style="text-align: right;"><input type="button" value="Continue Shopping"/></p>
--

18. The **Confirmation** page is displayed with the requisition number **14340**; click on **Continue Shopping** to return to the main store.

Accounting codes

When requisitions are created, accounting codes are automatically generated based on the rules in the Account Generator workflow engine. The default values for Inventory and Asset Items are based on the Item and Subinventory.

The Account Generator does not use the Inventory and Asset account rules if the Item is an expense Item. The rules for generating expense Items are based on the Expense Accounts Rules, Employee Default Charge Account, and Favorite Charge Account.

Let's look at how the expense accounts are determined:

1. Navigate to the **Purchasing** responsibility.
2. Navigate to **Setup | Financials | Accounting | Expense Account Rules**.

Create Expense Account Rule: Vision Operations
 * Indicates required field

Account Rule Type: ITEM CATEGORY

* Account Rule Value: 645.33

* Segment Name: Account

* Segment Value: 7460

Buttons: Cancel, Apply

3. Click on the **Create** button.
4. In the **Account Rule Type** field, select **ITEM CATEGORY**.
5. In the **Account Rule Value** field, enter **645.33**.
6. In the **Segment Name** field, select **Account**.
7. In the **Segment Value** field, enter **7460**.
8. Click on **Apply**.

Let's create a non-catalog requisition to see the default account that is used:

1. Navigate to the **iProcurement** responsibility.
2. Select the main store.
3. Select **Non-Catalog Request**.

Non-Catalog Request
 * Indicates required field

Item Type: Goods or services billed by amount

Item Description: New Widget for Office Equipment

Category: 645.33

Amount: 200

Currency: USD

Contract Number: []

Supplier Name: []

Site: []

Contact Name: []

Phone: []

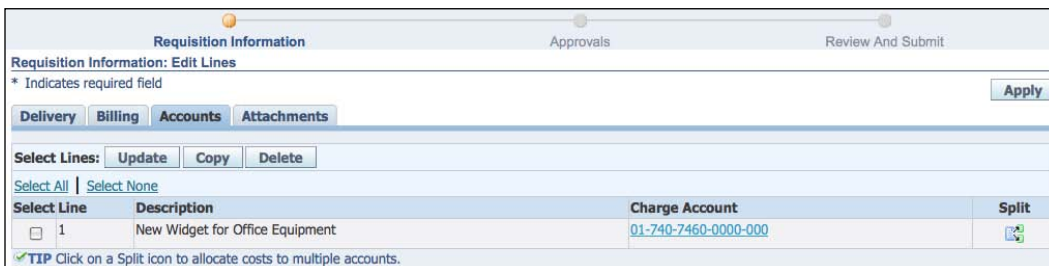
Supplier Item: []

Buttons: Clear All, Add to Cart, Add to Favorites

Options: New Supplier, RFQ Required, Negotiated

Purchasing Items in Procurement

4. In the **Item Type** field, select **Goods or services billed by amount**.
5. In the **Item Description** field, enter **New Widget for Office Equipment**.
6. In the **Category** field, enter **645.33**.
7. In the **Amount** field, enter **200**.
8. Click on the **Add to Cart** button.
9. Click on the **View Cart and Checkout** button.
10. In the **Shopping Cart** screen, click on the **Checkout** button.
11. In the **Checkout** screen, click on **Edit Lines**.



Requisition Information: Edit Lines

* Indicates required field

Apply

Delivery Billing Accounts Attachments

Select Lines: Update Copy Delete

Select All | Select None

Select Line	Description	Charge Account	Split
1	New Widget for Office Equipment	01-740-7460-0000-000	

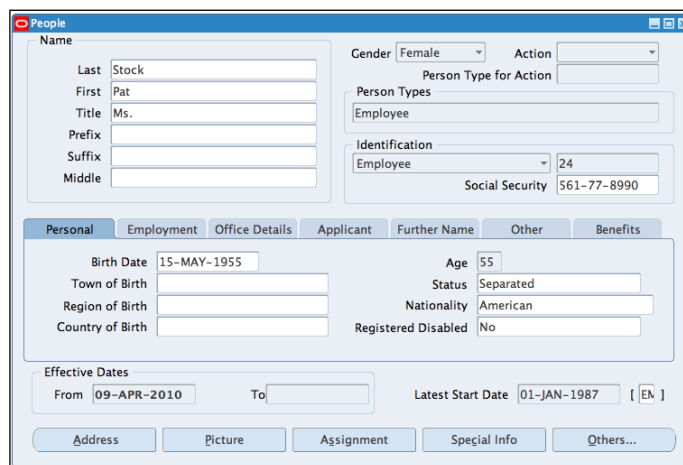
TIP Click on a Split icon to allocate costs to multiple accounts.

12. Select the **Accounts** tab.
13. The **Charge Account** uses **01-740-7460-0000-000** for the account segment.

The Cost centre segment defaults from the Purchase Order Information in the employee record.

We will now navigate to the employee record and change the expense account:

1. Select the **Human Resources** responsibility.
2. Navigate to **People | Enter and Maintain**.



People

Name

Last Stock
First Pat
Title Ms.
Prefix
Suffix
Middle

Gender Female Action
Person Type for Action
Person Types
Employee

Identification
Employee 24
Social Security 561-77-8990

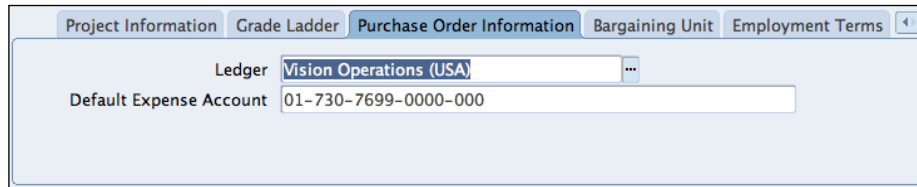
Personal Employment Office Details Applicant Further Name Other Benefits

Birth Date 15-MAY-1955 Age 55
Town of Birth Status Separated
Region of Birth Nationality American
Country of Birth Registered Disabled No

Effective Dates
From 09-APR-2010 To Latest Start Date 01-JAN-1987 [EN]

Address Picture Assignment Special Info Others...

3. In the find **People** form, search for the details of **Pat Stock**.
4. Select the **Assignment** button.



The screenshot shows a software interface with several tabs: 'Project Information', 'Grade Ladder', 'Purchase Order Information', 'Bargaining Unit', and 'Employment Terms'. The 'Purchase Order Information' tab is active. Below the tabs, there are two input fields. The first is labeled 'Ledger' and contains the text 'Vision Operations (USA)'. The second is labeled 'Default Expense Account' and contains the text '01-730-7699-0000-000'.

5. Select the **Purchase Order Information** tab.
6. The **Default Expense Account** is **01-740-7699-0000-000**.
7. The account generator uses the department segment **740** to determine the value of the cost center segment.
8. Change the value to **01-730-7699-0000-000**.
9. Click on the **Update** button.
10. Save the record.

Let's create a non-catalog requisition to see the default account:

1. Navigate to the **iProcurement** responsibility.
2. Select the main store.
3. Select **Non-Catalog Request**.
4. In the **Item Type** field, select **Goods or services billed by amount**.
5. In the **Description** field, enter **New Widget for Finance**.
6. In the **Category** field, enter **645.33**.
7. In the **amount** field, enter **200**.
8. Click on the **Add to Cart** button.
9. Click on the **View Cart and Checkout** button.

10. In the **Shopping Cart** screen, click on the **Checkout** button.

Requisition Information | Approvals | Review And Submit

Requisition Information: Edit Lines

* Indicates required field

Apply

Delivery | Billing | Accounts | Attachments

Select Lines: Update Copy Delete

Select All | Select None

Select Line	Description	Charge Account	Split
<input type="checkbox"/> 1	New Widget for Finance	01-730-7460-0000-000	

TIP Click on a Split icon to allocate costs to multiple accounts.

11. In the **Checkout** screen, click on **Edit Lines**.
12. Select the **Accounts** tab.
13. The **Charge Account** uses **730** for the department segment.

If no rules are specified for any of the segments, the account generator uses the primary account in the user preferences to generate the default account:

1. Navigate to the **iProcurement** responsibility.

Favorite Charge Accounts

Use the Select column to set your primary favorite charge account.

TIP During checkout the system automatically generates charge accounts. In some circumstances, the system may select your primary favorite charge account.

Select Account: Set as Primary

Select *Nickname	Operations Accounting Flex	Primary	Delete
<input type="radio"/> FAV1	01-510-7699-0000-000 <small>Company-Department-Account-Sub-Account-Product</small>		

Add Another Row

2. Select the **Preferences** link on the homepage.
3. Select **iProcurement Preferences** in the side navigation.
4. Review the **01-510-7699-0000-000** account in the **Favorite Charge Accounts** region.

Let's now look at how to manage requisitions.

Copying a requisition

We need to create another requisition for Legal Consulting. Let's copy an existing requisition number, 14340:

1. Search for requisition number **14340**.
2. Navigate to the **iProcurement** responsibility.

Requisitions Search
Enter search criteria and press the Go button to find the requisitions. Views

Requisition Created By: Include people from all organizations

Requisition Created: Include people from all organizations

Requisition Number:

Order Number:

Requester:

Requisition Status:

Requisition Description:

Supplier:

Select Requisition	Description	Total (USD)	Creation Date	Status	Order
No search conducted.					

- In the **Requisitions** tab, select the **Search** button.
- In the **Requisitions Search** form, enter **14340** in the **Requisition Number** field.
- Click on the **Go** button.

Select requisition:

Select Requisition	Description	Total (USD)	Creation Date	Status	Order
<input type="checkbox"/> 14340	Requisition for Legal Consulting	450.00	29-Nov-2010 11:17:03	Approved	6053

- Copy the requisition to the **Shopping Cart**.
- Select the requisition and click on the **Copy To Cart** button.
- The requisition is added to the shopping cart.
- Click on the **Checkout** button in the **Shopping Cart** form.
- Click on the **Submit** button.

Confirmation
Requisition 14343 has been submitted.

To check on this requisition's status, click on the **Requisitions** tab or look in **My Requisitions** on the Shop page.

- The new **Requisition 14343** is created.

Correcting a requisition

We need to correct the requisition number **14343** for Legal Consulting. Let's amend the rate to \$1000 per hour:

- Navigate to the **iProcurement** responsibility.

My Requisitions					
Requisition	Description	Total (USD)	Status	Copy Change	Express Receive
14343	Requisition for Legal Consulting	450.00	Approved	<input type="button" value="Copy"/> <input type="button" value="Change"/>	<input type="button" value="Express Receive"/>



- In the **My Requisitions** region, click on the **Change** icon.

Change Order 14343: Review and Submit

Cancel Back Step 3 of 3 Submit

Change Requisition Details

 Indicates new value

Details	Line	Description	Order Type	Order	Need-By	Unit	Quantity	Price	Amount (USD)	Non Recoverable Tax (USD)	Recoverable Tax (USD)	Cancel Line	Reason
	1	Requisition for Legal Consulting	Purchase	6054	05-Dec-2010 00:00:00	Hour	3	150 USD 1000 USD 	450.00 3,000.00 	31.05 207.00 	0.00		Adjusted Rate

Cancel Back Step 3 of 3 Submit

- In the **Change Requisition Details** form, change the **Price** to **1000** and enter a **Reason**, for example, **Adjusted Rate**.
- Click on the **Next** button.
- Click on **Next** in the **Manage Approvals** screen.
- Review the **Change Order**.
- Click on the **Submit** button.
- The requisition is amended.

Canceling a requisition

We need to cancel the requisition number **14343** for legal consulting. A requisition can be canceled before it is placed on a purchase order. If a requisition is placed on a purchase order, we can only cancel the requisition lines.

- Navigate to the **iProcurement** responsibility.

My Requisitions							Full List
Requisition	Description	Total (USD)	Status	Copy	Change	Express Receive	
14343	Requisition for Legal Consulting	3,000.00	Approved				

- In the **My Requisitions** region, click on the **14343 Requisition** link.

Requisition 14343

[Copy To Cart](#) [Cancel Requisition](#) [Change](#) [Receive](#)

Description **Requisition for Legal Consulting** Status [Approved](#)
 Created By **Stock, Ms. Pat** Change History [Yes](#)
 Creation Date **04-Dec-2010 14:32:28** Urgent Requisition **No**
 Deliver-To **3455 108th Avenue Seattle, WA 98101** Attachment **None**
 Justification Note to Buyer

Details

Line	Description	Need-By	Deliver-To	Unit	Quantity	Price	Amount (USD)	Details	Order
1	Requisition for Legal Consulting	05-Dec-2010 00:00:00	M1- ACME Seattle Mfg	Hour	3	1000 USD	3,000.00	6054	
Total							3,000.00		

[Return](#) [Copy To Cart](#) [Cancel Requisition](#) [Change](#) [Receive](#)

- Click on the **Cancel Requisition** button.

Cancel Requisition 14343 (3,000.00 USD): Select Lines

[Cancel](#) [Continue](#)

Details	Line	Description	Order Type	Order	Need-By	Unit	Quantity	Price	Amount (USD)	Select	Reason
Show	1	Requisition for Legal Consulting	Purchase	6054	05-Dec-2010 00:00:00	Hour	3	1000 USD	3,000.00	<input checked="" type="checkbox"/>	Service not required

[Cancel](#) [Continue](#)

- In the **Cancel Requisition** form, click the **Select** checkbox, and enter a **Reason**, for example, **Service not required**.
- Click on the **Continue** button.
- Click on the **Submit** button.

My Requisitions						Full List
Requisition	Description	Total (USD)	Status	Copy	Change	Express Receive
14343	Requisition for Legal Consulting	0.00	Approved	Copy	Change	Express Receive

- The requisition is canceled with the total amount of USD **0.00** , as shown on the requisition.

See also

Creating Items recipe in this chapter

Creating Purchase Orders recipe in Chapter 2, Purchasing Items in Procurement

Approving requisitions

Requisitions are approved based on the approval rules. In this recipe, we will look at how to approve requisitions.

The requisition number 14337 needs to be approved by Catherine Baker.

Getting ready

We need to log in as the approver to approve the requisition. If you are using the VISION demonstration database, log in with CBAKER/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to complete the task:

1. Select the **iProcurement** responsibility.

My Notifications			
Type	From	Subject	Sent
PO Requisition Approval	Stock, Pat	Purchase Requisition 14337 for Stock, Pat (25,150.00 USD)	26-Nov-2010
PO Approval	Baker, Catherine	Standard Purchase Order 6029 has been approved	10-Aug-2010
PO Create Documents		Standard Purchase Order : 6029 created.	10-Aug-2010
PO Approval	Baker, Catherine	Standard Purchase Order 6027 has been approved	04-Jun-2010
PO Create Documents		Standard Purchase Order : 6027 created.	04-Jun-2010

2. In the **My Notifications** region, select the link to the requisition **Purchase Requisition 14337 for Stock, Pat (25,150.00 USD)**.

Purchase Requisition 14337 for Stock, Pat (25,150.00 USD)

From **Stock, Pat** Description **100 Paper Widgets**
 To **Baker, Catherine** Requisition Total **25,150.00 USD**
 Sent **26-Nov-2010 11:02:57** Non-Recoverable Tax **0.00 USD**
 ID **4686850** Justification **Widgets required including consulting service**

Line	Description	Supplier	Cost Center	Unit	Quantity	Price (USD)	Amount (USD)
1	Paper Widget		000	Each	100	250	25,000.00
2	Paper Widgets Consulting		740				150.00

Approval Sequence

Num	Name	Action	Action Date	Note
1	Stock, Ms. Pat	Submitted	26-Nov-2010 11:02:56	Widgets required including consulting service
2	Baker, Catherine	Pending		

3. We now have the option to **Approve, Approve And Forward, Forward, Reject, Reassign, or Request Information.**
4. Review the requisition and click on the **Approve** button to approve the requisition.

Type	From	Subject	Sent
PO Requisition Approval	Baker, Catherine	Purchase Requisition 14337 has been approved	27-Nov-2010

5. A notification is sent to the requester of the approval of the requisition.

How it works...

Purchase requisition approvals are based on a hierarchy, which determines how the documents flow, based on approval limits and controls. Approvals can be routed based on employee/supervisor relationship or positions. Approval rules can also be defined using the Oracle Approvals Management Engine for purchase requisitions.

When a document is created, depending on the approval routing and the controls, the document will be routed for approval. Once the document is approved, the requisition is available to be used in the creation of a purchase order.

There's more...

Let's explore how the Position Hierarchy was set up.

The approvers are employees of the organization. Let's start by reviewing the employee setup for Pat Stock.

Reviewing the employee setup

1. Select the **Human Resources** responsibility.
2. Navigate to **People | Enter and Maintain.**

AssignmentStock, Ms. Pa0

Organization: Vision Operations | Job: MGR500.Manager | Grade: | Location: V1- New York City | Group: Financials. | Position: MM400.Materials Manager | Payroll: Vision Semimonthly | Status: Active Assignment | Vacancy: | Assignment Number: 24 | Assignment Category: Fulltime-Regular | Collective Agreement: | Employee Category: |

Salary Information | **Supervisor** | Probation & Notice Period | Standard Conditions | Statutory Information

Name: Brown, Ms. Casey | Worker Number: 30 | Assignment Number: |

Effective Dates: From 03-DEC-2010 | To: |

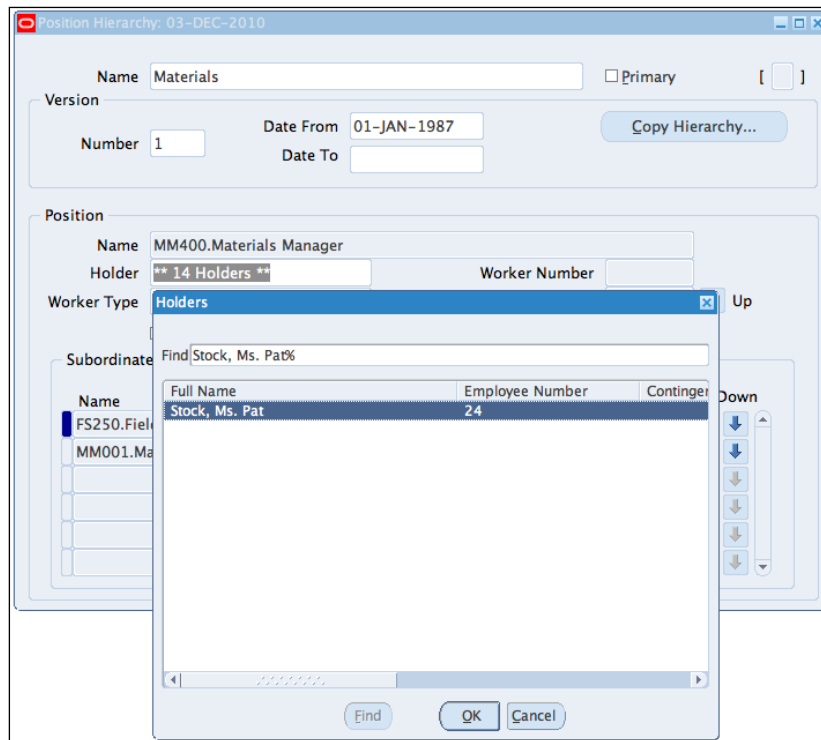
Buttons: Salary, Entries, Others...

3. In the find **Person**, search for **Pat Stock**.
4. Select the **Assignment** button.
5. Pat Stock's **Position** is **MM400.Materials Manager**.
6. Select the **Supervisor** tab.
7. The supervisor's **Name** is **Ms Casey Brown**. This is used for employee / supervisor-based approvals.

The employee needs to be placed in a Position Hierarchy called Materials. Let's review the Position Hierarchy setup.

Reviewing the Position Hierarchy

1. Select the **Purchasing** responsibility.
2. Navigate to **Setup | Personnel | Position Hierarchy**.



3. Search for the **Materials** in the **Name** field.
4. Search for **MM400.Materials Manager** in the **Name** field, in the **Position** region.
5. There are **14 Holders** of the position.
6. Search for **Stock%** in the field. **Stock, Ms. Pat** is retrieved as one of the holders.

Let's review the Purchase Requisition document type.

Reviewing the document types

1. Navigate to **Setup | Purchasing | Document Types**.

Update Document Type: Requisition Purchase for Vision Operations

* Indicates required field

* Document Name Cancel Apply

Approval	Control
<input checked="" type="checkbox"/> Owner Can Approve <input checked="" type="checkbox"/> Approver Can Modify <input type="checkbox"/> Can Change Forward-To <input type="checkbox"/> Can Change Forward-From <input type="checkbox"/> Can Change Approval Hierarchy Approval Workflow <input type="text" value="PO Requisition Approval"/> Workflow Start Process <input type="text" value="Main Requisition Approval"/> Approval Transaction Type <input type="text"/> Forward Method <input type="text" value="Direct"/> Default Hierarchy <input type="text" value="Materials"/>	Security Level <input type="text" value="Public"/> Access Level <input type="text" value="Full"/> Autocreate Workflow <input type="text" value="PO Create Documents"/> Autocreate Workflow Start Process <input type="text" value="Overall Document Creation/Laun"/> <input checked="" type="checkbox"/> Use Contract Agreements for Auto-Sourcing <input type="checkbox"/> Include Non-Catalog Requests

2. In the **Update Document Type** form, select the update icon for Purchase Requisition.
3. Review the details in the **Approvals** section.
4. The **Default Hierarchy** is **Materials**.

Reviewing the approval groups

This is where the authorization rules are set up. They can be set up for the following object types: Document Total, Account Range, Item Range, Item Category Range, and Location.

1. Navigate to **Setup | Approvals | Approval Groups**.

The screenshot shows the 'Approval Groups' window. The 'Operating Unit' is 'Vision Operations', the 'Name' is 'Manager', and the 'Description' is 'Manager approves up to \$25,000'. The 'Approval Rules' table is as follows:

Object	Type	Amount Limit	Low Value	High Value
Document Total	Include	25,000.00		
Account Range	Include	25,000.00	00-000-0000-0000-	99-999-9999-9999

A 'Find Approval Groups' dialog box is open, showing a list of approval groups. The 'Manager' group is selected, with the description 'Manager approves up to \$25,000'.

Approval Group	Description
Bookkeeper	Bookkeeper
Buyer Materials	Buyer for materials up to \$50,...
Buyer non-materials	Buyer for non-material up to \$...
Controller	Approves non-material up to \$...
Director Production	Director for materials up to \$1...
Executive	Executive approves all
Manager	Manager approves up to \$25,...
Manager - PO Demo	Manager approves up to \$50,...
Vice President of Materials	Approves all

2. Click on the **Find** icon and select the **Approval Group** of **Manager**.
3. The **Amount Limit** of **25,000** in the **Document Total** field and **The Account Range** includes all account ranges.

Reviewing the approvals assignment

1. Navigate to **Setup | Approvals | Approvals Assignment**.

Document Type	Approval Group	From	To	Effective
Approve Blanket Purchase Agr	Manager	19-FEB-1995		
Approve Blanket Releases	Manager - PO Demo	19-FEB-1995		
Approve Contract Purchase Or	Manager	19-FEB-1995		
Approve Internal Requisitions	Manager	19-FEB-1995		
Approve Planned Purchase Or	Manager	19-FEB-1995		
Approve Purchase Requisitions	Manager	19-FEB-1995		
Approve Scheduled Releases	Manager	19-FEB-1995		
Approve Standard Purchase Or	Manager - PO Demo	19-FEB-1995		

2. In the **Operating Unit** field, select **Vision Operations**.
3. In the **Position** field, select **MM400.Materials Manager**.
4. The **Document Type, Approve Purchase Requisitions** has the **Approval Group of Manger** assigned to it.

Creating suppliers

Suppliers are required for the creation of a purchase order. In this recipe, we will create a supplier called Office Widgets Suppliers, Inc.

Getting ready

Suppliers can be created from the purchasing or payables responsibilities. Before the supplier is created, we need to establish that the supplier does not exist on the system, and the necessary payables, purchasing, and financials options have been set.

How to do it...

Let's list the steps required to create a supplier:

1. Navigate to the **Purchasing** responsibility.
2. Navigate to **Supply Base | Suppliers**.

Create Supplier
* Indicates required field

Supplier Type: **Standard supplier**

* Organization Name: Office Widgets Supplie
Alias:
Name Pronunciation:
D-U-N-S Number:
URL:
Context Value: (Must include: http://)

Country of Origin: United States
Tax Registration Number:
Taxpayer ID:
Supplier Home Page:

Buttons: Cancel, Apply

3. Click on **Create Supplier**.
4. In the **Supplier Type** field, select **Standard Supplier** from the drop-down list.
5. In the **Organization Name** field, enter a unique name for the supplier name. For example, **Office Widgets Suppliers, Inc.** Organizations should have a naming convention for suppliers to avoid duplicate entries. The **Organization Name** is case sensitive.
6. In the **Country of Origin** field, enter **United States**.
7. Click on the **Apply** button.

Let's create the address for the supplier's site:

1. Click on the **Address Book** link on the left navigation bar.

Suppliers >
Update Office Widgets Suppliers, Inc - 7: Address Book

Search

Address Name:
Address Details:

Buttons: Go, Clear, Create

Details Name	Address	Country	Communic
No results found.			

2. Click on the **Create** button to enter the site details.
3. Enter the **Address Details**.

Create Address: Confirm Details

* Indicates required field

Supplier Name **Office Widgets Suppliers, Inc** Supplier Number **7** Cancel Continue

Address Details	Contact Details and Purpose
* Country <input type="text" value="United States"/>	Communication Details <input type="checkbox"/> Update to all new sites created for this address
* Address Line 1 <input type="text" value="316 Acacia Avenue"/>	Phone Area Code <input type="text"/>
Address Line 2 <input type="text"/>	Phone Number <input type="text"/>
Address Line 3 <input type="text"/>	Fax Area Code <input type="text"/>
Address Line 4 <input type="text"/>	Fax Number <input type="text"/>
City <input type="text" value="New York"/>	Email Address <input type="text"/>
County <input type="text" value="New York"/>	Address Purpose <input checked="" type="checkbox"/> Purchasing
State <input type="text" value="NY"/>	<input checked="" type="checkbox"/> Payment
Postal Code <input type="text" value="10001"/>	<input type="checkbox"/> RFQ Only
* Address Name <input type="text" value="NEW YORK"/>	
Addressee <input type="text"/>	
Geography Code Override <input type="text"/>	
Language <input type="text" value=""/>	
Context Value <input type="text" value=""/>	

Cancel Continue

4. In the **Address Line 1** field, enter **316 Acacia Avenue**.
5. In the **City** field, enter **New York**.
6. In the **County** field, enter **New York**.
7. In the **State** field, select **NY** from the drop-down list.
8. In the **Postal Code** field, enter **10001**.
9. In the **Address Name** field, enter **NEW YORK**.
10. In the **Address Purpose** field, select **Purchasing** and **Payment**.
11. Click on the **Continue** button.
12. Assign the site name to the operating unit.
13. Click on the **Apply** button.
14. The new supplier and the supplier site is created.

How it works...

Supplier data consists of two main sections:

1. The header: This contains the core supplier's details, for example, the name, tax registration details, DUNS number, supplier's URL, type of supplier, and so on.
2. The site: This contains the supplier's address specific information, for example, the purpose of the site, contact information, operating unit assignment, an address of the supplier, and so on.

Let's add some additional information to the supplier's details.

There's more...

Now let's look at additional data that can be set up for the supplier.

Creating a contact

Contacts for a supplier can be created and associated with supplier sites. Let's create a contact:

1. Select the **Contact Directory** link from the left navigation bar.
2. Click on the **Create** button.

* Indicates required field

Contact Title	Mr.	Phone Area Code	<input type="text"/>	<input type="button" value="Cancel"/>	<input type="button" value="Apply"/>
First Name	John	Phone Number	<input type="text"/>		
Middle Name		Phone Extension	<input type="text"/>		
* Last Name	Buddy	Fax Area Code	<input type="text"/>		
Job Title	Manager	Fax Number	<input type="text"/>		
Email Address	john.buddy@officewid	Inactive Date	<input type="text"/>		(example: 28-Nov-2010)

User Account

Create User Account for this Contact

Addresses For the Contact

Address Name	Address Details	Contact Descriptive Flexfield	Remove
NEW YORK	316 Acacia Avenue NEW YORK, NY 10001		

3. Enter the following details:

- Enter the **First Name**, for example, **John**
- Enter the **Last Name**, for example, **Buddy**. The **Last Name** field is mandatory.
- Enter the **Email Address**, for example, **john.buddy@officewidgets.com**.

Let's associate an address with the contact:

1. Click on **Add Another Row**.
2. Enter **NEW YORK** in the **Address Name** field.
3. Click on the **Apply** button.

Creating a bank account

Suppliers require a bank account to be paid by electronic transfers. Let's create a bank account for the supplier:

1. Select the **Banking Details** link from the left navigation bar.
2. In the **Bank Accounts** region, click on the **Create** button.

The screenshot shows the 'Banking Details' form for a supplier. The left navigation pane is expanded to 'Banking Details'. The main form area is titled 'Bank Accounts' and contains the following fields and sections:

- Payee Name:** Office Widgets Suppliers, Inc
- Payee Site:** (empty)
- Internal Organization:** (empty)
- Supplier Site Name:** (empty)
- * Country:** United States
- Allow International Payments
- Bank Section:**
 - Select Existing Bank
 - Create New Bank
 - Bank Name:** Bank of America
 - Bank Number:** 163281189
 - [Show Bank Details](#)
- Branch Section:**
 - Select Existing Branch
 - Create New Branch
 - Branch Name:** New York
 - Branch Number:** 736198273
 - BIC:** (empty)
 - Branch Type:** ABA
 - [Show Branch Details](#)
- Bank Account Section:**
 - * Account Number:** XXXXX8234
 - Account Name:** (empty)
 - Check Digits:** (empty)
 - IBAN:** (empty)
 - Currency:** (empty)
- Account Owners Table:**

Account Owner Name	Alternate Account Owner Name	Primary	End Date
Office Widgets Suppliers, Inc		<input checked="" type="checkbox"/>	

Buttons: **Cancel**, **Apply**, **Add Another Row**, [Show Bank Account Details](#)

3. In the **Country** field, enter **United States**.
4. In the **Bank** region, enter **Bank of America** in the **Bank Name** field.
5. In the **Branch** region, enter **New York** in the **Branch Name** field.

6. In the **Account Number** field, enter the account number.
7. Click on the **Apply** button.
8. Click on the **Save** button.


Reviewing the accounting details

Let's review the accounting details.


1. Select the **Accounting** link from the left navigation bar.
2. Review the **Ledger** in the **Ledger** field.

Liability	Prepayment	Bills Payable	Distribution Set
<input type="button" value="Create"/>			
Site Name	Operating Unit	Liability Account	
NEW YORK	Vision Operations	01-000-2210-0000-000 	
<small>Company-Department-Account-Sub-Account-Product</small>			

3. In the **Liability** tab, review the **Liability Account** details (**01-000-2210-0000-000**).

Liability	Prepayment	Bills Payable	Distribution Set
<input type="button" value="Create"/>			
Site Name	Operating Unit	Prepayment	
NEW YORK	Vision Operations	01-000-1340-0000-000 	
<small>Company-Department-Account-Sub-Account-Product</small>			

4. In the **Prepayment** tab, review the **Prepayment** account details (**01-000-1340-0000-000**).

Liability	Prepayment	Bills Payable	Distribution Set
<input type="button" value="Create"/>			
Site Name	Operating Unit	Bills Payable	
NEW YORK	Vision Operations	01-000-2580-0000-000 	
<small>Company-Department-Account-Sub-Account-Product</small>			

5. In the **Bills Payable** tab, review the bill payables account details (**01-000-2580-0000-000**).

Reviewing the purchasing options

Let's review the purchasing options:

1. Select the **Purchasing** link from the left navigation bar.

The screenshot shows the 'Purchasing' section of a software interface. At the top right are 'Cancel' and 'Save' buttons. Below are two checkboxes: 'All New Orders' and 'Create Debit Memo from RTS Transaction'. A section titled 'Supplier Sites' contains a 'Site Status' dropdown set to 'Active', a 'Site Name' text box, an 'Operating Unit' text box, and a 'Go' button. Below this is a tabbed interface with 'Purchasing', 'Self Billing', and 'Freight' tabs. Under the 'Purchasing' tab is a 'Create' button. A table displays site information:

Site Name	Operating Unit	Ship-To Location	Bill-To Location	Ship Via
NEW YORK	Vision Operations	M1- ACME Seattle Mfg	V1- New York City	

2. Review the default **Ship-To Location** and **Bill-To Location** for the site in the **Purchasing** section.

Setting the receiving options

Let's enter the receiving options. The values can be overridden when entering a purchase order:

1. Select the **Receiving** link from the left navigation bar.

The screenshot shows the 'Receiving' options configuration interface. It includes a 'Cancel' and 'Save' button at the top right. The configuration is organized into two columns:

- Left Column:**
 - Enforce Ship-To Location: Warning
 - Receipt Routing: Requires: Direct receipt
 - Match Approval Level: 3-Way
 - Quantity Received Tolerance: 5
 - Quantity Received Exception: Warning
- Right Column:**
 - Days Early Receipt Allowed: 5
 - Days Late Receipt Allowed: 5
 - Allow Substitute Receipts:
 - Allow Unordered receipts:
 - Receipt Date Exception: Warning

2. In the **Enforce Ship-To Location** field, select **Warning** in the drop-down list. This field determines whether the receiving location must be the same as the ship-to location.
3. In the **Receipt Routing** field, enter **Requires: Direct receipt**. This is the receiving routing assigned to the Items.
4. In the **Match Approval Level** field, select **3-Way** in the drop-down list. Invoices from the supplier can be matched to the purchase order in payables, based on the **Match Approval Level**.

5. The invoice price should not be more than the purchase order price. If the invoice price is more, it should be within the tolerance set. The match approvals are based on the quantity invoiced, including the invoice price check. There are three levels, listed as follows:
 - 2-Way Match: Quantity invoiced, not more than the quantity ordered.
 - 3-Way Match: 2-Way match and quantity invoiced, not more than the quantity received.
 - 4-Way Match: 3-Way match and quantity invoiced, not more than the quantity accepted.
6. In the **Quantity Received Tolerance** field, enter **5**. This represents the maximum over receipt tolerance of five percent.
7. In the **Quantity Received Exception** field, select **Warning** from the drop-down list.
8. In the **Days Early Receipt Allowed** field, enter **5**. We can accept receipts from the supplier 5 days early.
9. In the **Days Late Receipt Allowed** field, enter **5**. We can accept receipts from the supplier 5 days late.
10. Leave the **Allow Substitute Receipts** field unchecked.
11. Leave the **Allow Unordered Receipts** field unchecked.
12. In the **Receipt Date Exception** field, select **Warning** from the drop-down list.

Setting the payment details

Let's set the payment details:

1. Select the **Payment Details** link from the left navigation bar.

Payment Details

Payment Methods

TIP You can choose one payment method to default on documents for the payee. A default payment method is optional.

Payment Method	Default	End Date
Bill Payable	<input type="checkbox"/> Default	<input type="text"/>
Check	<input checked="" type="checkbox"/> Default	<input type="text"/>
Comcheck Payment method	<input type="checkbox"/> Default	<input type="text"/>
Electronic	<input type="checkbox"/> Default	<input type="text"/>
Outsourced Check	<input type="checkbox"/> Default	<input type="text"/>
Wire	<input type="checkbox"/> Default	<input type="text"/>

- In the **Payments Method** region, select **Check** as the **Default** method.
- Click on the **Save** button.

Creating purchase orders

Purchase orders are created from requisitions, or created separately without a requisition. Once the purchase order is created and approved, it can be sent to the supplier for fulfillment of the order. In this recipe, we will create a standard purchase order for the requisition 14337, and use the Office Widget Suppliers, Inc. as the supplier.

Getting ready

We need to be set up as buyers to create purchase orders. Let's review the buyer setup details for Pat Stock:

- Log in to the **Purchasing** responsibility.
- Navigate to **Setup | Personnel | Buyers**.

Buyers

* Indicates required field

Cancel Save

Search

Buyer %Stock%Ms%

Category

Ship To

Go Clear

*Buyer	Category	Ship-To	Begin Date	End Date
Stock, Ms. Pat		V1- New York City	05-Mar-1995	

Item Category,Commodity

Add Buyer

Cancel Save

- Search for the buyer attached to the user.
- In the **Buyer** field, enter **%Stock%Ms%**, and click on the **Go** button.
- The buyers details are displayed.

How to do it...

Let's list the steps required to complete the task:

1. Navigate to **Buyer Work Center | Requisitions.**

Demand Workbench
* Indicates required field

Search

Show table data when all conditions are met.
 Show table data when any condition is met.

Buyer is

Requisition is

Category is

Supplier is

Select Requests:

Select	OU	Requisition	Item/Job	Qty	Unit Price	Curr	Need-By	Source	Actions
<input checked="" type="checkbox"/>	Vision Operations	14337.2	Paper Widgets Consulting			150 USD	27-Nov-2010 00:00:00		<input type="button" value="🔍"/> <input type="button" value="🔍"/> <input type="button" value="🔍"/>
<input checked="" type="checkbox"/>	Vision Operations	14337.1	PRD20001	100	Each	250 USD	27-Nov-2010 00:00:00		<input type="button" value="🔍"/> <input type="button" value="🔍"/> <input type="button" value="🔍"/>

2. In the **Demand Workbench**, click on the **Search** button.
3. Click on the **Clear** button.
4. Enter the **Requisition** number **14337** in the **Requisition** field.
5. Click on the **Go** button to display the lines of the requisition.
6. Click on the **Select All** link and click on the **Add** button.

Demand Workbench
* Indicates required field

Search

Show table data when all conditions are met.
 Show table data when any condition is met.

Buyer is

Requisition is

Category is

Supplier is

Select OU

No results found.

Document Builder

Type **New Order**

OU **Vision Operations**

Agreement

Supplier **Office Widge**

Site **NEW YORK**

Currency **USD**

* Style **Standard Pu**

Recently Added Items

Paper Widget	100	Each
Paper Widgets Consulting	150.00	USD

Number of Lines **2**

Total **25,150.00**

USD

7. In the **Document Builder** section, enter **Office Widgets** and press the *Tab* key; the **Supplier** details and the **site** details will be automatically entered.
8. Click on the **Create** button to create the **Standard Purchase Order**.

Update Standard Purchase Order 6049
* Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Search

Header Lines Schedules Distributions

Operating Unit Vision Operations
Status **Incomplete**
Supplier Office Widgets Suppliers, Inc.
Supplier Site NEW YORK
Supplier Contact
Communication Method None

Total 25,150.00 USD
* Buyer Stock, Ms. Pat
Description
Confirming Order No

Terms

Bill-To Location V1- New York City
Payment Terms 30 Net (terms date + 30)
Pay On Receipt No
Acknowledge By
Required Acknowledgment None

* Default Ship-To Location M1- ACME Seattle Mfg
Ship Via
Freight Terms Due
FOB Origin
Transportation Arranger None

9. Review the purchase order **Header** details.
10. Review details from the supplier setup. For example, the **Bill-To Location**.

Update Standard Purchase Order 6049
* Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Search

Header Lines Schedules Distributions

Operating Unit **Vision Operations** Status **Incomplete** Total 25,150.00 USD

Add Lines: From Catalog Go

*Line	*Type	Item/Job	*Description	*Category	Qty	Unit	Price	Amount	Need-By/Start Date	Actions
1	Fixed Price		Paper Widge	MISC.COI			150		27-Nov-2010	
2	Goods	PRD20001	Paper Widge		100	Eac	250	25,000.00	27-Nov-2010	

Add 5 Rows

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Purchasing Items in Procurement

11. Select the **Lines** tab to review the lines details. Review the **Price**, the **Quantity**, and other details obtained from the requisition.

Update Standard Purchase Order 6049
 * Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Search

Header Lines Schedules Distributions

Operating Unit: Vision Operations Status: Incomplete Total: 25,150.00 USD

Line	Line Description	*Schedule	*Location	*Org	Qty	Unit	Price	Amount	Need-By	Actions
1	Paper Widgets Consulting	1	M1- ACME Seattl	M1			150		27-Nov-2010	
2	Paper Widget	1	M1- ACME Seattl	M1	100	Each	250	25,000.00	27-Nov-2010	

Cancel Actions Add Contract Terms Go Save Approval Options Submit

12. In the **Schedules** tab, review the **Delivery Location** details and the **Need-By** date.

Update Standard Purchase Order 6049
 * Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Search

Header Lines Schedules Distributions

Operating Unit: Vision Operations Status: Incomplete Total: 25,150.00 USD

Line	Schedule	Line Description	*Distribution Type	Deliver-To	Qty	Unit	Amount	PO Charge Acct	Actions
1	1	Paper Widgets Consulting	Expense	M1- ACME Seattle			150	01-740-7699-0000-000 Company-Department-Account-Sub-Account-Product	
2	1	Paper Widget	Inventory	M1- ACME Seattle	100	Each	25,000.00	01-000-1410-0000-000 Company-Department-Account-Sub-Account-Product	

Cancel Actions Add Contract Terms Go Save Approval Options Submit

13. In the **Distributions** tab, review the **Distribution Type** and the **PO Charge Acct**.
14. Click on the **Save** button.

DRAFT Standard Purchase Order 6049, 0

Vision Operations
475 Park Avenue
New York, NY 10022
United States

Type	Standard Purchase Order
Order	6049
Revision	0
Order Date	28-NOV-2010
Created By	Stock, MS. Pat
Revision Date	
Current Buyer	

Supplier: **Office Widgets Suppliers, Inc**
316 Acacia Avenue
New York, NY 10001
United States

Ship To: **3455 108th Avenue**
Seattle, WA 98101
United States

Bill To: **90 Fifth Avenue**
New York, NY 10022-3422
United States

Customer Account No	Supplier No.	Payment Terms	Freight Terms	FOB	Transportation	Ship Via
	7	30 Net (terms date + 30)	Due	Origin		
Confirm To/Telephone				Requester/Deliver To		
				Stock, MS. Pat		

Notes: All dates referenced in this document are in GMT -6 America/Chicago
All prices and amounts on this order are expressed in USD

Line	Part Number / Description	Delivery Date/Time	Quantity	UOM	Unit Price (USD)	Tax	Amount (USD)
1	Paper Widgets Consulting	Needed: 27-NOV-2010 00:00:00				Y	150.00
	Ship To: Use the ship-to address at the top of page 1						
	Deliver To: Stock, MS. Pat nobody@localhost						
2	PRD20001 Paper Widget	Needed: 27-NOV-2010 00:00:00	100	Each	250	Y	25,000.00
	Ship To: Use the ship-to address at the top of page 1						
	Deliver To: Stock, MS. Pat (100) nobody@localhost						
Total							25,150.00 (USD)

Proprietary and Confidential Page 1 of 1

15. Review the **Draft** PDF of the purchase order.
16. Select **View PDF** in the **Actions** field.
17. Click on the **Go** button.
18. View the PDF file.
19. Click on the **Submit** button to send the Purchase Order for **Approval**.
20. The purchase order should be automatically approved.

There's more...

We can also create **Blanket Purchase Agreements (BPA)** and **Contract Purchase Agreement (CPA)**. Blanket Purchase Agreements are used with catalog requisitions. Contract Purchase Agreements are mainly used with non-catalog requisitions. Let's explore the use of CPA and BPA. We will also look at some of the purchasing options and approvals.

Using Blanket Purchase Agreements (BPA)

1. Prepare the upload CSV file in Excel.
2. From the **Purchasing** responsibility, navigate to **Buyer Work Center | Agreements**.

Create Blanket Purchase Agreement

* Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Header Lines Controls

Operating Unit: Vision Operations

* Supplier: Office Widgets Suppliers, Inc

* Supplier Site: NEW YORK

Supplier Contact: Buddy, MR. John

Communication Method: None

* Buyer: Stock, Ms. Pat

Amount Agreed: USD

Effective From: To

Description: (example: 28-Nov-2010)

Terms

Bill-To Location: V1- New York City

Payment Terms: 30 Net (terms date + 30)

Pay On Receipt: No

Required Acknowledgment: None

Acknowledge By:

Amount Limit:

Price Update Tolerance:

* Default Ship-To Location: M1- ACME Seattle Mfg

Ship Via:

Freight Terms: Due

FOB: Origin

Transportation Arranger: None

3. In the **Create** field, select **Blanket Purchase Agreement** in the drop-down list, and click on the **Go** button.
4. Enter **Office Widgets, Inc** as the **Supplier**.
5. Enter **NEW YORK** as the **Supplier Site**.
6. Click on the **Save** button to save our work.

Upload Lines: Blanket Purchase Agreement 6050

* Indicates required field

File Type Tab-delimited Text
 XML
 Catalog Interchange Format (CIF)
 cXML

* File Name /Users/Cementors/Desktop

Submit for Approval Yes, submit for approval after validation
 No, submit for approval later

Apply Oracle e-Commerce Gateway Mapping Yes
 No

Set Error Tolerance Yes, stop the upload if number of lines with error reaches:
 No

7. Click on the **Lines** tab.
8. In the **Add Lines** field, select **Via Upload** and click on the **Go** button.
9. In the **File Name** field, select the upload file.
10. Click on the **Submit** button.
11. A job confirmation is received for the **Blanket Purchase Agreement 6050**.
12. Search for the **Status** of the agreement.
13. Select the **Agreement** tab.
14. Enter **6050** in the **Agreement** field.
15. Click on the **Go** button.
16. The agreement is retrieved with the status of **Approved**.
17. Click on **6050** in the **Agreement** link.

Blanket Purchase Agreement 6050

Actions

Header **Lines** Controls

Line Type	Item/Job Description	Operating Unit	Vision Operations	Status	Approved	Category Unit	Price	Expiration Date	Details	Currency	USD
1	Goods PRD20001 Workjet Widget Paper Pro 8000 Wireless Inkjet Printer Paper			645.33	Each	74.99					
2	Goods PRD20002 Workjet Widget Paper CMYK Bundle			645.33	Each	44.99					
3	Goods PRD20003 WorkJet Widget Paper Color Laser Printer Paper			645.33	Each	249.99					
4	Goods PRD20004 WorkJet Widget Paper Mono Laser Printer Paper			645.33	Each	129.99					

[Return to Agreements](#)

Actions

18. Click on the **Lines** tab to review the uploaded lines.

Viewing the agreement in iProcurement

Let's view the Items in an iProcurement catalog:

1. Switch to the **iProcurement** responsibility.

Search Results from Main Store: 6050

Sort by Ascending Go

Search results filtered by **No active filter.** [Add Filter](#)

[Show Images](#)

[Workjet Widget Paper Pro 8000 Wireless Inkjet Printer Paper](#)

This Paper widget is a paper application that can be embedded into third party books by any user reading a book where they have rights of authorship. Paper widgets allow users t...

Shopping Category	Copy Paper	Supplier	Office Widgets Suppliers, Inc	Supplier Site	NEW YORK Agreement 6050
Supplier Item	PAP001	Internal Item Number	PRD20001	Source	Agreement 6050
Price	74.99 USD				

Quantity Each [Add to Cart](#) [Add to Favorites](#) [Add to Compare](#)

This item is internally stocked. [Click here to select a source.](#)

[Workjet Widget Paper CMYK Bundle](#)

Shopping Category	Copy Paper	Supplier	Office Widgets Suppliers, Inc	Supplier Site	NEW YORK Agreement 6050
Supplier Item	PAP002	Internal Item Number	PRD20002	Source	Agreement 6050
Price	44.99 USD				

Quantity Each [Add to Cart](#) [Add to Favorites](#) [Add to Compare](#)

This item is internally stocked. [Click here to select a source.](#)

2. In the **Main Store** field, enter the Blanket Purchase Agreement number **6050**.
3. Click on the **Go** button.
4. The catalog Items are displayed in iProcurement.

Using Contract Purchase Agreements (CPAs)

Let's create a CPA:

1. Navigate to **Buyer Work Center | Agreements**.

Create Contract Purchase Agreement

* Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

Header Controls

Operating Unit: Vision Operations

* Supplier: Office Widgets Suppliers, Inc

* Supplier Site: NEW YORK

Supplier Contact: Buddy, MR. John

Communication Method: None

* Buyer: Stock, Ms. Pat

Amount Agreed: 100000 USD

Effective From: (example: 28-Nov-2010) To:

Description:

Terms

Bill-To Location: V1- New York City

Payment Terms: 30 Net (terms date + 30)

Pay On Receipt: No

Required Acknowledgment: None

Acknowledge By:

Amount Limit:

* Default Ship-To Location: M1- ACME Seattle Mfg

Ship Via:

Freight Terms: Due

FOB: Origin

Transportation Arranger: None

2. In the **Create** field, select **Contract Purchase Agreement** in the drop-down list and click on the **Go** button.
3. Enter **Office Widgets Suppliers, Inc** as the **Supplier**.
4. Enter **NEW YORK** as the **Supplier Site**.
5. Enter an **Amount Agreed** of **100,000**.
6. Click on the **Save** button to save our work.
7. Click on the **Controls** tab and review the details.
8. Click on the **Submit** button.
9. A confirmation of the submission of the Contract Purchase Agreement **6051** for approval is displayed.
10. Search for the status of the agreement.
11. Select the **Agreement** tab.
12. Enter **6051** in the **Agreement** field.
13. Click on the **Go** button.

Action History: Contract Purchase Agreement 6051

Operating Unit: **Vision Operations**

Sequence	Date	Rev	Person	Action	Notes
0	28-Nov-2010 11:51:13	0	Stock, Ms. Pat	Submit	
1	28-Nov-2010 11:51:14	0	Stock, Ms. Pat	Forward	
2		0	Horton, Ms. Connor Esq.		

14. The **Agreement** is retrieved with the status of **In-Process**.
15. Click on **In Process** in the **Status**.
16. The approval **Action History** is displayed.
17. The next approver is **Horton, Ms. Connor Esq.**

Using the contract in iProcurement

Let's use the CPA in iProcurement:

1. Switch to the **iProcurement** responsibility.
2. In the **Main Store** field, select the **Non-Catalog Request** link to enter the details of the non-catalog request.

Non-Catalog Request
* Indicates required field

Clear All Add to Cart Add to Favorites

* Item Type Goods billed by quantity ⓘ

* Item Description

* Category ⓘ

* Quantity

* Unit of Measure ⓘ

* Unit Price

Currency **USD**

RFQ Required

Negotiated

Contract Number 6051 ⓘ

New Supplier

Supplier Name **Office Widgets Suppliers, Inc**

Site **NEW YORK**

Contact Name Buddy, John

Phone

Supplier Item

Clear All Add to Cart Add to Favorites

3. Enter **6051** in the **Contract Number** field.
4. The supplier details are entered automatically.

Reviewing the purchasing options

Let's review some of the default values used in purchasing:

1. Navigate to **Setup | Organizations | Purchasing Options**.

2. Review the **Document Control** region. We have various options to control the purchase order, for example, **Allow Item Description Update**, **Enforce Buyer Name**, and so on.

3. Review the **Document Defaults** region. We have various options to determine the default values on the purchase order, for example, **Match Approval Level**, **Rate Type**, and so on.

- Review the **Receipt Accounting** region. We have the **Receipt Accounting** options to determine the accrual methods for Expense and Inventory Items and the default **AP Accrual Account**.

Document Numbering			
Document	Entry	Type	Next Number
RFQ Number	Automatic	Numeric	306
Quotation Number	Automatic	Numeric	500
PO Number	Automatic	Numeric	6054
Requisition Number	Automatic	Numeric	14343

- Review the **Document Numbering** region. We have the options to set the **Document Numbering** format (**Numeric** or **Alphanumeric**) for **RFQ Number**, **Quotation Number**, **PO Number**, and **Requisition Number**. We can also set the numbering to **Automatic** or **Manual**.

Approving purchase orders and agreements

Log in as the approver:

- Select the **iProcurement** responsibility.

Vision Operations - Contract Purchase Agreement 6051 for USD 100,000.00 requires your approval.

From: Stock, Pat
 To: Horton, Connor
 Sent: 28-Nov-2010 11:51:38
 ID: 4686863
 Contract Purchase Agreement 6051 for USD 100,000.00 requires your approval.

Amount: USD 100,000.00
 Tax: USD 0.00
 Supplier: Office Widgets Suppliers, Inc
 Supplier Site: NEW YORK
 Description:

Forwarded From: Stock, Pat
 Preparer: Stock, Pat
 Operating Unit: Vision Operations

Note:

Purchase Order Lines

Line	Item Number	Rev.	Item Description	UOM	Quantity	Unit Price	Line Amount

Approval Sequence

Sequence	Who	Action	Date	Note
2	Horton, Ms. Connor Esq.			
1	Stock, Ms. Pat	Forward	28-NOV-2010	
0	Stock, Ms. Pat	Submit	28-NOV-2010	

2. In the **My Notifications** region, select the link to the **Contract Purchase Agreement Vision Operations - Contract Purchase Agreement 6051 for USD 100,000.00 requires your approval**.
3. We now have the option to **Approve, Approve And Forward, Forward, Reject, Reassign, or Request Information**.
4. Review the Document and click on the **Approve** button to approve the requisition.
5. A notification is sent to the requester of the approval of the requisition.

See also

Creating Suppliers recipe in this chapter

Raising Requisitions for Items recipe in this chapter

Approving Requisitions recipe in this chapter

Receiving Items

Receiving Items consists of two main parts: receiving into a receiving bay, and then delivery into a Subinventory or Expense location. In this recipe, we will look at direct delivery into a Subinventory location. Receiving can occur in purchasing or iProcurement; we will use iProcurement to receive in this recipe.

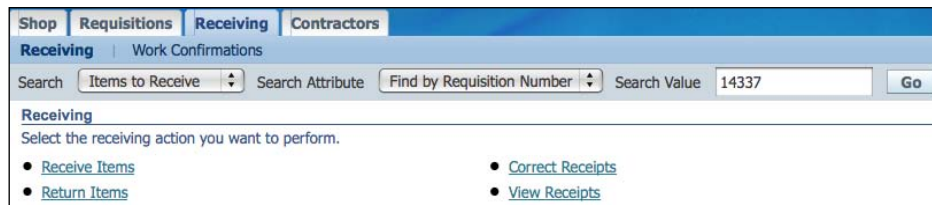
We are going to receive 45 of the 100 paper widgets from Office Widget Suppliers, Inc.

Getting ready

We need an approved purchase order before we can receive the Items in iProcurement.

How to do it...

1. Select the **iProcurement** responsibility.



Purchasing Items in Procurement

2. Click on the **Receiving** tab and enter the requisition number **14337** in the **Search Value** field.
3. Click on the **Go** button.

Select	Requisition	Description	Need-By	Quantity/Amount	Unit	Ordered	Received	Invoiced	Supplier	Order Type	Order Number	Shipment Number
<input type="checkbox"/>	14337	Paper Widgets Consulting	27-Nov-2010 00:00:00	150	USD	150	0	0	Office Widgets Suppliers, Inc	Purchase	6049	
<input checked="" type="checkbox"/>	14337	Paper Widget	27-Nov-2010 00:00:00	45	Each	100	0	0	Office Widgets Suppliers, Inc	Purchase	6049	

TIP Use the Previous/Next navigation tool to make selections across multiple pages

4. Select the line for the **Paper Widget** and enter **45** in the **Receipt Quantity / Amount** field. We need to ensure that that the correct unit of measure is selected.
5. Click on the **Next** button.

Select Items
Receipt Information
Review And Submit

Receive Items: Enter Receipt Information

* Indicates required field

Cancel Back Step 2 of 3 Next

* Receipt Date: 29-Nov-2010 06:11:48

(example: 29-Nov-2010 19:45:00)

Waybill: WB-10001-62962

Packing Slip: PS-OW-12865

Receipt Comments: The remainder of the Widgets should be delivered tomorrow.

Cancel Back Step 2 of 3 Next

6. Enter the **Receipt Date**.
7. Enter the **Waybill** number, for example, **WB-10001-62962**. This is the consignment note issued by the delivery carrier.
8. Enter the **Packing Slip** number, for example, **PS-OW-12865**. This is the delivery note issued by the supplier.
9. Enter any receipts comments, for example, **The remainder of the Widgets should be delivered tomorrow**.
10. Click on the **Next** button.
11. Review the **Receipt** and click on the **Submit** button.

Confirmation
Receipt 23694 has been created for you.

Receive Items: Confirmation Details

Receipt Information

Receipt Date **29-Nov-2010 06:11:48**

Received Item Details

Receipt	Requisition	Description	Quantity/Amount	Unit	Waybill	Packing Slip	Item Comments	Receipt Comments	Supplier
23694	14337	Paper Widget	45	Each	WB-10001-62962	PS-OW-12865	The remainder of the Widgets should be delivered tomorrow.	The remainder of the Widgets should be delivered tomorrow.	Office Widgets Suppliers, Inc.

[Return to Receiving](#)

12. A **Confirmation** page is displayed with the receipt number **23694**.

13. Click on the **Return to Receiving** link.

Let's view the Items in Inventory:

1. Log in to the **Inventory** responsibility.
2. Navigate to **On-Hand, Availability | On-Hand Quantity**.

The screenshot shows the Material Workbench interface. On the left, there is a navigation tree with 'Organizations' expanded to 'M1', then 'On-hand', 'FGI', and 'PRD20001' selected. The main area displays a table with the following data:

Item Description	Rev	Primary U...	On-ha...	R
Paper Widget		Ea	45	

Below the table are buttons for 'Attributes', 'Status', and 'Availability'. At the bottom left, there is a 'Quantity' label.

3. In the **Query Material** form, enter **PRD20001** in the **Item / Revision** field.

4. Click on the **Find** button.
5. In the **Material Workbench** form, expand the tree.
6. The **On-Hand** availability displays the quantity as **45** in the **FGI** Subinventory.


There's more...

Let's explore how Express Receiving works and how receipts are managed.

Express Receiving

The second consignment has now arrived and we need to receive the remainder of the Items on the requisition (55 Items). We also need to receive the consultancy services, as the work has been done.

With Express Receiving, we can receive all the Items in a requisition in one step. We accept the order quantity as the receipt quantity.

Requisitions to Receive				
Click Express Receive to directly create receipts with the receipt values automatically defaulted.				Full List
Requisition	Requisition Description	Supplier	Order Number	Express Receive
14337	100 Paper Widgets	Office Widgets Suppliers, Inc	6049	

1. Select the **iProcurement** responsibility.
2. Select the **Receiving** tab.
3. Click on the **Express Receive** icon.
4. Review the **Receipt** and click on the **Submit** button.
5. A **Confirmation** page is displayed with the Receipt number **23695**.
6. Click on the **Return to Receiving** link.

Returning Items

We need to return the whole of the second consignment and five Items of the first consignment back to the supplier, a total of 60 Items. This is due to damages to the packaging on some of the first consignment, and the wrong Items being delivered in the second consignment

1. Select the **iProcurement** responsibility.
2. Select the **Receiving** tab.
3. Click on the **Return Items** link.
4. Enter the **Requisition** number **14337**.

- Click on the **Go** button.

Receipt	Requisition	Description	Return Quantity	Unit	Quantity Received	Supplier	Order Number
23694	14337	Paper Widget	5	Each	45	Office Widgets Suppliers, Inc	6049
23695	14337	Paper Widget	55	Each	55	Office Widgets Suppliers, Inc	6049

- Enter **5** and **55** in the **Return Quantity Unit** fields.
- Click on the **Next** button.

Find Receipt **Return Information** Review and Submit

Return Items: Enter Return Information

Reason: PackDamage

Return Material Authorization: RMA-OW-671675

Comments: Wrong Packaging

Does this information apply to all items? Yes No, some return information differs by item

Cancel Back Step 2 of 3 Next

- Enter the **Return Information**.
- Enter **PackDamage** in the **Reason** field.
- Enter the **Return Material Authorization (RMA)** number **RMA-OW-671675**. The supplier provides the RMA number.
- Enter comments in the **Comments** field, for example, **Wrong Packaging**.
- In the field, **Does this information apply to all Items?**, select **No, some return information differs by Item**.
- Click on the **Next** button.

Find Receipt **Return Information** Review and Submit

Return Items: Enter Return Information by Item

Item Receipt	Description	Unit	Return Quantity	Quantity Received	Supplier	Reason	Return Material Authorization	Comments
23694	Paper Widget	Each	5	45	Office Widgets Suppliers, Inc	PackDamage	RMA-OW-671675	Damaged Packaging
23695	Paper Widget	Each	55	55	Office Widgets Suppliers, Inc	Incorrect Order Item C	RMA-OW-671675	Wrong Items

Cancel Back Step 2 of 3 Next

- In the receipt line for the first consignment, enter **Damaged Packaging** in the **Comments** field.

15. In the receipt line for the second consignment, enter **Incorrect Order Item Delivered** in the **Reason** field and **Wrong Items** in the **Comments** field.
16. Click on the **Next** button.
17. Review the **Return Items**.
18. Click on the **Submit** button.
19. A **Confirmation** page is displayed.
20. Click on the **Return to Receiving** link.

Correcting receipts

The widgets are counted in the stores and we discover that 38 widgets were received in total and not 40 Items. We need to adjust the receipt:

1. Select the **iProcurement** responsibility.
2. Select the **Receiving** tab.
3. Click on the **Correct Receipts** link.
4. In the **Item Received** field, select **Today**.
5. Click on the **Go** button.

Receipt	Requisition	Description	Correct Quantity/Amount Unit	Received	Supplier	Order Number
23694	14337	Paper Widget	38 Each	40	Office Widgets Suppliers, Inc	6049
23695	14337	Paper Widget		0	Office Widgets Suppliers, Inc	6049
23695	14337	Paper Widgets Consulting		150 USD	Office Widgets Suppliers, Inc	6049

6. Enter **38** in the **Correct Quantity / Amount Unit** field.
7. Click on the **Continue** button.
8. Review the correction. The change in quantity is **-2** in the **Change** field.
9. Click on the **Submit** button.
10. A correction confirmation is received.
11. Click on the **Return to Receiving** link.

Viewing receipts

We can view the receipts transactions:

1. Select the **iProcurement** responsibility.
2. Select the **Receiving** tab.
3. Click on the **View Receipts** link.
4. In the **Item Received** field, select **Today**.

- Click on the **Go** button.

Receipt Details

Return Items Correct Receipt Done

Receipt 23694

Requisition **14337**
 Description **Paper Widget**
 Receipt Date **29-Nov-2010**
 Supplier **Office Widgets Suppliers, Inc**
 Order Type **Purchase**
 Order Number **6049**
 Waybill **WB-10001-62962**
 Packing Slip **PS-OW-12865**
 Comments **The remainder of the Widgets should be delivered tomorrow.**

Transaction History

Net Quantity Received **38**
 Original Receipt Quantity **45**

Transaction	Quantity Unit	Transaction Date	Transacted By
Receive Items	45 Each	29-Nov-2010 06:11:48	Stock, Ms. Pat
Return to Supplier	5 Each	29-Nov-2010 07:17:49	Stock, Ms. Pat
Correct Receipt	-2 Each	03-Dec-2010 12:44:16	Stock, Ms. Pat

Return to Receiving

Return Items Correct Receipt Done

- Select the link on the **Received** amount of **38**.
- Review the transactions.
- Click on the **Done** button.
- Click on the **Return to Receiving** link.

Reviewing receiving options

- Select the **Purchasing** responsibility.
- Navigate to **Setup | Organizations | Receiving Options**.

Receiving Options Inventory Organization: Vision Operations Go

* Indicates required field

Enforce Ship-To: Warning

ASN Control Action: Warning

* Receipt Days Early: 5

* Receipt Days Late: 5

Receipt Days Exceed-Action: Warning

* Over Receipt Tolerance (%): 5

Over Receipt Action: Warning

RMA Receipt Routing: Standard Receipt

Receipt Routing: Standard Receipt

Allow Substitute Receipts

Allow Unordered Receipts

Allow Express Transactions

Allow Cascade Transactions

Allow Blind Receiving

Validate Serial Numbers on RMA Receipts

Receipt Number Generation: Automatic

Receipt Number Type: Numeric

* Next Receipt Number: 8457

Validate Lots on RMA Receipts: Restricted

Cancel Save

- Review the options, for example, **Next Receipt Number**, **Receipt Days Early**, **Receipt Days Late**, **Over Receipt Tolerance (%)**, and so on.

Reviewing procurement accounting transactions

Oracle purchasing supports cash and accruals accounting. In this recipe, let's review the accounting transactions for accruing on receipt for direct delivery.

How to do it...

Let's list the steps required to review the accounting transactions:

1. Select the **Purchasing** responsibility.
2. Navigate to **Receiving | Receiving Transactions Summary**.

The screenshot shows a window titled "View Receiving Accounting (M1, Vision Operations: USD) - Receipt, 23694". It contains a table with the following data:

Trans Type	Account	Debit (USD)	Credit (USD)	Entered Curr	Entered D
Receive	01-000-1410-0000-000	12,026.25		USD	12
Receive	01-000-2220-0000-000		12,026.25	USD	

Below the table, there are summary fields: Debit (USD) 12,026.25, Credit (USD) 12,026.25, and Entered D 12. A search bar is also visible.

The summary section includes the following fields:

- Item: PRD20001, Revision: [empty]
- Description: Paper Widget
- UOM: Each, Quantity: 45
- Account Desc: Operations-No Department-Inventory Material Value-No Sui
- Order Type: Standard
- Order Num: 6049
- Release Num: [empty]
- Unit Price: 250

Buttons for "Reporting Currency" and "T Accounts" are located at the bottom of the summary section.

3. In the **Find Receiving Transactions** form, select the **Supplier and Internal** tab.
4. Enter **Office Widgets Suppliers, Inc** in the **Supplier** field.
5. Click on the **Find** button.
6. In the **Receipts Headers Summary** form, click on the **Transactions** button.
7. From the **Tools** menu, select **View Accounting**.
8. Review the **Accounting Transactions**.

How it works...

Accounting distributions stored in the purchase orders are used to determine the accounting transactions sent to the General Ledger. Once the Items are received, a receipt accrual is sent to the General Ledger. The accounting transactions are displayed in the following table:

Account	Dr	Cr
PO Distribution Charge Expense Account /	XX	
Receiving Inventory Account (Quantity x PO line unit price)		
Expense / Inventory AP Accrual account (Uninvoiced receipts account)		XX

There's more...

Now let's look at the setup of the accounts that are used in procurement.

The Receiving Inventory Account

The Receiving Inventory Account is used for receipt accruals. The account is set up in the Receiving options and can also be set up in the organization parameters in Inventory. The account is debited when a receipt is entered. After the transfer to GL is run, the account is cleared and the Material account is credited:

1. Select the **Inventory** responsibility.
2. Navigate to **Setup | Organizations | Organizations**.

The screenshot shows a software interface titled "Accounting" with three rows of account setup information:

- * Receiving Inventory Account: 01-000-1410-0000-000
- Retroactive Price Adjustment Account: 01-000-5210-0000-000
- * Clearing Account: 01-000-1410-0000-000

Each row includes a search icon and the text "Company-Department-Account-Sub-Account-Product" below the account number.

3. In the **Find Organization** form, enter **ACME Seattle Manufacturing** in the name field and click on **Find** button.
4. In the **Organizations Classifications** section, select **Inventory Organization** and click on the **Others** button.
5. Select **Receiving Information** in the **Additional Organization Information**.

6. The **Receiving Options** form is displayed.
7. Review the **01-000-1410-0000-000 Receiving Inventory Account**.
8. Select the Purchasing responsibility.
9. Navigate to **Setup | Organizations | Receiving Options**
10. The **Receiving Options** form is displayed.
11. Review the **01-000-1410-0000-000 Receiving Inventory Account**.

Inventory AP Accrual Account

The Inventory AP Accrual Account is used by Purchasing to accrue payable liabilities for inventory items. This account represents the uninvoiced receipt liability account. The account is cleared when the invoice is matched and validated in Payables:

1. Select the **Inventory** responsibility.
2. Navigate to **Setup | Organizations | Organizations**.

The screenshot shows a window titled "Organization" with the following fields and sections:

- Name:** ACME Seattle Manufacturing
- Type:** Plant
- Dates:** From 01-JAN-1987, To (empty)
- Location:** M1- ACME Seattle Mfg
- Internal or External:** Internal
- Location Address:** 3455 108th Avenue...Seattle.WA.98101.King.United States.....
- Internal Address:** (empty)
- Organization Classifications:**
 - Table with columns: Name, Enabled
 - Row 1: HR Organization,
 - Row 2: **Inventory Organization**, (highlighted)
 - Row 3: Project Expenditure/Event Organization,
 - Button: Others

3. In the **Find Organization** form, enter **ACME Seattle Manufacturing** in the **Name** field and click on **Find** button.
4. In the **Organizations Classifications** section, select **Inventory Organization** and click on the **Others** button.
5. Select **Inventory Information** in the **Additional Organization Information**.
6. The **Organization Parameters** form is displayed.

Receiving Accounts	
Purchase Price Variance	01-520-5210-0000-000
Invoice Price Variance	01-520-5220-0000-000
Inventory AP Accrual	01-000-2220-0000-000
Encumbrance	

7. Select the **Other Accounts** tab.
8. Review the **01-000-2220-0000-000 Inventory AP Accrual** account.

Expense AP Accrual Account

The Expense AP Accrual Account is used by Purchasing to accrue liabilities for expense Items. This account represents the uninvoiced receipt liability account. The account is cleared when the invoice is matched and validated in Payables:

1. Select the **Purchasing** responsibility.
2. Navigate to **Setup | Organizations | Purchasing Options**.

Receipt Accounting	
Accrue Expense Items	Period End
Accrue Inventory Items	At Receipt
Automatic Offset Method	None
* Expense AP Accrual Account	01-000-2220-0000-000

3. Review the **01-000-2220-0000-000 Expense AP Accrual Account**.

Material Cost Account

The Material Cost Account is an asset account that tracks material cost. The account is credited after the transfer to GL program is run.

Specify this account when you define inventory information for your inventory organizations in the **Valuation Accounts** region for the **Costing Information** tab:

1. Select the **Inventory** responsibility.
2. Navigate to **Setup | Organizations | Organizations**.

Valuation Accounts	
Material	01-000-1410-0000-000
Outside Processing	01-000-1450-0000-000
Material Overhead	01-000-1420-0000-000
Overhead	01-000-1430-0000-000
Resource	01-000-1440-0000-000
Expense	01-520-7530-0000-000

3. In the **Find Organization** form, enter **ACME Seattle Manufacturing** in the **Name** field and click on **Find** button.
4. In the **Organizations Classifications** section, select **Inventory Organization** and click on the **Others** button.
5. Select **Inventory Information** in the **Additional Organization Information**.
6. The **Organization Parameters** form is displayed.
7. Select the **Costing Information** tab.
8. Review the **01-000-1410-0000-000 Material** account.

PO Distribution Charge Account

During the creation of a Requisition, a charge account is generated. This account is transferred to the Purchase Order and will ultimately be transferred to the balance sheet or income statement.

Items with a destination type of expense can either be an asset clearing account or an expense account. Items with a destination type of inventory will use the Material account.

Financial options

1. Select the **Purchasing** responsibility.
2. Navigate to **Setup | Organizations | Receiving Options**.

GL Accounts	Code
Liability	01-000-2210-0000-000
Prepayment	01-000-1340-0000-000
Bills Payable	01-000-2580-0000-000
Discount Taken	01-740-7825-0000-000
PO Rate Variance Gain	01-740-7842-0000-000
PO Rate Variance Loss	01-740-7844-0000-000
Expenses Clearing	
Miscellaneous	
Retainage	01-000-2210-0000-000

3. Select the **Accounting** tab.
4. Review the **GL Accounts**.

See also

Defining Subledger Accounting recipe in Chapter 8, Defining Transactions for the General Ledger

3

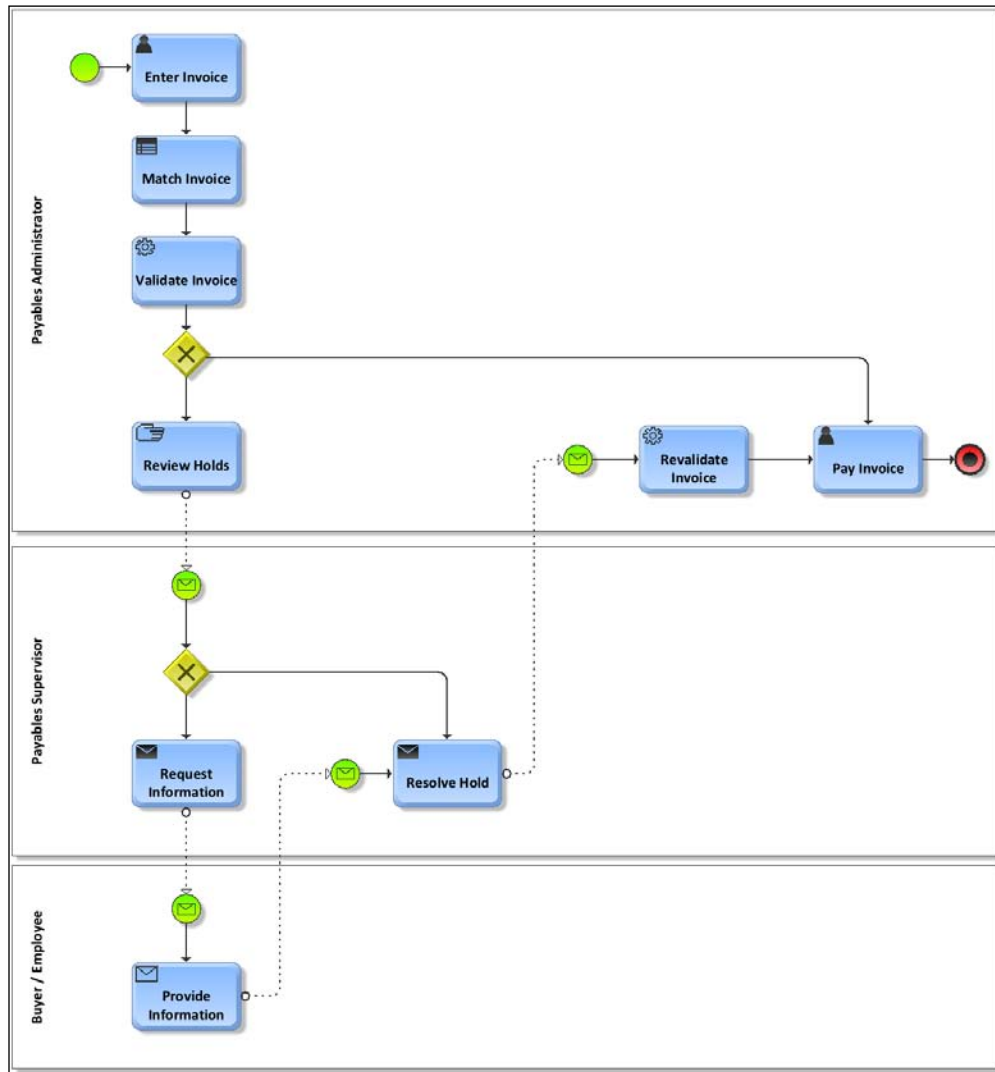
Paying Supplier Invoices in Payables

In this chapter, we will cover:

- ▶ Entering invoices
- ▶ Entering a prepayment
- ▶ Entering credit memos
- ▶ Applying holds to an invoice
- ▶ Canceling an invoice
- ▶ Paying invoices
- ▶ Creating a payment process template
- ▶ Voiding a payment
- ▶ Reviewing payables accounting transactions

Invoices for goods and services that are purchased in an organization are sent from the supplier, and payments are made to the suppliers based on the amount on the invoice. In this chapter, we will look at how to enter and pay supplier invoices in payables. Let's start by looking at the payables process.

The following diagram summarizes an example of the payables process:



1. The **Payables Administrator** enters the invoice in Oracle Payables. Invoices can also be automatically generated by other sources, for example, through the invoice open interface, from XML files, self-billing programs, and scanned images.

2. The entered invoices are matched to the purchase order or receipt details.
3. The invoice is validated. If no holds are placed on the invoice, the invoice is validated and paid. If holds are placed on the invoice, the administrator reviews the holds and the supervisor is notified.
4. The supervisor reviews the holds and either resolves the holds or requests additional information from the buyer or employee.
5. The buyer or employee sends the required information to the supervisor, who resolves the holds. The invoice is revalidated and then the invoice becomes eligible for payment.

Let's start by looking at how invoices from suppliers are entered.

Entering invoices

Oracle Payables provides us with the functionality to enter invoices from suppliers. An invoice contains the description of the goods supplied and/or service provided to the organization.

In this recipe, we will create a standard invoice and match it to a purchase order. We will also add an additional line for freight charges and tax. The main tasks are as follows:

- ▶ Match to purchase order 6059-2 Paper Widgets at \$50 each
- ▶ Enter Freight Charges for \$20 (includes tax)
- ▶ Calculate the tax added to the invoice

The total invoice value is \$128.60.



Invoices can also be matched to multiple Purchase Orders.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

We also need an approved **Purchase Order (PO)** with some Items receipted on the system.

How to do it...

Let's look at the steps required to enter an invoice:

Operating Unit	Type	PO Number	Trading Pa	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Am
Vision Operations	Standard	6059	Office Sup	1008	NEW YORK	17-DEC-20	OS-172010	USD	128.60	

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.
3. In the invoice type field, select **Standard**. The different types of invoices are listed as follows:
 - Standard**: Amounts due for goods or services purchased. They can be matched to a purchase order.
 - Credit Memo**: A document from the supplier representing a credit amount towards goods or services.
 - Debit Memo**: An entry to record a credit for a supplier where a credit memo does not exist.
 - Expense Report**: Amount due to an employee for expense reimbursement.
 - Prepayment**: An advance payment to a supplier or employee.

- Withholding Tax:** Entry of remittance of taxes withheld to the appropriate tax authority.
 - Mixed:** Entry of positive or negative amounts to purchase orders and invoices.
4. Enter **6059** in the **PO Number** field. The **Trading Partner**, **Supplier Number**, and the **Supplier Site** are populated automatically.
 5. Enter the invoice date, for example, **17-DEC-2010**.
 6. Enter the unique **Invoice Number** from the supplier, for example, **OS-172010**.
 7. Enter the **Invoice Amount** of **\$128.60**.

Match	Qty Invoiced	Unit Price	Match Amount	Freight/Misc	PO Number	Release	Line	Shipment	Item Description	Match Basis
<input checked="" type="checkbox"/>	2	50	100.00	<input type="checkbox"/>	6059		1	1	New Paper Widget	Quantity
<input type="checkbox"/>		1		<input type="checkbox"/>	6059		2	1	Paper Widget Con	Quantity
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						

Shipment Quantity

Ordered: 10
Shipped: 0
Received: 5
Billed: 0

UOM: Each
Type: Standard
Accepted: N/A
Distributions: 1

Purchase Order

Payment Terms: 30 Net (terms dat)
Freight Terms: Due

Associated Charges

Freight:
Misc:

View PO Distribute... Invoice Overview Match

8. Click on the **Match** button to match the invoice to the **Purchase Order**.
9. Click on the **Find** button to find the **Purchase Order**. The **Purchase Order** number is automatically defaulted in from the Invoice **Workbench** screen.
10. Select the line on the purchase order to match to the invoice.
11. Enter the **Quantity Invoiced** of **2**.
12. Click on the **Match** button to match the invoice to the **Purchase Order**.

Paying Supplier Invoices in Payables

13. Let's enter the freight charges.

Num	Type	Amount	PO Number	PO Release	PO Line	PO Shipment	Match Basis	PO Distribution	Receipt Number	Receipt Line	Qu
1	Item	100.00	6059		1	1	Quantity	1			2
2	Freight	20.00									

Total
Gross 120.00 Retained Net 120.00

Discard 1 Distributions Allocations

14. Select the **Lines** tab.

15. Select **Freight** as the **Type** in line **2**.

16. Enter **20** in the **Amount** field.

Distributions (Payables, Vision Operations (USA)) - Vision Operations, OS-172010, Office Supplies, Inc.

Line Number 2 Line Total 20.00
Line Description Distribution Total 20.00

Num	Type	Amount	GL Date	Account	Asset Book	Description
1	Freight	20.00	17-DEC-2010	01-510-7220-0000-000		

17. Click on the **Distributions** button.

18. Enter **20.00** in the **Amount** field. The **Freight** can also be allocated to more than one account.

19. Enter the distribution account of **01-510-7220-0000-000**.

20. Save your work.

21. Let's calculate the tax.

22. Click on the **Calculate tax** button.

23. The tax values are calculated.

24. Click on the **Actions...1** button.
25. Click on the **Validate** checkbox.
26. Click on the **OK** button to validate the invoice.
27. The invoice **Status** changes to validated.

How it works...

The supplier sends the invoice to the organization after the goods and services are supplied. The receiver of the goods enters the receipts on the system, if the invoice needs to be matched to a receipt.

An invoice consists of two main parts:

1. The header: This contains common invoice data such as **Invoice Type, Date, Number, Supplier Name, Site, Payment Terms,** and **Payment Information.**
2. The lines: This contains the details of the Items, Freight, Miscellaneous, or Tax charges. An invoice can contain multiple lines. Invoice lines also contain accounting distributions. An invoice line can contain multiple distributions.

The tax lines are added based on the E-Business tax setup.

See also

Defining subledger accounting recipe in Chapter 8, Defining Transactions for the General Ledger

Defining E-Business tax accounting recipe in Chapter 8, Defining Transactions for the General Ledger

Creating purchase orders recipe in this Chapter

Entering a prepayment

A prepayment is an advance payment made to a supplier. A prepayment can be **Temporary** (can be applied to invoices) or **Permanent** (cannot be applied to invoices). In this recipe, we will create a prepayment to **Office Supplies, Inc** for cleaning services.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to enter a prepayment:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

The screenshot shows the Oracle Invoice Workbench interface for Payables, Vision Operations (USA). The window title is "Invoice Workbench (Payables, Vision Operations (USA))". At the top, there are two input fields: "Batch Control Total" and "Batch Actual Total". Below these is a table with the following columns: Operating Unit, Type, PO Numbe, Trading Pt, Supplier Num, Supplier Sit, Invoice Dat, Invoice Num, Invoice, Invoice Amour, and Tax Am. The first row of the table is highlighted and contains the following data: Vision Operations, Prepayment, (empty), Office Sup, 1008, NEW YORK, 17-DEC-20, OS-172011, USD, 50.00, and (empty). The rest of the table is empty.

3. In the invoice **Type** field, select **Prepayment**.
4. Enter **Office Supplies, Inc** in the **Trading Partner** field.
5. Select **NEW YORK** as the **Supplier Site**.
6. Enter the **Invoice Date**, for example, **17-DEC-2010**.
7. Enter the unique **Invoice Number** from the **Supplier**, for example, **OS-172011**.

8. Enter the **Invoice Amount** of **50**.

Invoice Workbench (Payables, Vision Operations (USA))

Batch Control Total: Batch Actual Total:

Invoice Num	Invoice Date	Invoice Amount	Tax Amount	Tax Control Amount	Distribution Set
OS-172011	17-DEC-2010	50.00			Cleaning Expense (Full)

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Total
Gross: 50.00 Retained: Net: 50.00

Num	Type	Amount	PO Number	PO Release	PO Line	PO Shipment	Match Basis	PO Distribution	Receipt Number	Receipt Line	Quantity
1	Item	50.00									

Discard 1 Distributions Allocations

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

9. Scroll to the right using the horizontal scrollbar.

10. In the **Distribution Set**, select **Cleaning Expense (Full)**.11. In the **Lines** tab, enter **50.00** as the **Amount**.

Distributions (Payables, Vision Operations (USA)) - Vision Operations, OS-172011, Office Supplies, Inc.

Line Number: 1 Line Total: 50.00
Line Description: Distribution Total: 50.00

Num	Type	Amount	CL Date	Account	Asset Book	Description
1	Item	1.44	17-DEC-2010	01-480-7440-0000-000		Cleaning Expense for Marketing De
2	Item	1.92	17-DEC-2010	01-430-7440-0000-000		Cleaning Expense for Commercial S
3	Item	4.79	17-DEC-2010	01-450-7440-0000-000		Cleaning Expense for Support
4	Item	1.44	17-DEC-2010	01-470-7440-0000-000		Cleaning Expense for Training
5	Item	4.31	17-DEC-2010	01-440-7440-0000-000		Cleaning Expense for Integrator Sal
7	Item	4.79	17-DEC-2010	01-430-7440-0000-000		Cleaning Expense for Commercial S
8	Item	1.44	17-DEC-2010	01-540-7440-0000-000		Cleaning Expense for Assembly Pla
9	Item	0.96	17-DEC-2010	01-550-7440-0000-000		Cleaning Expense for Distribution C
10	Item	2.40	17-DEC-2010	01-110-7440-0000-000		Cleaning Expense for Facilities
11	Item	2.88	17-DEC-2010	01-120-7440-0000-000		Cleaning Expense for Machine Resc
12	Item	1.44	17-DEC-2010	01-130-7440-0000-000		Cleaning Expense for Computer Re
13	Item	1.92	17-DEC-2010	01-140-7440-0000-000		Cleaning Expense for Communicati
14	Item	2.40	17-DEC-2010	01-402-7440-0000-000		Cleaning Expense for East Region S
15	Item	4.31	17-DEC-2010	01-404-7440-0000-000		Cleaning Expense for West Region S

Status: Never Validated Distribution Class: Preview
Accounted: Unprocessed Associated Charges: 0.12
Account Description: Operations-Service Contracts-Cleaning and Maintenance-No Sub Account-No Product

Reverse 1 Tax Distributions View PO View Receipt

12. Click on the **Distributions** button to see the allocation based on the distribution set.
13. The **Tax** is automatically calculated.
14. Adjust the invoice amount to include the tax amount by changing the invoice amount to **52.04**.
15. Save the record.
16. Invoices needs to be validated before they are paid.
17. Click on the **Actions...1** button.
18. Click on the **Validate** checkbox.
19. Click on the **OK** button to validate the invoice.

The screenshot shows a dialog box titled "Invoice Actions". It contains the following elements:

- Checkboxes: Validate, Validate Related Invoices, Cancel Invoices, Apply/Unapply Prepayment..., Pay in Full..., Create Accounting, Stop Approval, Release Holds, Print Notice.
- Radio buttons under "Create Accounting": Draft, Final, Final Post.
- Text input fields: Hold Name, Release Name, Release Reason, Printer, Sender Name, Sender Title.
- Buttons: OK, Cancel.

20. We need to pay the invoice before we can apply it.
21. Click on the **Actions...1** button.
22. Click on the **Pay in Full** checkbox.

Payment Date	Payment Amount	Bank Account	Account Currency	Payment Currency	Payment Method	Payment Document	Docu
18-DEC-2010	52.04	BofA-204	USD	USD	Check	Check Positive Pay ...	1004

23. Click on the **OK** button to open the **Pay in Full** window.
24. In the **Payment Date** field, enter **18-DEC-2010**.
25. In the **Bank Account** field, enter **BofA-204**.
26. In the **Payment Document** field, enter **Check Positive Pay**.

Payment Actions

Create Accounting

Draft
 Final
 Final Post

Print Remittance Advice
 Program

Reissue
 Payment Date
 Payment Rate
 New Paper Document Num
 Voucher Num

Initiate Stop
 Date

Void
 Date
 GL Date
 Invoice Action

27. Click on the **Actions...1** button.
28. Click on the **Create Accounting** checkbox.
29. Select the **Final Post** option.

30. Click on the **OK** button to run the Payment program and create the accounting for the payment.

Type	Operating Unit	Trading Partner	Supplier Number	Supplier Site	Trading Partner Address
Quick	Vision Operations	Office Supplies, Inc.	1008	NEW YORK	3605 Center Road New York

Number	Date	Amount	GL Date	Payment Amount
OS-172011	17-DEC-2010	52.04	18-DEC-2010	52.04

Description: _____

Invoice Overview

Accounting Unprocessed

Actions... 1 Enter/Adjust Invoices Payment Overview

31. The Payment run completes.

There's more...

Let's enter a quick invoice and apply the prepayment to the invoice.

Entering a quick invoice for a prepayment

Invoices can be entered quickly using Quick Invoice. It is used mainly for manually entering a large number of invoices:

1. Let's enter a quick invoice for the prepayment.
2. Navigate to **Invoices | Entry | Quick Invoices**.

Quick Invoices Identification

Quick Invoices

Source Quick Invoices

Batch YO-201012-...

Status

Clear Find Enter

3. Select **Quick Invoices** as the **Source**.
4. Enter a **Batch**, for example, **YO-201012-1**.
5. Click on the **Enter** button.

Quick Invoices

Operating Unit Vision Operations

Type Standard

Invoice Date 18-DEC-2010

Supplier Office Supplies, NEW YORK

Site NEW YORK

Invoice Curr USD

Description

Status

Pay Group Standard

Payment Method Check

Invoice Num OS-172015

GL Date

Supplier Num 1008

Invoice Amount 208.15

Discountable Amount

Invoice Total 208.15

Lines Total 200.00

Pay Alone

Terms 30 Net (terms d)

Invoice Lines

Line Number	Type	Amount	Prorate Group	GL Date	Account	De
	Item	200.00				

Quick Invoices

Source Quick Invoices Batch

Create Invoices Rejections Save and Next

6. In the **Type** field, select **Standard**.
7. Enter **OS-172015** as the **Invoice Num**.
8. Enter **18-DEC-2010** as the **Invoice Date**.
9. Select **Office Supplies, Inc** as the **Supplier**; the **Supplier Num** will be entered automatically.
10. Select **NEW YORK** as the site.

11. Enter **208.15** for the **Invoice Amount**.
12. In the lines region, select **Type** as **Item**.
13. Enter **200.00** in the amount.
14. Scroll horizontally, and select **Cleaning Expense (Full)** as the distribution set.
15. Click on the **Create Invoices** button.
16. In the **Create Invoices** window, click on the **OK** button.
17. A concurrent program will run in the background to transfer the invoice details to the open interface tables.

Applying a prepayment to an invoice

A prepayment can be applied to an invoice:

1. Navigate to **Invoices | Entry | Invoices**.
2. Search for the quick invoice using the **Find** icon.
3. Enter the **OS-172015** in the **Invoice Num** field.
4. Click on the **Find** button.

The screenshot shows a dialog box titled "Invoice Actions". It contains several options with checkboxes and radio buttons. The "Apply/Unapply Prepayment..." option is checked. Below the options are several input fields for "Hold Name", "Release Name", "Release Reason", "Printer", "Sender Name", and "Sender Title". At the bottom of the dialog are "OK" and "Cancel" buttons.

5. All the details of the invoice are displayed.
6. Click on the **Actions...1** button.

7. Click on the **Apply/Unapply Prepayment...** checkbox.
8. Click on the **OK** button.

Apply/Unapply Prepayments (Payables, Vision Operations (USA)) - Vision Operations, OS-172015, Office Supplies, Inc.

Invoice Amount 208.15
Invoice Amount Unpaid 200.00

Apply on Invoice	Prepayment on Invoice	Amount To Apply	GL Date	Prepayment Number	Line Num	Amount Available	Amount of Included Tax	Site	Print
<input checked="" type="checkbox"/>	<input type="checkbox"/>	50.00	18-DEC-2010	OS-172011	1	50.00	2.04	NEW YORK	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>								<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>								<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>								<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>								<input type="checkbox"/>

Description PO Num
Receipt Num

Existing Prepayment Applications

Unapply	Item	Amount Applied	Tax Amount Applied	GL Date	Prepayment Number	Invoice Line Num	Site
<input type="checkbox"/>							
<input type="checkbox"/>							
<input type="checkbox"/>							

Description PO Num
Receipt Num

Distribute Invoice Overview Apply/Unapply

9. In the **Apply/Unapply** form, select the **Apply** checkbox.
10. Click on the **Apply/Unapply** button.
11. Close the form.

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

Items	191.85
Retainage	
Prepayments Applied	47.96
Withholding	
Subtotal	143.89
Tax	12.22
Freight	
Miscellaneous	
Total	156.11

Amount Paid
USD 52.04

Status

Status	Never Validated
Accounted	No
Approval	Not Required
Holds	0
Scheduled Payment Holds	0

Description

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

12. The prepayments are now applied to the invoice.
13. Click on the **Actions...1** button.

14. Click on the **Validate** checkbox.
15. Click on the **OK** button.

Amount Applied	GL Date	Prepayment Number	Prepayment Line Number	Supplier	Site
47.96	18-DEC-20	OS-172011	1	Office Supplies, Inc.	NEW YORK

Description

PO Num

Receipt Num

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

16. Click on the **View Prepayment Applications** tab to view the allocation of the prepayments.

Entering credit memos

Credit memos are credit invoices from a supplier representing a credit toward goods or services. Credit memos are also called **credit notes**.

Debit memos are invoices entered to record a credit for a supplier, where a credit memo is not received from the supplier. They can be netted with an invoice, when the invoice is paid. The steps for creating a debit memo are similar to creating a credit memo. We will look at how to enter a credit memo in this recipe.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to enter a credit memo:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

Operating Unit	Type	PO Number	Trading Partner	Supplier Number	Supplier Site	Invoice Date	Invoice Number	Invoice Currency	Invoice Amount	Tax Amount
Vision Operations	Credit Memo		Office Sup	1008	NEW YORK	18-DEC-2010	OS-CR-2	USD	<10.00>	

3. In the invoice **Type** field, select **Credit Memo**.
4. Enter **Office Supplies, Inc** in the **Trading Partner** field.
5. Select **NEW YORK** as the **Supplier Site**.
6. Enter the **Invoice Date**, for example, **18-DEC-2010**.
7. Enter the unique **Invoice Number** from the supplier, for example, **OS-CR-2**.
8. Enter the **Invoice Amount** of **10.00**.

Distribution Set	Description	Quick Credit	Credited Invoice	Match Action	Project
Cleaning Expense (Full)		<input checked="" type="checkbox"/>	OS-172010	Invoice	

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

Items: _____

Retainage: _____

Prepayments Applied: _____

Withholding: _____

Subtotal: _____

Tax: _____

Freight: _____

Miscellaneous: _____

Total: _____

Amount Paid

USD 0.00

Status

Status: Never Validated

Accounted: Unprocessed

Approval: Not Required

Holds:

Scheduled Payment Holds:

Description: _____

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

9. Click on the horizontal scrollbar and select the **Distribution Set** field.
10. Select **Cleaning Expense (Full)** from the list of values.
11. Click on the **Quick Credit** checkbox.

12. Select the **OS-172010** from the list of values in the **Credited Invoice** field.
13. Select **Invoice** as the **Match Action**.
14. In the **Lines** tab, enter **-10** in the **Amount** field.
15. Click on the **Actions...1** button.
16. Click on the **Validate** checkbox.
17. Click on **OK**.
18. The **Credit Note** is validated.

Applying holds to an invoice

In this recipe, we will assume that the supplier has sent in an invoice for four paper widgets at \$75 each for purchase order number 6059. We have only received five paper widgets and we have previously been billed for two paper widgets. This should generate two system holds when we try to validate the invoice:

- ▶ Qty Rec: Quantity billed exceeds quantity received
- ▶ Price: Invoice price exceeds purchase order price

Let's also assume that the supplier has not submitted all the documents required, for example, insurance certificates and so on. We will place a manual hold on the invoice to reflect this. We will also look at how to resolve the holds.

Let's create a standard invoice and match it to the purchase order.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to apply holds to an invoice:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

Match to Purchase Orders (Payables, Vision Operations (USA)) – Vision Operations

Invoice Amount Line Total

Match	Qty Invoiced	Unit Price	Match Amount	Freight/Misc	PO Number	Release	Line	Shipment	Item Description	Match Basis
<input checked="" type="checkbox"/>	4	75	300.00	<input type="checkbox"/>	6059		1	1	New Paper Widget	Quantity
<input type="checkbox"/>				<input type="checkbox"/>	6059		2	1	Paper Widget Con	Quantity
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						
<input type="checkbox"/>				<input type="checkbox"/>						

Shipment Quantity

Ordered UOM
 Shipped Type
 Received Accepted
 Billed Distributions

Purchase Order
 Payment Terms
 Freight Terms

Associated Charges
 Freight
 Misc

3. In the invoice **Type** field select **Standard**.
4. Enter **6059** in the **PO Number** field. The **Trading Partner, Supplier Number**, and the **Supplier Site** are populated automatically.
5. Enter the **Invoice Date**, for example, **18-DEC-2010**.
6. Enter the unique **Invoice Number** from the supplier, for example, **OS-172018**.
7. Enter the **Invoice Amount** of **\$320.70**.
8. Click on the **Match** button to match the invoice to the **Purchase Order**.
9. Click on the **Find** button to find the **Purchase Order**.
10. Select the **Line** on the purchase order to match to the invoice.
11. Enter the **Qty Invoiced** of **4**.

12. Change the **Unit Price** to **75**. The match amount should change to **300.00**.

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

Items	300.00
Retainage	
Prepayments Applied	
Withholding	
Subtotal	300.00
Tax	20.70
Freight	
Miscellaneous	
Total	320.70

Amount Paid

USD	0.00
USD	0.00

Status

Status	Needs Revalidation
Accounted	No
Approval	Not Required
Holds	2
Scheduled Payment Holds	0

Description

Actions... 1 Calculate Tax Tag Details Corrections Quick Match Match All Distributions

13. Click on the **Match** button to match the invoice to the **Purchase Order**.

14. Click on the **Calculate tax** button.

15. The **Tax** values are calculated.

16. Click on the **Actions...1** button.

17. Click on the **Validate** checkbox.

18. Click on the **OK** button.

19. The **Status** of the Invoice is **Needs Revalidation**, and **2** holds have been placed on the Invoice.

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Hold Name	Hold Reason	Hold Date	Held By	Release Name	Release Reason	Released By	Release Date	WF Status	[]
Price	Invoice price e	18-DEC-201	System						
Qty Rec	Quantity billed	18-DEC-201	System						

Purchase Order

Number	6059
Release	
Line	1
Ship To	M1- Seattle Mfg

Shipment Quantity

Ordered	10
Billed	6
Received	5
Accepted	0

Receipt

Number	
Line	
Date	

Receipt Quantity

Billed	
Received	
Accepted	

View PO Release... 1

Actions... 1 Calculate Tax Tag Details Corrections Quick Match Match All Distributions

20. Select the **Holds** tab.

21. Review the holds placed:

- Hold Name** is **Price**, with a **Hold Reason** of **Invoice price exceeds purchase order price**. The invoice line on the purchase order is \$50, and the invoice line is \$75. We may have agreed the price with the supplier, as the price difference is out of the tolerance. The system will automatically place a hold on the invoice. The hold can be manually released.
- Hold Name** is **Qty Rec**, with a **Hold Reason** of **Quantity billed exceeds quantity received**. The supplier has billed us for 6 paper widgets, but only 5 have been received. The hold can be released by receiving the Item in inventory, purchasing, or iProcurement. We then need to revalidate to automatically release the hold.

Hold Name	Hold Reason	Hold Date	Held By	Release Name	Release Reason	Released By	Release Date	WF Status	[]
PO Deliverable	PO deliverable	18-DEC-201	MFG						

22. Place a manual hold on the invoice to reflect the **PO deliverable**.

23. Select the **Holds** tab.

24. In the **Hold Name** field, select **PO Deliverable**. The **Hold Reason** is automatically populated as PO deliverables are not submitted by the subcontractor.

25. Save the record.

Resolving the holds:

1. Let's receive the Item in Inventory.
2. Select the **Inventory** responsibility.
3. Navigate to **Transactions | Receiving | Receipts**.

The screenshot shows the 'Receipts (M1)' window with the following details:

Quantity	UOM	Secondary	Quantity	UOM	Destination Type	Item	Rev	Description
1	Each				Inventory	PRD20001		New Paper Widget
300	HRS				Expense			Paper Widget Con

Operating Unit: Vision Operations
 Supplier: Office Supplies, Inc.
 Item Description: New Paper Widget for Office
 Destination: M1- Seattle Mfg-Stock, Pat-FGI-
 Header Receiver Note:
 Shipment Receiver Note:

Order Type: Standard
 Order: 6059
 Due Date: 17-DEC-2010 00
 Hazard:
 UN Number:
 Routing: Direct Delivery

Buttons: Lot - Serial, Cascade, Express, Header

Paying Supplier Invoices in Payables

4. Select the **M1** inventory organization.
5. In the **Purchase Order** field, enter **6059**.
6. Click on the **Find** button.
7. Select the **Receipts line tab**.
8. Enter the **Quantity** of **1**.
9. Save the record.

Revalidating the invoice:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

Hold Name	Hold Reason	Hold Date	Held By	Release Name	Release Reason	Released By	Release Date	WF Status	[]
PO Deliverable	PO deliverable:	18-DEC-201	MFG	Validated	Hold Released				
Price	Invoice price e	18-DEC-201	System	Match Overrid	Matching hold rel	MFG	18-DEC-2010		

3. Find the invoice based on **Invoice Number OS-172018**.
4. Select the **Holds** tab.
5. Select the **Release Name** field. For the **Price Hold**, select **Match Override** to release the price hold.
6. In the **Release Name** field, for the **PO Deliverable** hold, select **Validated** to release the **PO Deliverable** hold.
7. Save the form.
8. The invoice is validated.

How it works...

Holds can be placed on an invoice, either manually or by the system. Holds can prevent the invoice from being paid. System holds are automatically placed on an invoice if an invoice fails the validation process. Manual holds must be manually released.

Hold and release names are defined in the **Invoice Hold and Release Names** form. The definition can also be used to determine if accounting entries can be created before the hold is released.

Invoice holds and release form:

1. Select the **Payables** responsibility.
2. Navigate to **Setup | Invoice | Hold and Release Names**.

Name	Description	Type	Accounting Allowed	Manual Release Allowed	Inactive On
Amount	Invoice amount exceeded limi	Invoice Hold Reason	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Reduced Amount	Invoice amount lowered	Invoice Release Reason	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Amt Ord	Amount billed exceeds amou	Matching Hold Reason	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Amt Rec	Amount billed exceeds amou	Matching Hold Reason	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Validated	Hold Released	Invoice Release Reason	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Exchange Protocol Hold	Awaiting Exchange Protocol A	Invoice Hold Reason	<input type="checkbox"/>	<input type="checkbox"/>	

Holds Workflow Options

Initiate Workflow

Notify After Days

Remind After Days

Hold Instruction

3. Search for all records by pressing **Ctrl+F11**.
4. View the **Invoice Hold and Release Names**.

There's more...

Now let's look at some other ways that holds can be applied to an invoice.

Reviewing invoice management holds

Holds can also be automatically applied to a supplier and supplier site by entering invoice controls. Default values can be entered at the supplier level. The values are automatically defaulted to all sites. Any values set at the site level will override the supplier level:

1. Select the **Payables** responsibility.
2. Navigate to **Suppliers | Entry**.

Update Office Supplies, Inc. - 1008: Invoice Management

Invoice Currency: US dollar
 Invoice Amount Limit: 50000
 Invoice Match Option: Purchase Order

Hold from Payment: All Invoices, Unmatched Invoices, Unvalidated Invoices
 Payment Hold Reason:

Invoice Payment Terms

Payment Currency: US dollar
 Payment Priority: 99
 Terms: 30 Net (terms date + 30)
 Terms Date Basis: Invoice
 Pay Date Basis: Due

Pay Group: Standard Supplier Pay
 Always Take Discount
 Exclude Freight From Discount
 Create Interest Invoice

Supplier Sites

Site Status: Active Site Name: Operating Unit: Go

Invoicing | Payment | Terms | Supplier Preferences

Site Name	Operating Unit	Invoice Amount Limit	Invoice Tolerance	Invoice Match Option	Invoice Currency	Hold from Payment			Payment Hold Reason	Services Tolerance
						All Invoices	Unmatched Invoices	Unvalidated Invoices		
OFFICESUPPLIES Vision Operations			Vision Operations - Tolerance	Purchase Order	US dollar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
NEW YORK Vision Operations		70000	Vision Operations - Tolerance	Purchase Order	US dollar	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	This Invoice Requires Validation	

3. Search for the supplier **Office Supplies, Inc.**
4. Select the **Invoice Management** link from the side navigation bar.
5. In the **Invoice Amount Limit** field, enter **50000**. This places a hold on the supplier's invoice if the invoice amount exceeds \$50,000.
6. Enable the **Unmatched Invoices** checkbox.
7. In the **Supplier Sites** section, enter **70000** in the **Invoice Amount Limit** field.
8. Enable the **Unvalidated Invoices** checkbox at the **Supplier sites** and enter a **Payment Hold Reason**, for example, **This Invoice Required Validation**.
9. Save the record.

1 General | 2 Lines | 3 Holds | 4 View Payments | 5 Scheduled Payments | 6 View Prepayment Applications

Hold Name	Hold Reason	Hold Date	Held By	Release Name	Release Reason	Released By	Release Date	WF Status
Amount	Invoice amount	29-DEC-201	System					
Supplier	Hold all unvali	29-DEC-201	System					

10. Enter an invoice for **Office Supplies, Inc** from the **NEW YORK** site for **\$90,000**.
11. The system will issue a warning when creating the invoice and will apply two system holds to the invoice.

See also

Creating suppliers recipe in Chapter 2, Purchasing Items in Procurement

Canceling an invoice

It is possible to enter an invoice in error, and we need to cancel the invoice. In this recipe, we will cancel invoice number OS-172018. An audit trail is maintained on the system for the canceled invoice.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to cancel an invoice:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

The screenshot shows the 'Invoice Actions' dialog box. The 'Cancel Invoices' checkbox is checked. Other options include 'Validate', 'Validate Related Invoices', 'Apply/Unapply Prepayment...', 'Pay in Full...', 'Create Accounting' (with radio buttons for 'Draft', 'Final', and 'Final Pgst'), 'Stop Approval', 'Release Holds', and 'Print Notice'. There are also input fields for 'Hold Name', 'Release Name', 'Release Reason', 'Printer', 'Sender Name', and 'Sender Title'. The 'OK' and 'Cancel' buttons are at the bottom.

Paying Supplier Invoices in Payables

- Find the invoice based on **Invoice Number OS-172018**.
- Click on the **Actions...1** button.
- Click on the **Cancel Invoices** checkbox.
- Click on the **OK** button.
- Click on the **OK** button on the displayed note.

The screenshot displays the Oracle Invoice Workbench interface for Payables. The window title is "Invoice Workbench (Payables, Vision Operations (USA))". At the top, there are fields for "Batch Control Total" and "Batch Actual Total". Below this is a table with columns: Operating Unit, Customer Taxpayer ID, Type, PO Number, Trading Partner, Supplier Number, Supplier Site, Invoice Date, Invoice Number, and Invoice Currency. The first row is selected and shows: Vision Operations, (blank), Standard, (blank), Office Sup, 1008, NEW YORK, 18-DEC-20, OS-172018, USD. Below the table are tabs for "1 General", "2 Lines", "3 Holds", "4 View Payments", "5 Scheduled Payments", and "6 View Prepayment Applications". The "1 General" tab is active, showing a "Summary" section with fields for Items (0.00), Retainage, Prepayments Applied, Withholding (0.00), Subtotal (0.00), Tax (0.00), Freight, Miscellaneous, and Total (0.00). There is also an "Amount Paid" section with two rows for USD (0.00) and another USD (0.00). A "Status" section includes fields for Status (Cancelled), Accounted (No), Approval (Not Required), Holds (0), and Scheduled Payment Holds (0). A "Description" field is also present. At the bottom, there are buttons for "Actions... 1", "Calculate Tax", "Tax Details", "Corrections", "Quick Match", "Match", and "All Distributions".

- The invoice is now canceled.

Paying invoices

Once invoices are due, the amounts due are paid to the supplier. In this recipe, we will pay invoices due to ACME General Electric.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

We need validated invoices that are due for payment. For this recipe, we have a payment due to ACME General Electric for \$220.

How to do it...

Let's list the steps required to pay invoices:

1. Select the **Payables** responsibility.
2. Navigate to **Payments | Entry | Payments Manager**.

Paying Supplier Invoices in Payables

3. Select the **Payment Process Request** tab. The page is used to view, submit, and schedule requests.
4. Click on the **Submit Payment Process Request** button. This is used to submit a single request for payment.
5. To schedule a payment process to run periodically, use the **Schedule Repeating Request** button.
6. In the **Payment Process Request Name** field, enter a unique name, for example, **GE - 0101111**.
7. In the **Use Template** field, select **ACME Check Payments**. The template will enable us to automatically enter the data based on pre-specified values.
8. In the **Payee** field, select **ACME General Electric**.
9. In the **Payment Method** field, select **Check**.
10. Click on the **Submit** button.

Payment Process Requests Save Search

Search

Note that the search is case insensitive Advanced Search Views

Payment Process Request

Payment Date

(example: 18-Dec-2010)

Status

Created Date


Details	Payment Process Request	Created Date	Payment Date	Selected Scheduled Payments	Rejected Scheduled Payments	Payments Recorded	Payment Process Request Status	Start Action	Cancel
<input type="button" value="Hide"/>	GE - 010111	02-Jan-2011	02-Jan-2011	1		No	Formatting		<input type="button" value="Clear"/>
	Reference Assigned by Administrator	Creation Date	Status	Take Action					
	52605	GE - 010111	02-Jan-2011	Submitted for Printing					


11. Search for the **Payment Process Request GE - 0101111**. The request is retrieved with the current **Payment Process Request Status** as **Formatting**.


12. Expand the details and a reference is displayed; the current **Status** is set to **Submitted for Printing**, and the **Take Action** icon is enabled.

Payment Instructions Save Search

Search Views

Reference: Creation Date: 
(example: 18-Dec-2010)

Reference Assigned by Administrator: Status: 

Reference	Reference Assigned by Administrator	Creation Date	Status	Take Action	Void All Payments
52605	GE - 010111	02-Jan-2011 16:01:42	Submitted for Printing		

13. Select the **Payment Instructions** tab and search for reference **52605**.
14. Click on the **Take Action** icon. Specific invoices can also be excluded from the payment run.

Record Print Status: Payment Instruction 52605

Payment Document: **Check Positive Pay** Paper Stock Type: **Blank Stock**

Document Print Status

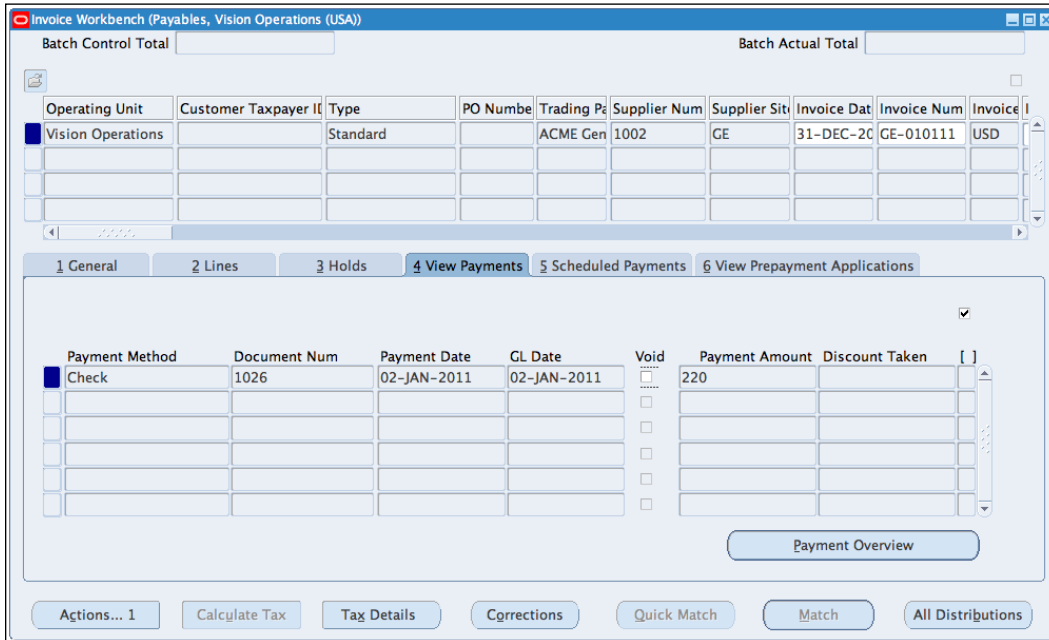
Printed Documents	Total
Setup	0
Overflow	0
Printed	1

Submit Positive Pay Program Immediately

Document Number	Payment Reference	Trading Partner	Payee	Amount Status
1026	8388	ACME General Electric	ACME General Electric	220 Printed

15. In the **Document Print Status** region, enable the **Submit Positive Pay Program Immediately** checkbox.
16. Click on the **Continue** button, and then the **Apply** button.

17. The payment is processed in the background.



18. Navigate to **Invoices | Entry | Invoices**.

19. Find the invoice based on invoice number **GE-010111**

How it works...

Oracle payments are used to configure the setup for payments in Payables. The core of the payment process is defined in the Payment Process profile:

1. Select the **Oracle Payments Payment Administrator** responsibility.
2. Navigate to **Oracle Payments Setup | Payments Setup | Funds Disbursement Setup | Payment Process Profiles**.

Payment Process Profile: EFT Multi-Currency Update

Code	IBY_PAY_EFT_BACS_UK_10112	Processing Type	Electronic
Name	EFT Multi-Currency	Electronic Processing Channel	Oracle Payments
Description	BACS 1/2 Inch Tape Format Payments	Mark Payment as Complete	When the Payment Instruction is Formatted
		Allow Manual Setting of Payment Completion Grouping Mode	Yes
		<input type="checkbox"/> Batch Booking	
		Status	Active
		End Date	

[Usage Rules](#) | [Payment System](#) | [Payment Creation](#) | [Payment Instruction Creation](#) | [Payment Instruction Format](#) | [Reporting](#) | [Additional Information](#)

Payment Methods

Payment Method Name
Electronic

First Party Organizations

Values: All

Internal Bank Accounts

Bank Account Name

BofA-204
BofA-458
Payroll A/C
B of A USD Insurance Operating-2541
BofA SSC US 02-7188
BofA SSC US 01 - 100-7186

Currencies

Values: All

3. Click on the **Go To Task** icon.
4. In the **Name** field, enter **EFT Multi-Currency**.
5. In the **Processing Type** drop-down box select **Electronic**, and click on the **Go** button.
6. Click on the **EFT Multi-Currency** link.
7. The **Usage Rules** are displayed. The rules determine when the payment profiles can be used when processing documents for payments.

Creating a payment process template

The Payments Manager uses payment process request templates to simplify a payment run. The template includes information such as invoice selection criteria, payment attributes, processing instructions, and also defines how validation failures should be handled. It is useful for automatically selecting invoices to pay during a payment run. In this recipe, we will create a Payment Process template.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to create the template:

1. Select the **Payables** responsibility.
2. Navigate to **Payments | Entry | Payments Manager**.

The screenshot shows the 'Create Payment Process Request Template' form. It includes a title bar, a legend for required fields, and several input fields. The 'Name' field is filled with 'ACME Check Payments' and the 'Description' field is filled with 'Check Payments for ACME'. There are also fields for 'Template Type' and 'End Date', along with 'Cancel' and 'Apply' buttons.

3. Select the **Templates** tab.
4. Click on the **Create** button.
5. Enter the unique **Name** of the template, for example, **ACME Check Payments**.
6. Enter a **Description**, for example, **Check Payments for ACME**.

The screenshot shows the 'Scheduled Payment Selection Criteria' form with multiple tabs: 'Scheduled Payment Selection Criteria', 'Payment Attributes', 'Process Automation', 'Validation Failure Results', and 'Additional Information'. The 'Scheduled Payment Selection Criteria' tab is active, showing various input fields for payment parameters. Below the main form are four sections: 'Pay Groups', 'Legal Entities', 'Payment Currencies', and 'Operating Units', each with an 'Add' button and a table of existing entries.

Number of Pay From Days	Supplier Type
<input type="text"/>	<input type="text"/>
* Additional Pay Through Days: <input type="text" value="0"/>	Payee: <input type="text"/>
Payment Priority High: <input type="text" value="1"/>	Payment Method: <input type="text"/>
Payment Priority Low: <input type="text" value="99"/>	Document Exchange Rate Type: <input type="text"/>
<small>{1 is highest priority, and 99 is lowest}</small>	
<input type="checkbox"/> Include Only Due	
<input type="checkbox"/> Include Zero Amount	

Pay Group	Remove
Standard	

Legal Entity Name	Remove
Vision Operations	

Code	Currency Name	Remove
USD	US dollar	

Operating Unit	Remove
Vision Operations	

7. Select the **Scheduled Payment Selection Criteria** tab.
8. Enter **0** as the **Additional Pay Through Days**. This is used to determine the **Pay Through Date** when you initiate a payment process request.
9. In the **Pay Groups** region, click on the **Specify** option, and add **Standard** as the **Pay Group**.
10. In the **Legal Entities** region, click on the **Specify** option, and add **Vision Operations** as the **Legal Entity**.
11. In the **Payment Currencies** region, click on the **Specify** option and add **USD** as the **Currency**.
12. In the **Operating Units** region, click on the **Specify** option and add **Vision Operations** as the **Operating Unit**.

Scheduled Payment Selection Criteria	Payment Attributes	Process Automation	Validation Failure Results	Additional Information
Payment Date	<input checked="" type="radio"/> Same as Request Date <input type="radio"/> Extra Days		Override Settlement Priority	<input type="text"/>
Disbursement Bank Account	BofA-204		Override Bank Charge Bearer	<input type="text"/>
Payment Document	Check Positive Pay		Transfer Priority	<input type="text"/>
Payment Process Profile	Standard Check Format		Starting Voucher Number	<input type="text"/>
* Payment Exchange Rate Type	Corporate			

13. Select the **Payment Attributes** tab.
14. Select **BofA-204** as the **Disbursement Bank Account**.
15. Select **Check Positive Pay** as the **Payment Document**.
16. Select **Standard Check Format** as the **Payment Process Profile**.
17. Select **Corporate** as the **Payment Exchange Rate Type**.
18. Leave the defaults for the rest of the tabs.
19. Click on the **Apply** button to save the template.

There's more...

Now let's look at how to use the template to create a scheduled payment.

Creating a scheduled payment

Let's use the template to create a scheduled payment run:

1. Select the **Payables** responsibility.
2. Navigate to **Payments | Entry | Payments Manager**.

The screenshot shows the 'Payment Process Request Templates' search interface. It includes a search bar with the following fields: Template Name (ACME Check Payments), Type, and Status (Active). There are 'Go' and 'Clear' buttons. Below the search bar is a 'Create' button and a table of templates.

Template Name	Description	Type	Status	Run Cash Requirements Report	Submit Single Request	Schedule Repeating Requests	Update
ACME Check Payments	Check Payments for ACME		Active				

3. Select the **Templates** tab.
4. Search for the **ACME Check Payments** templates.
5. Select the **Schedule Repeating Requests** icon.
6. In the **Schedule Request: Name** form, accept the defaults and click on the **Next** button.

The screenshot shows the 'Schedule Request: Parameters' form. It has a navigation bar with tabs: Name, Parameters (selected), Schedule, Layout, Notifications, Printing, and More. The form contains the following fields: Program Name (Payment Process Request Program), Request Name, Template Name (ACME Check Payments), Payment Date, Pay Through Date, and Pay From Date. There are 'Cancel', 'Submit', and 'Back' buttons, and it indicates 'Step 2 of 7'.

7. In the **Schedule Request: Parameters** form, enter **ACME Check Payments** in the **Template Name** field.

Schedule

Specify when you would like your request to run. **Advanced Schedule**

Start Date

As soon as possible
 Start at specific date and time

Start Date (example: 19-Dec-2010)

Start Time AM PM

Recurrence

Never repeat
 Repeat

Every

End Date

End Time AM PM

Apply the Interval

From the completion of the Prior run
 From the start of the Prior run

8. In the **Schedule Request: Schedule** form, enter the **Start Date** to start at a specific date and time, for example **01-Jan-2011** and **00:00 am**.
9. In the **Recurrence** region, select repeat every **7** days.
10. In the **Apply the Interval** region, select **From the start of the Prior run**.
11. Click on the **Next** button.
12. In the **Notifications** form, click on the **Next** button.
13. In the **Printing** form, click on the **Next** button.
14. Review the details.
15. Click on the **Submit** button to schedule the payment run to commence from the settings defined.

Voiding a payment

A payment may need to be canceled or voided. Let's look at how to void a payment.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to void a payment:

1. Select the **Payables** responsibility.
2. Navigate to **Payments | Entry | Payments Manager**.

The screenshot shows the Oracle Payments Manager interface. At the top, there is a 'Simple Search' section with fields for Payee (ACME General Electric), Payment Date, Payment Reference Number, Paper Document Number, and Payment Amount (220). Below the search fields are 'Go' and 'Clear' buttons. A 'Save Search' button is located in the top right corner. The main area displays a table of search results:

Details	Payee	Payment Reference	Paper Document Number	Amount	Curr	Date	Status	Initiate Stop	Confirm Stop	Void
Show	ACME General Electric	8388	1026	220	USD	02-Jan-2011	Printed			
Show	ACME General Electric	8366	1006	220	USD	02-Jan-2011	Printed			
Show	ACME General Electric	8372	1012	220	USD	02-Jan-2011	Printed			

3. Select the **Payments** tab.
4. Enter **ACME General Electric** in the **Payee** field and **220** in the **Payment Amount**.
5. Click on the **Go** button.
6. Click on the **Void** icon for the **8388 Payment Reference**.

The screenshot shows the Oracle Payments Manager interface with the 'Payments' tab selected. The 'Void Payment: 8388' dialog box is open, displaying the following information:

- Paper Document Number: 1026
- Payment Reference: 8388
- Payee: ACME General Electric
- Payment Date: 02-Jan-2011
- Payment Amount: 220 USD
- * Date: 03-Jan-2011
- Reason: Duplicate Payment

The dialog box includes 'Cancel' and 'Apply' buttons. The bottom of the screen shows the Oracle navigation bar with links for Home, Templates, Payment Process Requests, Payment Instructions, Payments, Close Window, Preferences, and Personalize Page. Copyright (c) 2006, Oracle. All rights reserved.

7. Enter a reason, for example, **Duplicate payment**.
8. Click on the **Apply** button.

Payments Save Search

Simple Search

Payee: ACME General Electric Payment Date:
(example: 19-Dec-2010)

Payment Reference Number: Payment Amount:

Paper Document Number:

Details	Payee	Payment Reference	Paper Document Number	Amount	Curr	Date	Status	Initiate Stop	Confirm Stop	Void
<input type="button" value="Show"/>	ACME General Electric	8366	1006	220	USD	02-Jan-2011	Printed	<input type="button" value="Initiate Stop"/>		<input type="button" value="Void"/>
<input type="button" value="Show"/>	ACME General Electric	8372	1012	220	USD	02-Jan-2011	Printed	<input type="button" value="Initiate Stop"/>		<input type="button" value="Void"/>
<input type="button" value="Show"/>	ACME General Electric	8388	1026	220	USD	02-Jan-2011	Void			<input type="button" value="Void"/>

- A warning message is displayed. Click on the **Yes** button to accept the action to void the payment.
- The payment **Status** is now **Void**.

There's more...

Now let's look at how to stop a payment.

Stopping a payment

A stop payment needs to be initiated if the payment has been sent to the bank and the payment needs to be canceled. The payment is voided after the stop is issued:

- Select the **Payables** responsibility.
- Navigate to **Payments | Entry | Payments Manager**.

Record Stop Payment Request: Payment 8372

* Indicates required field

Paper Document Number: 1012

Payment Reference: 8372

Payee: ACME General Electric

Payment Date: 02-Jan-2011

Payment Amount: 220 USD

* Date: 03-Jan-2011
(example: 19-Dec-2010)

Reason: Duplicate Payment

Reference: 8366

- Select the **Payments** tab.
- Enter **ACME General Electric** in the **Payee** field and the **220 USD** in the **Payment Amount**.

Paying Supplier Invoices in Payables

5. Click on the **Go** button.
6. Click on the **Initiate Stop** icon for the **8372 Payment Reference**.
7. Enter **03-Jan-2011** in the **Date** field.
8. Enter **Duplicate Payment** in the **Reason** field.
9. Enter **8366** in the **Reference** field.
10. Click on the **Apply** button.

Resolve Stop Payment Request: Payment 8372

Payee	ACME General Electric	Payment Date	02-Jan-2011	Stop Request Date	03-Jan-2011	Cancel	Apply
Amount	220 USD	Paper Document Number	1012	Stop Request Reason	Duplicate Payment		

* Indicates required field

Action: Confirm

* Date: 03-Jan-2011 (example: 19-Dec-2010)

Reason: Duplicate Payment

Reference: 8366

Cancel Apply

11. Click on the **Confirm Stop** icon to stop the payment.
12. Enter **Duplicate Payment** in the **Reason** field.
13. Enter **8366** in the **Reference** field.
14. Click on the **Apply** button.
15. A warning message is displayed; click on the **Yes** button to accept the action to void the payment.
16. The stop is now placed on the payment, and it is voided.

Reviewing payables accounting transactions

In this recipe, we will transfer transactions to the General Ledger and review the accounting transactions generated.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

We need validated invoices for this recipe.

How to do it...

Let's list the steps required to transfer accounting transactions to the General Ledger from the Invoice Workbench:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

Invoice Workbench (Payables, Vision Operations (USA))

Batch Control Total Batch Actual Total

Operating Unit	Customer Taxpayer ID	Type	PO Number	Trading Partner	Supplier Number	Supplier Site	Invoice Date	Invoice Number	Invoice Currency
Vision Operations		Standard		ACME Gen	1002	GE	01-JAN-20	GE-030111	USD

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Total
Gross Retained Net

Num	Type	Amount	PO Number	PO Release	PO Line	PO Shipment	Match Basis	PO Distribution	Receipt Number	Receipt Line	Quantity
1	Item	200									
2	Tax	20									

Discard 1 Distributions Allocations

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

3. Search the **Invoice Number GE-030111** for **\$220** from **ACME General Electric** on **01-JAN-2011** in the **Invoice Workbench**.

Paying Supplier Invoices in Payables

- Click on the **Actions...1** button.

Subledger Journal Entry Lines

Advanced Search

Specify parameters and values to filter the data that is displayed in your results set.

Show table data when all conditions are met.
 Show table data when any condition is met.

Ledger: is [dropdown] [input] [magnifying glass icon]

Balancing Segment: is [dropdown] [input]

Natural Account Segment: is [dropdown] [input]

GL Date: is [dropdown] [input]

[Go] [Clear] Add Another Accounted CR [dropdown] [Add]

Select Subledger Journal Entry Line: [View Transaction] [View Journal Entry] [Export]

Select	Ledger	Account	AccountDescription	GL Date	Accounting Class	Accounted DR	Accounted CR	Supporting References
<input checked="" type="radio"/>	Vision Operations (USA)	01-420-7110-0000-000	Operations-Sales East-Advertising-No Sub Account-No Product	01-Jan-2011	Item Expense	200		o o
<input type="radio"/>	Vision Operations (USA)	01-000-7710-0000-000	Operations-No Department-Sales Tax-No Sub Account-No Product	01-Jan-2011	Non-Recoverable Tax	20		o o
<input type="radio"/>	Vision Operations (USA)	01-000-2210-0000-000	Operations-No Department-Accounts Payable-No Sub Account-No Product	01-Jan-2011	Liability		200	o o
<input type="radio"/>	Vision Operations (USA)	01-000-2210-0000-000	Operations-No Department-Accounts Payable-No Sub Account-No Product	01-Jan-2011	Liability		20	o o

- Click on the **Create Accounting** checkbox and select **Final Post** option.
- Click on the **OK** button. A note will be displayed to confirm that the accounting transactions have been generated.
- View the **Accounting** transactions by selecting **View Accounting** from **Reports** on the menu.

Let's view the transactions from General Ledger:

- Switch responsibilities by selecting **File | Switch Responsibility**.
- Select the **General Ledger** responsibility.
- Navigate to **Journals | Enter**.

Journals (Vision Operations (USA)) - Payables A 1558017 5885643

Journal: **Jan-11 Purchase Invoices USD**

Description: Journal Import 5885643

Ledger: Vision Operations Category: Purchase Invoices

Period: Jan-11 Effective Date: 31-JAN-2011

Balance Type: Actual Budget: Conversion: Currency: USD, Date: 31-JAN-2011, Type: User, Rate: 1

Clearing Company: Tax: Not Required

Journal Type: Standard Control Total: Reverse: Date: , Period: , Method: Switch Dr/Cr, Status: Not Reversed, Reverse button

Line	Account	Debit (USD)	Credit (USD)	UOM	Qty	Description
1	01-000-2210-0000-000		220			Journal Import Created
2	01-420-7110-0000-000	200				Journal Import Created
3	01-000-7710-0000-000	20				Journal Import Created
		220	220			

Acct Desc: Operations-No Department-Accounts Payable-No Sub Account-No Product

Buttons: Post, AutoCopy Batch..., Approve, Line Drilldown..., T Accounts..., Check Funds, Unreserve Funds, View Results, Change Period..., Change Currency...

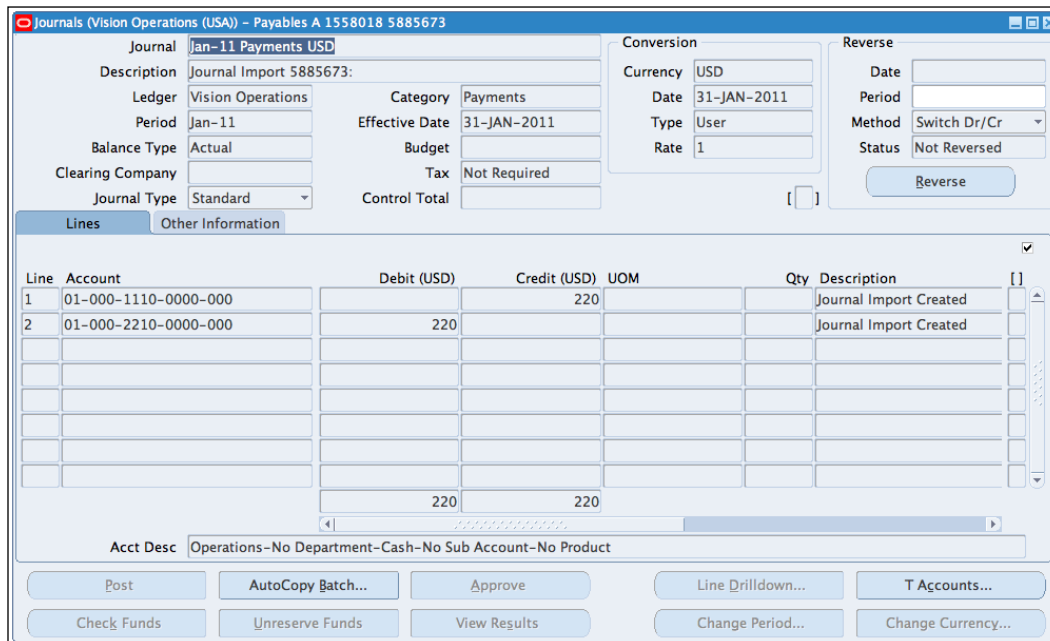
4. Search for the journal by selecting the **Source** as **Payables**, **Category** as **Purchase Invoices**, and the **Period** as **Jan-11**.
5. Click on the **Review Journal** button to review the journal.
6. We need to pay the invoice to reverse the liability.
7. Switch responsibilities by selecting **File | Switch Responsibility**.
8. Select the **Payables** responsibility.
9. Navigate to **Invoices | Entry | Invoices**.
10. Search for **Invoice Number GE-030111** for **\$220**, from **ACME General Electric** on **01-JAN-2011** in the **Invoice Workbench**.
11. Click on the **Actions...1** button.
12. Click on the **Pay in Full** checkbox.
13. Click on the **OK** button to open the **Pay in Full** window.
14. In the **Payment Date** field, enter **03-JAN-2011**.
15. In the **Bank Account** field, enter **BofA-204**.
16. In the **Payment Document** field, enter **Check Positive Pay**.
17. Click on the **Actions...1** button.
18. Click on the **Create Accounting** checkbox.

Paying Supplier Invoices in Payables

19. Select the **Final Post** option.
20. Click on the **Ok** button to run the Payment program and create the accounting for the payment.

Let's view the transactions from General Ledger:

1. Switch responsibilities by selecting **File | Switch Responsibility**.
2. Select the **General Ledger** responsibility.
3. Navigate to **Journals | Enter**.



Line	Account	Debit (USD)	Credit (USD)	UOM	Qty	Description
1	01-000-1110-0000-000		220			Journal Import Created
2	01-000-2210-0000-000	220				Journal Import Created
		220	220			

4. Search for the journal by selecting the **Source** as **Payables**, **Category** as **Purchase Invoices**, and the **Period** as **Jan-11**
5. Click on the **Review Journal** button to review the journal.

How it works...

Payables use the accounting event model defined in Subledger Accounting to determine the transactions that generate accounting transactions.

Accounting Events Save Search

Simple Search

Note that the search is case insensitive Advanced Search

* From Transaction Date: 01-Jan-2011
(example: 19-Dec-2010)

* To Transaction Date: 03-Jan-2011

Primary Ledger:

Transaction Number: GE-030111

Event Class:

Event Type:

Event Status:

Event Date:

Only include events with journal entries

Go Clear

Select Event: [View Transaction](#) | [View Journal Entries](#) | [Export](#)

Show All Details | Hide All Details

Select Details	Primary Ledger	Event Class	Event Type	Event Date	Event Status	Transaction Date	Transaction Number
<input checked="" type="checkbox"/> Hide	Vision Operations (USA)	Invoices	Invoice Validated	01-Jan-2011	Final Accounted	01-Jan-2011 00:00:00	GE-030111
Event Number 1		Legal Entity Vision Operations		Event Creation Date 03-Jan-2011 11:06:23		On Hold Status No	
Party Name ACME General Electric		Party Site Name GE		Invoice Amount 220		Invoice Type STANDARD	
Invoice Number GE-030111		Invoice Ledger Amount		Invoice Date 01-JAN-2011 00:00:00		Cancelled Date	
Invoice Description							

Let's review the structure of the Event Model, which consists of entities, classes, types, and events:

1. Select the **Payables** responsibility.
2. Navigate to **Setup | Accounting Setups | Subledger Accounting Setup | Accounting Methods Builder | Events | Event Model**.

Event Classes and Types

Entity Name: AP Invoices

Event Classes

Event Class Code	Event Class Name	Description	Enabled
CREDIT MEMOS	Credit Memos	Credit Memos	<input checked="" type="checkbox"/>
DEBIT MEMOS	Debit Memos	Debit Memos	<input checked="" type="checkbox"/>
EXPENSE REPORTS	Expense Reports	Expense Reports Event Class For E-Business	<input checked="" type="checkbox"/>
INVOICES	Invoices	Invoices	<input checked="" type="checkbox"/>

Predecessors

Event Types

Event Type Code	Event Type Name	Description	Accounting Tax	Enabled
INVOICE ADJUSTED	Invoice Adjusted	Invoice Adjusted	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>
INVOICE CANCELLED	Invoice Cancelled	Invoice Cancelled	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>
INVOICE VALIDATED	Invoice Validated	Invoice Validated	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>

3. The event model consists of the **AP Invoices** and AP Payments Entities.
4. Click on the **Event Classes** button.
5. Each event class also has its associated **Event Types**. The events are categorized into event types.

There's more...

Now let's look at how to create accounting transactions for multiple invoices.

Creating accounting transactions for multiple invoices

To create the accounting transactions for multiple transactions, use the Create Accounting program. Let's look at how this is done:

1. Select the **Payables** responsibility.
2. Navigate to **Other | Requests | Run** or select **View | Requests** from the menu.

The screenshot shows the 'Submit Request' dialog box in Oracle Payables. The main dialog has a 'Run this Request...' section with a 'Copy...' button. The 'Name' field is set to 'Create Accounting'. Below this is a 'Parameters' dialog box with the following settings: Ledger: 'Vision Operations (USA)', Process Category: (empty), End Date: '31-JAN-2011', Mode: 'Final', Errors Only: 'No', Report: 'Detail', Transfer to General Ledger: 'Yes', Post in General Ledger: 'Yes', General Ledger Batch Name: 'YO-030111', and Include User Transaction Identifiers: 'No'. The 'Submit Request' dialog has buttons for 'Help (C)', 'Submit', and 'Cancel'. The 'Parameters' dialog has buttons for 'OK', 'Cancel', 'Clear', and 'Help'.

3. Click on the **Submit a New Request** button.
4. Select **Single Request** from the **Options**.
5. Click on the **OK** button.

6. In the **Submit Request** form, select **Create Accounting** from the list of values.
7. Select the **Parameters** field and select **Vision Operations (USA)** as the **Ledger**. Enter **31-JAN-2011** as the **End Date**. Select **Yes** as the parameter for **Post in General Ledger** and enter **YO-030111** as the **General Ledger Batch Name**.
8. Accept the default values for the remaining fields.
9. Click on the **OK** button.
10. We can schedule the program to run periodically, for example, every month.
11. Click on the **Submit** button to submit the request.
12. Review the requests.
13. Navigate to **View | Requests** from the menu.
14. Click on the **find** button.

Request ID	Name	Parent	Phase	Status	Parameters
5886184	TB Worker 1 (Open Accou...		Completed	Normal	1, 1558026, , 5886183, Pay...
5886183	Open Account Balances C...		Completed	Normal	1, 1558026, , , Payables,
5886182	Posting: Single Ledger		Completed	Normal	1, 1017, 101, 115586
5886181	Journal Import		Completed	Normal	1542356, -602, N, , , Y, N, Y
5886180	Create Accounting		Completed	Normal	, 200, , 1, , , N, , , , N, D, Y, ,
5886156	TB Worker 1 (Open Accou...		Completed	Normal	1, 1558025, , 5886155, Pay...
5886155	Open Account Balances C...		Completed	Normal	1, 1558025, , , Payables,
5886154	Posting: Single Ledger		Completed	Normal	1, 1017, 101, 115585
5886153	Journal Import		Completed	Normal	1542355, -602, N, , , Y, N, Y
5886152	Create Accounting		Completed	Normal	, 200, , 1, , , N, , , , N, D, Y, ,

15. The **Create Accounting** program also spawns other programs to complete the transfer and posting of the journal in General Ledger.

See also

Defining subledger accounting recipe in Chapter 8, Defining Transactions for the General Ledger

4

Managing Assets

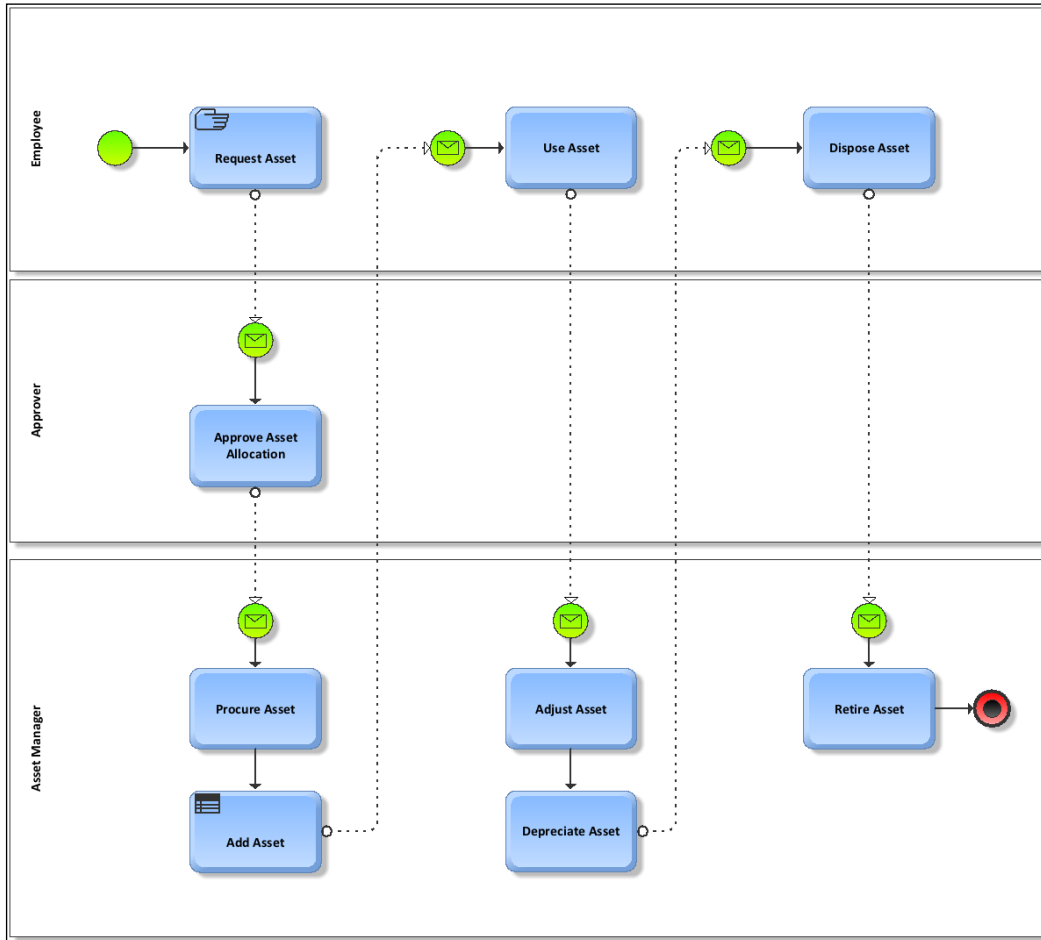
In this chapter, we will cover:

- ▶ Adding assets
- ▶ Adjusting assets
- ▶ Depreciating assets
- ▶ Retiring assets
- ▶ Reviewing asset accounting transactions

Introduction

Assets used in an organization need to be maintained and accounted for. Assets can be loaded from payables, projects, or from spreadsheets using **Web Application Desktop Integrator (ADI)**. In this chapter, we will look at how to maintain assets by adding, adjusting, transferring, depreciating, and retiring assets. We will also review asset accounting transactions. Let's start by looking at the asset management process.

The following diagram summarizes the asset management process:



1. The **Employee** requests the asset.
2. An **Approver** authorizes that the asset can be used by the employee.
3. The **Asset Manager** procures the asset or issues the asset out of inventory. The asset is added to Oracle assets.
4. The **Employee** uses the asset.
5. Any adjustment that needs to be made to the asset including costs, reallocations, and so on is managed by the **Asset Manager**.
6. The **Asset Manager** depreciates the asset over its useful economic life, if the asset is capitalized.
7. After the asset is used, it is disposed of, and the **Asset Manager** retires the asset.

Adding assets

Before assets can be managed, they need to be added to Oracle assets. Assets are mainly purchased, leased, or built by organizations. Purchased assets can be added from Oracle payables.

Assets can be added from the Subledger, entered manually, or loaded from an external source through the **ADI**. In this recipe, we will look at how to enter assets. Let's start by entering assets that have been entered from Oracle payables.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use **OPERATIONS/WELCOME** as the **USERNAME/PASSWORD**.

Run the **Mass Additions Create** program in payables to transfer the assets into the interface tables in readiness for the preparation of mass additions:

1. Select the **Payables** responsibility.
2. Navigate to **Other | Requests | Run**.

3. Select **Single Request** and click on the **OK** button.
4. In the **Submit Request** form, enter **Mass Additions Create** in the **Name** field.

5. In the **Parameters** field, enter **29-JAN-2010** in the **GL Date** and **ACME CORP** in the **Book** field.
6. Click on the **OK** button.
7. Click on the **Submit** button to submit the request.
8. In the **Submit Another Request Decision** box, select the **Yes** button to review the **Mass Additions**.
9. In the **Submit Request** form, enter **Mass Additions Create Report** in the **Name** field.
10. In the **Parameters** field, enter **ACME CORP** in the **Book** field.
11. Click on the **Submit** button to submit the request.
12. In the **Submit Another Request Decision** box, select the **Yes** button.

How to do it...

Let's list the steps required to complete the task:

1. Run the **Prepare Mass Additions** program.
2. Select the **Assets** responsibility.
3. Navigate to **Other | Requests | Run**.

Run this Request...

Copy...

Name Prepare Mass Additions

Operating Unit

Parameters ACME CORP

Language American English

Language Setting... Debug Options

4. Select **Single Request** and click on the **OK** button.
5. In the **Submit Request** form, enter **Prepare Mass Additions** in the **Name** field.
6. In the **Parameters** field, enter **ACME CORP** in the **Book** field.
7. Click on the **Submit** button to submit the request.
8. In the **Submit Another Request Decision** box, select the **No** button.

Let's review the Mass Additions.

1. Navigate to **Mass Additions | Prepare Mass Additions**.

The screenshot shows a window titled "Mass Additions Summary" with a table of assets. The table has the following columns: Invoice Number, Invoice Line, Distribution Line, Queue, and Description. The first row is highlighted in blue.

Invoice Number	Invoice Line	Distribution Line	Queue	Description
AC-10010		1	NEW	Active Speaker a
AC-10010		1	NEW	Heavy Duty Mic
AC-10010		1	NEW	Handeld Radio M
AC-10010		1	NEW	Mic and Stand
AC-10010		1	NEW	Mixer - 14 Chan
AC-10010		1	NEW	Keyboard Amplif

At the bottom of the window, there are four buttons: Split, Add to Asset..., Merge..., and Open.

2. Select **ACME CORP** in the **Book** field.
3. Select **NEW** in the **Queue** field.
4. Click on the **Find** button.
5. A list of assets ready to be added is displayed, as shown in the following screenshot:

The screenshot shows a window titled "Mass Additions" with various fields for asset details. The fields are organized into two columns.

Book	ACME CORP	Queue	POST
Transaction Type		Transaction Date	
Invoice Number	AC-10010	Line Number	1 []
Category	EQUIPMENT-MUSIC	Group Asset	
Employee Name		Employee Number	
Expense Account		Location	
Date in Service	29-JAN-2010	Cost	100,000.00
	<input checked="" type="checkbox"/> Depreciate		

Below the main fields, there are two tabs: "Source" and "Asset Details". The "Asset Details" tab is active, showing the following fields:

Supplier Name	Acacia Supplies Ltd	Supplier Number	1004
PO Number		Source Batch	
Project Number		Task Number	
Create Batch	5854921	Create Date	13-JAN-2011
Source System	ORACLE PAYABLES	Invoice Date	29-JAN-2010
Clearing Account	01-120-1570-0000-000		
Comments			

At the bottom of the window, there are four buttons: Project Details..., Assignments..., Cancel, and Done.

6. Click on the **Open** button to review the asset.

- Open the **Assets Details** tab and review the information:

- In the **Units** field, change the number of units to **20**.
- Click on the **Assignments...** button.
- In the **Units** field enter **20**.

Units	Employee Name	Employee Number	Expense Account	Location
20	Jackson, John	1583	01-000-6505-0000-000	USA-CA-LOS ANGELES

- In the **Employee Name** field, select **Jackson, John**.
- In the **Location** field, select **USA-CA-LOS ANGELES-1**.
- Click on the **Done** button to close the window.
- Change the **Queue** to **POST**.

Let's post the Mass Additions.

1. Navigate to **Mass Additions | Post Mass Additions**.

Submit Request Set

Run this Request... Copy...

Request Set: Post Mass Additions

Program	Operating Unit	Stage	Parameters
Mass Additions Post		Mass Additions Post	ACME CORP
Mass Additions Posting Report		Mass Additions Posting	ACME CORP

Options...

At these Times... As Soon As Possible Schedule...

Help (A) Submit Cancel

2. Enter **ACME CORP** in the **Parameters** field for the **Mass Additions Post**.
3. Enter **ACME CORP** in the **Parameters** field for the **Mass Additions Posting Report**.
4. View your requests by navigating to **Other | Concurrent**.

ACME VISION ENTERPRISES		Mass Additions Posting Report			
Book: ACME CORP					
Request ID: 5854930					
Transaction Type: Additions					
Asset Number	Description	Co	Dpt	Asset Account	Cost
109934	Active Speaker and Stand	01	000	5110	100,000.00
Transaction Type Additions Total:					100,000.00
Report Total:					100,000.00
Total Lines Posted: 1					

5. Click on the **View Output** button to view the details of the posting.
6. Note the **Asset Number 109934**.

Let's view the asset in the Asset Workbench.

1. Navigate to **Assets | Assets Workbench**.

The screenshot shows the 'Asset Details' window with the following data:

Asset Number	109934	Description	Active Speaker and Stand
Tag Number		Category	EQUIPMENT-MUSIC []
Serial Number	WF-8976T	Asset Key	
Asset Type	Capitalized	Units	20
Parent Asset		Description	
Manufacturer	Whardale	Model	Titan 12
Warranty Number		Description	[]
Lease Number		Ownership	Owned
Lessor		Bought	New
<input checked="" type="checkbox"/> In Use		Investment Law	
<input checked="" type="checkbox"/> In Physical Inventory			
Property Type			
Property Class			
Commitment			

2. Enter the **Asset Number** as **109934** and enter **ACME CORP** in the **Book** field.
3. Review the asset in the workbench.

How it works...

The core steps were as follows:

- ▶ **Create mass additions:** The **Mass Additions Create** program transfers mass addition data from Payables to the **FA_MASS_ADDITIONS** table. At this stage, the assets are not yet assets in Oracle Assets. You can also send transactions to Oracle Assets by running the PRC: Interface Assets to Oracle Assets program from Oracle Projects.
- ▶ **Prepare mass additions:** This is used to enter additional data for the mass addition, including assigning the asset to an employee and location. The form is also used for adjustments before the asset is posted.
- ▶ **Post mass additions:** This is used to transfer the asset information from the **FA_MASS_ADDITIONS** table to the other assets tables. This is used for creating the assets for asset management, for example depreciating the asset.

When the invoice was created in Oracle payables, the Asset Clearing account associated with the Asset book was used. Let's look at the invoice details in payables:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

Invoice Workbench (Payables, Vision Operations (USA))

Batch Control Total Batch Actual Total

Operating Unit	Customer Taxpayer ID	Type	PO Number	Trading Partner	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice Currency
Vision Operations		Standard		Acacia Sup	1004	ACACIA	29-JAN-20	AC-10010	USD

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Total
Gross 187,075.00 Retained Net 187,075.00

Num	Type	Amount	Distribution Account	Description	Distribution Set	Product Type	Ship to	Tax Classif
1	Item	100,000.00	01-120-1570-0000-000	Active Speaker and Stand			M1- ACME S	
2	Item	25,000.00	01-120-1570-0000-000	Handeld Radio Mic			M1- ACME S	
3	Item	17,500.00	01-120-1570-0000-000	Mixer - 14 Channel			M1- ACME S	
4	Item	5,000.00	01-120-1570-0000-000	Mic and Stand			M1- ACME S	
5	Item	20,000.00	01-120-1570-0000-000	Keyboard Amplifier			M1- ACME S	

Discard 1 Distributions Allocations

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

3. Search for the Supplier's invoice number **AC-10010** for **Acacia Suppliers**.
4. Select the **Lines** tab.
5. Review the lines and note that the distribution account is **01-120-1570-0000-000**. The natural accounts segment is **1570**. This is the Asset clearing account.
6. Close the form.

Let's review the **ACME CORPS** Asset books:

1. Select the **Assets** responsibility.
2. Navigate to **Setup | Asset System | Book Controls:**

The screenshot displays the 'Book Controls' window with the following details:

- Book:** ACME CORP
- Class:** Corporate
- Description:** ACME CORPORATION
- Associated Corporate Book:** ACME CORP
- Calendar Tab:** Selected
- Inactive On:** [Empty]
- Allow Purge:**
- Purged Through:** [Empty]
- Ledger:** Vision Operations
- Allow GL Posting:**
- Depreciation Calendar:** Monthly
- Fiscal Year Name:** ACCOUNTING
- Prorate Calendar:** Monthly
- Current Period:** Dec-09
- Current Fiscal Year:** 2009
- Divide Depreciation:** Evenly
- Depreciate if Retired in First Year:**
- Last Depreciation Run:**
 - Last Run Date: 10-JAN-2011 00:00:00
 - Status: [Empty]
 - Request Status: [Empty]
 - Request Phase: [Empty]

3. Search for **ACME CORP** in the **Book** field.
4. Note the following:
 - **Ledger** assigned to the book is **Vision Operations**
 - The **Depreciation Calendar** is **Monthly**
 - The **Prorate Calendar** is **Monthly**
5. Note that the **Class** of the Asset book is **Corporate**. Assets can also be managed in tax books.

All assets are required to have a category. The category is used to classify the asset based on similar characteristics; this will enable us to apply similar accounting rules to the transactions:

1. Select the **Assets** responsibility.
2. Navigate to **Setup | Asset System | Asset Categories:**

The screenshot shows the 'Asset Categories' window with the following configuration:

- Category: EQUIPMENT-MUSIC
- Description: Specialist Music Equipment
- Category Type: Non-Lease
- Ownership: Owned
- Property Type: (empty)
- Property Class: (empty)
- General Ledger Accounts:
 - Book: ACME CORP
 - Asset Cost: 01-000-5110-0000-000
 - Asset Clearing: 01-000-1570-0000-000
 - Depreciation Expense: 01-000-6505-0000-000
 - Accumulated Depreciation: 01-000-1630-0000-000
 - Bonus Expense: 01-000-6505-0000-000
 - Bonus Reserve: 01-000-1630-0000-000
 - Revaluation Reserve: 01-000-1530-0000-000
 - Revaluation Amortization: (empty)
 - CIP Cost: (empty)
 - CIP Clearing: (empty)
 - Alternate Asset Cost: (empty)
 - Write-off Expense: (empty)
 - Unplanned Depreciation Expense: (empty)
- Options: Enabled, Capitalize, In Physical Inventory
- Buttons: Default Rules

3. Navigate to **View | Query By Example | Enter** or press the *F11* key on the keyboard to enter the query mode.
4. Search for the **EQUIPMENT-MUSIC** category.
5. Review the **General Ledger Accounts** used for the category.

The screenshot shows the 'Default Depreciation Rules - EQUIPMENT-MUSIC, ACME CORP' window with the following configuration:

- Placed in Service: 01-JAN-1850
- Depreciate
 - Method: STL
 - Life Years: 10
 - Months: 0
 - Bonus Rule: (empty)
- Prorate Convention: MONTH
- Retirement Convention: MONTH
- Default Salvage Value: (empty) %
- Ceiling: (empty)
- Price Index: (empty)
- Default Subcomponent Life
 - Rule: (empty)
 - Minimum Years: (empty)
 - Months: (empty)
- Straight Line for Retirement
 - Method: (empty)
 - Life Years: (empty)
 - Months: (empty)
- Use Depreciation Limit
 - Percent: (empty) %
 - Limit: (empty)
- Capital Gain Threshold
 - Years: 1
 - Months: 0
- ITC Eligible Use ITC Ceilings Mass Property Eligible
- Group Asset: (empty)
- Group Asset Options
 - Recognize Gain Loss: Do Not Recognize
 - Terminal Gain Loss: Recognize Immediately
 - Tracking Options
 - Tracking Method: (empty)
 - Allocate to Fully Retired and Reserved Assets
 - Distribute Excess Reduce Excess
 - Recapture Excess Reserve
 - Limit Net Proceeds to Cost

6. Click on the **Default Rules** button.
7. Review the **Depreciation Rules** for the category.

There's more...

Now let's look at some other methods of entering assets.

Manually entering assets

Let's look at how to enter a CIP (Construction in Progress) asset manually.

1. Select the **Assets** responsibility.
2. Navigate to **Assets | Assets Workbench**.

QuickAdditions

Asset Number: 109923
Tag Number:
Serial Number:
Asset Type: CIP
Supplier Name:
Invoice Number:
Description: Music Factory Building
Category: BUILDING-OFFICE [--]
Asset Key: NONE
Units: 1
Supplier Number:
PO Number:
Book: OPS CORP
Group Asset:
Method: STL
Life Years: 30
Months: 0
Cost: 0.00
Date in Service: 30-JUN-2008
Prorate Convention: FOL-MONTH
Prorate Date: 01-JUL-2008
Assignment

Units	Employee Name	Number	Expense Account	Location
1			01-110-7320-0000-000	USA-WA-SEATTLE-NONE

Note: APP-OFA-48266: Transaction saved for asset number 109923. Reference numbers: 165220, 165221

Done Cancel

3. Select the **QuickAdditions** button.
4. Enter **Music Factory Building** as the **Description**.
5. In the **Category** field, enter **BUILDING-OFFICE**.
6. Select **CIP** as the **Asset Type**.
7. Select **OPS CORP** as the **Book**.

8. The values for **Date in Service**, **Depreciation Method**, and the **Prorate Convention** should be defaulted in the relevant fields.
9. Enter the **Expense Account** of **01-110-7320-0000-000**.
10. Enter the location **USA-WA-SEATTLE-NONE**.
11. Click on the **Done** button.
12. Note the **Asset Number 109923** generated by the system.
13. Click on the **OK** button.

Adding assets to the CIP asset

Let's add an asset to the CIP asset:

1. Navigate to **Mass Additions | Prepare Mass Additions**.

Asset Number	Description	Units	Asset Type	Cost	Date in Service	Growth
109923	Music Factor	1	CIP	0.00	30-JUN-2008	

Amortize Adjustment
 New Category and Description

Cancel Done

2. Select **OPS CORP** in the **Book** field.
3. Select **NEW** in the **Queue** field.
4. Enter **CP-10002** in the **Invoice** field.
5. Click on the **Find** button.
6. Click on the **Add to Asset** button.
7. Enter **109923** as the **Asset number**.
8. Click on the **Find** button.

9. Click on the **Done** button to add the asset.

The screenshot shows the 'Mass Additions' window with the following data:

Field	Value
Book	OPS CORP
Transaction Type	
Invoice Number	CP-10002
Category	
Employee Name	
Expense Account	
Date in Service	30-JUN-2008
Depreciate	<input type="checkbox"/>
Queue	COST ADJUSTMENT
Transaction Date	
Line Number	1
Group Asset	
Employee Number	
Location	
Cost	25,000.00
Supplier Name	Capp Consulting
Supplier Number	1006
PO Number	
Project Number	
Create Batch	5854358
Source System	ORACLE PAYABLES
Clearing Account	01-000-1570-0000-000
Source Batch	
Task Number	
Create Date	09-JAN-2011
Invoice Date	01-JUN-2008
Comments	

10. Click on the **Open** button to review the asset.
11. Change the **Queue** to **Post**, the system changes the queue to **COST ADJUSTMENT** automatically.
12. Click on the **Done** button.

Let's post the asset to the books:

1. Navigate to **Mass Additions | Post Mass Additions**.
2. Enter **OPS CORP** in the **Parameters** field for the **Mass Additions Post**.
3. Enter **OPS CORP** in the **Parameters** field for the **Mass Additions Posting Report**.
4. View the **Asset** in the **Asset Workbench**.
5. Navigate to **Assets | Assets Workbench**.

6. Enter the **Asset Number 109923** and enter **OPS CORP** in the **Book** field.
7. Click on the **Source Lines** button.
8. Note that the **Asset** is now added to the **CIP Asset**.

Mass posting of assets

We can set the queue for a number of assets at the same time, rather than setting them individually:

1. Select the **Assets** responsibility.
2. Navigate to **Mass Additions | Prepare Mass Additions**.

3. Search for all assets in the queue for the **01-JUN-2008**.
4. Select **OPS CORP** in the **Book** field.
5. Enter **01-JUN-2008** in the **Invoice Date** field.
6. Click on the **Find** button.
7. From the **Tools** menu, select **Post All**.
8. In the displayed caution box, select the **OK** button.
9. The **Queue** for all the assets is now changed to **Post**.

Merging assets

We can also merge, unmerge, split, and add to assets. Let's look at an example, where we have just leased a van and our supplier has added a delivery charge to the invoice number AC-10002. The cost of the van needs to be allocated to various sales departments.

We need to merge the delivery charge to the van as part of the cost of the van. We also need to distribute the costs. Let's also assume that we need to distribute the costs to the sales department, based on the OPS Sales Distribution Set:

1. Select the **Assets** responsibility.
2. Navigate to **Mass Additions | Prepare Mass Additions**.
3. Select **OPS CORP** in the **Book** field.
4. Enter **Acacia Supplies Ltd** in the **Supplier** field.
5. Enter **AC-10002** in the **Invoice Number** field.
6. Click on the **Find** button.

The screenshot shows the 'Assignments' dialog box with the following details:

- Invoice Number: AC-10002
- Line Number: 1
- Total Units: 1
- Distribution set: OPS SALES DEPARTMENT (dropdown menu is open showing OPS FINANCE DEPT and OPS SALES DEPARTMENT)
- Show Merged Distributions:
- Units Assigned: 1
- Units Remaining: 0

The 'Distributions' table contains the following data:

Units	Employee Name	Employee Number	Expense Account	Location
.2			01-402-7350-0000-000	USA-NY-NEW YORK-N
.2			01-404-7350-0000-000	USA-CA-SAN FRANCIS
.2			01-430-7350-0000-000	UK-N/A-LONDON-NO
.2			01-440-7350-0000-000	UK-N/A-MANCHESTER
.2			01-460-7350-0000-000	USA-NY-NEW YORK-N

7. Select the **Van** line.
8. In the **Mass Additions** form, click on the **Assignment** button.
9. In the **Assignments Form**, select **OPS Sales Department** in the **Distribution Set**.
The costs are re-allocated to the various **Sales** departments.

Invoice Number: AC-10002
 Units: 1
 Merged Units: 3
 Sum Units

Line Number: 1
 Line Amount: 25,000.00
 Total Merged Cost: 28,500.00

Queue	Invoice Number	Line	Cost	Description
<input checked="" type="checkbox"/> Merged	AC-10002	1	3,000.00	Apple Mac Laptops
<input checked="" type="checkbox"/> Merged	AC-10002	1	500.00	Delivery Charges
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

Buttons: Cancel, Done

10. Let's merge the laptop and the delivery charge to the van.
11. Click on the **Merge** button.
12. In the **Mass Additions** form, select the **Sum Units** checkbox.
13. Click on the **Merged** checkbox for the **Delivery Charges** and the **Apple Mac Laptops**.
14. The **Queue** name should change to **Merged** and the **Total Merged Cost** should change to **\$28,500.00**.
15. Click on the **Done** button.
16. In the **Mass Additions** form, change the **Queue** to **POST**.

See also

Entering Invoices recipe in Chapter 3, Paying Supplier Invoices in Payables

Adjusting assets

Assets may need to be adjusted for a number of reasons, for example:

- ▶ The wrong category may be applied to an asset
- ▶ An asset may change location
- ▶ An asset may need to be reallocated to an employee
- ▶ The number of units of an asset may need to be readjusted
- ▶ The value of an asset may change due to economic reasons

When assets are added from Oracle Payables, the default number of units per line is 1 unit. You can change the number of units in Oracle Assets. Once we change the number of units, we need to change the assignments to the assets.

In this recipe, we will adjust the number of units from 1 to 5 units for asset number 109924.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

We also need to have assets already created in the Assets Workbench.

How to do it...

Let's list the steps required to adjust the units:

1. Select the **Assets** responsibility.
2. Navigate to **Assets | Assets Workbench**.

Unit Change	Units	Employee Name	Number	Expense Account	Location
4	1	Jackson, John	1583	01-000-7330-0000-000	USA-CA-LOS ANGELES-1
5	5	Stock, Ms. Pat	24	01-110-7330-0000-000	USA-CA-LOS ANGELES-2

3. Enter **109924** in the **Asset Number** field.
4. Select **OPS CORP** in the **Book** field.
5. Click on the **Find** button.
6. In the **Assets Form**, click on the **Open** button.
7. Change the **Units** from **1** to **10**.
8. Click on the **Done** button.
9. In the **Assignments** form, allocate the **5** units to the employee **John Jackson**, and **5** units to **Pat Stock**, at the **USA-CA-LOS ANGELES-2** location.
10. In the **Unit Change** field, enter **4**.
11. Select the second line and enter **5** in the **Unit Change** field.
12. In the **Employee Name** field, enter **Stock** and press the *Tab* key. The full **Employee Name** should be populated.
13. Enter **01-110-7330-0000-000** as the **Expense Account** number.
14. Enter **USA-CA-LOS ANGELES-2** as the location.
15. Click on the **Done** button to save the changes to your transaction.

There's more...

Now let's look at some other types of adjustments to assets.

Adjusting Expense Accounts and Locations

You can use the assignments window to adjust and transfer assets between expense accounts and locations. Let's transfer 2 units to another employee in another location.

1. Navigate to **Assets | Assets Workbench**.
2. Enter **109924** in the **Asset Number** field.

Unit Change	Units	Employee Name	Number	Expense Account	Location
	5	Jackson, John	1583	01-000-6505-0000-000	USA-CA-LOS ANGELES-1
-2	5	Stock, Ms. Pat	24	01-110-6505-0000-000	USA-CA-LOS ANGELES-2
2	2	Brown, Ms. Casey	30	01-110-6506-0000-000	USA-CA-LOS ANGELES-1

3. Select **OPS CORP** in the **Book** field.
4. Click on the **Find** button.
5. Select the **Assignments** button.
6. Enter **-2** in the **Unit Change** field for the employee **Pat Stock**.
7. Select the line below and enter **2** in the **Unit Change** field.
8. Enter **Casey Brown** as the **Employee**.
9. Enter **01-110-6506-0000-000** as the **Expense Account** number.
10. Enter **USA-CA-LOS ANGELES-1** as the location.
11. Click on the **Done** button.

Adjusting assets categories

The **Keyboard Amplifier** needs to be reclassified from **EQUIPMENT-MOVABLE** to **EQUIPMENT-MUSIC**.

1. Select the **Assets** responsibility.
2. Navigate to **Assets | Assets Workbench**:

The screenshot shows the 'Asset Details' window with the following fields and values:

Asset Number	109924	Description	Keyboard Amplifier
Tag Number		Category	EQUIPMENT-MUSIC
Serial Number		Asset Key	NONE
Asset Type	Capitalized	Units	10
Parent Asset		Description	
Manufacturer		Model	
Warranty Number		Description	
Lease Number		Ownership	Owned
Lessor		Bought	New
<input checked="" type="checkbox"/> In Use		Investment Law	
<input checked="" type="checkbox"/> In Physical Inventory			
Property Type	Personal		
Property Class	1245		
Commitment			

Buttons: View Subcomponents, Done, Cancel

3. Enter **109924** in the **Asset Number** field.
4. Select **OPS CORP** in the **Book** field.
5. Click on the **Find** button.

6. In the **Assets** form, click on the **Open** button.
7. In the **Category** field, change the **Category** to **EQUIPMENT-MUSIC**.
8. Click on the **Done** button to save the changes to your transaction.

Adjusting asset values

The financial information may need to be adjusted due to a revaluation of the asset based on current costs. We need to adjust the current cost to \$20,000 from \$25,000:

1. Select the **Assets** responsibility.
2. Navigate to **Assets | Assets Workbench**.

Financial Information		Depreciation	
Asset Number	109924	Reference Number	
Book	OPS CORP	Comments	[]
Current Cost	20,000.00	YTD Depreciation	208.33
Original Cost	25,000.00	Accumulated Depreciation	208.33
Salvage Value Type	Amount	Salvage Value Percent	%
Salvage Value	0.00	Revaluation Ceiling	
Recoverable Cost	20,000.00	Revaluation Reserve	0.00
Net Book Value	19,791.67		
Method: STL		Date in Service: 30-JUN-2008	
Life Years: 10		Prorate Convention: MONTH	
Months: 0		Prorate Date: 01-JUN-2008	
Bonus Rule:		Amortization Start Date:	
Depreciation Limit Type:		Amortize Adjustment: <input type="checkbox"/>	
Limit Amount:		Ceiling:	
Percent: %			

3. Enter **109924** in the **Asset Number** field.
4. Select **OPS CORP** in the **Book** field.
5. Click on the **Find** button.
6. In the **Assets** form, click on the **Books** button.
7. In the **Book** field, enter **OPS CORP**.
8. Click on the **Current Cost** field. The data in the financial information region is then repopulated.
9. Change the **Current Cost** to **20000**.
10. Click on the **Done** button to save the record.

Transferring costs

You can also transfer costs from an asset to another. Let's now transfer some of the costs from asset 109923 to asset 109922:

1. Navigate to **Assets | Assets Workbench**.

Invoice Number	Invoice Line	Description	Distribution Line	Active	Supplier Name	Number	Line Amount	Transfer Amount []
CP-10002	1		1	<input checked="" type="checkbox"/>	Capp Consulting	1006	20,000.00	5,000.00
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				
				<input type="checkbox"/>				

2. Enter the **Asset** number **109923**, and enter **OPS CORP** in the **Book** field.
3. Click on the **Source Lines** button.
4. In the **Transfer Amount** field, enter **5000** and press the *Tab* key. The **Transfer To** button is now enabled.
5. Click on the **Transfer To** button:

Asset Number	Description	Tag Number	Category	Asset Key	Cos
109922	Peavey v14 USB Mixer		EQUIPMENT-M		25,000.00

6. Search for the **Asset** by pressing *F11*, entering **109922** in the **Asset Number** field, and pressing *Ctrl+F11* to execute the query.
7. Click on the **Done** button.

8. Click on the **Source Lines** button:

Invoice Number	Invoice Line	Description	Distribution Line	Active	Supplier Name	Number	Line Amount	Transfer Amount []
CP-10002	1		1	<input checked="" type="checkbox"/>	Capp Consulting	1006	20,000.00	

9. The value of asset source line is now reduced by **5000** to **20000**.
 10. Click on **cancel** to exit the form.

Depreciating assets

Assets need to be depreciated based on defined depreciation methods. In this recipe, we will look at how to run depreciation and close a period.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

Run the following reports to check if all assets are assigned to the correct expense accounts and books:

- ▶ Assets Not Assigned to Any Cost Centers Listing
- ▶ Assets Not Assigned to Any Books Listing

How to do it...

Let's list the steps required to run depreciation:

1. Select the **Assets** responsibility.
2. Navigate to **Depreciation | Run Depreciation**.

3. In the **Book** field, select **ACME CORP**.
4. The **Period** is automatically entered.
5. Select the **Close Period** checkbox to close the period. Once a period is closed, it cannot be reopened.
6. Click on the **Run** button.
7. In the **Caution** dialog box, select the **OK** button.
8. The system submits a concurrent request.
9. Click on the **OK** button.

How it works...

Let's look at how these steps allow us to depreciate the assets in the period.

The depreciation process starts and runs a number of concurrent programs including the following:

- ▶ **Generate Accounts:** This builds the accounting combinations using Oracle Workflow
- ▶ **Calculate Gains and Losses:** This calculates the gains and losses resulting from retirements
- ▶ **Depreciation Run:** This calculates the depreciation expense
- ▶ **Reserve Ledger Reports:** Runs the Journal Entry Reserve Ledger Report

The transactions are generated based on the depreciation methods and the prorate conventions.

There's more...

Now let's look at some other options or possibly some pieces of general information that are relevant to this task.

Reviewing depreciation methods

Let's review the Straight Line (STL) depreciation method:

1. Select the **Assets** responsibility.
2. Navigate to **Setup | Depreciation | Methods:**

Depreciation Methods

Method: **STL**

Description: Straight-Line

Method Type: Calculated

Calculation Basis: Cost

Depreciable Basis Rule:

Depreciate in Year Retired

Exclude Salvage Value

Straight Line Method

Polish Adjustment Calculation Basis

Life Years: 0 Months: 1

Prorate Periods Per Year: []

Formula Rates

3. In the **Depreciation Methods** form, search for the **STL** method.
4. Depreciation can also be based on a table, based on units of production, flat, or based on a formula.
5. The **Calculation Basis** could also be based on **Cost** or **Net Book** value.

Reviewing prorate conventions

Prorate conventions are used to determine the apportionment of the depreciation expense in the first and last year of the life of the asset:

1. Select the **Assets** responsibility.
2. Navigate to **Setup | Asset System | Prorate Conventions:**

Prorate Conventions

Convention: **MID-MONTH**

Description: MID MONTH

Fiscal Year Name: ACCOUNTING

Depreciate When Placed in Service

From Date	To Date	Prorate Date
01-JAN-1993	15-JAN-1993	01-JAN-1993
16-JAN-1993	31-JAN-1993	16-JAN-1993
01-FEB-1993	15-FEB-1993	01-FEB-1993
16-FEB-1993	28-FEB-1993	16-FEB-1993
01-MAR-1993	15-MAR-1993	01-MAR-1993
16-MAR-1993	31-MAR-1993	16-MAR-1993
01-APR-1993	15-APR-1993	01-APR-1993
16-APR-1993	30-APR-1993	16-APR-1993
01-MAY-1993	15-MAY-1993	01-MAY-1993
16-MAY-1993	31-MAY-1993	16-MAY-1993
01-JUN-1993	15-JUN-1993	01-JUN-1993
16-JUN-1993	30-JUN-1993	16-JUN-1993

3. In the **Prorate Conventions** form, search for **MID-MONTH Convention**.
4. The **Prorate Date** determines when the proration of the depreciation expense will start and end.

See also

Chapter 9, End of Period Processing

Retiring assets

Assets are retired once they are no longer in use by an organization. In this recipe, we will look at how to retire assets.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

A Genesis-1.0 Speaker, asset number 109931, has been sold for \$37,000 on the 31st of March 2010. Let's retire the asset in the ACME CORP asset book:

1. Select the **Assets** responsibility.
2. Navigate to **Assets | Assets Workbench**.
3. In the **Category** field, enter **EQUIPMENT-MOVABLE**.
4. Select **ACME CORP** in the **Book** field.
5. Click on the **Find** button.

Asset Number	109931	Reference Number	
Book	ACME CORP	Retire Date	31-MAR-2010
Comments		Status	Pending
Retirement Details			
Current Units	1	Current Cost	30,000.00
Units Retired	1	Cost Retired	30,000.00
Retirement Type	Sale	Proceeds of Sale	37,000.00
Retirement Convention	MID-MONTH	Cost of Removal	0.00
Straight Line Method		Gain/Loss Amount	
Check/Invoice		Life Years	Months
Trade in Asset		Sold To	
Group Asset		Description	
Group Asset		Recognize Gain and Loss	
Reduction Rate	%	Prior Year Reserve Retired	
Reserve Retired			

6. In the **Assets** form, find the asset number **109931**.
7. Click on the **Retirements** button.
8. In the **Retirements** form, enter the **ACME CORP** in the **Book** field.
9. Accept the default date of **31-MAR-2010** as the **Retire Date**.
10. Enter the **Units Retired** as **1**.
11. Select the **Retirement Type** as **Sale**.
12. Enter the **Proceeds of Sale** as **37000**.
13. Save the record.
14. Click on the **Done** button.

There's more...

Now let's look at some other options related to the retirement of assets.

Partial retirement

One of the 20 Active Speakers and Stand (**Asset Number 109934**) was lost during asset verification check. Let's partially retire the asset in the ACME CORP books:

1. Select the **Assets** responsibility.
2. Navigate to **Assets | Asset Workbench**.
3. In the **Assets** form, find asset number **109934**.

The screenshot shows the 'Retirements' form with the following fields and values:

- Asset Number: 109934
- Book: ACME CORP
- Reference Number: (empty)
- Retire Date: 31-MAR-2010
- Comments: (empty)
- Status: Pending

Retirement Details:

- Current Units: 20
- Units Retired: 1
- Current Cost: 100,000.00
- Cost Retired: 5,000.00
- Retirement Type: VERIFIED LOST
- Retirement Convention: MID-MONTH
- Straight Line Method: (empty)
- Check/Invoice: (empty)
- Trade in Asset: (empty)

Group Asset:

- Group Asset: (empty)
- Reduction Rate: %
- Reserve Retired: (empty)

Retire Types Dialog Box:

Type	Description
CASUALTY	Casualty loss of Asset
DESTROYED	Destroyed Asset
Extraordinary	Extraordinary Retirement
RETIREMENT	Retirement of Asset
SCRAP	Progress UK Item Scrapped
Sale	Sale of Asset
THEFT	Theft of Asset
VERIFIED LOST	Item not found during Asset Verification

Buttons at the bottom of the dialog: Find, OK, Cancel.

Buttons at the bottom of the main form: Subcomponents, Reinstate, Continue, Cancel.

4. Select the **Retirements** button.
5. In the **Retirements** form, enter the **ACME CORP** in the **Book** field.
6. Accept the default date of **31-MAR-2010** as the **Retire Date**.
7. In the **Units Retired** field, enter **1**.
8. In the **Retirement Type** field, select **VERIFIED LOST** from the list of values.
9. Click on the **Continue** button.

Unit Change	Units	Employee Name	Number	Expense Account	Location
1	20	Jackson, John	1583	01-000-7330-0000-000	USA-CA-LOS ANGELES-2

10. In the **Assignments** form, enter **-1** in the **Units to Assign** field.
11. Save your work.
12. Click on the **Done** button.

Calculating gains and losses

Let's run the **Calculate Gains and Losses** program to calculate the gains and losses resulting from retirements. The depreciation program also automatically processes retirements:

1. Select the **Assets** responsibility.
2. Navigate to **Depreciation | Calculate Gains and Losses**:

Run this Request...

Name: Calculate Gains and Losses

Operating Unit:

Parameters: ACME CORP

Language: American English

Buttons: Copy..., Language Setting..., Debug Options

3. In the **Parameters** window, select **ACME CORP** in the **Book** field.
4. Click on the **OK** button.
5. Click on the **Submit** button.
6. In the **Request Submitted** note, click on the **OK** button.
7. Navigate to **Asset | Asset Workbench**.

8. In the **Assets** form, find **Asset Number 109934**.

9. Click on the **Retirements** button.
 10. Press the **Ctrl+F11** keys to query the retirement.
 11. The **Gain/Loss Amount** is now displayed as **<4,833.33>**.
 12. Click on the **Cancel** button to close the window.

Mass retirements

All the assets in Los Angeles building 2 (USA-CA-LOS ANGELES-2) are sold for \$250,000, with a \$500 removal fee. Let's look at how to retire a group of assets:

1. Select the **Assets** responsibility.
2. Navigate to **Mass Transactions | Retirements | Create and Reinstate**.

3. In the **Mass Retirements** form, select **ACME CORP** as the **Book**.
4. Enter **31-MAR-2010** in the **Retire Date** field.
5. Select **Sale** as the **Retirement Type**.
6. In the **Proceeds of Sale** field, enter **250,000.00**.
7. In the **Cost of Removal** field, enter **500.00**.
8. In the **Location** field, enter **USA-CA-LOS ANGELES-2**.
9. Click on the **Create** button.
10. Click on **OK** in the concurrent request note form.
11. Note the **Mass Transaction Number** of **294**.
12. Requery the form, press *F11* on the **Mass Transfer** form, enter **294** in the **Mass Transaction Number** field, and press *Ctrl+F11*.
13. The form is now populated.
14. The **Discard** and **Retire** buttons are now enabled.
15. Click on the **Retire** button.
16. Click on **OK** in the concurrent request note form.

ACME VISION ENTERPRISES		Mass Retirements Report			Report Date: 17-JAN-2011 21:11		
Book: ACME CORP		Mass Retirement Number: 294			Page: 1 of 1		
Company: 01							
Asset Type: Capitalized							
Account: 1530							
Department: 000							
Asset Number -	Date Placed	Date	Cost Retired	Proceeds of	Removal Cost	Parent Asset	Trans
Description	in Service	Retired		Sale		Number	Number
109932 - YG ACOUSTICS - Kipod -	15-DEC-2009	31-MAR-2010	40,000.00	74,074.07	148.14		165276
109934 - Active Speaker and Sta	29-JAN-2010	31-MAR-2010	95,000.00	175,925.93	351.86		165277
Department 000 Totals:			135,000.00	250,000.00	500.00		
Account 1530 Totals:			135,000.00	250,000.00	500.00		
Asset Type Capitalized Totals:			135,000.00	250,000.00	500.00		
Company 01 Totals:			135,000.00	250,000.00	500.00		
Report Totals:			135,000.00	250,000.00	500.00		

17. Requery the form, press *F11* on the **Mass Transfer** form, enter **294** in the **Mass Transaction Number** field, and press *Ctrl+F11*.
18. Click on the **Review** button.
19. Navigate to **View | Request** on the menu, and select the **Find** button.
20. Click on the **View Output** button to view the details of the posting.
21. Note that the proceeds of sale are apportioned to the assets.

Reviewing asset accounting

In this recipe, we will review some of the accounting transactions created in Oracle Assets.

How to do it...

The **Create Accounting** program generates Subledger accounting entries for accounting events. An accounting event is created for asset transactions that have an impact on accounting:

1. Select the **Assets** responsibility.
2. Navigate to **Create Accounting**.

The screenshot shows the 'Run this Request...' dialog box for the 'Create Accounting - Assets' program. The dialog is titled 'Run this Request...' and has a 'Copy...' button in the top right corner. The main area is titled 'Parameters' and contains the following fields and values:

Name	Create Accounting - Assets	
Operating Parameters	Book Type Code	ACME CORP ACME CORPORATION
Language	Process Category	
At this Time	End Date	31-JUL-2010
Run this Request	Accounting Mode	Final
Upon Completion	Errors Only	No
Language	Report	Detail
Priority	Transfer to General Ledger	Yes
	Post in General Ledger	Yes
	General Ledger Batch Name	YO-FA-0001
	Include User Transaction Identifiers	No

At the bottom of the dialog, there are buttons for 'OK', 'Cancel', 'Clear', and 'Help'. Below the dialog, there are buttons for 'Help (C)', 'Submit', and 'Cancel'.

3. Enter the following details in the request form:
 - ❑ **Book Type Code** field select **ACME CORP**
 - ❑ Enter **31-JUL-2010** as the **End Date**
 - ❑ **Accounting Mode** field select **Final** from the list of values
 - ❑ **Errors Only** field select **No**
 - ❑ **Report** field select **Detail**
 - ❑ **Transfer to General Ledger** select **Yes**
 - ❑ **Post in General Ledger** select **Yes**
 - ❑ **General Ledger Batch Name** field enter **YO-FA-0001**
 - ❑ **Include User Transaction Identifiers** field select **No**

Managing Assets

4. Click on the **OK** button.
5. Click on the **Submit** button.

Let's view some of the transactions from the General Ledger:

1. Switch responsibilities by selecting **File | Switch Responsibility**.
2. Select the **General Ledger** responsibility.

Batch Status	Source	Category	Period	Batch Name	Journal Name	Currency	Journal Debit	Journal Credit
Posted	Assets	Reclass	Jan-10	YO-FA-0001 A	Jan-10 Reclass USD	USD	283,000.00	283,000.00
Posted	Assets	Addition	Jan-10	YO-FA-0001 A	Jan-10 Addition USD	USD	100,000.00	100,000.00
Posted	Assets	Transfer	Jan-10	YO-FA-0001 A	Jan-10 Transfer USD	USD	170,583.33	170,583.33
Posted	Assets	Adjustment	Jan-10	YO-FA-0001 A	Jan-10 Adjustment USD	USD	1,500.00	1,500.00
Posted	Assets	Depreciation	Jan-10	YO-FA-0001 A	Jan-10 Depreciation USD	USD	4,666.67	4,666.67

3. Navigate to **Journals | Enter**.
4. Search for the journal by selecting the **Source** as **Assets**, **Batch** as **YO-FA-0001**, and the **Period** as **Jan-10**.

Line	Account	Debit (USD)	Credit (USD)	UOM	Qty	Description
1	01-120-1570-0000-000		100,000.00			Journal Import Created
2	01-000-5110-0000-000	100,000.00				Journal Import Created
		100,000.00	100,000.00			

5. Click on the **Journal** with a **Category** of **Addition**.
6. Select the **Review Journal** button.
7. Note that the **Asset Cost Account** (5110) for the **Category** is debited and the **Asset** clearing account is **Credited**.
8. Close the form.

Line	Account	Debit (USD)	Credit (USD)	UOM	Qty	Description
1	01-000-1530-0000-000	280,000.00				Journal Import Created
2	01-000-1630-0000-000	3,000.00				Journal Import Created
3	01-000-1630-0000-000		3,000.00			Journal Import Created
4	01-000-5110-0000-000		280,000.00			Journal Import Created
		283,000.00	283,000.00			

9. Click on the **Journal** with a **Category** of **Reclass**.
10. Select the **Review Journal** button.
11. Note that the **Asset Cost Account** for the new category (**1530**) is debited and the old **Asset Cost** account (**5110**) is credited.
12. Close the form.

How it works...

Oracle Assets uses the accounting event model defined in Subledger Accounting to determine the transactions that generate accounting transactions. Oracle Assets groups all the accounting events classes into four main event model entities:

1. Deferred depreciation
2. Depreciation
3. Inter assets transactions
4. Transactions

These are further classified into event classes and event types:

1. Select the **Assets** responsibility.
2. Navigate to **Setup | Financials | Subledger Accounting | Accounting Methods Builder | Events | Event Model**.

Event Class Code	Event Class Name	Description	Enabled
ADDITIONS	Additions		<input checked="" type="checkbox"/>
ADJUSTMENTS	Adjustments		<input checked="" type="checkbox"/>
CAPITALIZATION	Capitalization		<input checked="" type="checkbox"/>
CATEGORY_RECLASS	Category Reclass		<input checked="" type="checkbox"/>

Predecessors

Event Type Code	Event Type Name	Description	Accounting Tax	Enabled
ADDITIONS	Additions		<input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>

3. Select the **Transactions Entity Name**.
4. Click on the **Event Classes** to view the **Event Classes** and the **Event Types**.

There's more...

Let's review the **Accounting Events** for a transaction:

1. Select the **Assets** responsibility.
2. Navigate to **Inquiry | Subledger Accounting | Accounting Events**:

ORACLE® Close Window Preferences Help Diagnostics

Subledger Journal Entries **Accounting Events** Supporting Reference Balances

Accounting Events Save Search

Simple Search

Note that the search is case insensitive Advanced Search

* From Transaction Date
(example: 18-Jan-2011)

* To Transaction Date

Ledger

Transaction Number

Event Class

Event Type

Event Status

Event Date

Only include events with journal entries

Go Clear

Select Event: Previous 1-10 Next 10

[Show All Details](#) | [Hide All Details](#)

Select Details	Ledger	Event Class	Event Type	Event Date	Event Status	Transaction Date	Transaction Number	Valuation Method
<input type="checkbox"/> <input type="button" value="Hide"/>	Vision Operations (USA)	Adjustments	Adjustments	31-Jan-2010	Final Accounted	31-Jan-2010 00:00:00	165260	ACME CORP
Event Number 1				Event Creation Date 14-Jan-2011 00:41:19				
Legal Entity				On Hold Status No				
Asset Number 109931				Book Type Code ACME CORP				
Period Entered Jan-10				Asset Description Genesis - 1.0 Speakers				
<input type="checkbox"/> <input type="button" value="Show"/>	Vision Operations (USA)	Adjustments	Adjustments	31-Jan-2010	Final Accounted	31-Jan-2010 00:00:00	165261	ACME CORP
<input type="checkbox"/> <input type="button" value="Show"/>	Vision Operations (USA)	Adjustments	Adjustments	31-Jan-2010	Final Accounted	31-Jan-2010 00:00:00	165262	ACME CORP
<input type="checkbox"/> <input type="button" value="Show"/>	Vision Operations (USA)	Category Reclass	Category Reclass	31-Jan-2010	Final Accounted	31-Jan-2010 00:00:00	165265	ACME CORP
<input type="checkbox"/> <input type="button" value="Show"/>	Vision Operations (USA)	Category Reclass	Category Reclass	31-Jan-2010	Final Accounted	31-Jan-2010 00:00:00	165267	ACME CORP

- In the **Accounting Events** tab, enter **01-JAN-2010** in the **From Transaction Date** field.
- Enter **31-JAN-2010** in the **To Transaction Date** field.
- Select **Vision Operations (USA)** in the **Ledger** field.
- Click on the **Go** button.

Transaction History

Reference Number	Transaction Type	Asset Number - Description	Periods Effective	Entered
165260	ADJUSTMENT	109931 - Genesis - 1.0 Speakers	Jan-10	Jan-10

Transaction Detail

	Current Cost	Original Cost	Method	Life	Recoverable Cost	Salvage
Before	30,000.00	30,000.00	STL	10.00	30,000.00	
After	30,000.00	30,000.00	STL	5.00	30,000.00	

Book

Amortized Adjustment

Comments

7. In the list of the accounting events, select the transaction.
8. Click on the **View Transaction** button.
9. Click on the **Details** button. Details of the accounting event are displayed.
10. Close the **Transaction History** window.

See also

Defining subledger accounting recipe in Chapter 8, Defining Transactions for the General Ledger

5

Selling Items to Customers in Order Management

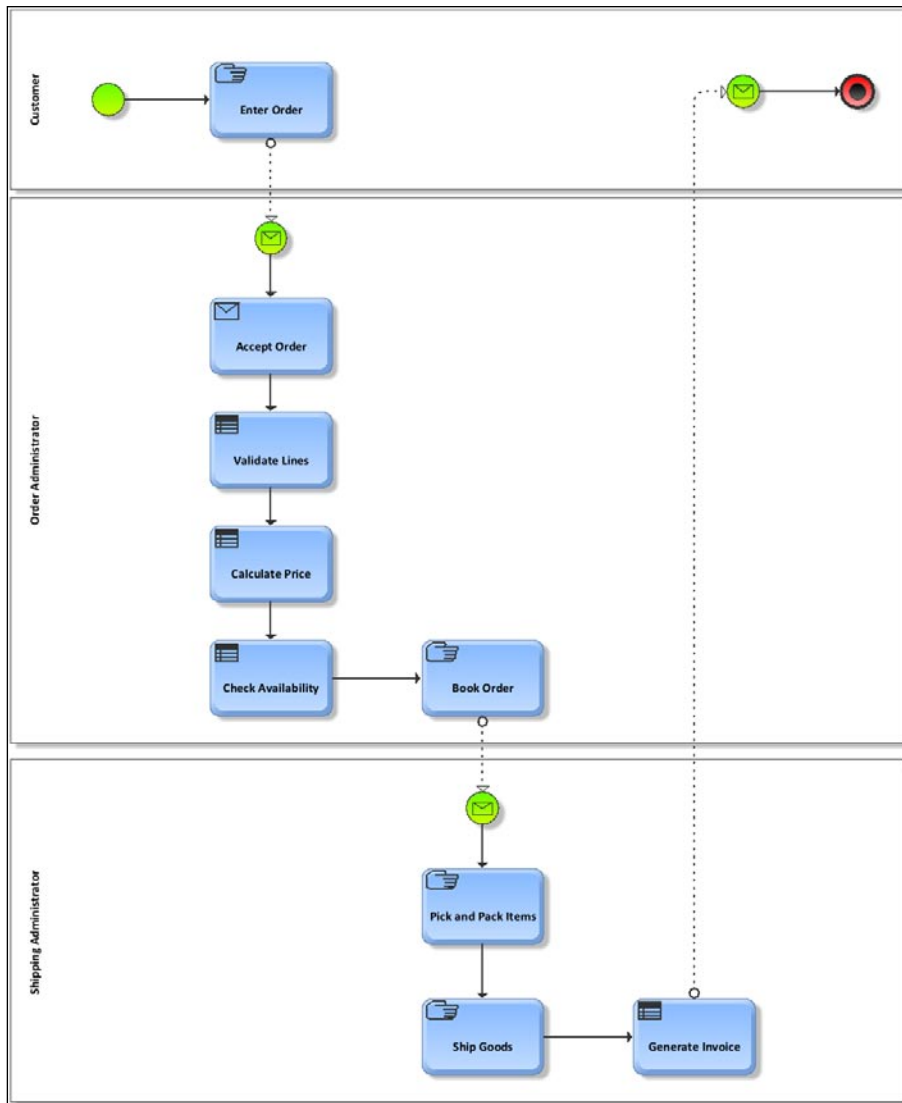
In this chapter, we will cover:

- ▶ Creating customers
- ▶ Entering sales orders
- ▶ Adding Items to Price List
- ▶ Reviewing Order Management workflow
- ▶ Creating Drop Ship orders
- ▶ Creating Back-to-Back orders
- ▶ Creating a return
- ▶ Applying holds
- ▶ Releasing orders
- ▶ Shipping orders
- ▶ Creating an invoice

Introduction

Oracle Order Management is used to capture and fulfill orders from different sources. These include entering orders manually, importing orders from XML Gateway, CRM, online orders through EDI, Oracle iStore, and Oracle Quoting. Fulfillment of the order can be through making, buying, or selling through stock in inventory. Oracle Order Management uses workflow, which can be customized to drive the process.

The following diagram summarizes a typical Order Management process:



1. The **Customer** enters the order from an external source. An order entry clerk can also enter the order.
2. The order is imported into Order Management and checked for validity.
3. The order is accepted, after it is checked.
4. The Items on the lines are validated in inventory and a price is calculated for the line.
5. The availability of the Items are checked and may be reserved, purchased, or manufactured.
6. The order is booked ready to be picked and shipped to the **Customer**.
7. The Items are picked, packed, and shipped to the customer. The invoice is also generated and sent to the **Customer**.

This chapter assumes that you to have access to a Vision demonstration database, and you are using the standard seeded workflows. Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

Creating customers

Before we can sell Items, we need customers. In this recipe, we will look at how to create customers. We will create a customer called **Sheepwall Inc** with an address called a site. The site can be used as a bill to, ship to, and deliver to address.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's create a customer:

1. Select the **Order Management** responsibility.
2. Navigate to **Customers | Standard**.

3. Click on the **Create** button.

Customers >
Create Organization

Customer Type **ORGANIZATION**

Customer Information

* Organization Name SheepWall Inc
Alias
Name Pronunciation
D-U-N-S Number
URL
Context Value Must include: http://

Account Information

Account Description
Profile Class DEFAULT
Account Type External
Reference
Date Established (example: 21-Jan-2011)
Cust GL Class
Tax Loc Code
Tax Calc Code
Cust Price Cls
Customer Status Default
Eliminations Dept
Context Value

4. In the **Customer Information** region, enter **SheepWall Inc** in the **Organization Name**.
5. In the **Account Information** region:
 - ❑ Select **DEFAULT** as the **Profile Class**
 - ❑ Select **External** as the **Account Type**

Account Site Address

* Country: United States

* Address Line 1: 12 Sheep Gate

Address Line 2:

Address Line 3:

Address Line 4:

City:

County: Philadelphia

State: PA

Postal Code: 19103

Address Description:

Identifying Address

Geography Code Override:

Context Value:

6. In the **Account Site Address** region:
- ❑ Enter **United States** in the **Country** field
 - ❑ Enter **12 Sheep Gate** in **Address Line 1**
 - ❑ Enter **Philadelphia** in the **County** field
 - ❑ Select **PA** in the **State** field
 - ❑ Enter **19103** as the **Postal Code**

Business Purposes

Context Value:

Purpose	Location	Bill To Location	Primary	Remove
Bill To	SHEEPWALL		<input checked="" type="checkbox"/>	
Ship To	SHEEPWALL	(Site Bill-to)	<input type="checkbox"/>	
Deliver To	SHEEPWALL		<input type="checkbox"/>	

Add Another Row

Cancel Save And Add Details Apply

7. In the **Business Purposes** region:
- ❑ Select the **Bill To** as the **Purpose** and check the **Primary** checkbox
 - ❑ Click on the **Add Another Row** button
 - ❑ Select **Ship To** in the **Purpose** field and assign the **(Site Bill-to)** site as the **Bill To Location**
 - ❑ Select **Deliver To** in the **Purpose** field
8. Click on the **Apply** button.

How it works...

Customers are set up in the **Trading Community Architecture (TCA)** as a party. The main purpose of the TCA is to hold master data information relating to an entity in a central repository. The information can then be used by more than one module as a "single source of truth" throughout the lifecycle of the party. For example, a customer can start as a prospect in CRM and can later in its lifecycle become a customer in receivables. A party can be an organization or a person. A party has information about itself, for example, a customer has a name—the name of the customer created in the previous section, that is, Sheepwall Inc.

Oracle uses party relationships to link the details of the parties to each other. For example, a person as a party can be a contact in an Organization.

A party has a site that links a party with its location and it defines the purpose of the site. For example, a site can be used as a Ship To site for shipping of goods.

Profile classes are used to manage customer accounts based on groups. The groups contain information about the similar characteristics of the customers. Examples are credit and collection, payment terms, receipts, statements, and invoicing requirements. Every customer must be assigned a profile class.

Customers have information held at the customer header, for example, organization profiles, communication, party relationships, and tax profiles. Customers also have information held at the site level, for example, site address, business purposes, communication, payment details, site profiles, profile amounts, and details of late charges settings.

There's more...

Now let's look at some other options, and general information that is relevant to this task.

Adding a customer site

Let's add a new site to the customer. The site will also be used as a Ship-To site:

1. Select the **Order Management** responsibility.
2. Navigate to **Customers | Standard**.

Customers Customer Type

Search

Simple Search [Advanced Search](#)

Name Registry ID

D-U-N-S Number Web Site

Account Number Taxpayer ID

Status

Select	Name	Registry ID	D-U-N-S Number	Address	Country	Primary URL	Status	Match (%)
<input checked="" type="checkbox"/>	SheepWall Inc	58265		12 Sheep Gate, PHILADELPHIA, PA 19103	United States		Active	100%

Accounts






Status

Account Number	Account Description	Profile Class	Primary Bill-To Address	Status Details
6308		DEFAULT	12 Sheep Gate , PHILADELPHIA, PA 19103	Active <input type="button" value="Info"/>

3. Enter **SheepWall%** in the **Name** field and click on the **Go** button.
4. Click on the **SheepWall Inc** link.
5. Click on the **Create Site** button.
6. Click on the **Create Address** button to enter the address for the site.
7. Enter the following details for the site address:
 - Enter **United Kingdom** in the **Country** field
 - Enter **Hertford Road** in the **Address Line 1** field
 - Enter **Welwyn** in the **Town / City** field
 - Enter **Herts** in the **County** field
 - Enter **AL6 0JB** in the **Postal Code** field
8. In the **Business Purpose** region, select **Bill To** as the purpose and click on the **Primary** checkbox.
9. Click on the **Add Another Row** button.
10. Select **Ship To** in the **Purpose** field and click on the **Primary** checkbox.
11. Select **(Site Bill To)** as the **Bill To Location**.

12. Click on the **Finish** button.

The screenshot shows the Yahoo! Local Maps interface. The top left has the Yahoo! Local Maps logo. Below it are two main sections: 'GET MAP AND DIRECTIONS' and 'FIND A BUSINESS ON THE MAP'. The 'GET MAP AND DIRECTIONS' section has a search bar with 'Hertford Road, Welwyn (Tewin), AL6 0, United Kingdom' entered. The 'FIND A BUSINESS ON THE MAP' section has a search bar with 'Find Restaurants, Hotels...'. The map shows the location of Hertford Road, Welwyn, AL6 0J, United Kingdom. The map includes a search bar, a print button, a send button, a save button, a live traffic button, and a help/policies button. The map also shows a scale bar and a copyright notice for 2011 Yahoo! Inc.

Address	Site Source	Mailstop	Country	Purposes	Operating Unit	Site Number	Map Contacts	Status	Details	Update	Remove
Hertford Road, WELWYN, AL6 0JB, UNITED KINGDOM			United Kingdom	Bill To, Ship To	Vision Operations	25261	 	Active			

Buttons: Enrich, Cancel, Save, Apply

13. In the **Accounts** tab, select the **Hertford Road, WELWYN, AL6 0JB** address.

14. Click on the **Map** icon to view where the **Company** is located.

15. Click on the **Details** icon.

16. The **Site Details** tab is displayed.

Adding contacts

Let's look at how to add a contact:

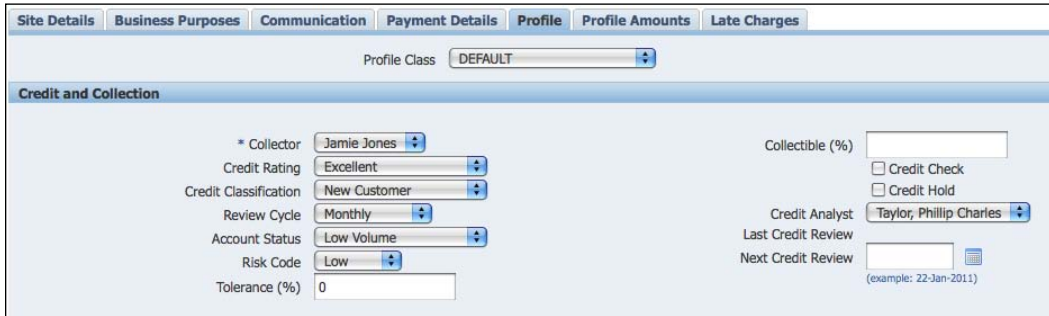
1. Select the **Communication** tab.

Customer Account Information	
Organization Name	SheepWall Inc
Account Number	6309
Site Number	25261
Registry ID	423804
Account Description	
Site Address	Hertford Road WELWYN AL6 0JB UNITED KINGDOM
Contact Information	
Person Information	Address
<p>✓ TIP Only a first or last name is required. * Indicates field that is required only if entering an address</p>	
Prefix	* Country
First Name	United States
Middle Name	* Address Line 1
Last Name	1 Farm Lane
Suffix	Address Line 2
Email	Address Line 3
Phone Number	Address Line 4
Phone Ext	City
Mobile Number	Philadelphia
Contact Number	County
Job Title Code	Philadelphia
Job Title	State
Context Value	PA
	Postal Code
	19104
	<input checked="" type="checkbox"/> Identifying Address
	Geography Code Override
	Mailstop
	Context Value

2. Click on the **Create Contact** button.
3. Enter the following information for the contact in the **Personal Information** section:
 - Select **Mr** in the **Prefix** field
 - Enter **Joe** in the **First Name** field
 - Enter **Duckford** in the **Last Name** field
 - Enter **joe.duckford@sheepwall.com** in the **Email** field
 - Enter **1-215-5555-5555** in the **Phone Number** field
 - Select **Manager** in the **Job Title Code** list
 - Enter **Office Manager** in the **Job Title** field
4. Enter the following information in the **Address** section:
 - Enter **United States** in the **Country** field
 - Enter **1 Farm Lane** in the **Address Line 1** field
 - Enter **Philadelphia** in the **City** field
 - Enter **Philadelphia** in the **County** field
 - Enter **PA** in the **State** field
 - Enter **19104** in the **Postal Code** field
5. Click on the **Apply** button.

Adding profile details

1. Create **Profile** at the site level.



Site Details Business Purposes Communication Payment Details **Profile** Profile Amounts Late Charges

Profile Class: DEFAULT

Credit and Collection

* Collector: Jamie Jones

Credit Rating: Excellent

Credit Classification: New Customer

Review Cycle: Monthly

Account Status: Low Volume

Risk Code: Low

Tolerance (%): 0

Collectible (%):

Credit Check

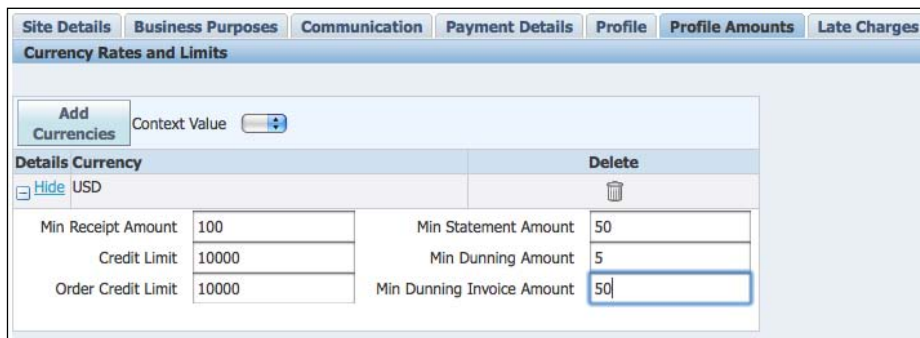
Credit Hold

Credit Analyst: Taylor, Phillip Charles

Last Credit Review:

Next Credit Review: (example: 22-Jan-2011)

2. Click on the **Profile** tab.
3. Review the details; some of the data is defaulted from the **Customer** header.
4. Enter the following details:
 - Enter **Jamie Jones** in the **Collector** field
 - Enter **Excellent** in the **Credit Rating** field
 - Enter **New Customer** in the **Credit Classification** field
 - Enter **Monthly** in the **Review Cycle** field
 - Enter **Low Volume** in the **Account Status** field
 - Enter **Low** in the **Risk Code** field
 - Enter **Taylor, Philip Charles** in the **Credit Analyst** field



Site Details Business Purposes Communication Payment Details **Profile** Profile Amounts Late Charges

Currency Rates and Limits

Add Currencies Context Value

Details Currency Delete

Hide USD

Min Receipt Amount	100	Min Statement Amount	50
Credit Limit	10000	Min Dunning Amount	5
Order Credit Limit	10000	Min Dunning Invoice Amount	50

5. In the **Profile Amounts** tab, select **USD** as the currency.
6. Enter the following details in the **Details Currency** region:
 - ❑ Enter **100** in the **Min Receipt Amount** field
 - ❑ Enter **10000** in the **Credit Limit** field
 - ❑ Enter **10000** in the **Order Credit Limit** field
 - ❑ Enter **50** in the **Min Statement Amount** field
 - ❑ Enter **5** in the **Min Dunning Amount** field
 - ❑ Enter **50** in the **Min Dunning Invoice Amount** field
7. Click on the **Apply** button and close the form.

Entering sales orders

Orders can be imported from an external source, for example, a web order can be interfaced with Order Management. Sheepwall Inc. has requested to purchase an ACME laptop (Item number PRD20007 held in inventory). The laptop comes with a special warranty (Item number PRD999999 a service Item). In this recipe, we will enter a sales order for Sheepwall Inc. with two lines.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

We also need the Item to be created in Inventory.

How to do it...

Let's list the steps required to create the order:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Sales Order**.

The screenshot shows a software window titled "Sales Orders (Vision Operations) - 66400, SheepWall Inc". It has two tabs: "Order Information" and "Line Items". The "Order Information" tab is active, and within it, the "Main" sub-tab is selected. The form contains the following data:

Customer	SheepWall Inc	Order Number	66400
Customer Number	5827	Order Type	Mixed
Customer PO		Date Ordered	25-JAN-2011 11:53:41
Customer Contact		Price List	ACME Corporate
Blanket Number		Salesperson	No Sales Credit
Ship To Location	SHEEPWALL 12 Sheep Gate PA, 19103, US	Status	Entered
Bill To Location	SHEEPWALL 12 Sheep Gate PA, 19103, US	Currency	USD
		Subtotal	0.00
		Tax	0.00
		Charges	0.00
		Total	0.00

At the bottom of the window, there are five buttons: "Actions", "Related Items", "Configurator", "Availability", and "Book Order".

3. Select the **Main** tab.
4. Enter **SheepWall Inc** in the **Customer** field, the **Ship To Location** and the **Bill To Locations** are automatically populated.
5. In the **Order Type** field, select **Mixed**.
6. In the **Price List** field, select **ACME Corporate**.

The screenshot shows the same software window, but now the "Others" sub-tab is selected. The form contains the following data:

Payment Terms	N30	Sales Channel	
Warehouse	M1	Shipping Method	DHL
Line Set		Freight Terms	Prepaid
FOB	Destination	Shipment Priority	
Shipping Instruct		Packing Instructions	
Tax Handling	Standard	Tax Exempt Number	
Exempt Reason		Payment Type	
Amount		Check Number	
Credit Card Type		Credit Card Num	
Card Holder		Card Expiration Date	
Approval Code		Prepaid Amount	
Order Source		Order Source Reference	

At the bottom of the window, there are five buttons: "Actions", "Related Items", "Configurator", "Availability", and "Book Order".

7. Select the **Others** tab.

8. Select **N30** as the **Payment Terms**.
9. Select **M1** as the **Warehouse** where the goods will be held.
10. Select **Standard** as the **Tax Handling** method.
11. Select **DHL** as the **Shipping Method**.
12. Select **Prepaid** as the **Freight Terms**.


Line	Ordered Item	Qty	UOM	Unit Price	Extended Price	Request Date	Schedule Ship I
1.1	PRD20007	1	Ea	3,500.00	3,500.00	25-JAN-2011	
2.1	PRD99999	1	YR			25-JAN-2011	

Order Total: 3,710.00

Line Total: Line Qty: 1 Service Total:

Description: ACME Laptops Extended Warranty

13. Select the **Line** tab and enter the line details.
14. Enter **PRD20007** in the **Ordered Item** field.
15. Enter **1** as the quantity in the **Qty** field and the price automatically defaults from the price list.

 The line number is **1.1**.

Line	Ordered Item	Qty	Service Reference Type	Service Order Type	Service Ref Order Numl
1.1	PRD20007	1			
2.1	PRD99999	1	Order	Mixed	66400

Order Total: 3,710.00

Line Total: Line Qty: 1 Service Total:

Description: ACME Laptops Extended Warranty

16. Select the next line. The line number automatically defaults to **2.1**.
17. Enter **PRD99999** as the **Ordered Item**.
18. Enter **1** as the **Qty** and select **YR** as the **Unit of Measure (UOM)**.
19. Select the **Services** tab.
20. Enter **Order** in the **Service Reference Type** field.
21. Enter **Mixed** in the **Service Order Type** field.
22. Enter the order number **66400** in the **Service Ref Order Number** field.
23. Enter **1** in the **Service Ref Line Number** field, the line number relating to the service item.
24. Enter **1** in the **Service Ref Shipment Number** field.

Line	Ordered Item	otermine	Service Start Date	Service End Date	Service Duration	Service Period
1.1	PRD20007					
1.1...1	PRD99999		26-JAN-2011	25-JAN-2012	1	Year

Order Total: 3,700.00

Line Total: 3,700.00 Line Qty: 1 Service Total: 200.00

Description: ACME Laptops Extended Warranty

25. Enter a **Service Start Date** of **26-JAN-2011**.
26. Select a **Service Period** of **Year**.
27. Enter a **Service Duration** of **1**.
28. The **Service End Date** of **25-JAN-2012** is entered automatically.
29. Click on the **Book Order** button.
30. The **Status** of the **Order** is changed from **Entered** to **Booked**.

How it works...

An order consists of two main parts, the Order Header and the Order Lines. An order requires a customer and Items. Once the order is entered and booked, the workflow engine determines the flow of the order. The header has its workflow and each line has its own workflow. The line workflows need to be completed before the header flow can be closed.

Details entered in the order header include the following:

1. A Bill to and a Ship to address, and the details.
2. Order Type—this could be Order, Return, or a combination of both called Mixed.
3. A price list and a sales person.
4. Shipping details.

Key details entered on the Line include the following:

1. Line Items.
2. Price of the Items based on the price list.
3. The line types—this determines the line flow that will be called by the workflow engine.

When we enter order data in the **Order Management** form, some of the mandatory data is entered automatically based on the defaulting rules.

Let's view the defaulting rules for the **Price List**:

1. Select the **Order Management** responsibility.
2. Navigate to **Setup | Rules | Defaulting**.

Precedence	Defaulting Condition	Enabled	Seeded
1	Always	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	Always	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Sequence	Source Type	Default Source/ Value
5	Related Record	Sales Agreement Header.Price List
10	Related Record	Agreement.Price List
20	Related Record	Ship To.Price List
30	Related Record	Order Type.Price List
40	Constant Value	ACME Corporate

3. Press the *F11* function key to enter the Query Mode.
4. In the **Entity** field, enter **Order Header** and press *Ctrl+F11*.
5. The defaulting rules for the header attributes are displayed.

Selling Items to Customers in Order Management

6. Select the **Price List** attribute.
7. Click on the **Defaulting Rules** button.
8. The defaulting conditions and the **Defaulting Sourcing Rules** are displayed.
9. The defaulting rule for the **Constant Value** is **ACME Corporate**.

There's more...

Let's look at other methods of entering an order.

Entering orders quickly

An order can be entered quickly using the Quick Sales Order Entry window:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Quick Sales Order**.

Line	Ordered Item	Qty	Warehouse	Source Type	Schedule Ship Date	Ship To Address1	Ship To Address5	Bill To Address
1.1	PRD20007	5	M1	Internal	04-FEB-2011 23:59	12 Sheep Gate	PA, 19103, US	12 Sheep Gate

3. In the **Cust Name / #** field, enter **SheepWall Inc**, and press the *Tab* key to automatically search for and enter the customer name.
4. In the **Order Type** field, enter **Mixed**.
5. Select the **Ordered Item** field in the **Main** tab, and enter **PRD20007**.
6. Enter **5** in the **Qty** field.

7. Click on the **Book Order** button.
8. The defaulting rules are used to populate the details of the order.
9. The order is booked.

See also

Creating Items recipe in Chapter 1, Creating Items in Inventory

Creating Customers recipe in this chapter

Adding Items to price list

Items sold to our customers need to have a price. And the price is added to a price list. In this recipe, we will add an Item to a price list.

Getting ready

Before an Item can be added to a price list, we need to have an Item.

How to do it...

Let's add an Item to a price list:

1. Navigate to **Purchasing | Advanced Pricing | Price Lists | Price List Setup**.

The screenshot shows the 'Advanced Pricing - Price Lists' application window. The window has two tabs: 'Main' and 'Other'. The 'Main' tab is active, showing a form for editing a price list. The form fields are as follows:

- Name: Corporate
- Description: Corporate Price List
- Currency: USD
- Multi-Currency Conversion: Corporate Pricelist Conv
- Round To: -2
- Effective Dates: 01-JAN-1996 -
- Global:
- Operating Unit:
- Freight Terms: Prepay & Add
- Payment Terms: 30 NET
- Freight Carriers:
- Comments:

The 'List Lines' tab is active, showing a table of items. The table has the following columns: Product Co, Product Attribute, Product Value, Product Description, UOM, Value, and P. The table contains five rows of items, with the third row highlighted in yellow.

Product Co	Product Attribute	Product Value	Product Description	UOM	Value	P
Item	Item Number	f80000	Sentinal Multimedia	Ea	10000	
Item	Item Number	f81000	One Year Maintenance - rever	Ea	12000	
Item	Item Number	PRS10000	Extended Notebook PC Servi	YR	500	
Item	Item Number	f82000	Consulting/Training	Ea	1100	
Item	Item Number	CM31556	Monitor - 19" Flat	Ea	801	

At the bottom of the window, there are two buttons: 'Price Breaks' and 'Pricing Attributes'.

2. Press the *F11* function key to enter the Query Mode.
3. In the **Name** field, enter **Corporate** and press *Ctrl* and *F11* key.
4. The details of the **Corporate Price List** are displayed.
5. In the **List Lines** tab, click on the **Product Context** field.
6. Click on the **New** icon.
7. Select **Item** in the **Product Context** field.
8. Select **Item Number** in the **Product Attribute** field.
9. In the **Product Value** field, enter **PRS10000**.
10. Select **YR** as the **UOM**.
11. In the **Value** field, enter **500**.
12. Save the record.

How it works...

Order management uses a pricing engine to determine the price of an Item based on rules set up in Advanced Pricing. When an Item is selected, the pricing engine calculates the price based on the values entered in the price list.

The price may contain some modifiers (changes to the price) and qualifiers (the entity qualified to use the changes). Modifiers and qualifiers are applied to the base price. An example of a modifier is a discount applied to the price and a qualifier could be the order type.

There's more...

Now let's look at some other options, and some general information that is relevant to this task.

Applying a discount to the price

Let's apply a 20 percent discount to an Item's price. We will also use the Order Organizer to find the order:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Order Organizer**.

Order Number	Customer Name	Status	Order
66414	SheepWall Inc	Booked	Mixed

3. In the **Order Number** field, enter **66414** and click on the **Find** button.
4. Click on the **Open** button to view the **Order**.
5. Select the **Line Items** tab.
6. Select Line **1.1** and click on the **Actions** button.
7. Select **View Adjustment** and click on the **OK** button.

Level	Modifier Number	Name	Type	Reason	Reason Text
Line	20% discount	20% discount	Discount	Miscellaneous	Customer Loyalty Adjustment

8. Select the **Modifier Number** field and select **20% discount**.
9. The **20% discount** is applied to the **Price** and the price is modified from **\$3,500** to **\$2,800**.
10. Select the **Reason** tab, and select **Miscellaneous**.
11. In the **Reason Text**, enter **Customer Loyalty Adjustment**.
12. Click on the **Apply** button to apply the discount.

Viewing modifiers

Let's view the modifier applied to an Item:

1. Navigate to **Purchasing | Advanced Pricing | Modifiers | Modifier Setup**.
2. Press the **F11** function key to enter the Query Mode.

Modifier No	Level	Modifier Type	Application Method	Value	Accrue	Benefit C
16382	Line	Discount	Percent	20	<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

3. In the **Number** field, enter **20% discount** and press **Ctrl + F11**.
4. The details of the 20 percent modifier are displayed.
5. Close the form.

Mass adding of Items to a price list

Let's add a group of Items to a price list:

1. Navigate to **Purchasing | Advanced Pricing | Price Lists | Add Items to Price List**.

2. In the **Price List Field**, select **Corporate**.
3. Enter Item numbers **PRD0000 - PRDZZZZZ**.
4. Click on the **Submit** button.
5. The Items are added to the **Price List**.

Adjusting the price of Items

Let's adjust the price for a number of Items:

1. Navigate to **Purchasing | Advanced Pricing | Price Lists | Adjust Price List**.

2. In the **Price List** field, select **Corporate**.
3. Enter Item numbers **PRD00000 - PRDZZZZZ**.
4. Select **Adjust By Percent** and enter the **Value** as **10**.
5. Click on the **Submit** button.
6. The **Items** are adjusted in the **Price List**.

See also

Creating Items recipe in Chapter 1, Creating Items in Inventory

Reviewing Order Management workflow

The workflow engine is used to control the processing of orders. And the type of order will determine the workflow that is called. Though seeded workflows are available with Oracle Order Management, you can customize a flow to suit your particular business requirements.

How to do it...

Let's view the progress of an order using workflow:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Sales Order**.

The screenshot displays the 'Monitor Workflow Details' page for a specific order. The breadcrumb trail is 'Workflow Details > Monitor Workflow Details >'. The 'Status Diagram' section shows the workflow type as 'OM Order Header', started on '25-Jan-2011 11:55:15', with a status of 'Active' and a 'Completed' sub-status. The 'Current Status' section shows a 'TIP Status Diagram Time Zone Central Time' for the 'Order Flow - Generic : OECH.Sales Order 66400'. The diagram itself is a linear flow: 'Enter' (gear icon) -> 'Book - Order, Manual' (calendar icon) -> 'Close - Order' (calendar icon) -> 'End (PASS)' (stop sign icon). Below the diagram, there are tabs for 'Definition', 'Usage', 'Status', and 'Notification'. The 'Definition' tab is active, showing details: 'Current Location : Order Flow - Generic/Order Flow - Generic', 'Item Type : OM Order Header', 'Activity Name : Order Flow - Generic', 'Description : Order Flow - Generic', 'Activity Type : Process', and 'Result Type :'. The left sidebar contains 'Activity History', 'Status Diagram', 'Participant Responses', and 'Workflow Details'.

3. Press the *F11* function key to enter the Query Mode.
4. In the **Order Number** field, enter **66400** and press *Ctrl + F11*.
5. Select the **Line Items** tab.
6. Select Line number **1.1**.
7. From the menu, select **Tools | Workflow Status**.

- Click on the **Status Diagram** link on the left navigation or the **View Diagram** button to view the progress of the order.

How it works...

The flow of the order is controlled by a workflow. This is represented in a diagram format behind the scenes. The workflow engine manages the route for the processing of an order type. Order Types are specified in the Transaction Types.

There's more...

Let's look at how the order calls the workflow behind the scenes.

Transaction Types

Let's review the Transaction Types for the Mixed Order Type:

- Navigate to **Setup | Transaction Types | Define**.

- Press the *F11* function key to enter the Query Mode.
- In the **Transaction Type** field, enter **Mixed** and press *Ctrl+F11*.
- The details of the **Mixed** transaction type are displayed.

5. **Order Category** can contain a value of **Order**, **Return**, or **Mixed**. **Mixed** is a combination of an **Order** and a **Return** for the line Items.
6. Select **Order Flow – Generic** as the **Fulfillment flow**. This is the workflow called by the order header.
7. Click on the **Assign Line Flows** button to view the line workflows assigned to the header. This is called depending on the line type selected. The **Order** can have multiple lines. All the lines need to be completed before the order can be closed.
8. The **Main** tab contains three regions, namely, **Document**, **Pricing**, and **Credit Check Rule**. The **Main** tab details the default options used when an **Order** is created. For example, the default line type for an **Order** is **Standard (Line Invoicing)**.
9. The **Shipping** tab includes the defaults for **Shipping**. For example, shipping method **DHL**.
10. The **Finance** tab contains information that will affect the interface to the finance applications.

Creating Drop Ship orders

Some Items are not usually held in stock and can only be ordered when required by the supplier.

In this recipe, we will enter an order for a special Item not held in Inventory and raise a purchase order to the supplier to deliver the goods directly to the customer.

Sheepwall Inc. wants to purchase an ACME Special Laptop (PRD20006). We don't hold stock for the Item in Inventory, but we order it directly from Acacia Office Supplier, who will send it directly to our customer.

In this recipe, we will also use the Quick Sales Order Entry form to enter the sales order.

How to do it...

Let's list the steps required to create the Drop Ship order:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Quick Sales Order**.

Sales Orders (Vision Operations) – 66416, SheepWall Inc

Main | Others

Default

Operating Unit: Vision Operations | Order Number: 66416

Cust Name / #: SheepWall Inc / 5827 | Subtotal: 1,500.00

Phone Number: / | Tax: 0.00

Order Type: Mixed | Status: Entered | Charges: 0.00

Customer PO: | Date Ordered: 04-FEB-2011 0 | Total: 1,500.00

Address Information

Ship To Address: 12 Sheep Gate
PA, 19103, US

Ship To Contact: |

Bill To Address: 12 Sheep Gate
PA, 19103, US

Bill To Contact: |

Address Details

Main | Pricing | **Shipping** | Addresses | Returns | Services | Others

Default | Defer Pricing | Auto Refresh

Line	Ordered Item	Qty	Warehouse	Source Type	Schedule Ship Date	Ship To Address1	Ship To Address5	Bill
1.1	PRD20006	2		External		12 Sheep Gate	PA, 19103, US	12

Description: ACME Special Laptops - Drop Ship Only | Line Total: 1,500.00 | Service Total: 0.00

Actions | Availability | Book Order | Configurator | Related Items

- In the **Cust Name / #** field, enter **SheepWall**.
- In the **Order Type** field, enter **Mixed**.
- Select the **Ordered Item** field in the **Main** tab and enter **PRD20006**.
- Enter **2** in the **Qty** field.
- Select the **Shipping** tab and change the **Source Type** to **External**.
- Click on the **Book Order** button.
- The defaulting rules are used to populate the details of the order.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20006	2	Ea	04-FEB-2011 01:21	750.00	ACME Corp		Booked

- The order is booked.
- The **Order Line** also has a booked status.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20006	2	Ea	04-FEB-2011 01:21	750.00	ACME Corp		Awaiting Receipt

12. The workflow engine runs in the background and moves the line to the status of **Awaiting Receipt**.
13. The **Requisition** created from Order Management needs to be imported to purchasing.

Let's run the requisition import program. This program can be automated and scheduled to run at a specific frequency:

1. Navigate to **Orders, Returns | Requisition Import**.

The screenshot shows a 'Run this Request...' dialog box. The main dialog has fields for Name (Requisition Import), Operating Unit (Vision Operations), and Parameters. A 'Parameters' sub-dialog is open, showing fields for Import Source (ORDER ENTRY), Import Batch ID, Group By (Item), Last Requisition Number, Multiple Distributions (No), and Initiate Approval after ReqImport (Yes). Buttons for OK, Cancel, Clear, and Help are visible.

2. Click on the **Submit a New Request** button.
3. Select the **Single Request** option.
4. Click on the **OK** button.
5. In the **Submit Request** form, **Requisition Import** has been pre populated in the **Name** field.
6. Select the **Import Source** of **ORDER ENTRY**, in the **Import Source** field.
7. Accept the defaults.
8. Click on the **OK** button.
9. Click on the **Submit** button.
10. The Requisition is created and the goods are autosourced from the supplier **Acacia Suppliers**. The purchase order is also created.

Let's find the sales order from the Quick Order Organizer and view the details of the Drop Ship Purchase Order:

1. Navigate to **Orders, Returns | Quick Order Organizer**.

Additional Line Information

Order Number 66416 Line 1.1

Holds Returns Deliveries Invoices / Credit Memos Internal Requisition **Drop Ship**

Document Type	Number	Rev	Release Line	Shipment Line	Supplier	Status
Sales Agreeeme	6061	0	1	1	Acacia Supplies Ltd	Approved

Operating Unit Vision Operations **Purchasing**

- In the **Order Number** field, enter **66416**.
- Click on the **Find** button. The **Order** details are displayed.
- Click on the **Open** button to display the **Order** details.
- Click on the line Item **1.1**.
- Click on the actions button and select the **Additional Line** Information from the displayed list.
- Select the **Drop Ship** tab to view the **Purchase Order** details. The **PO** number is **6061**.
- Click on the **Purchasing** button to view the **Purchase Order**.

Purchase Order Summary to Releases - 6061-1

Distributions - 6061-1, 1

Destination More Project

Num	Number	Online Line	Rate Date	Rate	Accrual Account
1	14349	1	04-FEB-2011		01-000-2220-0000-000

Account Description

Charge Operations-No Department-Inventory Budget

Accrual Operations-No Department-Accounts Variance Operations-M1, Seattle Manufact-Invoi

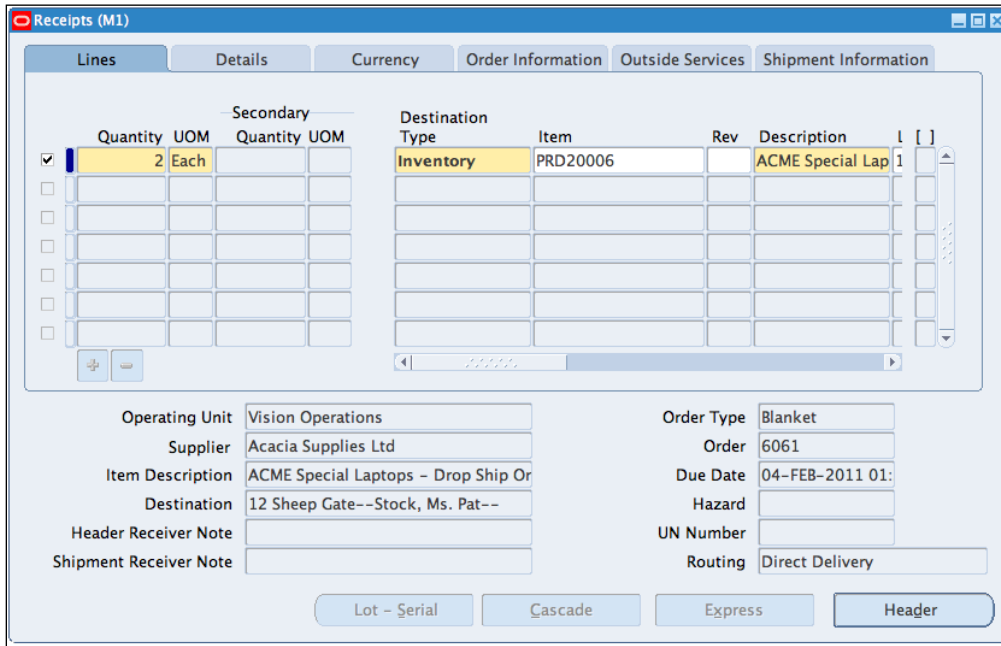
Outside Services

Item PRD20006 ACME Special Laptops - Drop Ship Only

Receiving Controls... Agreement Distributions Approve...

Once we receive a confirmation that the customer **SheepWall** has received the goods, we can then receive the goods in **Purchasing**:

1. Navigate to **Purchasing | Receiving | Receipts**.



2. In the **Purchase Order** field, enter **6061**, and in the **Release** field, enter **1**.
3. Click on the **Find** button.
4. Select the line to receive.
5. In the **Sub Inventory** field, enter the **Drop Ship Subinventory**.
6. Save the record.

Line	Ordered Item	Unit Price	Extended Price	Price List	Whse	Payment Terms	Shipping Method	Status
1.1	PRD20006	750.00	1,500.00	ACME Corp		N30	DHL-Parcel-Exp	Shipped

The Workflow should now set the status of the Order line to Shipped. Let's review the line status:

1. Navigate to **Orders, Returns | Quick Order Organizer**.
2. In the **Order Number** field, enter **66416**.
3. Click on the **Find** button. The **Order** details are displayed.
4. Click on the **Open** button to display the **Order** details.

5. Click on the line Item **1.1**.
6. The line status is now shipped.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20006	2	Ea	04-FEB-2011 01:21	750.00	ACME Corp		Closed

7. Once the Order is shipped, the Workflow background engine will generate the customer's invoice and close the order.

How it works...

Drop Ship orders in Order Management are identified from the Source Type of External. This then routes the workflow to follow a specific path to fulfill the order.

In this recipe, a Blanket Purchase Order is already in place, with auto sourcing rules for the orders for the Item PRD20006 to be sourced automatically from Acacia Suppliers Limited. Once the purchase requisition is generated from Order Management, the Purchase order will be created as a release against the Blanket Purchase Order and sent to the supplier based on the rules.

The supplier receives the purchase order and sends the goods directly to the customer. After the supplier notifies us that the goods have been shipped, we can generate an invoice to the customer once we receive a confirmation of the shipment. The supplier can notify us through an **Advance Shipment Notice (ASN)** or through Invoice.

See also

Entering Sales Order recipe in this chapter

Creating Purchase Orders recipe in Chapter 2, Purchasing Items in Procurement

Receiving Items recipe in Chapter 2, Purchasing Items in Procurement

Reviewing Order Management workflow in this chapter

Creating Back-to-Back orders

Customers may request Items that are not in stock and need to be ordered from a supplier to replenish stock.

In this recipe, we will create an order for goods that are not in stock, but need to be ordered from a supplier.

How to do it...

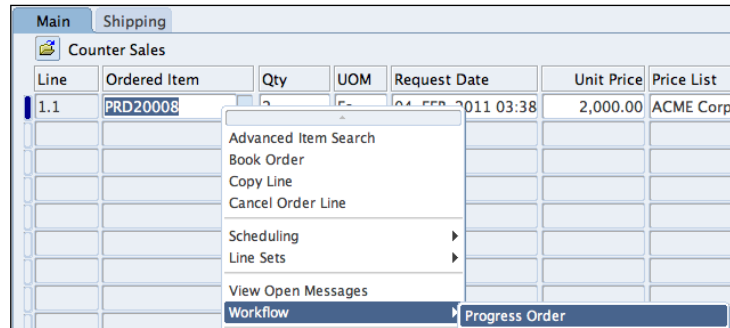
Let's list the steps required to create the Back-to-Back order:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Quick Sales Order**.

3. In the **Cust Name / #** field, enter **SheepWall**.
4. In the **Order Type** field, enter **Mixed**.
5. Select the **Ordered Item** field in the **Main** tab and enter **PRD20008**.
6. Enter **2** in the **Qty** field.
7. View the **ATO** box by selecting **Folder | Show Field** and select **ATO** in the displayed field.
8. Ensure that the **ATO** box is checked.
9. Click on the **Book Order** button.
10. The defaulting rules are used to populate the details of the order.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20008	2	Ea	04-FEB-2011 03:38	2,000.00	ACME Corp	M1	Supply Eligible

11. The order is booked.
12. The **Order Line** is also in the status of booked.
13. The **Status** is now **Supply Eligible**.



14. *Right-click* on the line and select **Workflow | Progress Order**.
15. In the **Eligible Activities** window, select **Create Supply Order – Eligible**.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20008	2	Ea	04-FEB-2011 03:38	2,000.00	ACME Corp	M1	External Req Requested

16. Click on the **OK** button.
17. The status of the order now changes to **External Req Requested**.

Let's run the **Requisition Import** to create the requisition:

1. Navigate to **Orders Returns | Requisition Import**.

Run this Request...

Name: Requisition Import

Operating Unit: Vision Operations

Parameters: Parameters

Language: Parameters

At these Times...: Run the Job

Upon Completion...: Initiate Approval after ReqlImport: Yes

Layout: [Progress Bar]

Notify: [OK] [Cancel] [Clear] [Help]

Print to: [Printer Name]

Buttons: Help (C), Submit, Cancel

Selling Items to Customers in Order Management

2. Select **CTO** as the **Import Source**.
3. Leave the other default values.
4. Click on **OK** and then the **Submit** button.

The workflow should now set the status of the order line to **Shipped**. Let's review the line status:

1. Navigate to **Orders, Returns | Quick Order Organizer**.
2. In the **Order Number** field, enter **66419**.
3. Click on the **Find** button. The **Order** details are displayed.
4. Click on the **Open** button to display the order details.
5. Click on the line Item **1.1**.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20008	2	Ea	04-FEB-2011 03:38	2,000.00	ACME Corp	M1	External Req Open

6. The line status is now **External Req Open**.

Let's find the PO requisition:

1. Navigate to **Purchasing | Requisitions | Requisition Summary**.

Number	Description	Approval Status	Creation Date	Currenc	Total	Preparer
14352		Approved	04-FEB-2011 03:5	USD	1,900.00	Stock, Ms. Pat

2. Enter **CTO** in the **Import Source** field.
3. Click on the **Find** button.
4. The requisition is displayed in the **Requisition Headers Summary** window.
5. The **Approval Status** is **Approved**.

Let's use the Buyer Work Center to create the purchase order. We can also use AutoCreate within Purchasing:

1. Navigate to **Purchasing | Buyer Work Center | Requisitions**.

Update Standard Purchase Order 6062

* Indicates required field Actions

Search

Header **Lines** **Schedules** **Distributions**

Operating Unit **Vision Operations** Status **Incomplete** Total **1,900.00 USD**

Add Lines:

*Line	*Type	Item/Job	*Description	*Category	Qty	Unit	Price	Amount	Need-By/Start Date	Actions
1	Goods	PRD20008	ACME Laptop	MISC.MISC	2	Eac	950	1,900.00	04-Feb-2011	<input type="button" value="Calendar"/> <input type="button" value="Edit"/> <input type="button" value="Delete"/>

Actions

2. In the **Demand Workbench**, enter **14352** as the **Requisition Number**.
3. Click on the **Go** button.
4. The requisition's details are displayed.
5. Select the requisition and click on the **Add** button.
6. The requisition is added to the **Document Builder**.
7. Click on the **Create** button to create the **Purchase Order**. Note that the supplier is automatically selected based on sourcing rules.
8. Click on the **Lines** tab to review the **Purchase Order**.
9. Click on the **Submit** button to submit the **Purchase Order** for approval.
10. The workflow should now set the status of the **Order** line to **PO Open**.

Let's review the line status:

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20008	2	Ea	04-FEB-2011 03:38	2,000.00	ACME Corp	M1	PO Open

11. Navigate to **Orders, Returns | Quick Order Organizer**.
12. In the **Order Number** field, enter **66419**.
13. Click on the **Find** button. The order details are displayed.
14. Click on the **Open** button to display the order details.
15. Click on the line Item **1.1**.
16. The line **Status** is now **PO Open**.

Let's receive the goods in our Inventory:

1. Navigate to **Purchasing | Receiving | Receipts**.

Supplier and Internal Customer

Operating Unit: Vision Operations

Source Type: Supplier

Purchase Order: 6062

Line:

Requisition: Line:

Supplier: Acacia Supplies L

Receiving Location:

Release:

Shipment:

Shipment:

Supplier Site:

Include Closed POs

2. In the **Purchase Order** field, enter **6062**.
3. Click on the **Find** button.
4. Select the line to receive.
5. In the **Sub Inventory** field, enter the **FGI Subinventory**.
6. Save the record.
7. The workflow should now set the status of the order line to **Awaiting Shipping**.

Let's review the line status.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20008	2	Ea	04-FEB-2011 03:38	2,000.00	ACME Corpc	M1	Awaiting Shipping

8. Navigate to **Orders, Returns | Quick Order Organizer**.
9. In the **Order Number** field, enter **66419**.
10. Click on the **Find** button. The Order details are displayed.
11. Click on the **Open** button to display the Order details.
12. Click on the line Item **1.1**.
13. The line **Status** is now **Awaiting Shipping**.

How it works...

Back-to-Back orders, links sales orders, and purchase orders are mainly used as a Replenish-to-Order process for Items that are normally stocked in inventory.

The requisition for a back-to-back must be identified as a **Configure-to-Order (CTO)**. This allows the purchase order to be created automatically from the requisition and sent to the supplier. The supplier receives the purchase order and fulfills the order. The Items are recorded in inventory and a reservation is automatically made against the sales order line.

See also

Entering Sales Order recipe in this chapter

Creating Requisitions for Items in Chapter 2, Purchasing Items in Procurement

Creating Purchase Orders in Chapter 2, Purchasing Items in Procurement

Receiving Items in Chapter 2, Purchasing Items in Procurement

Reviewing Order Management Workflow recipe in this chapter

Creating a return

Items can be returned to the business from the customer based on a number of reasons, for example, damaged goods. In this recipe, we will look at how to enter the details of a returned item. The customer needs to return one of the laptops (PRD20006) on Order 66417.

How to do it...

Let's list the steps required to create a return:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Sales Order**.

The screenshot shows the Oracle Sales Orders (Vision Operations) interface for order 66420 at SheepWall Inc. The 'Line Items' tab is active, displaying a table with the following data:

Line	Ordered Item	Qty	Return Reason	Line Type	Reference	Order
1.1	PRD20006	-1	Damaged Product	Return (Receipt)		

Below the table, the 'Line Total' is <750.00>, 'Line Qty' is -1, and 'Service Total' is empty. The description is 'ACME Special Laptops - Drop Ship Only'. At the bottom, there are buttons for 'Actions', 'Related Items', 'Configurator', 'Availability', and 'Book Order'.

Selling Items to Customers in Order Management

3. Enter the **SheepWall** in the **Customer** field.
4. Select the **Order Type** of **Return Only**.
5. Enter **ACME Corporate** in the price list.
6. Select the **Lines Items** tab.
7. In the **Ordered Item** field, enter **PRD20006**.
8. In the **Qty** field, enter **1**, the value changes to **-1**, to represent a return.
9. Select the **Returns** tab and enter **Damaged Product** in the **Return Reason** field. Note that the **Line Type** is **Return (Receipt)**.
10. Save the record.
11. Click on the **Book Order** to book the order number **66420**.

Line	Ordered Item	Unit Price	Extended Price	Request Date	Schedule Ship	Status
1.1	PRD20006	750.00	<750.00>	04-FEB-2011 11		Awaiting Return

12. The line **Status** has now progressed to **Awaiting Return**. Once the goods have been received, they can be returned to inventory

The screenshot shows a software window titled "Find Expected Receipts (M1)". It has two tabs: "Supplier and Internal" and "Customer". The "Customer" tab is selected and contains the following fields:
- RMA Num: 66420
- Line Num: [empty] with a dropdown arrow
- Line Type: Return (Receipt)
- Customer: SheepWall Inc
- Customer Num: 5827
- Customer Item Num: [empty]
Below these fields are three sub-tabs: "Item", "Date Ranges", and "Shipments". The "Item" tab is selected and contains:
- Item, Rev: [empty]
- Category: [empty]
- Description: [empty]
- Supplier Item: [empty]
At the bottom of the window are three buttons: "Unordered", "Clear", and "Find".

13. Navigate to **Purchasing | Receiving | Receipts**.
14. In the **Expected Receipts** form, select the **Customer** tab.
15. Enter the **RMA Num 66420**. This is the same as the order number.
16. Click on the **Find** button.
17. Select the line and enter the **DropShip Subinventory**.
18. Save the record.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20006	-1	Ea	04-FEB-2011	750.00	ACME Corp	M1	Returned

19. The workflow should now set the status of the order line to **Returned**.

Let's review the line status:

20. Navigate to **Orders, Returns | Quick Order Organizer**.
21. In the **Order Number** field, enter **66420**.
22. Click on the **Find** button. The order details are displayed.
23. Click on the **Open** button to display the order details.
24. Click on the line Item **1.1**.
25. The line **Status** is now **Returned**.

See also

Entering a Sales Order recipe in this chapter

Receiving Items recipe in Chapter 2, Purchasing Items in Procurement

Applying holds

Computer Service and Consulting have a poor credit history and we have decided to suspend the account until this is fully reviewed. In this recipe, we will create an order for Computer Service and Consulting where the customer has been suspended.

How to do it...

Let's suspend the customer:

1. Select the **Order Management** responsibility.
2. Navigate to **Customers | Standard**.

Site: 1339

Organization Name **Computer Service and Consulting** Registry ID **1142** Account Description **Computer Service and Consulting**

Account Number **1142**

Location

Address **24 North Avenue BURLINGTON, MA 01803**

Account Site Information

Site Name Alternate Name

Site Details **Business Purposes** **Communication** **Payment Details** **Profile** **Profile Amounts** **Late Charges**

Profile Class

Credit and Collection

* Collector Collectible (%)

Credit Rating Credit Check

Credit Classification Credit Hold

Review Cycle Credit Analyst

Account Status Last Credit Review

Risk Code Next Credit Review

Tolerance (%) (example: 20-Jan-2011)

3. Enter **Computer Service%** in the **Name** field and click on the **Go** button.
4. Click on the **Computer Service and Consulting** link.
5. In the **Accounts** tab, select the details icon on the **24 North Avenue, BURLINGTON, MA 01803** line.
6. Select the **Profile** tab.
7. Select **Account Status** as **Suspended**.
8. Ensure that the **Credit Check** and the **Credit Hold** checkboxes are enabled.
9. Click on the **Apply** button.
10. Click on the **Save** button.

Let's now create a standard sales order for the customer:

1. Select the **Order Management** responsibility.
2. Navigate to **Orders, Returns | Sales Order**.

Sales Orders (Vision Operations) - 66421, Computer Service and Consulting

Main Others

Default

Price List ACME Corporate Salesperson Sprague, Mr. Howard

Warehouse M2 Line Set

Shipping Method Freight Terms Prepaid

Shipping Instructio Packing Instructions

Address Information

Ship To Address 24 North Avenue
Burlington, MA, 01803

Ship To Contact

Bill To Address 1 24 North Avenue
Burlington, MA, 01803

Bill To Contact

Address Details

Main Pricing Shipping Addresses Returns Services Others

Default Defer Pricing Auto Refresh

Line	Ordered Item	Qty	UOM	Item Description	Request Date	Schedule Ship Date	Unit Price	Extended Price	Price L
1.1	PRD20007	1	Ea	ACME Laptops	04-FEB-2011 12:46		3,500.00	3,500.00	ACME

Note

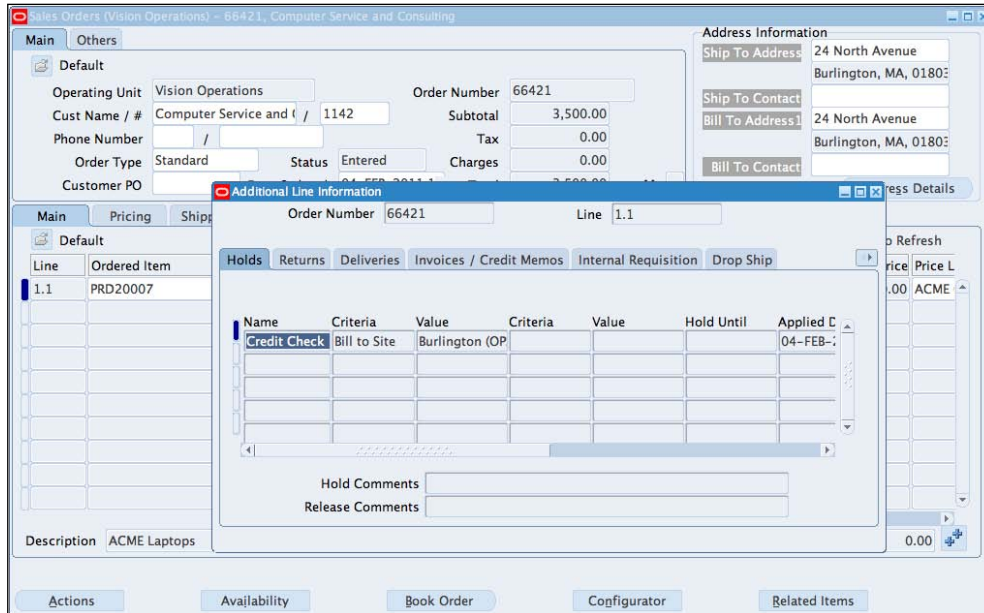
Bill to Site hold applied against line 1

Description ACME Laptops Line Total 3,500.00 Service Total 0.00

Actions Availability Book Order Configurator Related Items

3. Enter **Computer Service and Consulting** in the **Customer** field.
4. Enter **Standard** as the **Order Type**.
5. In the **Main** tab, enter **PRD20007** in the **Ordered Item** tab.
6. Enter **1** in the **Qty** field.
7. Save the record and book the order.

8. A warning message is displayed to inform us that a hold is placed on the order.



9. Select the **Actions** button.
10. Select **Additional Line Information** and select the **Holds** tab.
11. The details of the hold are displayed.

See also

Creating Customers recipe in this chapter

Entering sales orders recipe in this chapter

Releasing orders

Goods ordered by our customers need to be allocated and moved from the warehouse in preparation for shipping to the customer.

The key steps in the process are as follows:

- ▶ Run Pick Release for booked orders
- ▶ The orders are allocated and moved from the Subinventory and dropped into the staging area before shipping

In this recipe, we will look at how to release the order for shipment to our customers.

Getting ready

We will need a booked order that has the goods available in Inventory, with sales order lines in the Awaiting Shipping status before we can release the order for shipping.

How to do it...

Let's list the steps required to complete the task:

1. Select the **Order Management** responsibility.
2. Navigate to **Shipping | Release Sales Orders**.

3. In the **Release Sales Orders** for the **Picking** form, enter **Standard** in the **Based On Rule** field. The **Document Set** field is auto populated.
4. In the **Order Number** field, enter **66414**, and the **Customer** name; and the **Order type** is automatically populated.
5. The **Shipping** tab is prepopulated based on the rule we selected.
6. Note that the **Auto Delivery** and the **Auto Pick** confirm are set to **Yes**.
7. The **Inventory** tab is prepopulated based on the rule we selected.
8. Note that **Auto Allocate** is set to **Yes**.
9. Click on the **Execute Now** button to pick release and pick confirm the order.
10. A message is displayed to confirm that the **Pick Release** has completed successfully.
11. Click on the **OK** button and close the form.
12. The workflow should now set the status of the order line to **Picked**.

Let's review the line status:

13. Navigate to **Orders, Returns | Quick Order Organizer**.
14. In the **Order Number** field, enter **66414**.
15. Click on the **Find** button. The order details are displayed.
16. Click on the **Open** button to display the order details.
17. Click on the line Item **1.1**.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20007	1	Ea	03-FEB-2011 12:47	2,800.00	ACME Corp	M1	Picked

18. The line status is now **Picked**.

How it works...

The release program is automated based on rules set up in the Release Rules Form. The rules can be a one, two, or three-step process:

1. The one-step process: No manual intervention; the allocation and the picking are done automatically. Auto Allocate from Inventory and Auto Pick Confirm for shipping are set to "Yes".
2. The two-step process: Manual intervention after auto allocation; this creates a move order that is automatically detailed. The reason for doing this could be that we may need to view the Pick Recommendation and change the Subinventory, quantity, the location, and some other details. We need to run the Transact Move Orders to Pick Confirm the inventory.
3. The three-step process: Manual allocation and Pick Confirm of the order.

The screenshot shows the 'Release Rules' form with the following details:

- Rule:** Standard
- Effective:** 22-AUG-1997
- Release Criteria:** Order, Shipping, Inventory
- Order:** Orders: Unreleased; Order Number: []; Destination Type: Ship-To Location; Customer: []
- Item:** Category Set: []; Number: []; Category: []
- Scheduled Ship Dates:** Start Within: []; End Within: []; Days: []; Time: []
- Requested Dates:** Start Within: []; End Within: []; Days: []; Time: []

The release rules are set up in the **Shipping | Setup | Picking | Define Release Rules** form.

There's more...

Viewing the Pick Slip report

Let's view the Pick Slip report:

1. From the Menu, navigate to **View | Requests**.
2. In the **Find Requests** form, click on the **Find** button.

Pick From Subinv		Pick To Subinv	Pick To Location	Tolerance		Sales Order	Sales Order Line No.	Ship Set	Trip	Delivery
Line No.	Item	Unit	Quantity Requested	Quantity Shipped	Above	Below	Revision	Pick from Location		
1	ACME Laptops	Ea	1	0	0	66414	1			3778372
Lot Number		From Serial	To Serial	Quantity	Revision	Pick from Location				

Report Date: 05-FEB-2011 09:27

Pick Slip

Report Page: 1
Pick Slip Page: 1

Warehouse: M1 ACME Seattle Manufacturing

Pick Slip: 146358 Pick Batch: 3910028

Grouping Rule: Customer, Ship To, Carrier

Customer: SheepWall Inc Delivery: Stop:
Ship to: 12 Sheep Gate PA 19103, US

Order: 66414
Priority:
Carrier: DHL
Subinventory:
Requisition:

Pick From Subinv: FGI
Pick To Subinv: Staging1
Pick To Location: Staging1

Move Order: 3910028

** End of Data **

3. Select the **Request ID 5859851** for the **Pick Slip Report**.
4. Click on the **View Output** button.
5. The **Pick Slip** report for the goods is displayed.

See also

Entering Sales Orders recipe in this chapter

Shipping orders

Goods allocated and picked from the warehouse need to be packed and shipped to our customers.

The key steps in the process are:

- ▶ Find the order eligible for shipping
- ▶ The orders are then confirmed ready for shipping – "Ship confirmed" – the quantities in Inventory are adjusted based on the order and the sales order line are updated

In this recipe, we will look at how to create the shipment to our customers.

Getting ready

We need a booked order that has Picked status before we can ship the goods to our customer.

How to do it...

Let's list the steps required to complete the task:

1. Select the **Order Management** responsibility.
2. Navigate to **Shipping | Shipping Transactions**.

The screenshot shows the 'Query Manager' application window with the 'Lines' tab selected. The interface is divided into several sections:

- Search for:** A list of radio buttons for filtering: Trips, Stops, Deliveries, Lines and LPNs, LPNs, and Lines (B). 'Lines (B)' is selected.
- Saved Query:** A section with fields for Name, Description, and Owner (set to '<None>'). There is a checkbox for 'Share Query?'.
- Lines:** The main data entry area with two columns of fields:
 - Left Column:** Source System (dropdown: Order Management), Consignee, Ship From, From Schedule Date, From Order Number (66414), Order Type, Assigned Lines, Item, From LPN, Shipment Priority, From Pick-Up Date, From Tracking Num.
 - Right Column:** Org Code, Ship Method, Ship To, To Schedule Date, To Order Number (66414), Line Status, Assigned LPNs, Container Item, To LPN, Freight Terms, To Pick-Up Date, To Tracking Num.
- Buttons:** Open..., Save, Copy, Delete..., Clear, Find...

3. When the **Query Manager** window opens, enter **66414** in the fields **From Order Number** and **To Order Number**.
4. Change the **Line Status** field to blank.
5. Click on the **Find** button to find the order.

Detail	LPN	Item Name	Delivery	Line Status	Next Step	Exception	Order
3965480	<input type="checkbox"/>	PRD20007	3778372	Staged/Pick Confirmed	Ship Confirm/Close Trip Stop	<input type="checkbox"/>	66414

6. The **Shipping Transactions** window opens to display details of the order. The line status is **Staged/Pick Confirmed** and the **Next Step** is **Ship Confirm/Close Trip Stop**.
7. Click on the **Delivery** tab.

8. Click on the **Ship Confirm** button.
9. Accept all the defaults and click on the **OK** button.
10. A message is displayed to confirm that delivery was successful. Click **OK**.
11. Close the **Shipping Transactions** window.

Line	Ordered Item	Qty	UOM	Request Date	Unit Price	Price List	Whse	Status
1.1	PRD20007	1	Ea	03-FEB-2011 12:47	2,800.00	ACME Corp	M1	Shipped

The workflow should now set the status of the order line to **Shipped**. Let's review the line status:

1. Navigate to **Orders, Returns | Quick Order Organizer**.
2. In the **Order Number** field, enter **66414**.
3. Click on the **Find** button. The Order details are displayed.
4. Click on the **Open** button to display the order details.
5. Click on the line Item **1.1**.
6. The line **Status** is now **Shipped**.

How it works...

The Ship Confirm window is used to confirm that the orders have been shipped out of Inventory to the customer. When we run the Ship Confirm, the system adjusts the quantities in Inventory and updates the sales order line status. The information is then transferred to Receivables for invoicing using the AutoInvoice rules.

There's more...

Now let's look at some other events happening behind the scenes.

Generated reports

The system generates reports and documents based on the rules setup. Some examples are Bill of Lading, Packing Slip, Commercial Invoice, Vehicle Load Sheet Details, and Interface Trip Stop.

1. From the **Menu**, navigate to **View | Requests**.
2. In the **Find Requests** form, click on the **Find** button.

```

Vehicle Load Sheet
Details
For Trip : 3132350

Vehicle Type :                               Trip Status : Closed
Vehicle Number :                             Prior Trip :
Carrier : DHL                               Instructions :

Location : 3455 108th Avenue                 Status : Closed
          Seattle,WA,98101
          US

Planned Arrival Date : 14-FEB-11             Actual Arrival Date : 05-FEB-11
Planned Departure Date : 14-FEB-11          Actual Departure Date : 05-FEB-11

Deliveries Picked Up:
Load Sequence:                             Delivery Name: 3778372           Delivery Status: Closed
Waybill Number:                            Customer: SheepWall Inc
Gross Weight: 30                           Net Weight: 30                Units: Lbs
Items Picked Up:
Load Customer Customer Item Item
Sequence Product Seq Job Number Description
-----
PRD20007                               ACME Laptops

Deliveries Dropped Off:                    *** No Deliveries Found ***

Location : 12 Sheep Gate                    Status : Closed
          ,PA,19103
          US

Planned Arrival Date : 14-FEB-11             Actual Arrival Date : 05-FEB-11
Planned Departure Date : 14-FEB-11          Actual Departure Date : 05-FEB-11

Deliveries Picked Up:                    *** No Deliveries Found ***
Deliveries Dropped Off:

Load Sequence:                             Delivery Name: 3778372           Delivery Status: Closed
Waybill Number:                            Customer: SheepWall Inc
Gross Weight: 30                           Net Weight: 30                Units: Lbs
Items Dropped Off:
Load Customer Customer Item Item
Sequence Product Seq Job Number Description
-----
PRD20007                               ACME Laptops

----- End of Report -----

```

3. Select the **Request ID 5859865** for the **Vehicle Load Sheet Details**.
4. Click on the **View Output** button.
5. The **Vehicle Load Sheet Details** for the goods are displayed.

Creating invoices

The customer needs to be invoiced for the goods. In this recipe, we will run Autoinvoice for all outstanding sales orders and view the generated invoice for the order number 66414.

Getting ready

The order needs to be shipped before we can create the invoice.

How to do it...

Let's create the invoice for all outstanding sales orders.

Let's list the steps required to complete the task:

1. Navigate to **Receivables | Interfaces | AutoInvoice**.
2. In the **Submit a New Request** form, click on the **OK** button.

The screenshot shows the 'Run AutoInvoice' dialog box. The 'Name' field is highlighted in yellow and contains 'Autoinvoice Master Program'. The 'Parameters' field contains '1:All:ORDER ENTRY:07-FEB-2010:.....:Yes:'. The 'Language' field contains 'American English'. The 'Run the Job' field is set to 'As Soon as Possible'. The 'Save all Output Files' checkbox is checked. The 'Print to' field is set to 'noprnt'. Buttons for 'Copy...', 'Language Setting...', 'Debug Options', 'Schedule...', 'Options...', 'Help (C)', 'Submit', and 'Cancel' are visible.

3. In the **Autoinvoice Submit Request** form, select **Autoinvoice Master Program**.
4. Select the **Import** source of **ORDER ENTRY** in the import source field.
5. Enter **07-Feb-2011** in the **Default Date** field.
6. Leave the defaults for all the other fields.
7. Click on the **OK** button.
8. Click on the **Submit** button.

Viewing the invoice details for order **66414**.

9. Navigate to **Orders, Returns | Quick Order Organizer**.
10. In the **Order Number** field, enter **66414**.

Your Company Logo						
Bill To: 5827 SheepWall Inc 12 Sheep Gate PA 19103		Ship To: SHEEPWALL SheepWall Inc 12 Sheep Gate PA 19103		Attachment None <input type="button" value="Add"/>		
				Invoice Nbr 10037582	Invoice Date 03-Feb-2011	
Please include the invoice number on all remittances and include remittance copy with postal payments.						
Remit To: PO Box 680978 ATTN: Accounts Receivable Vision Corporation NEW YORK, NY 10022						
Terms N30	Due Date 05-Mar-2011	Sales Rep	PO Nbr	Sales Order 66414	Ship Date 05-Feb-2011	Ship Via DHL
Description	Quantity	UOM	Unit Price	Extended Amount		
ACME Laptops Extended Warranty - 1 ACME Laptops: 26-JAN-11 - 25-JAN-12	1	YR	200.00	200.00		
ACME Laptops	1	Ea	3,500.00	3,500.00		
20% discount.16382	1	Ea	<700.00>	<700.00>		
Special Instructions For questions regarding this invoice, please contact salesperson. A 1.5% finance charge is added to all past due invoices. All software is licensed in accordance with the terms and conditions of the Software License and Services agreement or the referenced GSA Schedule contract.				SubTotal	3,000.00	
				Tax	180.00	
				Shipping	0.00	
				Total	3,180.00	
				Payments and Credits	0.00	
				Finance Charges	0.00	
				Outstanding balance as of 06-Feb-2011 in USD	3,180.00	

11. Click on the **Find** button. The Order details are displayed.
12. Click on the **Open** button to display the Order details.
13. Click on the line Item **1.1**.
14. Click on the **Actions** button and select the **Additional Order Information**.
15. Select the **Invoices / Credit Memos** tab.
16. Click on the **Invoice Details** button to view the details in Receivables.

How it works...

The shipping information is transferred to Receivables for invoicing using the Autoinvoice rules. The accounting information is then transferred to the General Ledger from Oracle Inventory and Oracle Accounts Receivable.

See also

Creating invoices recipe in Chapter 6, Receiving Funds in Receivables

6

Receiving Funds in Receivables

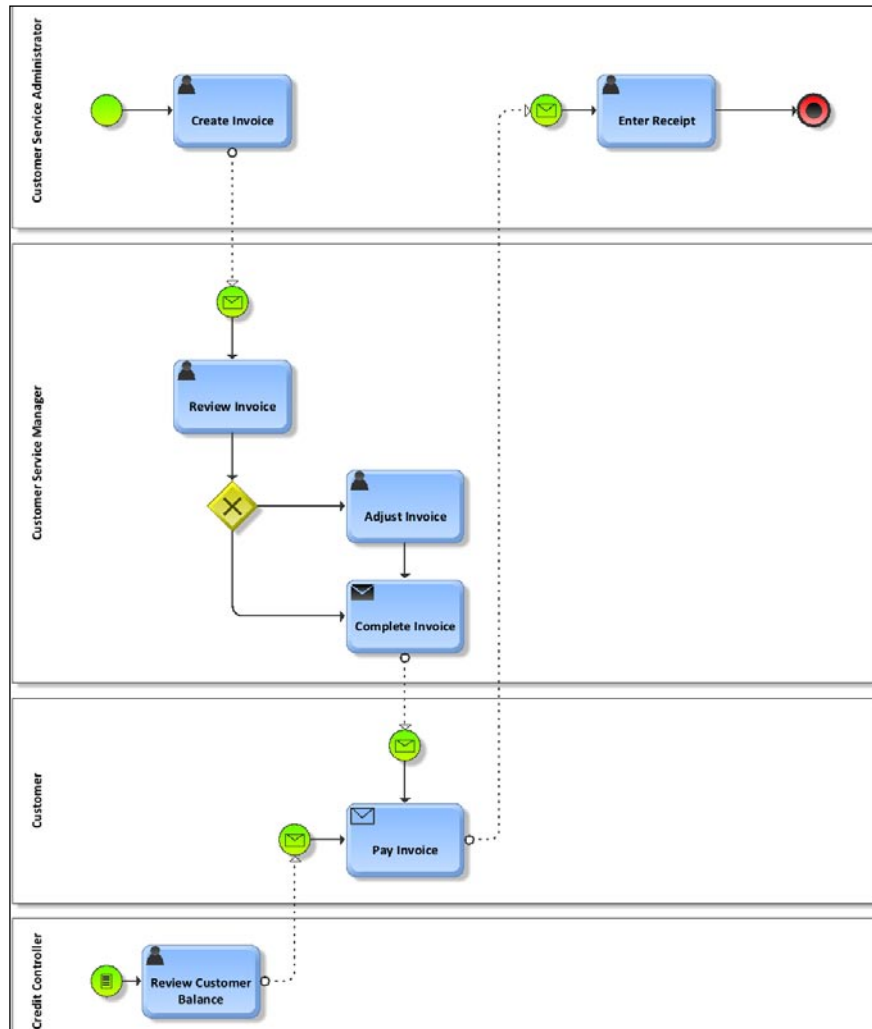
In this chapter, we will cover:

- ▶ Creating invoices
- ▶ Adjusting invoices
- ▶ Entering receipts
- ▶ Managing debts
- ▶ Reviewing receivables' accounting transactions

Introduction

Customers are billed for goods and services by an organization. Oracle Receivables creates an invoice for the bill and the customers pay the invoices. The receipts for the bill are entered and monitored in receivables. In this chapter, we will look at how to create invoices and record the receipts from customers. Let's start by looking at the receivables process.

The following diagram summarizes an example of the receivables process:



1. The **Customer Service Administrator** creates the invoice in Oracles receivables. Invoices can also be created and imported from other modules, for example, through order management, projects, service contracts, and other Oracle and non-Oracle systems.
2. The invoices are reviewed and adjusted if necessary by the **Customer Service Manager**. They are completed and sent to the **Customer**.
3. The **Customer** pays the invoice.
4. The **Customer Service Administrator** enters the receipt in receivables.

Let's start by looking at how to create an invoice.

Creating an invoice

Invoices can be imported from an external source or entered into Oracle Receivables manually. An invoice contains the information about the services or goods purchased from the organization. An invoice can contain a header, lines, and accounting information.

In this recipe, we will create a standard invoice for SheepWall Inc. This is for installation services. The service is for three hours at \$100 per hour.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required in creating an invoice:

1. Select the **Receivables** responsibility.
2. Navigate to **Transactions | Transactions**.

Transaction

Source: Manual Date: 17-FEB-2011
 Number: 12065 GL Date: 17-FEB-2011
 Class: Invoice Currency: USD
 Type: Invoice Document Num: 100392
 Reference: Transaction: []
 Legal Entity: Vision Operations Complete

Balance Due

Line	300.00
Tax	0.00
Freight	0.00
Charges	0.00
Total	300.00

Ship To

Name: Number: Location: Address: Contact: Commitment: Payment Term: N30 Invoicing Rule: Due Date: 19-MAR-2011

Bill To

Name: SheepWall Inc
 Number: 5840
 Location: SHEEPWALL
 Address: 12 Sheep Gate
 Philadelphia, PA 19103 United States

Sold To

Name: SheepWall Inc
 Number: 5840

Paying Customer

Name: SheepWall Inc
 Number: 5840
 Location: SHEEPWALL

Payment Details

Receipt Method: Payment Method: Instrument Number:

Receiving Funds in Receivables

3. In the **Source** field, select **Manual**. The **Date** and the **GL Date** field are automatically populated.
4. In the **Class** field, select **Invoice**.
5. In the **Type** field, select **Invoice**.
6. In the **Bill To** region, enter **SheepWall Inc** in the **Name** field, and the **Location** and **Address** field are populated.
7. Save the record.
8. The transaction number **12065** is created: this is also the invoice number.

Let's enter the line Items.

1. Click on the **Line Items** button.

The screenshot shows a software window titled "Lines (Vision Operations: USD) - SheepWall Inc, [New]". At the top, there are summary fields for "Total", "Transaction", "Lines" (with value 300.00), "Tax", and "Freight". Below this is a tabbed interface with "Main" selected. A table contains the following data:

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Classific	Trans
1		Installation Services	HRS	3	100	300.00	Location	

At the bottom of the window, there are buttons for "Tax", "Tax Information", "Freight", "Distributions", and "Sales Credits".

2. In the **Description** field, enter **Installation Services**.
3. In the **UOM** field, enter **HRS**.
4. In the **Quantity** field, enter **3**.

5. In the **Unit Price** field, enter **100**.
6. In the **Tax Classifications** field, enter **Location**.

Let's enter the distributions:

7. Click on the **Distributions** button.

The screenshot shows the 'Distributions (Vision Operations)' window. At the top, there is a dropdown menu labeled 'Accounts For This Line'. Below it is a table with the following columns: Trans Line, Detail Line, Class, GL Account, GL Date, %, and Distribution Amount []. The first row contains the following data: Trans Line: 1, Detail Line: (blank), Class: Revenue, GL Account: 01-110-4110-0000-000, GL Date: 17-FEB-2011, %: 100.0000, Distribution Amount: 300.00. Below the table, there are summary fields: Total 100.0000, Transaction Line Amount 300.00. At the bottom, there are input fields for GL Posted Date, Accounting Rule, Description (Operations-Facilities Resources-Hardware-No Sub Account-No Product), Tax Account, Description, and Comments.

Trans Line	Detail Line	Class	GL Account	GL Date	%	Distribution Amount []
1		Revenue	01-110-4110-0000-000	17-FEB-2011	100.0000	300.00
					Total	100.0000
					Transaction Line Amount	300.00

GL Posted Date: Accounting Rule:

Description: Operations-Facilities Resources-Hardware-No Sub Account-No Product

Tax Account:

Description:

Comments:

8. Enter **01-110-4110-0000-000** in the **GL Account** field. The accounting codes can also be generated using the autoaccounting rules.
9. Close the form and save the transaction.
10. Click on the **Complete** button to complete the transaction.
11. Click on the **View Invoice** icon to view the invoice.

How it works...

The transaction type field controls the accounting, customer balances, and GL postings. This is set up in the **Transaction Types** form:

1. Select the **Receivables** responsibility.
2. Navigate to **Setup | Transactions | Transaction Types**:

The screenshot shows the 'Transaction Types' form for 'Receivables, Vision Operations (USA)'. The 'Accounts' tab is selected, displaying the following account numbers:

Receivable Account	01-000-1210-0000-000	Freight Account	01-420-7220-0000-000
Revenue Account	01-420-4110-0000-000	Clearing Account	01-000-1222-0000-000
Unbilled Receivable Acct	01-000-1232-0000-000	Unearned Revenue Acct	01-000-2550-0000-000
Tax Account	01-000-2520-0000-000		
GL Account Description			

3. Press *F11* to enter the query mode.
4. In the **Name** field, enter **INVOICE** and press *Ctrl+F11*.

Let's review some of the settings:

1. The **Legal** entity field identifies the default legal entity to use for the transaction type.
2. The **Name** of the transaction type identifies the transaction type and it is unique across receipt method, adjustment, and receivable activity.
3. The **Class** field identifies the transaction as an **Invoice**. We can use the **Transactions** form to create a **Chargeback, Credit Memo, Debit Memo, Deposit, or Guarantee**.

4. The **Creation Sign** can be either positive or negative. The creation sign cannot be changed once transactions are entered.
5. The **Transaction Status** field can be **Open**, **Closed**, **Pending**, or **Void**.
6. The AutoAccounting rules can use the accounts set up in transaction types. These values can also be overridden by the Subledger Accounting rules.

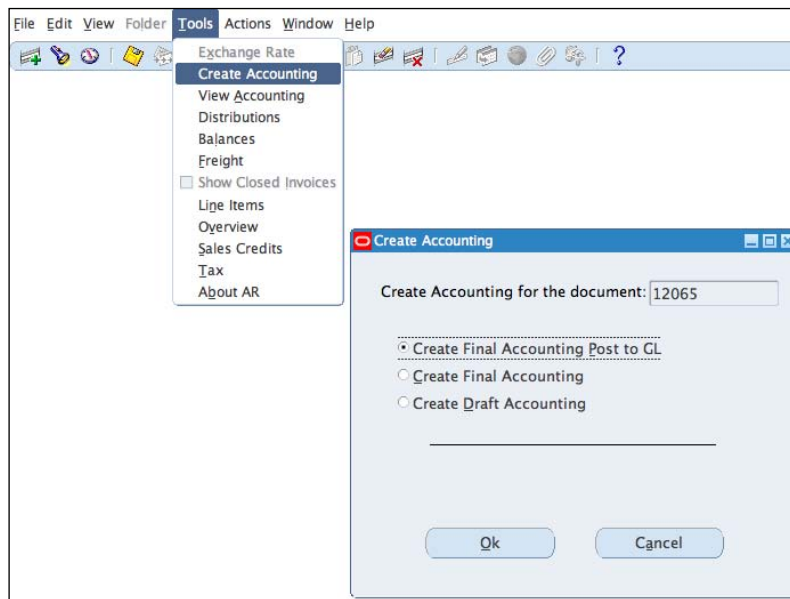
There's more...

Now let's look at some other transactions around the creation of an invoice.

Generating accounting

Let's generate and view the accounting transactions:

1. Navigate to **Tools | Create Accounting** in the menu:



2. In the **Create Accounting** form, select **Create Final Accounting Post to GL**.
3. Click on the **Ok** button.
4. Click on **Ok** in the note displayed.

Let's view the accounting transactions:

1. Navigate to **Tools | View Accounting** in the menu.
2. Review the transactions.

Subledger Journal Entry Lines

Advanced Search

Specify parameters and values to filter the data that is displayed in your results set.

Show table data when all conditions are met.
 Show table data when any condition is met.

Ledger is

Balancing Segment is

Natural Account Segment is

GL Date is

Select Subledger Journal Entry Line:

Select	Ledger	Account	AccountDescription	GL Date	Accounting Class	Accounted DR	Accounted CR	Supporting References
<input checked="" type="radio"/>	Vision Operations (USA)	01-000-1210-0000-000	Operations-No Department-Accounts Receivable-No Sub Account-No Product	17-Feb-2011	Receivable	300.00		☐☐
<input type="radio"/>	Vision Operations (USA)	01-110-4110-0000-000	Operations-Facilities Resources-Hardware-No Sub Account-No Product	17-Feb-2011	Revenue		300.00	☐☐

3. Note that the receivable account **01-000-1210-0000-000** is debited and the revenue account **01-110-4110-0000-000** is credited.

Entering Quick Transactions

Oracle Receivables enables us to enter invoice information quickly, using default values. Let's look at how to enter transactions using "Quick Transactions". We will create an invoice for the services of a Senior Consultant at the rate of \$350 per hour for 10 hours:

1. Select the **Receivables** responsibility.
2. Navigate to **Transactions | Transactions Summary**.

Transaction

Source: Manual
 Number: 12067
 Date: 17-FEB-2011
 Class: Invoice
 Type: Invoice
 Reference:
 Legal Entity: Vision Operations

Date: 17-FEB-2011
 CL Date: 17-FEB-2011
 Currency: USD
 Document Num: 100394
 Transaction: . []
 Complete

Balance Due	
Line	3,500.00
Tax	0.00
Freight	0.00
Charges	0.00
Total	3,500.00

Buttons: Details, Refresh

Tabs: Main, More, Notes, Commitment, Reference Information

Ship To

Name:
 Number:
 Location:
 Address:
 Contact:
 Commitment:
 Payment Term: N30
 Invoicing Rule:
 Due Date: 19-MAR-2011

Bill To

Name: SheepWall Inc
 Number: 5840
 Location: SHEEPWALL
 Address: 12 Sheep Gate
 Philadelphia, PA 19103 United States

Sold To

Name: SheepWall Inc
 Number: 5840

Paying Customer

Name: SheepWall Inc
 Number: 5840
 Location: SHEEPWALL

Payment Details

Receipt Method:
 Payment Method:
 Instrument Number:
 Select Instrument

Buttons: Line Items, Tax, Freight, Distributions, Sales Credits, Incomplete

3. In the **Source** field, select **Manual**.
4. In the **Bill To Customer** field, enter **SheepWall Inc.**
5. In the **Class** field, enter **Invoice**.
6. Click on the **Open** button to display the **Transactions** page.
7. Click the **Line Items** button to enter invoice lines.
8. In the **Description** field, select **Senior Consultant**. The **UOM** of HRS and the **Price** of **350** are entered by default.
9. In the **Quantity** field, enter **10**.
10. Click the **Save** button to save the transaction.
11. The **Transaction Number** of **12067** is created.
12. Click on the **Complete** button to complete the transaction.

Entering deposits

Our customers can pay us in advance for goods or services. Let's look at how to enter a deposit of \$500 for SheepWall Inc:

1. Select the **Receivables** responsibility.
2. Navigate to **Transactions | Transactions**.

The screenshot displays the Oracle Transactions (Vision Operations : USD) window. The 'Transaction' section is filled with the following data: Source: Manual; Date: 17-FEB-2011; Number: (empty); GL Date: 17-FEB-2011; Class: Deposit; Currency: USD; Type: Deposit; Reference: (empty); Document Num: (empty); Legal Entity: Vision Operations; Transaction: (empty); Complete: (unchecked). The 'Balance Due' section shows fields for Line, Tax, Freight, Charges, and Total, all of which are empty. Below the transaction details, there are tabs for Main, More, Notes, Commitment, and Reference Information. The 'Commitment' tab is active, showing Effective Dates: 17-FEB-2011 - (empty); Amount: 500.00; Item: (empty); Memo Line: (empty); Description: Installation Delivery; Transaction: (empty). At the bottom of the window, there are buttons for Like Items, Tax, Freight, Distributions, Sales Credits, and Incomplete.

3. In the **Source** field, select **Manual**.
4. In the **Class** field, select **Deposit**.
5. In the **Type** field, select **Deposit**.
6. In the **Ship To: Name** field, enter **SheepWall Inc**.
7. Click the **Commitment** tab. This is used to specify the debit and credit accounts for the commitment.
8. In the **Amount** field, enter **500.00**.
9. In the **Description** field, enter **Installation Delivery**.
10. Click the **Save** button.
11. Click the **Complete** button.

Entering a credit memo

We are offering a 5 percent discount to our customer for invoice number 12065. Let's enter a credit memo for this transaction.

Search for the invoice number **12065**:

1. Select the **Receivables** responsibility.
2. Navigate to **Transactions | Transactions Summary**.

Credited Transaction

Operating Unit: Vision Operations
 Number: 12065
 Legal Entity: Vision Operations
 Source: Manual

Credit Memo

Batch: None
 Source: Manual
 Date: 18-FEB-2011
 Number: 12073
 Reason: Discount
 GL Date: 18-FEB-2011
 Currency: USD
 Reference: Transaction
 Type: Credit Memo
 Rules Method: []
 Split Term Method: []

Transaction Amounts More

Credit Allocation: Lines Only

	Credit Memo %	Amount	Credited Transaction Original	Balance Due
Line	5.0000	<15.00>	300.00	285.00
Tax				0.00
Freight				0.00
Total	5.0000 %	<15.00>	300.00	285.00

Complete Tax Information Credit Balance Credit Lines

3. Press **F11** on the keyboard to enter the query mode.
4. In the **Number** field, enter **12065**.
5. Press **Ctrl+F11** to execute the query.
6. Navigate to **Actions | Credit**.
7. In the **Credit Memo** region, select **Discount** in the **Reason** field.
8. In the **Transaction Amounts** tab, select **Lines Only** in the **Credit Allocation** drop-down box. The credit can also be applied to specific lines by selecting the **Credit Lines** button.
9. In the **Credit Memo Region**, enter **5** in the % field; the amount of **<15.00>** is automatically populated in the **Amount** field.
10. The **Balance** due is also reduced to **285.00**.
11. Click on the **complete** button.

See also

Creating customers recipe in Chapter 5, Selling Items to Customers in Order Management

Defining Subledger Accounting recipe in Chapter 8, Defining Transactions for the General Ledger

Adjusting invoices

Invoices may need to be adjusted after they are complete.

In this recipe, we will enter an additional service amount of \$5000 to the line for invoice number 12072. Adjustments may need to be approved based on the approval limits set for the user.

In this recipe, we will enter manual adjustments.



Note: Searching for the invoice and clicking on the incomplete button, making the adjustment, and then clicking on the complete button can also be used to adjust invoices.

Getting ready

Login to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

A transaction with a status of Complete is required before we can adjust it.

How to do it...

Let's create an adjustment:

1. Select the **Receivables** responsibility.
2. Navigate to **Transactions | Transactions Summary**.
3. Press **F11** on the keyboard to enter the query mode.
4. In the number field, enter **12072**.
5. Press **Ctrl+F11** to execute the query.

Let's create the adjustment:

1. Click the **Adjust** button.
2. In the **Activity Name** field, enter **Line Adjustment**:

Line Adjustm	Line	5,000.00	22-FEB-2011	22-FEB-2011
--------------	------	----------	-------------	-------------

3. Select the **Type** list, and select the **Line** list item.
4. In the **Amount** field, enter **5000**.
5. A warning is displayed to indicate that we cannot approve this adjustment. Click on the **OK** button.
6. Select the **comments** tab and enter **Charges** in the **Reason** field.
7. Click the **Save** button.

Let's approve the adjustment:

1. Log in as an approver **CBAKER/WELCOME**.
2. Select the **Receivables** responsibility.

Operating Unit	Adjustment Number	Status	Trans Number	Trans Type	Currency	Entered Amount
Vision Operations	3427	Approved	12072	Invoice	USD	5

3. Navigate to **Control | Adjustments | Approve Adjustments**.
4. Click the **More** tab and enter **12072** in the **Transaction Number** field.
5. Click on the **Find** button.
6. In the **Status** field, enter a status of **Approved**.
7. Click the **Save** button.

How it works...

When an adjustment is applied to a transaction, the activity is assigned the accounts for the activity by receivables. Once the transaction is approved, the balance on the accounts will be applied and updated.

We can automatically approve adjustments, if they are within our approval limits; otherwise the adjustment will be placed in a status of pending approval. A user with the correct approval limit then approves the adjustment.

Let's review the approval limit of our user, **OPERATIONS**:

1. Navigate to **Setup | Transactions | Approval Limits**.
2. Press **F11** on the keyboard to enter the query mode.
3. In the **User Name** field, enter **OPERATIONS**.
4. In the **Document Type** field, select **Adjustment**.

User Name	Document Type	Reason	Currency	From Amount	To Amount	Primary
OPERATIONS	Adjustment		USD	<1,000.00>	1,000.00	<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

5. In the **Currency** field, enter **USD**.
6. Press **Control and F11** to run the query.
7. Notice that **OPERATIONS** can only approve an adjustment between **USD <1,000.00>** to **USD 1,000**.

User Name	Document Type	Reason	Currency	Amount	Amount
CBAKER	Adjustment		USD	<999,999,999.00:	999,999,999.00

8. Run the query again to view the approval limit of **CBAKER**.
9. **CBAKER** can approve between **USD <999,999,999.00>** to **USD 999,999,999.00**.

There's more...

Let's look at how to create revenue adjustments.

Adjusting revenue

Revenue accounting is used to adjust revenue and sales credits. Let's create an adjustment of \$20 for unearned revenue.

1. Select the **Receivables** responsibility.
2. Navigate to **Control | Accounting | Revenue Accounting**.

Revenue Accounting and Sales Credits (Vision Operations: USD) - SheepWall Inc, 12072

Transaction Actions History

Number: 12072 Type: Invoice Revenue: Scheduled 530.00, Unscheduled 20.00
 Source: Manual Date: 18-FEB-2011
 Reference: Currency: USD
 Customer Name: SheepWall Inc

Manage Revenue Manage Sales Credits

Line Num	Item	Description	Category	Amount	Scheduled	Unscheduled	Rule	Duration
1		Staff Consultant		550.00	530.00	20.00		

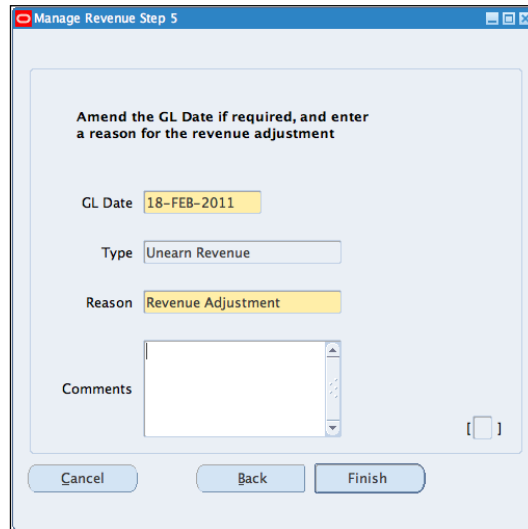
Line Distributions

GL Date	Amount	%	Class	Account	Manually Updated	Action Number
18-FEB-2011	550.00	100.00	Revenue	01-110-4110-0000-000		
18-FEB-2011	<20.00>	-3.64	Revenue	01-110-4110-0000-000	Yes	1085
18-FEB-2011	20.00	3.64	Unearned Reve	01-000-2550-0000-000	Yes	1085

Description: Operations-Facilities Resources-Hardware-No Sub Account-No Product

3. In the **Transaction Numbers** field, enter **12072**.
4. Click the **Find** button.
5. Select the **Transaction** tab in the **Revenue Accounting and Sales Credits Form**.
6. Click the **Manage Revenue** button. The **Manage Revenue Step 1** form is displayed. The form is used to modify, unschedule, or schedule revenue.
7. Select the **Unschedule Revenue** option and click the **Next** button.

8. In the **Manage Revenue Step 2** form, select **All** in the **Name** and the **Group** fields.
9. Click the **Next** button.
10. In the **Manage Revenue Step 3** form, select the **All Lines** option.
11. Click the **Next** button.



12. In the **Manage Revenue Step 4** form, select the **Amount** option and enter **20.00** in the field.
13. Click the **Next** button.
14. In the **Manage Revenue Step 5** form, select **Revenue Adjustment** as the reason.
15. Click the **Finish** button.
16. Click on the **Save** button to save the **Adjustment**.

Entering receipts

Payments received from customers are recorded in Oracle Receivables. Other non-invoice-based revenue can also be recorded, for example, bank interest. In this recipe, we will enter receipts.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's enter a standard receipt of \$285 for invoice number 12065 from SheepWall Inc.

1. Select the **Receivables** responsibility.
2. Navigate to **Receipts | Receipts**:

Receipts (Vision Operations : USD)

Receipt

Receipt Method: Manual
 Receipt Number: RN-1234
 Receipt Amount: USD 285.00
 Receipt Type: Standard
 State: Cleared

Receipt Date: 19-FEB-2011
 GL Date: 19-FEB-2011
 Maturity Date: 19-FEB-2011
 Functional Amount: 285.00

Balances

Unidentified: 0.00
 Applied: 0.00
 On Account: 0.00
 Unapplied: 285.00
 Cash Claims: 0.00
 Prepayments: 0.00

Main More

Detail

Identify By
 Trans Number: [] []

Customer
 Name: SheepWall Inc
 Number: 5840
 Location: SHEEPWALL
 Taxpayer ID: []

Earned Discounts: 0.00
 Unearned Discounts: 0.00
 Bank Charges: []

Customer Bank

Name: []
 Account: []

Remittance Bank

Name: Bank of America
 Branch: New York
 Account: *****-619

Reference: []
 Postmark Date: []

Comments: []

Confirm... 1 Reverse... 1 Receipt History Search and Apply Apply

3. In the **Receipt Method** field, select **Manual**.
4. In the **Receipt Number** field, enter **RN-1234**.
5. In the **Receipt Type** field, select **Standard**.
6. In the **Receipt Amount** field, enter **285.00**.
7. Select the **Main** tab.
8. In the **Customer** region, select the **Name** field and enter **SheepWall Inc**.
9. Click the **Save** button to save the transaction.

Receiving Funds in Receivables

Let's apply the receipt to invoice number **12065**:

1. Click the **Apply** button.
2. In the **Apply To** field, enter **12065**.

Applications - RN-1234

Customer Name: SheepWall Inc
Customer Number: 5840
Location: SHEEPWALL
Receipt Amount: USD 285.00

Unapplied: 0.00
On Account: 0.00
Cash Claims: 0.00
Prepayments: 0.00
Exchange Gain/Loss: 0.00

Apply	Saved	Apply To	Billing Number	Installment	Apply Date	Amount Applied	Discount	Balance Due	Trans	Customer	GL
<input checked="" type="checkbox"/>	<input type="checkbox"/>	12065		1	19-FEB-2011	285.00	0.00	0.00	USD	5840	19-
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
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<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										

Buttons: Chargebacks, Adjustments, Apply in Detail

3. In the **Apply Date** field, select **19-Feb-2011**.
4. Click the **Save** button.

Let's generate and view the accounting transactions:

1. Navigate to **Tools | Creating Accounting** in the menu.
2. In the **Create Accounting** form, select **Create Final Accounting Post to GL**.
3. Click on the **Ok** button.
4. Click on **Ok** in the **Note** displayed.

Let's view the **Accounting Transactions**:

1. Navigate to **Tools | View Accounting** in the menu.
2. Review the transactions.
3. Note that the cash account **01-000-1110-0000-000** is debited and the receivable account **01-000-1210-0000-000** is credited.

How it works...

The receipt method is used to determine the required processing steps for accounting and remittance bank accounts for a receipt. This is set up in **Receipt Classes**. Let's look at the receipt classes:

1. Select the **Receivables** responsibility.
2. Navigate to **Setup | Receipts | Receipts Classes**:

3. Press *F11*.
4. In the **Name** field, enter **Manual**.
5. In the **Creation Method** field, select **Manual**.
6. Press *Ctrl+F11* to execute the query.

7. Let's look at some of the fields:
 - ❑ **Creation Method: Manual, Automatic** using the **Automatic Receipts** program, and **Bills Receivable** receipts
 - ❑ **Remittance Method** determines the account for automatic receipts, **Standard/Factoring** remittance method
 - ❑ **Clearance Method: Directly** (cleared at the time of receipt), **Automatic** (using the **Automatic Clearing** program), or **Matching** (manual matching in **Cash Management**)
 - ❑ The **receipt method** region is used to assign the receipt class
8. Click on the **Bank Accounts** button.

Remittance Banks (Vision Operations) - Manual, Cash

Operating Unit: Vision Operations
Bank Name: Bank of America
Branch Name: New York
Account Name: BofA-204
Currency: USD
Minimum Receipt Amount:
Risk Elimination Days:
Clearing Days:
Effective Dates: 01-JAN-1990 -
 Override Bank
 Primary

GL Accounts | Bills Receivable | Formatting Programs

Cash	01-000-1110-0000-000
Receipt Confirmation	
Remittance	
Factoring	
Short Term Debt	
Bank Charges	01-740-7870-0000-000
Unapplied Receipts	01-000-1240-0000-000
Unidentified Receipts	01-000-1240-0000-000
On Account Receipts	01-000-1240-0000-000
Unearned Discounts	Unearned Discounts
Earned Discounts	Earned Discounts
Claim Investigations	Claim Investigation Activity

Description:

9. The **Bank** assigned to the **Receipt Class** is displayed.

There's more...

Let's look at some other types of receipts and reversing receipts.

Miscellaneous receipts

Non-invoice-related transactions such as investment and interest income are known as **miscellaneous receipts** in Oracle Receivables. Let's enter bank interest of \$50, apportioned to two accounts with a split of 75 percent to 25 percent:

1. Select the **Receivables** responsibility.
2. Navigate to **Receipts | Receipts**.

3. In the **Receipt Method** field, select **Manual**.
4. In the **Receipt Number** field, enter **RN-1235**.
5. In the **Receipt Amount** field, enter **50.00**.
6. In the **Receipt Type** field, select **Miscellaneous**.
7. In the **Activity** field, select **Interest Income**.

Distribution				
	%	Amount	GL Account	Comment
	75.000	37.50	01-740-7810-0000-000	
	25.000	12.50	01-720-7810-0000-000	

8. Click on the **Distribution** button.
9. In the % field, enter **75**. The **Amount** field automatically changes to **37.50**.
10. Enter **01-740-7810-0000-000** in the **GL Account** field.
11. Click on the second line and enter **25** in the % field.
12. Enter **01-720-7810-0000-000** in the **GL Account** field.
13. Click on the **Ok** button.

Reversing receipts

The bank has returned the receipt of \$285, with a reason of "Non Sufficient Funds". Let's reverse the receipt:

1. Select the **Receivables** responsibility.
2. Navigate to **Receipts | Receipts**.

The screenshot shows a 'Reverse' dialog box with the following fields and values:

Date	19-FEB-2011	GL Date	19-FEB-2011
Category	Non-sufficient Funds		Non-sufficient Funds
Reason	NSF		Insufficient funds in bank
Comment			

Below the fields is a section for 'Debit Memo Reversal' with a checkbox and the following fields:

Type		Document Num	
Account			[]

At the bottom of the dialog are two buttons: 'Reverse' and 'Cancel'.

3. Press *F11* to enter the query mode.
4. In the **Receipt Method** field, enter **Manual**.
5. In the **Receipt Number** field, enter **RN-1234**.
6. Press *Ctrl+F11* to run the query.
7. The **Receipt** is displayed.
8. Click the **Reverse... 1** button.

9. The current date of **19-Feb-2011** autopopulates.
10. In the **Category** field, select **Non-Sufficient Funds**.
11. In the **Reason** field, select **NSF**.
12. Click the **Reverse** button. The transaction is saved.

Status History					
Status	Date	GL Date	Amount	Rate	Functional Amount
Cleared	19-FEB-2011	19-FEB-2011	285.00		285.00
Reversed	19-FEB-2011	19-FEB-2011	285.00		285.00

Statement Number	<input type="text"/>	Statement Date	<input type="text"/>
Line Number	<input type="text"/>	Anticipated Value Date	<input type="text"/>
		Actual Value Date	<input type="text"/>

13. Click on the **Receipt History** button to review the **History**.

See also

Reconciling bank statements recipe in Chapter 7, Managing Cash

Managing debt

Customer debt is managed in receivables from advanced collections. This includes printing dunning letters, statements, and viewing outstanding bills. In this recipe, we will view aged debts.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the System Administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's view the transaction history and the aging bucket of SheepWall Inc:

1. Select the **Receivables** responsibility.
2. Navigate to **Collections | Collections**.

Collections - SheepWall Inc, Philadelphia

First: MI Collections Status: Operating Unit:
 Last: Identification Number: View:
 Title: Customer Since: Amount Overdue:
 Organization: Collections Score: Net Balance:
 Address: ... Collectible Transactions: DSO:
 Email: Delinquencies in Past Year: Last Payment Paid On:
 Phone Type: ... Delinquent Invoices: Last Payment Due On:
 Phone: Last Payment Amount:

Profile History Accounts Transactions Lifecycle Strategy Aging Notes Tasks Loans

Credit Limit: Past Year Installments: Past Year Promises: Last Interaction:

Credit Hold: Due: Total: Type:

Credit Rating: On Time: Broken: Date:

Collector Name: Unpaid: Open: Contacted By:

Include in Dunning: Late: Result:

Metrics as of: Filter by Selected View:

Metric Name	Metric Value	Rating
Average Days Late	0	Low
Customer Collections Effectiveness Index	100	High
Customer Conventional DSO	90	High
Customer Credit Limit	Not Applicable	
Customer Deduction	50.00	Low

Metric Name	Metric Value	Rating
Customer NSF History Amount	285.00	Low
Customer NSF History Count	1	Low
Customer True DSO	99	High
Customer Weighted Average Days Paid	1	Low

3. In the **Organization** field, enter **SheepWall Inc**.

Profile History Accounts Transactions Lifecycle Strategy Aging Notes Tasks Loans

Type: Date: To:

Transaction	Activity	Status	Activity D...	Amount	Currency	Operating Unit	Notes
RN-1234	Payment	Non-Sufficie...	19-FEB-2011	285.00	USD	Vision Operations	
12072	Adjustment	Approved	18-FEB-2011	50.00	USD	Vision Operations	
AA-10001	Payment	Unapplied	11-FEB-2011	7,500.00	USD	Vision Operations	

4. The **History** tab shows the history of transactions between specific periods.

Transaction	Original Amo...	Remaining Amo...	Days L...	Due Date	Class	Dispute Amo...	Dispute D...	Promised ?
12072	550.00	600.00	-27	20-MAR-2011	Invoice			
12067	3,500.00	3,500.00	-26	19-MAR-2011	Invoice			
12065	300.00	285.00	-26	19-MAR-2011	Invoice			
500875	4,515.63	4,515.63	-19	12-MAR-2011	Invoice			
10037603	7,437.50	0.00		12-MAR-2011	Invoice			
12073	<15.00>	0.00		18-FEB-2011	Credit Memo			

Filtered by Selected Transactions 600.00 USD

Transaction Details Adjustment Processing Payment Processing Full Screen

5. Click the **Transactions** tab to view the transactions between a specific period

Aging Bucket Line	Amount	Collectible Amo...	Currency	Invoice Installme...
Current	8,900.63	0.00	USD	4
1-30 DaysPast Due	<62.50>	0.00	USD	0
31-60 DaysPast Due	0.00	0.00	USD	0
61-90 DaysPast Due	0.00	0.00	USD	0
91-180 DaysPast Due	0.00	0.00	USD	0
181-360 DaysPast Due	0.00	0.00	USD	0
361+ DaysPast Due	0.00	0.00	USD	0
<< Totals >>	8,838.13	0.00	USD	4

Open Credits

Unapplied Cash

On Account Cash

On Account Credits

Cash Claims

Prepayments

Transactions

6. Click the **Aging** tab to view the **Aging Bucket** (the time periods to review the open transactions).
7. In the **Aging Bucket** field, select **Collections, Aging Type 7-Bucket**.

- Click on the **Display** button to display the **7-Bucket Aging** account for **SheepWall Inc.**

The screenshot shows a software interface with several tabs: Profile, History, Accounts, Transactions, Lifecycle, Strategy, Aging, Notes, Tasks, and Loans. The 'Notes' tab is active. On the left, there is a table with columns: Date, Note, and Creator. A single row is visible: 22-FEB-2011, Meeting arranged with Mr Jo..., Stock, Ms. Pat. Below the table are 'New' and 'All Notes' buttons. On the right, there is a detailed view of the selected note. Fields include: Type (Meeting), Status (Public), Date (22-FEB-2011 00:03:1), and Created by (Stock, Ms. Pat). The Note text reads: 'Meeting arranged with Mr Jones to discuss increase in Credit Limit, needs to be approved by Sales Manager'. At the bottom right, there are 'More' and 'Related to' buttons.

- Click on the **Notes** tab to view notes recorded on the customer's account.

The screenshot shows the same software interface with the 'Tasks' tab active. On the left, there is a table with columns: Type, Name, Priority, and Status. A single row is visible: Meeting, Credit Limit, Medium, In Planning. Below the table are 'Details' and 'New' buttons, and checkboxes for 'Private' and 'Display All'. On the right, there is a detailed view of the selected task. Fields include: Type (Meeting), Subject (Credit Limit), Contact, Priority (Medium), Time Zone (America/Chicago), Status (In Planning), Date Type (Planned), Start (01-MAR-2011 12:00:00), End (01-MAR-2011 13:30:00), Owner Type (Employee Resource), Owner (Stock, Ms. Pat), Assignee Type (OPERATIONS), Assignee, and Description (Meeting to discuss increasing the credit limit). At the bottom right, there are 'Task Notes' and 'Related to' buttons.

- Click on the **Tasks** tab to view the tasks.

Reviewing Receivables' accounting transactions

In this recipe, we will transfer transactions to the General Ledger and review the accounting transactions generated.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's create accounting transactions for multiple transactions:

1. Select the **Receivables** responsibility.
2. Navigate to **Other | Requests | Run** or select **View | Requests** from the menu.

3. Click on the **Submit a New Request** button.
4. Select **Single Request** from the **Options**.
5. Click on the **OK** button.
6. In the **Submit Request** form, select **Create Accounting** from the list of values.

Receiving Funds in Receivables

7. Select the **Parameters** field and select **Vision Operations (USA)** as the Ledger, enter **28-FEB-2011** as the **End Date**, select **Yes** as the parameter for **Post in General Ledger**, and enter **YO-AR0001** as the **General Ledger Batch Name**.
8. Accept the default values for the remaining fields.
9. Click on the **OK** button.
10. We can schedule the program to run periodically, for example, every month.
11. Click on the **Submit** button to submit the request.

Review the requests:

1. Navigate to **View | Requests** from the menu.
2. Click on the **find** button.
3. The **Create Accounting** program also spawns other programs to complete the transfer and posting of the journal in General Ledger.

Let's view the transactions from General Ledger:

1. Switch responsibilities by selecting **File | Switch Responsibility**.
2. Select the **General Ledger** responsibility.

Batch Status	Source	Category	Period	Batch Name	Journal Name	Currency	Journal Debit	Journal Credit
Posted	Receivables	Misc Receipts	Feb-11	YO-AR0001 Receival	Feb-11 Misc Receipt	USD	50.00	50.00
Posted	Receivables	Receipts	Feb-11	YO-AR0001 Receival	Feb-11 Receipts USC	USD	7,722.50	7,722.50
Posted	Receivables	Credit Memos	Feb-11	YO-AR0001 Receival	Feb-11 Credit Memo	USD	825.00	825.00
Posted	Receivables	Adjustment	Feb-11	YO-AR0001 Receival	Feb-11 Adjustment t	USD	5,050.00	5,050.00
Posted	Receivables	Sales Invoices	Feb-11	YO-AR0001 Receival	Feb-11 Sales Invoice	USD	75,122.76	75,122.76

Buttons: Review Journal, Review Batch, Post, Reverse Batch, Reguery, New Journal, New Batch, Tax Batch, Approve, AutoCopy...

3. Navigate to **Journals | Enter**.
4. Search for the journal by selecting the **Source** as **Receivables** and the **Period** as **Feb-11**.
5. Click on the **Review Journal** button to review the journal.

How it works...

Oracle Receivables uses the accounting event model defined in Subledger Accounting to determine the transactions that generate accounting transactions.

Now let's review the structure of the Event Model, which consists of Entities, Classes, Types, and Events:

1. Select the **Receivables** responsibility.
2. Navigate to **Setup | Financials | Accounting | Subledger Accounting | Subledger Applications | Accounting Methods Builder | Events | Event Model**.

Entity Name: Transactions

Event Classes

Event Class Code	Event Class Name	Description	Enabled
DEBIT_MEMO	Debit Memo	Debit Memo	<input checked="" type="checkbox"/>
DEPOSIT	Deposit	Deposit	<input checked="" type="checkbox"/>
GUARANTEE	Guarantee	Guarantee	<input checked="" type="checkbox"/>
INVOICE	Invoice	Receivables Invoice	<input checked="" type="checkbox"/>

Predecessors

Event Types

Event Type Code	Event Type Name	Description	Accounting Tax	Enabled
INV_COMPLETE	Invoice Completed	Completed Invoice	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
INV_CREATE	Invoice Created	Created Invoice	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
INV_DELETE	Invoice Deleted	Deleted Invoice	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
INV_OVERRIDE_TAX	Invoice Tax Overridden	Override Invoice Tax	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

3. The **Event Model** consists of the various **Receivables Entities**.
4. Select the **Transactions Entity** and click on the **Event Classes** button.
5. Each **Event Class** also has its associated **Event Types**. The events are categorized into event types.

See also

Defining Subledger Accounting recipe in Chapter 8, Defining Transactions for the General Ledger

7

Managing Cash

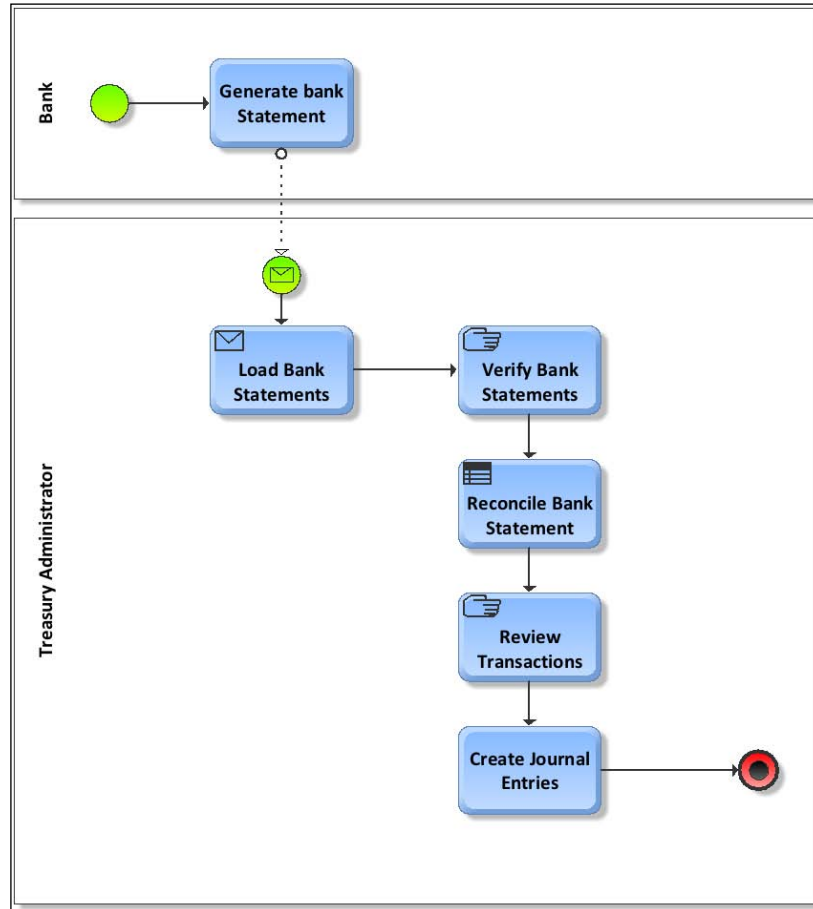
In this chapter, we will cover:

- ▶ Creating bank accounts
- ▶ Entering bank statements
- ▶ Reconciling bank statements
- ▶ Creating cash forecasts
- ▶ Reviewing accounting transactions

Introduction

The liquidity of an organization is managed in Oracle Cash Management; this includes the reconciliation of the cashbook to the bank statements, and forecasting future cash requirements. In this chapter, we will look at how to create bank accounts, enter and reconcile bank statements, and create cash forecasts. Cash management integrates with Payables, Receivables, Payroll, Treasury, and General Ledger.

Let's start by looking at the cash management process:



1. The **Bank** generates statements.
2. The statements are sent to the organization electronically or by post.
3. The **Treasury Administrator** loads and verifies the bank statement into cash management. The statements can also be manually entered into cash management.
4. The loaded statements are reconciled to the cash book transactions.
5. The results are reviewed, and amended if required.
6. The **Treasury Administrator** creates the journals for transactions in the General Ledger.

Creating bank accounts

Oracle Cash Management provides us with the functionality to create bank accounts. In this recipe, we will create a bank account for a bank called Shepherd Bank, for one of their branches called Kings Cross branch.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

We also need to create a bank before we can create the bank account. Let's look at how to create a bank and the branch:

1. Select the **Cash Management** responsibility.
2. Navigate to **Setup | Banks | Banks**.

The screenshot shows the 'Manage Banks and Branches' interface. The 'Banks' tab is selected, and the 'Create Bank: Bank Information' form is open. The form includes the following fields and options:

- Bank Options:** Create new bank, Select an existing party and add bank details
- * Country:** United States
- * Bank Name:** Shepherds Bank
- Alternate Bank Name:** Shepherds
- Short Bank Name:** Shepherds
- Bank Number:** JN316
- Description:** (empty)
- Taxpayer ID:** (empty)
- Tax Registration Number:** (empty)
- XML Messages Email:** (empty)
- Inactive Date:** (empty)

Buttons at the top right include 'Cancel', 'Step 1 of 3', 'Save and Next', and 'Finish'. A 'Context Value' dropdown is at the bottom left.

3. In the **Banks** tab, click on the **Create** button.
4. Select the **Create new bank** option.
5. In the **Country** field, enter **United States**.
6. In the **Bank Name** field, enter **Shepherds Bank**.
7. In the **Bank Number** field, enter **JN316**.
8. Click on the **Finish** button.

Let's create the branch and the address:

The screenshot shows the 'Manage Banks and Branches' interface. At the top, there is a confirmation message: 'The bank 'Shepherds Bank' has been created.' Below this is a 'Simple Search' section with input fields for Bank Name, Alternate Bank Name, Short Bank Name, Bank Number, and Country. A 'Go' button and a 'Clear All' button are also present. Below the search section is a table with the following data:

Bank Name	Alternate Bank Name	Short Bank Name	Bank Number	Country	Update Bank	View Branches	Create Branch
Shepherds Bank	Shepherds	Shepherds	JN316	United States			

1. Click the **Create Branch** icon: The **Country** and the **Bank Name** are automatically entered.
2. Click on the **Continue** button.

The screenshot shows the 'Create Bank Branch: Bank Branch Information' form. At the top right, there are buttons for 'Cancel', '1 of 3', 'Save and Next', and 'Finish'. The form displays the following information:

Bank Name **Shepherds Bank** Bank Number **JN316**
Country **United States**
* Indicates required field

Branch Options
 Create new branch
 Select an existing party

* Branch Name
Alternate Branch Name
Routing Transit Number
BIC
Bank Code
* Branch Type
EDI Location
EFT Number
Description
RFC Identifier
Inactive Date

Context Value

3. In the **Branch Name** field, enter **Kings Cross**.
4. Select **ABA** as the **Branch Type**.

- Click on the **Save and Next** button to create the **Branch** address.

Bank Name	Shepherds Bank	Bank Number	JN316
Branch Name	Kings Cross	Routing Transit Number	
Addresses			
<input type="button" value="View Removed"/> <input type="button" value="Create"/>			
Address	Country	Identifying	Update
4234 Red Eagle Road, SACRED HEART, MN 56285	United States		

- In the **Branch Address** form, click on the **create** button.
- In the **Country** field, enter **United States**.
- In the **Address Line 1** field, enter **4234 Red Eagle Road**.
- In the **City** field, enter **Sacred Heart**.
- In the **County** field, enter **Renville**.
- In the **State** field, enter **MN**.
- In the **Postal Code** field, enter **56285**.
- Ensure that the **Status** field is **Active**.
- Click on the **Apply** button.
- Click on the **Finish** button.

How to do it...

Let's create the bank account:

- Select the **Cash Management** responsibility.
- Navigate to **Setup | Bank Accounts**.

Create Bank Account	
* Indicates required field	
* Country	United States
* Bank Name	Shepherds Bank
* Branch Name	Kings Cross
<input type="button" value="Cancel"/> <input type="button" value="Continue"/>	

- In the **Manage Bank Accounts tab**, click on the **Create** button.
- In the **Country** field, enter **United States**.
- In the **Bank Name** field, enter **Shepherds bank**.
- In the **Branch Name** field, enter **Kings Cross**.

Managing Cash

- Click on the **Continue** button.
- Select **Vision Operations** for the **Bank Account Owner** field.
- Select **Payables** and **Receivables** for the **Account Use** field and click on the **Next** button.
- In the **Account Information** form, enter the following information:

Bank Name **Shepherds Bank** Branch Name **Kings Cross**
Country **United States**
* Indicates required field
* Account Name
Alternate Account Name
Short Account Name
* Account Number
Check Digit
* Currency
 Multiple Currencies Allowed

- In the **Account Name** field, enter **Shepherd Account**
- In the **Account Number** field, enter **95-6891-3074**
- In the **Currency** field, enter **USD**
- Select the **Multiple Currencies Allowed** option
- Click on the **Save and Next** button

- In the **General Controls** form, enter the following information:

General Controls

* Cash
Cash Clearing
Bank Charges
Bank Errors
Foreign Exchange Charges
Agency Location Code
Netting Account

Cash Management Controls

Minimum Target Balance
Maximum Target Balance
Minimum Payment Amount
Minimum Receipt Amount
Rounding Factor
Rounding Rule
Cash Flow Display Order

Payables Controls

Multiple Currency Payments
 Pooled Account
Minimum Payment
 Allow Zero Payments
Maximum Outlay
Maximum Payment

Receivables Controls

Multiple Currency Receipts

- In the **Cash** and the **Cash Clearing** fields, enter **01-000-1110-0000-000**
- In the **Bank Charges** and the **Bank Errors** fields, enter **01-740-7870-0000-000**
- In the **Payables Controls** region, select **Multiple Currency Payments, Allow Zero Payments,** and **Pooled Account**
- Enter **10.00** in the **Minimum Payment** field
- Enter **1,000,000.00** in the **Minimum Outlay** field
- Enter **500,000.00** in the **Maximum Payment** field
- Click on the **Save and Next** button

12. In the **Account Access** form, click on the **Add Organization Access** button.


Create Bank Account: Organization Access

Bank Name **Shepherds Bank** Branch Name **Kings Cross**
 Account Number **95-6891-3074** Country **United States**

Grant Access to Organization

Enter the Account Access Options for this organization.
 * Indicates required field

* Account Use Payables
 Payroll
 Receivables
 Treasury

* Organization 
 End Date

13. Select **Payables** and **Receivables** for the **Account Use** field.
14. Select **Vision Operations** for the **Organization** field and click on the **Continue** button.
15. Click on the **Apply** button.
16. Click on the **Save and Next** button.
17. Click on the **Finish** button, we should receive a confirmation that the account has been created.

There's more...

Loading bank statements electronically from the bank will enable us to automate the bank reconciliation process. We need to define the transaction codes that the bank will use to identify the different types of transactions on the statements.

Creating transaction codes

Let's create transaction codes that will be used by the bank:

1. Select the **Cash Management** responsibility.
2. Navigate to **Setup | Bank | Bank Transaction Codes**.

The screenshot shows the 'Bank Transaction Codes' window for the 'Shepherd Account'. The window title is 'Bank Transaction Codes'. The 'Bank Account' section includes the following fields:

- Number: 95-6891-3074
- Bank Name: Shepherd Account
- Currency: USD
- Name: Shepherds Bank
- Bank Branch: Kings Cross

Below the account information is a table with columns: Type, Code, Description, Effective Dates (Start, End), and Float Days. The table contains the following data:

Type	Code	Description	Start	End	Float Days	Trans Source
Payment	100	Regular Payment				AP Payments
Misc Payment	110	Miscellaneous P				
Receipt	200	Regular Receipt				AR Receipts
Misc Receipt	210	Miscellaneous R				
Rejected	300	Rejected				
Stopped	400	Stopped				AP Payments
NSF	500	Insufficient Fun				

3. In the **Bank Transaction Codes** window, select the **95-6891-3074, Shepherd Account** bank account.
4. In the **Type** field select **Payment**.
5. Enter **100** in the **Code** field.
6. Enter **Regular Payment** in the **Description** field. The **Trans Source** of **AP Payments** is automatically entered.
7. Select the next line.
8. In the **Type** field, select **Misc Payment**.
9. Enter **110** in the **Code** field.
10. Enter **Miscellaneous Payment** in the **Description** field.
11. Select the next line.
12. In the **Type** field select **Receipt**.
13. Enter **200** in the **Code** field.

14. Enter **Regular Receipt** in the **Description** field. The **Trans Source** of **AR Payments** is automatically entered.
15. Select the next line.
16. In the **Type** field select **Misc Receipt**.
17. Enter **210** in the **Code** field.
18. Enter **Miscellaneous Receipt** in the **Description** field.
19. Select the next line.
20. In the **Type** field select **Rejected**.
21. Enter **300** in the **Code** field.
22. Enter **Rejected** in the **Description** field.
23. Select the next line.
24. In the **Type** field select **Stopped**.
25. Enter **400** in the **Code** field.
26. Enter **Stopped** in the **Description** field. The **Transactions Source** of **AP Payments** is automatically entered.
27. Select the next line.
28. In the **Type** field select **NSF**.
29. Enter **500** in the **Code** field.
30. Enter **Insufficient Funds** in the **Description** field.
31. Click on the **Save** icon, to save your work.

See also

Paying Invoices recipe in Chapter 3, Paying supplier Invoices in Payables

Entering receipts recipe in Chapter 6, Receiving Funds in Receivables

Entering bank statements

Bank statements are downloaded from the bank to a local directory. Once the file is received, the bank account balance and statement information can be loaded into the bank statement open interface tables, using the bank statement loader program or a custom loader program. The files can also be loaded automatically using an interface program or using the XML Gateway. Bank statements can also be entered manually.

In this recipe, we will look at how to enter bank statements.

Getting ready

The bank statement shown next has been loaded into the open interface table:

Date	Transaction	Description	Debit	Credit	Balance
		Opening Balance			0.00
03-Mar-11	Payment	Fixture Expert Inc		3,092.26	3,092.26
06-Mar-11	Deposit	GL Deposit	100,000.00		96,907.74
08-Mar-11	Payment	Consolidated Supplies		3,688.05	93,219.69
11-Mar-11	Payment	AP Bank Charges		30.00	93,189.69
11-Mar-11	Receipt	Bank Interest	37.52		93,227.21
14-Mar-11	Receipt	Advantage Corp	7,500.00		100,727.21
14-Mar-11	Receipt	Sheep Lamb Farmers	25,000.00		125,727.21
		Closing Balance	132,537.52	6,810.31	125,727.21

Let's review the transactions in the open interface:

1. Select the **Cash Management** responsibility.
2. Navigate to **Bank Statements | Bank Statement Interface Lines**.

The screenshot shows a software window titled "Bank Statement Interface Lines - 20110314-0001". At the top, there are two input fields: "Account" with the value "95-6891-3074" and "Statement Date" with the value "14-MAR-2011". Below these fields are four tabs: "Amounts", "Exchange", "Reference", and "Description". The "Amounts" tab is selected, displaying a table with the following columns: "Line Number", "Code", "Number", "Date", "Amount", "Charges", and "Original Amount". The table contains five rows of data:

Line Number	Code	Number	Date	Amount	Charges	Original Amount
1	100		03-MAR-2011	3092.26		
2	220		06-MAR-2011	100000		
3	100		08-MAR-2011	25000		
4	250		11-MAR-2011	-30		
5	240		11-MAR-2011	37.52		

At the bottom right of the window, there is a button labeled "Errors".

3. Select **95-6891-3074** in the **Account** field.
4. Click on the **Lines** button to view the transactions in the interface tables.

How to do it...

Let's list the steps required to automatically enter the bank statements from the import and AutoReconciliation program:

1. Select the **Cash Management** responsibility.
2. Navigate to **Other | Programs | Run**, or select **View | Requests** from the menu.

The screenshot shows the 'Submit Request' dialog box with the following details:

- Name:** Bank Statement Import & AutoReconciliation
- Operating Parameters:**
 - Bank Branch Name: Kings Cross (Shepherds Bank)
 - Bank Account Number: 95-6891-3074 (Shepherd Account)
 - Statement Number From: 20110314-0001
 - Statement Number To: 20110314-0001
 - Statement Date From: (empty)
 - Statement Date To: (empty)
 - GL Date: 16-MAR-2011
 - Organization: (empty)
 - Receivable Activity: (empty)
 - Payment Method: (empty)
 - NSF Handling: No Action (Do not process the statement)

3. Click on the **Submit a New Request** button.
4. Select **Single Request** from the **Options**.
5. Click on the **OK** button.
6. In the **Submit Request** form, select **Bank Statement Import & AutoReconciliation** from the list of values. Please note that we could run the Bank Statement Import program, to run only the import.
7. Select the **Parameters** field, and select **Kings Cross** as the **Bank Branch Name**, select **95-6891-3074** as the **Bank Account Number**, and select **20110314-0001** as the parameter for the **Statement Number From** and the **Statement Number To** fields.
8. Accept the default values for the remaining fields.
9. Click on the **OK** button.
10. We can schedule the program to run periodically, for example, every day.
11. Click on the **Submit** button to submit the request.

Let's review the imported bank statements:

1. Navigate to **Bank Statement | Bank Statements and Reconciliation**.
2. The imported statement is displayed.
3. Click on the **Review** button.

Line	Type	Code	Number	Transaction Date	Value Date	Amount	Amount Reconciled	Charges	Status
1	Payment	100	-1	03-MAR-2011	03-MAR-2011	3,092.26			Unreconciled
2	Receipt	220		06-MAR-2011	06-MAR-2011	100,000.00			Unreconciled
3	Receipt	200	REC-10001	08-MAR-2011	08-MAR-2011	25,000.00	25,000.00		Reconciled
4	Misc Payment	110		11-MAR-2011	11-MAR-2011	30.00			Unreconciled
5	Misc Receipt	240		11-MAR-2011	11-MAR-2011	37.52			Unreconciled
6	Payment	100	-1	14-MAR-2011	14-MAR-2011	3,688.05			Unreconciled
7	Receipt	200	SB-0972	14-MAR-2011	14-MAR-2011	7,500.00	7,500.00		Reconciled

4. In the **Bank Statement** window, select the **Lines** button.
5. The imported lines are displayed.

How it works...

Bank statements can be imported automatically, using a SQL*Loader script against the bank file to populate the bank statement open interface. The bank statement information is then imported into the Bank Statement windows using the Bank Statement Import program.

There's more...

Now, let's look at how to enter statements manually.

Entering bank statements manually

Let's enter the bank statement for the 15th of March manually. The lines on the statement are as follows:

1. Payment of 213.80.
2. Receipt of 3,389.89 from A.C. Networks.
3. Credit of 7,500.00 for Non Sufficient Funds for the receipt from Advantage Corp.
4. Bank Transfer payment of 1,000.00.
5. Select the **Cash Management** responsibility.
6. Navigate to **Bank Statement | Bank Statements and Reconciliation**.

Bank Statement

Account Number: 95-6891-3074
 Bank Name: Shepherds Bank
 Date: 15-MAR-2011
 Document Number:
 GL Date: 15-MAR-2011

Account Name: Shepherd Account
 Bank Branch: Kings Cross
 Currency: USD
 Statement Number: 20110314-0002
 Check Digits:

Control Totals		
	Amount	Lines
Opening Balance	125,727.21	
Receipts	3,389.89	1
Payments	8,713.80	3
Closing Balance	120,403.30	

Line Totals		
	Amount	Lines
Opening Balance	125,727.21	
Receipts	3,389.89	1
Payments	8,713.80	3
Closing Balance	120,403.30	

Available Balance:
 Value Dated Balance:
 1 Day Float:
 2 Day Float:

Unreconciled: 0.00

Complete

Errors Reversals Reconciled Available Lines

7. In the **Reconcile Bank Statements** window, click on the **New** button.
8. In the **Account Number** field, enter **95-6891-3074**, the other details are automatically entered.
9. In the **Date** field enter **15-MAR-2011**.
10. In the **Statement Number** field enter **20110314-0002**.
11. In the **Control Totals** region, let's enter control totals based on our bank statement.
12. The **Opening Balance** of **125,727.21** is entered based on the previous opening balance.

Managing Cash

13. In the **Receipts** field, enter **3,389.89** and **1** in the **Lines** field.
14. In the **Payments** field, enter **8,713.80** and **3** in the **Lines** field.
15. The **Closing Balance** of **98,495.56** is entered automatically.

Let's enter the bank statement lines:

1. Click on the **Lines** button.

Bank Statement Lines - 20110314-0002

Account 95-6891-3074 Date 15-MAR-2011

Line	Type	Code	Number	Transaction Date	Value Date	Amount	Amount Reconciled	Charges	Status
1	Payment	100		15-MAR-2011	15-MAR-2011	213.80			Unreconciled
2	Receipt	200		15-MAR-2011	15-MAR-2011	3,389.89			Unreconciled
3	NSF	500		15-MAR-2011	15-MAR-2011	7,500.00			Unreconciled
4	Payment	140		15-MAR-2011	15-MAR-2011	1,000.00			Unreconciled

Buttons: Mark... Create... Errrs Reconciled Available

2. In the **Bank Statements Lines** form, enter **1** in the **Line** field.
3. Select **Payment** as the **Type**.
4. Enter **100** as the code.
5. In the **Transaction Date** field, enter **15-MAR-2011**.
6. In the **Amount** field, enter **213.80**.
7. Select the next line, and enter **2** in the **Line** field.
8. Select **Receipt** as the **Type**.
9. Enter **200** as the code.
10. In the **Transaction Date** field, enter **15-MAR-2011**.
11. In the **Amount** field, enter **3,389.89**.
12. Select the **Reference** tab, and enter **A.C. Networks**.

13. Select the next line, and enter **3** in the **Line** field.
14. Select **NSF** as the **Type**.
15. Enter **500** as the code.
16. In the **Transaction Date** field, enter **15-MAR-2011**.
17. In the **Amount** field, enter **7,500.00**.
18. Select the **Reference** tab, and enter **Advantage Corp.**
19. Select the next line, and enter **4** in the **Line** field.
20. Select **Payment** as the **Type**.
21. Enter **140** as the code.
22. In the **Transaction Date** field, enter **15-MAR-2011**.
23. In the **Amount** field, enter **1,000.00**.
24. Save the record.

Reconciling bank statements

After importing or entering the bank statements, we can run the AutoReconciliation program to automatically reconcile the bank transactions to the payables payments and receivables receipts. We can also run the bank statement import and AutoReconciliation program as we did in the previous recipe.

We can then review the AutoReconciliation execution report to identify and correct errors. We can rerun the AutoReconciliation program or perform a manual reconciliation, if necessary. In this recipe, we will review the results of the autoreconciliation program, and manually reconcile bank statements.

Getting ready

We need to have entered bank statements.

How to do it...

Let's list the steps required to reconcile bank statements:

1. Select the **Cash Management** responsibility.
2. Navigate to **Bank Statement | Bank Statements and Reconciliation**.
3. Navigate to the **Menu** and select **View | Find**.
4. In the **Account Number** field, enter **95-6891-3074**.
5. Click on the **Find** button.

Managing Cash

- Click on the **Review** button to view the status of your bank reconciliation.
- Some of the lines have been autoreconciled.

The screenshot shows the 'Bank Statement Lines' window for account 95-6891-3074 on 14-MAR-2011. The window displays a table of transactions with columns for Line, Type, Code, Number, Transaction Date, Value Date, Amount, Amount Reconciled, Charges, and Status. Line 5 is highlighted in yellow, and a 'Create' dialog box is open over it, showing a list of options with 'Miscellaneous' selected.

Line	Type	Code	Number	Transaction Date	Value Date	Amount	Amount Reconciled	Charges	Status
1	Payment	100	-1	03-MAR-2011	03-MAR-2011	3,092.26	3,092.26		Reconciled
2	Receipt	220		06-MAR-2011	06-MAR-2011	100,000.00	100,000.00		Reconciled
3	Receipt	200	REC-10001	08-MAR-2011	08-MAR-2011	25,000.00	25,000.00		Reconciled
4	Misc Payment	110		11-MAR-2011	11-MAR-2011	30.00			Unreconciled
5	Misc Receipt	240		11-MAR-2011	11-MAR-2011	37.52			Unreconciled
6	Payment	100	-1	14-MAR-2011	14-MAR-2011	3,688.05			Unreconciled
7	Receipt	200	SB-0972	14-MAR-2011	14-MAR-2011	7,500.00			Unreconciled

Let's manually reconcile the **Miscellaneous Receipt** for bank interest:

- In the **Bank Statement Lines** window, select the **Misc Receipt** line.
- Click on the **Create** button, and select **Miscellaneous**.
- In the **Miscellaneous Receipts** window, enter **Interest Income** and click on the **OK** button.
- In the **Method** field, enter **Manual - SB** (this is the receipt class for the **Bank Receipts**).
- Click on the **Create** button.
- A **Decision** box is displayed with the message "**Do you want to reconcile the receipt(s) to current statement line?**" click on the **Yes** button.
- Save the record.

Let's manually reconcile the **Miscellaneous Payment** for **Bank Charges**:

- In the **Bank Statement Lines** window, select the **Misc Payment** line.
- Click on the **Create** button, and select **Miscellaneous**.

Miscellaneous Receipts - 20110314-0001, 4, Misc Payment

Account: 95-6891-3074 Bank Name: Shepherds Bank
 Currency: USD Statement Date: 14-MAR-2011

Transaction: Bank Reference: Comment:

Receipt

Organization	Activity	Receipt Number	Date	Currency	Method	Amount	GL Date	Tax Code
Vision Operations	Bank Charge	20110314-0001	14-MAR-2011	USD	Manual - SB	<30.00>	16-MAR-2011	

3. In the **Miscellaneous Receipts** window, enter **Bank Charges** and click on the **OK** button.
4. In the **Method** field, enter **Manual - SB** (this is the receipt class for the **Bank Receipts**).
5. Click on the **Create** button.
6. A **Decision** box is displayed with the message "**Do you want to reconcile the receipt(s) to current statement line?**" click on the **Yes** button.
7. All the lines are now reconciled.
8. Save the record.

Bank Statement

Account Number: 95-6891-3074 Account Name: Shepherd Account
 Bank Name: Shepherds Bank Bank Branch: Kings Cross
 Date: 14-MAR-2011 Currency: USD
 Document Number: Statement Number: 20110314-0001
 GL Date: 16-MAR-2011 Check Digits:

Control Totals			Line Totals		
	Amount	Lines		Amount	Lines
Opening Balance	0.00		Opening Balance	0.00	
Receipts	132,537.52	4	Receipts	132,537.52	4
Payments	6,810.31	3	Payments	6,810.31	3
Closing Balance	125,727.21		Closing Balance	125,727.21	

Available Balance: Unreconciled: 0.00

Value Dated Balance: Complete

1 Day Float: []

2 Day Float: []

Errrs Reversals Reconciled Available Lines

9. Click on the **Complete** checkbox to complete the reconciliation.

How it works...

The cash management reconciliation options are set up in the system controls. The reconciliation controls region. The settings determine if:

- ▶ Only cleared transactions will be available for reconciliation
- ▶ Voided payments should be available for reconciliation
- ▶ Lines can be added to imported statements

The AutoReconciliation program performs validations when the bank statement information is loaded into the bank statement open interface tables. This includes validating:

- ▶ Bank statement header
- ▶ Control total
- ▶ Statement line
- ▶ Multicurrency

The matching order is determined when we create the bank account.

There's more...

Now, let's look at some other options that are relevant to reconciling bank statements.

Manual reconciliation

Let's manually reconcile some further transactions:

1. Select the **Cash Management** responsibility.
2. Navigate to **Bank Statement | Bank Statements and Reconciliation**.

Account Num	Statement Date	Statement Num	Complete	Opening Balance	Closing Balance	Account Name	Unreconciled Li
95-6891-3074	15-MAR-2011	20110314-0002	<input type="checkbox"/>	125,727.21	98,495.56	Shepherd Acco	6

3. Navigate to the **Menu** and select **View | Find**.
4. In the **Account Number** field, enter **95-6891-3074**.
5. Click on the **Find** button.
6. Click on the **Review** button to view the status of the bank reconciliation.
7. In the **Bank Statement** form, select the **Lines** button.

Let's reconcile a payment already entered in accounts payable:

1. Select line 1 for **213.80**, click on the **Available** button.
2. Select the **Detail** option.
3. Enter **15-Mar-2011** in the **Date** field.
4. In the **Amount** field enter **213.80**.

Available Transactions - 20110314-0002, 1, Payment,

Account 95-6891-3074

Amount Reconciled 213.80
Amount Remaining 0.00

Previous Next

Transaction				Exchange	Reference	Organization	Original		Account Currency		Amount	Cleared	Value	CL Date	Date
Type	Number	Currency	Amount	Amount	Amount	Cleared	Date	Date	CL Date	Date					
<input checked="" type="checkbox"/>	Payment	-1	USD	213.80	213.80	213.80	15-MAR-2011	15-MAR-2011	15-MAR-2011	15-MAR-2011					
<input type="checkbox"/>															
<input type="checkbox"/>															
<input type="checkbox"/>															
<input type="checkbox"/>															
<input type="checkbox"/>															
<input type="checkbox"/>															
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<input type="checkbox"/>															
<input type="checkbox"/>															
<input type="checkbox"/>															
<input type="checkbox"/>															

Maturity Date Status Negotiable

Recalculate Reconcile

5. Click on the **Find** button.
6. Select the line and click on the **Reconcile** button.
7. The line is now reconciled.

Entering AR receipts

Let's reconcile a receipt not yet entered:

1. Select line 2 for **3,389.89**, click on the **Create** button.
2. Select **AR Receipts**.
3. Enter **Manual - SB** in the **Receipt Method** field.
4. Enter **CE-0001** in the **Receipt Number** field.
5. In the **Customer Name** field, enter **A. C. Networks**.

Managing Cash

- Click on the **Search and Apply** button in the **Search and Apply** form.

Customer Name	A. C. Networks	Unapplied	0.00
Customer Number	1143	On Account	0.00
Location	Provo (OPS)	Cash Claims	0.00
Receipt Amount	USD 3,389.89	Prepayments	0.00
		Exchange Gain/Loss	0.00

Apply	Saved	Apply To	Billing Number	Installment	Apply Date	Amount Applied	Discount	Balance Due	Trans	Customer	CL
<input checked="" type="checkbox"/>	<input type="checkbox"/>	10037503		1	18-MAR-2011	3,389.89	0.00	0.00	USD	1143	15-

- Select the **Apply** checkbox on the invoice number **10037503**.
- Save the record.
- Close the form, and the **Bank Statement Lines** will be displayed.
- Select receipt line 2, click on the **Available** button.
- Enter **CE-0001** in the **Number** field.
- Click on the **Find** button.
- Select the line, and click on the **Reconcile** button.
- The line is now reconciled.

Entering AP payments

Let's reconcile a direct payment of \$1,000.00:

- Select line 4 for **1,000.00**, click on the **Create** button.
- Select **AP Payments**, and the **Payments** form is displayed.

Type	Operating Unit	Trading Partner	Supplier Number	Supplier Site	Trading Partner Address
Manual	Vision Operations	General Electric Utilities	1002	GE	

Number	Date	Amount	CL Date	Payment Amount
CE-10009	15-MAR-2011	1,000.00	15-MAR-2011	1,000.00

3. In the **Trading Partner** field select **General Electric Utilities**, and select **GE** for the **Supplier Site**.
4. In the **Payment Amount** field, enter **1,000.00**.
5. Select the **Payment Method** of **Wire**.
6. Select **Manual** as the **Payment Process Profile**.
7. Select **SB_Cheques** as the **Payment Document**.
8. The **Document Number** is automatically selected.
9. Click on the **Enter/Adjust Invoices** button.
10. Select the invoice **GE-10009**.
11. Save the record.
12. Click on the **Actions** buttons, and select the **Final Post** option.
13. Click on the **OK** button.
14. Close the form and we should be back at the **Bank Statements Line** form.
15. Click on the **Available** button, and search for the Item using the **Number 10000002**.
16. The document is displayed in the **Available Transactions** window.
17. Select the **Transaction** and click on the **Reconcile** button.
18. The line is now reconciled.

Reversing transactions

Let's reverse the receipt of \$7,500 due to insufficient funds:

1. Select the reversal button from the **Bank Statement** page.
2. In the **Date** field, enter **14-Mar-2011**.
3. In the **Amount** field, enter **7,500** and click on the **Find** button.

Transaction	Reference	Comment	Bank	Debit Memo	Organization
- Reversal -					
Type	Number	Category	Reason		
<input checked="" type="checkbox"/> Receipt	SB-0972	Non-sufficient Funds	NSF		

4. Select the **Transaction**.
5. Select the **Comment** tab, and select **Non-sufficient Funds** in the **Category** field and **NSF** in the **Reason** field.
6. Click on the **Reverse Receipt** button.
7. Close the form and select the **Lines** button.

8. Select the **NSF** line and click on the **Available** button.
9. Search for the Item using the amount **7,500** and the **Number SB-0972**.
10. The document is displayed in the **Available Transactions** window.
11. Select the **Transaction** and click on the **Reconcile** button.
12. The line is now reconciled.

See also

Paying Invoices recipe in Chapter 3, Paying Supplier Invoices in Payables

Entering receipts recipe in Chapter 6, Receiving Funds in Receivables

Creating cash forecasting

Cash forecasting is a tool that can be used to forecast the inflow and outflow of cash within the organization:

- ▶ **Inflows sources:** General Ledger, Sales, Order Management, Receivables, Treasury, Projects, and External Sources
- ▶ **Outflows sources:** General Ledger, Purchases, Payables, Payroll, Projects, Treasury, and External Sources

This can help the organization to plan liquidity requirements, and plan adequately. In this recipe, we will look at how to run cash forecast.

Getting ready

A cash forecast template is required. Let's look at a six month forecast template:

1. Select the **Cash Management** responsibility.
2. Navigate to **Cash Forecasting**.

Forecast Template: Six Month Forecast - VisionOps			
Forecast Template Header			
Template Name	Six Month Forecast - VisionOps		
Description	Six Monthly Buckets Forecast for Vision Operations		
Forecast By	GL Periods		
Overdue Transaction	EXCLUDE		
Cutoff Period			
Business Calendar			
Project Number From			
Project Number To			
Forecast Template Rows			
Details	Row Number	Source Type	Description
Show	2	Supplier Invoices	AP Invoices
Show	3	Customer Invoices	AR Invoices
Show	4	Purchase Orders	Purchase Orders
Show	5	Purchase Requisitions	Purchase Requisitions
Show	6	Sales Orders	Sales Orders

3. Select the **Forecast Templates** tab.
4. In the **Template Name** field, enter **Six Month Forecast – VisionOps**.
5. Click on the **Go** button.
6. The **Forecast Template** is displayed, click on the **Six Month Forecast – VisionOps** link.
7. The forecast is by **GL Periods** and **Overdue** transactions are excluded.
8. The row definitions are displayed, and this includes rows for **AP Invoices, AR Invoices, Purchase Orders, Purchase Requisitions, and Sales Orders**.
9. The columns are also displayed for the six months.

How to do it...

Let's run a cash forecast:

1. Select the **Cash Management** responsibility.
2. Navigate to **Cash Forecasting**.

3. Select the **Forecast Templates** tab.

Forecast Results										
Forecast Name YO Six Months Forecast - Nov-10					Forecast Currency USD			Printable Page		
Template Name Six Month Forecast - VisionOps					Factor Unit					
Display Source and Description										
Forecast Results By Transaction Source										
<input checked="" type="checkbox"/> TIP To exclude a row, uncheck the Include checkbox and click the Recalculate Summary Cashflows button. Export										
Add Row or Column		View in Discoverer Workbook								
Include	Row Number	Source	Description	Nov-10	Dec-10	Adj-10	Jan-11	Feb-11	Mar-11	
<input checked="" type="checkbox"/>	2	Supplier Invoices	AP Invoices	<10.69>	<481.05>	0.00	<1,182.94>	0.00	0.00	0.00
<input checked="" type="checkbox"/>	3	Customer Invoices	AR Invoices	0.00	2,183.60	0.00	0.00	53,746.16	38,430.26	0.00
<input checked="" type="checkbox"/>	4	Purchase Orders	Purchase Orders	0.00	<1,870.75>	0.00	0.00	<1,060.00>	0.00	0.00
<input checked="" type="checkbox"/>	5	Purchase Requisitions	Purchase Requisitions	<500.00>	<25,000.00>	0.00	0.00	0.00	0.00	0.00
<input checked="" type="checkbox"/>	6	Sales Orders	Sales Orders	0.00	0.00	0.00	14,063.60	25,000.00	0.00	0.00
<input checked="" type="checkbox"/>	7	Payroll Expenses	Prior Period Payroll	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recalculate Summary Cashflows										
Summary Cashflows				Nov-10	Dec-10	Adj-10	Jan-11	Feb-11	Mar-11	
Cash Inflow				0.00	2,183.60	0.00	14,063.60	78,746.16	38,430.26	0.00
Cash Outflow				<510.69>	<27,351.80>	0.00	<1,182.94>	<1,060.00>	0.00	0.00
Net Cashflow				<510.69>	<25,168.20>	0.00	12,880.66	77,686.16	38,430.26	0.00

4. In the **Template Name** field enter **Six Month Forecast – VisionOps**.
5. Click on the **Go** button.
6. The **Forecast Template** is displayed, click on the **Run Forecast** icon.
7. In the **Forecast Name** field, enter **YO Six Months Forecast – Nov-10**.
8. In the **Calendar Name** field, enter **Accounting**.
9. In the **Forecast Currency** and the **Source Currency** fields enter **USD**.
10. In the **Start Period** field, enter **Nov-10**.
11. Select **Entered** in the **Source Currency Type**.
12. Click on the **Submit** button.
13. Review the forecast by selecting the link.
14. The forecast is displayed.

Reviewing accounting transactions

In this recipe, we will transfer transactions to the General Ledger and review the accounting transactions generated.

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to complete the task:

1. Select the **Cash Management** responsibility.
2. Navigate to **Other | Programs | Run**, or select **View | Requests** from the menu.

3. Click on the **Submit a New Request** button.
4. Select **Single Request** from the **Options**.
5. Click on the **OK** button.
6. In the **Submit Request** form, select **Create Accounting** from the list of values.
7. Select the **Parameters** field, and select **Vision Operations (USA)** as the **Ledger**, enter **31-MAR-2011** as the **End Date**, select **Yes** as the parameter for **Post in General Ledger**, and enter **YO-CE-00001** as the **General Ledger Batch Name**.

Managing Cash

8. Accept the default values for the remaining fields.
9. Click on the **OK** button.
10. We can schedule the program to run periodically, for example, every month.
11. Click on the **Submit** button to submit the request.
12. Review the requests.
13. Navigate to **View | Requests** from the menu.
14. Click on the **find** button.
15. The **Create Accounting** program also spawns other programs to complete the transfer and posting of the journal in General Ledger.

There's more...

Now, let's review the transactions in General Ledger.

Viewing Transactions in General Ledger

Let's view the transactions from General Ledger:

1. Switch responsibilities by selecting **File | Switch Responsibility**.
2. Select the **General Ledger** responsibility.

Batch Status	Source	Category	Period	Batch Name	Journal Name	Currency	Journal Debit	Journal Credit
Posted	Manual	Adjustment	Mar-11	Manual 2932189 14-	Manual 4686160 14-	USD	100,000.00	100,000.00
Unposted	Manual	Adjustment	Mar-11	Manual 2932191 14-	Manual 4686162 14-	USD	1,000,000.00	1,000,000.00
Posted	Payables	Purchase Invoi	Mar-11	Payables A 1549007	Mar-11 Purchase Inv	USD	213.80	213.80
Posted	Payables	Purchase Invoi	Mar-11	Payables A 1549008	Mar-11 Purchase Inv	USD	213.80	213.80
Posted	Payables	Payments	Mar-11	Payables A 1550007	Mar-11 Payments US	USD	213.80	213.80
Posted	Payables	Purchase Invoi	Mar-11	Payables A 1550010	Mar-11 Purchase Inv	USD	3,092.26	3,092.26
Posted	Payables	Payments	Mar-11	Payables A 1550011	Mar-11 Payments US	USD	3,092.26	3,092.26
Posted	Payables	Purchase Invoi	Mar-11	Payables A 1551007	Mar-11 Purchase Inv	USD	1,000.00	1,000.00
Posted	Payables	Payments	Mar-11	Payables A 1551008	Mar-11 Payments US	USD	1,000.00	1,000.00
Posted	Payables	Reconciled Pay	Mar-11	Payables A 1551009	Mar-11 Reconciled P	USD	9,276.78	9,276.78

Review Journal

Review Batch

Post

Reverse Batch

Reguery

New Journal

New Batch

Tax Batch

Approve

AutoCopy...

3. Navigate to **Journals | Enter**.
4. Search for the journal, by selecting the **Period** as **Mar-11**.
5. Click on the **Review Journal** button to review the journal.

See also

Closing Payables recipe in Chapter 9, End of Period Processing

Closing receivables recipe in Chapter 9, End of Period Processing

8

Defining Transactions for the General Ledger

In this chapter, we will cover:

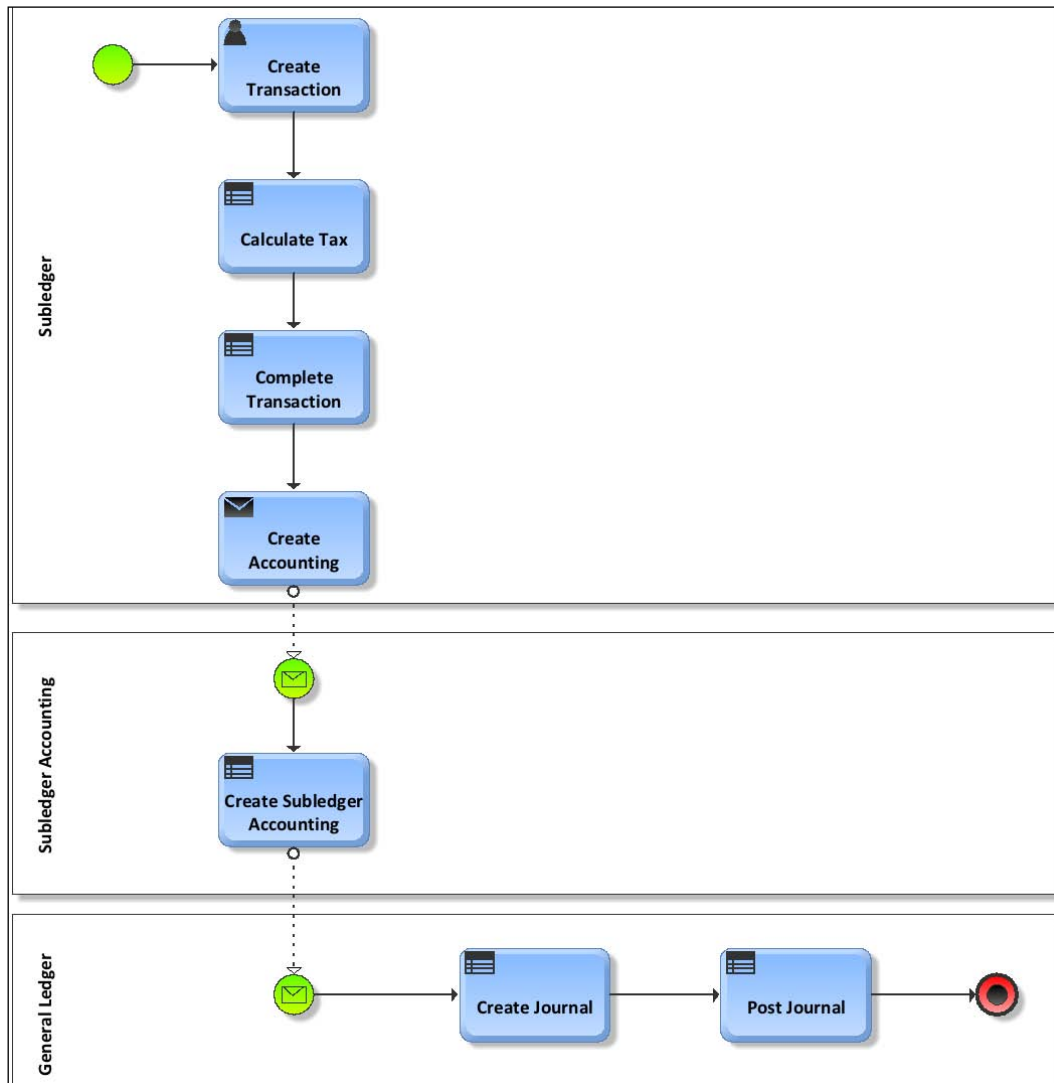
- ▶ Defining the chart of accounts
- ▶ Setting up the ledger
- ▶ Defining subledger accounting
- ▶ Defining E-Business Tax accounting

Introduction

Financial transactions are entered into ledgers. Oracle uses Subledgers (for example, Payables, Receivables, Assets, and Inventory) and the General Ledger to record the financial transactions. The transactions are entered in the Subledger and then transferred to the General Ledger through the Subledger Accounting engine. The General Ledger is used mainly to produce financial reports for decision-making.

Defining Transactions for the General Ledger

The following diagram summarizes the process for transferring financial transactions from the Subledger to the General Ledger:



1. The transactions are entered in the **Subledger**, for example, in Payables.
2. Tax is calculated on the transactions based on the E-Business tax settings.
3. The transaction is completed and we run the **Create Accounting** program to transfer the transactions to the **General Ledger**.
4. The journals are created and posted in the **General Ledger**.

Defining the chart of accounts

An organization will require accounts to be set up before transactions can be entered. The chart of accounts defines the structure of the accounts: It can be defined to fit the requirements of the organization. The structure of the chart of accounts is called the **Accounting Key Flexfield** structure. The structure is made up of segments, and each segment is made up of values. In this recipe, we define the structure of the chart of accounts for ACME Corporation in the following order: Company, Department, Account, Product, and Spare segments.

For each of the segments we will enter the name, window prompt, and assign a segment column for the order of the segment and a Value Set. The Value Set determines the type of data that can be entered in the field.

Segment	Size	Qualifier	Default Value
Company	2	Balancing	01
Department	3	Cost Center	
Account	4	Natural Accounts	
Product	3		000
Spare	3		000

Getting ready

Log in to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's list the steps required to create the Accounting Structure. The **Key Flexfield Segments** page is used to define key Flexfields:

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Flexfields | Key | Segments:**

Code	Title	Description	View Name
ACME_ACCOUNTING_FLEX	ACME_ACCOUNTING_FLEX	ACME Accounting Flexfield	
ADB_ACCOUNTING_FLEX	ADB Accounting Flex	Vision ADB Accounting Flexfield	
ADB_HOLDINGS_ACCOUNTING_FLEX	ADB Holdings Accounting Flex	Vision ADB Consolidated Accounting Flexfield	
AMW_Accounting Flex	AMW_Accounting Flexfield	ICM Accounting Flex	
ARGENTINA_ACCOUNTING_FLEX	Argentina Accounting Flex	Vision Argentina Flexfield	
AU_ACCOUNTING_FLEX	Australian Accounting Flex	Australian Accounting Flex	
Dach COA	Austrian/Swiss COA	Austrian/Swiss Chart of Accounts	
BELGIUM_ACCOUNTING_FLEX	Belgium Accounting Flex	Vision Belgium Accounting Flexfield	

Freeze Flexfield Definition Enabled Segment Separator: Period (.)
 Cross-Validate Segments Freeze Rollup Groups Allow Dynamic Inserts

3. Press the **F11** key to enter the query mode.
4. Enter **General Ledger** in the **Application** field, and press **Ctrl+F11** to run the query.
5. Click in the **Code** field, and click on the **New** icon to create a new row. The **Code** for a structure is a developer key and is used by loader programs.
6. Enter **ACME_ACCOUNTING_FLEX** in the **Code** field; the title automatically defaults to the value we entered in the **Code** field.
7. Enter **ACME Accounting Flexfield** in the **Description** field.

Let's define the segments:

1. Click on the **Segments** button to display the **Segments Summary** page to define the segments.
2. Enter **1** in the **Number** field, and enter **Company** in the **Name** field. Company is automatically entered in the **Window Prompt** field.
3. In the **Column** field select **SEGMENT1** from the **List of Values**.

The screenshot shows the 'Value Sets' configuration window with the following details:

- Value Set Name:** ACME Company
- Description:** ACME Company Segment
- List Type:** List of Values
- Security Type:** Non-Hierarchical Security
- Format Validation:**
 - Format Type:** Char
 - Maximum Size:** 2
 - Precision:** (empty)
 - Numbers Only (0-9)
 - Uppercase Only (A-Z)
 - Right-justify and Zero-fill Numbers (0001)
 - Min Value:** (empty)
 - Max Value:** (empty)
- Value Validation:**
 - Validation Type:** Independent

4. Click on the **Value Set** button to create a new value set.
5. In the **Value Set Name** field, enter **ACME Company**, and enter **ACME Company Segment** as the **Description**.
6. Select **List of Values** as the **List Type** and **Non-Hierarchical Security** as the **Security Type**.
7. In the **Format Validation** region, select **Char** as the **Format Type** as the field will contain characters. Enter **2** as the **Maximum Size** and enable the checkboxes for **Uppercase Only (A-Z)**, and **Right-justify and Zero-fill Numbers (0001)**.
8. In the **Validation Type** field select **Independent**.
9. Close the form.
10. Select the next line, and enter **Department** in the **Name** field; the **Window Prompt** is automatically entered.
11. In the **Column** field, select **SEGMENT2** from the **List of Values**.
12. In the **Value Set** field, select **Operations Department** from the **List of Values**.
13. Select the next line, and enter **Account** in the **Name** field; the **Window Prompt** is automatically entered.
14. In the **Column** field, select **SEGMENT3** from the **List of Values**.
15. In the **Value Set** field, select **Operations Account** from the **List of Values**.
16. Select the next line, and enter **Product** in the **Name** field; the **Window Prompt** is automatically entered.
17. In the **Column** field, select **SEGMENT4** from the **List of Values**.

18. In the **Value Set** field, select **Operations Product** from the **List of Values**.
19. Select the next line, and enter **Account** in the **Name** field; the **Window Prompt** is automatically entered.
20. In the **Column** field, select **SEGMENT5** from the **List of Values**:

Number	Name	Window Prompt	Column	Value Set	Enabled
1	Company	Company	SEGMENT1	ACME Company	<input checked="" type="checkbox"/>
2	Department	Department	SEGMENT2	Operations Department	<input checked="" type="checkbox"/>
3	Account	Account	SEGMENT3	Operations Account	<input checked="" type="checkbox"/>
4	Product	Product	SEGMENT4	Operations Product	<input checked="" type="checkbox"/>
5	Spare	Spare	SEGMENT5	ACME Spare	<input checked="" type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

Buttons: Value Set, Flexfield Qualifiers, New, Open

21. Click on the **Value Set** button to create a new value set.
22. In the **Value Set Name** field, enter **ACME Spare**, and enter **ACME Spare Segment** as the **Description**.
23. Select **List of Values** as the **List Type** and **Non-Hierarchical Security** as the **Security Type**.
24. In the **Format Validation** region, select **Char** as the **Format Type** as the field will contain characters. Enter **3** as the **Maximum Size** and enable the checkboxes for **Uppercase Only (A-Z)** and **Right-justify and Zero-fill Numbers (0001)**.
25. In the **Validation Type** field, select **Independent**.
26. Close the form.
27. Click on the **Save** icon to save the record.

Let's assign the Flexfield qualifiers to the segments.

Name	Description	Enabled
Cost Center Segment	This attribute is used to identify the cost center segment.	<input type="checkbox"/>
Natural Account Segm	This attribute is used to identify the natural account segment.	<input type="checkbox"/>
Balancing Segment	This attribute is used to identify the balancing segment. This	<input checked="" type="checkbox"/>
Intercompany Segmen	This attribute is used to identify the intercompany segment	<input type="checkbox"/>
Management Segment	This attribute is used to identify the management segment.	<input type="checkbox"/>
Secondary Tracking Se	This attribute is used to identify the secondary tracking segm	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

1. In the **Segments Summary** form, select the **Company** segment and click on the **Flexfield Qualifiers** button.
2. Select the enabled checkbox for the **Balancing Segment** row.
3. Click on the **Save** icon to save the record.
4. Select the **Department** row and click on the **Flexfield Qualifiers** button.

Cost Center Segment	This attribute is used to identify the cost center segment.	<input checked="" type="checkbox"/>
---------------------	---	-------------------------------------

5. Select the enabled checkbox for the **Cost Center Segment** row.
6. Click on the **Save** icon to save the record.

Natural Account Segm	This attribute is used to identify the natural account segment.	<input checked="" type="checkbox"/>
----------------------	---	-------------------------------------

7. Select the **Account** row and click on the **Flexfield Qualifiers** button.
8. Select the enabled checkbox for the **Natural Account Segment** row.
9. Click on the **Save** icon to save the record.

Let's enter some default values for the segments:

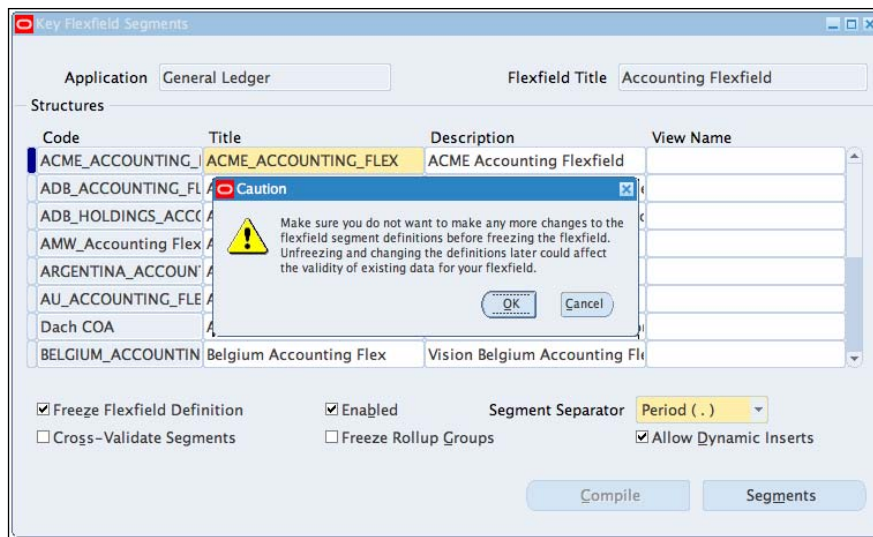
1. Select the **Company** segment, and click on the **Open** button.

The screenshot shows a window titled "Segments (Accounting Flexfield) - ACME_ACCOUNTING_FLEX". The form contains the following fields and options:

- Name: Company
- Column: SEGMENT1
- Description: Company
- Number: 1
- Enabled:
- Displayed:
- Indexed:
- Validation section:
 - Value Set: ACME Company
 - Description: ACME Company Segment
 - Default Type: Constant
 - Default Value: 01
 - Required:
 - Security Enabled:
 - Range: (empty)
- Sizes section:
 - Display Size: 2
 - Description Size: 50
 - Concatenated Description Size: 25
- Prompts section:
 - List Of Values: CO
 - Window: Company

Buttons at the bottom: Value Set, Flexfield Qualifiers.

2. In the **Validation** region, select **Constant** as the **Default Type** and enter **01** as the **Default Value**.
3. In the **Prompts** region, enter **CO** in the **List Of Values** field.
4. Save the record.
5. Select the **Spare** segment, and click on the **Open** button.
6. In the **Validation** region, select **Constant** as the **Default Type** and enter **000** as the **Default Value**.
7. Save the record.
8. Close the form.
9. In the **Key Flexfield Segments** form, select **Period (.)** as the **Segment Separator**, and select the **Allow Dynamic Inserts** checkbox to allow us to automatically enter account combinations.



10. Click on the **Freeze Flexfield Definition**, and click on the **OK** button when a **Caution** message is displayed.
11. Click on the **Compile** button to compile the **Flexfield**.
12. Click on **OK** on the displayed note, and a note is displayed to confirm that the Flexfield view **GL_CODE_COMBINATIONS_KFV** has been created.
13. The page becomes read-only, once the Flexfield definition is frozen.
14. Close the form.

How it works...

The Accounting Flexfield has a number of sections called **segments** that contain separate fields. The values in the Flexfield are populated when a user clicks on a Flexfield. The Flexfield Qualifiers are used to assign qualifiers to key flexfield segments.

There's more...

Now, let's look at some additional tasks in setting up our chart of accounts.

Entering Flexfield values

Valid values must exist in a segment before we can use the segment. Let's enter values for the Company and Spare segments:

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Flexfields | Key | Values**.

The screenshot shows the 'Segment Values' form. At the top, there are radio buttons for 'Value Set', 'Key Flexfield', 'Descriptive Flexfield', and 'Concurrent Program'. The 'Key Flexfield' option is selected. Below this, there are fields for 'Title' (Accounting Flexfield), 'Structure' (ACME_ACCOUNTING_), 'Independent Segment' (Company), 'Independent Value', 'Dependent Segment', and 'Value Description'. Below these fields, there is a section for 'Values (Company)' with a checked box. Underneath, there are two tabs: 'Values, Effective' and 'Values, Hierarchy, Qualifiers'. The 'Values, Effective' tab is active, showing a table with columns: Value, Translated Value, Description, Enabled, From, To, and a blank column. The table contains four rows of data:

Value	Translated Value	Description	Enabled	From	To	[]
01	01	ACME Corporation	<input checked="" type="checkbox"/>			
02	02	ACME Limited	<input checked="" type="checkbox"/>			
03	03	ACME LLP	<input checked="" type="checkbox"/>			
04	04	ACME S.R.L	<input checked="" type="checkbox"/>			
			<input type="checkbox"/>			
			<input type="checkbox"/>			
			<input type="checkbox"/>			

At the bottom of the form, there are three buttons: 'Define Child Ranges', 'Move Child Ranges', and 'View Hierarchies'.

3. In the **Find Key Flexfield Segment** form, select **General Ledger** in the **Application** field.
4. Select **Accounting Flexfield** in the **Title** field.
5. Select **ACME_ACCOUNTING_FLEX** in the **Structure** field, and click on the **Find** button.
6. Select the **Values, Effective** tab.
7. Enter **01** in the **Value** field, and enter **ACME Corporation** in the **Description** field.
8. Enter **02** in the **Value** field, and enter **ACME Limited** in the **Description** field.
9. Enter **03** in the **Value** field, and enter **ACME LLP** in the **Description** field.
10. Enter **04** in the **Value** field, and enter **ACME S.R.L** in the **Description** field.
11. Click on the **Save** icon to save the record.
12. Select the **Independent Segment** tab, and click on the down arrow until the **Spare** segment is displayed.

13. Select the **Values, Effective** tab.
14. Enter **000** in the **Value** field, and enter **Default** in the **Description** field.
15. Click on the **Save** icon to save the record.

Entering natural account values

Natural accounts define the classification of the nominal ledger into Assets, Liabilities, Revenue, Expense, and Owner's Equity/Stock. Let's enter values for the following accounts:

Account	Account Number	Qualifier
Cash Account	1180	Asset
ACME Suspense	2999	Liability
ACME Retained Earnings	3311	Ownership / Stock
Special Consulting	4190	Revenue
Communications	7480	Expense
Special Expense	7490	Expense

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Flexfields | Key | Values**.

3. In the **Find Key Flexfield Segment** form, select **General Ledger** in the **Application** field.
4. Select **Accounting Flexfield** in the **Title** field.
5. Select **ACME_ACCOUNTING_FLEX** in the **Structure** field, and click on the **Find** button.
6. Select the **Values, Effective** tab.
7. Select the **Value** field and click on the **New Record** icon.
8. Enter **1180** in the **Value** field, and enter **Cash Account** in the **Description** field.

9. Select the **Values, Hierarchy, Qualifiers** tab.
10. Click on the **Qualifiers** field, and select **Asset** in the **Qualifiers** field; click on **OK**.
11. Save the record.
12. Select the **Value** field and click on the **New Record** icon.
13. Enter **2999** in the **Value** field, and enter **ACME Suspense** in the **Description** field.
14. Select the **Values, Hierarchy, Qualifiers** tab.
15. Click on the **Qualifiers** field, and select **Liability** in the **Qualifiers** field, click on **OK**.
16. Save the record.
17. Select the **Value** field and click on the **New Record** icon.
18. Enter **3311** in the **Value** field, and enter **ACME Retained Earnings** in the **Description** field.
19. Select the **Values, Hierarchy, Qualifiers** tab.
20. Click on the **Qualifiers** field, and select **Ownership/Stock** in the **Qualifiers** field, click on **OK**.
21. Save the record.
22. Select the **Value** field and click on the **New Record** icon.
23. Enter **4190** in the **Value** field, and enter **Special Consulting** in the **Description** field.
24. Select the **Values, Hierarchy, Qualifiers** tab.
25. Click on the **Qualifiers** field, and select **Revenue** in the **Qualifiers** field; click on **OK**.
26. Save the record.
27. Select the **Value** field and click on the **New Record** icon.
28. Enter **7480** in the **Value** field, and enter **Communications** in the **Description** field.
29. Select the **Values, Hierarchy, Qualifiers** tab.
30. Click on the **Qualifiers** field, and select **Expense** in the **Qualifiers** field; click on **OK**.
31. Select the **Value** field and click on the **New Record** icon.
32. Enter **7490** in the **Value** field, and enter **Special Expense** in the **Description** field.
33. Select the **Values, Hierarchy, Qualifiers** tab.
34. Click on the **Qualifiers** field, and select **Expense** in the **Qualifiers** field; click on **OK**.
35. Save the record.

Setting up the ledger

Before we can start to use General Ledger, we need to create a ledger. In this recipe, we will set up the ledger for a legal entity based in the United States. The ledger consists of four main parts:

- ▶ **Chart of Accounts**—The structure of the account—**ACME_ACCOUNTING_FLEX**.
- ▶ **Accounting Calendar**—The periods and the year for the financial transactions—Monthly Accounting.
- ▶ **Currencies**—The functional currency of the financial transactions. All the current ISO 4217 currencies are seeded with Oracle E-Business Suite—We will use USD (US Dollars).
- ▶ **Subledger Accounting Method**—The accounting standards applicable for the ledger—Standard Accrual.

The Accounting Setup Manager is used to set up the ledger.

How to do it...

Let's list the steps required to set up the ledger.

Let's create a Legal Entity:

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Accounting Setup Manager | Accounting Setups**.

The screenshot shows the 'Accounting Setups' window with the 'Legal Entities' tab selected. The page has three progress indicators: 'Assign Legal Entities' (active), 'Define Accounting Representations', and 'Save Accounting Structure'. Below the progress indicators, there are three tabs: 'Assign Legal Entities', 'Define Accounting Representations', and 'Save Accounting Structure'. The 'Assign Legal Entities' tab is active, and the sub-tab 'Create Legal Entity' is selected. There are 'Cancel' and 'Apply' buttons in the top right corner.

The form is divided into two main sections: 'Identification Information' and 'Legal Address'.

Identification Information:

- * Territory: United States
- * Legal Entity Name: ACME Corporation
- * Organization Name: ACME Corporation
- * EIN/TIN: 12-3456789
- Transacting Entity: Yes

Legal Address:

Select Existing Address
 Create New Address

- * Location: Main Street
- Country: United States
- * Address1: 123 Main Street
- Address2:
- Address3:
- City: New York
- State: New York
- County: NY
- Postal Code: 10001

Defining Transactions for the General Ledger

3. In the **Accounting Setups** form, click on the **Create Accounting Setup** button.
4. In the **Assign Legal Entities** form, click on the **Create Legal Entity** button.
5. In the **Identification Information** region, select **United States** as the **Territory**.
6. In the **Legal Entity Name** field, enter **ACME Corporation**.
7. In the **Organization Name** field, enter **ACME Corporation**.
8. Enter **12-3456789** in the **EIN/TIN** field.
9. Select **Yes** in the **Transaction Entity** list.
10. In the **Legal Address** field region, click on the **Create New Address** option.
11. In the **Location** field, enter **Main Street**.
12. In the **Address1** field, enter **123 Main Street**.
13. Enter **New York** in the **City** and **State** fields.
14. In the **County** field enter **NY**.
15. In the **Postal Code** field enter **10001**.
16. Click on the **Apply** button to create the Legal entity.

Let's set up the ledger:

1. In the **Create Accounting Setup | Assign Legal Entities** form, click on the **Add Another Row** button.

The screenshot shows the 'Assign Legal Entities' step of the 'Create Accounting Setup' process. The form has a progress bar with three steps: 'Assign Legal Entities' (current), 'Define Accounting Representations', and 'Save Accounting Structure'. Below the progress bar, there are 'Cancel', 'Step 1 of 3', and 'Next' buttons. A tip indicates that this step can be skipped if not setting up accounting for a legal entity. A legend states that an asterisk indicates a required field. The main table has the following data:

*Legal Entity	Country	Legal Entity Identifier	Remove
ACME Corporation	US	US12-3456789	[Remove Icon]

There is an 'Add Another Row' button at the bottom left of the table area.

2. Enter **ACME Corporation** in the **Legal Entity** field and press the *Tab* key on the keyboard. The **ACME Corporation** legal entity will be displayed with the country and the generated **Legal Entity Identifier**; assign the value **Yes** to the **LE: Generate Legal Entity Identifier**.
3. Click on the **Next** button to define **Primary Ledger** details.

Accounting Setup Manager - Legal Entities

Assign Legal Entities Define Accounting Representations Save Accounting Structure

Create Accounting Setup: Define Accounting Representations

* Indicates required field

Cancel Back Step 2 of 3 Next

*Name	*Chart of Accounts	*Accounting Calendar	*Currency	Subledger Accounting Method	Add Reporting Currency	Additional Information
ACME Ledger	ACME_ACCOUNTING_FLEX	Accounting	USD	Standard Accruals		<ul style="list-style-type: none"> • Reporting Currencies • Secondary Ledgers • Ledger Options

4. Enter the following in the **Define Accounting Representations** form:
5. In the **Name** field, select **ACME Ledger**.
6. In the **Chart of Accounts** field, select **ACME_ACCOUNTING_FLEX**.
7. In the **Accounting Calendar** field, select **Accounting**. This is the monthly calendar.
8. In the **Currency** field select **USD**.
9. In the **Subledger Accounting Method** field, select **Standard Accruals**.
10. Click on the **Next** button to review and save the **Accounting Structure**.

There's more...

Now, let's look at some additional setup options for setting up the ledger.

Reviewing the calendar

A calendar is required for the ledger. Once a calendar is opened, the period cannot be amended. Let's look at a calendar definition:

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Calendar | Accounting**.

The screenshot shows the 'Accounting Calendar' form. At the top, the 'Calendar' field is set to 'Accounting' and the 'Description' is 'Standard Calendar January through December'. There is an unchecked checkbox for 'Enable Security'. Below this is a section titled 'Periods' which contains a table with columns for Prefix, Type, Year, Quarter, Num, From, To, Name, and Adjusting. The table lists months from April to December for the year 2012, with their respective quarters and period numbers. An 'Assign Access' button is located at the bottom of the form.

Prefix	Type	Year	Quarter	Num	From	To	Name	Adjusting
Apr	Month	2012	2	4	01-APR-2012	30-APR-2012	Apr-12	<input type="checkbox"/>
May	Month	2012	2	5	01-MAY-2012	31-MAY-2012	May-12	<input type="checkbox"/>
Jun	Month	2012	2	6	01-JUN-2012	30-JUN-2012	Jun-12	<input type="checkbox"/>
Jul	Month	2012	3	7	01-JUL-2012	31-JUL-2012	Jul-12	<input type="checkbox"/>
Aug	Month	2012	3	8	01-AUG-2012	31-AUG-2012	Aug-12	<input type="checkbox"/>
Sep	Month	2012	3	9	01-SEP-2012	30-SEP-2012	Sep-12	<input type="checkbox"/>
Oct	Month	2012	4	10	01-OCT-2012	31-OCT-2012	Oct-12	<input type="checkbox"/>
Nov	Month	2012	4	11	01-NOV-2012	30-NOV-2012	Nov-12	<input type="checkbox"/>
Dec	Month	2012	4	12	01-DEC-2012	31-DEC-2012	Dec-12	<input type="checkbox"/>

3. In the **Accounting Calendar** form, press *F11* to enter the query mode.
4. Enter **Accounting** in the **Calendar** field; press *Ctrl+F11*.
5. Review the **Calendar**; for example, note the period is month and the periods are for calendar months. You can also define other types of calendars with other periods, for example, weekly calendars.

Defining the ledger options

The ledger options define the default options used for the ledger, for example, the Accounting Calendar option, Year End processing option, Journal processing option, and the Currency Translation option. Let's define the following ledger options:

- ▶ First Ever Open Period–Dec-10
- ▶ Number of Future Enterable Periods–3
- ▶ Retained Earnings Account–01.000.3311.000.000
- ▶ Suspense Account–01.000.2999.000.000
- ▶ Rounding Differences Account–01.000.7870.000.000

- ▶ Default Period End and Average Rate Type–Corporate
 - ▶ Cumulative Translation Adjustment Account–01.000. 3500.000.000
1. Select the **General Ledger** responsibility.
 2. Navigate to **Setup | Financials | Accounting Setup Manager | Accounting Setups**.

Accounting Setups Legal Entities

Accounting Options: ACME Ledger

✓ TIP Each required setup step must be completed before you can complete your accounting setup. [Return to Accounting Setups](#)

Show Key Notation
* Indicates required setup step

Legal Entities

Add Legal Entity

Legal Entity	Country	Legal Entity Identifier	Balancing Segment Value	Update Balancing Segment Values	Remove Legal Entity	View Details
ACME Corporation	US	US12-3456789	None Specified			

Primary Ledger: ACME Ledger

Setup Step	Description	Last Update Date	Updated By	Status	Update
*Ledger Options	Define and update the journal processing options for your ledger.	31-Mar-2011	OPERATIONS		
*Reporting Currencies	Create reporting currencies and update currency conversion and journal processing options.				
Balancing Segment Value Assignments	Assign balancing segment values to the ledger.				
Subledger Accounting Options	Define rules to generate your accounting entries from subledger transactions.	31-Mar-2011	OPERATIONS		
Operating Units	Define and maintain operating units for your primary ledger.				
Sequencing	Define and maintain accounting and reporting sequencing options for ledgers and reporting currencies.				

3. In the **Accounting Setups** form, enter **ACME** in the **Search by Legal Entity** field and click on the **Go** button.
4. Select the **Update Accounting Options** icon.

Accounting Setups Legal Entities

Ledger Definition Ledger Options Advanced Options Review

Update Ledger: Ledger Definition [Cancel](#) Step 1 of 4 [Next](#)

* Indicates required fields

Standard Information

* Ledger
Ledger name must be unique

* Short Name
Ledger short name must be unique

Description

Currency **USD**

Chart of Accounts **ACME_ACCOUNTING_FLEX**

Accounting Calendar

Accounting Calendar Period Type **Accounting Month**

* First Ever Opened Period

* Number of Future Enterable Periods

Defining Transactions for the General Ledger

5. In the **Primary Ledger | ACME Ledger** region, select the **Update** icon in the **Ledger Options** step.
6. In the **Update Ledger | Ledger Definition form**, enter **Dec-10** in the **First Ever Open Period** field, and **3** in the **Number of Future Enterable Periods**.
7. Click on the **Next** button to enter the **Ledger Options**:

Accounting Setup Manager - Legal Entities

Ledger Definition | **Ledger Options** | Advanced Options | Review

Update Ledger: Ledger Options

Cancel Back Step 2 of 4 Next

* Indicates required fields

Year End Processing

* Retained Earnings Account 01.000.3311.000.000
Company.Department.Account.Product.Spare

Journal Processing

Suspense Account 01.000.2999.000.000
Company.Department.Account.Product.Spare

Rounding Differences Tracking Account 01.000.7870.000.000
Company.Department.Account.Product.Spare

Enable Intracompany Balancing
 Enable Journal Approval
 Enable Journal Entry Tax

Journal Reversal Criteria Set

Currency Translation Options

Default Period End Rate Type Corporate
Default Period Average Rate Type Corporate
Cumulative Translation Adjustment Account 01.000.3500.000.000
Company.Department.Account.Product.Spare

8. In the **Year End Processing** region, enter **01.000.3311.000.000** in the **Retained Earnings Account** field. The search form for the **Accounting Flexfield** will be displayed because the account combination has not been created.
9. Click on the **Create** button to create the account combination and click on the **Select** button.
10. In the **Journal Processing** region, enter **01.000.2999.000.000** in the **Suspense Account** field. The search form for the **Accounting Flexfield** will be displayed.
11. Click on the **Create** button to create the account combination and click on the **Select** button.
12. Enter **01.000.7870.000.000** in the **Rounding Differences Account** field. The search form for the **Accounting Flexfield** will be displayed.
13. Click on the **Create** button to create the account combination and click on the **Select** button.

14. In the **Currency Translation Options** region, select **Corporate** in the **Default Period End Rate Type** and **Default Period Average Rate Type** fields.
15. Enter **01.000. 3500.000.000** in the **Cumulative Translation Adjustment Account** field. The search form for the **Accounting Flexfield** will be displayed.
16. Click on the **Create** button to create the account combination and click on the **Select** button.
17. In the **Advanced Options** form, click on the **Next** button.
18. The **ACME Ledger** options now has a **Status** of **Complete**.
19. Click on the **Complete** button.
20. A warning message is displayed to notify the intention to save the setup options. Click on the **Yes** button.
21. The **General Ledger Accounting Setup Program** will be submitted.

Legal Entities						
Add Legal Entity						
Legal Entity	Country	Legal Entity Identifier	Balancing Segment Value	Update Balancing Segment Values	Remove Legal Entity	View Details
ACME Corporation	US	US12-3456789	None Specified			

Primary Ledger: ACME Ledger						
Setup Step	Description	Last Update Date	Updated By	Status	Update	
*ACME Ledger	Define and update the journal processing options for your ledger.	31-Mar-2011	OPERATIONS	✓		
*Reporting Currencies	Create reporting currencies and update currency conversion and journal processing options.			■		
Balancing Segment Value Assignments	Assign balancing segment values to the ledger.			■		
Subledger Accounting Options	Define rules to generate your accounting entries from subledger transactions.	31-Mar-2011	OPERATIONS	✓		
Operating Units	Define and maintain operating units for your primary ledger.			■		
Sequencing	Define and maintain accounting and reporting sequencing options for ledgers and reporting currencies.			■		

22. Click on the **Return to Accounting Setups** button.
23. The **Ledger Options Step** has now changed to **ACME Ledger**, and the **Update** button on the other steps are now enabled.

Creating the reporting currency

Reporting currencies will enable us to report on account balances in multiple currencies. Let's add a reporting currency of Euros (EUR) to our ledger:

1. Select the **General Ledger** responsibility.

- Navigate to **Setup | Financials | Accounting Setup Manager | Accounting Setups**.

Accounting Setups | Legal Entities

Accounting Setups > Accounting Options: ACME Ledger >

Update Reporting Currencies

Return to Accounting Options

Source Ledger: **ACME Ledger** Accounting Calendar: **Accounting**
 Chart of Accounts: **ACME_ACCOUNTING_FLEX** Subledger Accounting Method: **Standard Accrual**
 Currency: **USD**

Show Key Notation

Reporting Currency Assignment

Reporting currencies represent your balances, journals, and/or subledger transactions in additional currencies. Reporting currencies use the same journal processing options as their source ledger.

Add Reporting Currency

Currency	Reporting Currency Name	Description	Currency Conversion Level	Status	Disable Conversion	Update
EUR	Euro		Balance	✓	NA	

- In the **Accounting Setups** form, enter **ACME%** in the **Search by Legal Entity** field and click on the **Go** button.
- Select the **Update Accounting Options** icon.
- In the **Primary Ledger | ACME Ledger** region, select the **Update** icon in the **Reporting Currencies** setup step.
- In the **Add Reporting Currency** form, select **Balance** as the **Currency Conversion Level**.
- Select **EUR** as the **Currency**.
- Enter **Euro** as the **Reporting Currency Name** and **EUR** as the **Short Name**.
- In the **Currency Translation Options** region, select **Corporate** as the **Period End Rate Type** and **Period Average Rate Type**.
- Click on the **Apply** button.
- Click on the **Complete** button.

Assigning the Balancing Segment Values (BSV) to the ledger

Balancing Segment Values can be used to track transactions that are not related to a legal entity. Balancing Segment Values needs to be assigned to legal entities in an accounting setup before we can assign a specific balancing segment value to the ledgers in the accounting setup.

Let's assign Balancing Segment Values to our legal entity and our ledger.

- ▶ ACME Corporation (01) to the legal entity
- ▶ ACME Limited (02) to the ledger
- ▶ ACME LLP (03) to the ledger

These are the valid values that can be used for the Subledger:

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Accounting Setup Manager | Accounting Setups**.

The screenshot shows the 'Update Ledger Balancing Segment Value Assignments' form. It is divided into two main sections: 'Legal Entity Assignments' and 'Ledger Assignments'.

Legal Entity Assignments: This section has a table with columns: Focus Balancing Segment Value, Description, Start Date, and End Date. A tree view shows 'ACME Corporation' expanded to show a value '01' with the description 'ACME Corporation'.

Ledger Assignments: This section includes a tip: 'Optionally assign balancing segment values to ledgers if you want to use specific values to represent non-legal entity related transactions, such as adjustments. If you use legal entities, you must assign balancing segment values to all legal entities before you can assign values to the ledger.' Below the tip is an 'Add Balancing Segment Value' button and a table with columns: Balancing Segment Value, Description, Start Date, End Date, and Remove. The table contains two rows:

Balancing Segment Value	Description	Start Date	End Date	Remove
02	ACME Limited	<input type="text" value=""/>	<input type="text" value=""/>	<input type="button" value=""/>
03	ACME LLP	<input type="text" value=""/>	<input type="text" value=""/>	<input type="button" value=""/>

3. In the **Accounting setups** form, enter **ACME%** in the **Search by Legal Entity** field and click on the **Go** button.
4. Select the **Update Accounting Options** icon.
5. In the **Legal Entities** region, select the **Update Balancing Segment Value Assignments** icon.
6. Click on the **Add Balancing Segment Value** button, and select **01** from the list of values.
7. Click on the **Apply** button.
8. In the **Primary Ledger | ACME Ledger** region, select the **Update** icon in the **Balancing Segment Value Assignments** setup step.
9. In the **Ledger Assignments** region, click on the **Add Balancing Segment Value** button, and select **02** and **03** from the list of values.
10. Click on the **Complete** button.

Defining the operating units

Multiple operating units allow us to perform accounting transactions in one or more legal entities. Operating units are assigned to the primary ledger to separate Subledger transaction data. Let's define an operating unit for our ledger:

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Financials | Accounting Setup Manager | Accounting Setups**.

The screenshot shows the 'Accounting Setups' form in the 'Legal Entities' section. The breadcrumb trail is 'Accounting Setups > Update Reporting Currencies > Accounting Options: ACME Ledger > Operating Units: ACME Ledger > Add Operating Units: ACME Ledger'. The form includes a 'Cancel' button, an 'Add Another' button, and an 'Apply' button. A note states '* Indicates required field'. The 'Name' field contains 'ACME Corp OU' and the 'Short Code' field contains 'AOU'. Below this is an 'Assignments' section with two fields: '* Business Group' set to 'Vision Corporation' and '* Default Legal Context' set to 'ACME Corporation', both with search icons.

3. In the **Accounting Setups** form, enter **ACME%** in the **Search by Legal Entity** field and click on the **Go** button.
4. Select the **Update Accounting Options** icon.
5. In the **Primary Ledger | ACME Ledger** region, select the **Update** icon in the **Operating Units** setup step.
6. Click on the **Add Operating Unit** button.
7. In the **Name** field enter **ACME Corp OU**
8. Enter **AOU** in the **Short Code** field.
9. Enter **Vision Corporation** in the **Business Group** field.
10. Enter **ACME Corporation** in the **Default Legal Context** field.
11. Click on the **Apply** button.
12. Click on the **Complete** button.

Assigning the ledger to a responsibility

Let's create a GL responsibility called ACME GL Super User, and assign it to the OPERATIONS User:

1. Select the **System Administrator** responsibility.
2. Navigate to **Security | Responsibility | Define**.

Responsibilities

Responsibility Name: ACME GL Super User
 Application: General Ledger
 Responsibility Key: ACME_GL_SUPER_USER
 Description: ACME GL Super User

Effective Dates
 From: 31-MAR-2011
 To:

Available From
 Oracle Applications
 Oracle Self Service Web Applications
 Oracle Mobile Applications

Menu: GL_SUPERUSER
 Web Host Name:
 Web Agent Name:

Data Group
 Name: Standard
 Application: General Ledger

Request Group
 Name: GL Concurrent Program Group
 Application: General Ledger

Menu Exclusions | Excluded Items | Securing Attributes

Type	Name	Description
Function		

3. Enter **ACME GL Super User** in the **Responsibility Name** field.
4. Select **General Ledger** in the **Application** field.
5. Enter **ACME_GL_SUPER_USER** in the **Responsibility Key** field.
6. Enter **ACME GL Super User** in the **Description** field.
7. In the **Data Group** region select **Standard**, and **General Ledger** in the **Application** field.
8. Select **GL_SUPERUSER** in the **Menu** field.
9. Select **GL Concurrent Program Group** in the **Request Group** field.
10. Click on the **Save** icon to save the record.

Let's assign the responsibility to a user:

1. Navigate to **Security | User | Define**.

The screenshot shows the 'Users' window with the following fields and values:

- User Name: OPERATIONS
- Password: (empty)
- Description: Pat Stock
- Status: Active
- Password Expiration: Days, Accesses, None
- Person: Stock, Ms. Pat
- Customer: Pat Stock
- Supplier: (empty)
- E-Mail: nobody@localhost
- Fax: 555-1212
- Effective Dates: From 01-APR-1996, To (empty)

The 'Direct Responsibilities' table is shown below:

Responsibility	Application	Description	Security Group	From	To
Application Developer	Application Object L		Standard	23-APR-199	
ACME GL Super User	General Ledger		Standard	31-MAR-201	
Workflow User, Vision Ente	Application Object L		Standard	01-JAN-2000	
Workflow Administrator W	Application Object L		Standard	13-JUN-2000	
Workflow User Web Applic	Application Object L		Standard	15-MAR-2000	28-JUN-2000

2. Press **F11** to enter the query mode.
3. Enter **OPERATIONS** in **User Name** field, and press **Ctrl+F11** to execute the query.
4. Select the **Direct Responsibilities Tab**, select the **responsibility** field.
5. Select the **New Record** icon to add an additional line to the responsibilities.
6. Enter **ACME GL Super User** in the **Responsibility** field
7. Click on the **Save** icon to save the record.

Let's assign the ledger to the GL responsibility:

1. Navigate to **Profile | System**.

Profile Option Name	Site	Application	Responsibility
GL Ledger Name	Vision Operations (USA)		ACME Ledger

2. In the **Display** region, select **Responsibility** and enter **ACME GL Super User** in the **Responsibility** field.
3. In the **Profile** field, enter **GL Ledger Name**, and click on the **Find** button.
4. Enter **ACME Ledger** in the **Responsibility** field for the **GL Ledger Name** profile option.
5. Click on the **Save** icon to save the record.

Opening the first general ledger period

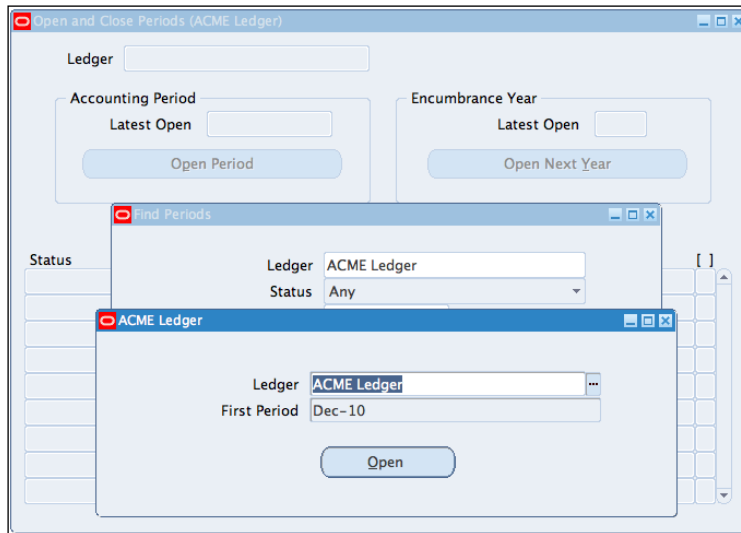
We need to open a period before we can start to enter transactions.



Once the first period is opened, we cannot reverse this action.

1. Select the **ACME GL Super User** responsibility.

2. Navigate to **Setup | Open/Close**.



3. In the **Find Periods** form, click on the **Find** button.
4. The **First Open Period** form is displayed for the **ACME Ledger**.
5. Click on the **Open** button.
6. In the decision box, click on the **Yes** button to confirm that we want to open the first period.
7. The **Open Period** concurrent program starts to open the first period.

Let's review the opened periods:

1. Navigate to **Setup | Open/Close**.
2. In the **Find Periods** form, click on the **Find** button.
3. The **Open and Close Periods (ACME Ledger)** form displays the open periods.

Creating journals

Let's create a journal in the new ledger:

1. Select the **ACME GL Super User** responsibility.
2. Navigate to **Journal | Enter**.

Journals (ACME Ledger) - ACME-100001 31-MAR-2011 15:57:03

Journal: ACME-100001
 Description: My First Journal
 Ledger: ACME Ledger
 Period: Dec-10
 Balance Type: Actual
 Clearing Company:
 Journal Type: Standard

Category: Adjustment
 Effective Date: 31-DEC-2010
 Budget:
 Tax: Not Required
 Control Total:

Conversion
 Currency: USD
 Date: 31-DEC-2010
 Type: User
 Rate: 1

Reverse
 Date:
 Period:
 Method: Switch Dr/Cr
 Status: Not Reversed
 Reverse

Line	Account	Debit (USD)	Credit (USD)	UOM	Qty	Description
10	01.000.1180.000.000	100,000.00				My First Journal
20	01.000.3311.000.000		100,000.00			My First Journal
		100,000.00	100,000.00			

Acct Desc: ACME Corporation.No Department.ACME Retained Earnings.No Product.Default

Buttons: Post, AutoCopy Batch..., Approve, Line Drilldown..., T Accounts..., Check Funds, Reserve Funds, View Results, Change Period..., Change Currency...

- Click on the **New Journal** button.
- In the **Journal** field enter **ACME-100001**.
- Enter **My First Journal** as the **Description**.
- Select the **Lines** tab, and enter **10** in the **Line** field.
- Enter **01.000.1180.000.000** in the **Account** field and **100,000.00** in the **Debit** field.
- Select the next line and enter **01.000.3311.000.000** in the **Account** field and **100,000.00** in the **Credit (USD)** field. The line number of **20** is automatically entered.
- Click on the **Save** icon to save the record.
- Click on the **Post** button to post the journal. Journals can also be posted using the concurrent program.

Defining Subledger accounting

When we record a transaction, Oracle Subledger Accounting Method identifies the associated Journal Line Types, Account Derivation Rules, and Journal Entry Descriptions to generate accounting events based on the Event Class Type.

At the end of the period, we run the **Create Accounting** program to generate Subledger journals in the Subledgers. The accounting transactions are transferred by journal entries from the Subledger to the appropriate ledgers in General Ledger.

Defining Transactions for the General Ledger

In this recipe, we will look at how to define an accounting entry for a Payable transaction. We will demonstrate how any accounting distribution entered for the Miscellaneous expense type in Payables can be changed in Subledger Accounting Method to a special account distribution of **01-CEO-7490-0000-00014** in General Ledger.

The core steps are as follows:

- ▶ Create a Journal Type called Special Expense.
- ▶ Setup the Journal Lines Definition for the Special Expense.
- ▶ Create an Account Derivation Rule for the Special Expense Journal Line Type. This will use the account code of 01-CEO-7490-0000-00014 for the Special Expense Account.
- ▶ Set up the Application Accounting Definitions.
- ▶ Set up the Subledger Accounting Method.
- ▶ Assign the Subledger Accounting Method to the ledger.
- ▶ Create a payables invoice and create accounting to view the transactions.

How to do it...

Let's list the steps required to complete the task.

Create Journal Line Types:

1. Select the **Payables** responsibility.
2. Navigate to **Setup | Accounting Setups | Subledger Accounting Setup | Accounting Methods Builder | Journal Entry Setups | Journal Line Types**.

The screenshot shows the 'Journal Line Types' configuration window. The 'Application' is set to 'Payables', 'Event Class' is 'Invoices', 'Line Type Code' is 'SPECIAL_EXPENSE', 'Name' is 'Special Expense', and 'Description' is 'Special Expense'. The 'Owner' is 'User', 'Accounting Class' is 'Miscellaneous Expense', and 'Rounding Class' is 'Miscellaneous Expense'. The 'Enabled' checkbox is checked. Under 'Options', 'Balance Type' is 'Actual', 'Side' is 'Debit', 'Switch Debit/Credit' is 'Yes', 'Merge Matching Lines' is 'No', and 'Subledger Gain/Loss' is 'No'. Under 'Chart of Accounts', 'Transaction' is empty. Under 'Business Flow', 'Method' is 'None' and 'Class' is empty. Under 'Multiperiod', 'None' is selected. Under 'Transfer to GL', 'Summary' is selected. At the bottom, there are buttons for 'Copy', 'Conditions (K)', and 'Accounting Attribute Assignments'.

3. Click on the **New** button.
4. Select **Invoices** in the **Event Class** field and enter **SPECIAL_EXPENSE** in the **Line Type Code** field.
5. Enter **Special Expense** in both the **Name** field and the **Description** field.
6. Select **Miscellaneous Expense** in the **Accounting Class** and the **Rounding Class** fields.
7. Select **Actual** in the **Balance Type** region.
8. Select **Debit** in the **Side** region. The transaction is for a debit amount.
9. Select **Yes** from the **Switch Debit/Credit** drop-down list.
10. Select **No** in the **Merge Matching Lines** and the **Subledger Gain/Loss** fields.
11. Select **Summary** in the **Transfer to GL** region.
12. Click on the **Conditions(K)** button to enter the **Journal Line Type Conditions**.

Seq	Source	Segment	Operator	Value Type	Value	Segment	And/Or
10	Invoice Distribution Type		=	Constant	Miscellaneous		

13. Enter **10** in the **Seq** field.
14. Select **Invoice Distribution Type** in the **Source** field.
15. Select **=** in the **Operator** field.
16. Select **Constant** in the **Value Type** field.
17. Select **Miscellaneous** in the **Value** field.
18. Save the record.

Let's set up the Journal Lines Definition.

1. Navigate to **Setup | Accounting Setups | Subledger Accounting Setup | Accounting Methods Builder | Methods and Definition | Journal Lines Definitions**.
2. In the **Journal Lines Definitions** form, select **Invoice** in the **Event Class** field, and click on the **Find** button.
3. Click on the **Copy Definition** button.

The screenshot shows the 'Journal Lines Definitions' window. At the top, there are input fields for 'Application' (Payables), 'Event Class' (Invoices), 'Definition Code' (ACME_ACCRUAL_INV), 'Definition Name' (ACME Accrual Invoices), and 'Description' (ACME Accrual Invoices). To the right, 'Event Type' is set to 'All' and 'Owner' is 'User'. There are checkboxes for 'Enabled' (checked) and 'Budgetary Control' (unchecked). Below this is the 'Chart of Accounts' section with 'Transaction' and 'Accounting' both set to 'Operations Accounting Flex'. The 'Line Assignments' section contains a table with the following data:

Journal Line Type	Owner	Inherit	Line Description	Owner	Active
Accrual	Oracle	<input type="checkbox"/>	Invoice Distribution Description	Oracle	<input checked="" type="checkbox"/>
Special Expense	User	<input type="checkbox"/>	Invoice Distribution Description	Oracle	<input checked="" type="checkbox"/>
Exchange Rate Variance	Oracle	<input type="checkbox"/>	Invoice Distribution Description	Oracle	<input checked="" type="checkbox"/>
Freight Expense	Oracle	<input type="checkbox"/>	Invoice Distribution Description	Oracle	<input checked="" type="checkbox"/>
Invoice Price Variance	Oracle	<input type="checkbox"/>	Invoice Distribution Description	Oracle	<input checked="" type="checkbox"/>

Below the table are buttons for 'Line Type', 'Line Description', 'Multiperiod Accounting', and 'Copy Line Assignment'. At the bottom, there are tabs for 'Account Derivation Rules' and 'Supporting References', and buttons for 'Account Derivation Rule', 'Supporting References', and 'Copy Definition'.

4. Enter **ACME_ACCRUAL_INV** in the **Definition Code** field.
5. Enter **ACME Accrual Invoices** in the **Definition Name** field.
6. Select **Operations Accounting Flex** in both the **Transaction** and the **Accounting** fields.
7. Select the **Copy Line Assignments** and **Display after Copy** checkboxes.
8. Click on the **Done** button.
9. In the **Journal Lines Definition** form, select a new line in the **Line Assignments** region.
10. Select **Special Expense** in the **Journal Line Type**.
11. Scroll to the **Miscellaneous Expense** Journal Line Type, and uncheck the **Active** checkbox.
12. Save your work.

Let's create an Account Derivation Rule for the Journal Line Type:

1. In the **Journal Lines Definitions** window, select **Special Expense** in the **Journal Line Type** field.
2. Click on the **Account Derivation Rule** button.
3. Click on the **New** button.

Account Derivation Rules

Application: Payables
 Rule Code: SPECIAL_EXPENSE
 Rule Name: ACME Special Expense Acc
 Description: ACME Special Expense Account
 Owner: User
 Enabled
 Copy

Chart of Accounts
 Transaction:
 Accounting: Operations Accounting Fle

Output Type
 Flexfield
 Segment
 Value Set

Priorities

Priority	Value Type	Value	Input Source	Segment
1	Constant	01-CEO-7490-0000-000...		

Condition:

Mapping Set Conditions

4. Enter **SPECIAL_EXPENSE** in the **Rule Code** field.
5. Enter **ACME Special Expense Account** in the **Rule Name** field.
6. Enter **ACME Special Expense Account** in the **Description** field.
7. Select **Operations Accounting Flex** in the **Accounting** field.
8. Select the **Flexfield** radio button.
9. Enter **1** in the **Priority** field.
10. Select **Constant** in the **Value Type** field.
11. Enter **01-CEO-7490-0000-00014** in the **Value** field.

Defining Transactions for the General Ledger

- Save the record and close the form.

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	ACME Special Expense Acc	User	ACME Special Expense Acco	
	<input type="checkbox"/>				
	<input type="checkbox"/>				

- In the **Journal Lines Definitions** window, select the **Special Expense** type.
- Select the **Account Derivation Rules** tab.
- Select **All Segments** in the **Segment** field.
- Select **ACME Special Expense Account** in the **Rule Name** field.
- Save the record.

Let's set up the Application Accounting Definitions:

- Navigate to **Setup | Accounting Setups | Subledger Accounting Setup | Accounting Methods Builder | Methods and Definitions | Application Accounting Definitions**.

Application Accounting Definitions

Application: Payables
 Definition Code: ACME_ACCRUAL
 Definition Name: ACME Payables Accruals
 Description: ACME Payables Accruals
 Owner: User
 Version:
 Enabled

Chart of Accounts
 Transaction: Operations Accounting File
 Accounting: Operations Accounting File

Event Class and Event Type Assignments

Event Class	Event Type	Validation Status	Create Accounting	Locked
Credit Memos	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Debit Memos	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Future Dated Payments	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Invoices	All	Not Validated	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Header Assignments

Journal Lines Definition Assignments

Journal Lines Definition Name	Owner	Description
ACME Accrual Invoices	User	ACME Accrual Invoices

Journal Line Definition Validate Copy

2. Enter **Accrual Basis** in the **Definition Name** field.
3. Click on the **Find** button.
4. Click on the **Copy** button to copy the definition to our new definition.
5. Enter **ACME_ACCRUAL** in the **Definition Code** field.
6. Enter **ACME Payables Accruals** in the **Definition Name** field.
7. Select **Operations Accounting Flex** in the **Accounting** and **Transaction** fields.
8. Deselect **Line Assignments**.
9. Click on the **Done** button.
10. In the **Journal Lines Definition Assignments** region, select **ACME Accrual Invoices** in the **Journal Lines Definition Name** field.
11. Click on the **Validate** button to validate the definition.

Let's set up the Subledger Accounting Method (SLAM) by copying and modifying an existing Subledger Accounting Method:

1. Navigate to **Setup | Accounting Setups | Subledger Accounting Setup | Accounting Methods Builder | Methods and Definitions | Subledger Accounting Methods**.

The screenshot displays the 'Subledger Accounting Methods' window. At the top, the 'Method Code' is 'STANDARD_ACCRUAL' and the 'Method Name' is 'Standard Accrual'. The 'Owner' is 'Oracle' and the 'Enabled' checkbox is checked. A modal dialog box titled 'Copy Subledger Accounting Method' is open in the center. Inside this dialog, the 'Method Code' is 'ACME_STANDARD_ACCRU', the 'Name' is 'ACME Standard Accrual', and the 'Description' is 'ACME Standard Accrual'. Under the 'Chart of Accounts' section, both 'Transaction' and 'Accounting' are set to 'Operations Accounting Fle'. The 'Display After Copy' checkbox is checked. At the bottom of the dialog are 'Done' and 'Cancel' buttons. Below the dialog, the 'Description' field shows 'Standard Accounting for Assets'. At the very bottom of the main window are three buttons: 'Accounting Setups', 'Application Accounting Definition', and 'Copy'.

Defining Transactions for the General Ledger

2. Enter **Standard Accrual** in the **Method Name** field, and click on the **Find** button.
3. Click on the **Copy** button to copy the **Subledger Accounting Method**.
4. Enter **ACME_STANDARD_ACCRUAL** in the **Method Code** field.
5. Enter **ACME Standard Accrual** in the **Name** field.
6. Enter **ACME Standard Accrual** in the **Description** field.
7. Select **Operations Accounting Flex** in the **Accounting** and the **Transaction** fields.
8. Click on the **Done** button.

Application	Name	Owner	Start Date	End Date
Cost Management	Cost Management	Oracle	01-JUN-2001	
Leasing and Finance Man	Lease Default	Oracle	01-JAN-2000	
Loans	Loans Standard Accrual	Oracle	01-JAN-1990	
Oracle Price Protection	Price Protection Default Accru	Oracle	14-DEC-2007	
Payables	Accrual Basis	Oracle	01-JAN-1951	31-MAR-2011
Payables	ACME Payables Accruals	User	01-APR-2011	

Let's enter an End Date to an existing Application Accounting Definition and add a new one:

1. Select the **Payables** line and enter an **End Date** of **31-MAR-2011**.
2. Add a new line and in the **Applications** field, select **Payables**.
3. Select **ACME Payables Accrual** in the **Name** field and enter **01-APR-2011** in the **Start Date** field.
4. Save the record and close the form.

Let's assign the Subledger Accounting Method to the Vision Operations (USA) ledger:

1. Navigate to **Setup | Accounting Setups | Ledger Setup | Define | Accounting Setups**.
2. Search for the **Vision Operations (USA)** ledger.

Subledger Accounting

✓ **TIP** These fields are only required if using Oracle Subledger Accounting.

* Subledger Accounting Method Open Subledger Accounting Method

Subledger Accounting Method Owner **User**

* Journal Entry Language

Entered Currency Balancing Account

Company-Department-Account-Sub-Account-Product

Use Cash Basis Accounting
This option pertains to Oracle Payables only.

Balance Subledger Entries by Ledger Currency

3. In the **Primary Ledger** region, click the **Update** icon in the ledger setup step.
4. In the **Subledger Accounting Method** region, change the **Subledger Accounting Method** to **ACME Standard Accrual**.
5. Click on the **Finish** button.

Let's create a Payables Invoice:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

Invoice Workbench (Payables, Vision Operations (USA))

Batch Control Total Batch Actual Total

Supplier Taxpayer ID	Type	PO Number	Trading Partner	Supplier Number	Supplier Site	Invoice Date	Invoice Number	Invoice Currency	Invoice Amount	Tax Amount
	Standard		Acacia Suj	1004	ACACIA	02-APR-20	ACA-10098	USD	1,269.00	269.00

1 General 2 **Lines** 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Standard Total
Gross 1,269.00 Retained Net 1,269.00

Num	Type	Amount	Distribution Account	Description	Distribution Set	Product Type	Ship to	Tax Classification
1	Miscella	1,000.00	01-110-7410-0000-00				M1- ACME S	
2	Tax	200.00		SALES TAX - SALES T				
3	Tax	4.00		US-SALES-TAX-101				
4	Tax	0.00		US-SALES-TAX-101				
5	Tax	65.00		US-SALES-TAX-101				

Discard 1 Distributions Allocations

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions

3. Select **Acacia Suppliers** in the **Trading Partner** field.

Defining Transactions for the General Ledger

4. Enter **1,269.00** in the **Invoice Amount** field.
5. Select the **Lines** tab and select **Miscellaneous** in the **Type** field.
6. Enter **1,000.00** in the **Amount** field and **01-110-7410-0000-000** in the **Distribution Account** field.
7. Click on the **Calculate Tax** button to calculate the tax on the invoice.
8. Click on the **Actions... 1** button and select validate to validate the invoice.

Let's create the accounting and review the transactions:

1. Click on the **Actions... 1** button and select the **Create Accounting** checkbox.

Subledger Journal Entry Lines

Advanced Search

Specify parameters and values to filter the data that is displayed in your results set.

Show table data when all conditions are met.
 Show table data when any condition is met.

Ledger is [dropdown]
Balancing Segment is [dropdown]
Natural Account Segment is [dropdown]
GL Date is [dropdown]

Go Clear Add Another Accounted CR Add

Select Subledger Journal Entry Lines: View Transaction View Journal Entry Export

Select	Ledger	Account	AccountDescription	GL Date	Accounting Class	Accounted DR	Accounted CR	Supporting References
<input checked="" type="radio"/>	Vision Operations (USA)	01-CEO-7490-0000-000	Operations-CEO Office Management-Special Expense-No Sub Account-No Product	02-Apr-2011	Miscellaneous Expense	1,000.00		00
<input type="radio"/>	Vision Operations (USA)	01-110-7410-0000-000	Operations-Facilities Resources-Utilities-No Sub Account-No Product	02-Apr-2011	Non-Recoverable Tax	200.00		00
<input type="radio"/>	Vision Operations (USA)	01-110-7410-0000-000	Operations-Facilities Resources-Utilities-No Sub Account-No Product	02-Apr-2011	Non-Recoverable Tax	65.00		00
<input type="radio"/>	Vision Operations (USA)	01-110-7410-0000-000	Operations-Facilities Resources-Utilities-No Sub Account-No Product	02-Apr-2011	Non-Recoverable Tax	4.00		00
<input type="radio"/>	Vision Operations (USA)	01-000-2210-0000-000	Operations-No Department-Accounts Payable-No Sub Account-No Product	02-Apr-2011	Liability		1,000.00	00
<input type="radio"/>	Vision Operations (USA)	01-000-2210-0000-000	Operations-No Department-Accounts Payable-No Sub Account-No Product	02-Apr-2011	Liability		200.00	00
<input type="radio"/>	Vision Operations (USA)	01-000-2210-0000-000	Operations-No Department-Accounts Payable-No Sub Account-No Product	02-Apr-2011	Liability		65.00	00
<input type="radio"/>	Vision Operations (USA)	01-000-2210-0000-000	Operations-No Department-Accounts Payable-No Sub Account-No Product	02-Apr-2011	Liability		4.00	00

2. Select **Draft** in the **Mode** field.
3. Click on the **OK** button.
4. Select **Reports** on the **Menu**, and select **View Accounting**.
5. The Subledger journal entries are displayed in the **Results** region.
6. Observe that the **Miscellaneous Expense** shows the account **01-CEO-7490-0000-000**.

How it works...

The Subledger Accounting Method uses the Accounting Definition Assignment to determine the basis for determining the accounting transaction for a Subledger. The Event Class and the Event Type assignments classify the transaction types for the accounting rule and the possible actions for the accounting transaction.

The Account Derivation rules are assigned to the Application definition through the Journal assignment.

See also

Entering invoices, recipe in Chapter 3, Paying Suppliers Invoices in Payables

Defining E-Business Tax

Countries have a tax authority that regulates tax law. The laws have rules, which are set by the tax authorities. Rules determine the treatment of taxes set by the tax authorities. The rules are applicable within a boundary. Oracle E-Business Suite uses **E-Business Tax (EBTAX)** to calculate the tax on transactions based on rules.

The key steps in defining EBTAX are listed as follows:

- ▶ Create Tax Regime—the set of rules
- ▶ Create Tax
- ▶ Create Tax Status
- ▶ Create Tax Rate
- ▶ Create Tax Jurisdiction—boundaries where the tax is applicable
- ▶ Create Tax Account
- ▶ Create Defaulting Rules

In this recipe, we will look at the steps required to set up a new tax rule within a boundary for a tax authority.

Let's assume that the government has decided to introduce an additional Sales Tax of 20 percent to start on 01-APR-2011. In this recipe, we will define the new tax and enter a payables transaction for this new tax.

Getting ready

Login to Oracle E-Business Suite R12 with the username and password assigned to you by the system administrator. If you are working on the Vision demonstration database, you can use OPERATIONS/WELCOME as the USERNAME/PASSWORD.

How to do it...

Let's start by creating a transaction in payables to assess the current tax calculation:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.

3. Select **Consolidated Suppliers** in the **Trading Partner** field.
4. Enter **3,688.05** in the **Invoice Amount** field.
5. Select the **Lines** tab and select **Item** in the **Type** field.
6. Enter **3,450.00** in the **Amount** field.
7. Click on the **Calculate Tax** button, to calculate the tax on the invoice.
8. Observe that three **Tax** lines of **13.80**, **0.00**, and **224.25** are added to the **Tax** line.

The tax lines are added based on the default rules set up in E-Business Tax. Let's set up the new tax rules.

Let's create a Tax Regime:

1. Navigate to **Tax Configuration | Tax Regimes**.
2. Click on the **Create** button.

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes >

Create Tax Regime: Main Details

Cancel Continue

Main Information

* Indicates required field

* Tax Regime Code SALES TAX

* Name Sales Tax

Regime Level Country

* Country Name United States

Parent Regime Code

* Effective From 01-Apr-2011

Effective To

(example: 17-Mar-2011)

Used to group Regimes

Hide Controls and Defaults

3. Enter **SALES TAX** in the **Tax Regime Code** field.
4. Enter **Sales Tax** in the **Name** field.
5. Select **Country** in the **Regime Level** field.
6. Select **United States** in the **Country Name** field.
7. Enter **01-APR-2011** in the **Effective From** field.
8. In the **Controls** and **Defaults** region, expand the **Show Controls and Defaults** link.

Controls and Defaults

Controls

Enable the options that you want to make available to taxes in this tax regime.

Allow Tax Recovery

Allow Override and Entry of Inclusive Tax Lines

Allow Tax Exemptions

Allow Tax Exceptions

Defaults

Enter the default values to apply to all taxes in this regime. You can override these defaults at the tax level.

Tax Currency USD

Minimum Accountable Unit 0.01

Rounding Rule Nearest

Tax Precision 2

Allow Tax Inclusion Allow Multiple Jurisdictions

Allow Tax Rounding Override

Exchange Rate Type

Reporting Tax Authority

Collecting Tax Authority

Default Recovery Settlement

Use Legal Registration Number

9. Enable the following fields in the **Controls** region:
 - Allow Tax Recovery**
 - Allow Tax Exemptions**
 - Allow Tax Exceptions**

Defining Transactions for the General Ledger

10. In the **Defaults** region, enter the following information:
 - ❑ Enter **USD** in the **Tax Currency** field
 - ❑ Enter **0.01** in the **Minimum Accountable Unit** field
 - ❑ Select **Nearest** in the **Rounding Rule** field
 - ❑ Enter **2** in the **Tax Precision** field
11. Click on the **Continue** button.

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes > Create Tax Regime: Main Details >

Create Tax Regime: Configuration Options

Cancel Back Finish

Tax Regime Code SALES TAX
Name Sales Tax

* Indicates required field
✓ TIP Date format example: 17-Mar-2011

Add Multiple Parties

*Party Name	Party Type	Address	Country Name	Configuration for Taxes and Rules	Configuration for Product Exceptions	*Effective From	Effective To	Service Subscriptions	Remove
Vision Operations	First Party	475 Park Avenue New York New York NY 10022	United States	Common Configuration	Common Configuration	01-Apr-2011			
ACME Corporation	First Party	123 Main Street New York New York NY 10001	United States	Common Configuration	Common Configuration	01-Apr-2011			

12. Select **Vision Operations** in the **Party Name** field.
13. Select **Common Configuration** in the **Configuration for Taxes and Rules**.
14. Enter **01-Apr-2011** in the **Effective From** field.
15. Select the next line.
16. Select **ACME Corporation** in the **Party Name** field.
17. Select **Common Configuration** in the **Configuration for Taxes and Rules**.
18. Enter **01-Apr-2011** in the **Effective From** field.
19. Click on the **Finish** button.

Let's create a Tax:

1. Navigate to **Tax Configuration | Tax Regimes**.

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Regimes

Search

* Indicates required field

Regime Level

* Country Name

Tax Regime Code

Name

What is a Tax Regime?
In Oracle E-Business Tax, a Tax Regime is the system of regulations for the determination and administration of one or more taxes.
[Learn More...](#)
TIP Use the Regime to Rate Flow icon to view and maintain each tax regime and its related setup information.

Regime Code	Name	Country Name	Regime Group	Effective From	Effective To	Update	Regime to Rate Flow
SALES TAX	Sales Tax	United States	No	01-Apr-2011			

2. Enter **United States** in the **Country Name** field.
3. Enter **Sa%** in the **Tax Regime Code** field.
4. Click on the **Go** button.
5. Select the **Regime to Rate Flow** icon.

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes >

Regime to Rate Flow

Search

Tax Regime Code **SALES TAX**

Tax

Tax Status Code

Tax Rate Code

Tax Jurisdiction Code

The following table will allow you to drill down to each level within the Regime to Rate Flow.

[Expand All](#) | [Collapse All](#)

Focus Code	Level Name or Jurisdiction Name for Rate Level Type	Level Type	Configuration Owner	Create Tax	Create Tax Status	Create Tax Rate	Update
SALES TAX	Sales Tax	Regime					

6. Select the **Create Tax** icon.

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes > Regime to Rate Flow >

Create Tax

* Indicates required field

Main Information

* Tax Regime Code

* Configuration Owner

Tax Source

* Tax

* Tax Name

Tax Type

* Effective From

Effective To

Make Tax Available for Transactions

Geography Type

Parent Geography Type

Parent Geography Name

Override Geography Type

* Tax Currency

Minimum Accountable Unit

Rounding Rule

Tax Precision

Exchange Rate Type

Compounding Precedence

Reporting Tax Authority

Collecting Tax Authority

Applied Amount Handling

Set as Offset Tax

Set Tax for Reporting Purposes Only

[Show Controls and Defaults](#)

Defining Transactions for the General Ledger

7. Select **SALES TAX** in the **Tax Regime Code** field.
8. Select **Global Configuration Owner** in the **Configuration Owner** field.
9. Select **Create a new tax** in the **Tax Source** field.
10. Enter **SALES TAX** in the **Tax** field.
11. Enter **Sales Tax** in the **Tax Name** field.
12. Enter **SALES_TAX** in the **Tax Type** field.
13. Enter **01-Apr-2011** in the **Effective From** field.
14. Select **COUNTRY** in the **Geography Type** and the **Parent Geography Type** fields.
15. Select **United States** in the **Parent Geography Name** field.

Controls and Defaults

Controls

The following values if set enable the relevant functionality for this tax.

Allow Tax Inclusion

- Allow Override and Entry of Inclusive Tax Lines
- Allow Tax Rounding Override
- Allow Override for Calculated Tax Lines
- Allow Entry of Manual Tax Lines
- Use Legal Registration Number
- Allow Duplicate Tax Registration Numbers
- Allow Multiple Jurisdictions [?](#)

Tax Accounts Controls

The following values control how accounts are defined for this tax.

Tax Accounts Creation Method:

Tax Exceptions/Exemptions Controls

The following values enable and control how exceptions and exemptions are defined for this tax.

- Allow Tax Exceptions
- Allow Tax Exemptions

Tax Exceptions Creation Method:

Tax Recovery Controls

The following enable and control the tax recovery functionality for this tax.

- Allow Tax Recovery

Defaults

The following values will default for all tax statuses within this tax and can be overridden at the tax status level.

- Allow Tax Rate Rules

16. Expand the **Show Controls and Defaults**.
17. Enable the following tax controls:
 - Allow Override for Calculated Tax Lines**
 - Allow Entry of Manual Tax Lines**
 - Allow Tax Exceptions**
 - Allow Tax Exemptions**
18. Click on the **Apply** button.

Let's create a Tax Status:

1. Navigate to **Tax Configuration | Tax Statuses**.
2. Click on the **Create Tax Status** icon.

Home Tax Configuration Products Parties Transactions Defaults and Controls Provider Services Advanced Setup Options Requests

Tax Regimes Taxes Tax Statuses Tax Jurisdictions Tax Recovery Rates Tax Rates Tax Rules

Tax Configuration: Tax Statuses >

Create Tax Status

* Indicates required field

Cancel Create Another Apply

Main Information

* Tax Regime Code SALES TAX

* Configuration Owner Global Configuration Owner

* Tax SALES TAX

* Tax Status Code ACME Sales Tax Code

* Name ACME Sales Tax

* Effective From 01-Apr-2011
(example: 17-Mar-2011)

Effective To

Set as Default Tax Status

Default Controls

Allow Tax Exemptions Allow Tax Rate Override

Allow Tax Exceptions

3. Enter **ACME Sales Tax Code** in the **Tax Status Code** field.
4. Enter **ACME Sales Tax** in the **Name** field.
5. Enter **01-Apr-2011** in the **Effective From** field.
6. Click on the **Apply** button.

Let's create a Tax Rate:

1. Navigate to **Tax Configuration | Tax Rates**.
2. Click on the **Create Tax Rate** icon.

Home Tax Configuration Products Parties Transactions Defaults and Controls Provider Services Advanced Setup Options Requests

Tax Regimes Taxes Tax Statuses Tax Jurisdictions Tax Recovery Rates Tax Rates Tax Rules

Tax Configuration: Tax Rates >

Create Tax Rate

* Indicates required field

Cancel Create Another Apply

* Tax Regime Code SALES TAX

* Configuration Owner Global Configuration Owner

* Tax SALES TAX

* Tax Status Code ACME SALES TAX CODE

Tax Jurisdiction Code

* Tax Rate Code ACME Sales Tax

Tax Regime Name Sales Tax

Rate Type Percentage

Tax Name Sales Tax

Tax Status Name ACME Sales Tax

Tax Jurisdiction Name

Rate Periods

✓ TIP Date format example: 17-Mar-2011

*Percentage Rate	*Effective From	Effective To	Rate Details	Tax Accounts	Duplicate Details	and Accounts	Remove
20	01-Apr-2011						

Add Another Row

Defining Transactions for the General Ledger

3. Enter **ACME Sales Tax** in the **Tax Rate Code** field.
4. Select **Percentage** in the **Rate Type** field.
5. Enter **20** in the **Percentage Rate** field.
6. Select the **Rate Details** icon.

7. Select the **Set as Default Rate** checkbox.
8. Click on the **Apply** button.

Let's create a Tax Jurisdiction:

1. Navigate to **Tax Configuration | Tax Jurisdiction**.
2. Click on the **Create** button.

3. Enter **SALES TAX** in the **Tax Jurisdiction Code** field.
4. Enter **Sales Tax** in the **Tax Jurisdiction Name** field.

5. Enter **SALES TAX** in the **Tax Regime Code** field.
6. Enter **SALES TAX** in the **Tax** field.
7. Select **Country** in the **Geography Type** field.
8. Enter **01-Apr-2011** in the **Effective From** field.
9. Select **United States** as the **Geography Name**.
10. Enter **300** as the **Precedence Level**.
11. Enable the **Set as Default Tax Jurisdiction**.
12. Enter **01-Apr-2011** as the **Default Effective From** date.
13. Click on the **Apply** button.

Let's create the Tax Accounts:

1. Navigate to **Tax Configuration | Taxes**.
2. Search for the Tax.

The screenshot shows the Oracle E-Business Tax Configuration interface. The top navigation bar includes: Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, and Requests. The 'Tax Configuration' section is active, with sub-tabs for Tax Regimes, Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. The 'Taxes' sub-tab is selected.

The main area is titled 'Taxes' and contains a search form. The search results table is as follows:

Tax	Name	Regime Code	Country Name	Configuration Owner	Effective From	Effective To	Enabled	Update	Copy and Override	Regime to Rate Flow
SALES TAX	Sales Tax	SALES TAX	United States	Global Configuration Owner	01-Apr-2011					

3. In the **Country Name** field, enter **United States**.
4. In the **Tax Regime Code** field, enter **SALES TAX**.
5. Click on the **Go** button.
6. Click on the **Update** icon.

The screenshot shows the 'Update Tax: Sales Tax' dialog box. It contains a search field with the text '* Indicates required field'. At the bottom right, there are three buttons: 'Cancel', 'Tax Accounts', and 'Apply'.

7. Click on the **Tax Accounts** button.
8. Enter the ledger as **Vision Operations**.
9. Click on the **Create** button.

Defining Transactions for the General Ledger

10. In the **Main Information** region, select **Vision Operations** from the list of values.

The screenshot shows the 'Create Tax Accounts' page in Oracle E-Business Tax. The navigation tabs include Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, and Requests. The 'Tax Configuration' tab is active, with sub-tabs for Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. The page is titled 'Create Tax Accounts' and has 'Cancel' and 'Apply' buttons. The 'Main Information' section shows 'Ledger' as 'Vision Operations (USA)' and 'Operating Unit' as 'Vision Operations'. The 'General Tax Accounts' section shows 'Tax Expense' as '01-000-7710-0000-000' and 'Tax Recoverable/Liability' as '01-000-2520-0000-000'. The 'Tax Regime Code' is 'SALES TAX' and the 'Tax' is 'SALES TAX'. The 'Configuration Owner' is 'Global Configuration Owner'. The 'Tax Regime Name' is 'Sales Tax' and the 'Tax Name' is 'Sales Tax'. There is a note: '* Indicates required field'.

11. Enter tax accounts based on the following information:

- In the **Operating Unit** field, enter **Vision Operations**
- In the **Tax Expense** field, enter **01-000-7710-0000-000**
- In the **Tax Recoverable/Liability** field, enter **01-000-2520-0000-000**

12. Click on the **Apply** button.

Let's create the Default Rules:

1. Navigate to **Tax Configuration | Tax Rules**.
2. Let's search for the **Rule Type**.

The screenshot shows the 'Tax Rules' page in Oracle E-Business Tax. The navigation tabs include Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, and Requests. The 'Tax Configuration' tab is active, with sub-tabs for Tax Regimes, Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. The page is titled 'Tax Rules'. There is a 'Search' section with fields for 'Configuration Owner' (Global Configuration Owner), 'Tax Regime Code' (SALES TAX), and 'Tax' (SALES TAX). There is a 'Rule Type' field and a 'Go' button. There is a note: '* Indicates required field'. There is a 'What is a Tax Rule?' section with a description: 'In Oracle E-Business Tax, a tax rule is a set of conditions that is used to determine the tax for a specific transaction.' and a 'Learn More...' link. Below the search section is a table with the following columns: Select Name, Type, Configuration Owner, Default, Set Default, Event Class, Rule Order, Determining Factor Set Name, Enabled, Guided Rule Entry, and Expert Rule Entry. The table shows 'No results found.'

3. In the **Tax Rules** form, enter the following details:
 - ❑ In the **Configuration Owner** field, enter **Global Configuration Owner**
 - ❑ In the **Tax Regime Code** field, enter **SALES TAX**
 - ❑ In the **Tax** field, enter **SALES TAX**
4. Click on the **Go** button.

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | **Tax Rules**

Tax Rules

Search

* Indicates required field

* Configuration Owner 🔍

* Tax Regime Code 🔍

* Tax 🔍

Rule Type

Select tax rule type:

|

Select Name	Type	Configuration Owner	Default	Set Default	Event Class	Rule Order	Determining Factor Set Name	Enabled	Guided Rule Entry	Expert Rule Entry
<input type="radio"/> <input type="checkbox"/> Rule Types										
<input checked="" type="radio"/> Direct Tax Rate Determination	Rule Type									
<input type="radio"/> Determine Place of Supply	Rule Type		Ship From							
<input type="radio"/> Determine Tax Applicability	Rule Type		Applicable							
<input type="radio"/> Determine Tax Registration	Rule Type		Bill From Party							
<input type="radio"/> Determine Tax Status	Rule Type		ACME SALES TAX CODE							
<input type="radio"/> Determine Tax Rate	Rule Type		ACME SALES TAX							
<input type="radio"/> Determine Taxable Basis	Rule Type		STANDARD_TB							
<input type="radio"/> Calculate Tax Amounts	Rule Type		STANDARD_TC							
<input type="radio"/> Determine Recovery Rate	Rule Type									

Select tax rule type:

Let's enter tax rule defaults:

1. Click on the **Determine Place of Supply** option and click on the **Set Default** icon.
2. Select **Ship From** as the **Rule Type Default** and click on the **Apply** button.
3. Click on the **Determine Tax Applicability** option and click on the **Set Default** icon.
4. Select **Applicable** as the **Rule Type Default** and click on the **Apply** button.
5. Click on the **Determine Tax Registration** option and click on the **Set Default** icon.
6. Select **Bill From Party** as the **Rule Type Default** and click on the **Apply** button.

Defining Transactions for the General Ledger

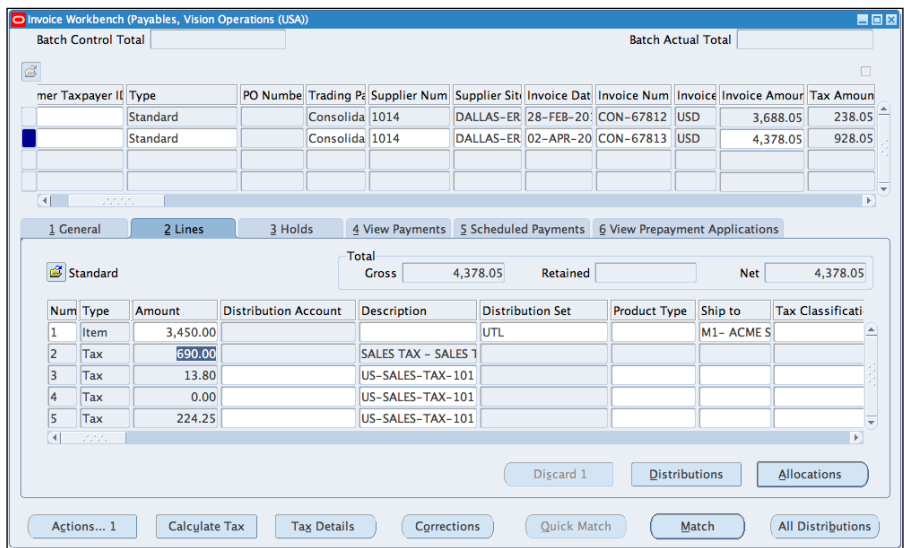
7. Click on the **Determine Tax Status** option and click on the **Set Default** icon.
8. Select **ACME SALES TAX CODE** as the **Rule Type Default** and click on the **Apply** button.
9. Click on the **Determine Tax Rate** option and click on the **Set Default** icon.
10. Select **ACME SALES TAX** as the **Rule Type Default** and click on the **Apply** button.
11. Click on the **Determine Taxable Basis** option and click on the **Set Default** icon.
12. Select **STANDARD_TB** as the **Rule Type Default** and click on the **Apply** button.
13. Click on the **Calculate Tax Amounts** option and click on the **Set Default** icon.
14. Select **STANDARD_TC** as the **Rule Type Default** and click on the **Apply** button.

Let's make the Tax available for transactions:

1. Navigate to **Tax Configuration | Taxes**.
2. Enter **United States** in the **Country Name** field.
3. Enter **Sales Tax** in the **Tax Regime Code** field.
4. Click on the **Go** button.
5. Click on the **Update** icon.
6. Enable **Make Tax Available for Transactions**.
7. Select **Corporate** as the **Exchange** rate type.

Let's create a Payables invoice:

1. Select the **Payables** responsibility.
2. Navigate to **Invoices | Entry | Invoices**.



3. Select **Consolidated Suppliers** in the **Trading Partner** field.
4. Enter **4,378.05** in the **Invoice Amount** field.
5. Select the **Lines** tab and select **Item** in the **Type** field.
6. Enter **3,450.00** in the **Amount** field and **UTL** in the **Distribution Set** field.
7. Click on the **Calculate Tax** button to calculate the tax on the invoice.
8. Observe that an additional **Tax** line of **690.00** is added to the **Tax** line.

See also

Enter Invoices recipe in Chapter 3, Paying Supplier Invoices in Payables

9

End of Period Processing

In this chapter, we will cover:

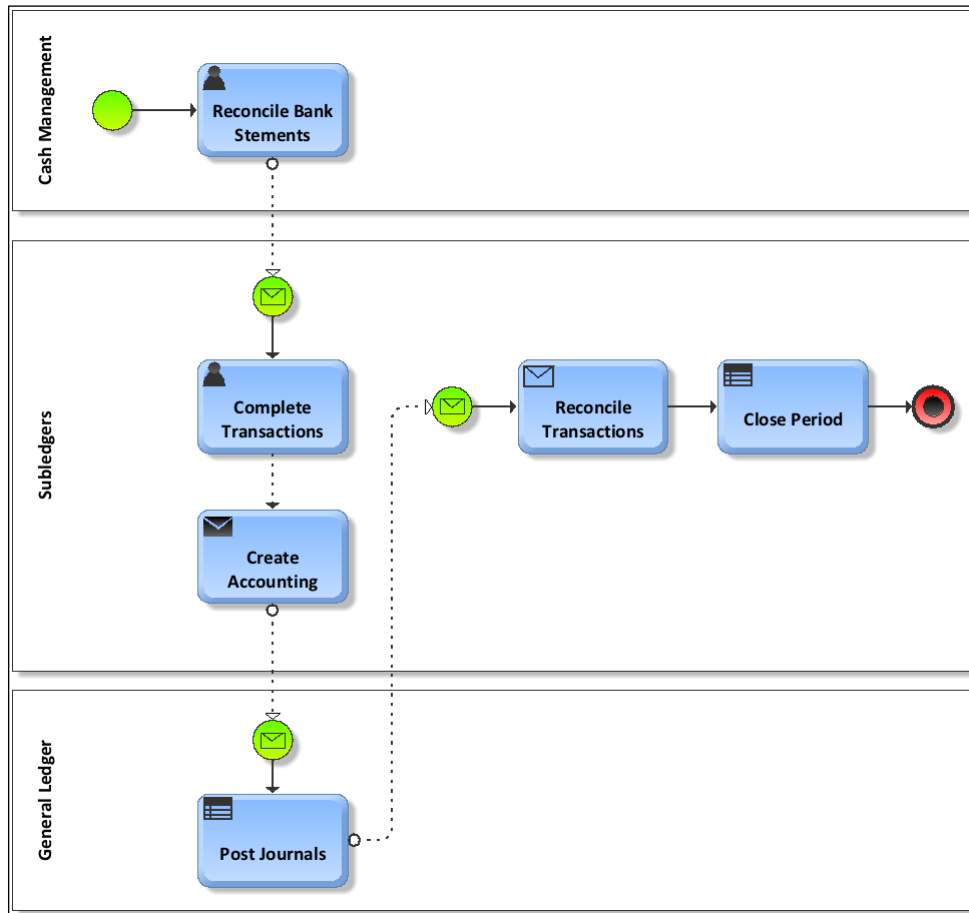
- ▶ Closing Payables
- ▶ Closing Purchasing
- ▶ Closing Receivables
- ▶ Closing the Inventory
- ▶ Closing the General Ledger

Introduction

At the end of every period, accounting books need to be closed. In this chapter, we will look at the core steps required to close the financial periods.

End of Period Processing

The following diagram shows a typical period end process:



1. The bank statements are reconciled in **Cash Management**. Additional miscellaneous transactions are created.
2. All the transactions for the period are completed in the Subledger. All outstanding issues are resolved.
3. Run the Invoice Validation Report in Payables.
4. Review and resolve holds in Payables.
5. Run Purchasing Receipt Accruals.
6. Run Mass Additions Create for Assets.
7. Post Mass Additions.
8. Run Depreciation.

9. Create Accounting for transfers from the Subledgers to the General Ledger.
10. Run Payables Accounting Process to transfer to the General Ledger.
11. Run Receivables to transfer to the General Ledger.
12. Run Inventory to transfer to the General Ledger.
13. Post Journals in the General Ledger.
14. Run Journal Import.
15. Post Journals in the General Ledger.
16. Reconcile Subledgers to the General Ledger.
17. Reconcile Payables, Receivables, Assets, Cash Management, Order Management, and Inventory to the General Ledger.
18. Run Purchasing Period Accruals.
19. Close the periods.
20. Close the period in Payables.
21. Close the Purchasing period.
22. Close the Receivables period.
23. Close the Inventory period.

Closing Payables

At the end of a period, payables transactions are transferred to the General Ledger and Assets. In this recipe, let's close the payables period for March 2011.

Getting ready

Before we can close Payables, we need to complete the following:

1. Bank statements in Cash Management must be reconciled and all issues resolved.
2. Miscellaneous transactions are completed for transactions in Cash Management, for example, bank charges are entered in Payables from Cash Management.
3. Transactions for the period have to be completed. For example, invoices, prepayment, and payments.
4. Review the Uninvoiced Receipts Report from Purchasing for receipts not yet invoiced. When the receipt accrual is run from purchasing at the end of the period, journal entries are created for the amount of the receipt liabilities.
5. Ensure that eligible invoices are approved in readiness for payment.
6. Review and resolve holds placed on the invoices.
7. Complete all payment runs for outstanding invoices due for payment.

End of Period Processing

8. Run the Create Accounting program to transfer approved invoices and payments to the General Ledger.

How to do it...

Before we can close a period, we need to resolve all exceptions. Let's run the Period Close Exceptions Report for March 2011 to view the exceptions:

1. Select the **Payables** Responsibility.
2. Navigate to **Accounting | Control Payables Periods**.

Period Status	Period Number	Fiscal Year	Period Name	Start Date	End Date
Open	10				
Open	9				
Open	8				
Open	7				
Open	6				
Open	5				
Open	4				
Closed	3	2011	Mar-11	01-MAR-2011	31-MAR-2011
Closed	2	2011	Feb-11	01-FEB-2011	28-FEB-2011

3. In the **Period Status** field, select **Closed** for the **Mar-11** period.
4. We receive a note to review the exceptions.
5. Click on the **OK** button.
6. Click on the **Exceptions** button.
7. In the decision box, select the review button.
8. The Concurrent Program is submitted. Click on the **OK** button.

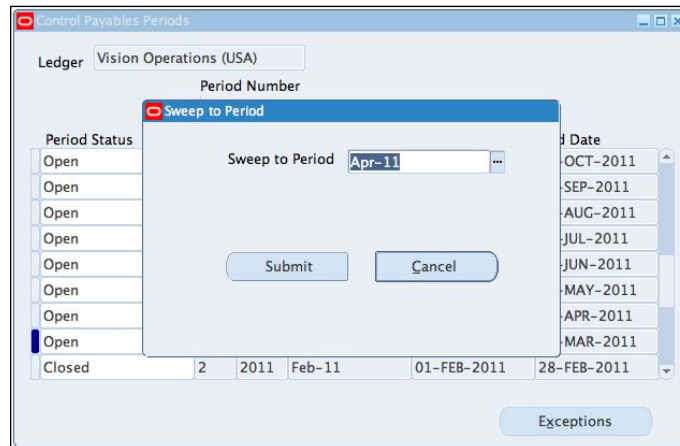
ORACLE Payables		Period Close Exception Report			Report Date: 26-APR-2011	
Company: Vision Operations (USA)					Page: 2 of 2	
Operating Unit: Vision Operations						
Unaccounted Invoices						
Supplier Name	Supplier Number	Invoice Number	Accounting Date	Currency	Invoice Amount	
Acacia Supplies Ltd	1004	20110331-1	30-Mar-2011	USD	1,000.00	
Advanced Network Devices	1013	ADV-001	27-Mar-2011	USD	2,672.50	
Building Management Inc.	2012	BM-0091	27-Mar-2011	USD	2,170.00	

View the **Period Close Exception Report**:

1. Select **View | Requests** from the **Menu**.
2. Click on the **Find** button to view the completed requests.
3. In the **Request** window, click on the **View Output** button.
4. The transactions that need to be reviewed are displayed.

Let's run the Create Accounting Program to account for the transactions:

1. Navigate to **Other | Requests | Run**.
2. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.
3. In the **Name** field, enter **Create Accounting**.
4. Select **Vision Operations** in the **Ledger** field.
5. Enter **31-MAR-2011** in the **Date** field.
6. Click on the **Submit** button to submit the request.

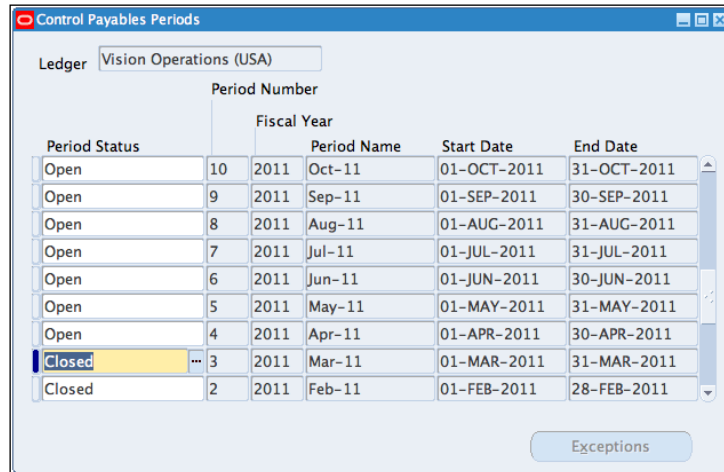


Let's sweep transactions to the next period:

1. Select the **Payables** responsibility.
2. Navigate to **Accounting | Control Payables Periods**.
3. In the **Period Status** field, select **Closed** for the **Mar-11** period.
4. We receive a note to review the exceptions.
5. Click on the **Ok** button.

End of Period Processing

6. Click on the **Exceptions** button.
7. In the decision box, select the Sweep button.
8. Select **APR-11** in the **Sweep to Period** field.



9. The **Concurrent Program** is submitted. Click on the **Ok** button.
10. The period status is set to **Closed**.

There's more...

After the journals are posted in the General Ledger, we need to reconcile the payables transactions to GL.

Reconciling Payables

Let's reconcile the Accounts Payable transactions to the General Ledger for the month of March 2011:

Report	Total Value
Previous Month Accounts Payable Trial Balance	X
Current Month Posted Invoice Register	X
Current Month Posted Payment Register	(X)
Current Month Accounts Payable Trial Balance	(X)
	Nil

Let's run the Accounts Payable Trial Balance at 28-FEB-2011:

1. Select the **Payables** responsibility.
2. Navigate to **Other | Requests | Run**.
3. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.
4. In the **Name** field, enter **Accounts Payable Trial Balance**.

5. Select **Vision Operations** in the **Operating Unit** field.
6. Select **Liabilities Payables, Vision Operations (USA)** in the **Report Definition** field.
7. Enter **01-JAN-2011** in the **Start Date** field. The accounting period is from 01-Jan-2011.
8. Enter **28-FEB-2011** in the **As of Date** field.
9. Accept the defaults and click on the **OK** button.

End of Period Processing

10. Click on the **Submit** button to submit the request.

ORACLE Payables		Payables Trial Balance Report			Report Date	26-Apr-11	
					Page	1 of 1	
Report Definition	Liabilities Payables, Vision Operations (USA)						
Journal Source	Payables						
Start Date	Jan 1, 2011						
As Of Date	Feb 28, 2011						
Third Party Name							
Show Applied Transaction Detail	No						
Include Write Off Balances	No						
Account From							
Account To							
GL Account Balance	Year to Date						
Ledger Vision Operations (USA)							
Consolidated Supplies							
01-000-2210-0000-000							
Transaction Type	Transaction Number	Date	Currency	Payment Status	Cancelled Date	Original Amount	Remaining Amount
AP Invoices	CON-67812	Feb 28, 2011	USD	Fully Paid		3688.05	3688.05
Total for Account							3688.05
Total for Party Consolidated Supplies							3688.05
Total for Ledger Vision Operations (USA)							3688.05

Let's view the Accounts Payable Trial Balance:

1. Select **View | Requests** from the **Menu**.
2. Click on the **Find** button to view the completed requests.
3. In the **Request** window, click on the **View Output** button.
4. The **Accounts Payable Trial Balance** is displayed with a total of **3688.05**.

Let's run the Posted Invoice Register for March 2011:

1. Navigate to **Other | Requests | Run**.
2. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.

Submit Request

Run this Request... Copy...

Name: Payables Posted Invoice Register

Operating Unit: Vision Operations

Parameters: Vision Operations:Vision Operations (USA):Mar-11:Mar-11:No:::Entered Currency:N

Language: Parameters

At these Times...
Run the Job

Upon Completion...
Layout
Notify
Print to

Operating Unit: Vision Operations

Ledger/Ledger Set: Vision Operations (USA) Vision Operatio

Period From: Mar-11

Period To: Mar-11

Include Zero Amount Lines: No

Account Flexfield From:

Account Flexfield To:

GL Batch Name:

Order By: Entered Currency

Summarize Report: No

Include Manual entries from GL: Yes

Help (C) OK Cancel Clear Help

3. In the **Name** field, enter **Payables Posted Invoice Register**.
4. Select **Vision Operations** in the **Operating Unit** field.
5. Select **Vision Operations (USA)** in the **Ledger/Ledger Set** field.
6. Enter **MAR-2011** in both the **Period From** and **Period To** fields.
7. Select **Entered Currency** in the **Order By** field.
8. Accept all the other defaults.
9. Click on the **Submit** button to submit the request.

ORACLE Payables Payables Posted Invoice Register Report Date 27-APR-2011 06:04

Mar-11 - Mar-11 Page 1 Of

Report Parameters

Ledger/Ledger Set	Vision Operations (USA)
Period From	Mar-11
Period To	Mar-11
Include Zero Amount Lines	No
Order By	ENTERED CURRENCY
Summarize Report	N
Account Flexfield From	
Account Flexfield To	
GL Batch Name	

Account 01-000-2210-0000-000
Description Operations-No Department-Accounts Payable-No Sub Account-No Product

Invoice Currency USD

Journal Entry Batch Payables A 1552010 5875511 2

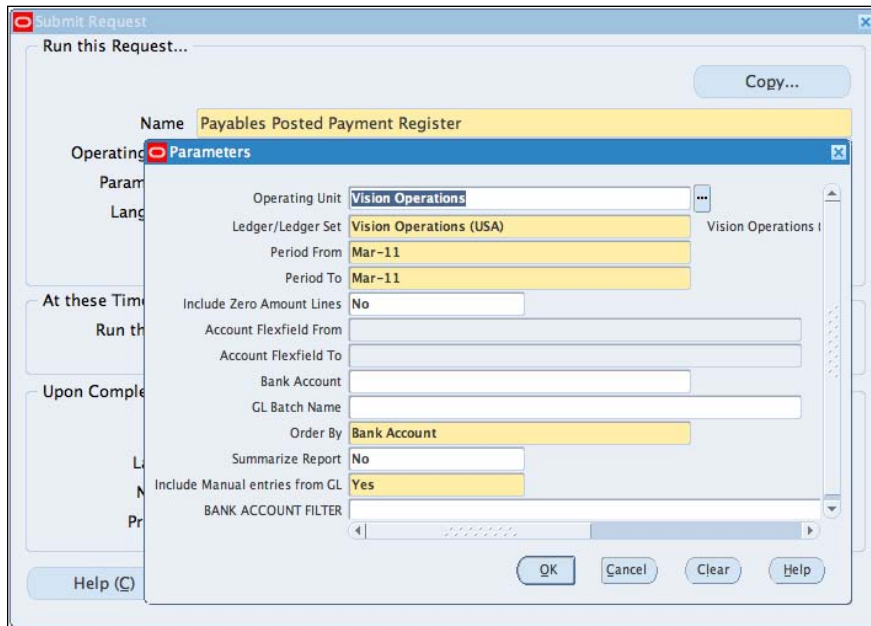
Supplier Name	Invoice Number	Invoice Description	Invoice Date	Invoice Amount	Entered Distribution Amount		Accounted Amount		USD
					Debit	Credit	Debit	Credit	
Advanced Network Devices	ADV-001		Mar 28, 2011	2672.5		2,500.00			2,500.00
Building Management Inc.	BM-0091		Mar 28, 2011	2170		85.00			85.00
.
.
Acacia Supplies Ltd	20110331-1		Mar 31, 2011	1069		65.00			65.00
Acacia Supplies Ltd	20110331-1		Mar 31, 2011	1069		1,000.00			1,000.00
Total for Batch Payables A 1552010 5875511 2									
Total for Currency USD						0.00	26,466.36	0.00	26,466.36

Let's view the Posted Invoice Register for March 2011:

1. Select **View | Requests** from the **Menu**.
2. Click on the **Find** button to view the completed requests.
3. In the **Request** window, click on the **View Output** button.
4. The **Posted Invoice Register** is displayed with a total of **26,466.36**.

Let's run the Posted Payment Register for March 2011:

1. Navigate to **Other | Requests | Run**.
2. Select **Single Request** in the **Submit a New Request** window, and select the **OK** button.



3. In the **Name** field, enter **Posted Payment Register**.
4. Select **Vision Operations** in the **Ledger** field.

5. Enter **MAR-2011** in the **Period From** and the **Period To** fields.
6. Accept all other defaults and click on the **OK** button.
7. Click on the **Submit** button to submit the request.
8. View the **Payables Posted Payment Register** report:

ORACLE Payables		Payables Posted Payment Register		Report Date	
		2011-03-01T00:00:00.000+00:00 - 2011-03-31T00:00:00.000+01:00		26-APR-2011 23:04	
				Page 1 Of	
Report Parameters					
Ledger/Ledger Set	Vision Operations (USA)				
Period From	Mar-11				
Period To	Mar-11				
Include Zero Amount Lines	No				
Order By	BANK ACCOUNT				
Summarize Report	N				
Account Flexfield From					
Account Flexfield To					
GL Batch Name					
Bank Account	10271-17621-619				
Journal Entry Batch	YO-SLA-001 Payables A 1552007 5872244				
Payment Currency	USD				
Payment Document	Check Positive Pay				
Payment Number	Payment Date	Supplier Name	Payment Amount	Liability Relieved USD	
1004	Mar 11, 2011	Acacia Supplies Ltd	213.80		
				Debit	
				Credit	
Total for Payment Document Check Positive Pay				213.80	0.00
Total for Payment Currency USD				213.80	0.00
Total for Journal Entry Batch YO-SLA-001 Payables A 1552007 5872244				213.80	0.00
Total For Bank Account 10271-17621-619				213.80	0.00
Total for Account 01-000-2210-0000-000				8,207.91	0.00
Report Total				8,207.91	0.00

9. Select **View | Requests** from the **Menu**.
10. Click on the **Find** button to view the completed requests.
11. In the **Request** window, click on the **View Output** button to view the report.

Let's view the current month's Accounts Payable Trial Balance.

Let's run the Accounts Payable Trial Balance for Mar-11:

1. Navigate to **Other | Requests | Run**.
2. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.

ORACLE Payables		Payables Trial Balance Report				Report Date	26-Apr-11
						Page	1 of
Report Definition	Liabilities Payables, Vision Operations (USA)						
Journal Source	Payables						
Start Date	Jan 1, 2011						
As Of Date	Mar 31, 2011						
Third Party Name							
Show Applied Transaction Detail	No						
Include Write Off Balances	No						
Account From							
Account To							
GL Account Balance	Year to Date						
Ledger Vision Operations (USA)							
....							
....							
....							
01-000-2210-0000-000							
Transaction Type	Transaction Number	Date	Currency	Payment Status	Cancelled Date	Original Amount	Remaining Amount
AP Invoices	GE-20110328-1	Mar 28, 2011	USD	Not Paid		16035.00	16035.00
Total for Account							16035.00
Total for Party General Electric Utilities							16035.00
Total for Ledger Vision Operations (USA)							21946.50

3. In the **Name** field, enter **Accounts Payable Trial Balance**.
4. Select **Vision Operations** in the **Ledger** field.
5. Enter **MAR-2011** in the **Date** field.
6. Click on the **Submit** button to submit the request.

Let's view the Accounts Payable Trial Balance:

1. Select **View | Requests** from the menu.
2. Click on the **Find** button to view the completed requests.
3. In the **Request** window, click on the **View Output** button to view the report, and complete the reconciliation.

Let's summarize the results:

Report	Value
Feb-11 Accounts Payable Trial Balance	3,688.05
Mar-11 Posted Invoice Register	26,466.36
Mar-11 Posted Payment Register	(8,207.91)
Mar-11 Accounts Payable Trial Balance	(21,946.50)
	Nil

Opening the next period

Open the next Oracle payables period:

1. Select the **Payables** responsibility.
2. Navigate to **Accounting | Control Payables Periods**.
3. In the **Period Status** field, select **Open** for the **Apr-11** period.

Closing Assets

At the end of every period, we need to run depreciation for each asset book. The depreciation run closes the period in Assets. Before we run depreciation for the period, we need to ensure that we run Mass Additions Create to transfer all asset transactions from Payables. We also need to complete all transactions, for example, complete all additions, adjustments, retirements, transfers, and retirements.

After we run depreciation for the period, we run the Create Accounting to transfer the transactions to the General Ledger and post the journals after review.

See also

Depreciating Assets recipe in Chapter 4, Managing Assets

Closing Purchasing

At the end of the purchasing period, we need to accrue for expense Items received from the supplier, but not yet invoiced before we close the period. In this recipe, we will close the period of March 2011 for Purchasing.

Getting ready

Before we can close Purchasing, we also need to:

1. Complete transactions for the period, including requisitions, purchase orders, releases, receipts, and returns.
2. Enter all receipts.
3. Complete the Payables Period-End Process.

How to do it...

Let's start by reviewing the uninvoiced receipts report, to review the receipts from our suppliers that have not yet been invoiced:

1. Select the **Purchasing** responsibility.
2. Navigate to **Other | Requests | Run**.
3. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.
4. In the **Name** field, enter **Uninvoiced Receipts Report**.
5. Select **Mar-11** in the **Period Name** field.
6. Click on the **Submit** button to submit the request.

The screenshot shows the 'Submit Request' window with the following details:

- Run this Request...**
 - Name: Uninvoiced Receipts Report
 - Operating Unit: Vision Operations
 - Parameters: Parameters (sub-dialog open)
 - Language: (empty)
- At these Times...**
 - Run the Job: (empty)
- Upon Completion...**
 - Layout: (empty)
 - Notify: (empty)
 - Print to: (empty)
- Parameters (sub-dialog):**
 - Title: (empty)
 - Accrued Receipts: (empty)
 - Include Online Accruals: No
 - Include Closed POs: No
 - Categories From: (empty)
 - To: (empty)
 - Minimum Accrual Amount: (empty)
 - Period Name: Mar-11
 - Vendors From: (empty)
 - To: (empty)
 - Sort By: (empty)
 - Dynamic Precision Option: 2, -9,999,990.00
- Buttons: Help (C), OK, Cancel, Clear, Help

Let's view the Uninvoiced Receipts Report:

1. Select **View | Requests** from the **Menu**.
2. Click on the **Find** button to view the completed requests.
3. In the **Request** window, click on the **View Output** button.

Let's run the Receipt Accruals Program to account for the transactions. This will also create the period-end accruals for the un-invoiced expense receipts:

1. Select the **Purchasing** responsibility.
2. Navigate to **Other | Requests | Run**.

3. Select **Single Request** in the **Submit a New Request** window, and select the **OK** button.
4. In the **Name** field, enter **Receipt Accruals - Period End**.
5. Select **Mar-11** in the **Period Name** field.
6. Click on the **Submit** button to submit the request.
7. Close the PO Period.
8. Select the **Purchasing** responsibility.
9. Navigate to **Setup | Financials | Accounting | Control Purchasing Periods**.
10. Enter **2011** in the **Fiscal Year** field in the **Control Purchasing Periods** form.
11. Select **Closed** as the **Period Status** for **Mar-11**.

How it works...

The **Receipt Accruals - Period-End** report enables us to create period-end accruals for uninvoiced expense receipts. This creates a journal entry batch in the General Ledger for the receipt accruals, debiting the charge account and crediting the Expense AP Accrual Account.

Please note that this step is required if the Accrue Expense Items flag is set to Period End on the Accrual tabbed region of the Purchasing Options window for the Organization.

To reverse the accrual automatically in the next period, set the Profile option "GL: Launch Auto Reverse after Open Period" to Yes.

Closing Receivables

At the end of every period, receivables transactions need to be completed and reconciled. Transactions also need to be transferred to the General Ledger and the period closed. In this recipe, we will look at the process of closing the period of March 2011 for Receivables.

Getting ready

Prior to closing the period, the following steps need to be completed:

1. Reconcile Bank Statements in Cash Management and receivables adjustments processed, for example, bank interest.
2. Complete all transactions – invoice, adjustments, credits, reversals, and receipts.
3. Reconcile transactions – customer balances, transactions, receipts, and bank statements.
4. We can use the following formula to reconcile the Period-End balance:

	Value
Outstanding Balance at Start of Period	X
Transactions for the period	X
Adjustments for the period	X
Invoice Exceptions for the period	(X)
Applied Receipts for the period	(X)
Unapplied Receipts for the period	(X)
Period End Balance	(X)
	Nil

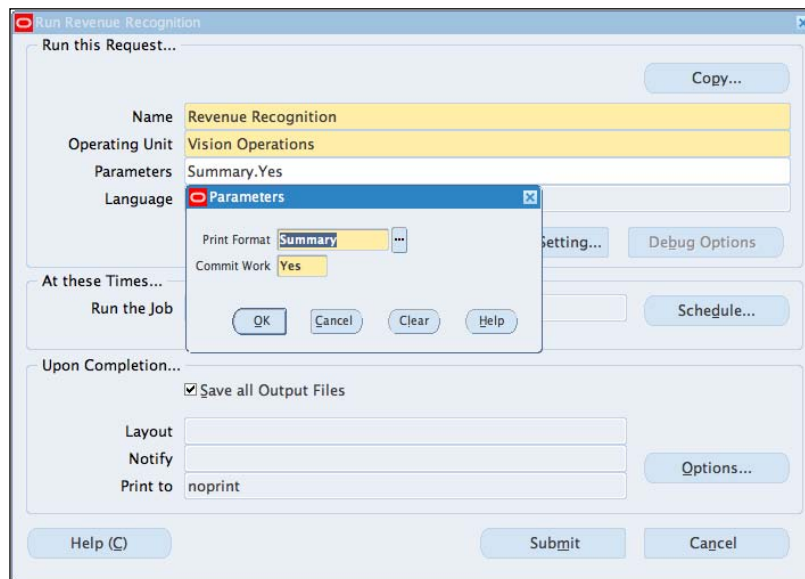
Run the following additional useful reports for reconciliation:

1. Journal Entries report
2. Aging report
3. Transaction Register
4. Adjustment Register
5. Invoice Exceptions
6. Applied Receipts
7. Unapplied and Unresolved Receipts Register
8. Aging report – last day
9. Post outstanding transactions to General Ledger
10. Print invoices
11. Subledger Period Close Exceptions report
12. Perform the end of period transactions for Order Management.

How to do it...

Run the revenue recognition program by following these steps:

1. Select the **Receivables** responsibility.
2. Navigate to **Control | Accounting | Revenue Recognition**.
3. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.



4. In the **Name** field, enter **Revenue Recognition**.
5. Accept the default parameters and click on the **OK** button.
6. Click on the **Submit** button to submit the request.

Run the AR to GL Reconciliation Report to compare the account balances in Receivables and the General Ledger. The report displays journal sources where discrepancies might exist. We can do this by carrying out the following steps:

1. Select the **Receivables** responsibility.
2. Navigate to **Control | Accounting | AR to GL Reconciliation**.
3. Select **Single Request** in the **Submit a New Request** window and select the **OK** button.

The screenshot shows a 'Submit Request' dialog box with the following fields and values:

- Name:** AR to GL Reconciliation Report
- Operating Unit:** (empty)
- Parameters:** Vision Operations (USA);No:::Mar-11:::
- Language:** Parameters
- Ledger:** Vision Operations (USA)
- Out of Balance Only:** No
- Company Segment Low:** (empty)
- Company Segment High:** (empty)
- GL Period:** Mar-11
- GL Account Low:** (empty)
- GL Account High:** (empty)
- Summary Account:** (empty)

Buttons: OK, Cancel, Clear, Help (in the inner dialog); Help (C), Submit, Cancel (in the outer dialog).

4. In the **Name** field, enter **AR to GL Reconciliation Report**.
5. Select **Mar-11** in the **Period Name** field.
6. Click on the **Submit** button to submit the request.
7. View the **AR to GL Reconciliation Report**.
8. Select **View | Requests** from the **Menu**.
9. Click on the **Find** button to view the completed requests.
10. In the **Request** window, click on the **View Output** button.

Now, let's close the receivables period:

1. Select the **Receivables** responsibility.
2. Navigate to **Setup | Financials | Accounting | Control Purchasing Periods**.

3. Enter **2011** in the **Fiscal Year** field in the **Control Purchasing Periods** form.
4. Select **Closed** as the **Period Status** for **Mar-11**.

There's more...

Order Management period end processes need to be completed prior to closing Receivables and Inventory.

Closing Order Management

We need to ensure that all orders have been processed in Order Management before closing Inventory. Order Management updates Inventory during the Ship Confirm process. The following is a summary of the steps required to close Order Management:

1. Complete all transactions – enter and book orders, confirm shipments, respond to workflow notifications, close orders.
2. Review Backorders and process cancelations.
3. Review Open Orders.
4. Review Orders on Hold using Outstanding Holds report.
5. Other useful reports.
6. Back Order Detail report.
7. Unbooked Orders report.

8. Canceled Orders report.
9. Review Workflow status.
10. Run Autoinvoice.

See also

Creating an Invoice recipe in Chapter 5, Selling Items to Customers in Order Management

Closing Inventory

At the end of a period Item, costs information needs to be transferred to the General Ledger before we can close the period. In this recipe, we will look at the process of closing inventory.

Getting ready

1. Complete all transactions – shipping, receipts, issues, and adjustments.
2. Check Interface managers for outstanding transactions.
3. Transfer transactions to the General Ledger using the Create Accounting – Cost Management Program.
4. Open the next period.
5. Close the Payables period.
6. Close the Purchasing period.
7. Close the Receivables period.

How to do it...

Close Inventory Period automatically transfers summary transactions to the GL interface table. The prior period needs to be closed before we can close the period. To accomplish this, carry out the following steps:

1. Select the **Inventory** responsibility.
2. Navigate to **Accounting Close Cycle | Inventory Accounting Periods**.

3. Select the period **Jun-08** and click on the **Pending** button to review the pending transactions.
4. Click on the **OK** button.
5. Click on the **Change Status** to change the status of the period to **Closed** by selecting **Closed (Irreversible)** in the options. Click on the **OK** button.

Status	Period	Year	Num	From	To	Close Date
Open	Mar-09	3	2009	01-MAR-2009	31-MAR-2009	
Open	Feb-09	2	2009	01-FEB-2009	28-FEB-2009	
Open	Jan-09	1	2009	01-JAN-2009	31-JAN-2009	
Open	Dec-08	12	2008	01-DEC-2008	31-DEC-2008	
Open	Nov-08	11	2008	01-NOV-2008	30-NOV-2008	
Open	Oct-08	10	2008	01-OCT-2008	31-OCT-2008	
Open	Sep-08	9	2008	01-SEP-2008	30-SEP-2008	
Open	Aug-08	8	2008	01-AUG-2008	31-AUG-2008	
Open	Jul-08	7	2008	01-JUL-2008	31-JUL-2008	
Closed	Jun-08	6	2008	01-JUN-2008	30-JUN-2008	05-MAY-2011

6. The pending transaction form is displayed. Click on the **Close** button to close the period
7. The **Period Close Reconciliation** report is generated by the close action.
8. Select the closed period and click on the **Values at Close** button to view the Inventory values of the Subinventories and the Cost Group.

Closing the General Ledger

An accounting period is closed in the General Ledger after all the accounting transactions have been completed for the period. The status of the period will determine whether transactions can be entered in the period. The status of the period can be Never Opened, Future Enterable, Open, Closed, or Permanently Closed. A Permanently Closed period cannot be reopened.

Getting ready

1. Complete all Subledger transactions – run the Create Accounting from the Subledgers to create the Subledger Accounting transactions. This populates the GL_JE_BATCHES, GL_JE_HEADERS, and GL_JE_LINES tables.
2. Import all Journals. This process populates the GL_INTERFACE tables.
3. Post all Journals. This updates the GL_BALANCES tables.
4. Run the Period Close Exception report in GL to ensure that there are no outstanding transactions in the Subledgers and GL.
5. Run the trial balance.
6. Perform reconciliations.
7. Reverse previous period accruals.
8. Enter Adjustments and Accruals and Post the journals.

How to do it...

1. Select the **General Ledger** responsibility.
2. Navigate to **Setup | Open/Close**.

Status	Period	Number	Fiscal Year	From Date	To Date
Open	Sep-11	9	2011	01-SEP-2011	30-SEP-2011
Open	Aug-11	8	2011	01-AUG-2011	31-AUG-2011
Open	Jul-11	7	2011	01-JUL-2011	31-JUL-2011
Open	Jun-11	6	2011	01-JUN-2011	30-JUN-2011
Open	May-11	5	2011	01-MAY-2011	31-MAY-2011
Open	Apr-11	4	2011	01-APR-2011	30-APR-2011
Open	Mar-11	3	2011	01-MAR-2011	31-MAR-2011
Closed	Feb-11	2	2011	01-FEB-2011	28-FEB-2011
Closed	Jan-11	1	2011	01-JAN-2011	31-JAN-2011

3. Click on the **Find** button.
4. Select the status field for the **Feb-11** period and change the status to **Closed**.
5. Click on the **Save** icon. This triggers a concurrent program to close the period.
6. A **Subledger Period Close Exception Report** is also created for transactions that need to be reviewed from the Subledger.
7. View the **Subledger Period Close Exception Report**.
8. Select **View | Requests** from the **Menu**.

ORACLE Subledger Accounting		Subledger Period Close Exception Report				Report Date	05-May-11
		Period From	Feb-11	Period To	Feb-11	Page	3 of 4
Feb 4, 2011	PO Delivery into Inventory	23619012	Unprocessed	04-FEB-11	M1	PRD20006	
Feb 4, 2011	PO Delivery into Inventory	23619018	Unprocessed	04-FEB-11	M1	PRD20008	
Journal Category		Receiving		Event Class		Receipt into Receiving Inspection	
Event Date	Event Type	Transaction Number	Status	Transaction Date	Organization Code	Item	
Feb 4, 2011	Logical Receipt	4901363	Unprocessed	04-FEB-11	M1	PRD20006	
Feb 4, 2011	Logical Receipt	4901365	Unprocessed	04-FEB-11	M1	PRD20006	
Feb 4, 2011	Logical Receipt	4901367	Unprocessed	04-FEB-11	M1	PRD20006	
Feb 4, 2011	Receipt into Receiving Inspection	4901369	Unprocessed	04-FEB-11	M1	PRD20008	
Journal Category		Inventory		Event Class		Sales Order Issue	
Event Date	Event Type	Transaction Number	Status	Transaction Date	Organization Code	Item	
Feb 5, 2011	Sales Order Issue	23619036	Unprocessed	05-FEB-11	M1	PRD20007	
Feb 10, 2011	Sales Order Issue	23619997	Unprocessed	10-FEB-11	M1	PRD20007	
Feb 10, 2011	Sales Order Issue	23620997	Unprocessed	10-FEB-11	M1	PRD20007	
Feb 10, 2011	Sales Order Issue	23621010	Unprocessed	10-FEB-11	M1	PRD20007	
Feb 10, 2011	Sales Order Issue	23621023	Unprocessed	10-FEB-11	M1	PRD20007	
Feb 10, 2011	Sales Order Issue	23621036	Unprocessed	10-FEB-11	M1	PRD20007	
Journal Source		Receivables					
Journal Category		Adjustment		Event Class		Adjustment	
Event Date	Event Type	Transaction Number	Status	Customer Name	Customer Number	Adjustment Number	
Feb 22, 2011	Adjustment Created	3446	Incomplete	SheepWall Inc	5840	3446	
Journal Category		Debit Memos		Event Class		Debit Memo	
Event Date	Event Type	Transaction Number	Status	Customer Name	Customer Number	Debit Memo Number	
Feb 17, 2011	Debit Memo Created	12070	Final	SheepWall Inc	5840	12070	

9. Click on the **Find** button to view the completed requests.
10. In the **Request** window, click on the **View Output** button.

See also

Defining subledger accounting recipe in Chapter 8, Defining Transactions for the General Ledger

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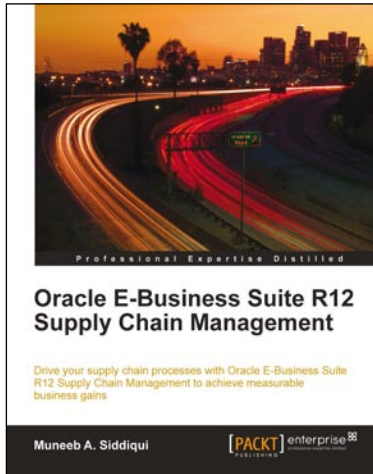
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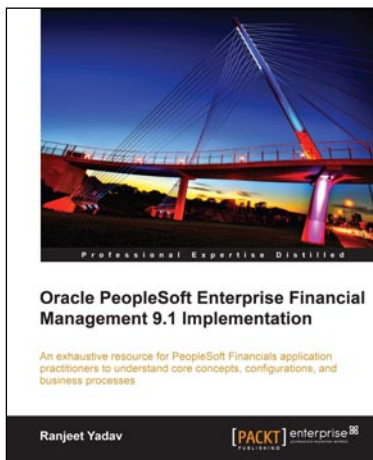


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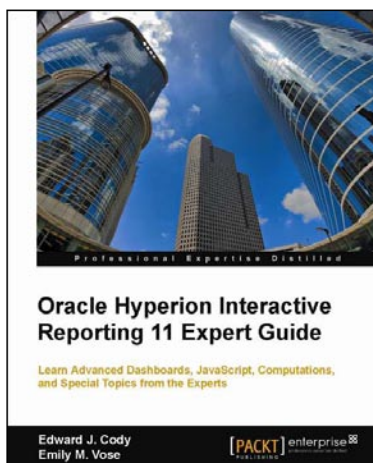


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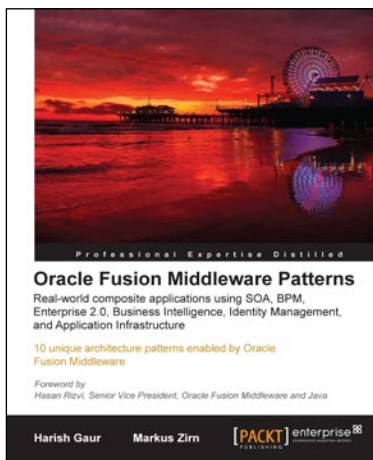


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