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Bean Counting Gets an Overhaul: Oracle E-Business Suite Accounting Architecture in Release 12

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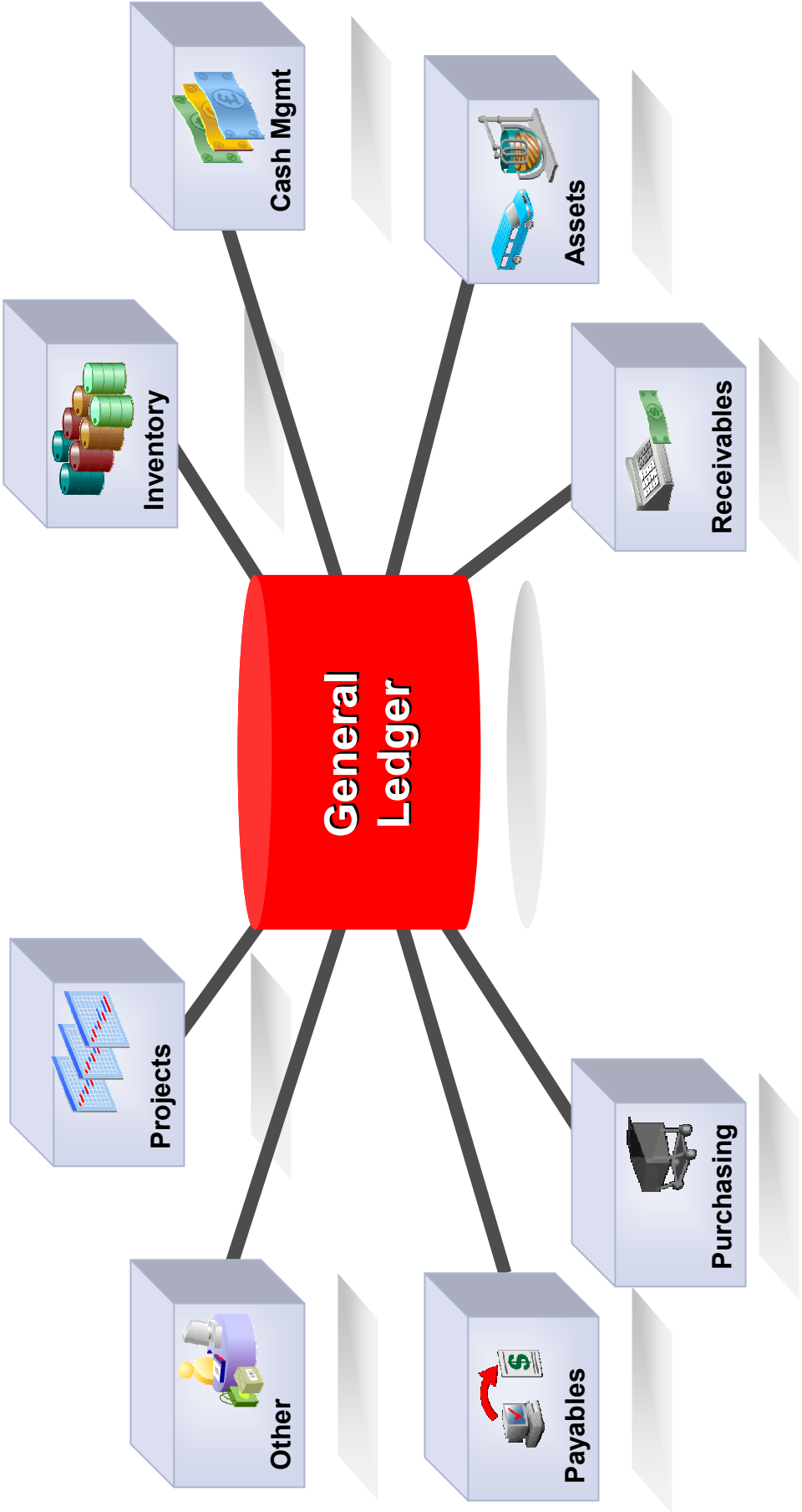
Agenda

- Overview of R12 accounting architecture
- Demo of accounting flow
- Discussion of changes and enhancements
 - Subledger Accounting
 - General Ledger
 - Intercompany
- Summary
- For more information...
- Q&A



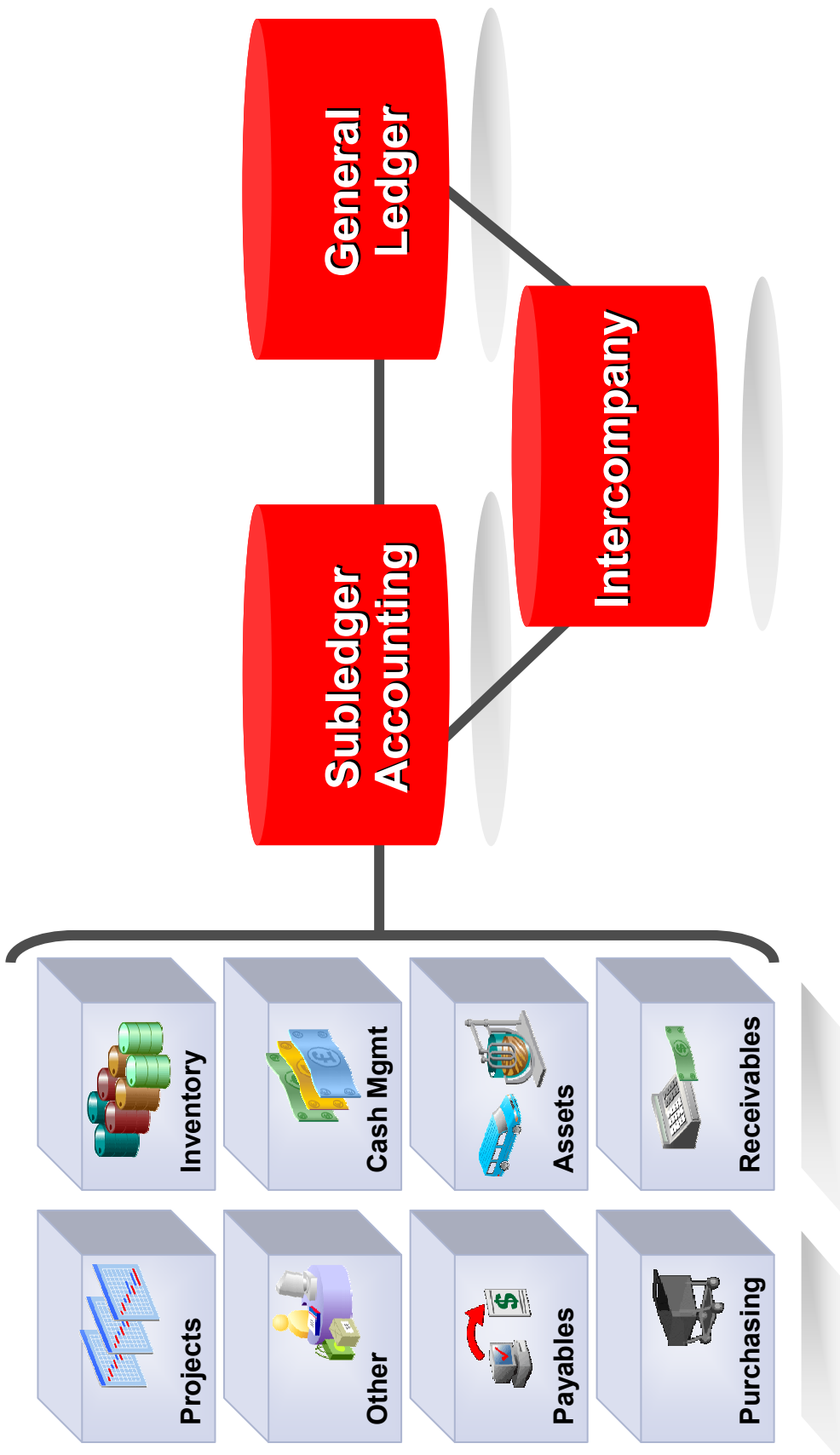


Release 11i Accounting Model





Release 12 Accounting Model





Fasten Your Seatbelts...

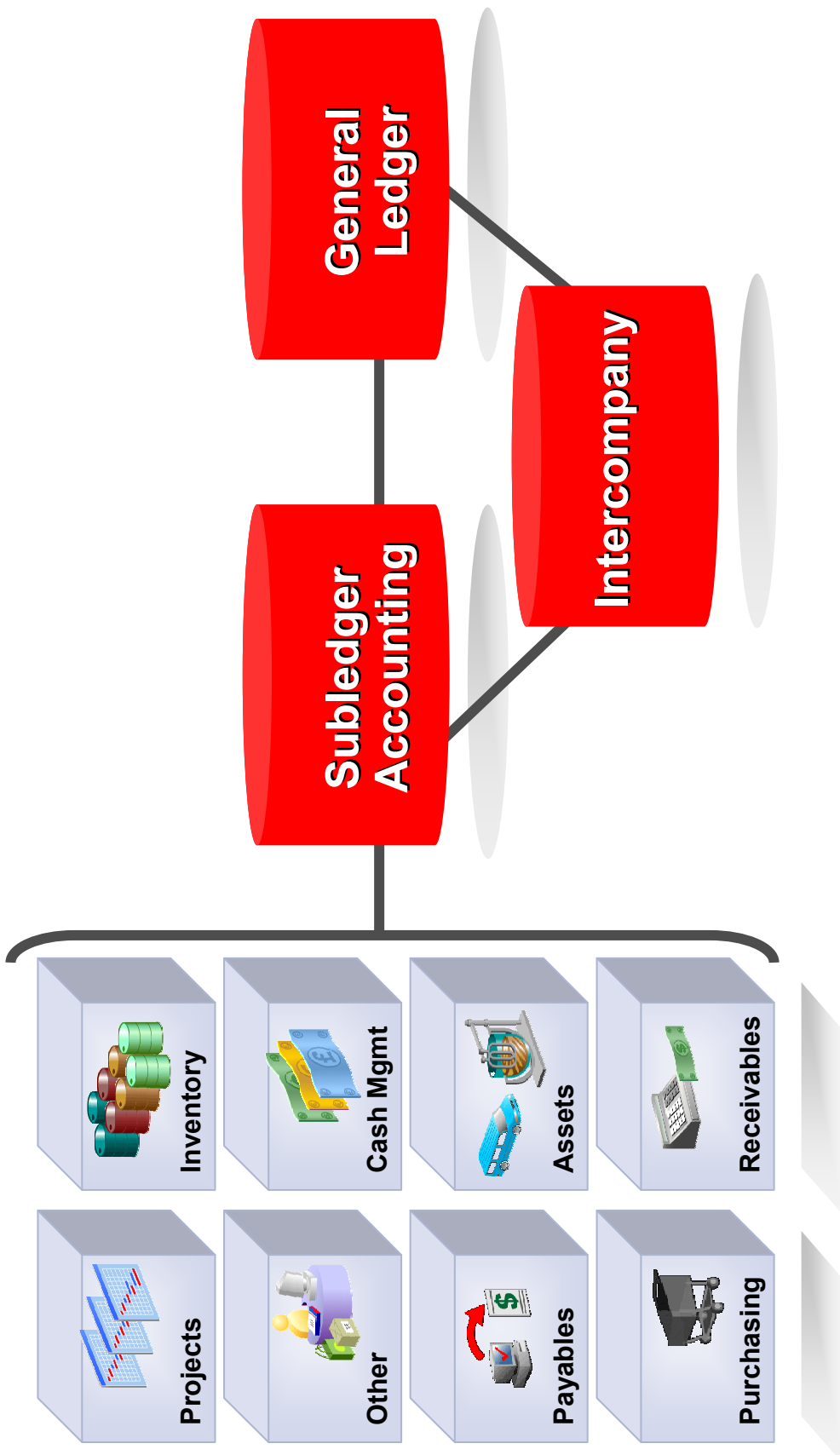


D E M O N S T R A T I O N

Centralized Accounting Solution



But There's Even More...





Why Did You Change It?

The challenges we're hearing....

**Manage
Complexity**

Standardize and enforce accounting policy to
manage complexity and lower costs

**Meet Diverse
Accounting
Requirements**

Comply with multiple accounting requirements and
maintain internal controls

**Close Books
Faster**

Streamline period close & reconciliation and
gain visibility to better information



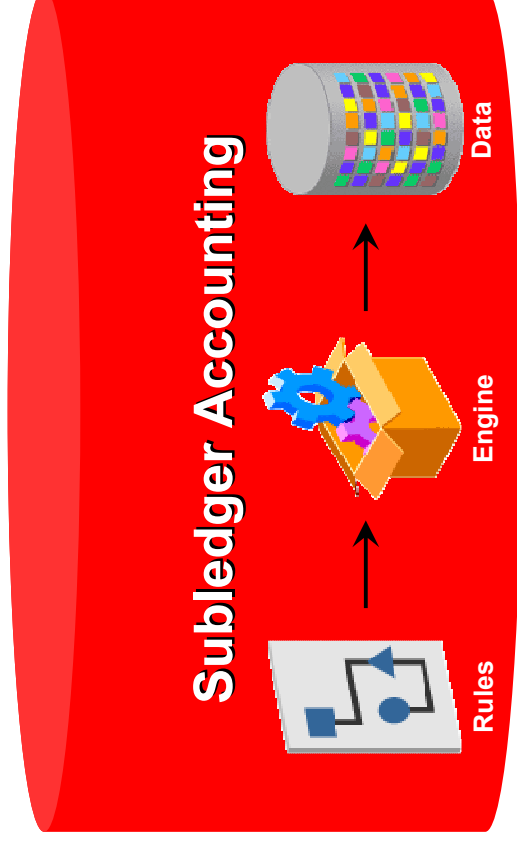
Subledger Accounting





Centralized Subledger Accounting

- Consistent user experience
- Flexible accounting rules
- Standard accounting engine
- Centralized accounting data repository





Configurable Accounting Rules

Journal:

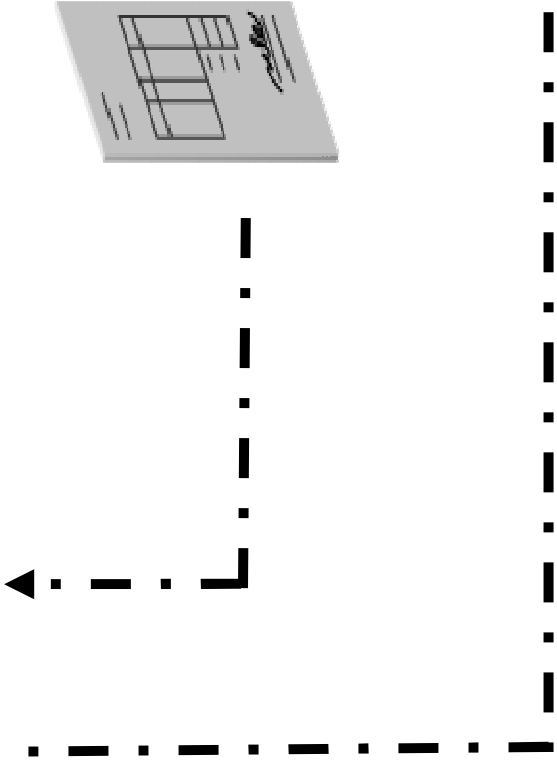
1 Debit Receivables
2 Credit Revenue

Customer Invoice		Debit		Credit	
Receivables 1-00-1111		100			
Revenue 1-00-4020				100	

Accounts:

Derive Receivables from
Customer Setup

Derive Revenue from
Invoice Distribution



Defining Conditions

Journal:

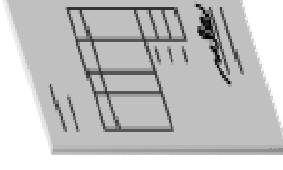
Debit Receivables
Credit Revenue

Customer Invoice		Debit		Credit	
Receivables 1-00-1000		100			
Revenue 1-00-4020				100	

Accounts:

Derive Receivables from
Customer Setup
Lookup Table

Derive Revenue from
Invoice Distribution



Lookup

Credit Rating	Account
Good	1111
Average	1000
Bad	1222

Building Accounts

Journal:

Debit Receivables
Credit Revenue

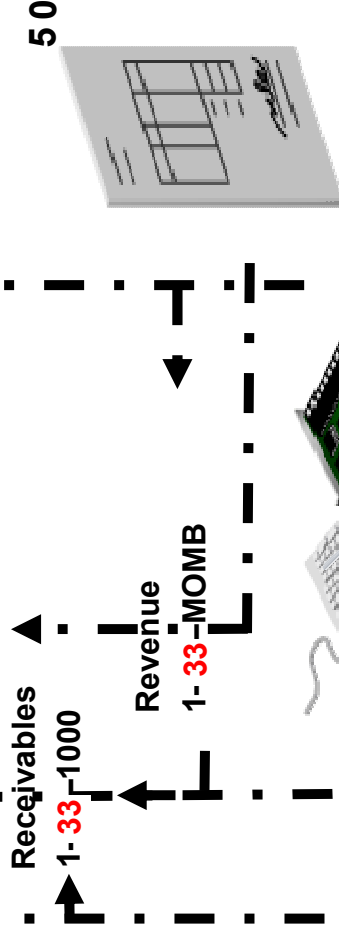
Customer Invoice		Debit	Credit
Receivables	1-22-1000	100	
Revenue	1-22-KPEJOB		100

Accounts:

Derive Receivables
from

Customer Setup
Lookup Table
Revenue Rule

Derive Revenue from
Invoice Distribution



Lookup

Credit Rating	Account
Good	1111
Average	1000
Bad	1222



Enterprise-Wide Integration with SLA

- Payables
- Receivables
- Projects
- Assets
- Cost Management
- Process Manufacturing
- Public Sector/Federal
- Purchasing
- Payroll
- Property Manager
- Loans
- Lease Management
- Intercompany
- Cash Management
- Globalizations
- Intercompany

Full Audit Trail Between Transactions and Accounting



- Transparent SLA accounting rules
- Date effective changes
- Separate, Balanced, Detailed journals with contextual transaction information
- Bidirectional drilldown between transactions, account balances, and journal entries
- Minimize need for error-prone manual adjustments

Justify accounting balances with transaction details



Subledger Accounting Integration with General Ledger and Intercompany





SLA Integration with GL

US GAAP SLA Rules

- Payables rules
- Receivables rules
- Projects rules
- Assets rules
- Etc.

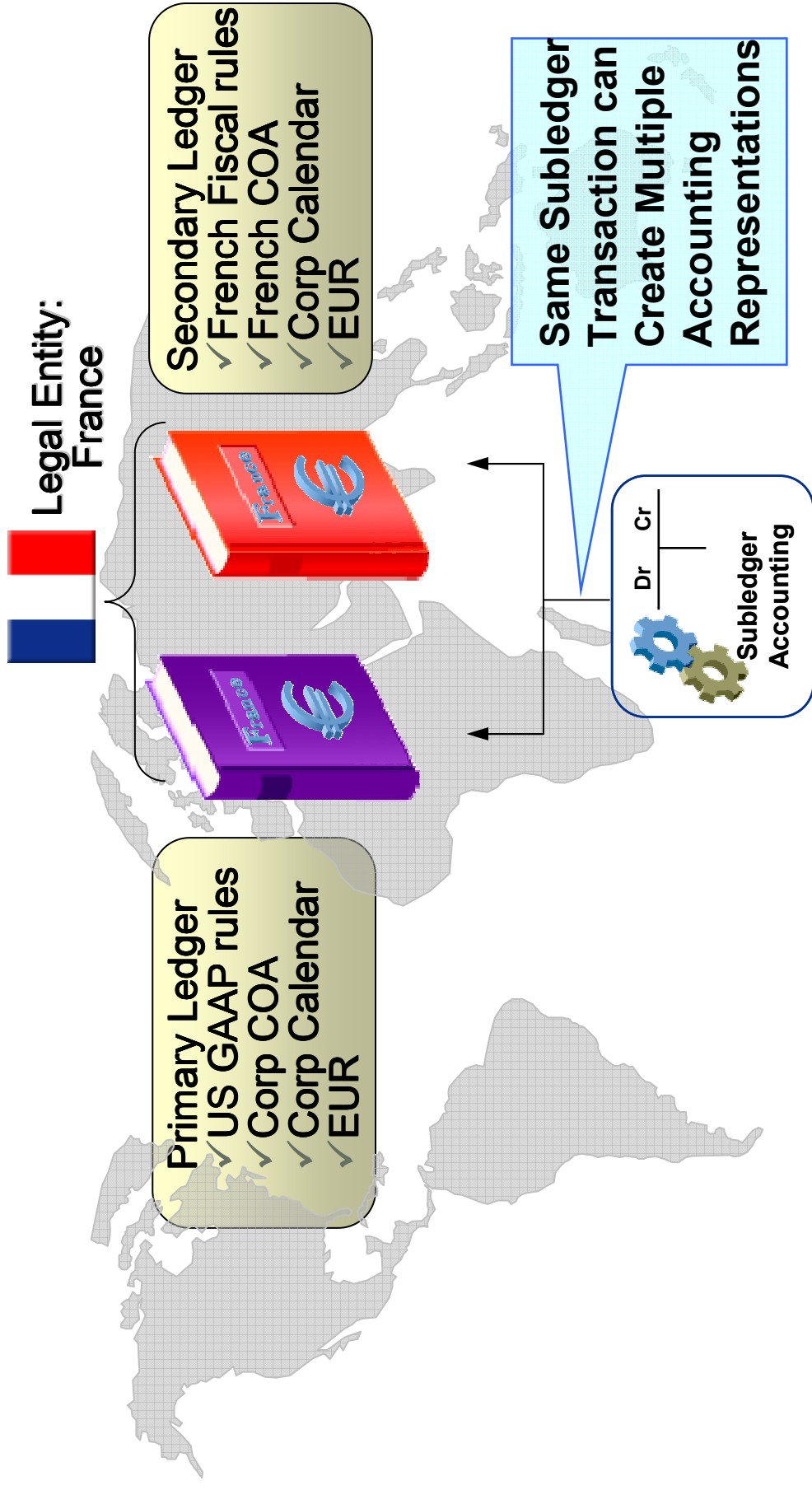


French Fiscal SLA Rules

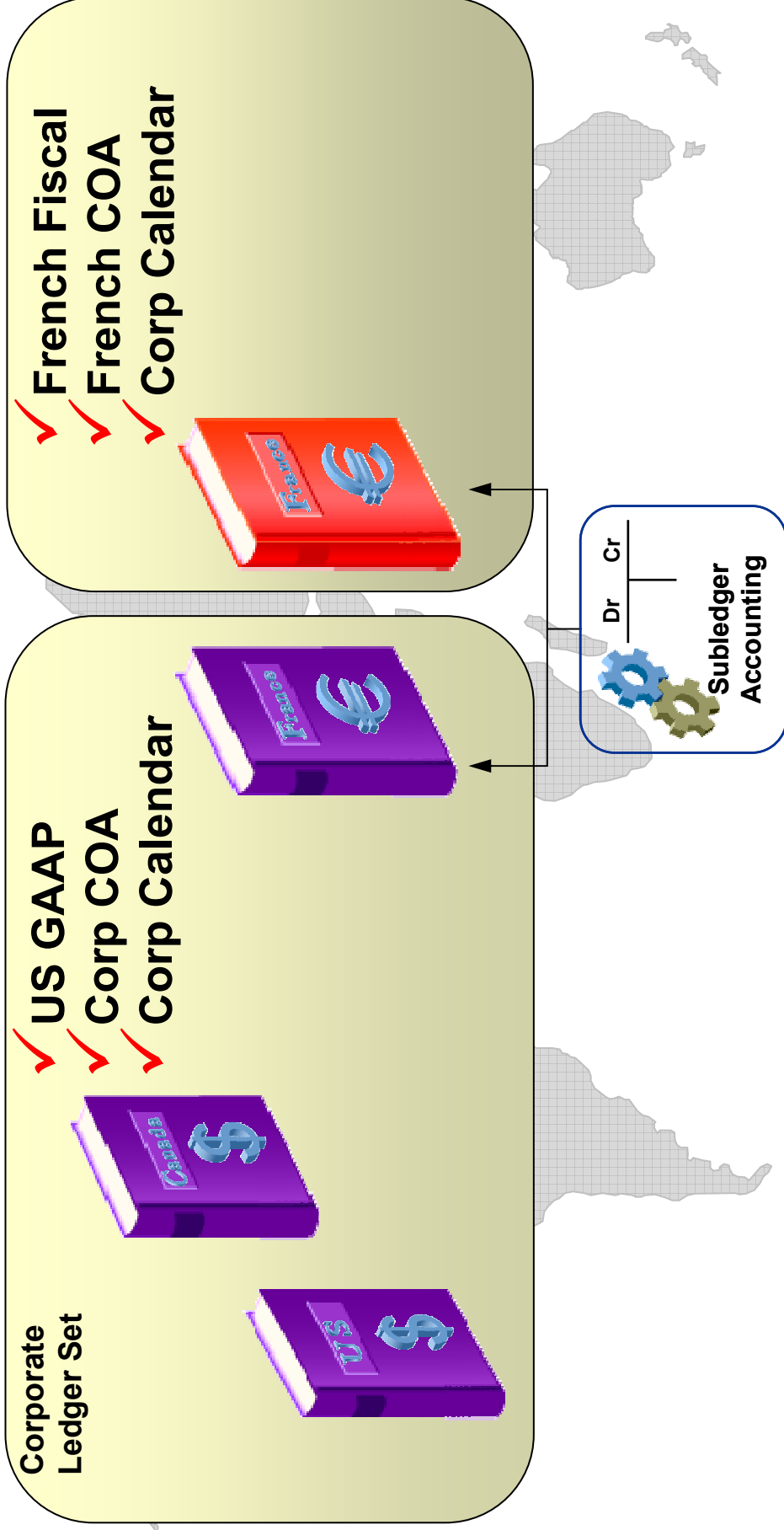
- Payables rules
- Receivables rules
- Projects rules
- Assets rules
- Etc.



Enable Compliance with Multiple Legislative, Industry, or Geographic Requirements



Ledger Sets



Prevent Accounting Errors

Alternate Accounts

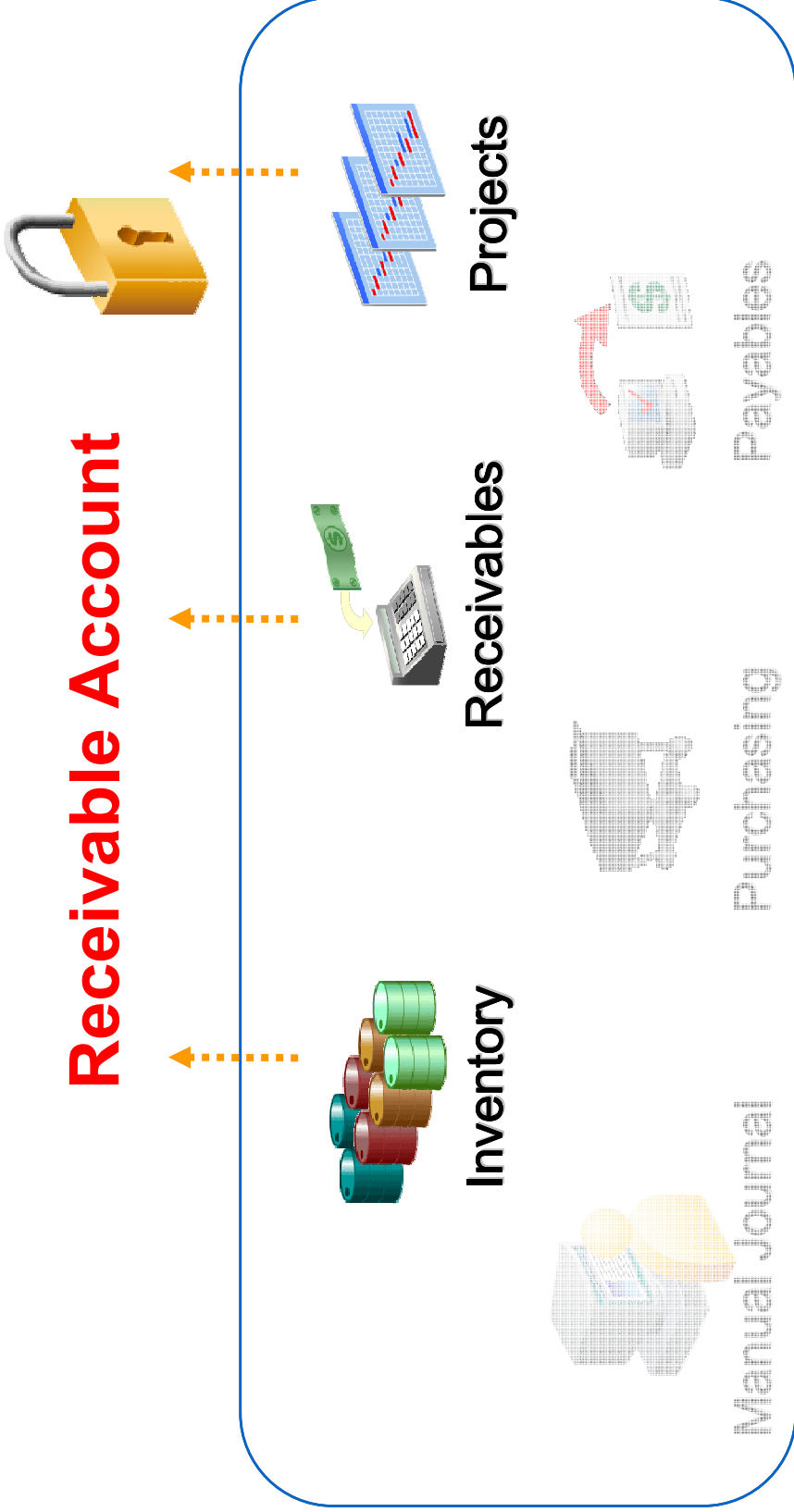
The screenshot shows the Oracle GL Accounts window for 'Wine Data Access with Ledgers'. The window displays a list of accounts with columns for 'Enabled', 'Preserved', 'Account', 'Allow Posting', 'Allow Budgeting', 'Alternate Account', and 'Reconcile'. The first five rows show accounts with alternate accounts defined, while the remaining three rows are empty.

Enabled	Preserved	Account	Allow Posting	Allow Budgeting	Alternate Account	Reconcile
<input type="checkbox"/>	<input type="checkbox"/>	US.300.10000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	US.350.10000	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	US.300.20000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	US.350.20000	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	US.300.30000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	US.350.30000	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	US.300.40000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	US.350.40000	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	US.300.50000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	US.350.50000	<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"/>

Account Description

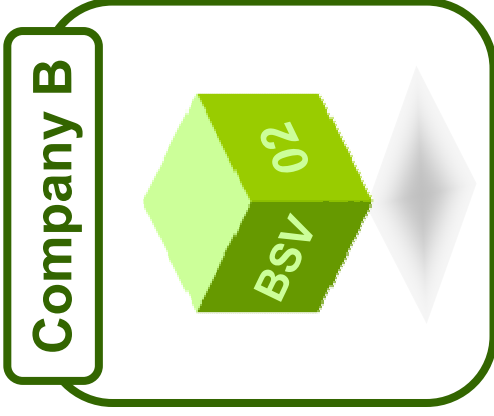
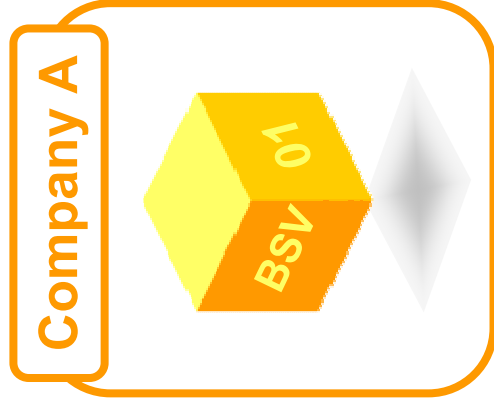


Ensure Accurate Data Control Accounts





Intercompany Balancing

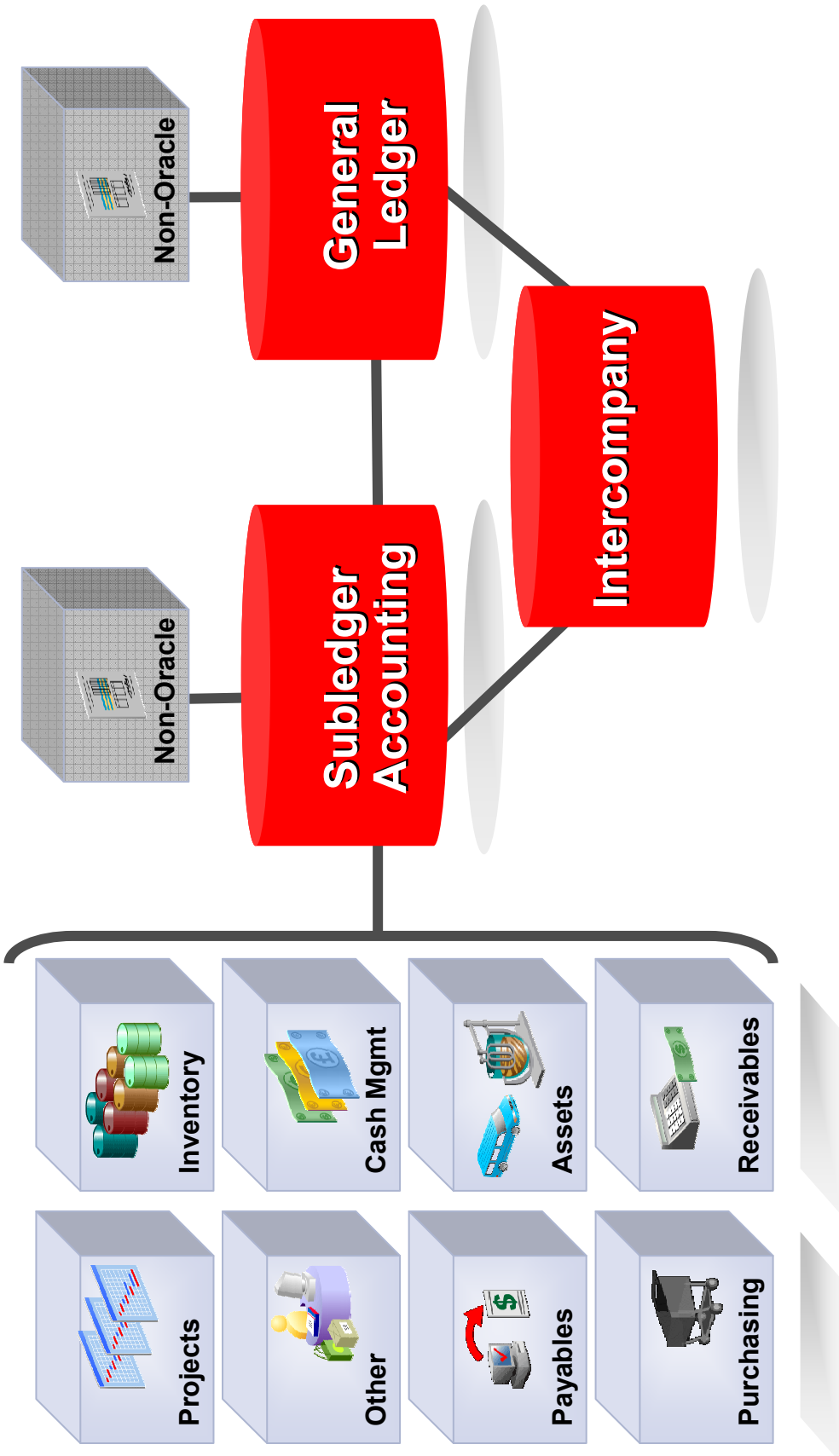


01.Liability	300
01.Expense	100
02.Expense	200
-----	-----
01.Intercompany Receivable	200
02.Intercompany Payable	200



Better Foundation

For Reporting, Analysis & Reconciliation



Flexible Account Balance Analysis

Supporting References

Subledger Journal Entry				
Type	Account	Description	Debit	Credit
Principle-Trading	01.9100010.000	Rio	10,000	

Event Class:	Bonds
Event:	Trade Inception
Ledger:	Brazilian Local (BRL)
GL Date:	10-Jan-2004
Description:	CUSIP ISN: 123451234, Client

Location	Contract	Channel
Code: West	Reference: 12423	Name: Branch J-4376
	Dated: 15-Jun-2004	

Supporting References



Robust Reporting

BI Publisher Reports

ORACLE Subledger Accounting

Journal Entries Report

Date From 01-DEC-00

Date To 31-DEC-00

Report Date 29-Jan-07

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Ledger Name **Vision Operations (USA)** Ledger Currency **USD**

Journal Source **Recurring**

Journal Category **Expenditures** Event Class

Line	Account	Line Description	Transaction Number	Document Sequence Number	Transaction Date	Entered		Accounted	
						Currency	Debit	Credit	Debit
10	01-402-8510-0000-000	Variable Cost Balance (Vision Build)				USD	15,375,000.00		15,375,000.00
9999	01-402-8520-0000-000	Offset Account for Vision Variable Costs				USD		15,375,000.00	15,375,000.00
							Journal Entry Total		15,375,000.00
						Journal Category Total		15,375,000.00	15,375,000.00

Journal Category **Revenue** Event Class

Line	Account	Line Description	Transaction Number	Document Sequence Number	Transaction Date	Entered		Accounted	
						Currency	Debit	Credit	Debit
5	03-420-4120-0000-000					USD		495,000.00	495,000.00
10	03-420-4140-0000-000					USD		99,000.00	99,000.00
20	03-420-4150-0000-000					USD		428,000.00	428,000.00

Summary

CHALLENGES	CAPABILITIES	VALUE
<ul style="list-style-type: none">• Manage complexity• Meet diverse accounting requirements• Maintain internal controls• Streamline period close• Get better information	<ul style="list-style-type: none">• Centralized accounting setup and processing• Configurable accounting rules• Full accounting audit trail• Prevention of accounting errors and out-of-balance accounts• Balances striped by transaction attributes	<ul style="list-style-type: none">• Lower costs with streamlined accounting processes• Satisfy diverse accounting and reporting requirements• Reduce time and effort during period close• Access better information for better decision making



For More Information

- The Business Benefits of Oracle's Subledger Accounting whitepaper
 - www.oracle.com/applications/financials



For More Information

search.oracle.com

Subledger Accounting

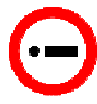


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QUESTIONS ANSWERS



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