


Oracle ERP Cloud Period Close Procedures

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Table of Contents

Introduction	7
Chapter 1 Period Close Dependencies	8
Chapter 2 Subledger Accounting Overview	9
Chapter 3 Cash Management	10
1. Complete Daily Cash Management Activities	10
2. Load Bank Statements	10
3. Reconcile Bank Statements	10
4. Review Autoreconcile Bank Statements Results and Resolve Exceptions	10
5. Create Bank Statement Transactions	10
6. Resolve Un-reconciled Statement Lines	11
7. Create Accounting and Post to General Ledger	11
8. Submit Cash to General Ledger Reconciliation Report	11
9. Submit Bank Statement Report	11
10. Submit General Ledger and Subledger Account Analysis Report	11
11. Correct any Invalid Entries to the General Ledger Cash Account (Optional)	11
Chapter 4 Payroll	12
1. Cost Un-reconciled Payments	12
2. Transfer Payment Information to Cash Management	12
3. Create Accounting and Transfer to General Ledger	12
4. Cost Reconciled Payments and Create Accounting	12
5. Calculate Partial Period Accruals	12
Chapter 5 Payables	13
1. Complete and Approve All Transactions and Payment Files	13
2. Reconcile Payments to Bank Statement Activity	13



3. Create Accounting and Transfer to General Ledger	13
4. Submit the Unaccounted Transactions Sweep Process	13
5. Close the Current Payables Period	14
6. Open the Next Payables Period	14
7. Reconcile Payables Activity for the Period	14
8. Review Payables Invoice Aging Report	17
9. Submit Payables Invoice Register and the Payables Payment Register	17
10. Accrue Un-invoiced Receipts	17
11. Submit Mass Additions Transfer to Fixed Assets	17
12. Submit Transfer Cost Information to Cost Management	17
13. Review Third Party Balances Report (Optional)	17
14. Submit General Ledger and Subledger Account Analysis Report	18
15. Review Reports for Tax Reporting Purposes (Optional)	18
Chapter 6 Projects	19
1. Close Feeder Systems	19
2. Import transactions into Projects	19
3. Set Period Status in Projects to Close Pending	19
4. Ensure Next Period is Open or Future Enterable	19
5. Process Cost Transactions	19
6. Create Accounting for Cost Transactions	19
7. Generate Asset Lines and Interface to Fixed Assets.	19
8. Generate Revenue	20
9. Generate Invoices and Interface to Receivables	20
10. Review and Resolve Billing Transaction Exceptions	20
11. Reclassify Billing Offset Balances	20

12. Create Accounting for Revenue and Billing Offsets	20
13. Submit and Review the Period Close Exceptions Reports	20
14. Verify that all Transactions are Accounted	20
15. Submit the Project Cost Account Reconciliation report (Optional)	20
16. Close Period	20
Chapter 7 Receivables	21
1. Complete All Transactions for the Period Being Closed	21
2. Recognize Revenue	21
3. Reconcile Receipts to Bank Statement Activity for the Period	21
4. Create Accounting and Transfer to General Ledger	21
5. Pending Close the Current Receivables Period	21
6. Open the Next Receivables Period	21
7. Review Subledger Period Close Exception Report	22
8. Review Potential Reconciling Items Report (Optional)	22
9. Reconcile Receivables Balances to General Ledger	22
10. Review Receivables Aging By General Ledger Account Report	25
11. Review Third Party Balances Report (Optional)	25
12. Close Receivables Period	25
13. Review General Ledger and Subledger Account Analysis Report	26
14. Estimate Provision for Bad Debt (Optional)	26
Chapter 8 Procurement	27
1. Complete All Transactions for the Period Being Closed	27
2. Review Outstanding and Overdue Purchase Orders (Optional)	27
3. Follow up Receipts - Check with Suppliers	27
4. Complete the Payables Period-End Process	27



5. Perform Period-End or Year-End Budgetary Control or Encumbrance Processing (Optional)	27
Chapter 9 Supply Chain Managerial Accounting	28
Steps for Accrue at Period End	28
1. Close the current Payables Period	28
2. Submit Transfer and Accounting Processes	28
3. Reconcile and Report	28
Steps for Accrue at Receipt	29
1. Submit Transfer and Accounting Processes	29
2. Reconcile and Report	29
3. Clear Accruals	29
Managing Period End in Cost Accounting	29
Period Statuses	30
Backdated Transactions	30
Cost Cut-off Date Option	30
Costing Date of Transactions	31
Examples	31
1. Complete All Transactions for the Period Being Closed	33
2. Check Transaction Interfaces	33
3. Submit Period-End Validations	33
4. Check and Fix Cost Processing Errors	34
5. Open the Next Inventory Period	34
6. Close the Current Inventory Period	34
7. Submit Create Accounting Process in SLA in Draft Mode	34



8. Submit Inventory Valuation Reports and Reconcile the Costing Inventory Valuation with General Ledger	34
9. Submit Create Accounting Process in Final Mode	34
Chapter 10 Fixed Assets	35
1. Complete All In-Progress Transactions	35
2. Complete All Transactions for the Period Being Closed	35
3. Submit Depreciation	35
4. Roll Back Depreciation	35
5. Create Deferred Depreciation Journal Entries (Optional)	36
6. Create Accounting	36
7. Review Subledger Period Close Exception Report	36
8. Project Depreciation using What-If Depreciation (Optional)	36
9. Review and Post Journal Entries	36
10. Reconcile Fixed Assets Balances to the General Ledger	36
Chapter 11 General Ledger	38
1. Set Next Period Status to Future Entry	38
2. Complete Import of Accounting Entries from Subledgers	38
3. Complete Import of Accounting Entries from Non-Oracle-Cloud Subledgers (Optional)	38
4. Generate Reversal Journals (Optional)	39
5. Generate Allocations and Recurring Entries (Optional)	39
6. Review and Verify Journal Details of Un-posted Journal Entries	39
7. Post All Journal Batches	39
8. Submit Subledger Period Close Exceptions Report	40
9. Reconcile General Ledger Balances	40
10. Reconcile Intercompany Balances (Optional)	40

11. Enter Adjustment and/or Accrual Journal Entries and Post	40
12. Maintain Foreign Currency Exchange Rates	41
13. Revalue Balances (Optional)	41
14. Translate Balances (Optional)	41
15. Consolidate Subsidiaries (Optional)	41
16. Close the Current General Ledger Period	42
17. Open the Next General Ledger Period	42
18. Reverse Accrual Journal Entries (Optional)	42
19. Submit Financial Reports for the Closed Period	42
20. Reconcile Encumbrance Accounting Balances (Optional)	42
21. Carry Forward Encumbrance Accounting Balances at Year-End (Optional)	42
Chapter 12 Tax	43
1. Manual Tax Adjustments	43
2. Import Tax Transactions	43
3. Submit Reports for Period-End Tax Reporting	43
Chapter 13 Budgetary Control	44
1. Complete Transactions That Require Budgetary Control	44
2. Close the Current Control Budget Period	44
3. Open Next Control Budget Period	44
4. Load Budget Amounts to Next Period (Optional)	44
5. Reconcile Budgetary Control Balances	44
6. Submit Reports for Period-End or Year-End Reporting	44
7. Plan for New Budget Year	44
8. Load Budget Amounts to Next Year	45



Introduction

Oracle ERP Cloud customers have a need to close their books every period, quarter and/or year. This whitepaper provides guidance on the period-end close procedures for Oracle Cloud Application modules, across Financials, Procurement, Projects, Inventory, and Payroll. It provides an overview of the relative timing of these procedures across the various modules. The steps included in this whitepaper are intended to be generic and do not relate to a specific organization. Both mandatory and optional steps are included, and procedures particular to year-end processing are also noted. You may have additional steps that pertain to your specific organization, industry, or geography, so you can choose to extract the steps from this whitepaper that pertain to your organization and customize it by adding additional reports or procedures, for example.

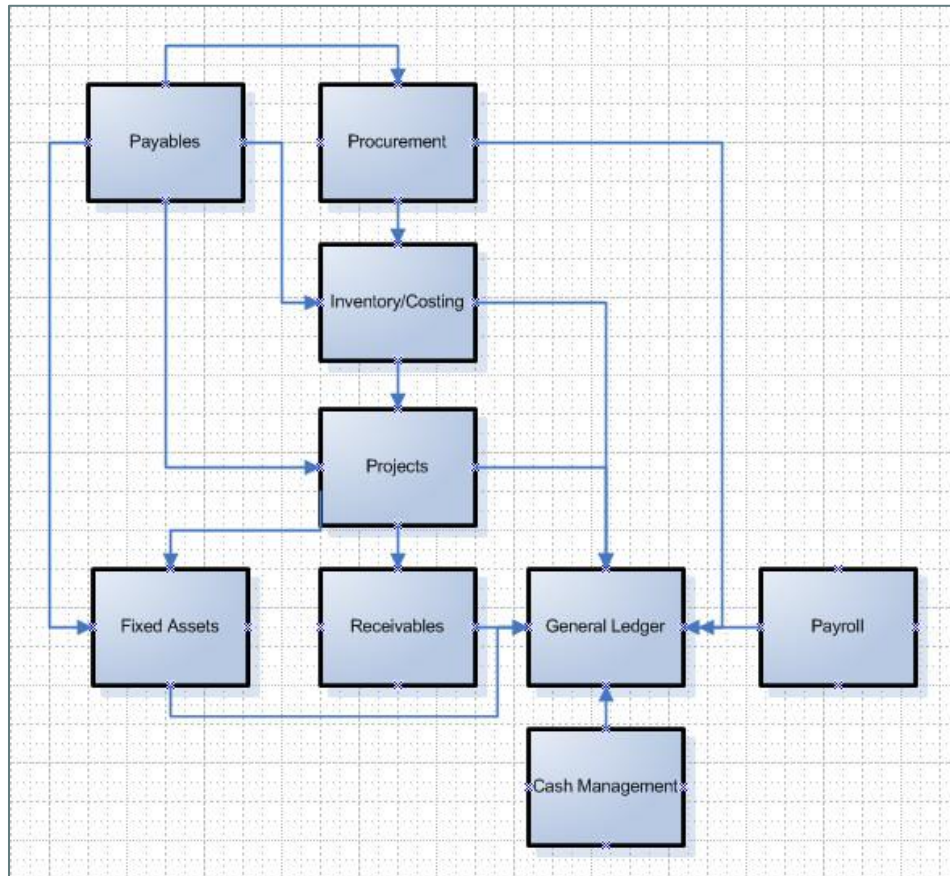
Although this document refers to “Period Close Procedures”, many of the processes can be performed regularly throughout the accounting period as required. Each subledger application provides control as to when and how frequently data is transferred from the subledger application to General Ledger.

Furthermore, if an organization has implemented multiple ledgers or multiple business units for a ledger, these procedures need to be performed for each ledger or business unit individually.

If you have not implemented all of the modules covered in this whitepaper, you can use only the relevant sections that pertain to your Oracle Cloud implementation. The first chapter describes the dependencies between the modules. The last chapter displays a summary of the steps for each module and the relative timing of each. If you are using more than one module, the last chapter is a good reference to view the proper sequence of steps for each module as they relate to the other modules you are using.

Chapter 1 Period Close Dependencies

Before you begin the period-end close process, you need to understand the dependencies between the Oracle ERP Cloud application modules. The relationships are displayed in this diagram.



Dependencies

1. Close Payables before closing Procurement to take into account the purchasing accruals at period end to accrue expenses on un-invoiced receipts.
2. Close Payables before closing Inventory to ensure the un-invoiced accrual entry is accurate.
3. Close Payables before closing Fixed Assets to ensure invoices are completed and capital invoice line distributions are transferred from Payables to Fixed Assets.
4. Close Payables before closing Projects to ensure invoices and expense reports are completed and transferred to Projects.
5. Close Procurement before closing Inventory to allow miscellaneous transaction corrections in Inventory.
6. Close Inventory before closing Projects so that Project-related inventory transactions are completed and imported into Projects.
7. Transfer all relevant Project costs to Fixed Assets and transfer revenue to Receivables before closing Fixed Assets and Receivables.
8. Close all subledger applications before closing General Ledger.

Chapter 2 Subledger Accounting Overview

The Subledger Accounting (SLA) module consists of a centralized accounting engine and repository of accounting entries for all Oracle Cloud subledger applications. It consistently enforces accounting policies across all Oracle Cloud subledger applications with centralized control and detailed audit trails.

In the subsequent chapters, you will notice the period close procedures for each Oracle Cloud subledger application include a step to submit the **Create Accounting** process after transactions are complete. SLA creates accounting entries for subledger transactions and transfers and posts them to General Ledger. It provides a comprehensive view of all subledger accounting data and behaves like a detailed version of your General Ledger, providing a rich store of information for reporting and analysis. It allows your General Ledger to be free of extraneous data, so that you can maintain a simple chart of accounts and store only what is needed for General Ledger reporting and analysis. Drilldown from General Ledger to Subledger Accounting and subledger transactions is available.

Subledger transaction distributions usually store account combinations that are considered to be default accounts and should not be used to reconcile to General Ledger. SLA allows you to configure accounting rules to change the accounts on the transaction distributions to something different from the default accounting. Therefore, the accounting entries in SLA are the source of truth to be used in reconciliation to General Ledger.

Furthermore, when the accounting for a transaction is not balanced, SLA generates the balancing lines to create a balanced accounting entry for every subledger transaction.

When you are ready to close the period for a subledger application in Oracle Cloud, you are essentially declaring that transaction processing and subledger accounting is complete for that application and accounting entries can be transferred and posted to General Ledger to update the account balances.

Create Accounting Process Description

These rules apply to all Oracle Cloud subledger applications when submitting the Create Accounting process for the subledger transactions.

- The **Create Accounting** process can be submitted from the Oracle Cloud subledger application work areas or the **Scheduled Processes** window.
- The **Create Accounting** process can be submitted in two modes: **Draft** or **Final**. If submitted in **Draft** mode, the accounting is not finalized and not transferred to General Ledger and can still be changed. If submitted in **Final** mode, the accounting cannot be changed subsequently.
- SLA accounting entries are automatically posted to General Ledger if you submit the **Create Accounting** process in **Final** mode with **Post in General Ledger** option set to **Yes**.
- If you submit the process in **Final** mode with **Post in General Ledger** option set to **No**, and **Transfer to General Ledger** option set to **Yes**, then you need to manually post the journals in General Ledger or schedule the AutoPost program.
- If you submit the process in **Final** mode with **Transfer to General Ledger** option set to **No**, then you need to submit the **Post Subledger Journal Entries** process later to transfer the generated accounting entries to General Ledger.



Chapter 3 Cash Management

Cash Management helps you effectively manage and control the cash cycle. It provides comprehensive bank reconciliation, bank, bank branches & internal bank accounts setup.

The bank reconciliation process enables the verification of entries on the bank statement by reconciling that information with system transactions in Payables, Receivables and Payroll.

During the bank reconciliation process, external transactions can be created for bank-originated entries, such as bank charges and interest.

This chapter describes the procedures for performing period-end processing in Cash Management.

1. Complete Daily Cash Management Activities

Complete bank account transfers for the day and send payment instructions to the bank. (This step is performed outside of Cash Management.)

2. Load Bank Statements

Detailed information from each bank statement, including bank account information, deposits received by the bank, and checks cleared needs to be entered into Cash Management. Bank statements can be either manually entered or loaded electronically from information received directly from your bank.

For organizations with high transaction volumes bank statements should be loaded and reconciled on a daily basis.

3. Reconcile Bank Statements

Once detailed bank statement information has been loaded into Cash Management, the information must be reconciled with the subledger transactions – Receivables cash receipts, Payables payments, Payroll payments.

Cash Management provides two methods to perform reconciliation:

a) Automatic

Bank statement details are automatically matched and reconciled with subledger transactions.

b) Manual

This method requires a manual match of bank statement details with subledger transactions. The manual reconciliation method can also be used to reconcile any bank statement details which could not be reconciled automatically.


4. Review Autoreconcile Bank Statements Results and Resolve Exceptions

Once the **Autoreconcile Bank Statement** process has been completed, review the reconciliation results in the **Bank Statements and Reconciliation** work area. The **Bank Statement Reconciliation** region displays the lines that are reconciled, un-reconciled, and any exceptions.

Resolve exceptions from the **Autoreconcile Bank Statements** process by manually reconciling the exceptions.

5. Create Bank Statement Transactions

The **Bank Statement Transaction Creation** process is used to create transactions from un-reconciled bank statement lines. This process is often used to create transactions and account for first notice items such as bank charges, fees, or interest. You must first submit the **Autoreconcile Bank Statement** process and perform any manual reconciliation on a bank statement before running the **Bank Statement Transaction Creation** process. This avoids creating external transaction from bank statement lines that already have transactions recorded in the application.



Once the bank statements are imported and reconciled, submit the **Bank Statement Transaction Creation** process. This process scans the bank statement for specific codes, as defined in the **Bank Statement Transaction Creation Rules**, and creates external transactions, which can be reconciled and then accounted.

6. Resolve Un-reconciled Statement Lines

Resolve any un-reconciled statement lines by manually reconciling the statement lines to the available transactions.

7. Create Accounting and Post to General Ledger

Create journal entries for external transactions by submitting **Create Accounting** process. The process creates and optionally transfers and posts journal entries to General Ledger. If you do not transfer the journals to General Ledger immediately, you can later submit the **Post Subledger Journal Entries** process.

8. Submit Cash to General Ledger Reconciliation Report

Use this report to reconcile the General Ledger cash account to a bank statement balance.

This report lists the bank account balance and the General Ledger cash account balance. It also lists the un-reconciled bank transactions and journals (from different sources) that help resolve the discrepancy between the balances.

Warning: To ensure that this report is accurate, you must first perform these tasks:

- Reconcile all bank statements in Cash Management.
- Transfer accounting entries for transactions in Payables and Receivables to General Ledger, and post journals in General Ledger

9. Submit Bank Statement Report

This report shows statement and transaction information for a specific bank account statement, including bank statement header information, statement line detail, and reconciliation status.

10. Submit General Ledger and Subledger Account Analysis Report

Submit and review the **General Ledger and Subledger Account Analysis Report** for the General Ledger Cash Account. Review the **General Ledger and Subledger Account Analysis Report** to ensure that only bank account related transactions have been posted to the General Ledger Cash Account by checking the journal source of the transactions. Valid sources include **Payables, Receivables, Payroll**, external transactions from **Cash Management**, and perhaps transactions interfaced from non-Oracle Cloud applications (if applicable) . Journals entered directly in General Ledger will have a journal source of **Manual, AutoCopy, or Spreadsheet**.

11. Correct any Invalid Entries to the General Ledger Cash Account (Optional)

Reverse or amend any journals incorrectly posted to the General Ledger Cash Account, which were highlighted during the review of the **General Ledger and Subledger Account Analysis Report**.

To prevent invalid journal entries to the General Ledger Cash Account, review your Subledger Accounting rules or enable journal approval for spreadsheet or manually entered journals.

Chapter 4 Payroll

This chapter describes the procedures for performing period-end processing in Payroll.

1. Cost Un-reconciled Payments

Submit the **Calculate Costing of Payments** process from the **Payroll Checklist** or **Accounting Distribution** work areas to cost un-reconciled payment results. For example, the process creates cost results that debit the payroll liability accounts and credit the cash clearing accounts.

2. Transfer Payment Information to Cash Management

Submit the **Transfer Payments Information to Cash Management** process to transfer all payments that fall within the process start and end date specified in the flow. View the list of payments included in the transferred batch on the **Person Process Results** window.

After receiving the bank statement file from the bank, the cash manager can reconcile payments in Cash Management automatically or manually.

3. Create Accounting and Transfer to General Ledger

Create accounting and transfer payroll transactions to the general ledger.

- Submit the **Create Accounting** process with the **Transfer to General Ledger** option set to **Yes** to account and transfer any unaccounted transactions to General Ledger.
- Submit the **Post Journal Entries to General Ledger** process to transfer to General Ledger any transactions that were accounted in final mode, but that were not transferred.
- Review the output reports generated by the **Create Accounting and Post Journal Entries to General Ledger** processes to view the subledger journal entries created and any errors that may have occurred.

4. Cost Reconciled Payments and Create Accounting

After the bank reconciliation file indicates that the payment cleared, submit the **Calculate Costing of Payments** process to calculate costs for the reconciled payments. Submitting the process debits the cash clearing account and credits the cash account.

Submit the **Create Accounting** processes to transfer and post the journal entries to General Ledger.

5. Calculate Partial Period Accruals

Estimate costs when the last day of the accounting period is in the middle of a payroll period, or when you require an estimate for an accounting period you must close quickly, such as the end of a quarter. Submit the **Calculate Partial Period Accruals** process from the **Payroll Checklist** or **Accounting Distribution** work areas.

Chapter 5 Payables

Accounts payable activity must be reconciled for the accounting period that is to be closed. This chapter describes the procedures for performing period-end processing in Payables.

1. Complete and Approve All Transactions and Payment Files

Ensure that all transactions are completed for the period you are closing.

- Complete all expense reports and import them to Payables using the **Process Expense Reimbursements and Cash Advance** process.
- Complete all invoices, credits, and prepayments.
- Submit **Import Payables Invoices** process to import all interface records.
- If the import process rejects any records, review the import corrections spreadsheet and resubmit the import.
- If invoice approval is enabled, approve all unapproved invoices. Depending on how your invoice options are set, validation or accounting may be required before you can approve invoices.
- Resolve holds on invoices.
- Validate invoices.
- Complete all payment files and payment process requests.
- Submit the **Payables Invoice Register** and the **Payables Payment Register** reports to obtain details about invoices and payments.
- Submit the **Update Matured Bills Payable Status** process to update the status of matured bills payable from issued to negotiable.
- Submit the **Apply Missing Conversion Rates** process to apply missing rates to foreign currency invoices.

2. Reconcile Payments to Bank Statement Activity

Refer to the Cash Management chapter. Ensure that payments are cleared if you account for payments at clearing.

3. Create Accounting and Transfer to General Ledger


Create accounting and transfer approved invoices and payments to the General Ledger.

- Submit the **Create Accounting** process with the **Transfer to General Ledger option** set to **Yes** to account and transfer any unaccounted transactions to General Ledger.
- Submit the **Post Journal Entries to General Ledger** process to transfer to General Ledger any transactions that were accounted in final mode, but that were not transferred.
- Review the output reports generated by the **Create Accounting** and **Post Journal Entries to General Ledger** processes to view the subledger journal entries created and any errors that may have occurred.

4. Submit the Unaccounted Transactions Sweep Process

Submit the **Payables Unaccounted Transactions Sweep** process to transfer unaccounted transactions from one accounting period to another. If your accounting practices permit it, use this process to change the accounting date of the transactions to the next open period.

For example, if you have invoices which you cannot resolve holds before the close, and your accounting practices allow you to change invoice distribution accounting dates, you can submit this process to change invoice distribution accounting dates to the first day of the next open period so you can close the current period.



The **Unaccounted Transactions Sweep** process does not roll forward accounted transactions, or accounted transactions with errors. To create successful accounting entries for accounted transactions with errors, correct any accounting errors and resubmit the **Create Accounting** process. The process transfers unaccounted transactions to the period you specify by updating the accounting dates to the first day of the new period. You can then close the current accounting period in Payables.

5. Close the Current Payables Period

Close the current Payables period and review the **Payables Period Close Exceptions** report to view accounting events and journal entries that fail period close validation. It is automatically submitted when closing a Payables period if there are unprocessed accounting events or un-transferred journal entries. The period can be re-opened if needed.

6. Open the Next Payables Period

Open the next period in Payables using the **Manage Accounting Periods** task in the **Invoices** work area to allow recording business as usual.

7. Reconcile Payables Activity for the Period

Reconcile Payables activity using the following reports. With the exception of the first one, these reports are submitted in the **Scheduled Processes** window. The **Payables to Ledger Reconciliation** report is described in more detail below.

- **Payables to Ledger Reconciliation** report - Lists the transactions and journals posted to the General Ledger for open payables balances to facilitate the reconciliation of accounting and transactional data recorded in Payables, Subledger Accounting, and General Ledger.
- **Payables Trial Balance** report - Lists and subtotals by supplier and liability account all unpaid and partially paid invoices.
- **Payables Posted Invoice Register** - Lists accounting lines for invoices that have been transferred to the general ledger.
- **Payables Posted Payment Register** - Lists accounting lines for payments that have been transferred to the general ledger.
- **Journal Entries Report** - Lists detailed information about subledger and general ledger journal entries, including transactions that have been accounted with error or not transferred to General Ledger.
- **Payables Open Items Revaluation** report - Lists changes in the value of open items, such as unpaid invoices and credit memos, due to conversion rate fluctuations.

Payables to Ledger Reconciliation Report

The **Payables to Ledger Reconciliation** report reconciles the open liability balance in Payables to the accounts payable balance in General Ledger, and highlights any discrepancies. Note other activity and account balances such as expense, discounts, freight, tax, etc. are not covered by this report.

Use this report after you have submitted the **Create Accounting** process in Payables and have resolved any accounting issues or items noted in the **Payables Period Close Exceptions Report**.

Note: When you drilldown from the summary report, you see the Real-Time details that make up balances from the summary report. In order to guarantee that the summary balance for each type of activity agrees with the drill down detail, the payables period status should be set to **Closed** before submitting the **Prepare Payables to General Ledger Reconciliation** process for the period.

Note: Payables transactions have accounts on the distributions. SLA uses these distributions as a source for generating the journal entries, which are ultimately transferred to General Ledger. Distributions are the source of SLA accounting when using the delivered accounting rules. Custom rules do not have to source these distributions. When reconciling the Payables balances to General Ledger, rely on the accounts in the SLA accounting entries, not the accounts on the Payables distributions.

Description of Payables to Ledger Reconciliation Report:

- Automates the labor-intensive process of manually matching sub-ledger transactions to accounting entries and identifying the discrepancies.
- Presents the beginning and ending payables balances and all activity for the period.
- Increases visibility to information by drilling down to supporting journal and transaction details, rather than navigating to multiple windows or generating printed reports.
- Identifies reconciling exceptions and suggests the action to take, decreasing time normally taken to investigate.
- Allows companies to include or exclude Intercompany transactions or Bills Payable.
- Parameters for balancing segment and business unit allow you to reconcile by business unit if setup has been performed for this type of reconciling.
- Ad hoc parameters allow you to specify business units and account balancing segments, thereby instantly modifying the display of data.
- If additional analysis is needed, the summary and drill down detail report output can be exported to a spreadsheet, where all Excel functions such as sum, find, filter, etc. are available.

How to use the Payables to Ledger Reconciliation Report:

The reconciliation report is comprised of two parts - the Prepare Payables to General Ledger Reconciliation process and the report.

Prepare Payables to General Ledger Reconciliation Process

The extract process, **Prepare Payables to General Ledger Reconciliation**, is used to select data for the Summary section of the Reconciliation Report. This must be submitted in the **Schedule Processes** window prior to viewing the report. Required parameters:

- **Request Name** - Free-form parameter to enter a name that is descriptive. Consider using a name that indicates Period, date, time, especially if you anticipate the need to create multiple extracts.
- **Ledger** – Identifies the ledger you are trying to reconcile.
- **Accounting Period** - The Accounting Period you select can be opened or closed.

Optional parameters to limit your data set:

- **Business Unit** - Entering the Business Unit can assist with reconciling by a specific organization rather than the whole ledger. Use only if there is an implicit mapping between business unit and balancing segment value. Results may be inaccurate if using cross business unit payments.
- **Intercompany Option** - Choose to include, exclude or reconcile only Intercompany activity.
- **Bills Payable Option** – Choose to include or exclude Bills Payable activity.
- **Account Filter** - If you have multiple accounts payable General Ledger accounts, or a lot of activity, you may want to limit data to specific General Ledger accounts. You can also use the Account Filter to limit data to specific balancing segment values, but only if there is an implicit mapping between business unit and balancing segment value.

Payables to Ledger Reconciliation Report

The interactive reporting capability of the reconciliation report provides summarized and detailed reconciling data. The Summary report allows you to see payables and accounting beginning and ending balances, plus summarized activity for the period and how it was accounted. Submit this report from the **Tasks** pane of the **Payables Invoices** work area or Payments work area after the **Prepare Payables to General Ledger Reconciliation** process is complete.

The Summary Report has three columns:

- **Payables Amount** column represents Payables activity. Drill down reports represent the individual Registers for transactional activity by type of activity
- **Accounting Amount** column represents the accounting journals. Drill down reports represent the individual Journal Reports for accounting activity by type of activity
- **Difference** column represents the differences between activity recorded in payables and the accounting generated for that activity. Drill down reports represent differences between transactional data and accounting data by specific activity, such as, invoices, payments and prepayments.

From the summary report:

- You can analyze a smaller subset of data by modifying the ad hoc parameter values of the report. The table data will change accordingly.
- **Accounting Begin/End Balance** - You can drill down on these balances to view the General Ledger begin or end balance by account combination.
- **Non-Payables Begin Balance** - You can drill down on this balance to view journals posted to the payables accounts from a journal source other than Payables in prior periods, but the drill down page only displays account activity for the current fiscal year.
- **Payables Begin/End Balance** - You cannot drill down on these balances in the Payables Amount column as they are calculated amounts. **Payables End Balance** is the new balance for the period after adding or subtracting current period activity. However, you can drill down on these balances in the **Accounting Amount** column; they reconcile to the **Payables Trial Balance** report.
- **Transaction Balances** - You can drill down from any of the summarized Payables and Accounting amounts to see the detailed activity that makes up those totals.
- **Difference** - You can drill down on the **Difference** amounts to see specific reconciling items and the potential cause of the out-of-balance condition between the **Payables Amount** and the **Accounting Amount**.
- **Other Accounting** – This is activity that only has an accounting impact (no impact to Payables), such as, manual journals created in SLA with source of Payables, and balancing journals for Intercompany accounting. Values will only display in the **Accounting Amount** and **Difference** columns.
- **Payables Variance** - You cannot drill down on this balance. It is displayed above the **Payables End Balance** line if there is data corruption to activity in Payables. IT or Development should be involved when data corruption occurs. . You may optionally submit other Payables reports to validate the Payables begin balance, period transaction activity and end balances are correct.
- **Non-Payables Journals** – You can drill down to view journal entries posted to accounts payable in General Ledger that were not initiated from the Payables module for the period of the report.
- **Not Transferred to General Ledger** and **Not Posted in General Ledger** - You can drill down to view details of what still needs to be transferred and posted to the General Ledger.
- **Accounting Variance** - You can drill down on this balance; two different reports will display, one for Journals in SLA missing from General Ledger, and one for Journals in General Ledger missing in SLA. Accounting Variances usually only occur when there is data corruption that requires the assistance of IT or Development.

The **Difference** column of the Reconciliation Summary report provides suggestions for the cause of out-of-balance conditions:

- **Final accounting is not available for this transaction** - Requires you to create final accounting. This includes items that have never been accounted and those that are accounted in **Draft** mode. .
- **Account is outside report range** – Applies to Payables transactions with SLA journal entries with accounts that are excluded from Reconciliation report's account range. Check if the transaction is recorded to the correct account. This error might also occur if the financial category attribute has not been assigned to the natural account segment value.
- **Business Unit is outside report range** – Applies to Payables transactions with SLA journal entries with accounts that match the Reconciliation report's account range, but the business unit of the transaction does not match the business unit of the Reconciliation report. (If you filter the reconciliation report for specific business units or specific balancing segment values, be sure your Oracle ERP Cloud implementation has an implicit mapping between business unit and balancing segment value. If not, you should not be using these filters. Doing so could result in erroneous data in your reconciliation report.) Check if the transaction is recorded to the correct business unit and correct account. Also check the parameters selected when submitting the Reconciliation report or **Prepare Payables to General Ledger Reconciliation** process to ensure the proper business units, balancing segment values, and accounts are included.

8. Review Payables Invoice Aging Report

After Payables is reconciled to your satisfaction, submit the **Payables Invoice Aging Report** in the **Scheduled Processes** window. This report shows the current total outstanding accounts payable balance by aging buckets as of the date and time the report was executed. You cannot submit this report for a date in the past, so save a copy of the report at the end of every period for historical reporting purposes.

9. Submit Payables Invoice Register and the Payables Payment Register

If you haven't already, submit the **Payables Invoice Register** and the **Payables Payment Register** reports for the period to save a record of invoices and payments.

10. Accrue Un-invoiced Receipts

Refer to the Supply Chain Management chapter, Managing Period End in Receipt Accounting section.

11. Submit Mass Additions Transfer to Fixed Assets

After you have completed all Payables transaction entries, and confirmed all invoice holds, and carry forwards, submit the **Create Mass Additions** process to transfer capital invoice line distributions from Payables to Fixed Assets.

For foreign currency assets, Payables sends the invoice distribution amount in the converted functional currency. The mass addition line appears in Fixed Assets with the functional currency amount.

After you create mass additions, you can review them in the **Pending Source Lines** region in the **Additions** work area or **Assets Accounting Dashboard**.

It is recommended to execute a final **Create Mass Additions** process after the period close to ensure that all Payables invoices are:

- Included in the correct period and
- Any additional invoicing will become part of the next periods invoice and asset processing period.


Suggestion: If the volume of transactions in Payables requiring Fixed Assets update is large, you should consider running the **Create Mass Additions** process on a more regular basis.

12. Submit Transfer Cost Information to Cost Management

Transfers cost information from Payables to Cost Management.

13. Review Third Party Balances Report (Optional)

Submit and review the **Third Party Balances** report from the **Scheduled Processes** window.



This report is only available if you use third party control accounts. This report is used to display balance and account activity information for Suppliers and Customers. It retrieves the following information:

- Third party balances for third party control accounts
- Subledger journal entry lines that add up to the total period activity for each control account, third party, and third party site
- Third party and third party site information
- User transaction identifiers for the associated event

The balances in this report can be compared with the General Ledger balances for the same control accounts to reconcile.

14. Submit General Ledger and Subledger Account Analysis Report

Submit and review the **General Ledger and Subledger Account Analysis Report** for any account that you are trying to reconcile (i.e. expense, freight, discounts, tax, etc.) to ensure that only appropriate transactions have been posted to the General Ledger account by checking the journal source of the transactions.

Note: To avoid duplication with subledger journal entries, General Ledger journal entries imported from SLA are not included in the report.

15. Review Reports for Tax Reporting Purposes (Optional)

Submit and review the following Withholding Tax and Key Indicator Reports, as applicable to your country. Withholding tax reports are normally executed at the end of the fiscal year:

- Withholding Tax reports - Lists withholdings for a supplier. The invoice view is used to review detailed withholding tax information by invoice. The supplier view is used to review the withholding information for a range of suppliers.
- Withholding Tax by Tax Authority report - Lists withholdings for tax codes assigned to a tax authority.
- Withholding Tax Letter - Creates a withholding tax letter to mail to a supplier on a periodic basis. The letter contains a list of withholdings made for a supplier, summarized either by tax type and tax rate, or by supplier site.
- Payables Key Indicators report - Generates reports with transaction activity and the current number of suppliers, invoices, payments, and matching holds.
- US 1099 Withholding reports
- Refer to [Fusion Localizations Global Catalog](#) for country specific withholding tax reports.

Chapter 6 Projects

Project Portfolio Management provides for a means to track project related revenue and costs, including transfer pricing between organizations and legal entities. As a subledger, Project Portfolio Management utilizes Subledger Accounting to process the accounting related to the revenue and cost transactions that it produces.

Projects supports two period definitions, the Accounting period and a Project Accounting Period. Defining Project Accounting Periods allows for organizations to control their project related processes at a more granular level than they report from a general accounting perspective, e.g. weekly. If there are no requirements to maintain this level of granularity for reporting or control purposes, then it is possible to simply maintain a 'Common' definition of both types of periods based on the accounting calendar. In this case, the period close out process is managed for accounting periods only.

Accounting dates and periods for new project transactions are typically derived using the transaction date (i.e. expenditure item date). If the period in which the transaction date falls into is in an Open or Future Enterable status, then the accounting date is set to the transaction date. If the period in which the transaction date falls into is not in an Open or Future Enterable status, then the accounting date is set to the first day of the next Open or Future Enterable period. For adjustments to existing transactions, the accounting date of that transaction is used as the basis and the accounting date and period for the adjusting transactions are derived as described above.

This chapter describes the procedures for performing period-end processing in Project Portfolio Management.

1. Close Feeder Systems

Process transactions and close period for systems sending transactions to projects; i.e. Payables, Cost Accounting, etc.

2. Import transactions into Projects

Import transactions from all feeder systems.

3. Set Period Status in Projects to Close Pending

After the last day of the period, set the accounting and project accounting period statuses to Close Pending for all business units in the **Manage Accounting Periods** or **Manage Project Accounting Periods** page. This will prevent cost transactions from being accounted and reported in the period, but rather accounted and reported in the next period. You can still process revenue and transfer pricing transactions while the period is Close Pending.

4. Ensure Next Period is Open or Future Enterable

The subsequent period should be set to **Open** or **Future Enterable** so that transactions will continue to be processed in that period.

5. Process Cost Transactions

Ensure that all cost transactions in the now **Close Pending** period are fully processed. The **Project Costs Overview** page provides visibility into the Unprocessed Transactions, Adjustments, and Burden transactions that are Pending processing or require additional attention.


You may need to submit any of the following processes; **Import and Process Cost Transactions, Identify Cross-Charge Transactions, Distribute Borrowed and Lent Amounts, Generate Burden Transactions.**

*Note that you must wait until after the next step to process Borrowed and Lent as it is dependent upon the cost transactions being accounted.

6. Create Accounting for Cost Transactions

Submit **Create Accounting** with a Process Mode of **Final** and ensure that all cost transactions have been accounted successfully.

7. Generate Asset Lines and Interface to Fixed Assets.



Submit the following processes to ensure that capital costs are accurately reflected and interfaced to Fixed Assets: **Create Periodic Capital Events, Generate Asset Lines, Transfer Assets to Oracle Fusion Assets, Update Asset Information from Oracle Fusion Assets.**

8. Generate Revenue

Generate Revenue for all rate based contract lines, and any fixed price contract lines that need to be accounted in the current period. This should include all external, intercompany, and interproject contracts.

9. Generate Invoices and Interface to Receivables

Generate Invoices as required for external contracts. Generate invoices for all intercompany and interproject invoices to ensure that the intercompany payable/receivable balances are reported in the same period. All invoices should be Released and Accepted in Receivables by submitting the **Update Invoice Details from Receivables** process.

10. Review and Resolve Billing Transaction Exceptions

Resolve any billing transaction exceptions by viewing them in the **Revenue** and **Invoices** work areas and taking the appropriate corrective actions.

11. Reclassify Billing Offset Balances

If you are maintaining distinct accounts for deferred revenue and unbilled receivables, then create the appropriate billing offset balances by submitting the **Reclassify Billing Offset Balances** process.

12. Create Accounting for Revenue and Billing Offsets

Submit the **Create Accounting** process to ensure that all revenue and billing offset transactions are **Final** accounted.

13. Submit and Review the Period Close Exceptions Reports

Depending on which period you are closing, Accounting or Project Accounting, submit either the **Accounting Period Close Exception Report** or the **Project Accounting Period Close Exception Report**. Submit the report for each Business Unit and with a Report Style of **Summary** initially. Review and resolve exceptions. If more detail is needed, run again with a Report Style of **Detail**.

14. Verify that all Transactions are Accounted

Submit the **Sweep Accounting Transactions** process with a Process Mode of **Preview** and verify the transactions displayed can be deferred and accounted in the next period. If not, then resolve the exceptions that are preventing them from being accounted. Once the **Preview** list displays only those transactions to be deferred, submit **Sweep Accounting Transactions** again with a Process Mode of **Update**.

15. Submit the Project Cost Account Reconciliation report (Optional)

The **Project Cost Account Reconciliation** report can be accessed and submitted from the analytics catalog. This report will allow you to verify all project transactions that have posted to a specific general ledger account.

16. Close Period

In the **Manage Accounting Periods** or **Manage Project Accounting Periods** page, change the accounting or project accounting period status from **Close Pending** to **Closed**. If the next period status is **Future Enterable**, change it to **Open**.



Chapter 7 Receivables

Receivables activity must be reconciled for the accounting period that is to be closed. This chapter describes the procedures for performing period-end processing in Receivables.

1. Complete All Transactions for the Period Being Closed

Ensure that all transactions have been entered for the period being closed:

- Complete Invoicing, Credits and Adjustments
- Complete Receipts and Reversals
- Complete Invoice and Customer Import
- Complete Lock Box Processing
- Complete processing of Refunds and Deductions
- Generate Late Charges (Optional)
- Submit the revenue recognition process (Optional)
- If you import transactions from an external system or Projects, ensure that you have imported all transactions and reviewed all audit trails for completeness.

2. Recognize Revenue

If revenue schedules are created, submit the **Create Receivables Accounting** process to initiate revenue recognition prior to creating accounting.

3. Reconcile Receipts to Bank Statement Activity for the Period

Refer to the Cash Management chapter.

4. Create Accounting and Transfer to General Ledger

Create accounting for invoices and receipts and transfer to General Ledger.

- Submit the **Create Accounting** process with the **Transfer to General Ledger** option set to **Yes** to account and transfer any unaccounted transactions to General Ledger.
- Submit the **Post Journal Entries to General Ledger** process to transfer to General Ledger any transactions that were accounted in final mode, but that were not transferred.
- Review the output reports generated by the **Create Accounting** and **Post Journal Entries to General Ledger** processes to view the subledger journal entries created and any errors that may have occurred.

5. Pending Close the Current Receivables Period

Change the status of the Receivables period you are trying to close to **Close Pending** using the **Manage Accounting Periods** task in the **Receivables Balances** work area. This prevents new transactions from being entered during the reconciliation process. When the period is in **Close Pending** status, existing activity can be accounted and transferred to the General Ledger. The period can be reopened if needed.

6. Open the Next Receivables Period

Open the next period in Receivables using the **Manage Accounting Periods** task in the **Receivables Balances** work area to allow recording business as usual.

7. Review Subledger Period Close Exception Report

Submit and review the **Subledger Period Close Exceptions** report to view accounting events and journal entries that failed period close validation.

8. Review Potential Reconciling Items Report (Optional)

The **Potential Reconciling Items** report suggests journal items that might potentially post to General Ledger accounts with unexpected account types, thus creating reconciliation issues in General Ledger. If the Receivables setup has not been performed correctly, activity may post to the incorrect General Ledger account causing improper accounting, such as posting to an asset when it should post to revenue. If these journals are found, the Subledger Accounting (SLA) **Account Override** feature can be used to make modifications, and the setup should be modified appropriately.

This report is usually used during new implementations or when there are changes to setup, such as adding or updating **Transaction Types**. But if updates or new setup are performed frequently, consider reviewing it during period close processing.

9. Reconcile Receivables Balances to General Ledger

The **Receivables to Ledger Reconciliation** report reconciles the open receivables balance in Receivables to the accounts receivable balance in General Ledger, and highlights any discrepancies. Note other activity and account balances such as revenue, discounts, freight, tax, etc. are not covered by this report.

Use this report after you have submitted the **Create Accounting** process in Receivables and have resolved any accounting issues or items noted in the **Subledger Period Close Exceptions** report.

Note: When you drilldown from the summary report, you see the real-time details that make up balances from the summary report. In order to guarantee that the summary balance for each type of activity agrees with the drill down detail, the Receivables period status should be set to **Closed** or **Close Pending** before submitting the **Prepare Receivables to General Ledger Reconciliation** process for the period.

Note: Receivables generates distributions. These are the accounting flexfield values (accounts) for the activity in Receivables, including billing, payments, bank remittance, gain or loss on foreign currency transactions, freight and tax calculation. SLA uses these distributions as a source for generating the journal entries, which are ultimately transferred to General Ledger. Distributions are the source of SLA accounting when using the delivered accounting rules. Custom rules do not have to source these distributions. When reconciling Receivables balances to General Ledger, rely on the accounts in the SLA accounting entries, not the accounts on the Receivables distributions.

Description of Receivables to Ledger Reconciliation Report:

- Automates the labor-intensive process of manually matching sub-ledger transactions to accounting entries and identifying the discrepancies.
- Presents the beginning and ending receivables balances and all activity for the period, matching the receivables aging.
- Increases visibility to information by drilling down to supporting journal and transaction details, rather than navigating to multiple windows or generating printed reports.
- Identifies reconciling exceptions and suggests the action to take, decreasing time normally taken to investigate.
- Allows companies to exclude on-account items and unapplied/unidentified receipts, which is especially helpful when these items do not post to the receivables account.
- Can automatically compare open intercompany balances between intercompany trading partners and report on any differences.
- Parameters for balancing segment and business unit allow you to reconcile by business unit if setup has been performed for this type of reconciling.

- Ad hoc parameters allow you to specify business units and account balancing segments, thereby instantly modifying the display of data.
- If additional analysis is needed, the summary and drill down detail report output can be exported to a spreadsheet, where all Excel functions such as sum, find, filter, etc. are available.

How to use the Receivables to Ledger Reconciliation Report:

The reconciliation report is comprised of two parts - the **Prepare Receivables to General Ledger Reconciliation** process and the Report.

Prepare Receivables to General Ledger Reconciliation Process

The extract process, **Prepare Receivables to General Ledger Reconciliation**, is used to select data for the Summary section of the Reconciliation Report. This must be submitted in the Schedule Processes window prior to viewing the report. Required parameters:

- **Request Name** - Free-form parameter to enter a name that is descriptive. Consider using a name that indicates Period, date, time, especially if you anticipate the need to create multiple extracts.
- **Ledger** – Identifies the ledger you are trying to reconcile.
- **Accounting Period** - The Accounting Period you select can be opened or closed.

Optional parameters to limit your data set:


- **Business Unit** - Entering the Business Unit can assist with reconciling by a specific organization rather than the whole ledger. Use only if there is an implicit mapping between business unit and balancing segment value.
- **Intercompany Option** - Choose to include, exclude or reconcile only Intercompany activity.
- **On-account Option** - If on-account items or unapplied and unidentified receipts post to non-receivable accounts, you may wish to exclude them from reconciliation.
- **Account Filter** - If you have multiple accounts receivable General Ledger accounts, or a lot of activity, you may want to limit data to specific General Ledger accounts. You can also use the Account Filter to limit data to specific balancing segment values, but only if there is an implicit mapping between business unit and balancing segment value.

Receivables to Ledger Reconciliation Report

The interactive reporting capability of the reconciliation report provides summarized and detailed reconciling data. The Summary report allows you to see receivables and accounting beginning and ending balances, plus summarized activity for the period and how it was accounted. Submit this report from the **Tasks** pane of the Receivables Balances work area after the **Prepare Receivables to General Ledger Reconciliation** process is complete.

The Summary Report has three columns:

- **Receivables Amount** column represents Receivables activity. Drill down reports represent the individual Registers for transactional activity by type of activity
- **Accounting Amount** column represents the accounting journals. Drill down reports represent the individual Journal Reports for accounting activity by type of activity
- **Difference** column represents the differences between activity recorded in receivables and the accounting generated for that activity. Drill down reports represent differences between transactional data and accounting data by specific activity, such as, invoices, adjustments and receipts.




From the summary report:

- You can analyze a smaller subset of data by modifying the ad hoc parameter values of the report. The table data will change accordingly.
- **Accounting Begin/End Balance** - You can drill down on these balances to view the General Ledger begin or end balance by account combination.
- **Non-Receivables Begin Balance** - You can drill down on this balance to view journals posted to the receivables accounts from a journal source other than Receivables in prior periods, but the drill down page only displays account activity for the current fiscal year.
- **Receivables Begin/End Balance** - You cannot drill down on these balances as they are calculated amounts. Receivables End Balance is the new balance for the period after adding or subtracting current period activity.
- **Transaction Balances** - You can drill down from any of the summarized Receivables and Accounting amounts to see the detailed activity that makes up those totals. The **Receivables Amount** column reconciles the receivables with the Aging and compares the balances to the **Accounting Amounts**.
- **Differences** - You can drill down on the **Differences** amounts to see specific reconciling items and the potential cause of the out-of-balance condition between the **Receivables Amount** and the **Accounting Amount**.
- **Other Accounting** – This is activity that only has an accounting impact (no impact to Receivables), such as, manual journals created in SLA with source of **Receivables**, and balancing journals for Intercompany accounting. If your company uses **Bills Receivable**, the journals that indicate the movement between General Ledger accounts that occur over the lifecycle of a Bill Receivable will also display in **Other Accounting**. Values will only display in the **Accounting Amount** and **Difference** columns.
- **Receivables Variance** - You cannot drill down on this balance. It is displayed above the **Receivables End Balance** line if there is data corruption to activity in Receivables. IT or Development should be involved when data corruption occurs. You may optionally submit other Receivables reports to validate the Receivables begin balance, period transaction activity and end balances are correct.
- **Non-Receivables Journals** – You can drill down to view journal entries posted to accounts receivable in General Ledger that were not initiated from the Receivables module for the period of the report.
- **Not Transferred to General Ledger and Not Posted in General Ledger** - You can drill down to view details of what still needs to be transferred and posted to the General Ledger.
- **Accounting Variance** - You can drill down on this balance; two different reports will display, one for Journals in SLA missing from General Ledger, and one for Journals in General Ledger missing in SLA. Accounting Variances usually only occur when there is data corruption that requires the assistance of IT or Development.

The **Difference** column of the Reconciliation Summary report provides suggestions for the cause of out-of-balance conditions:

- **Final accounting is not available for this transaction** - Requires you to create final accounting. This includes items that have never been accounted and those that are accounted in Draft mode.
- **Account is outside report range** – Applies to Receivables transactions with SLA journal entries with accounts that are excluded from Reconciliation report's account range. Check if the transaction is recorded to the correct account. This error might also occur if the financial category attribute has not been assigned to the natural account segment value.
- **Business Unit is outside report range** – Applies to Receivables transactions with SLA journal entries with accounts that match the Reconciliation report's account range, but the business unit of the transaction does not match the business unit of the Reconciliation report. (If you filter the reconciliation report for specific business units or specific balancing segment values, be sure your Oracle ERP Cloud implementation has an implicit mapping between business



unit and balancing segment value. If not, you should not be using these filters. Doing so could result in erroneous data in your reconciliation report.) Check if the transaction is recorded to the correct business unit and correct account. Also check the parameters selected when submitting the Reconciliation report or **Prepare Receivables to General Ledger Reconciliation** process to ensure the proper business units, balancing segment values, and accounts are included.

10. Review Receivables Aging By General Ledger Account Report

The **Receivables Aging By General Ledger Account** report shows the total customer outstanding balance by aging buckets to group invoices by the number of days an item is overdue, such as Current, 1-30 days late, 31-60 days late, 61-90 days late, etc. This information is important because it gives a complete picture of the customer debt and potential ability to collect the outstanding amounts. Typically, the older the invoice – the longer is it outstanding – the less likely it will be collected.

- The Aging report total should be reconciled to the **Receivable End Balance** in the **Receivables to Ledger Reconciliation Report**. Aging and accounting are two different ways to represent the same data, so their totals should agree. If they don't agree, consider these causes:
- The Aging report is run by **As of Date**, while the Reconciliation report is run by accounting period. The **As of Date** of the Aging report must coincide with the period-end date of the Reconciliation report to compare like data.
- The Aging report only displays items that have been accounted. Transactions that do not have final accounting may be missing from the Aging Report.
- The accounting may have posted to accounts not included in the Reconciliation report.
- There may be activity that has only an accounting impact, which is not represented on the Aging because it does not affect the customer outstanding balance. This could include a manual journal or intercompany accounting.
- There was a discrepancy in a prior period. The beginning balances on the Reconciliation report should always agree with the prior period Aging report total. If it is not the same, you may have to go back several periods to identify the original out-of-balance condition.
- The setup can determine if a transaction amount will update the customer balance, and if accounting will be generated for that activity. Some invoices are imported into Receivables for tracking purposes and do not generate accounting.
- There was a credit/rebill for an internal accounting error. Rather than creating and issuing a credit memo and new invoice to the customer, the credit memo and invoice were created such that they do not update the customer balance, but do generate corrected accounting that posts to the General Ledger.

11. Review Third Party Balances Report (Optional)


Submit and review the **Third Party Balances** Report from the **Scheduled Processes** window.

This report is only available if you use third party control accounts. This report is used to display balance and account activity information for Suppliers and Customers. It retrieves the following information:

- Third party balances for third party control accounts
- Subledger journal entry lines that add up to the total period activity for each control account, third party, and third party site
- Third party and third party site information
- User transaction identifiers for the associated event

The balances in this report can be compared with the General Ledger balances for the same control accounts to reconcile.

12. Close Receivables Period



After Receivables is reconciled to your satisfaction, set the accounting period to **Closed** using the **Manage Accounting Periods** task in the **Receivables Balances** work area. This step initiates validation that confirms all accounting entries are balanced and transferred to the General Ledger. The **Generate Diagnostic Report** is automatically generated for any issues encountered and the hard close will be prevented.

The **Close Period** process also checks for incomplete invoices and adjustments pending approval. You may want to complete, delete or update the accounting date of incomplete invoices depending on company policy. However, this is not required and will not prevent you from closing the period.

Note: Where there are multiple business units within the same ledger all business units must be ready to close at the same time. All of the business units that share a ledger also share the same period statuses. When you update the period statuses to **Open** in one business unit, that period is opened for all business units within the ledger.

If for some reason the period needs to be re-opened after it's been closed (i.e. due to findings during the final General Ledger reconciliation), the period can be reopened. But do not do so if the General Ledger period is closed. Corrections will then need to go into the next accounting period.

13. Review General Ledger and Subledger Account Analysis Report

Submit and review the **General Ledger and Subledger Account Analysis Report** for any account that you are trying to reconcile (i.e. revenue, freight, discounts, tax, etc.) to ensure that only appropriate transactions have been posted to the General Ledger account by checking the journal source of the transactions.

Note: To avoid duplication with subledger journal entries, General Ledger journal entries imported from SLA are not included in the report.

14. Estimate Provision for Bad Debt (Optional)

Based on customer credit worthiness or age of the invoice, estimate the amount of receivables that are not likely to be collected as a provision for bad debt and record journal entry in SLA or General Ledger.

Chapter 8 Procurement

This chapter describes the procedures for performing period-end processing in Procurement.

1. Complete All Transactions for the Period Being Closed

Ensure all transactions are entered and completed for the period being closed:

- Complete and approve purchase requisitions
- Complete and approve purchase orders
- Complete receipts and returns

Submit the **Confirm Receipts Workflow** to send notifications to requestors or buyers who have created requisitions in Self-service Procurement. The **Confirm Receipts Workflow** sends notifications for items with a destination type of Expense, a Routing of Direct Delivery, and a Need-By date that is equal to or later than today's date.

Notification recipients can create receipt transactions by responding to the notification or by entering them on the **Receiving** work area.

2. Review Outstanding and Overdue Purchase Orders (Optional)

Use sample OTBI reports provided by Procurement (under Shared>Procurement folder) as starting point to build customized analyses to review outstanding purchase orders, including quantity ordered and received details.

3. Follow up Receipts - Check with Suppliers

For purchase orders have not been received, the appropriate department can use the details obtained from the **Purchasing Real Time subject area**, to follow up on the status of the ordered items with the suppliers.

If the goods have been received, but the receipt has not been entered into Receiving, the receipt transaction needs to be entered by the appropriate personnel.

Note: Where you have selected to accrue receipts at period end, make sure all receipts are entered for a specific period, before creating receipt accruals for that period.

It is not necessary to enter all the receipts for a period prior to closing that period. Simply backdate the receipt date when entering receipts for a closed period.

Warning: If Inventory is implemented, it is not possible to process a receipt to a closed Cost Management period.

4. Complete the Payables Period-End Process

Complete the steps to close the Payables period, to enable the creation of receipts accrual entries. Performing the Payables Period-End process effectively prevents any further invoices or payments from being entered into Payables for the closed period.

5. Perform Period-End or Year-End Budgetary Control or Encumbrance Processing (Optional)

Identify procurement transactions you plan to carry forward into the new fiscal year. Cancel or final close any procurement transactions you are not carrying forward to the new fiscal year. The Budgetary Control module will automatically release the unused funds when you cancel or final close the procurement transactions. The General Ledger module will generate encumbrances accounting entries to reverse the encumbrance balance when the **Create Accounting** process is submitted.

Chapter 9 Supply Chain Managerial Accounting

This chapter describes the procedures for performing period-end processing in Supply Chain Managerial Accounting.

Receipt Accounting is responsible for managing purchase accruals, including creating accruals when materials are received, matching accruals when invoices are created, and tools to manage outstanding accruals.

Cost Accounting is responsible for costing and accounting of all supply chain inventory transactions.

Managing Period End in Receipt Accounting

Receipt Accounting does not maintain a separate period status and uses actual transaction dates and General Ledger period statuses to decide the accounting date of transactions.

Accounting of accruals are done either when a receipt is processed or at period end, which is determined by the **Accrue at Receipt** flag in **Purchase Order Schedules**. If the **Accrue at Receipt** flag is unchecked, the accruals are created at end of the period. The period-end activities differ for accruals created at receipt and for those created at period end.

Steps for Accrue at Period End

1. Close the current Payables Period

Refer to Payables chapter.

2. Submit Transfer and Accounting Processes

Schedule the following processes to be run regularly during the period and run them manually at the end of the period to ensure that all transactions are interfaced and processed.

- **Transfer Transactions from Receiving to Receipt Accounting** process to interface receipt transactions.
- **Transfer Costs from Payables to Cost Management** process to interface accounts payable transactions.
- Submit the **Create Uninvoiced Receipt Accruals** process to generate accrual accounting for receipts that occurred in period, but the expense and payable are not yet booked in Payables. The process creates an accrual for the expense and liability for those un-invoiced receipts.

If encumbrance accounting is used, another journal entry is created, corresponding to the encumbrance reversal entries for the un-invoiced receipts that were accrued. Reversal of accrual entries for the next period will happen automatically if:

- The “Run AutoReverse after open period” checkbox is enabled in the ledger definition
- And the reverse option is selected for the accrual journal category.

If these criteria are not met, then the accrual entries need to be reversed manually.

Note: If the accrual is done before the period is closed for Payables, there is a chance that an invoice could be processed after the accrual which would be double counting. This is why it is best practice to wait until Payables closes for the period, and then submit the un-invoiced accrual process.

- Submit the Create Entries for Receipt Accounting process to create the necessary journal entries in General Ledger.

3. Reconcile and Report

Submit the **Uninvoiced Receipt Accrual Report** to review uninvoiced receipt accruals in a business unit.

Steps for Accrue at Receipt

1. Submit Transfer and Accounting Processes

You should submit the following processes on a regular basis (at least once a day) to process all receipts, create accruals and distributions and journals. For backdated transactions, Receipt Accounting checks the status of General Ledger period and if the period is open, posts the transaction with an accounting date equal to transaction date. If the General Ledger period is closed, then the transaction's accounting date is set as the first day of the next open period.

Schedule the following processes to be run regularly during the period and run them manually at the end of the period to ensure that all transactions are interfaced and processed.

- **Transfer Transactions from Receiving to Receipt Accounting** process to interface receipt transactions.
- **Transfer Costs from Payables to Cost Management** process to interface accounts payable transactions.
- **Create Receipt Accounting Distributions** creates the distributions for the new receipts
- **Create Entries for Receipt Accounting** can be submitted in a draft mode, the results reviewed and if everything is ok, can be re-submitted in the final mode

2. Reconcile and Report

The **Match Receipt Accruals** process helps to match purchase order receipt accruals with invoices from the Payables application. This can be submitted at period close or as needed for internal reporting and reconciliation.

The **Audit Receipt Accrual Clearing Balances** process helps to analyze the General Ledger accounted accrual balances.

The **Accrual Clearing Report** provides a list of accrual clearing transactions for a purchase order and accrual account, which have been automatically or manually cleared.

The **Accrual Reconciliation Report** provides information for reviewing and reconciling accrual balances.

3. Clear Accruals

In some cases, there are balances in the accrual account that would never be cleared by an actual expense entry. These need to be monitored on a regular basis to ensure that the accrued liabilities show a true picture.

Use the **Accrual Clearing Rules** to set up rules to automatically clear out the small discrepancies that don't have a material impact.


You have the option to review open accruals in the **Adjust Receipt Accrual Balances** window or in the report to identify accrual balances that need to be written off, and manually write them off.

Managing Period End in Cost Accounting

Cost Accounting creates accounting distributions for inventory transactions, and then creates General Ledger entries via Subledger Accounting.

Ideally as inventory transactions occur, they are entered into the system in near real time and the default transaction date is the same as the entry date. As the end of a period approaches, additional care is warranted to give transactions their correct transaction date. As the current calendar date transitions into a new period, you can continue to enter transactions in the new period.

In some situations, inventory transactions may need to be "backdated". This means the date the transaction is entered is later than the actual transaction date. The cost accounting solution merely wishes to have the correct factual information about the transaction entered into the system as timely as possible. The cost accounting system automatically creates the accounting entries in the most appropriate period based on predefined accounting policies.



Managing cost accounting periods is important to ensure that the necessary period-end procedures happen seamlessly. Cost accountants can reduce the time taken to successfully close a period by frequently monitoring the health of the system throughout the period through activities such as:

- Reconcile the inventory values in Cost Accounting and General Ledger.
- Transfer transactions regularly to the General Ledger.
- Submit period-end validations several times during the period to proactively identify issues and fix them.

Period Statuses

The following are the various period statuses available in Cost Accounting.

- **Never Opened:** This is the default status, in which no transactions are processed. Any transaction that comes with a date that falls in a Never Opened period is not processed and will wait until the period is opened.
- **Open:** Status in which all transactions can be processed by the cost processor. An Open period can be Closed or Permanently Closed.

Note: The maximum number of open periods can be set up for each cost organization – cost book combination.

- **Closed:** Indicates that the period is closed for all new transactions. If a new transaction comes in with a transaction date that falls within a Closed period, the costed and accounted dates for this transaction would be stamped with the first date of the next Open period. Status can be reverted to Open or changed to Permanently Closed.
- **Permanently Closed:** The behavior is similar to a Closed period, but a Permanently Closed period cannot be reverted to any other status.

Backdated Transactions

Transactions that are created with a date in the past are referred to as backdated transactions. Inventory users should always enter the correct factual information about transactions into the system. Using a combination of cost cut-off date option and period status, the cost accounting processor determines the period in which a backdated transaction will be slotted.

The cost cut-off date feature is provided in cost accounting to control when backdated transactions will be posted into a prior period. This helps users to continue normal business operations with no interruptions from one period to the next, using the cost cut-off date to define accounting period boundaries for all transactions.

Cost Cut-off Date Option

The cost cut-off date option is set in **Create Cost Accounting Distributions** window and is applicable to all cost organizations and books mapped to a specific run control. The options available are **User-Defined** or **Auto**. The **User-Defined** option requires one to specify the cut-off date, while the **Auto** option saves the effort of redefining the cut-off date which is automatically moved forward by the cost processor.

When the **Auto** option is set, the cost processor automatically moves the cut-off date forward to the last date of the earliest open cost period, and then it stops until the costing period is closed. After the period is closed, the cost processor advances the cut-off date into the next open period, and so on. However, if a transaction is successfully pre-processed after the cut-off date, then the cut-off date moves forward to the date of the last successfully preprocessed transaction. This could happen, for example, if one originally sets the cut-off date option to **User-Defined** and subsequently changes it to **Auto**.

For example, if you set the cost cut-off date to October 31, you can still process October transactions that were entered in November but meant for the period ending October 31 by backdating them to October 31 or earlier. However, when the cost cut-off date advances forward to a date past October 31 and other transactions are processed beyond October 31, then the backdated transactions can no longer be processed as October transactions.

If you set a cost cut-off date at October 31, the cost processor will queue up but not process any transactions with a date after October 31. If you subsequently need to backdate transactions to a date before October 31, you can still process those backdated transactions

as long as you do not process any transactions beyond October 31. You can also backdate transactions to any date after October 31, with the assurance that these transactions will be processed in the correct order when the cost cut-off date moves forward.

Costing Date of Transactions

The costing date of transactions is normally the same as the transaction date, or the cost adjustment date, except for backdated transactions.

The cost date for backdated transactions inherits the greater of the backdated transaction date, the date of the last processed transaction, or the first date of the earliest currently open period.

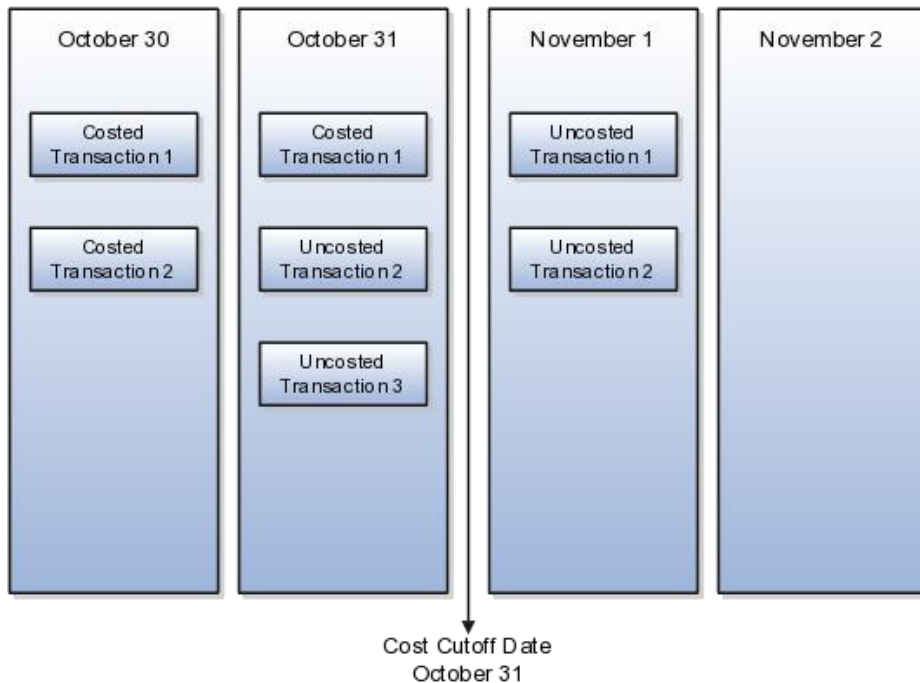
Note: The cost cut-off date affects the costed date of the transaction and the inventory value that is reported as of a given accounting date. It does not affect the inventory transaction date.

Examples

The following examples illustrate how the cost processor sets the accounted date for backdated transactions.

Assume that the current date is November 2, and the cost cut-off date is October 31.

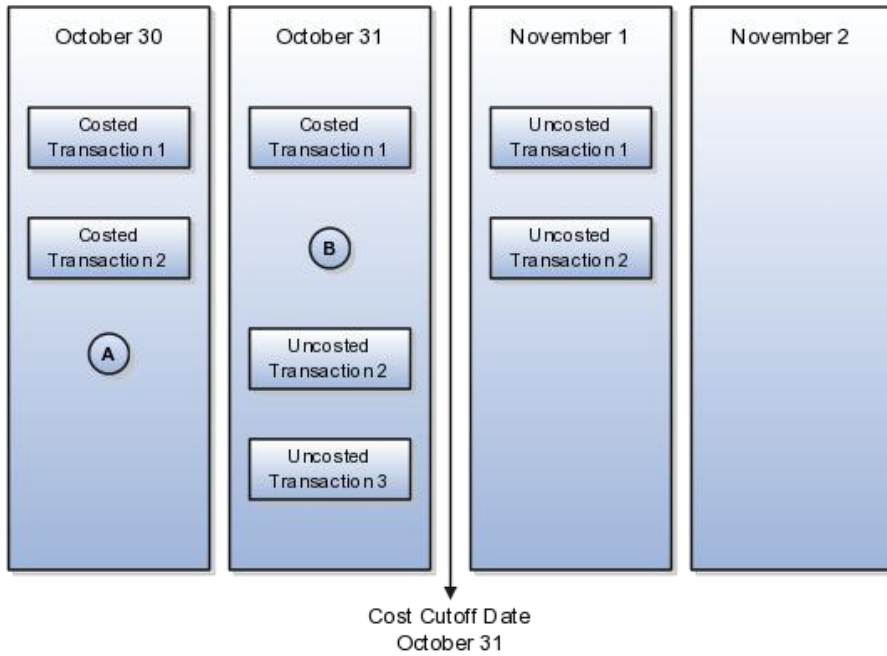
The following costed and uncosted transactions are in process.



Example 1

Transactions are backdated to a point before the latest costed transaction.

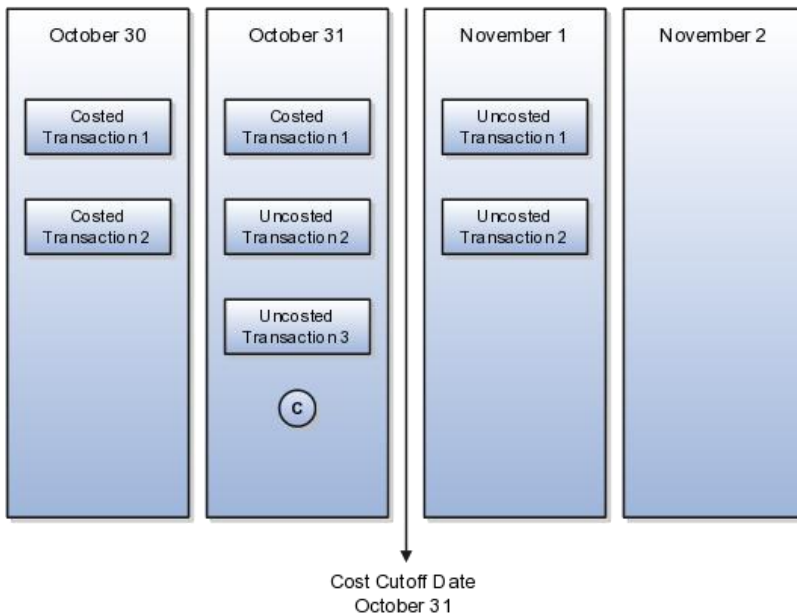
In the following figure, the inventory transaction is backdated to position A. The transaction is costed with accounting date B before transactions 2 and 3 are processed. The transaction created on November 2 and backdated to October 30 is costed with the effective date of October 31.



Example 2

Transactions are backdated to a point between the latest costed transaction and the cost cut-off date.

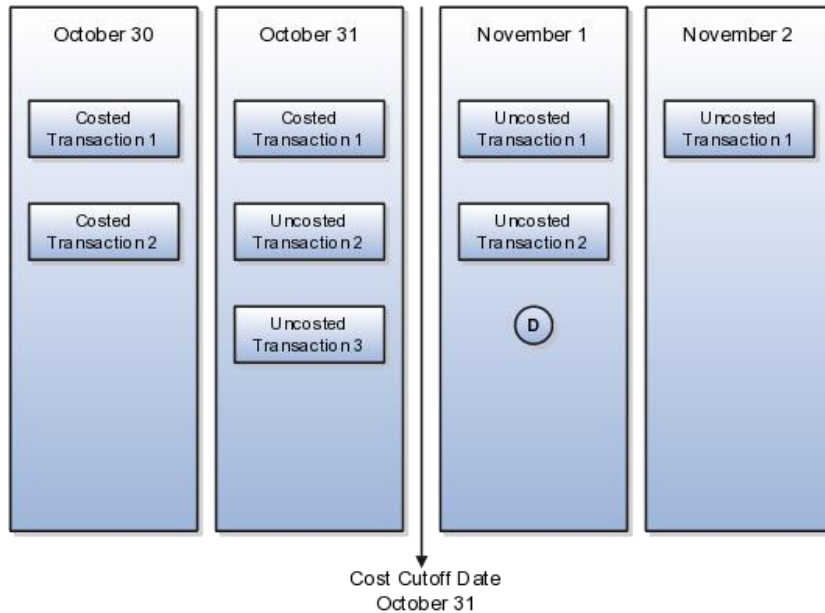
In the following figure, the inventory transaction is backdated to position C. The transaction is costed with accounting date C after transactions 2 and 3 are processed. The transaction created on November 2 and backdated to October 31 is costed with the effective date of October 31.



Example 3

Transactions are backdated to a point after the cost cut-off date.

In the following figure, the inventory transaction is backdated to position D. The transaction is costed with accounting date D after the cost cut-off is moved past October 31. The transaction created on November 2 and backdated to November 1 is costed with the effective date of November 1.



Procedures

The following steps are taken in performing period-end processing for Inventory:

1. Complete All Transactions for the Period Being Closed

Ensure that all issues, shipping, receipts, and adjustments have been entered and verify that no hard copy records exist, or are awaiting data entry (such as, packing slips in Receiving).

2. Check Transaction Interfaces

Check in the **Scheduled Processes** window if the following processes for the various interfaces have run successfully:

Transfer Costs to Cost Management (Transfers cost information from Payables to Cost Accounting)

Transfer Transactions from Receiving to Cost Accounting

Transfer Transactions from Inventory to Cost Accounting

Transfer revenue information from Account Receivables to Cost Accounting


3. Submit Period-End Validations

Perform cost accounting validations to ensure all transactions are complete and accounted for on an ongoing basis and before closing the accounting period. In Cost Accounting, the period-end validations are separated from the actual close process and hence these can be run at any time, as many times as required and can be run throughout the period for a period that is in Open or Closed status.

The period-end process ensures there are no unprocessed transactions, and features a set of validations. You can execute the validations one at a time, or all at once.

Validations

- Perform cost accounting validations for periods that are in status Open or Closed. The validations check for the following:
- Unimported inventory - Costing interface transactions that have not been processed.
- Unprocessed distributions - Costing transactions that have no distributions.

- 
- Unprocessed journals - Subledger transactions that have no accounting entries.
 - Match inventory on hand with costing on hand - Proof that there are no discrepancies between inventory on hand and costing on hand.
 - Pending deferred cost of goods sold (DCOGS) transactions - Proof that the deferred cost of goods sold processor has run and transactions are transferred.

4. Check and Fix Cost Processing Errors

Check the **Review Cost Accounting Processes** window to review errors (such as missing setups, missing costs etc.) and fix them.

5. Open the Next Inventory Period

Prior to the first day of data entry, open the next inventory period using the **Inventory Accounting Periods** window.

Note: This process must be completed for each defined Cost Organization – Book combination. Also, a period can be opened any time, not necessarily on the first day of the period.

6. Close the Current Inventory Period

Change the period status to **Closed** in the **Manage Period End** window to ensure no new transactions are processed in that period. Submit period-end validation process again to check if there are any unprocessed transactions. If the process shows some transactions are pending, run the appropriate interface and cost processor again to process these transactions. The period-end validation process can be run as many times as required.

7. Submit Create Accounting Process in SLA in Draft Mode

Submit the **Create Accounting** process to create the journal entries for the distributions. Ensure that the transactions are processed and posted to General Ledger in a timely manner by running this process several times during the period.

8. Submit Inventory Valuation Reports and Reconcile the Costing Inventory Valuation with General Ledger

Submit the Account Balances report and the Inventory Valuation report to ensure that the inventory value in General Ledger matches with Costing.

9. Submit Create Accounting Process in Final Mode

This creates the journal entries and transfers them to General Ledger. This process also must be run several times during the month to ensure that the transactions are processed in a timely manner.

Chapter 10 Fixed Assets

This chapter describes the procedures for performing period-end processing in Fixed Assets. At period-end, submit depreciation for each asset book. Create accounting for Fixed Assets transactions and transfer accounting to General Ledger. Fixed Assets has only a single open depreciation period in each asset book.

Procedures

1. Complete All In-Progress Transactions

In-progress transactions are displayed in each Fixed Asset work area and also in the **Asset Accounting Dashboard**. Navigate to each Fixed Asset work area to make sure that there are no in-progress or draft transactions pending.

2. Complete All Transactions for the Period Being Closed

Ensure all transactions are entered for the period being closed. Once a depreciation period in Fixed Assets has been closed, it cannot be re-opened.

- Completing all transactions for Fixed Assets:
- Prepare and post mass additions
- Complete manual additions (including review/completion of draft additions)
- Complete adjustments
- Complete retirements (including review/completion of draft retirements)
- Complete transfers
- Complete reinstatements

3. Submit Depreciation

Submit the depreciation process either from the **Financial Transactions** work area or **Asset Accounting Dashboard**.

From **Financial Transactions** work area:

Use the **Calculate Depreciation** task to submit the depreciation calculation process. Fixed Assets gives you the option of closing the current period if you select **Yes** for the **Close Period** parameter of the **Calculate Depreciation** process. If all of your assets depreciate successfully, Fixed Assets automatically closes the period and opens the next period for the book. If you select **No** for the **Close Period** parameter, Fixed Assets does not close the period and only calculates depreciation for all assets in that book. When you are ready to close the period, submit the **Calculate Depreciation** process again with **Yes** for the **Close Period** parameter.

From **Asset Accounting Dashboard**:

In the **Asset Book Monitor** region, select an asset book and click on the **Calculate Depreciation** button to calculate the depreciation for the book without closing the period, or click on the **Close Period** button to calculate depreciation and close the current open period.


Depreciation for the current period will be automatically rolled back if any transaction is performed on a depreciated asset.

Note: Ensure you have entered all transactions for the period before you close the period. Once the process closes the period, you cannot reopen it.

When the process is submitted, Fixed Assets calculates depreciation for all assets and generates the **Journal Reserve Ledger Report**, which can be used to verify the depreciation calculated for each asset.

4. Roll Back Depreciation

Any alteration to a depreciated asset results in an automatic rollback of the current period depreciation if it has been calculated already. There is no separate process to perform the rollback.



Note: Rollback is performed at the Asset Level in Fixed Assets.

5. Create Deferred Depreciation Journal Entries (Optional)

Deferred depreciation is the difference in depreciation expense taken for an asset between a tax book and its associated corporate book. This difference results from the use of accelerated depreciation methods in the tax book.

The accounting entry for this is generated when the **Create Accounting** process is submitted for the corporate book.

6. Create Accounting

Submit the **Create Accounting** process from any **Fixed Assets** work area using the **Create Accounting** task.

- Submit the **Create Accounting** process with the **Transfer to General Ledger** option set to **Yes** to account and transfer any unaccounted transactions to General Ledger.
- Submit the **Post Journal Entries to General Ledger** process to transfer to General Ledger any transactions that were accounted in final mode, but that were not transferred.
- Review the output reports generated by the **Create Accounting** and **Post Journal Entries to General Ledger** processes to view the subledger journal entries created and any errors that may have occurred.

There is no need to submit the **Depreciation** process before submitting the **Create Accounting** process. You can submit the **Create Accounting** process as many times as necessary within a period.

7. Review Subledger Period Close Exception Report

Submit and review the **Subledger Period Close Exceptions** report to view accounting events and journal entries that failed period close validation.

8. Project Depreciation using What-If Depreciation (Optional)

You can project depreciation expense for future periods for any or all sets of assets in an asset book. You can also project the depreciation for proposed assets that you will be adding to the asset book in future.

9. Review and Post Journal Entries

If accounting entries were transferred to General Ledger as unposted, review the journal entries in the **Manage Journals** window in General Ledger and post them to update the account balances.

10. Reconcile Fixed Assets Balances to the General Ledger

Reconcile the balances and details in the Fixed Assets reports to the **General Ledger and Subledger Account Analysis** report by submitting the **General Ledger and Subledger Account Analysis** report for the equivalent GL accounts as the Fixed Asset reports. For example, the ending balance of the **General Ledger and Subledger Account Analysis** report for fixed asset accounts should reconcile with the **Cost Summary**, **CIP Summary**, or **Reserve Summary** report ending balance. If it doesn't, then review the **Cost Detail**, **CIP Detail**, or **Reserve Detail** reports and compare the fixed assets transaction detail in these reports to the journal lines in the **General Ledger and Subledger Account Analysis** report.

Submit the following Fixed Asset reports in the **Scheduled Processes** window and reconcile them to the **General Ledger and Subledger Account Analysis** report.

Depreciation Report:

- Journal Entry Reserve Ledger

Balances Reports:

- 
- Cost Detail and Cost Summary Reports
 - CIP Detail and CIP Summary Reports
 - Reserve Detail and Reserve Summary Reports
 - Revaluation Reserve Detail and Revaluation Reserve Summary Reports

Transaction Reports:

- Asset Additions Report
- Asset Cost Adjustment Report
- Asset Category Change Report
- Asset Transfers Report
- Asset Retirements Report
- Cost Clearing Reconciliation Report

Chapter 11 General Ledger

This chapter describes the procedures for performing period-end processing in General Ledger. If you have more than one ledger in your Oracle ERP Cloud environment, perform these steps for every ledger.

Note: The Period-End and Year-End processes are the same if Encumbrance Accounting is not used. Additional steps are required for Encumbrances Accounting.

Procedures

1. Set Next Period Status to Future Entry

Set the status of the next accounting period to **Future Entry** if it is not already, except at year-end. At year-end, it is recommended that you complete all period-end processing, prior to opening the first period of the new fiscal year.

2. Complete Import of Accounting Entries from Subledgers

Transfer, import and post accounting information from subledgers (Payables, Receivables, Cash Management, Fixed Assets, Procurement, Inventory, Projects, and Payroll) to General Ledger. If these steps were not completed when closing the Oracle Cloud Subledgers, complete them now for each Subledger:

- Submit the **Create Accounting** process with the **Transfer to General Ledger** option set to **Yes** to account and transfer any unaccounted transactions to General Ledger.
- Submit the **Post Journal Entries to General Ledger** process to transfer to General Ledger any transactions that were accounted in final mode, but that were not transferred.

These processes automatically submit the **Import Journals** process which creates General Ledger journal entries for the data imported.

Note: If journal import fails when importing data from Oracle Cloud Subledgers, the data is rolled back to Subledger Accounting, so that there would not be any data left in the GL_INTERFACE table.

3. Complete Import of Accounting Entries from Non-Oracle-Cloud Subledgers (Optional)

Transfer, import and post accounting information from your non-Oracle-Cloud subledgers (i.e. source systems, legacy systems, third party applications, etc.) to General Ledger.

Populate the **GL_INTERFACE** table with data from your non-Oracle-Cloud subledger.

Submit the **Import Journals** process for these sources and post the journal entries manually, or automatically using **AutoPost**.

If the **Import Journal** process does not complete successfully, review the **Journal Import Execution Report** to identify the journal entry batches that were not successfully imported.

Correct the data in the **GL_INTERFACE** table using the **Correct Import Errors** spreadsheet, and re-submit the **Import Journals** process.

Alternatively, delete the journal entry batches that are in error from the **GL_INTERFACE** table, fix the error in the source system, and re-load the data to the **GL_INTERFACE** table. Submit the **Import Journals** process to import.

Note: If you are using the Fusion Accounting Hub and Subledger Accounting rules to generate accounting for your source systems, the accounting entries are automatically stored in Subledger Accounting. Submit the **Create Accounting** process for your source system to transfer, import, and post the data to General Ledger.

4. Generate Reversal Journals (Optional)

If you have any journals that need to be reversed, submit the process to generate reversal journals. You also need to post the reversal journals.

5. Generate Allocations and Recurring Entries (Optional)

If you have Allocations that require generation for the current period, ensure the source accounts used in the Allocation definitions are finalized for the current period, prior to generating the Allocation. After generating the Allocation, review the journal output, review projected balance in the Edit Journal window if necessary, and post the journal.

If you have other recurring entries that need to be entered, you can enter them with any of these methods:

- Copy a similar journal from a prior period and modify accordingly before posting.
- Upload journal via ADFdi spreadsheet if you have it saved in a spreadsheet.
- Generate Allocation if you have it defined as an Allocation formula.
- Manually enter in the **Create Journals** window.

6. Review and Verify Journal Details of Un-posted Journal Entries

Reviewing journal entries prior to posting minimizes the number of corrections and changes after posting. Review any remaining un-posted journal entries for the current period. Update the journal entries as appropriate.

Attention: Journal entries can be reviewed online or in the following reports:

- **Journal Batch Summary Report** - Provides posted journal batches details such as ledger, entered currency, balancing segment value, category, source, batch name, and entered amounts. Subtotals of entered amounts are provided for each category, accounting period, and balancing segment value.
- **Journals Details Report** - Provides detailed information on general ledger journals of the selected posting status such as ledger, source, category, accounting date, line accounts, line descriptions, and amounts.
- **Journals Report** - Provides journal activity details such as ledger, accounting date, posting date, source, category, journal batch name, journal name, reference, line accounts, line descriptions, and amounts. Subtotals are provided for each journal, journal batch and source.
- **General Journals Report (OTBI)** - Provides the journals activity for the selected period. The content can be filtered by ledger set, ledger, entered currency, approval status, date range, account, source, category, journal batch, and batch status.

7. Post All Journal Batches

Post all journal entries for the current period, including reversal and allocation journals. Posting updates the account balances in the **GL_BALANCES** table and General Ledger multidimensional balances cube for reporting.

Submit the Posting process for un-posted journals.

Review the **Posting Execution Report** for any errors encountered during posting. This report is automatically generated by the Posting process.

Submit the **Journals Details Report** with a **Posting Status** of **Error** Journals to review journals with errors.

Possible causes of posting errors:

- **Control Total** - When using a control total, ensure that the total debits and credits equal the control total.
- **Period Status** – Actual journals can only be posted if the period is open. Encumbrance journals can only be posted to periods that are included in the latest open encumbrance year.

- **Invalid Account** – Journals can only be posted to account combinations and segment values that are detail values and are enabled (not end-dated).
- **Unbalanced Journal** – Total debits must equal total credits for every balancing segment value in the journal lines before posting can occur. Suspense or intercompany balancing rules must be available to balance unbalanced journals.

Fix posting errors and re-submit the Posting process.

8. Submit Subledger Period Close Exceptions Report

You can submit the **Subledger Period Close Exceptions** report to double check that there are no outstanding transactions in the subledgers and General Ledger.

9. Reconcile General Ledger Balances

General Ledger balances should be reconciled with subledger balances.

Review account balances via reports:

- **General Ledger Report** - Provides periodic journal activity for each general ledger account, to reconcile beginning and ending account balances. Includes journal source, category, name, description, reference, accounting date, and amount.
- **Accounts Analysis Report** - Provides drill down information about the movement on a particular account for a period or range of periods. It only includes journal entries posted to general ledger.
- **General Ledger and Subledger Accounts Analysis Report** - Provides drill down information about the movement on a particular account for a period or range of periods. It includes both Subledger Accounting and General Ledger accounting entry details.
- **Trial Balance Report** - Lists period debits, period credits, beginning, and ending account balances summarized by natural account or account combination or natural account plus another segment.
- **Journal Entries Report** - Displays detailed information for subledger and general ledger journal entries. Groups report by ledger, journal source, journal category, and event class.
- For further analysis, use online inquiry windows or Smart View to query account balances and drill through to subledger transactions in Oracle ERP Cloud.

*Clear Suspense Accounts - Review the **General Ledger Report** and **Account Analysis** to identify the source of entries to the suspense accounts. Determine the adjusting entries required to net the suspense accounts to zero.


* Validate other key accounts only have journals posted from appropriate sources, such as accounts receivable, accounts payable, depreciation, etc.

10. Reconcile Intercompany Balances (Optional)

If you use the Intercompany module to perform cross-ledger intercompany transactions, ensure intercompany transactions in the current period are complete and transferred to General Ledger, Receivables, and/or Payables.

Submit the **Prepare Intercompany Reconciliation Reporting Information** process in the **Schedule Processes** window or from the **Intercompany Transactions** work area, and view the online report in the **Intercompany Reconciliation** window. The report provides drill down from intercompany account balances to underlying sources and journals for easy identification of reconciliation differences. This report is only available if you use the Intercompany module for cross ledger intercompany transactions. It is not available if you are only using Intercompany Balancing (balancing journal lines in SLA or GL journals contained within a single ledger). To reconcile intercompany balances if you are only using Intercompany Balancing, use a tool like Smart View or Financial Reports to query and compare the intercompany balances for respective legal entities and drill down to transaction details if necessary to identify reconciliation differences.

11. Enter Adjustment and/or Accrual Journal Entries and Post



To correct errors in account balances made by posting incorrect journals or to resolve reconciliation issues, create and post adjusting and reversing journals.

Note: The details of posted journals cannot be changed, except to mark or unmark for reversal. An incorrectly entered posted journal must be reversed to back-out the accounting of the original posted journal.

Other journal entry adjustments, such as write-offs or manual accruals, can be entered into General Ledger at this point also.

12. Maintain Foreign Currency Exchange Rates

Maintain period-end, period-average, and historical exchange rates or amounts for all foreign currencies to which you want to revalue or translate.

13. Revalue Balances (Optional)

Revalue account balances to update functional currency equivalents.

14. Translate Balances (Optional)

Define any new currencies to which accounting balances are to be translated. Submit the **Translate General Ledger Account Balances** process to translate account balances to any defined currency.

15. Consolidate Subsidiaries (Optional)

If you have subsidiaries for which you need to consolidate financial results, you can view consolidated results in a Financial Report across ledgers, or you can transfer balances to a consolidation ledger..

Consolidate Using Financial Report Across Ledgers

This option is only viable for ledgers that share the same chart of accounts and calendar.

- a. Define a ledger set for the ledgers being consolidated.
- b. Perform revaluation and translation in each ledger if needed.
- c. Enter and post consolidating journal entries (preferably to a separate balancing segment value).
- d. Enter and post elimination entries via an Allocation formula or manual journal entry (preferably to a separate balancing segment value).
- e. Define a financial report that displays the account balances for the ledger set. Separate columns can be defined for each ledger/subsidiary, for the consolidating balancing segment value, and for the ledger set which represents the consolidated total.

Consolidate Using Balance Transfer

This option is for consolidating ledgers that do not share the same chart of accounts and calendar.

- a. Define Chart of Accounts Mapping.
- b. Perform revaluation and translation in each ledger if needed.
- c. Submit the **Transfer Ledger Balances** process for each subsidiary ledger.
- d. Reconcile subsidiary ledgers - identify differences between subsidiary ledgers and consolidation ledger.
- e. Enter and post consolidating or adjusting journal entries in the consolidation ledger.
- f. Enter and post elimination entries via an Allocation formula or manual journal entry in the consolidation ledger.
- g. Define a financial report that displays the account balances for the consolidation ledger. Drill down is available from the consolidation ledger back to the subsidiary ledger.

16. Close the Current General Ledger Period

Close the current General Ledger accounting period in the **Manage Accounting Periods** window. A period in **Closed** status can be re-opened later if adjustments to the balances need to be made. A period in **Permanently Closed** status cannot be re-opened in the future.

17. Open the Next General Ledger Period

Open the next General Ledger accounting period in the **Manage Accounting Periods** window.

18. Reverse Accrual Journal Entries (Optional)

If applicable, in the next General Ledger accounting period, generate and post reversal journals that were entered in the prior period. This may apply to period-end receipt accruals, payroll accruals, or other manual accruals.

19. Submit Financial Reports for the Closed Period

Submit and save reports you need for financial and management reporting, such as **Trial Balance** report or any financial reports you have defined with Smart View or Financial Reporting Studio (i.e. balance sheet, income statement, cash flow statement, statement of net assets, statement of operations, etc.)

20. Reconcile Encumbrance Accounting Balances (Optional)

At the end of the accounting period, reconcile encumbrance accounting balances to open requisitions and purchase orders with help from the following reports.

- **Trial Balance** (submit for encumbrance balances)
- **Account Analysis** (submit for accounts with encumbrance balances)
- **Journal Entries Report** (for encumbrance journal entries)
- **Smart View query** – Includes drilldown to encumbrance journal and some transaction details.
- **Financial Reports** – Includes drilldown to encumbrance journal and some transaction details.
- Purchase Order Status and Detail Report Samples (see MOS Doc ID 2009386.1)

21. Carry Forward Encumbrance Accounting Balances at Year-End (Optional)

Decide which transactions and/or encumbrance accounting balances you are carrying forward to the new fiscal year. If you are carrying forward encumbrance accounting balances, you can either (1) enter General Ledger encumbrance journal entries to establish the beginning encumbrance balances in General Ledger in the new fiscal year, or (2) submit the Encumbrance Year End Carry Forward process. Option 1 is recommended if you are also using Budgetary Control and need to establish the beginning commitment or obligation balance in Budgetary Control in the new budget year. When the encumbrance accounting journal entry is posted, Budgetary Control reserves funds for the accounts affected.

Be sure to open the next encumbrance year in the Manage Accounting Periods window before entering the encumbrance journal entry in the new year or submitting the carry forward process.

Cancel any procurement transactions that you are not carrying forward to the new fiscal year.



Chapter 12 Tax

This chapter describes the procedures and reports for performing period-end and year-end transaction tax reporting.

1. Manual Tax Adjustments

Select the task **Create Tax Transactions in Spreadsheet**, in the Journals Workarea in General Ledger, to enter direct tax adjustments in the Tax Repository at the end of the period or year, as needed.

2. Import Tax Transactions

At the end of the period or year, you can import tax transactions from external systems, for centralized reporting in Tax. Use the **Tax Entry Repository Data Upload** spreadsheet (download interface spreadsheet from Oracle Enterprise Repository) to upload your tax transaction data.

3. Submit Reports for Period-End Tax Reporting

At the end of every period, review your taxable transactions created and/or declarable in the period, review your recoverable and self-assessed tax amounts, and finally submit your tax returns. Refer to the [Fusion Localizations Global Catalog](#) for tax reports you should run to meet your legal, statutory and audit tax requirements.

Chapter 13 Budgetary Control

This chapter describes the procedures for performing period-end and year-end processing in Budgetary Control. The **Budget Calendar** in Budgetary Control can be different from the **Accounting Calendar** in General Ledger. For example, you might have a monthly accounting calendar but an annual budget calendar. If the budget period in the Budgetary Control module does not coincide with the period you are trying to close in General Ledger, then the steps below are not required. They are only required when you need to close a budget period in Budgetary Control.

If you have more than one control budget that you want to close, perform these steps for each control budget.

1. Complete Transactions That Require Budgetary Control

Complete your requisitions, purchase orders, invoices, and journals that require budgetary control in the current period, and ensure funds are reserved.

2. Close the Current Control Budget Period

Change the status of the current control budget period status to **Closed**.

3. Open Next Control Budget Period

Open the next control budget period to allow recording business as usual.

4. Load Budget Amounts to Next Period (Optional)

Load budget amounts into the next control budget period. This step is optional depending on your reporting requirements. For example, you might have a control budget with a monthly budget calendar. If you report on period-to-date balances, you would need to load budget data into every month. However, if you report on year-to-date balances only, then you could load an entire year's worth of budget into the first budget period instead.

5. Reconcile Budgetary Control Balances

At the end of the budget period, reconcile commitment and obligation balances to open requisitions and purchase orders with help from the following reports.

- **Budgetary Control Analysis Report** – Includes transaction details for budgetary control balances for each account.
- **Budget Balances window** – Includes drilldown to transaction details.
- **Smart View query** – Includes drilldown to transaction details.
- **Financial Reports** – Includes drilldown to transaction details.
- **Purchase Order Status and Detail Report Samples** (see MOS Doc ID 2009386.1)

6. Submit Reports for Period-End or Year-End Reporting

At the end of every period or year, submit and distribute reports that you need for your legal, statutory and management reporting requirements. This could be the **Budgetary Control Analysis Report**, or reports you defined using Smart View, Financial Reporting Studio, or OTBI.

7. Plan for New Budget Year

For each new budget year, either extend the end date of your existing control budgets, or define new control budgets for the new fiscal year.

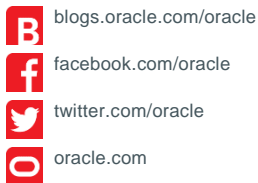
Decide which transactions and/or budgetary control balances you are carrying forward to the new budget year. Enter General Ledger encumbrance journal entries to establish the beginning commitment or obligation balance in Budgetary Control in the new budget year if necessary. Cancel any procurement transactions that you are not carrying forward to the new fiscal year.

8. Load Budget Amounts to Next Year

Load budget amounts into the new fiscal year.



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