

Subledger Accounting for Discrete & EAM Cost Accounting: Product Line and Expense Accounting Made Easy Through SLA

April 10, 2013

Session 11387

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DOUGLAS VOLZ
Consulting, Inc.

Doug Volz

Helping people use Oracle since 1990 for Cost Accounting & related Financials, MFG and EAM modules



□ Professional Summary

- 30+ years of industry, design and consulting experience, specializing in design, implementation and project delivery for Cost Management business solutions
- Specific areas of expertise:
 - Profit in inventory
 - Multi-org inventory reporting
 - Intercompany
 - Inventory reconciliation
 - A/P accruals
 - Product Line & Margin analysis
 - WIP analysis
 - Cost Rollup and Update
- Presenter at Collaborate (OAUG) and UKOUG since 1996
- Multi-national experience in twelve countries



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□ Qualification Summary

- Former co-designer for Oracle Cost Management
- Lead the OAUG Cost Management Special Interest Group
- Prior Accounting and Cost Management industry experience



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Slide 2

Douglas Volz Consulting, Inc.



□ Douglas Volz Consulting started in 2005 to provide:

- Cost Accounting Business Solutions
- Cost Accounting System Designs
- Procure to Pay Business Improvements
- Project Management and Advisory Services
- Cost Reporting Solutions

Sample Project Experience:



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Learning Points



- ❑ Review the business requirements for discrete product line accounting and expense accounting
- ❑ Understand how EAM requirements are similar to discrete expense accounting
- ❑ Understand basic concepts for Subledger Accounting (SLA)
- ❑ Learn how to use SLA for product line accounting for inventory, COGS and variance accounting
- ❑ Learn how to use SLA for EAM and Cost Management



Agenda



- ❑ Overview for business requirements for product line accounting, EAM and expense accounting
- ❑ Which SLA approach is best? Mapping sets? Standard sources, custom sources for expenses, inventory and variances? Use of Category Accounts?
- ❑ Primer for using Subledger Accounting
- ❑ SLA solution for product line accounting
- ❑ SLA solutions for EAM & expense accounting
- ❑ Appendix



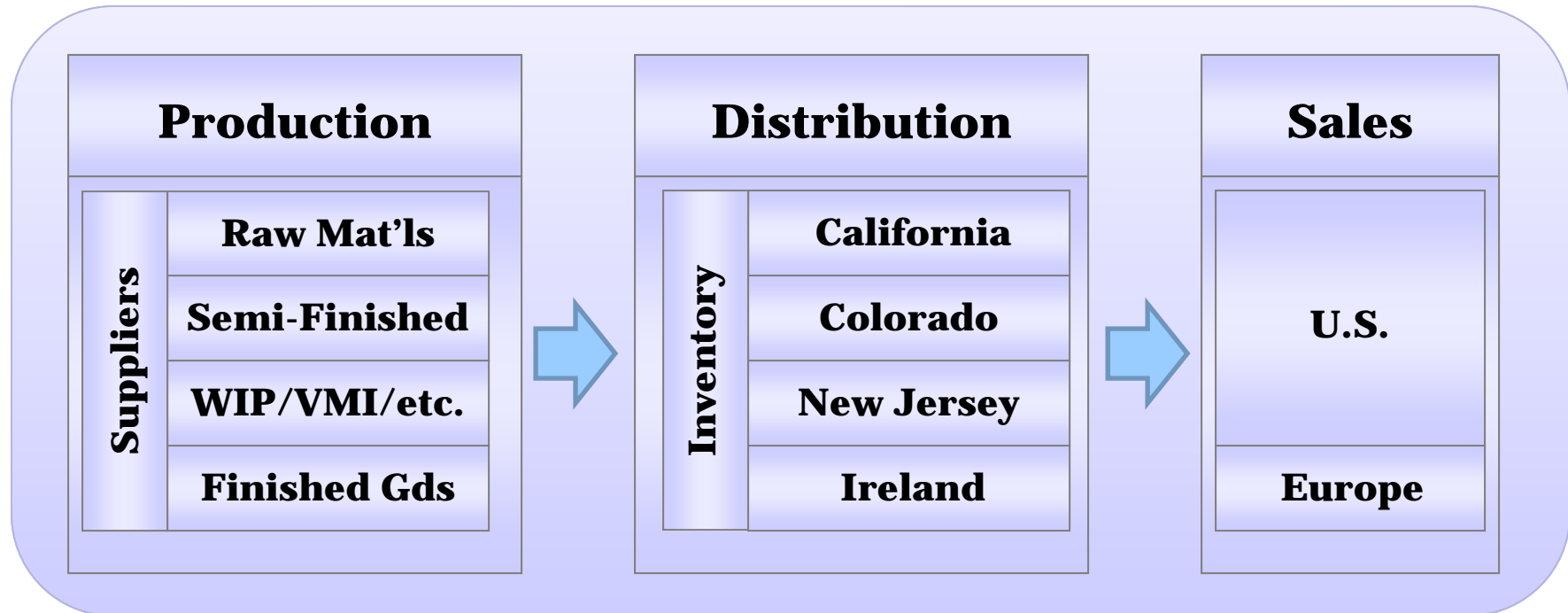
Business Requirements Overview

Product Line Accounting



Product Line Accounting (or PLA)

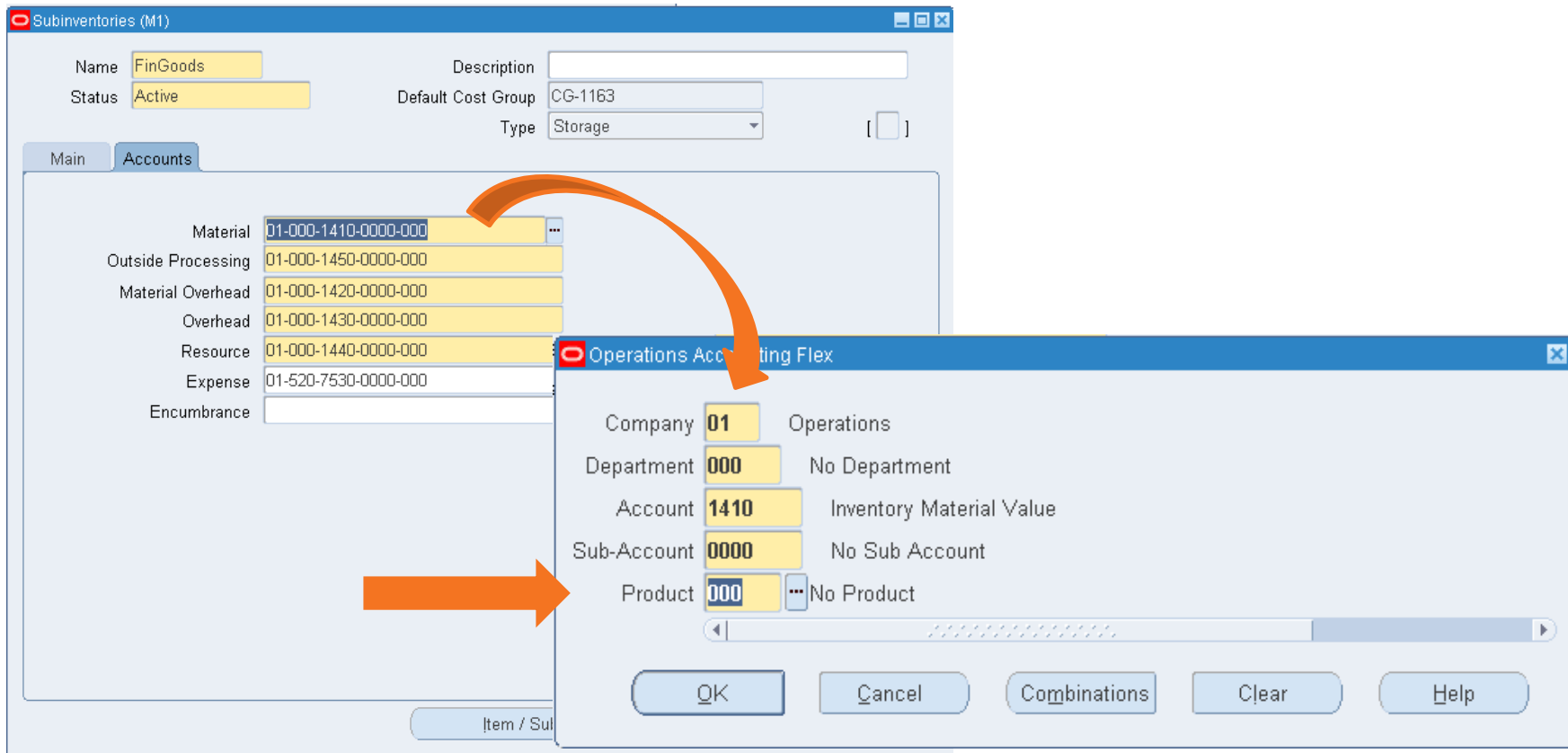
- ❑ Suppose you make and sell different types of products
- ❑ With subinventory & WIP you can account for inventory location or type



Asset Subinventories

Menu path: Cost Management => Setup => Account Assignments => Subinventories

- With subinventories you can account for location or type or product



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

- Name: FinGoods
- Status: Active
- Description: (empty)
- Default Cost Group: CG-1163
- Type: Storage

The 'Accounts' tab is active, showing a list of account types and their corresponding numbers:

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

An 'Operations Accounting Flex' dialog box is open, showing the following account assignment details:

- Company: 01 (Operations)
- Department: 000 (No Department)
- Account: 1410 (Inventory Material Value)
- Sub-Account: 0000 (No Sub Account)
- Product: 000 (No Product)

Buttons at the bottom of the dialog include: OK, Cancel, Combinations, Clear, and Help.

Asset WIP Classes

Menu path: Cost Management => Setup => Account Assignments => WIP Accounting Classes

- With WIP you can account for location or type or product – but not all three

WIP Accounting Classes (M1)

Class:

Description:

Type:

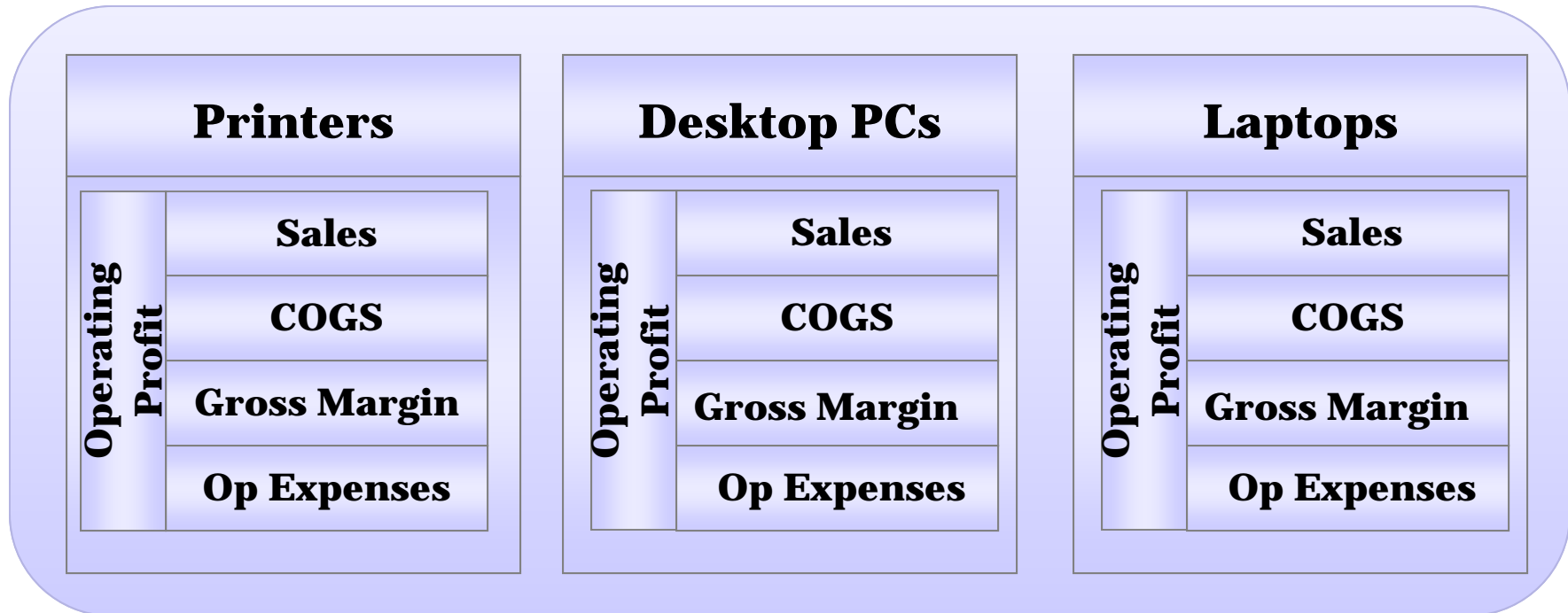
Inactive On: []

Accounts	Valuation	Variance
Material	<input type="text" value="01-000-1430-0000-000"/>	<input type="text" value="01-520-5310-0000-000"/>
Material Overhead	<input type="text" value="01-000-1430-0000-000"/>	
Resource	<input type="text" value="01-000-1430-0000-000"/>	<input type="text" value="01-520-5312-0000-000"/>
Outside Processing	<input type="text" value="01-000-1430-0000-000"/>	<input type="text" value="01-520-5370-0000-000"/>
Overhead	<input type="text" value="01-000-1430-0000-000"/>	<input type="text" value="01-520-5330-0000-000"/>
Standard Cost		<input type="text" value="01-520-5390-0000-000"/>
Bridging		<input type="text" value=""/>
Expense		<input type="text" value=""/>
Estimated Scrap	<input type="text" value=""/>	<input type="text" value=""/>
Encumbrance	<input type="text" value=""/>	



But What About?

- ❑ Profit and Loss Statements by Product Line with Location and Type?
- ❑ Inventory Value by Product Line with Location and Type?



But What About?

- Regional or Country Inventory Value or P&L by Product Line?



Which Approach is Best for Product Line Accounting?



Product Line Inventory Accounting



- Lots of choice but no consistency with standard functionality

Standard Functionality						Custom
Type of Inventory	Workflow (Account Generator)	Auto Acct'g (A/R)	Category Accounts (Std Use)	Cost Hook	SLA Std Source	SLA Custom Source
Receiving				Matl Entries Only	Item Expense Account	
Stores/Subinv					Cat Acct	
WIP						
Intransit					Cat Acct	

If using WMS or PJM you can only account by Cost Group, not by Cost Group and Category or Cost Group and Subinventory

Custom Sources based on one data element: item master COGS account



Product Line Profit & Loss Accounting



- Lots of choice but no consistency with standard functionality

Standard Functionality						Custom
P&L Element	Workflow (Account Generator)	Auto Acct'g (A/R)	Category Accounts (Std Use)	Cost Hook	SLA Std Source (Cat Acct)	SLA Custom Source
Sales Revenue						
COGS					Cat Acct	
PPV					Cat Acct	
IPV						
WIP Scrap					Cat Acct	
WIP Variances						
Acc't Aliases					Cat Acct	

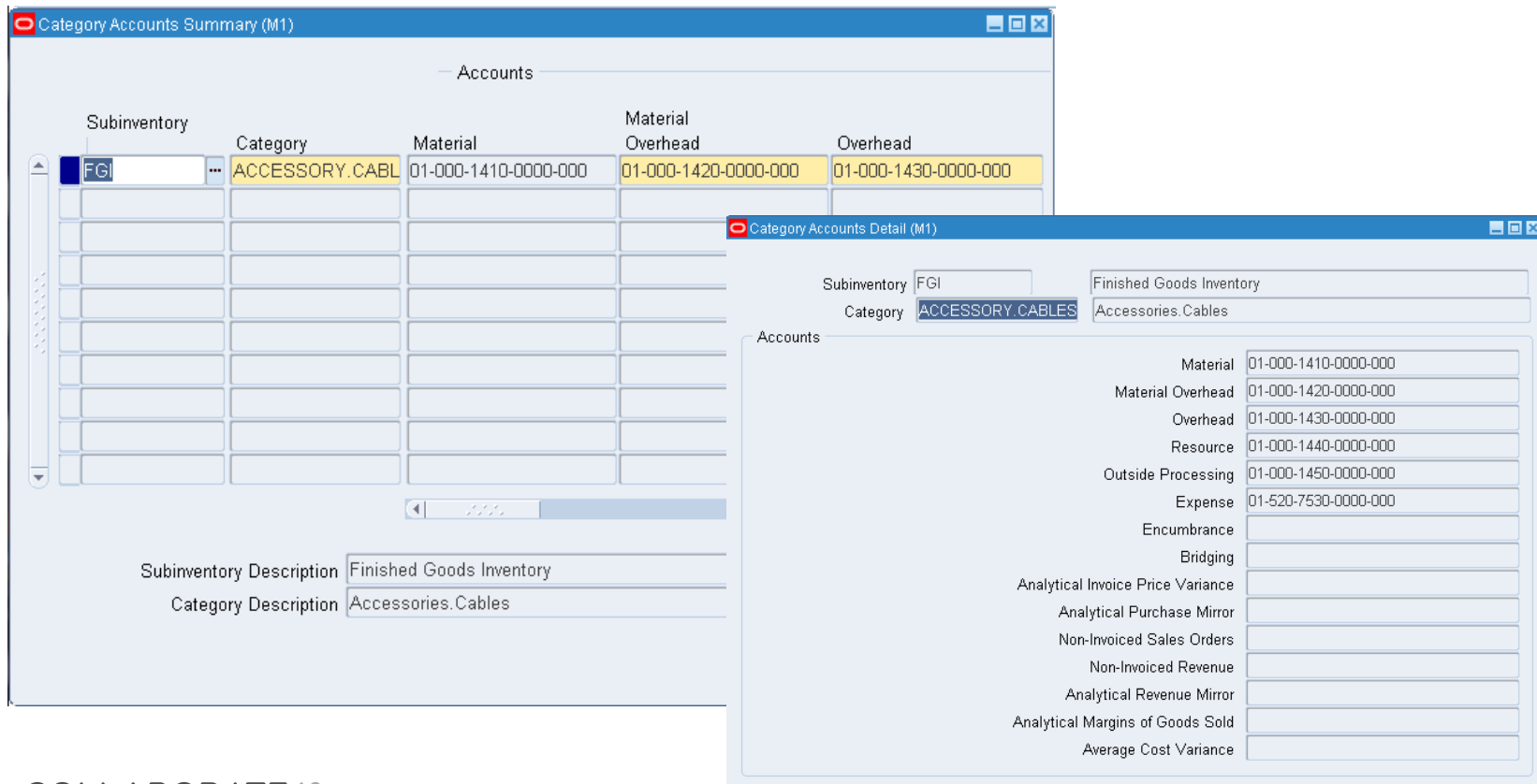
Custom Sources based on item master COGS account

Why Not Use Category Accounts?

Menu path: Cost Management => Setup => Categories => Category Accounts

□ Difficult to maintain

- Must enter both Subinventory & Category information



The screenshot shows two Oracle application windows. The main window is 'Category Accounts Summary (M1)' and the smaller window is 'Category Accounts Detail (M1)'. Both windows show a table of accounts with columns for Subinventory, Category, Material, Material Overhead, and Overhead. The 'Category Accounts Detail (M1)' window provides a more granular view of the accounts, listing various account types such as Material, Material Overhead, Overhead, Resource, Outside Processing, Expense, Encumbrance, Bridging, Analytical Invoice Price Variance, Analytical Purchase Mirror, Non-Invoiced Sales Orders, Non-Invoiced Revenue, Analytical Revenue Mirror, Analytical Margins of Goods Sold, and Average Cost Variance.

Subinventory	Category	Material	Material Overhead	Overhead
FGI	ACCESSORY.CABL	01-000-1410-0000-000	01-000-1420-0000-000	01-000-1430-0000-000

Subinventory	Category	Material	Material Overhead	Overhead	Resource	Outside Processing	Expense	Encumbrance	Bridging	Analytical Invoice Price Variance	Analytical Purchase Mirror	Non-Invoiced Sales Orders	Non-Invoiced Revenue	Analytical Revenue Mirror	Analytical Margins of Goods Sold	Average Cost Variance
FGI	ACCESSORY.CABLES	01-000-1410-0000-000	01-000-1420-0000-000	01-000-1430-0000-000	01-000-1440-0000-000	01-000-1450-0000-000	01-520-7530-0000-000									



Why Not Use Category Accounts?

- With SLA and category accounts:
 - Subledger Accounting can use:
 - Category Accounts with category setup and standard sources. For PPV use “Product Line Accounting Category purchase order Mirror Account” on your Account Derivation Rule (ADR)
 - Or use a DFF assigned to a category or item, with a Mapping Set and SLA setups for your Account Derivation Rule (ADR)
 - Collaborate 2009 Presentation
“*Cost Accounting As You Want It - R12 Cost Accounting with SLA*”
- But Receiving, WIP Valuation and WIP Variances cannot use Category Accounts with a standard SLA source
- And even worse, Receiving, Inventory and WIP don’t share any other standard SLA sources

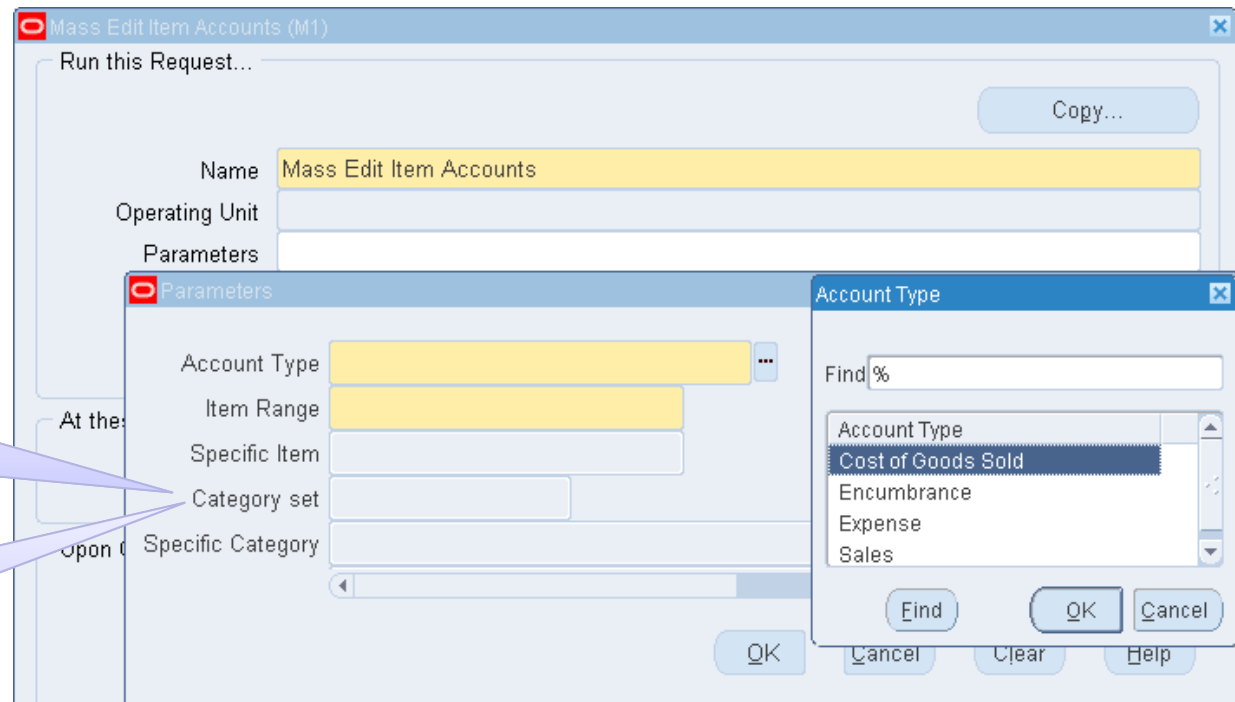


Choose the Easy to Maintain Approach

Menu path: Cost Management => Cost Mass Edits => Mass Edit Item Accounts



- Use item master accounts for product line information
 - Since R10 (1993) you can mass edit the following Item Master Accounts:
 - Cost of Goods Sold
 - Encumbrance
 - Expense
 - Sales



Set your item COGS account by Category

Works best if Category set at Master level



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Slide 17

Business Requirements Overview

EAM Expense Accounting



Expense Accounting for EAM

- Maintenance costs are usually expensed

- How? Physical Flow:
 - Issue materials to EAM work orders (which are expense jobs)
 - Receive goods to expense subinventories
 - Issue goods using Inventory Account Aliases

- Challenges
 - One expense account for per subinventory
 - One expense account per Account Alias
 - One account for material usage on EAM work orders
 - Desirable to have centralized maintenance with one EAM org



EAM WIP Accounts

WIP Accounting Classes (EM1)

Class: MaintWAC
Description: Maintenance Wip Accounting Class
Type: Maintenance
Inactive On: []

Accounts

	Valuation	Variance
Material	01-580-5320-0000-000	01-580-5320-0000-000
Material Overhead	01-580-5320-0000-000	
Resource	01-580-5321-0000-000	01-580-5321-0000-000
Outside Processing	01-580-5322-0000-000	01-580-5322-0000-000
Overhead	01-580-5323-0000-000	01-580-5323-0000-000
Standard Cost		
Bridging		
Expense		
Estimated Scrap		
Encumbrance		

Costing

Completion Cost Source: System Calculated
System Option: Use Actual Resources
Cost Type: []

May need more than one expense account



Expense Subinventory Accounting

The screenshot shows the 'Subinventories (EM1)' form with the following details:

- Name: FleetSpare
- Description: Fleet Spares & Rebuildable
- Status: Available for Netting and
- Default Cost Group: CG-1597
- Type: Storage

The 'Accounts' tab is active, showing a list of accounts:

Material	01-000-1480-0000-000
Outside Processing	01-000-1482-0000-000
Material Overhead	01-000-1420-0000-000
Overhead	01-000-1483-0000-000
Resource	01-000-1481-0000-000
Expense	01-520-7530-0000-000
Encumbrance	

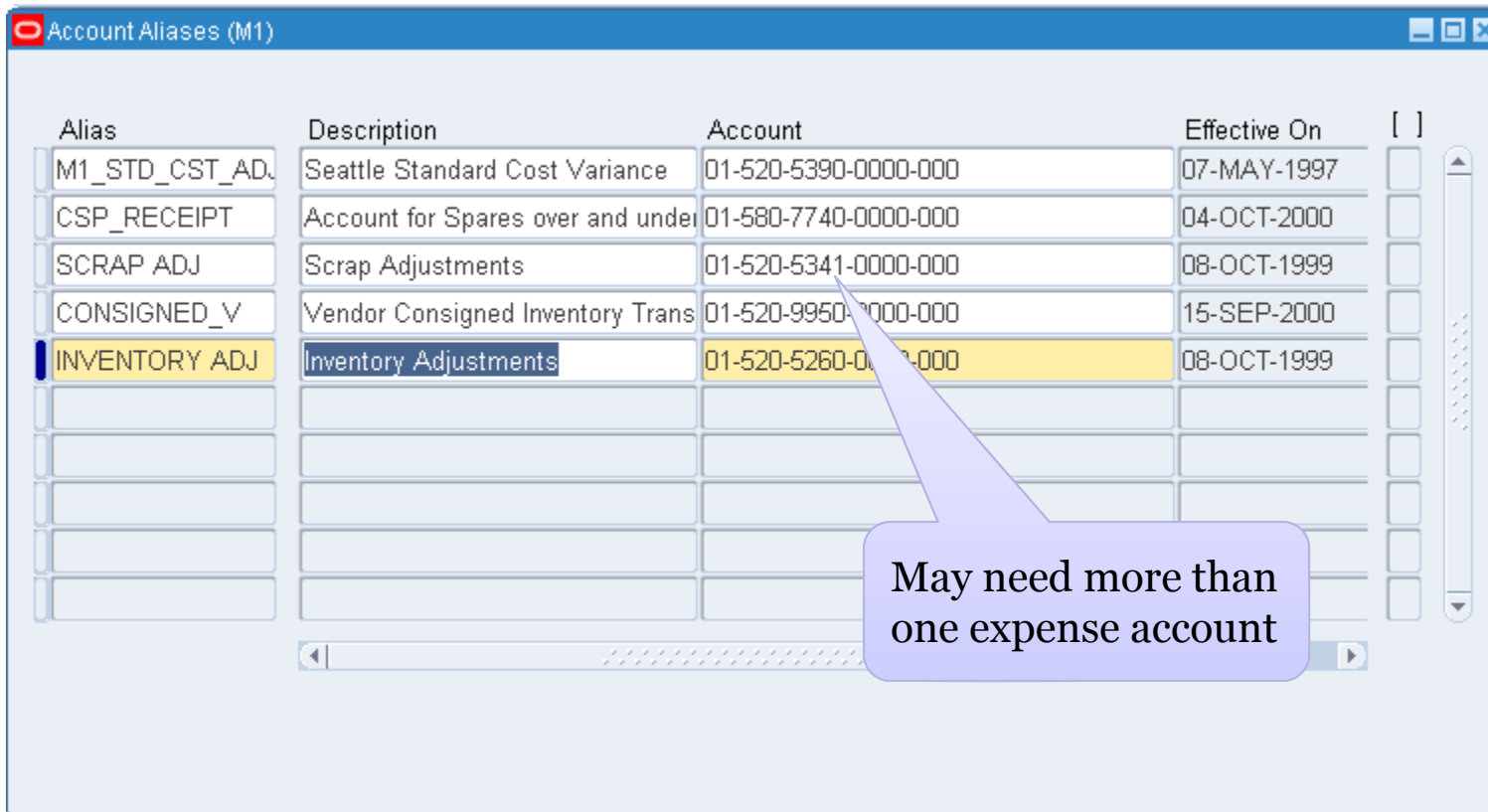
Buttons at the bottom: Item / Subinventory, Locators

If using Cost Groups or Average, FIFO, LIFO Costing the same is true of Cost Group or Organization-level expense accounting

May need more than one expense account



Account Alias Setup



Alias	Description	Account	Effective On	[]
M1_STD_CST_ADJ	Seattle Standard Cost Variance	01-520-5390-0000-000	07-MAY-1997	<input type="checkbox"/>
CSP_RECEIPT	Account for Spares over and under	01-580-7740-0000-000	04-OCT-2000	<input type="checkbox"/>
SCRAP ADJ	Scrap Adjustments	01-520-5341-0000-000	08-OCT-1999	<input type="checkbox"/>
CONSIGNED_V	Vendor Consigned Inventory Trans	01-520-9950-0000-000	15-SEP-2000	<input type="checkbox"/>
INVENTORY ADJ	Inventory Adjustments	01-520-5260-0000-000	08-OCT-1999	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

May need more than one expense account

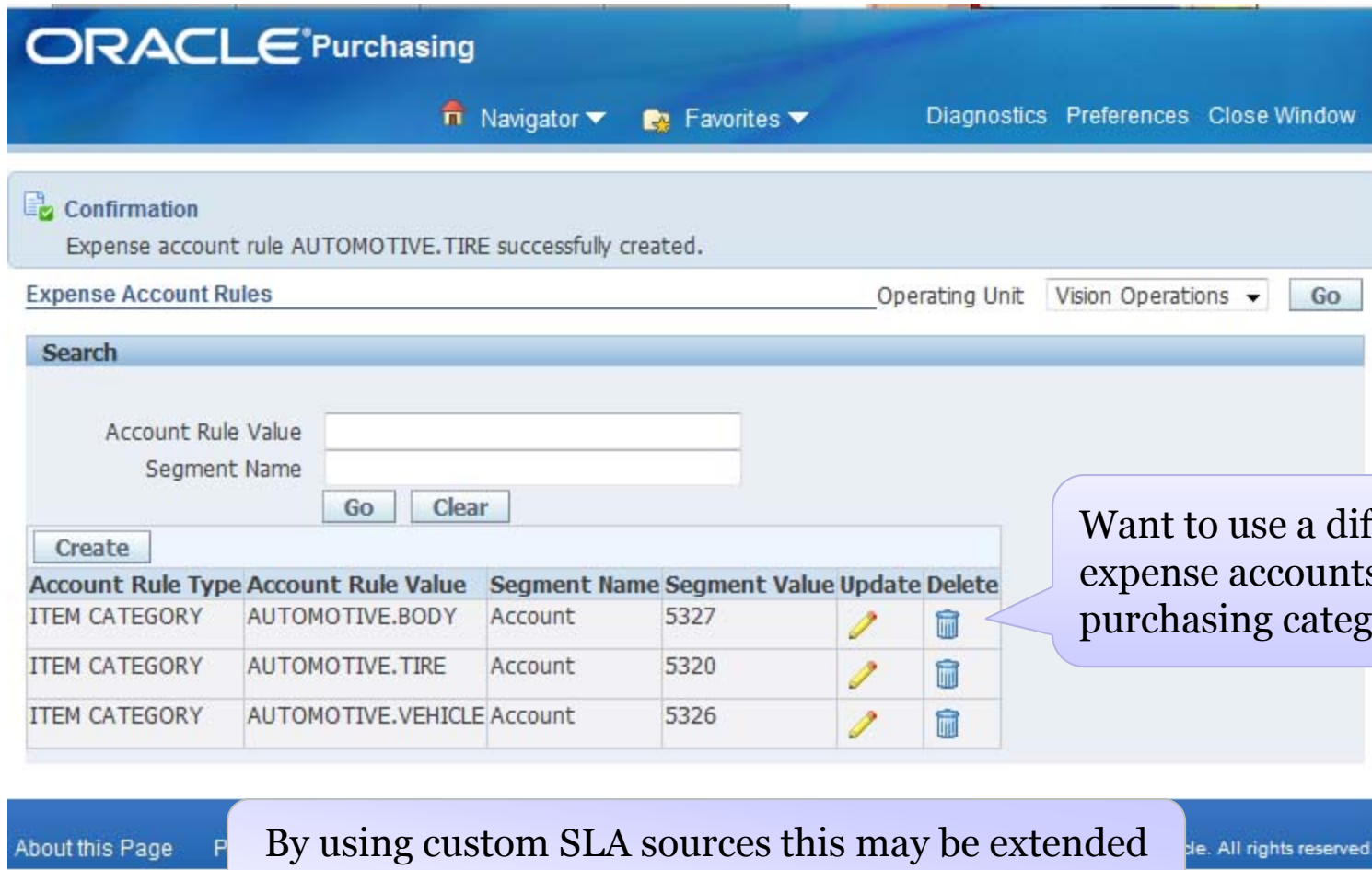


Approach to Consider for Expense Accounting



PO Expense Accounts by Category

Menu path: Purchasing => Setup => Financials => Accounting => Expense Account Rules



The screenshot shows the Oracle Purchasing interface. At the top, there's a blue header with the Oracle logo and 'Purchasing' text. Below the header, there are navigation links: 'Navigator', 'Favorites', 'Diagnostics', 'Preferences', and 'Close Window'. A confirmation message states: 'Expense account rule AUTOMOTIVE.TIRE successfully created.' Below this, there's a section for 'Expense Account Rules' with a dropdown for 'Operating Unit' set to 'Vision Operations' and a 'Go' button. A search section contains two input fields: 'Account Rule Value' and 'Segment Name', with 'Go' and 'Clear' buttons. A table lists existing rules:

Account Rule Type	Account Rule Value	Segment Name	Segment Value	Update	Delete
ITEM CATEGORY	AUTOMOTIVE.BODY	Account	5327		
ITEM CATEGORY	AUTOMOTIVE.TIRE	Account	5320		
ITEM CATEGORY	AUTOMOTIVE.VEHICLE	Account	5326		

At the bottom of the page, there's a footer with 'About this Page' and 'All rights reserved.' A callout bubble points to the table with the text: 'Want to use a different expense accounts by purchasing category'. Another callout bubble at the bottom of the screenshot says: 'By using custom SLA sources this may be extended to Cost Management transactions as well.'

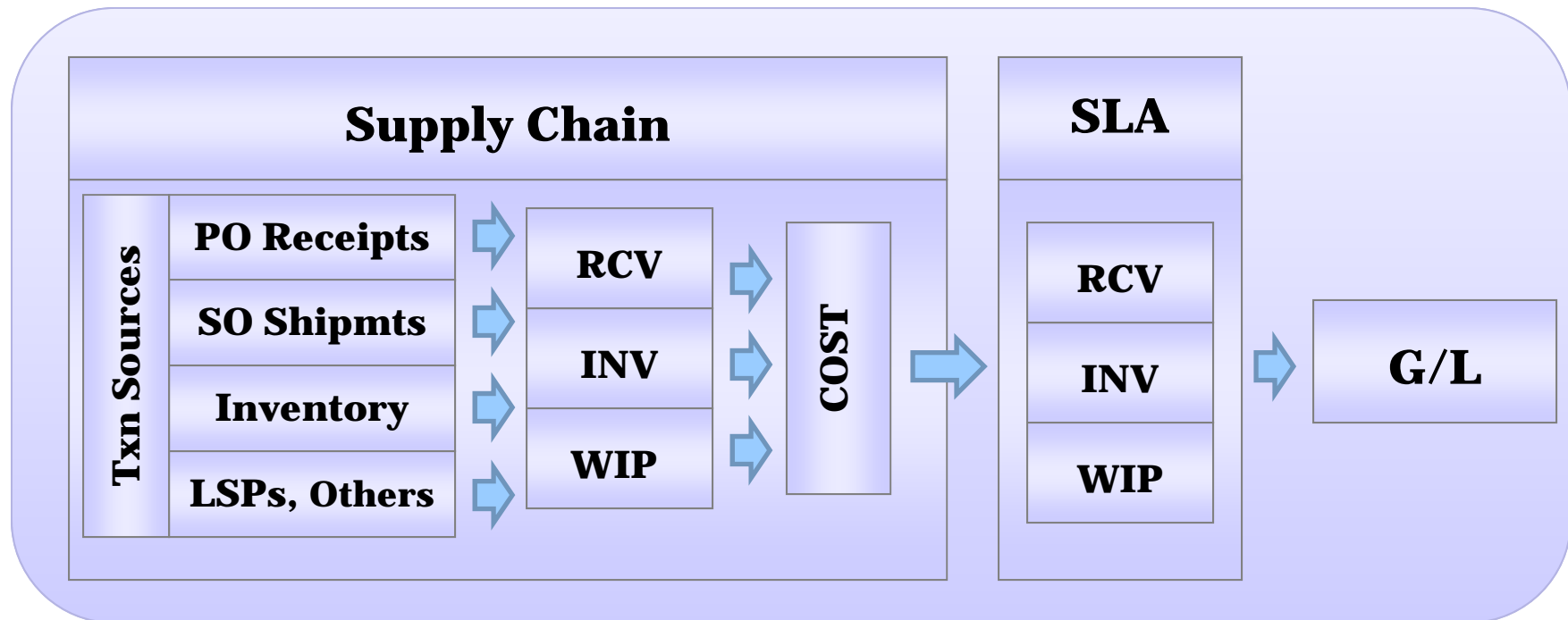


Primer for Using Subledger Accounting



Supply Chain Transaction Processing

- Release 12 has two transaction models
 - RCV, INV, WIP Transactions
 - SLA transactions – “Mirror image” of the original transactions

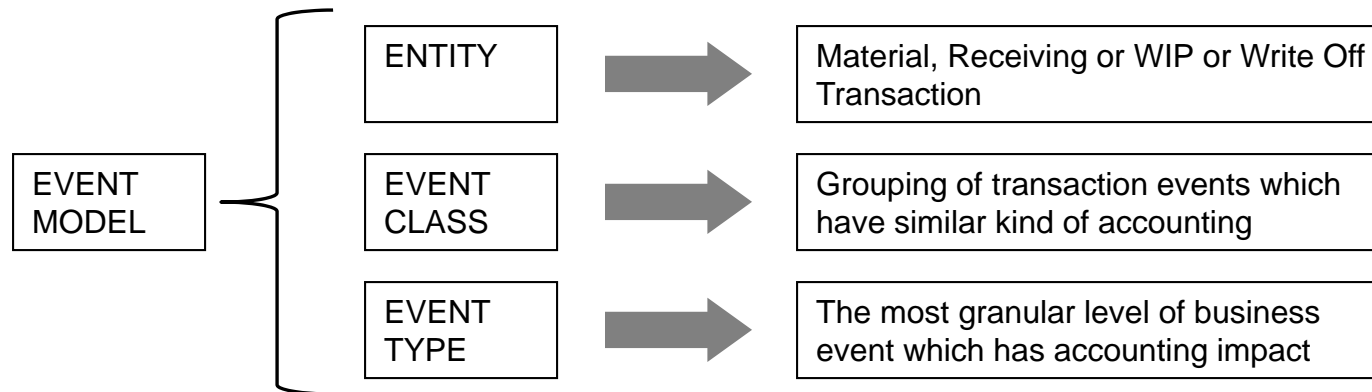


Key Concepts for SLA Transaction Types

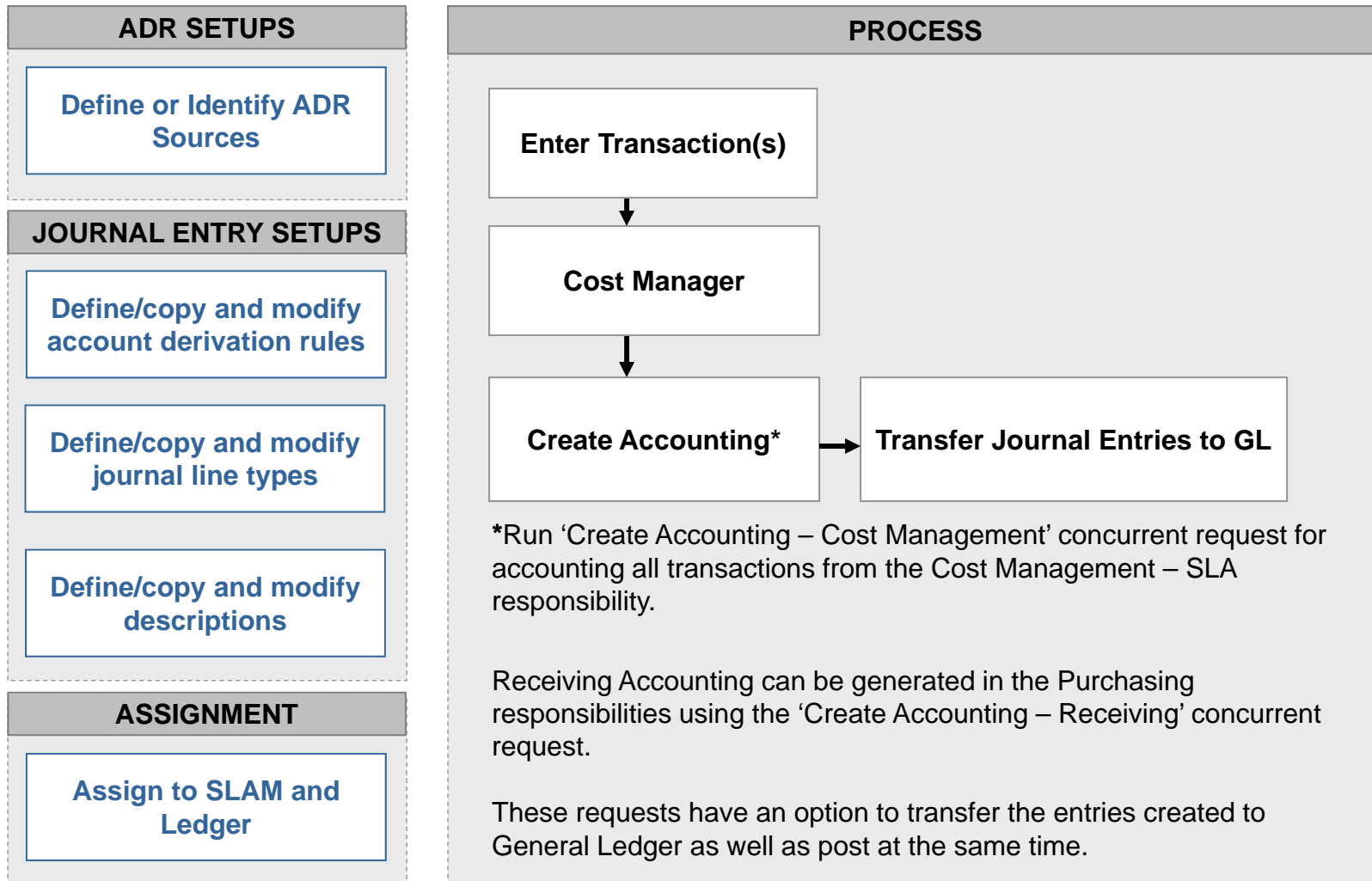
Event Model:

A set of subledger transaction types with common characteristics

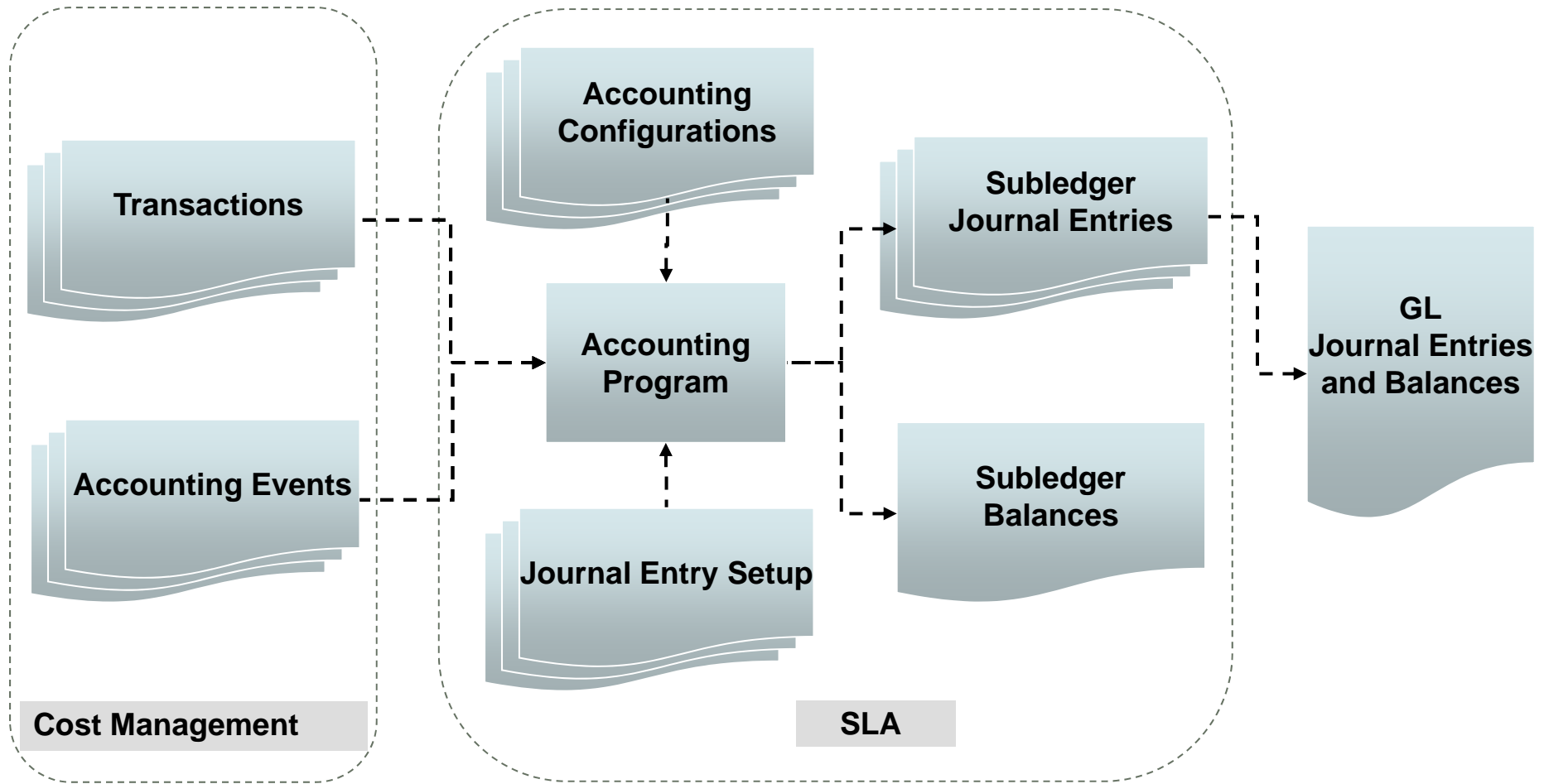
- Entity : Denotes the transaction source
- Event Class: Classifies transaction types by accounting rule
- Event Type: for each transaction type, defines possible actions with accounting significance



Setup and Process

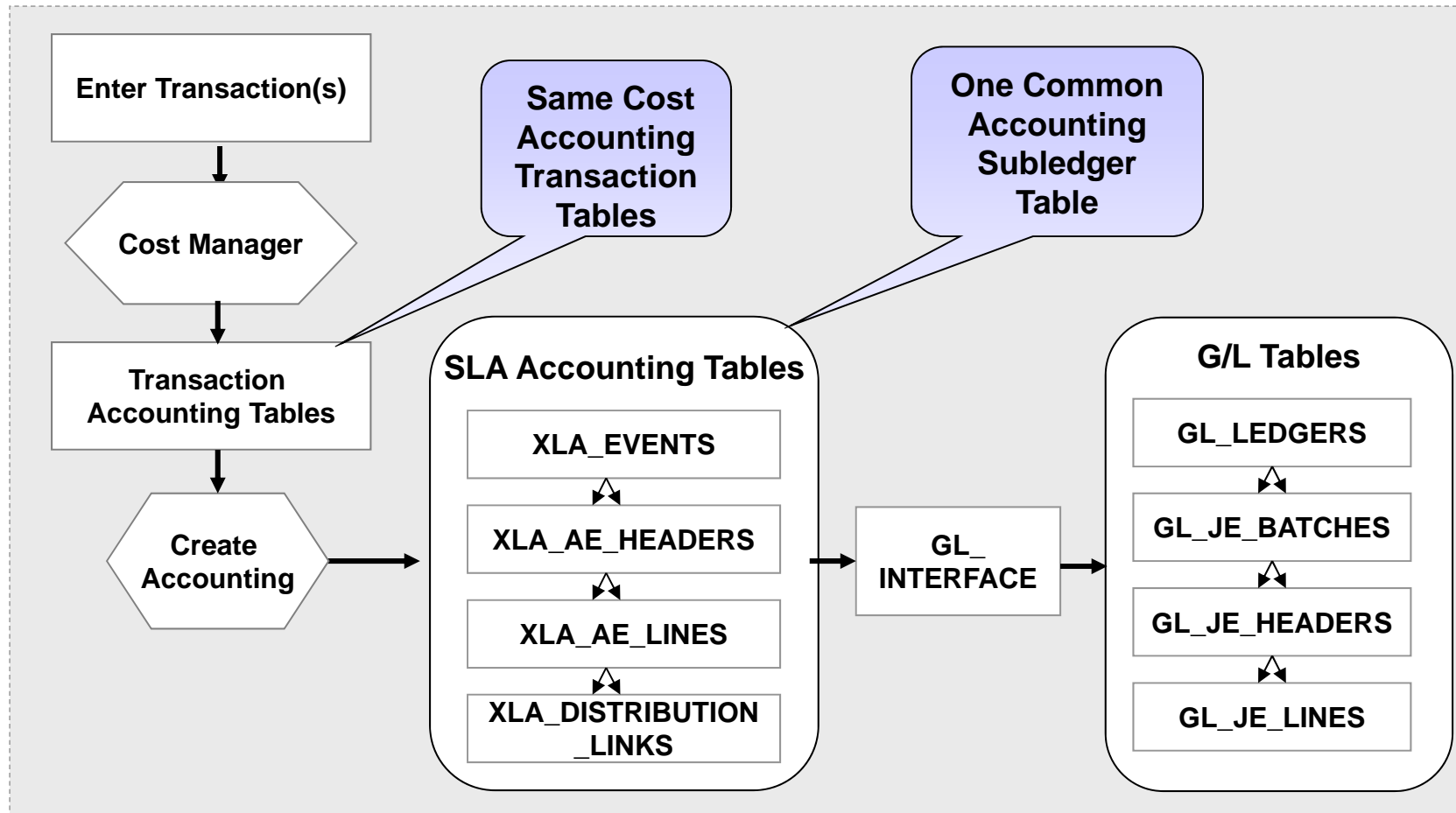


Setup and Process



Subledger Accounting Basics

SLA Basic Architecture



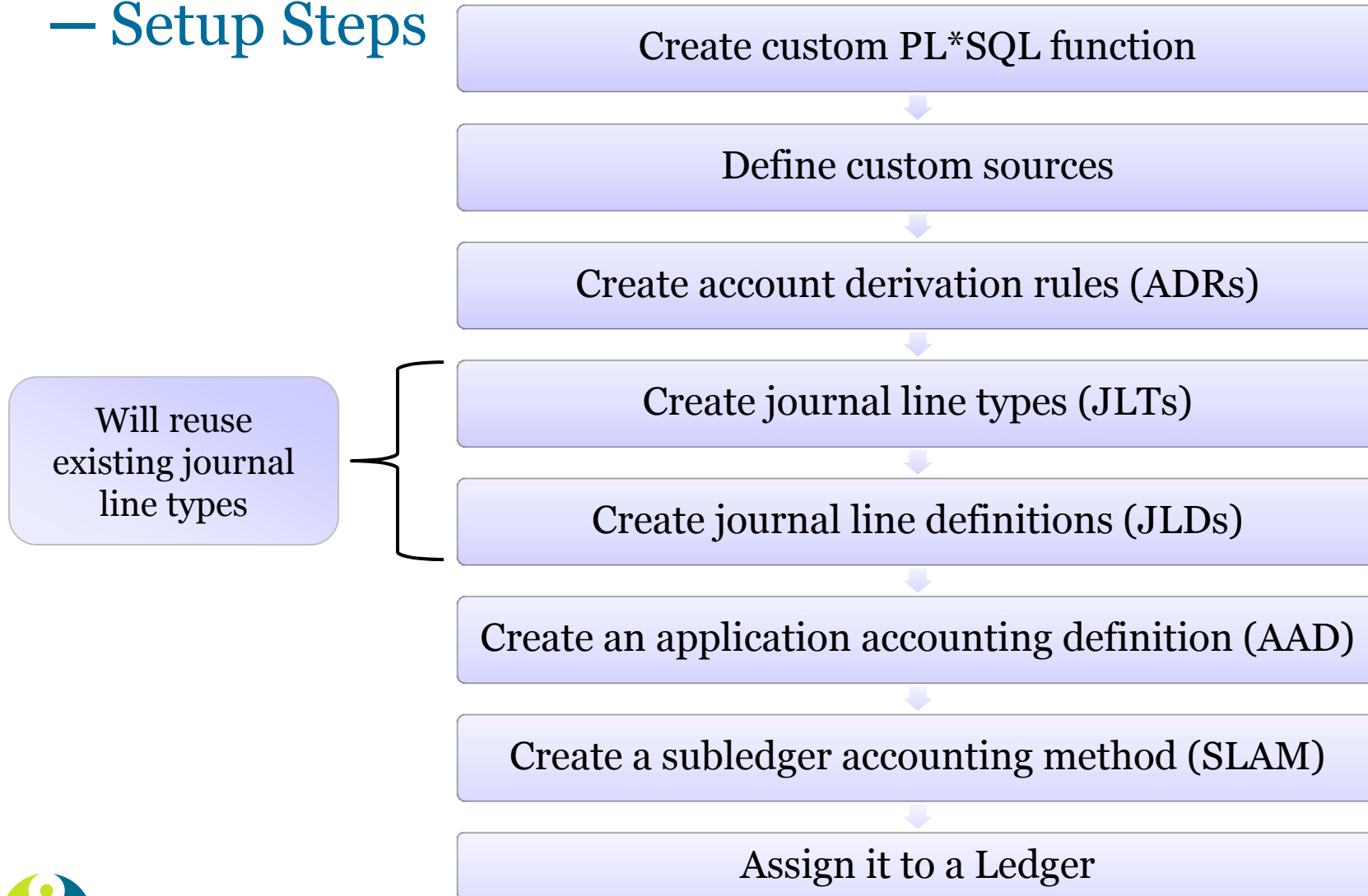
Product Line SLA Setup Steps



Subledger Accounting Method (SLAM)

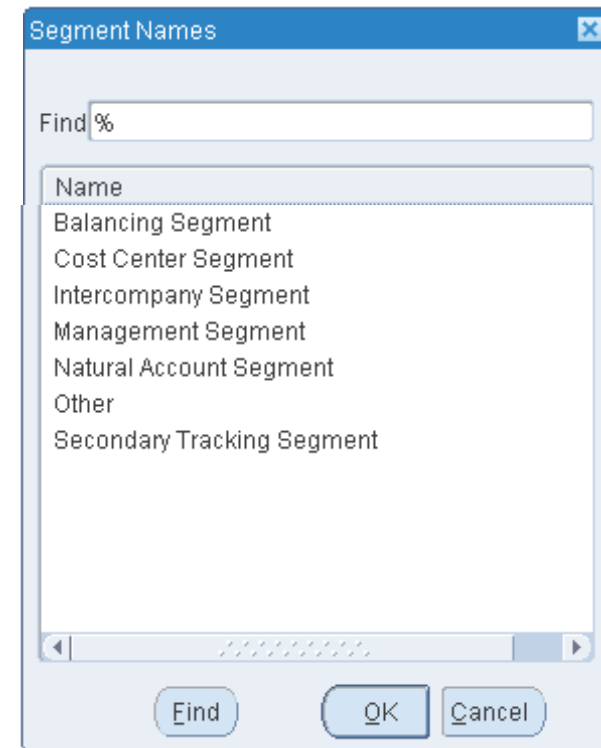


– Setup Steps



Gotchas: Designing SLA Custom Sources

- ❑ Desired COA segment must be available for custom SLA sources
- ❑ Available COA segments based on G/L qualifiers
- ❑ Can only use G/L qualifiers with custom SLA sources
- ❑ Application Derivation Rules (ADRs) can use COA segment values or G/L qualifiers
- ❑ But the ADR segment type must be the same as the custom SLA source



Gotchas: Designing SLA Custom Sources



- The PL/SQL for the Custom Source has to return a value
 - If it does not Create Accounting will fail
 - The Custom Source is run first
 - Then ADR conditions are applied

Account Derivation Rule Conditions - Cost Management

Rule Name:

Priority:

Transaction Chart of Accounts:

Conditions

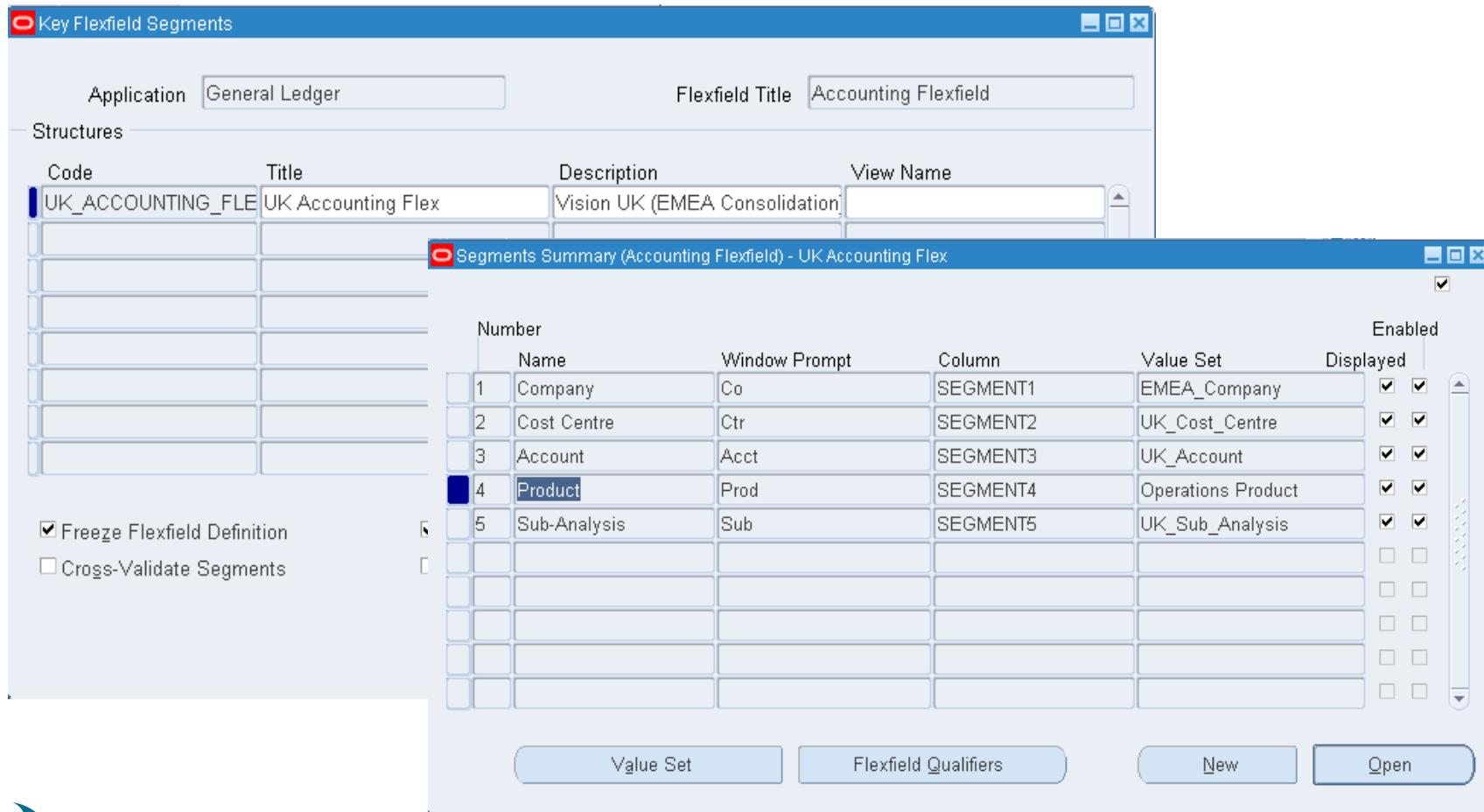
Seq	(	Source	Segment	Operator	Value Type	Value	Segment	)	And/Or
10	(	H_PROJECT_ID		IS NULL				)	AND
20		H_TO_PROJECT_ID		IS NULL					OR
30		Task Service Type		!=	Constant	Engineering, Construct		)	AND
40		Subinventory Type Indicator		=	Constant	No			



Flexfield Structure Qualifiers

Menu path: General Ledger Super User => Setup => Financials => Flexfield => Key => Segments

Use defined G/L qualifiers for custom sources



The screenshot shows two overlapping windows from the Oracle EBS interface. The background window is 'Key Flexfield Segments' for the 'General Ledger' application and 'Accounting Flexfield'. It shows a table with one entry: 'UK_ACCOUNTING_FLE' with title 'UK Accounting Flex' and description 'Vision UK (EMEA Consolidation)'. The foreground window is 'Segments Summary (Accounting Flexfield) - UK Accounting Flex', which displays a table of segments. The 'Product' segment (number 4) is selected.

Number	Name	Window Prompt	Column	Value Set	Enabled	Displayed
1	Company	Co	SEGMENT1	EMEA_Company	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Cost Centre	Ctr	SEGMENT2	UK_Cost_Centre	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Account	Acct	SEGMENT3	UK_Account	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Product	Prod	SEGMENT4	Operations Product	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Sub-Analysis	Sub	SEGMENT5	UK_Sub_Analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Flexfield Structure Qualifiers

Menu path: General Ledger Super User => Setup => Financials => Flexfield => Key => Segments => Flexfield Qualifiers

Best to enable Flexfield Qualifiers when defining COA

Segments Summary (Accounting Flexfield) - UK Accounting Flex

Number	Name	Window Prompt	Column	Value Set	Enabled	Displayed
1	Company	Co	SEGMENT1	EMEA_Company	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Cost Centre	Ctr	SEGMENT2	UK_Cost_Centre	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Account	Acct	SEGMENT3	UK_Account	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Product	Prod	SEGMENT4	Operations Product	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Sub-Analysis	Sub	SEGMENT5	UK_Sub_Analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Flexfield Qualifiers (Accounting Flexfield) - UK Accounting Flex, Product

Name	Description	Enabled
Cost Center Segment	This attribute is used to identify the cost center segment.	<input type="checkbox"/>
Natural Account Segment	This attribute is used to identify the natural account segment.	<input type="checkbox"/>
Balancing Segment	This attribute is used to identify the balancing segment. This is typi	<input type="checkbox"/>
Intercompany Segment	This attribute is used to identify the intercompany segment	<input type="checkbox"/>
Management Segment	This attribute is used to identify the management segment.	<input type="checkbox"/>
Secondary Tracking Seg	This attribute is used to identify the secondary tracking segment to	<input type="checkbox"/>

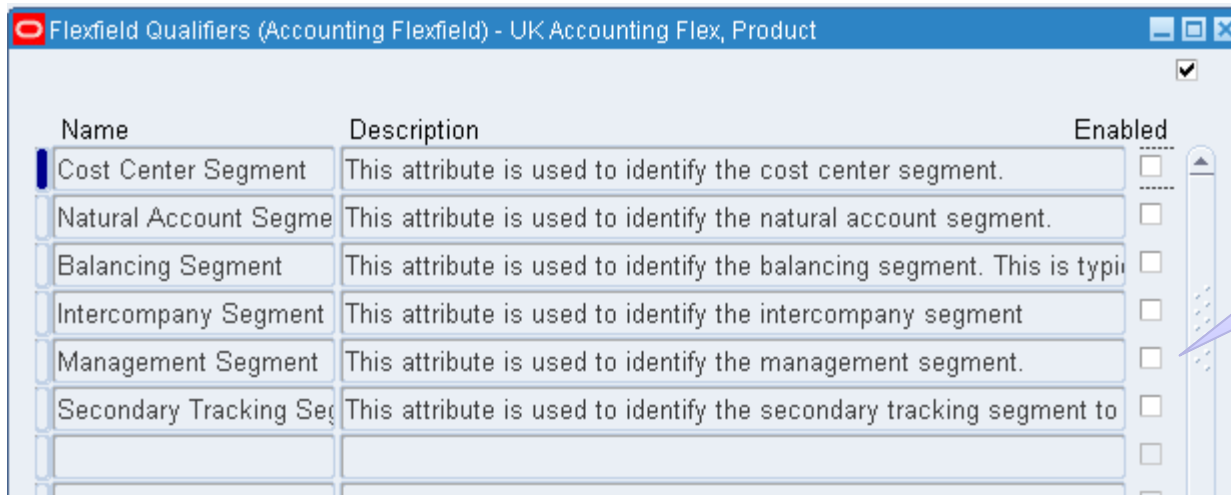
Use the Management Segment as the qualifier for Product Line

Need to Enable this row

Enabling the Management Flexfield Qualifier

Menu path: General Ledger Super User => Setup => Financials => Flexfield => Key => Segments => Flexfield Qualifiers

Need to run two programs



Name	Description	Enabled
Cost Center Segment	This attribute is used to identify the cost center segment.	<input type="checkbox"/>
Natural Account Segme	This attribute is used to identify the natural account segment.	<input type="checkbox"/>
Balancing Segment	This attribute is used to identify the balancing segment. This is typi	<input type="checkbox"/>
Intercompany Segment	This attribute is used to identify the intercompany segment	<input type="checkbox"/>
Management Segment	This attribute is used to identify the management segment.	<input type="checkbox"/>
Secondary Tracking Seg	This attribute is used to identify the secondary tracking segment to	<input type="checkbox"/>

How to enable this row?

- The management segment can be any segment, except the balancing segment or natural account segment. Typically, the management segment is a segment that has management responsibility, such as the department, cost center, or line of business.
- You can assign a management segment to an existing chart of accounts at any time by running two programs in sequence: **Program - Prepare Journal Batches for Management Segment Upgrade** and **Program - Complete Management Segment Upgrade**.



Enabling the Management Flexfield Qualifier

Menu path: General Ledger Super User => Other => Report => Run =>
 Program - Prepare Journal Batches for Management Segment Upgrade

Program - Prepare Journal Batches for Management Segment Upgrade

Run this Request... Copy...

Name: Program - Prepare Journal Batches for Management Segment Upgrade

Operating Unit: []

Parameters

Lang: []

Chart of Accounts: UK Accounting Flex

Management Segment: Product

At these Times: []

Run the: []

OK Cancel Clear Help

Upon Completion: []

Requests

Refresh Data Find Requests Submit a New Request...

Request ID	Name	Parent	Phase	Status	Parameters
5835923	Program - Process Posted		Completed	Normal	50572
5835922	Program - Prepare Journal		Completed	Normal	50572, SEGMENT4

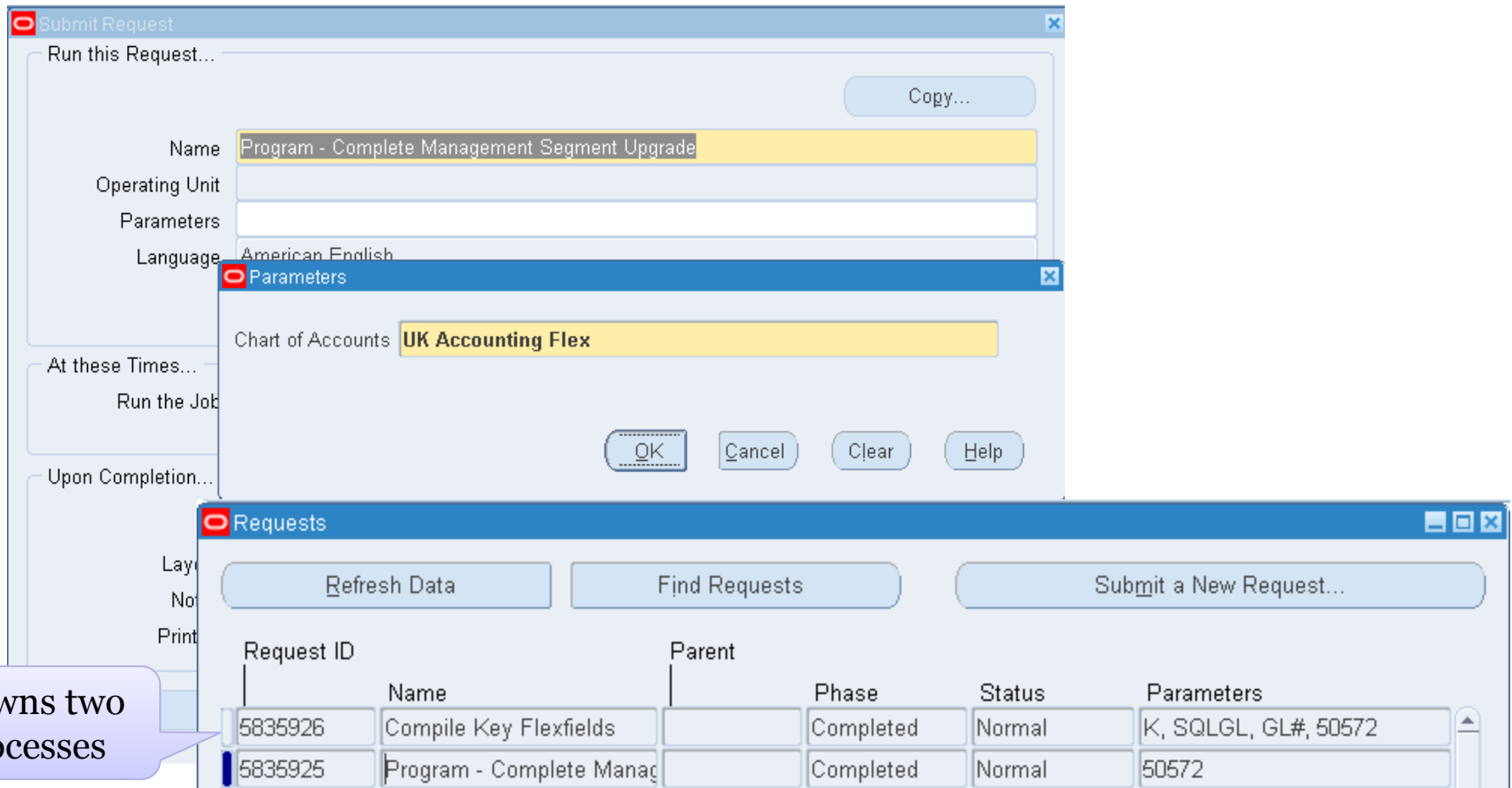
Spawns two processes



Enabling the Management Flexfield Qualifier

Menu path: General Ledger Super User => Other => Report => Run => Program - Complete Management Segment Upgrade

Program - Complete Management Segment Upgrade



Submit Request

Run this Request... Copy...

Name: Program - Complete Management Segment Upgrade

Operating Unit:

Parameters:

Language: American English

Parameters

Chart of Accounts: UK Accounting Flex

OK Cancel Clear Help

Requests

Refresh Data Find Requests Submit a New Request...

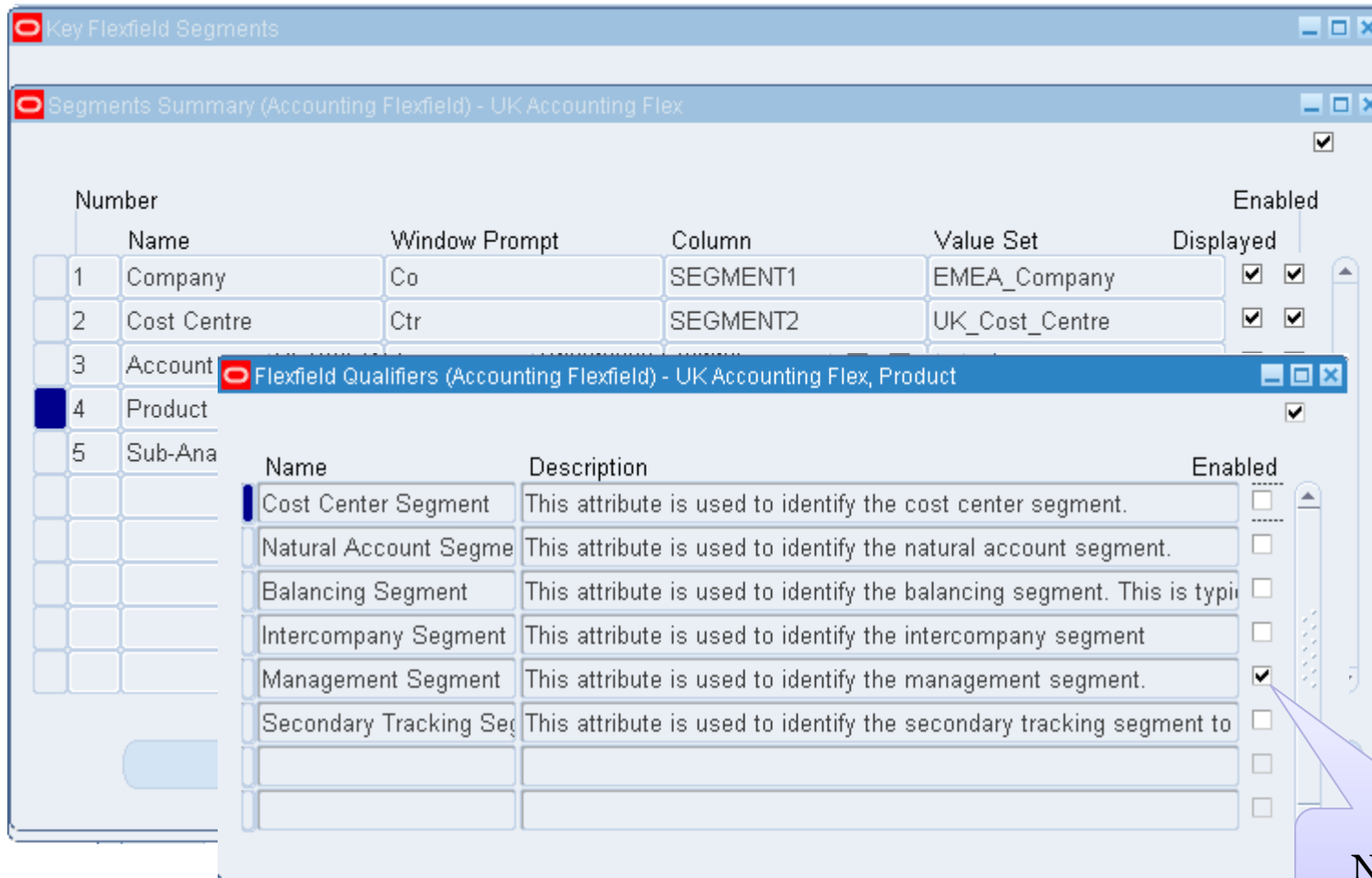
Request ID	Name	Parent	Phase	Status	Parameters
5835926	Compile Key Flexfields		Completed	Normal	K, SQLGL, GL#, 50572
5835925	Program - Complete Management Segment Upgrade		Completed	Normal	50572

Spawns two processes



Enabling the Management Flexfield Qualifier

Menu path: General Ledger Super User => Setup => Financials => Flexfield => Key => Segments => Flexfield Qualifiers



The screenshot shows the 'Flexfield Qualifiers (Accounting Flexfield) - UK Accounting Flex, Product' window. It contains a table with the following data:

Number	Name	Window Prompt	Column	Value Set	Enabled
1	Company	Co	SEGMENT1	EMEA_Company	<input checked="" type="checkbox"/>
2	Cost Centre	Ctr	SEGMENT2	UK_Cost_Centre	<input checked="" type="checkbox"/>
3	Account				<input checked="" type="checkbox"/>
4	Product				<input checked="" type="checkbox"/>
5	Sub-Ana				<input checked="" type="checkbox"/>

Below the main table, there is a detailed view of the 'Management Segment' with the following information:

Name	Description	Enabled
Cost Center Segment	This attribute is used to identify the cost center segment.	<input type="checkbox"/>
Natural Account Segme	This attribute is used to identify the natural account segment.	<input type="checkbox"/>
Balancing Segment	This attribute is used to identify the balancing segment. This is typi	<input type="checkbox"/>
Intercompany Segment	This attribute is used to identify the intercompany segment	<input type="checkbox"/>
Management Segment	This attribute is used to identify the management segment.	<input checked="" type="checkbox"/>
Secondary Tracking Seg	This attribute is used to identify the secondary tracking segment to	<input type="checkbox"/>

Now Enabled

Designing Your SLA Setup:

□ Three Custom SLA sources :

Product Line Custom Sources

- Material Transactions
- WIP Transactions
- Receiving Transactions

□ Three Application Derivation Rules (ADRs) :

Product Line ADRs

- Material Transactions
- WIP Transactions
- Receiving Transactions



For Potentially All of These SLA Events:



Material Transactions

- Consigned Inventory Ownership
- Direct Interorg Receipt
- Direct Interorg Shipment
- Intransit Interorg Shipment for FOB Receipt
- Intraorganization Transfer
- Internal Order to Expense
- Intransit Interorg Receipt
- Logical Intercompany
- Material Cost Update
- Miscellaneous
- PO Delivery into Inventory

Material Transactions

- Recipient-side Intransit Interorg Receipt for FOB Receipt
- Recipient-side Intransit Interorg Shipment for FOB Shipment
- Retroactive Price Adjustment
- Sales Order Issue
- Sender-side Intransit Interorg Receipt for FOB Receipt
- Sender-side Intransit Interorg Shipment for FOB Receipt
- WIP Material
- WIP Material Lot



And Potentially All of These SLA Events:

WIP Transactions

- Outside Processing
- WIP Absorption
- WIP Cost Update
- WIP Lot
- WIP Variances

Receiving Transactions

- Receipt into Receiving Inspection
- Delivery to Expense Destinations
- Period End Accrual
- Retroactive Price Adjustment to Receipt

A/P Accruals

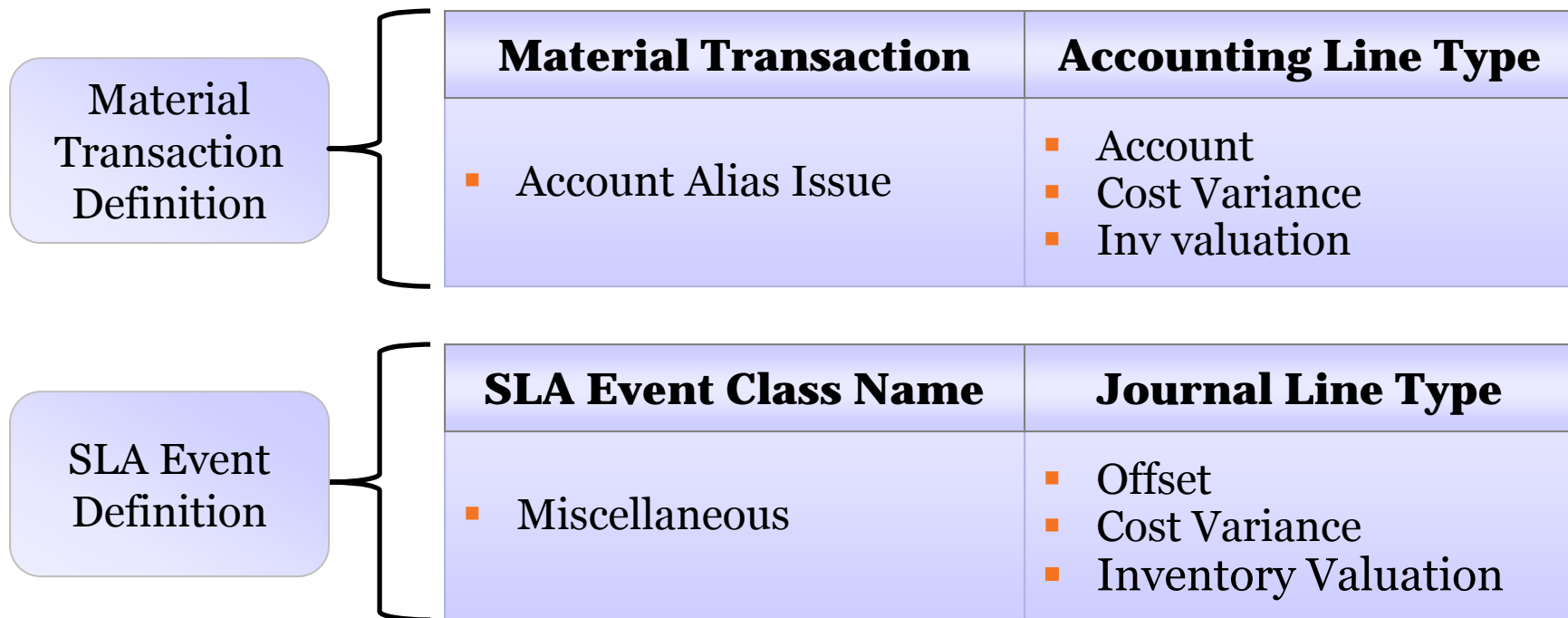
- Accrual Write-Off Event
- Delivery to Expense Destinations
- Receiving Transactions
- Period End Accrual
- Retroactive Price Adjustment to Receipt

**Which
Correspond to
the “Real”
Transactions**



Gotcha: Have to Correlate SLA Events With “Real” Material, Receiving, WIP Transactions

Example: Inventory Account Alias Transactions



→ The Oracle EBS Supply Chain transactions loosely correlate to the SLA events and journal lines. Can be confusing.



Material Sources and Transaction Types



Txn Source	Txn Name	Txn Description
Account	Account issue	Issue material against account
Account	Account receipt	Receive material against account
Account alias	Account alias issue	Issue material against account alias
Account alias	Account alias receipt	Receive material against account alias
Cycle Count	Cycle Count Adjust	Record cycle count adjustments
Cycle Count	Cycle Count Transfer	Cycle Count Sub Transfer
Internal order	Int Order Direct Ship	Direct transfer between two organizations on a internal order
Internal order	Int Order Intr Ship	Ship to intransit sourced by Internal order
Internal order	Internal Order Pick	Staging transfer on an Internal order
Internal order	Internal Order Xfer	Subinventory transfer sourced by Internal order
Internal order	Internal order issue	Ship Confirm Internal Order: Issue
Internal order	Logical Intransit Shipment	Logical Intransit Shipment
Internal requisition	Int Req Direct Org Xfer	Internal Requisition Direct Org Transfer
Internal requisition	Int Req Intr Rcpt	Delivery of intransit material sourced by Internal requisition
Internal requisition	Int Req Rcpt Adjust	Delivery adjustments on intransit receipt sourced by Internal req.
Internal requisition	Int Req Sub Xfer	Internal Requisition Subinventory Transfer
Internal requisition	Logical Expense Requisition Receipt	Logical Expense Requisition Receipt
Internal requisition	Logical Intransit Receipt	Logical Intransit Receipt
Inventory	Average cost update	Update average cost information
Inventory	Backflush Transfer	Backflush subinventory transfer
Inventory	Direct Org Transfer	Direct transfer between two organizations
Inventory	Intransit Receipt	Receive from intransit
Inventory	Intransit Shipment	Ship to intransit sourced from Inventory
Inventory	Logical Intercompany Procurement Receipt	Logical Intercompany Procurement Receipt
Inventory	Logical Intercompany Procurement Return	Logical Intercompany Procurement Return
Inventory	Logical Intercompany Receipt Return	Logical Intercompany Receipt Return
Inventory	Logical Intercompany Sales Issue	Logical Intercompany Sales Issue
Inventory	Logical Intercompany Sales Return	Logical Intercompany Sales Return
Inventory	Logical Intercompany Shipment Receipt	Logical Intercompany Shipment Receipt
Inventory	Logical Intransit Receipt	Logical Intransit Receipt
Inventory	Logical Intransit Shipment	Logical Intransit Shipment



Material Sources and Transaction Types



Txn Source	Txn Name	Txn Description
Inventory	Miscellaneous issue	Perform miscellaneous issue of material
Inventory	Miscellaneous receipt	Perform miscellaneous receipt of material
Inventory	Shipment Rcpt Adjust	Adjustment to receipt of in-transit delivery
Inventory	Subinventory Transfer	Transfer material between subinventories
Inventory	Transfer to Consigned	Transfer to Consigned
Job or Schedule	WIP Negative Issue	WIP Negative Issue
Job or Schedule	WIP Negative Return	WIP Negative Return
Job or Schedule	WIP Return	WIP Return
Job or Schedule	WIP assembly scrap	Scrap assemblies from WIP
Job or Schedule	WIP cost update	Update cost of a WIP item
Job or Schedule	WIP estimated scrap	WIP estimated scrap transaction
Job or Schedule	WIP return from scrap	Return assemblies scrapped to WIP
Move order	Move Order Issue	Transact Account Issue Move Order
Move order	Move Order Putaway	Move Order Putaway
Move order	Move Order Transfer	Transact Subinventory Transfer Move Order
Physical Inventory	Physical Inv Adjust	Physical Inventory adjustment transactions
Physical Inventory	Physical Inv Transfer	Physical Count Sub Transfer
Purchase order	Logical PO Receipt	Logical PO Receipt
Purchase order	Logical PO Receipt Adjustment	Logical PO Receipt Adjustment
Purchase order	Logical Return to Vendor	Logical Return to Vendor
Purchase order	PO Rcpt Adjust	Delivery adjustments on a Purchase order receipt
Purchase order	PO Receipt	Receive Purchase Order
Purchase order	Retroactive Price Update	Retroactive Price Update
Purchase order	Return to Vendor	Return to vendor from stores
Purchase order	Transfer to Regular	Transfer to Regular
RMA	Logical RMA Receipt	Logical RMA Receipt
RMA	RMA Receipt	Return material authorization
RMA	RMA Return	Return return material authorization
Sales order	COGS Recognition	COGS Recognition
Sales order	Logical Sales Order Issue	Logical Sales Order Issue
Sales order	Sales Order Pick	Staging transfer on a Sales order
Sales order	Sales order issue	Ship Confirm external Sales Order
Standard cost update	Standard cost update	Update standard cost information



WIP, Receiving & A/P Accrual Transactions:

WIP Transactions

- Overhead transaction
- Outside processing
- Cost update
- Period close variance
- Job close variance
- Final completion variance
- WIP Lot Split
- WIP Lot Merge
- WIP Lot Bonus
- WIP Lot Quantity Update
- Estimated Scrap Absorption
- Estimated Scrap Reallocation
- Direct Shopfloor Delivery

Receiving Transactions

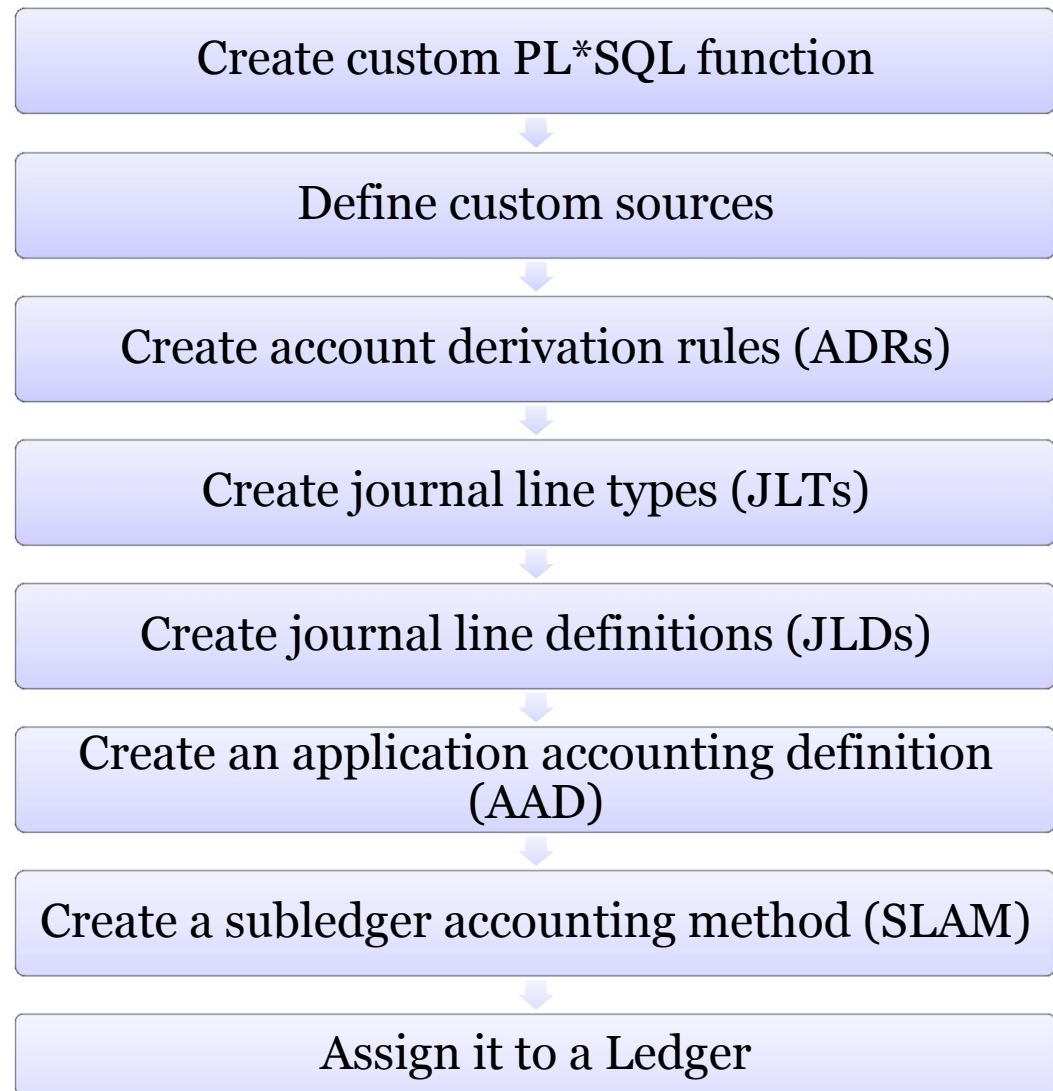
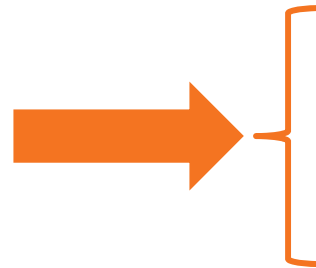
- Correct
- Deliver
- Match
- Receive
- Return to Customer
- Return to Receiving
- Return to Supplier

A/P Accrual Transactions

- A/P Accrual Write-Off
- A/P Write-Off Reversal
- Period End Accrual



Create PL*SQL Functions & Custom SLA Sources



Designing Custom SLA Sources

– Product Line Accounting



□ SLA Sources for Material Transactions require two inputs:

- Inventory transaction id
- Organization id

Material transactions can reference multiple inventory organizations

□ Material transactions for product line:

- Are joined to the item master using:
 - inventory item id
 - organization id
- To get the item master Cost of Sales Account
- Which is joined to the COA definition (GL Code Combinations)
- To output the item's cost of sales product line segment value



Designing Custom SLA Sources

– Product Line Accounting



- ❑ SLA Sources for WIP Transactions require one input:
 - WIP transaction id

- ❑ WIP transactions for product line:
 - Are joined to the WIP job definition using:
 - WIP entity id
 - Which gets you the primary item id
 - And then joined to the item master using:
 - inventory item id
 - organization id
 - To get the item master Cost of Sales Account
 - Which is joined to the COA definition (GL Code Combinations)
 - To output the item's cost of sales product line segment value



Designing Custom SLA Sources

– Product Line Accounting



- SLA Sources for Receiving Transactions require one input:
 - Receiving transaction id

- Receiving transactions for product line:
 - Are joined to the Receiving Shipment Line (or PO Line) to:
 - By receiving shipment id or po line id
 - Which gets you the item id
 - And then joined to item master using:
 - inventory item id
 - organization id
 - To get the item master Cost of Sales Account
 - Which is joined to the COA definition (GL Code Combinations)
 - To output the item's cost of sales product line segment value



Create Custom PL*SQL function - INV

- ❑ If item COGS account is not valid, defaults to the org's COGS account

```

CREATE OR REPLACE FUNCTION XXX_DERIVE_INV_PL_ACCT (p_transaction_id IN NUMBER, p_organization_id IN NUMBER)
RETURN VARCHAR2 IS
l_segment varchar2(20);

BEGIN
    SELECT      nvl(gcc_item_pl.segment4,gcc_org_pl.segment4)  into l_segment
FROM          inv.mtl_material_transactions mmt,
              inv.mtl_system_items_b msi,
              inv.mtl_parameters mp,
              gl.gl_code_combinations gcc_item_pl,
              gl.gl_code_combinations gcc_org_pl
WHERE        mmt.transaction_id          = p_transaction_id
AND         msi.inventory_item_id       = mmt.inventory_item_id
AND         msi.organization_id         = p_organization_id
AND         msi.organization_id         = mp.organization_id
AND         msi.cost_of_sales_account   = gcc_item_pl.code_combination_id (+)
AND         mp.cost_of_sales_account    = gcc_org_pl.code_combination_id
GROUP BY    nvl(gcc_item_pl.segment4,gcc_org_pl.segment4)
            ;
RETURN l_segment;

END XXX_DERIVE_INV_PL_ACCT;
/

```

Need to always return a value



TIP for Custom PL*SQL function - INV

- Include comments in your **CREATE OR REPLACE** statement

```
CREATE OR REPLACE FUNCTION XXX_DERIVE_INV_PL_ACCT (p_transaction_id IN NUMBER, p_organization_id IN
NUMBER) RETURN VARCHAR2 is
-- =====
-- | PL*SQL function to derive the desired product line segment value based on the
-- | item master COGS account. If the product line segment value does not exist get
-- | the default product line segment value from the organization's COGS account.
-- | This function may be assigned to any Journal Line Type as desired, for inventory
-- | as well as PPV and other offset accounts. Using the transaction_id as an input
-- | parameter, first find inventory_item_id and organization_id from the transaction
-- | and then join to the item master and code combinations table to fetch the
-- | desired product line segment value. The item master MTL_SYSTEM_ITEMS_B table
-- | holds the COGS account in the COST_OF_SALES_ACCOUNT column, which joins to
-- | GL_CODE_COMBINATIONS.CODE_COMBINATION_ID. If item's COGS account is invalid
-- | because of corrupt setup, use the inventory organization's COGS account from
-- | MTL_PARAMETERS.COST_OF_SALES_ACCOUNT instead.
-- =====
l_segment varchar2(20);

BEGIN
    SELECT      nvl(gcc_item_cogs.segment4,gcc_org_cogs.segment4)  into l_segment
    FROM        inv.mtl_material_transactions mmt,
```



Create Custom PL*SQL function - WIP

- ❑ If item COGS account is not valid, defaults to the WIP job material product line account

```
CREATE OR REPLACE FUNCTION XXX_DERIVE_WIP_PL_ACCT (p_transaction_id IN NUMBER) RETURN VARCHAR2 is
l_segment varchar2(20);

BEGIN
  SELECT nvl((select gcc_item_pl.segment4
              from inv.mtl_system_items_b msi,
              gl.gl_code_combinations gcc_item_pl
              where msi.inventory_item_id = wdj.primary_item_id
              and msi.organization_id = wt.organization_id
              and msi.cost_of_sales_account = gcc_item_pl.code_combination_id), gcc_wip_pl.segment4)
  into l_segment
  FROM wip.wip_transactions wt,
       wip.wip_discrete_jobs wdj,
       gl.gl_code_combinations gcc_wip_pl
  WHERE wt.transaction_id = p_transaction_id
  AND wt.wip_entity_id = wdj.wip_entity_id
  AND wdj.material_account = gcc_wip_pl.code_combination_id
  ;

RETURN l_segment;

END XXX_DERIVE_WIP_PL_ACCT;
/
```

Need to always
return a value



Create Custom PL*SQL function - RCV

- ❑ If item COGS account is not valid, defaults to the receiving product line account

```
CREATE OR REPLACE FUNCTION XXX_DERIVE_WIP_PL_ACCT (p_transaction_id IN NUMBER) RETURN VARCHAR2 is
l_segment varchar2(20);
```

```
BEGIN
```

```

SELECT      nvl((      select      gcc_item_pl.segment4
                    from          inv.mtl_system_items_b msi,
                    gl.gl_code_combinations gcc_item_pl
                    where         msi.inventory_item_id = rsl.item_id
                    and           msi.organization_id   = rp.organization_id
                    and           msi.cost_of_sales_account =
                    gcc_item_pl.code_combination_id), gcc_rcv_pl.segment4)
            into l_segment
FROM        po.rcv_transactions rt,
            po.rcv_shipment_lines rsl,
            po.rcv_parameters rp,
            gl.gl_code_combinations gcc_rcv_pl
WHERE       rt.transaction_id      = p_transaction_id
AND        rp.organization_id      = rt.organization_id
AND        rt.shipment_line_id    = rsl.shipment_line_id
AND        rt.organization_id     = rp.organization_id
AND        rp.receiving_account_id = gcc_rcv_pl.code_combination_id
;

```

```
RETURN l_segment;
```

```
END XXX_DERIVE_RCV_PL_ACCT;
```

```
/
```

Need to always return a value



Define Custom Source – INV Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

- Need to use the correct parameters for your PL*SQL inputs

The screenshot shows the 'Custom Sources' configuration window. The 'Application' is set to 'Cost Management'. The 'Custom Source Code' is 'XXX_DERIVE_INV_PL_ACCT'. The 'Description' is 'Derive inventory product line account'. The 'PL/SQL Function Name' is 'XXX_DERIVE_INV_PL_ACCT'. The 'Return Data Options' section shows 'Data Type' as 'Alphanumeric', 'Segment' as 'Management Segment', and 'Accounting Flexfield' checked. The 'Parameters' table has one row with 'Seq' 10, 'Type' 'Source', and 'Name' 'TRANSACTION_ID'. The 'Source Names' dialog box is open, showing a search for 'Transaction_id%' and a table with two results. The second result, 'TRANSACTION_ID' from 'Cost Management' with description 'Transaction Identifier', is highlighted. A callout bubble labeled 'Cost Management' points to this row. An orange arrow points from the 'TRANSACTION_ID' parameter in the main window to the highlighted row in the dialog box.

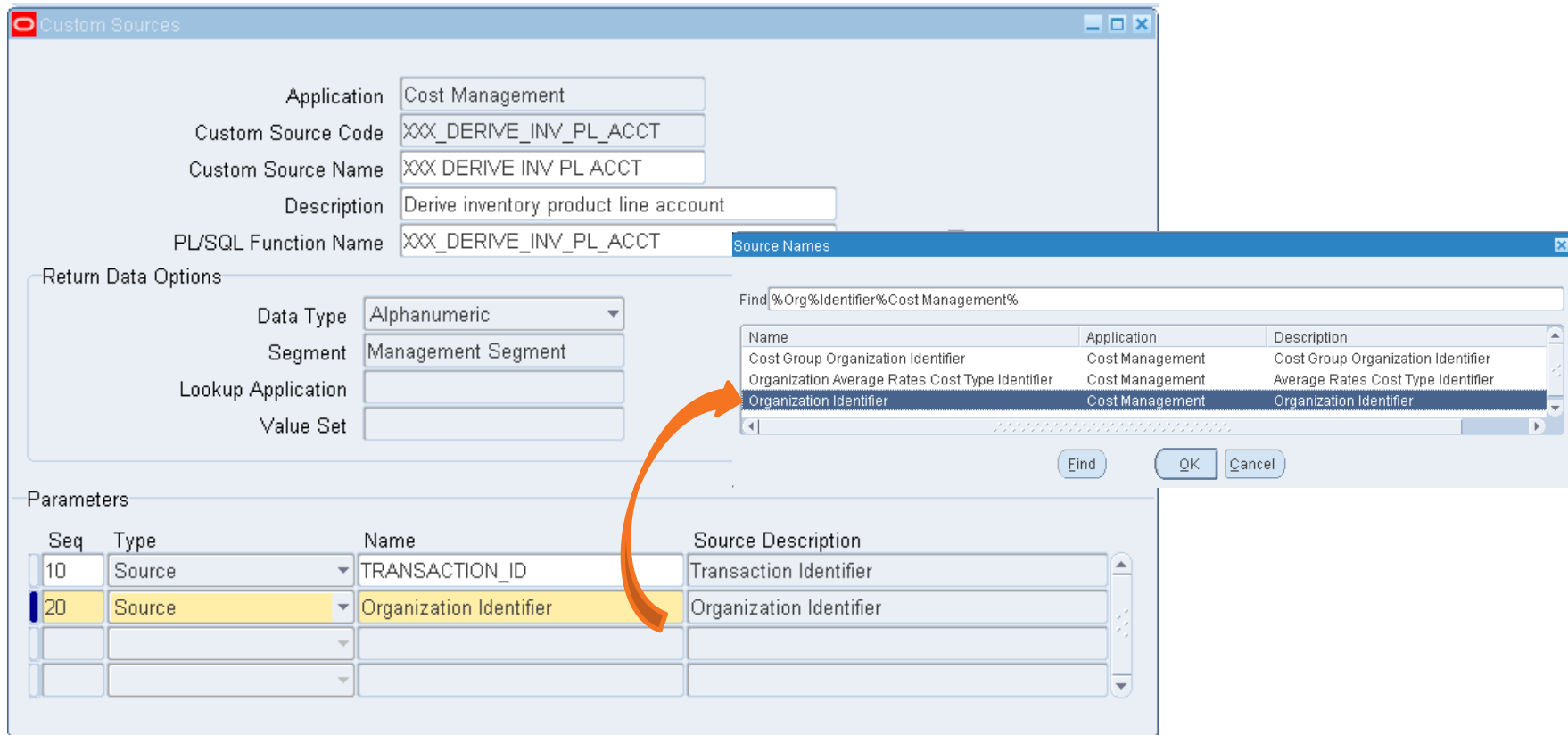
Seq	Type	Name	So
10	Source	TRANSACTION_ID	Tra

Name	Application	Description
TRANSACTION_ID	Federal Financials	
TRANSACTION_ID	Cost Management	Transaction Identifier

Define Custom Source – INV Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

Need to use the correct parameters for your PL*SQL inputs



Custom Sources

Application: Cost Management
 Custom Source Code: XXX_DERIVE_INV_PL_ACCT
 Custom Source Name: XXX DERIVE INV PL ACCT
 Description: Derive inventory product line account
 PL/SQL Function Name: XXX_DERIVE_INV_PL_ACCT

Return Data Options

Data Type: Alphanumeric
 Segment: Management Segment
 Lookup Application:
 Value Set:

Source Names

Find: %Org%Identifier%Cost Management%

Name	Application	Description
Cost Group Organization Identifier	Cost Management	Cost Group Organization Identifier
Organization Average Rates Cost Type Identifier	Cost Management	Average Rates Cost Type Identifier
Organization Identifier	Cost Management	Organization Identifier

Parameters

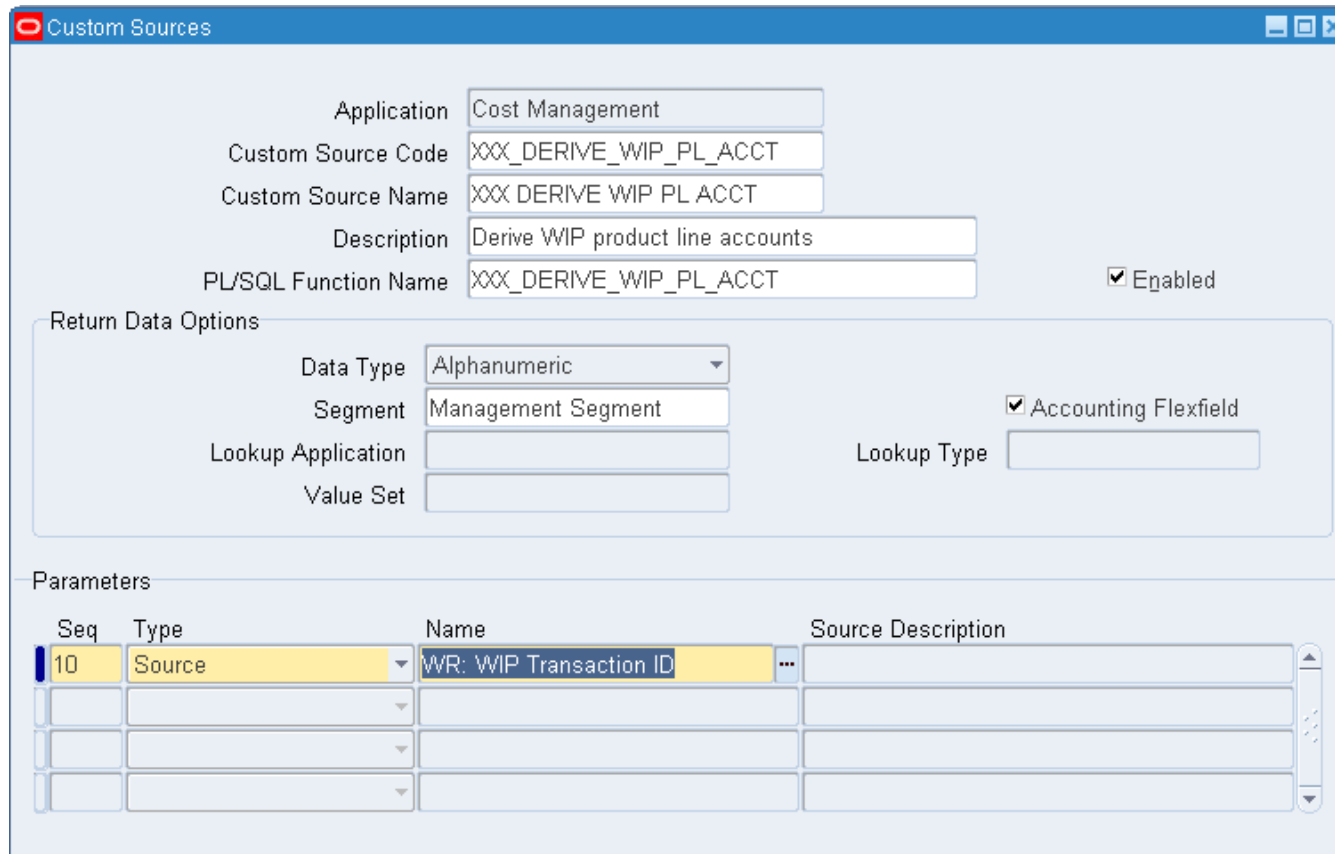
Seq	Type	Name	Source Description
10	Source	TRANSACTION_ID	Transaction Identifier
20	Source	Organization Identifier	Organization Identifier



Define Custom Source – WIP Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

- Need to use the correct parameters for your PL*SQL inputs



Application: Cost Management

Custom Source Code: XXX_DERIVE_WIP_PL_ACCT

Custom Source Name: XXX DERIVE WIP PL ACCT

Description: Derive WIP product line accounts

PL/SQL Function Name: XXX_DERIVE_WIP_PL_ACCT Enabled

Return Data Options

Data Type: Alphanumeric

Segment: Management Segment Accounting Flexfield

Lookup Application:

Lookup Type:

Value Set:

Parameters

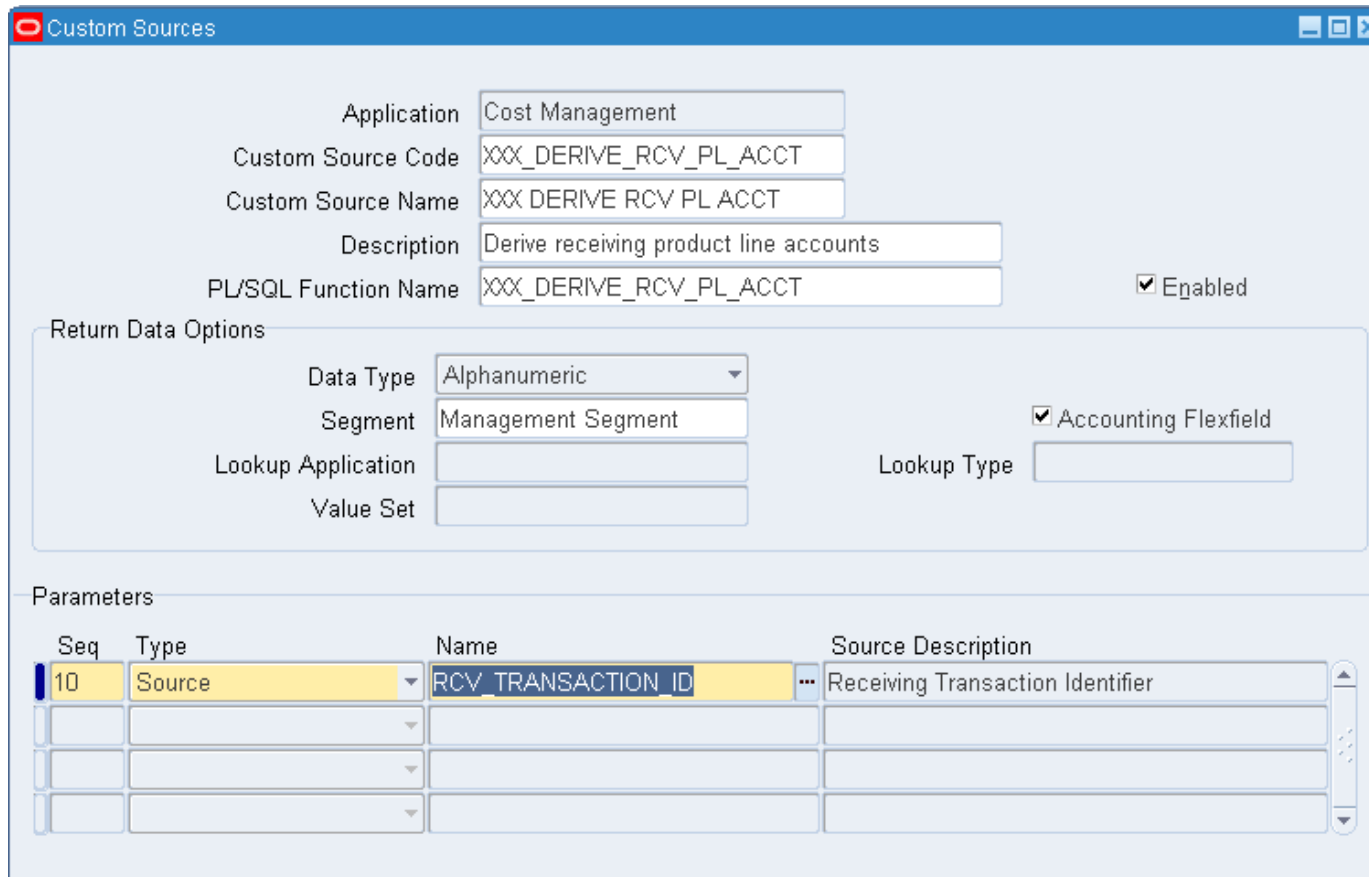
Seq	Type	Name	Source Description
10	Source	WR: WIP Transaction ID	



Define Custom Source – RCV Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

- Need to use the correct parameters for your PL*SQL inputs



Application: Cost Management

Custom Source Code: XXX_DERIVE_RCV_PL_ACCT

Custom Source Name: XXX DERIVE RCV PL ACCT

Description: Derive receiving product line accounts

PL/SQL Function Name: XXX_DERIVE_RCV_PL_ACCT Enabled

Return Data Options

Data Type: Alphanumeric

Segment: Management Segment Accounting Flexfield

Lookup Application:

Value Set:

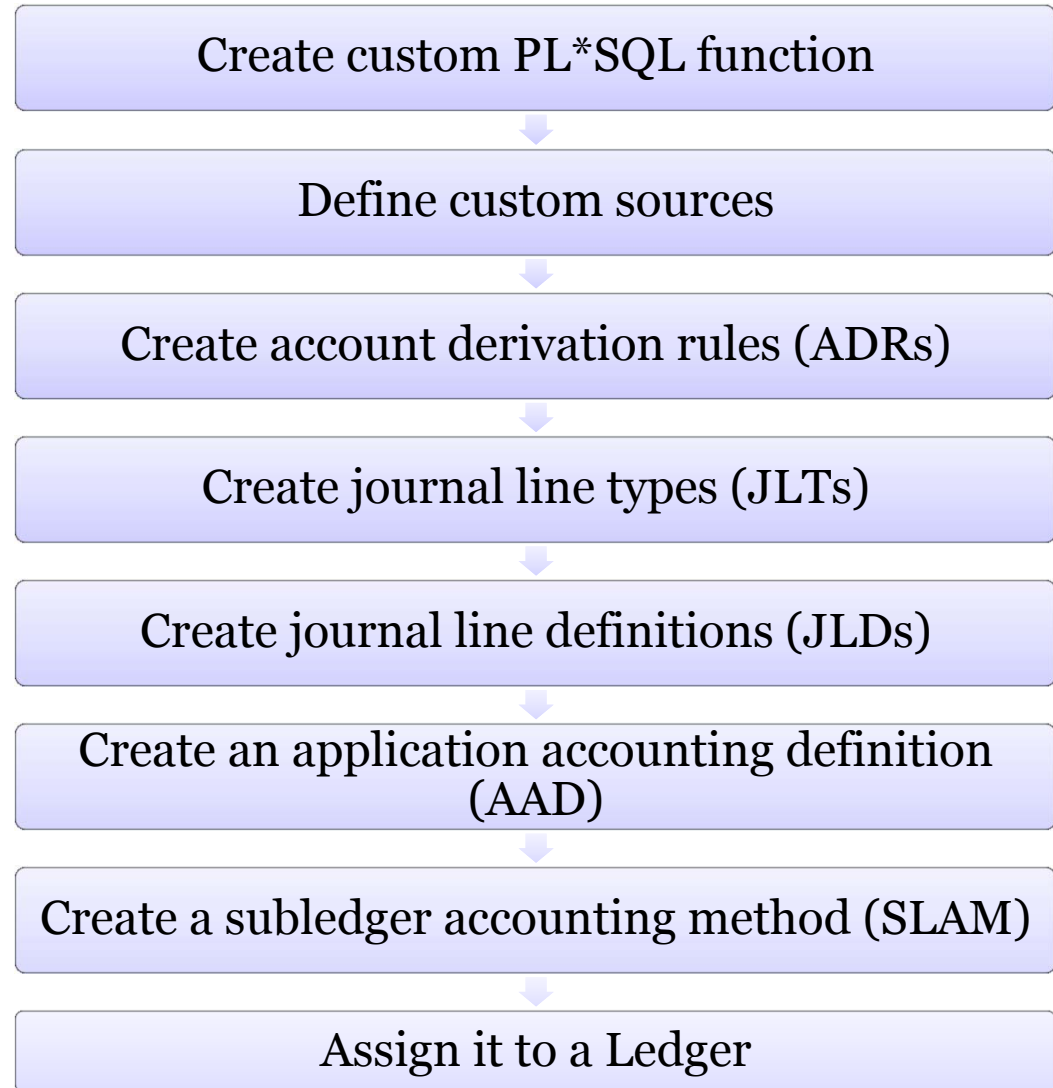
Lookup Type:

Parameters

Seq	Type	Name	Source Description
10	Source	RCV_TRANSACTION_ID	Receiving Transaction Identifier



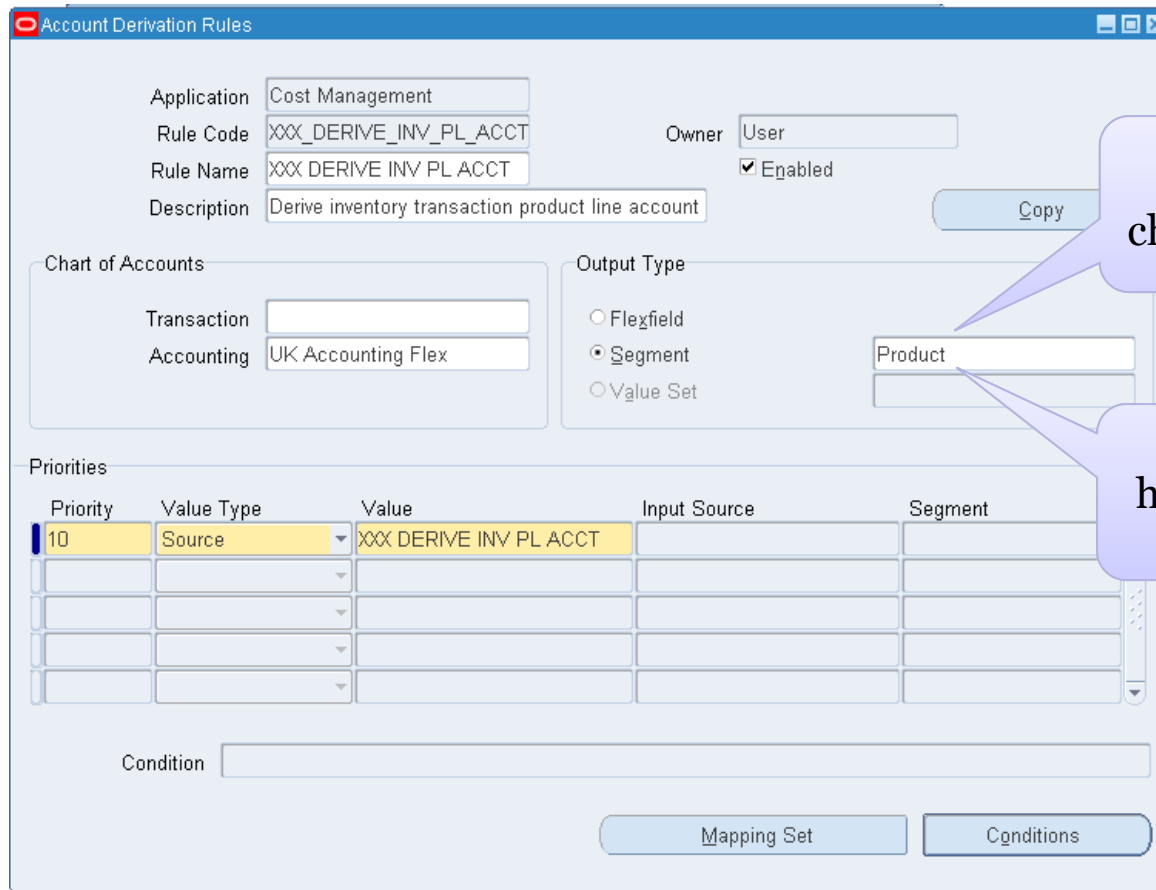
Create Account Derivation Rules



1) Create Account Derivation Rules (ADRs)

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules

□ If choose the Chart of Accounts Flex Structure:



Account Derivation Rules

Application: Cost Management
 Rule Code: XXX_DERIVE_INV_PL_ACCT
 Rule Name: XXX DERIVE INV PL ACCT
 Description: Derive inventory transaction product line account

Owner: User
 Enabled

Chart of Accounts: Transaction, Accounting: UK Accounting Flex

Output Type: Flexfield, Segment, Value Set

Priorities

Priority	Value Type	Value	Input Source	Segment
10	Source	XXX_DERIVE_INV_PL_ACCT		

Condition: _____

Buttons: Mapping Set, Conditions

If enter a COA, LOV changes to COA segments

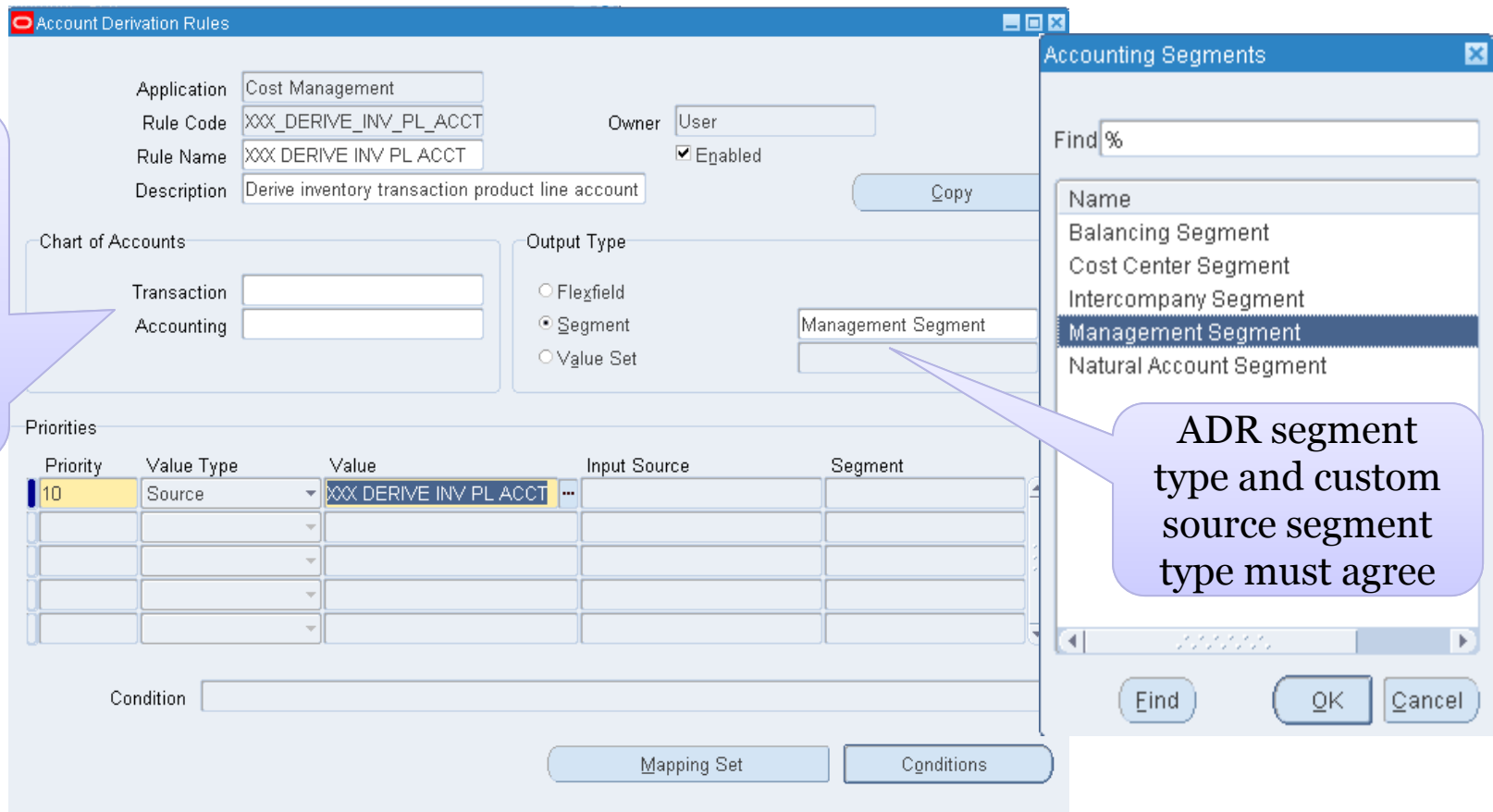
Will not work, need to have same Segment type as the Custom Source



2) Create Account Derivation Rules (ADRs)

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules

Leave Chart of Accounts Flex Structure blank:



The screenshot shows the 'Account Derivation Rules' window with the following details:

- Application: Cost Management
- Rule Code: XXX_DERIVE_INV_PL_ACCT
- Rule Name: XXX DERIVE INV PL ACCT
- Description: Derive inventory transaction product line account
- Owner: User
- Enabled:
- Chart of Accounts: Transaction and Accounting fields are blank.
- Output Type: Segment (selected), Flexfield, Value Set
- Management Segment: Selected in the dropdown.
- Priorities table:

Priority	Value Type	Value	Input Source	Segment
10	Source	XXX_DERIVE_INV_PL_ACCT		
- Condition: (empty)

The 'Accounting Segments' dialog box is open, showing a list of segments: Balancing Segment, Cost Center Segment, Intercompany Segment, Management Segment (highlighted), and Natural Account Segment. A callout points to the 'Management Segment' in the dialog, stating: 'ADR segment type and custom source segment type must agree'.

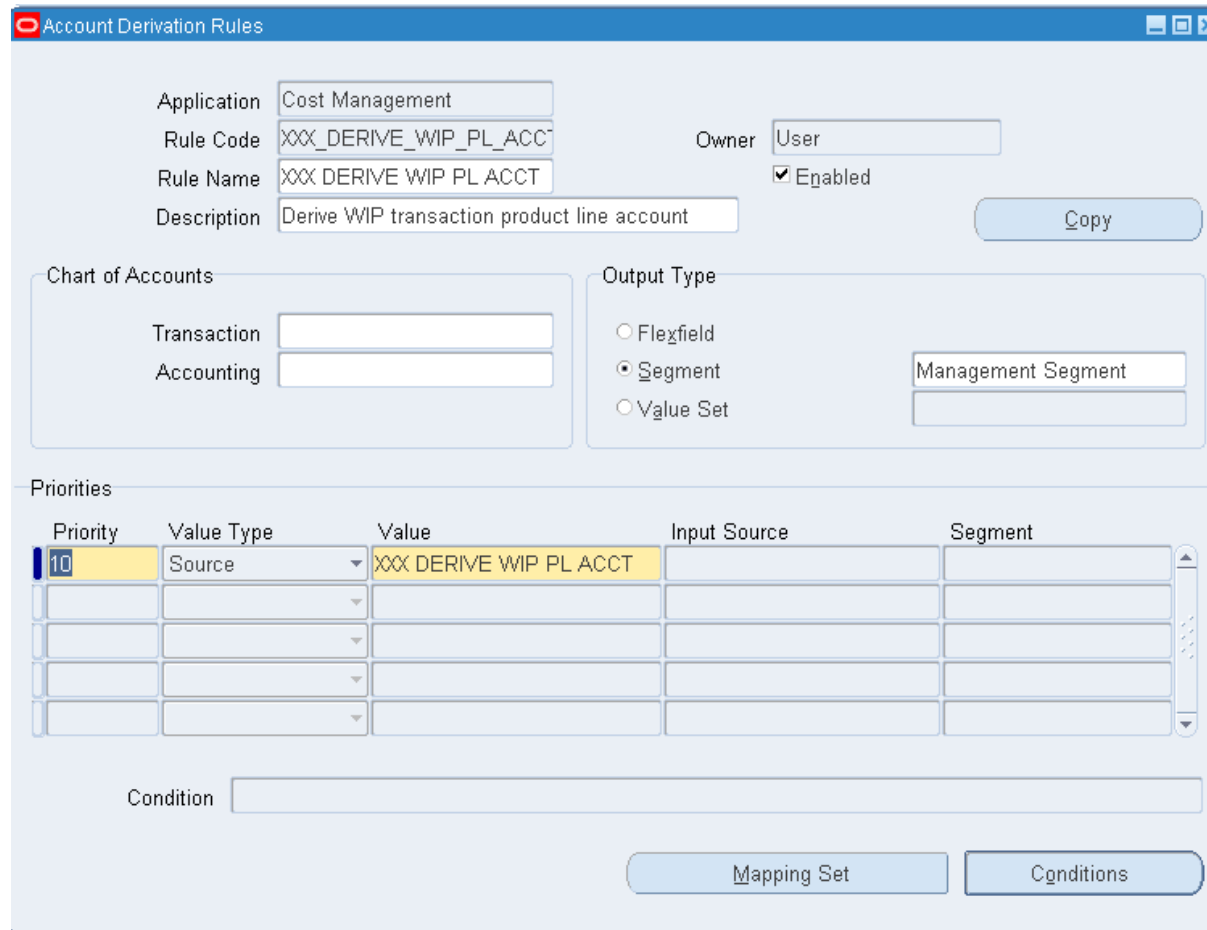
If COA is blank can choose G/L qualifier segments

ADR segment type and custom source segment type must agree



Create WIP Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules



The screenshot shows the 'Account Derivation Rules' configuration window. The fields are as follows:

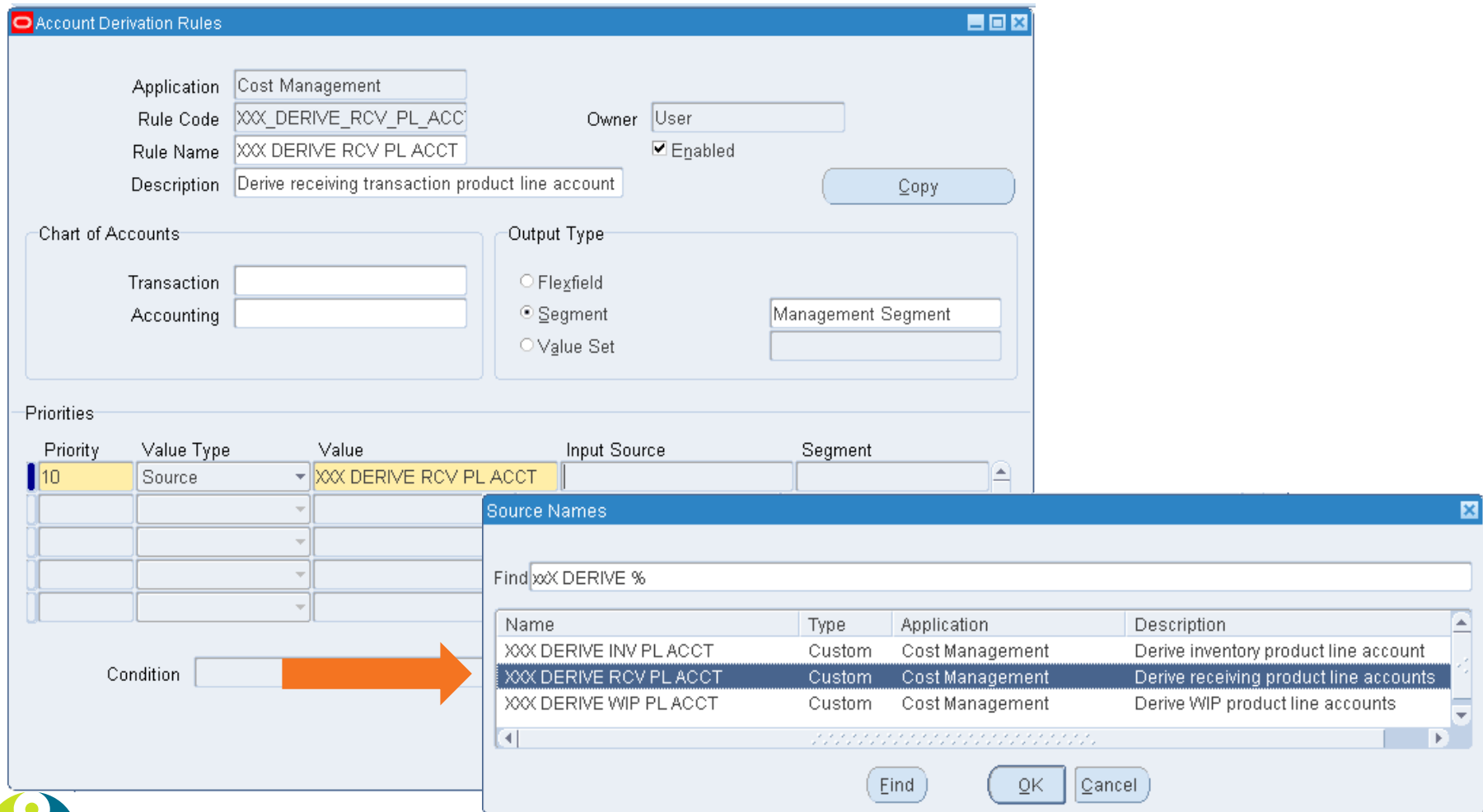
- Application: Cost Management
- Rule Code: XXX_DERIVE_WIP_PL_ACCT
- Rule Name: XXX DERIVE WIP PL ACCT
- Description: Derive WIP transaction product line account
- Owner: User
- Enabled: Enabled
- Chart of Accounts: Transaction (empty), Accounting (empty)
- Output Type: Flexfield, Segment (Management Segment), Value Set
- Priorities table:

Priority	Value Type	Value	Input Source	Segment
10	Source	XXX DERIVE WIP PL ACCT		
- Condition: (empty)



Create Receiving Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules



Account Derivation Rules

Application: Cost Management
 Rule Code: XXX_DERIVE_RCV_PL_ACC
 Rule Name: XXX DERIVE RCV PL ACCT
 Description: Derive receiving transaction product line account

Owner: User
 Enabled

Copy

Chart of Accounts
 Transaction:
 Accounting:

Output Type
 Flexfield
 Segment: Management Segment
 Value Set

Priorities

Priority	Value Type	Value	Input Source	Segment
10	Source	XXX DERIVE RCV PL ACCT		

Condition:

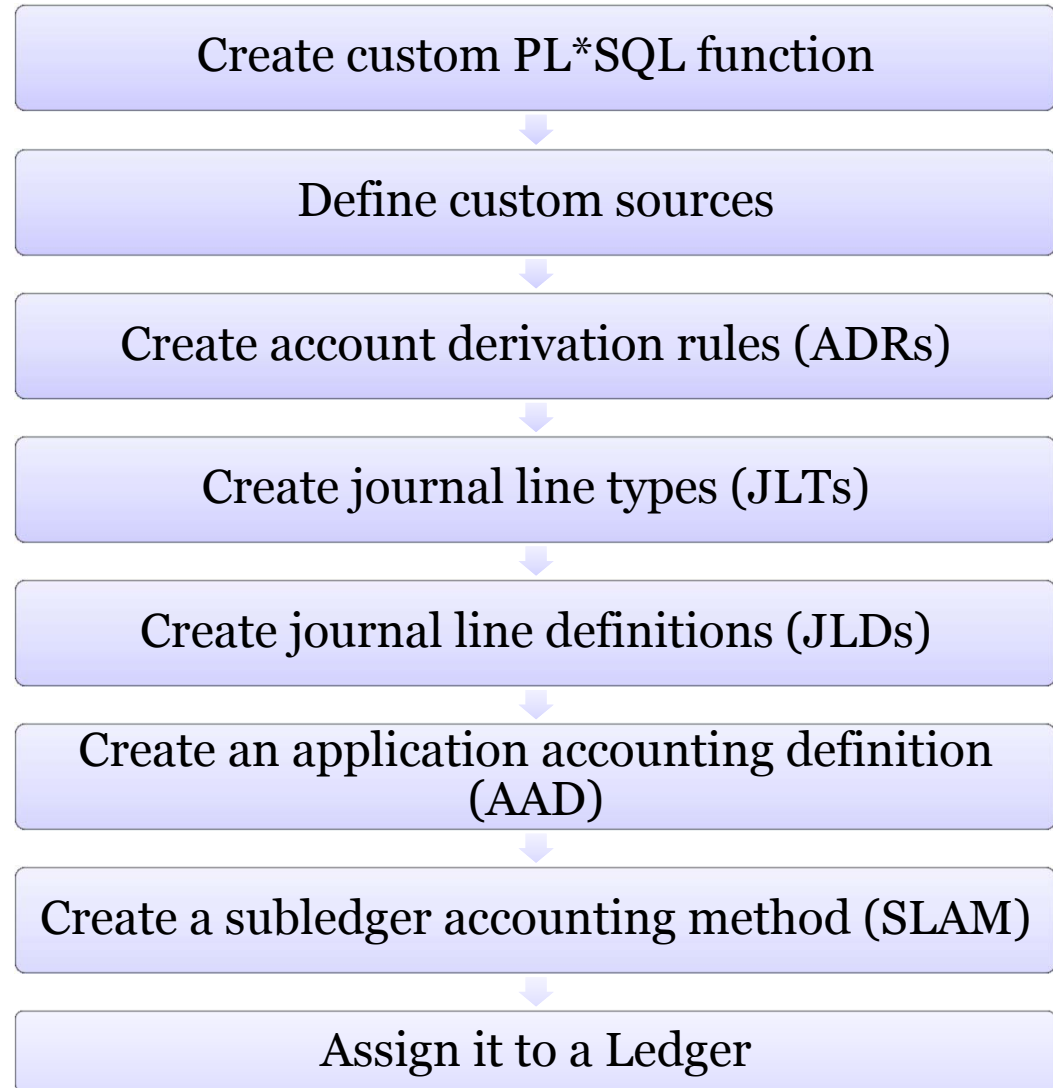
Source Names

Find: XXX DERIVE %

Name	Type	Application	Description
XXX DERIVE INV PL ACCT	Custom	Cost Management	Derive inventory product line account
XXX DERIVE RCV PL ACCT	Custom	Cost Management	Derive receiving product line accounts
XXX DERIVE WIP PL ACCT	Custom	Cost Management	Derive WIP product line accounts

Find OK Cancel

Create Journal Line Definitions



Create Journal Line Types

From Oracle Cost Management User Guide

Which events and journal lines for product line accounting?

Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
YES	PO Delivery into Inventory	Inventory Valuation Receiving Inspection Clearing Material Overhead Absorption Purchase Price Variance Cost Variance Shikyu Variance Offset	Return to Receiving Inspection from Inventory PO Delivery into Inventory PO Delivery Adjustment Logical PO Delivery into Inventory Logical PO Delivery Adjustment Logical PO Delivery into Inventory Logical Return to Receiving Inspection from Inventory
YES	Miscellaneous	Inventory Valuation Offset Cost Variance	Move Order Issue Account Alias Issue Account Issue Account Receipt Account Alias Receipt Miscellaneous Issue Miscellaneous Receipt Project Contract Issue Inventory Lot Translate Internal Requisition Receipt Adjustment Shipment Receipt Adjustment Cycle Count Adjustment Physical Inventory Adjustment

Which Event Class Name (Transaction) are you using?

And for each Transaction which Journal Line Type needs Product Line Accounting?



2) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions



- First, query up the Event Class / Miscellaneous Transaction Example

The screenshot shows two overlapping windows from the Oracle Accounting Methods Builder. The top window, titled 'Journal Lines Definitions', has the following fields: Application (Cost Management), Event Class (empty), Definition Code (empty), Definition Name (empty), Description (empty), Event Type (empty), Owner (User), Enabled (checked), and Budgetary Control (unchecked). The bottom window, titled 'Find Journal Lines Definitions', has the following fields: Application (Cost Management), Event Class (Miscellaneous), Owner (Oracle), Definition Code (empty), Definition Name (empty), Event Type (empty), Enabled (empty), Transaction (empty), and Accounting (empty). At the bottom of the 'Find Journal Lines Definitions' window, there are three buttons: 'Clear', 'New', and 'Find'. The 'Find' button is circled in red.



3) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions



- Next copy to a new journal line definition

2) Enter Definition Code, Name and Description

1) Click Copy Definition

3) Click Done



5) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – Cost Variance

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Cost Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>
		<input type="checkbox"/>			<input type="checkbox"/>

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory product line ac	
	<input type="checkbox"/>				

1) Select the Journal Line Type

Used for AVG, FIFO, LIFO cost methods

2) Keep the existing ADR

3) Override the mgmt (PL) segment

6) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – Inventory Valuation

Journal Lines Definitions

Application: Cost Management
 Event Class: Miscellaneous
 Definition Code: XXX_MISC_ISSUE_RCPT
 Definition Name: XXX Miscellaneous
 Description: XXX Miscellaneous
 Event Type: All
 Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
 Transaction:
 Accounting:

Line Assignments

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Cost Variance	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="text"/>		<input type="checkbox"/>
		<input type="checkbox"/>	<input type="text"/>		<input type="checkbox"/>

Buttons: Line Type, Line Description, Multiperiod Accounting, Copy Line Assignment

Account Derivation Rules

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory transaction prc	
	<input type="checkbox"/>				

Buttons: Account Derivation Rule, Supporting References, Copy Definition

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the mgmt (PL) segment



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7) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – Offset

Journal Lines Definitions

Application: Cost Management
Event Class: Miscellaneous
Definition Code: XXX_MISC_ISSUE_RCPT
Definition Name: XXX Miscellaneous
Description: XXX Miscellaneous
Event Type: All
Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
Transaction: Accounting:

Line Assignments

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Cost Variance	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>

Line Type | Line Description | Multiperiod Accounting | Copy Line Assignment

Account Derivation Rules | Supporting References

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT...	User	Derive inventory transaction prc	

Account Derivation Rule | Supporting References | Copy Definition

1) Select the Journal Line Type

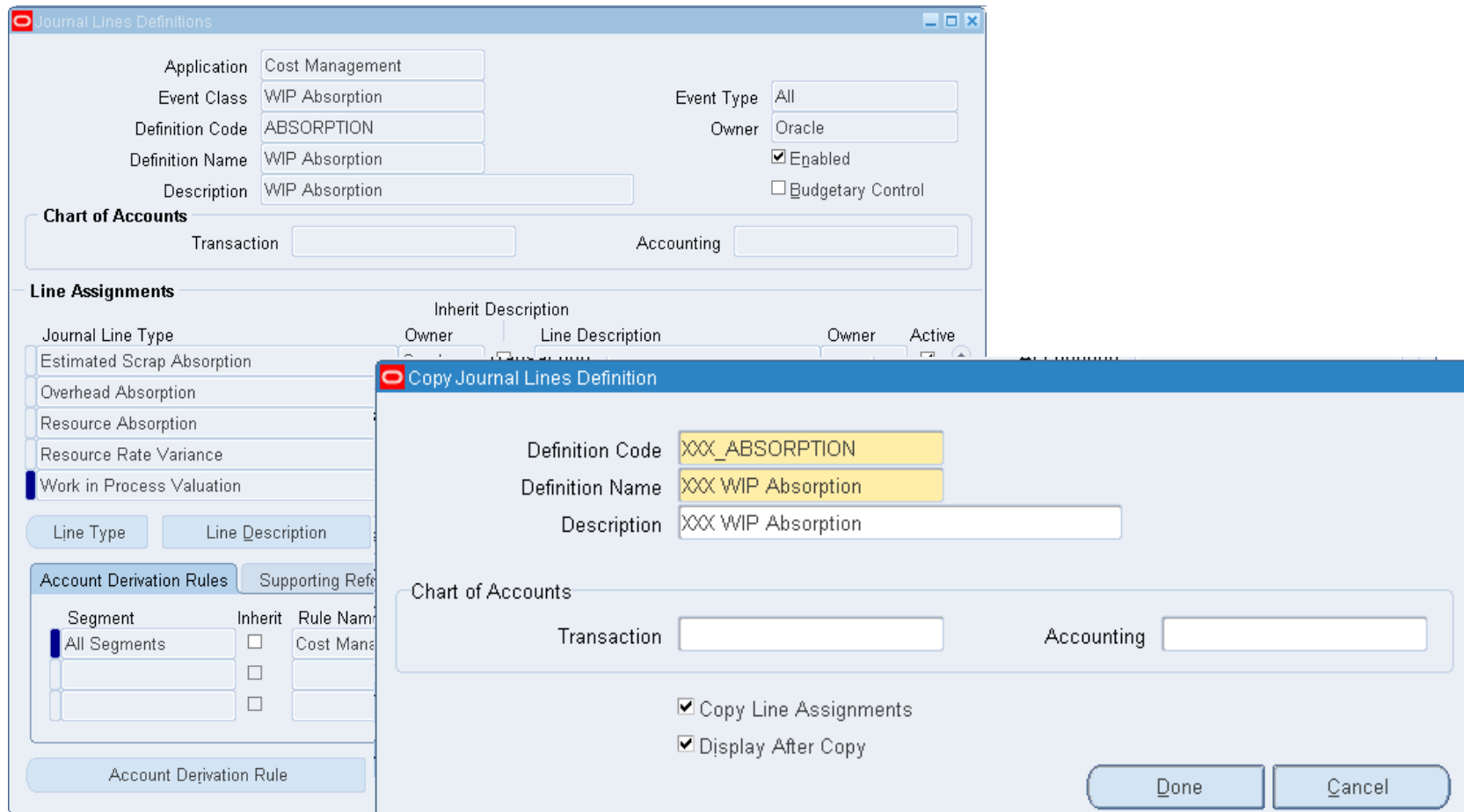
2) Keep the existing ADR

3) Override the mgmt (PL) segment

8) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Copy to a new definition – WIP Absorption



The screenshot shows the 'Journal Lines Definitions' window in Oracle. The main window has the following fields:

- Application: Cost Management
- Event Class: WIP Absorption
- Definition Code: ABSORPTION
- Definition Name: WIP Absorption
- Description: WIP Absorption
- Event Type: All
- Owner: Oracle
- Enabled
- Budgetary Control

The 'Chart of Accounts' section has empty fields for Transaction and Accounting.

The 'Line Assignments' section shows a list of line types:

Journal Line Type	Inherit Description	Owner	Line Description	Owner	Active
Estimated Scrap Absorption					
Overhead Absorption					
Resource Absorption					
Resource Rate Variance					
Work in Process Valuation					

The 'Account Derivation Rules' section shows:

Segment	Inherit	Rule Name
All Segments	<input type="checkbox"/>	Cost Mana
	<input type="checkbox"/>	
	<input type="checkbox"/>	

The 'Copy Journal Lines Definition' dialog box is overlaid on top, with the following fields:

- Definition Code: XXX_ABSORPTION
- Definition Name: XXX WIP Absorption
- Description: XXX WIP Absorption

The 'Chart of Accounts' section in the dialog has empty fields for Transaction and Accounting.

At the bottom of the dialog, there are two checked options:

- Copy Line Assignments
- Display After Copy

Buttons for 'Done' and 'Cancel' are at the bottom right of the dialog.



9) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Now assign ADRs to new journal definitions – WIP Absorption

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the product line segment

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Estimated Scrap Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Resource Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Resource Rate Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Work in Process Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE WIP PL ACCT	User	Derive WIP transaction product	

Inventory & Shop Floor Destinations Purchase Order Accounting Accrual Summary by T Account

<u>Transaction</u>	<u>Receiving Value</u>		<u>Inventory A/P Accrual</u>	
PO Receipt (Rcv)	100		100	
Delivery to Stock		100		
Invoice Match				100
	<u>Inventory/WIP</u>		<u>Trade Payables</u>	
Delivery to Stock	100			
Invoice Match				100

Have to do both parts of the Receiving Inspection Transaction



10) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

- Now assign to new journal definitions – Receive into R/I

Journal Lines Definitions

Application: Cost Management
 Event Class: Receipt into Receiving Inspec
 Definition Code: XXX_RCPT_REC_INSP
 Definition Name: XXX Receipt into R/I
 Description: XXX Receipt into receiving inspection

Event Type: All
 Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
 Transaction:
 Accounting:

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Clearing	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Intercompany Accrual	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Intercompany COGS	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Landed Cost Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Receiving Inspection	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Account Derivation Rules

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE RCV PL ACC	User	Derive receiving transaction prc	

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the product line segment

Use RCV source not INV

11) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Now assign to new journal definitions – Delivery into Receiving

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the product line segment

Journal Lines Definitions

Application: Cost Management
 Event Class: PO Delivery into Inventory
 Definition Code: XXX_PURCHASE_ORDER
 Definition Name: XXX PO Delivery into Inventor
 Description: XXX PO Delivery into Inventory
 Event Type: All
 Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
 Transaction: Accounting:

Line Assignments

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Clearing	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Cost Variance	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Material Overhead Absorption	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>	<input type="text"/>		<input checked="" type="checkbox"/>

Buttons: Line Type, Line Description, Multiperiod Accounting, Copy Line Assignment

Account Derivation Rules

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segme...	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory transaction pro	
	<input type="checkbox"/>				

Buttons: Account Derivation Rule, Supporting References, Copy Definition

12) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

□ Delivery into Receiving – Purchase Price Variance

Journal Lines Definitions

Application: Cost Management
 Event Class: PO Delivery into Inventory
 Definition Code: XXX_PURCHASE_ORDER
 Definition Name: XXX PO Delivery into Inventory
 Description: XXX PO Delivery into Inventory
 Event Type: All
 Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
 Transaction: Accounting:

Line Assignments

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Material Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Purchase Price Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Receiving Inspection	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Shikyu Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Line Type | Line Description | Multiperiod Accounting | Copy Line Assignment

Account Derivation Rules | Supporting References

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory transaction pro	

Account Derivation Rule | Supporting References | Copy Definition

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the product line segment

13) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

□ Delivery into Receiving – Receiving Inspection

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Material Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Purchase Price Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Receiving Inspection	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Shikyu Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory transaction pro	

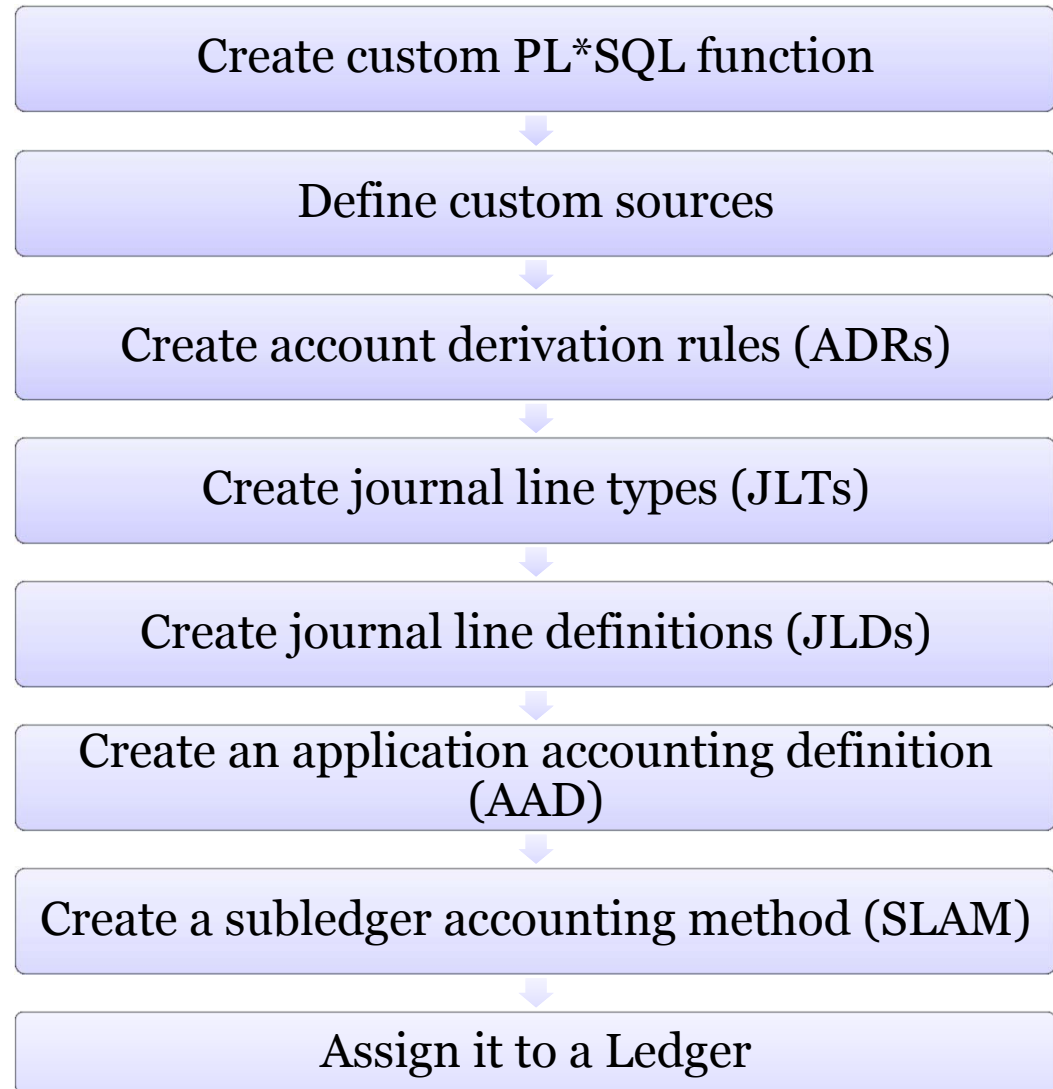
1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the product line segment

Use INV source not RCV

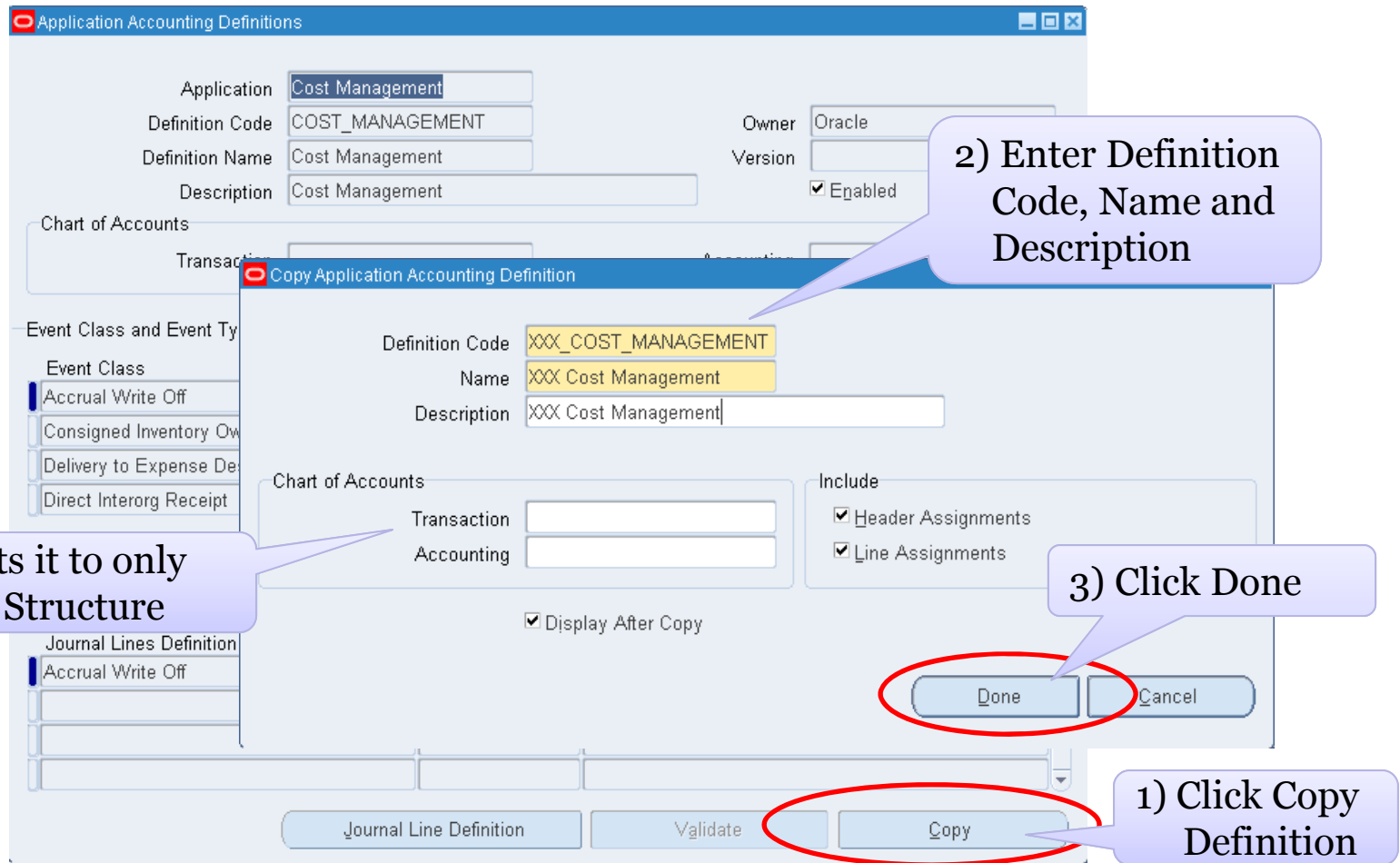
Application Accounting Definition



Create Application Accounting Definition

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Copy the standard Oracle Application Accounting Definition



Application Accounting Definitions

Application: Cost Management
Definition Code: COST_MANAGEMENT
Definition Name: Cost Management
Description: Cost Management
Owner: Oracle
Version:
 Enabled

Chart of Accounts
Transaction

Event Class and Event Type
Event Class
Accrual Write Off
Consigned Inventory Ow
Delivery to Expense De
Direct Interorg Receipt

Journal Lines Definition
Accrual Write Off

Journal Line Definition Validate Copy

Copy Application Accounting Definition

Definition Code: XXX_COST_MANAGEMENT
Name: XXX Cost Management
Description: XXX Cost Management

Chart of Accounts
Transaction
Accounting

Include
 Header Assignments
 Line Assignments

Display After Copy

Done Cancel

2) Enter Definition Code, Name and Description

3) Click Done

1) Click Copy Definition

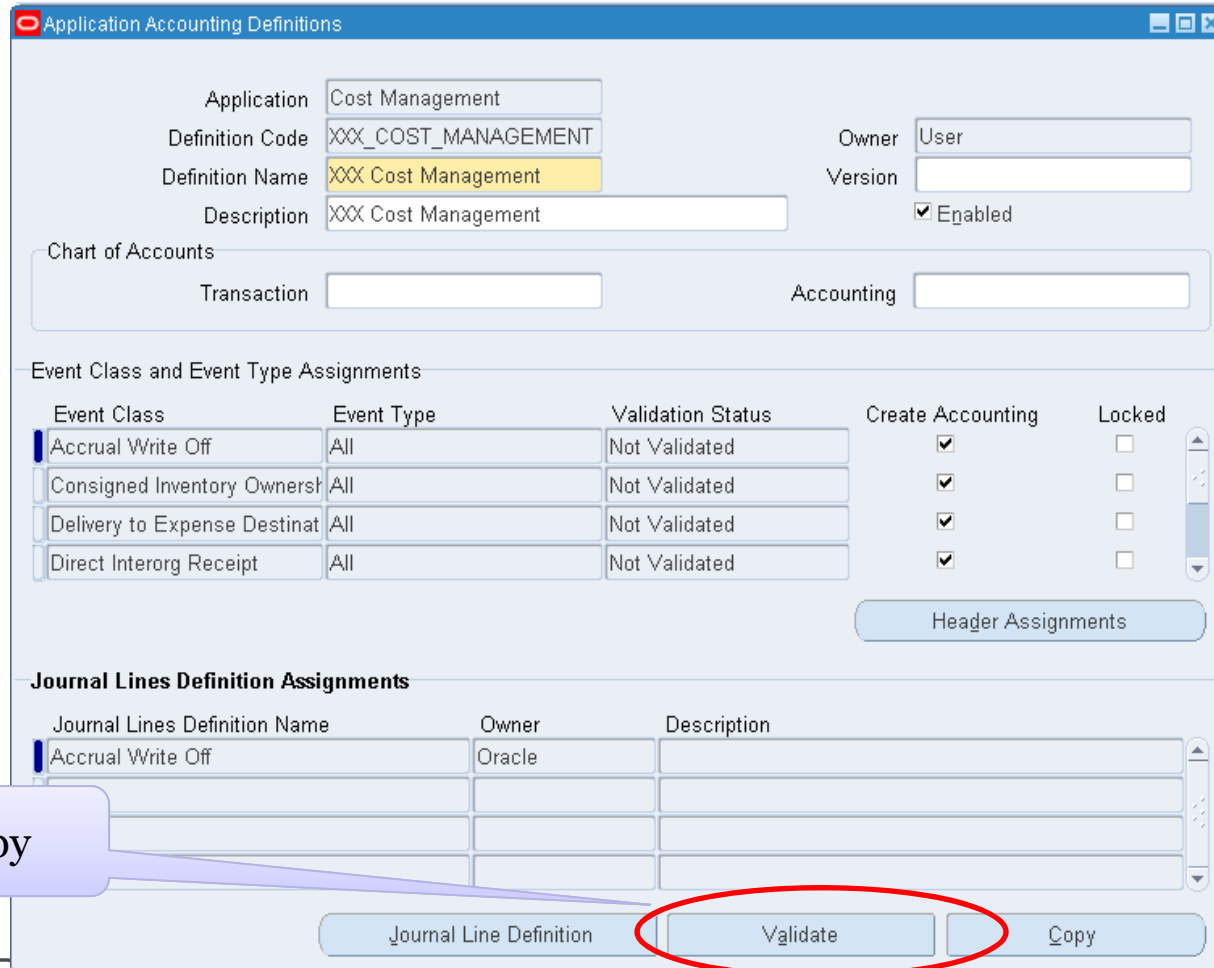
This limits it to only one COA Structure



Create Application Accounting Definition

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Copy the standard Oracle Application Accounting Definition



Event Class	Event Type	Validation Status	Create Accounting	Locked
Accrual Write Off	All	Not Validated	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Consigned Inventory Owners	All	Not Validated	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Delivery to Expense Destinat	All	Not Validated	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Direct Interorg Receipt	All	Not Validated	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Journal Lines Definition Name	Owner	Description
Accrual Write Off	Oracle	

Validate initial copy



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Create Application Accounting Definition



- Now assign new Journal Lines Definition to your Application Accounting Definition:

Product Line Accounting Examples

(in real life may need to do 33 Accounting Transaction Events!)

- Miscellaneous => XXX Miscellaneous
- PO Delivery into Inventory => XXX PO Delivery into Inventory
- Receipt into Receiving Inspection => XXX Receipt into R/I
- WIP Material => XXX WIP Material (not shown)
- WIP Absorption => XXX WIP Absorption



Create Application Accounting Definition



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Choose the Event Class to change

Then delete the existing row

Event Class	Event Type	Validation Status	Create Accounting	Locked
Material Cost Update	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Miscellaneous	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Outside Processing	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PO Delivery into Inventory	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Journal Lines Definition Name	Owner	Description
Miscellaneous	Oracle	Miscellaneous



Create Application Accounting Definition



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Event Class	Event Type	Validation Status	Create Accounting
Landed Cost Adjustment to F	All	Valid	<input checked="" type="checkbox"/>
Logical Intercompany	All	Valid	<input checked="" type="checkbox"/>
Material Cost Update	All	Valid	<input checked="" type="checkbox"/>
Miscellaneous	All	Not Validated	<input checked="" type="checkbox"/>

Journal Lines Definition Name	Owner	Description
XXX Miscellaneous	User	XXX Miscellaneous

To catch errors should validate one-by-one

And add in new assignment



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Create Application Accounting Definition



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Event Class	Event Type	Validation Status	Create Account
Material Cost Update	All	Valid	<input checked="" type="checkbox"/>
Miscellaneous	All	Valid	<input checked="" type="checkbox"/>
Outside Processing	All	Valid	<input type="checkbox"/>
PO Delivery into Inventory	All	Not Validated	<input checked="" type="checkbox"/>

Journal Lines Definition Name	Owner	Description
XXX PO Delivery into Inventory	User	XXX PO Delivery into Inventory

To catch errors should validate one-by-one

And add in new assignment



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Slide 85

Create Application Accounting Definition



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Event Class	Event Type	Validation Status	Create Accounting
Outside Processing	All	Valid	<input checked="" type="checkbox"/>
PO Delivery into Inventory	All	Valid	<input checked="" type="checkbox"/>
Period End Accrual	All	Valid	<input type="checkbox"/>
Receipt into Receiving Inspec	All	Not Validated	<input checked="" type="checkbox"/>

Journal Lines Definition Name	Owner	Description
XXX Receipt into R/I	User	XXX Receipt into receiving inspection

To catch errors should validate one-by-one

And add in new assignment



Create Application Accounting Definition



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Event Class	Event Type	Validation Status	Create Accounting
User Defined Inventory Trans	User-defined Sender Intransit	Valid	<input checked="" type="checkbox"/>
User Defined Inventory Trans	User-defined Sender Intransit	Valid	<input checked="" type="checkbox"/>
User Defined Inventory Trans	User-defined Subinventory Tr	Valid	<input type="checkbox"/>
WIP Absorption	All	Not Validated	<input checked="" type="checkbox"/>

Journal Lines Definition Name	Owner	Description
XXX WIP ABSORPTION	User	XXX WIP Absorption

To catch errors should validate one-by-one

And add in new assignment



Create Application Accounting Definition



Menu path: Cost Management SLA => Requests => Submit a New Request =>
Validate Application Accounting Definitions

Another way to Validate Application Accounting Definitions

Submit Request

Run this Request... Copy...

Name **Validate Application Accounting Definitions**

Operating Unit

Parameters

Ledger

Uncompiled Status Only **No**

Application **Cost Management**

Application Accounting Definition **XXX Cost Management**

Application Accounting Definition Owner **User** ...

OK Cancel Clear Help

Notify

Print to **noprint** Delivery Opts

Help (C) Submit Cancel



Create Application Accounting Definition



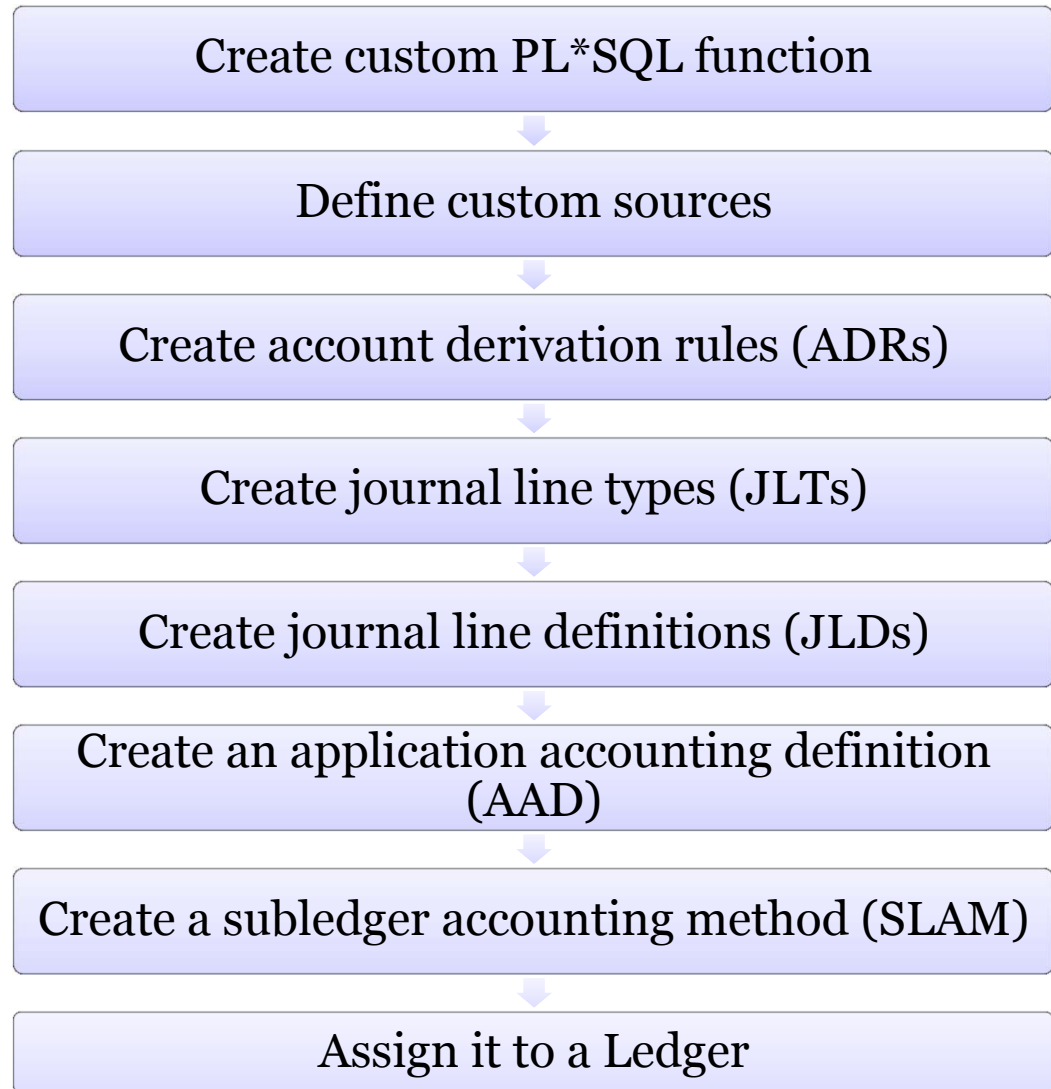
Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Application Accounting Definitions

Event Class	Event Type	Validation Status	Create Accounting	
Accrual Write Off	All	Valid	<input checked="" type="checkbox"/>	
Consigned Inventory Ownersh	All	Valid	<input checked="" type="checkbox"/>	
Delivery to Expense Destinat	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Direct Interorg Receipt	All	Valid	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Journal Lines Definition Name	Owner	Description
Accrual Write Off	Oracle	



Subledger Accounting Method



Create Subledger Accounting Method



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Subledger Accounting Methods

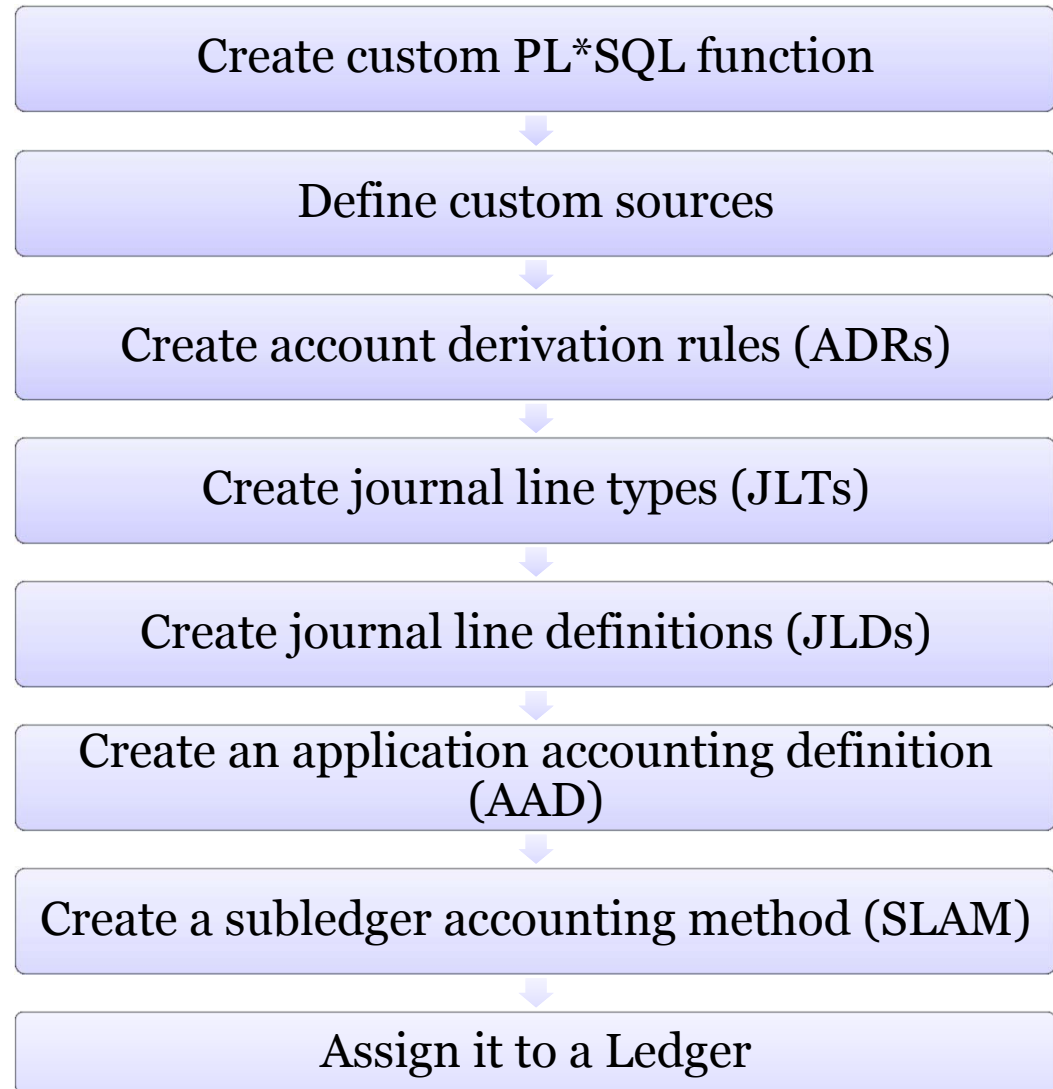
2) Enter Definition Code, Name and Description

3) Click Done

1) Click Copy Definition



Subledger Accounting Method



Assign Ledger to SLAM

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Subledger Accounting Methods => Accounting Setups

Subledger Accounting Methods

Method Code: Owner:

Method Name: Enabled

Description:

Chart of Accounts

Transaction: Accounting:

Application Accounting Definition Assignments

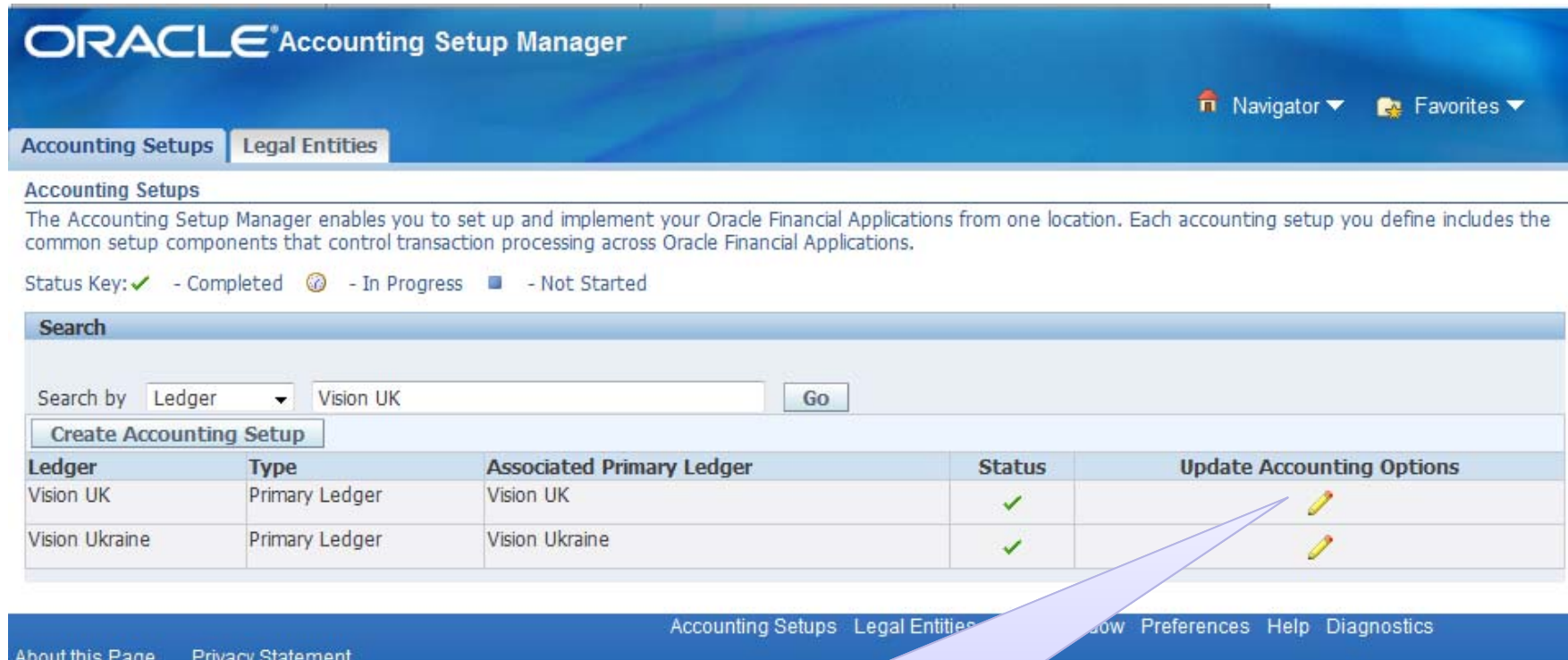
Application	Name	Owner	Start Date	End Date
<input checked="" type="checkbox"/> Assets	Assets Standard Accounting	Oracle	01-AUG-1980	<input type="text"/>
<input type="checkbox"/> Cash Management	Cash Management Standard Ac	Oracle	01-DEC-2005	<input type="text"/>
<input type="checkbox"/> Cost Management	Cost Management	Oracle	01-JUN-2001	<input type="text"/>
<input type="checkbox"/> Lease and Finance Manage	Lease Default	Oracle	01-JAN-2000	<input type="text"/>
<input type="checkbox"/> Loans	Loans Standard Accrual	Oracle	01-JAN-1990	<input type="text"/>
<input type="checkbox"/> Oracle Price Protection	Price Protection Default Accrual	Oracle	14-DEC-2007	<input type="text"/>

Description:





Assign Ledger to SLAM

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Subledger Accounting Methods => Accounting Setup Manager



The screenshot shows the Oracle Accounting Setup Manager interface. At the top, there are tabs for 'Accounting Setups' and 'Legal Entities'. Below the tabs, there is a search section with a dropdown menu set to 'Ledger' and a search box containing 'Vision UK'. A 'Go' button is next to the search box. Below the search section, there is a 'Create Accounting Setup' button and a table with the following data:

Ledger	Type	Associated Primary Ledger	Status	Update Accounting Options
Vision UK	Primary Ledger	Vision UK	✓	
Vision Ukraine	Primary Ledger	Vision Ukraine	✓	

At the bottom of the interface, there are navigation links: 'Accounting Setups', 'Legal Entities', 'Show Preferences', 'Help', and 'Diagnostics'. There is also a footer with 'About this Page' and 'Privacy Statement'.

Click on the “pencil” to update the ledger

Assign Ledger to SLAM



ORACLE Accounting Setup Manager

Accounting Setups | Legal Entities

Accounting Options: Vision UK

TIP Each required setup step must be completed before you can complete your accounting setup.

Show Key Notation
* Indicates required setup step

Legal Entities

Add Legal Entity

Legal Entity	Country	Legal Entity Identifier	Balancing Segment Value	Update Balancing Segment Value	Show Details
Vision Industries	GB	GBGB38571097	03		

Primary Ledger: Vision UK

Setup Step	Description	Last Update Date	Updated By	Status	Update
*Vision UK	Define and update the journal processing options for your ledger.	23-Jul-1999	OPERATIONS	✓	
*Reporting Currencies	Create reporting currencies and update currency conversion and journal processing options.	23-Jul-1999	OPERATIONS	✓	
Balancing Segment Value Assignments	Assign balancing segment values to the ledger.	23-Jul-1999	OPERATIONS	✓	
Subledger Accounting Options	Define rules to generate your accounting entries from subledger transactions.	23-Jul-1999	OPERATIONS	✓	
Operating Units	Define and maintain operating units for your primary ledger.	23-Jul-1999	OPERATIONS	✓	
Intercompany Accounts	Define intercompany accounts to account for transactions across legal entities.	25-Jan-2008	OPERATIONS	✓	
Intracompany Balancing Rules	Define intracompany balancing rules to balance entries between balancing segment values within the same legal entity or ledger.	23-Jul-1999	OPERATIONS	✓	
Sequencing	Define and maintain accounting and reporting sequencing options for ledgers and reporting currencies.	23-Jul-1999	OPERATIONS	✓	

Click on the "pencil" to update the ledger



Assign Ledger to SLAM

ORACLE Accounting Setup Manager

Accounting Setup Manager | Legal Entities | Update Ledger: Ledger Definition

Cancel Step 1 of 4 Next Finish

* Indicates required fields

Standard Information

* Ledger: Vision UK
Ledger name must be unique

* Short Name: Vision UK
Ledger short name must be unique


Description: Vision UK
 Currency: GBP
 Chart of Accounts: UK Accounting Flex



Accounting Calendar

Accounting Calendar: Accounting13
 Period Type: Month
 First Ever Opened Period: 01-99
 * Number of Future Enterable Periods: []

Subledger Accounting

TIP These fields are only required if using Oracle Subledger Accounting.

* Subledger Accounting Method: XXX Standard Accrual 


Subledger Accounting Method Owner: User
 * Journal Entry Language: American English 
 Entered Currency Balancing Account: 03-000-2990-000-000 

Search

To find your item, select a filter item in the pulldown list and enter a value in the text field, then select the "Go" button.

Search By: Subledger Accounting Method | XXX% | Go

Results

Select	Quick Select	Subledger Accounting Method	Subledger Accounting Method Owner
<input type="radio"/>		XXX Standard Accrual	User

[About this Page](#)

Select the new SLAM (Callout pointing to the search icon in the Subledger Accounting Method field)

Select the new SLAM (Callout pointing to the search icon in the Journal Entry Language field)



Testing Your SLA Setups

- Diagnostic Reports to SLA test inputs and outputs
 - Enable profile option “SLA: Enable Diagnostics”
 - Run “Create Accounting”
 - Disable profile option “SLA: Enable Diagnostics”
 - Run “Transaction Objects Diagnostics” report
 - Run “Purge Transaction Objects Diagnostics”

<p style="text-align: center;">Transaction Objects Diagnostic Output</p> <p style="text-align: center;">Request Id 10671253 run at System time: 12-JUN-2012 09:42:17</p> <p>Search Criteria</p> <table style="width: 100%; border: none;"> <tr><td>Application Name</td><td>Cost Management</td></tr> <tr><td>Ledger Name</td><td>_US_Primary_Ledger</td></tr> <tr><td>Event Class Name</td><td>OSP</td></tr> <tr><td>Event Type Name</td><td>EAM_DIRECT_SHOP_FLOOR_DELIVER</td></tr> <tr><td>Transaction number</td><td>3166391</td></tr> <tr><td>Event Number</td><td></td></tr> <tr><td>From Distribution Line Number</td><td></td></tr> <tr><td>To Distribution Line Number</td><td></td></tr> <tr><td>Accounting Program Request id</td><td></td></tr> <tr><td>Errors Only</td><td>No</td></tr> <tr><td>Display Source Name</td><td>Yes</td></tr> <tr><td>Display Accounting Attributes</td><td>No</td></tr> </table>	Application Name	Cost Management	Ledger Name	_US_Primary_Ledger	Event Class Name	OSP	Event Type Name	EAM_DIRECT_SHOP_FLOOR_DELIVER	Transaction number	3166391	Event Number		From Distribution Line Number		To Distribution Line Number		Accounting Program Request id		Errors Only	No	Display Source Name	Yes	Display Accounting Attributes	No	<p style="text-align: center;">Return to the top</p> <p style="text-align: center;">Transaction Objects Diagnostics For</p> <table style="width: 100%; border: none;"> <tr><td>Transaction number</td><td>3166391</td></tr> <tr><td>Event Id</td><td>6058716</td></tr> <tr><td>Event Number</td><td>1</td></tr> <tr><td>Event Date</td><td>11-JUN-12</td></tr> <tr><td>Event Class Name</td><td>Outside Processing</td></tr> <tr><td>Event Class Code</td><td>OSP</td></tr> <tr><td>Event Type Name</td><td>Shop Floor Delivery for Direct Items</td></tr> <tr><td>Event Type Code</td><td>EAM_DIRECT_SHOP_FLOOR_DELIVER</td></tr> <tr><td>TRANSACTION_ID</td><td>11-JUN-12</td></tr> </table>	Transaction number	3166391	Event Id	6058716	Event Number	1	Event Date	11-JUN-12	Event Class Name	Outside Processing	Event Class Code	OSP	Event Type Name	Shop Floor Delivery for Direct Items	Event Type Code	EAM_DIRECT_SHOP_FLOOR_DELIVER	TRANSACTION_ID	11-JUN-12
Application Name	Cost Management																																										
Ledger Name	_US_Primary_Ledger																																										
Event Class Name	OSP																																										
Event Type Name	EAM_DIRECT_SHOP_FLOOR_DELIVER																																										
Transaction number	3166391																																										
Event Number																																											
From Distribution Line Number																																											
To Distribution Line Number																																											
Accounting Program Request id																																											
Errors Only	No																																										
Display Source Name	Yes																																										
Display Accounting Attributes	No																																										
Transaction number	3166391																																										
Event Id	6058716																																										
Event Number	1																																										
Event Date	11-JUN-12																																										
Event Class Name	Outside Processing																																										
Event Class Code	OSP																																										
Event Type Name	Shop Floor Delivery for Direct Items																																										
Event Type Code	EAM_DIRECT_SHOP_FLOOR_DELIVER																																										
TRANSACTION_ID	11-JUN-12																																										

Testing Your SLA Setups

□ Create Accounting - Subledger Journal Entries Report

ORACLE Subledger Accounting Subledger Accounting Program Report Report Date Jan 27, 2013
 Vision Operations (USA) Page 6 of 6

Event Class **Sales Order Issue** Event Type **Logical Sales Order Issue**
 Event Number **1** Event Date **Jan 26, 2013**

Ledge			Ledge Currency			Balance Type	
Application Accounting Definition			Version			GL Date	
Journal Entry Description							
Vision Operations (USA)			USD			Actual	
Cost Management						Jan 26, 2013	
Line	Accounting Class	Account	Entered			Accounted	
			Currency	Debit	Credit	Debit	Credit
1	Deferred Cost of Goods Sold	01-520-1415-0000-000	USD		198.00		198.00
2	Inventory Valuation	01-000-1410-0000-000	USD	198.00		198.00	
Journal Entry Total						198.00	198.00

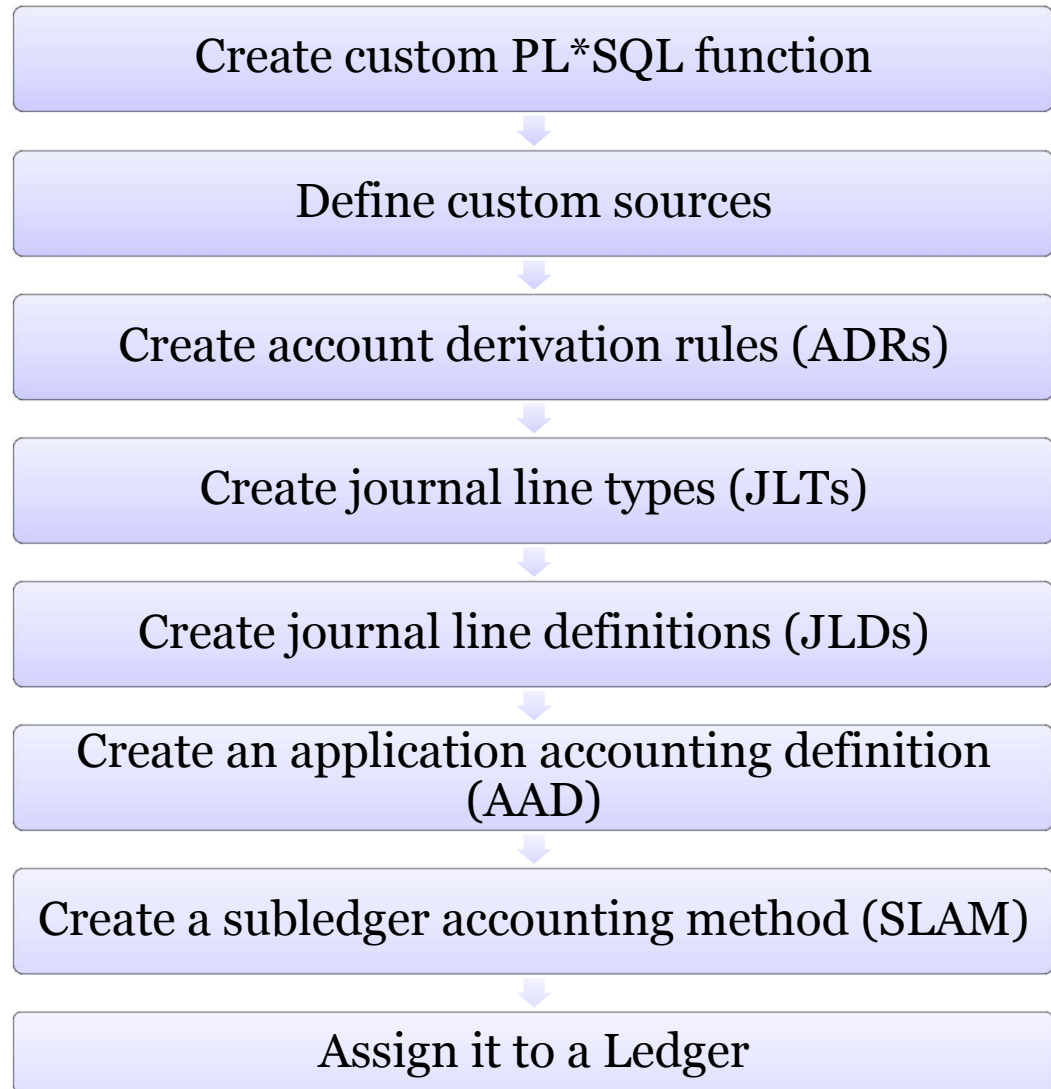
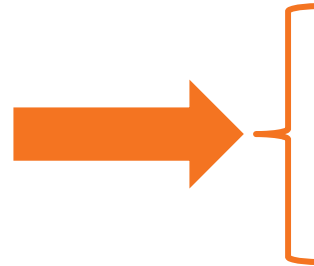
End of Report



EAM & Expense SLA Setup Steps



Create PL*SQL Functions & Custom SLA Sources



Designing Your SLA Setup:

□ Three Custom SLA sources :

EAM & Expense Custom Sources

- Material Transactions
- WIP Matl Transactions
- WIP OSP Deliveries

□ With three Application Derivation Rules (ADRs) :

EAM & Expense ADRs

- Material Transactions
- WIP Matl Transactions
- WIP OSP Deliveries



Designing Custom SLA Sources

– Expense Accounting



□ SLA Sources for Material Transactions need one or two inputs:

- Inventory transaction id
- Organization id

Usually do not use org-to-org transfers for expenses or EAM

□ Material transactions for expenses:

- Are joined to the item master using:
 - inventory item id
 - organization id
- To get the Purchasing Category information
- Which is joined to the Purchasing Expense Account Rules
- To output the item's expense account segment value



Designing Custom SLA Sources

– Product Line Accounting



- SLA Sources for PO Deliveries into WIP require one input:
 - WIP transaction id

- WIP transactions for expenses:
 - Are joined to the RCV Receipt transaction using:
 - RCV transaction id
 - Which gets you the receiving shipment line id
 - And then joined to the receiving shipment line
 - To get the purchasing category id for this receipt
 - Which is joined to the Purchasing Expense Account Rules
 - To output the item's expense account segment value



Create Custom PL*SQL function – WIP OSP

- ❑ Written for EAM and Expense WIP Jobs
- ❑ If cannot find PO Expense Rule it defaults to the WIP material account

```

CREATE OR REPLACE FUNCTION XXX_DERIVE_WIP_EXP_OSP_ACCT (p_transaction_id IN NUMBER) RETURN VARCHAR2 is
l_segment varchar2(20);

BEGIN
    SELECT      nvl(prea.segment_value, gcc.segment3) into l_segment
    FROM        wip.wip_transactions wt,
               wip.wip_discrete_jobs wdj,
               po.rcv_transactions rt,
               po.rcv_shipment_lines rsl,
               po.po_rule_expense_accounts prea,
               gl.gl_code_combinations gcc
    WHERE       wt.transaction_id = p_transaction_id
    -- Only valid for direct shopfloor and OSP deliveries
    AND         wt.transaction_type in (3,17)
               -- 3 Outside processing
               -- 17 Direct shopfloor delivery
    AND         wt.wip_entity_id = wdj.wip_entity_id
    AND         wdj.material_account = gcc.code_combination_id
    AND         wt.rcv_transaction_id = rt.transaction_id
    AND         rt.shipment_line_id = rsl.shipment_line_id
    AND         rsl.category_id = prea.rule_value_id (+)
    ;
RETURN l_segment;

END XXX_DERIVE_WIP_EXP_OSP_ACCT;

```

Need to always return a value



Create Custom PL*SQL function – WIP Matl



❑ If cannot find PO Expense Rule it defaults to the WIP material account

```
CREATE OR REPLACE FUNCTION XXX_DERIVE_WIP_EXP_MTL_ACCT (p_transaction_id IN NUMBER) RETURN VARCHAR2 IS  
l_segment varchar2(20);
```

```
BEGIN
```

```
SELECT      nvl(prea.segment_value, gcc.segment5) into l_segment  
FROM        inv.mtl_material_transactions mmt,  
            wip.wip_discrete_jobs wdj,  
            inv.mtl_system_items_b msi,  
            inv.mtl_default_category_sets mdcs,  
            inv.mtl_item_categories mic,  
            gl.gl_code_combinations gcc,  
            po.po_rule_expense_accounts prea  
WHERE       mmt.transaction_id           = p_transaction_id  
AND         mmt.transaction_source_type_id = 5 -- WIP material transaction  
AND         mmt.transaction_source_id     = wdj.wip_entity_id  
AND         wdj.material_account         = gcc.code_combination_id  
AND         mmt.inventory_item_id        = msi.inventory_item_id  
AND         msi.organization_id          = mmt.organization_id  
AND         mic.category_set_id          = mdcs.category_set_id  
AND         mdcs.functional_area_id      = 2 -- Purchasing  
AND         mic.inventory_item_id        = msi.inventory_item_id  
AND         mic.organization_id          = msi.organization_id  
AND         mic.category_id              = prea.rule_value_id (+)  
;
```

Need to always return a value

```
RETURN l_segment;
```

```
END XXXKE_DERIVE_WIP_EXP_MTL_ACCT;
```



Create Custom PL*SQL function – Matl Txn



□ If cannot find PO Expense Rule it defaults to Org's material account

```
CREATE OR REPLACE FUNCTION XXX_DERIVE_INV_EXP_ACCT (p_transaction_id IN NUMBER, p_organization_id IN
NUMBER) RETURN VARCHAR2 is
l_segment varchar2(20);
BEGIN
```

```
    SELECT      nvl(prea.segment_value, gcc.segment3) into l_segment
FROM          inv.mtl_material_transactions mmt,
              inv.mtl_system_items_b msi,
              inv.mtl_parameters mp,
              inv.mtl_default_category_sets mdcs,
              inv.mtl_item_categories mic,
              gl.gl_code_combinations gcc,
              po.po_rule_expense_accounts prea
WHERE         mmt.transaction_id                = p_transaction_id
AND          mmt.transaction_source_type_id <> 5 -- WIP material transaction
AND          msi.inventory_item_id             = mmt.inventory_item_id
AND          msi.organization_id               = p_organization_id
AND          msi.organization_id               = mp.organization_id
AND          mic.category_set_id               = mdcs.category_set_id
AND          mdcs.functional_area_id           = 2 -- Purchasing
AND          mic.inventory_item_id             = msi.inventory_item_id
AND          mic.organization_id               = msi.organization_id
AND          mic.category_id                   = prea.rule_value_id (+)
AND          mp.expense_account                = gcc.code_combination_id
;
```

Need to always return a value

```
RETURN l_segment;
```

```
END XXX_DERIVE_INV_EXP_ACCT;
```

```
/
```



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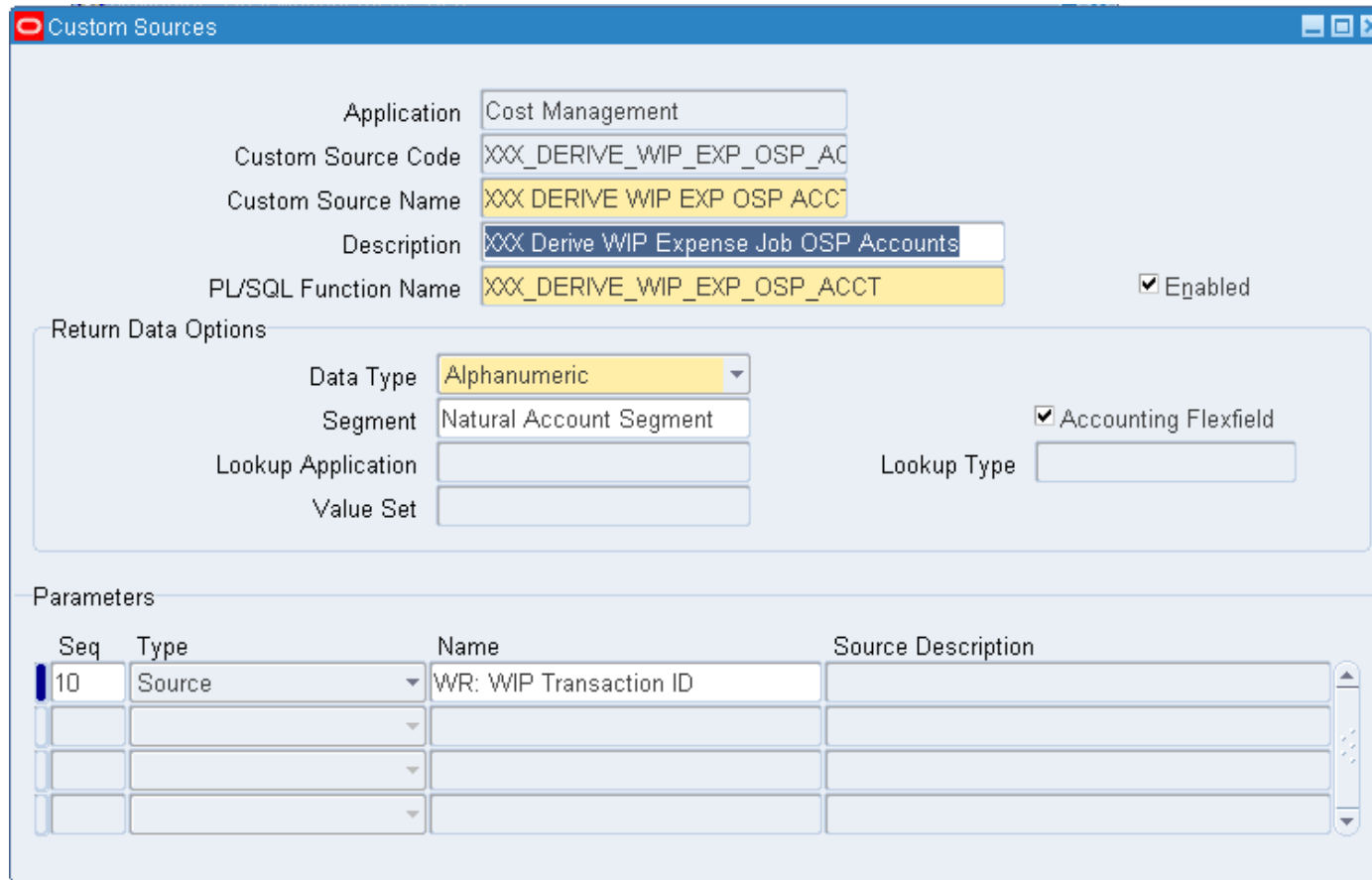
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Slide 106

Define Custom SLA Source – OSP Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

- Need to use the correct parameters for your PL*SQL inputs



Application: Cost Management

Custom Source Code: XXX_DERIVE_WIP_EXP_OSP_AC

Custom Source Name: XXX DERIVE WIP EXP OSP ACC

Description: XXX Derive WIP Expense Job OSP Accounts

PL/SQL Function Name: XXX_DERIVE_WIP_EXP_OSP_ACCT Enabled

Return Data Options

Data Type: Alphanumeric

Segment: Natural Account Segment Accounting Flexfield

Lookup Application:

Value Set:

Lookup Type:

Parameters

Seq	Type	Name	Source Description
10	Source	WR: WIP Transaction ID	



Define Custom SLA Source – WIP Matl Txns

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

- Need to use the correct parameters for your PL*SQL inputs

The screenshot shows the 'Custom Sources' form in Oracle. The 'Application' field is set to 'Cost Management'. The 'Custom Source Code' is 'XXX_DERIVE_WIP_EXP_MTL_AC', and the 'Custom Source Name' is 'XXX DERIVE WIP EXP MTL ACCT'. The 'Description' is 'XXX Derive WIP expense job accounts for matl'. The 'PL/SQL Function Name' is 'XXX_DERIVE_WIP_EXP_MTL_ACCT'. The 'Return Data Options' section shows 'Data Type' as 'Alphanumeric', 'Segment' as 'Natural Account Segment', and 'Accounting F' checked. The 'Parameters' table has one row with 'Seq' 10, 'Type' Source, and 'Name' TRANSACTION_ID.

The 'Source Names' dialog box is open, showing a search for 'Transaction_id%'. The results table is as follows:

Name	Application	Description
TRANSACTION_ID	Federal Financials	
TRANSACTION_ID	Cost Management	Transaction Identifier

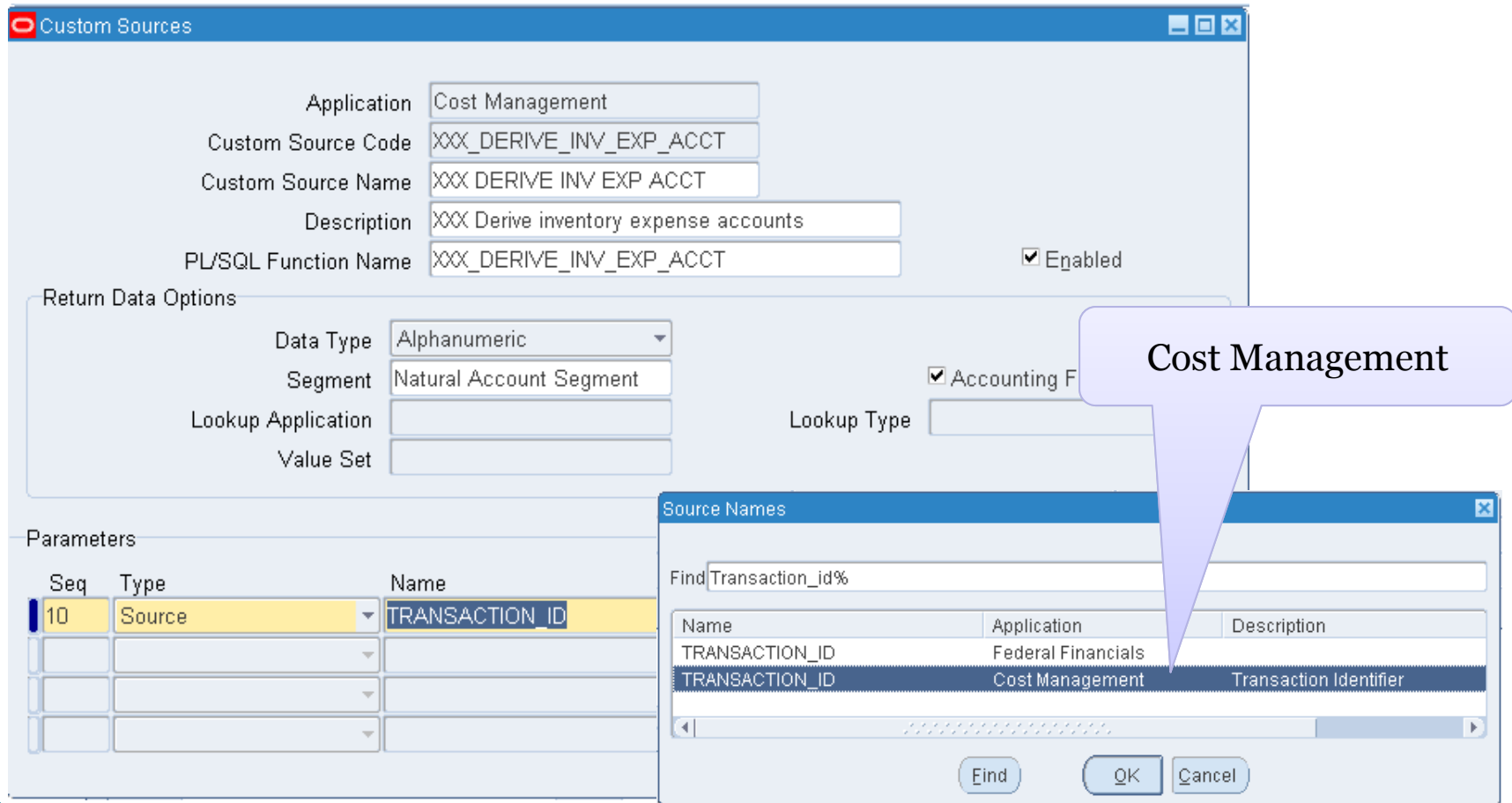
A callout bubble points to the 'Cost Management' application in the results table.



Define Custom SLA Source – OSP Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

- Need to use the correct parameters for your PL*SQL inputs



The screenshot shows the 'Custom Sources' window with the following fields:

- Application: Cost Management
- Custom Source Code: XXX_DERIVE_INV_EXP_ACCT
- Custom Source Name: XXX DERIVE INV EXP ACCT
- Description: XXX Derive inventory expense accounts
- PL/SQL Function Name: XXX_DERIVE_INV_EXP_ACCT
- Enabled:

Return Data Options:

- Data Type: Alphanumeric
- Segment: Natural Account Segment
- Accounting F:
- Lookup Application: (empty)
- Value Set: (empty)
- Lookup Type: (empty)

Parameters table:

Seq	Type	Name
10	Source	TRANSACTION_ID

Source Names dialog box:

Find: Transaction_id%

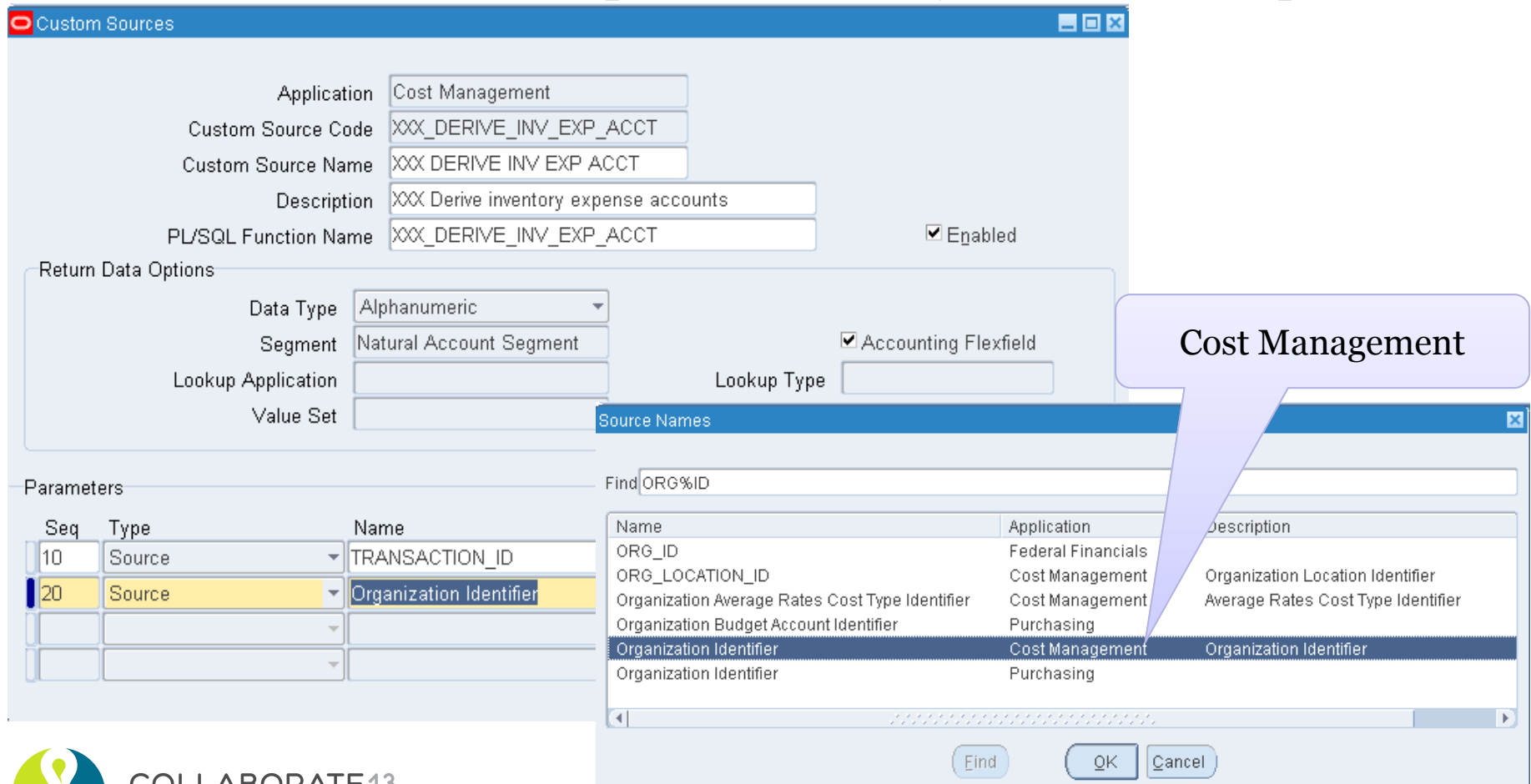
Name	Application	Description
TRANSACTION_ID	Federal Financials	
TRANSACTION_ID	Cost Management	Transaction Identifier

A callout bubble labeled 'Cost Management' points to the second row in the Source Names table.

Define Custom SLA Source – OSP Transactions

Menu path: Cost Management SLA => Setup => Accounting Methods Builder => Sources => Custom Sources

Need to use the correct parameters for your PL*SQL inputs



The screenshot shows the 'Custom Sources' form with the following details:

- Application: Cost Management
- Custom Source Code: XXX_DERIVE_INV_EXP_ACCT
- Custom Source Name: XXX DERIVE INV EXP ACCT
- Description: XXX Derive inventory expense accounts
- PL/SQL Function Name: XXX_DERIVE_INV_EXP_ACCT
- Enabled:

Return Data Options:

- Data Type: Alphanumeric
- Segment: Natural Account Segment
- Accounting Flexfield:
- Lookup Application: (empty)
- Lookup Type: (empty)
- Value Set: (empty)

Parameters table:

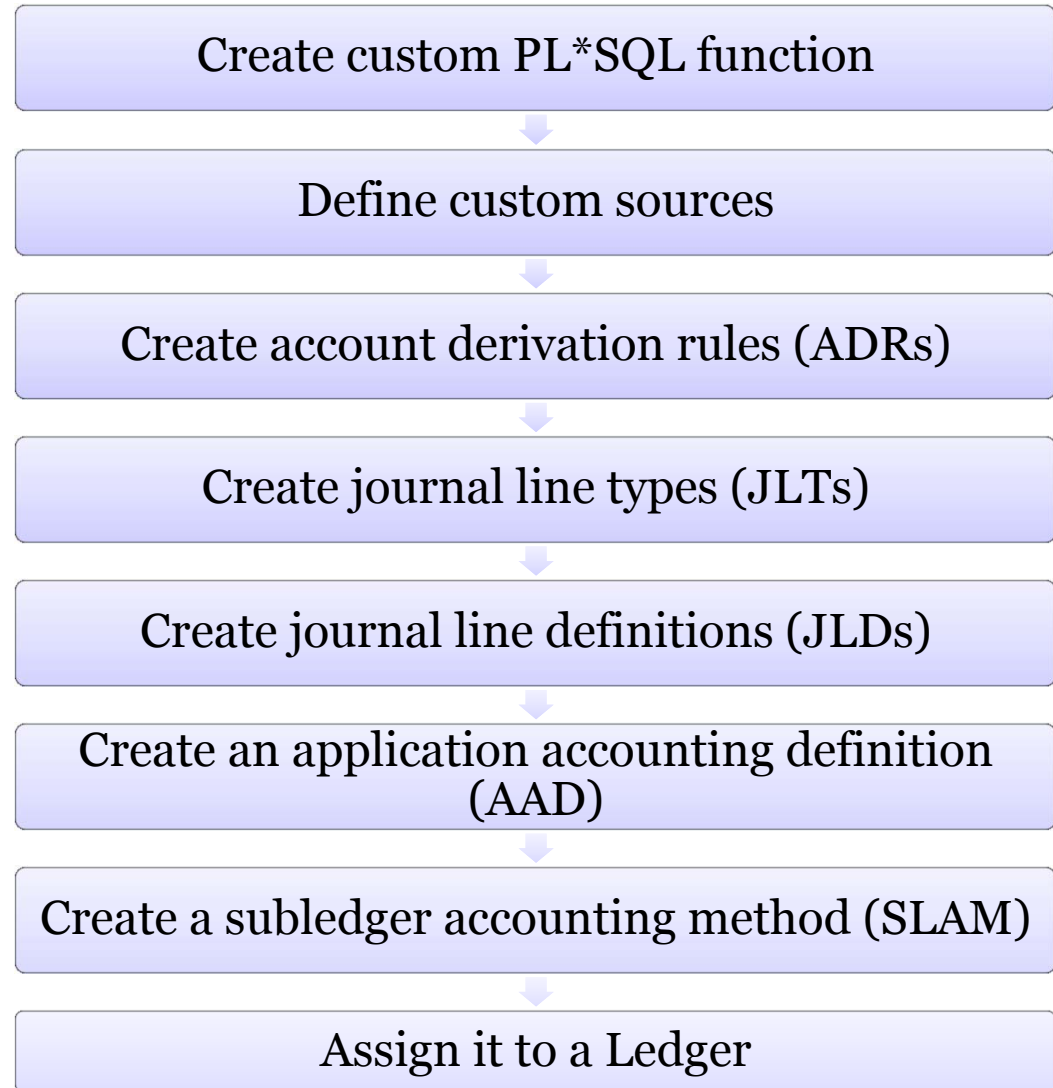
Seq	Type	Name
10	Source	TRANSACTION_ID
20	Source	Organization Identifier

Source Names lookup window (Find: ORG%ID):

Name	Application	Description
ORG_ID	Federal Financials	
ORG_LOCATION_ID	Cost Management	Organization Location Identifier
Organization Average Rates Cost Type Identifier	Cost Management	Average Rates Cost Type Identifier
Organization Budget Account Identifier	Purchasing	
Organization Identifier	Cost Management	Organization Identifier
Organization Identifier	Purchasing	

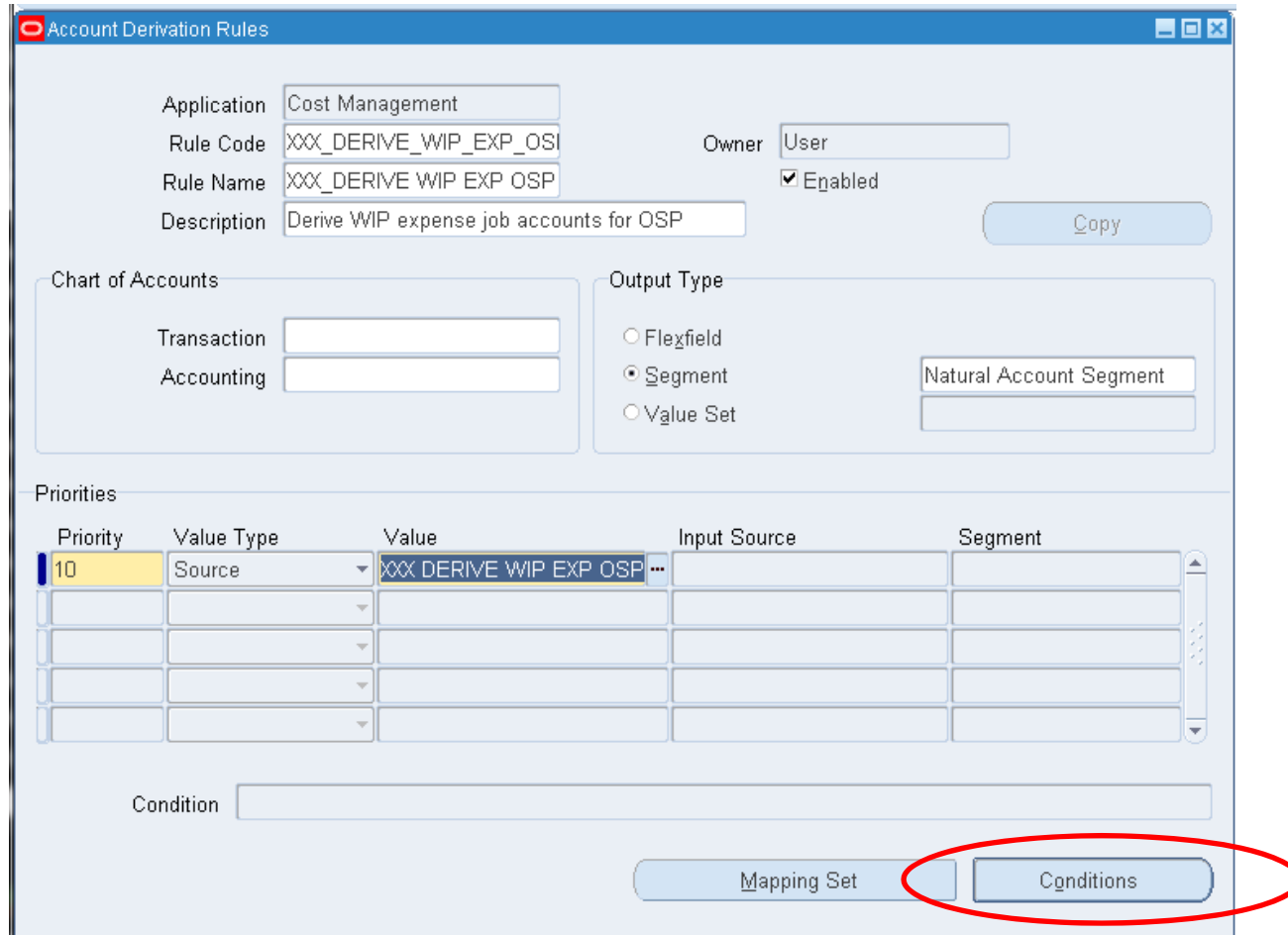
A callout box labeled 'Cost Management' points to the 'Organization Identifier' entry in the Source Names window.

Create Account Derivation Rules



Create Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules



Account Derivation Rules

Application: Cost Management
 Rule Code: XXX_DERIVE_WIP_EXP_OSI
 Rule Name: XXX_DERIVE WIP EXP OSP
 Description: Derive WIP expense job accounts for OSP

Owner: User
 Enabled

Copy

Chart of Accounts
 Transaction:
 Accounting:

Output Type
 Flexfield
 Segment
 Value Set

Natural Account Segment

Priorities

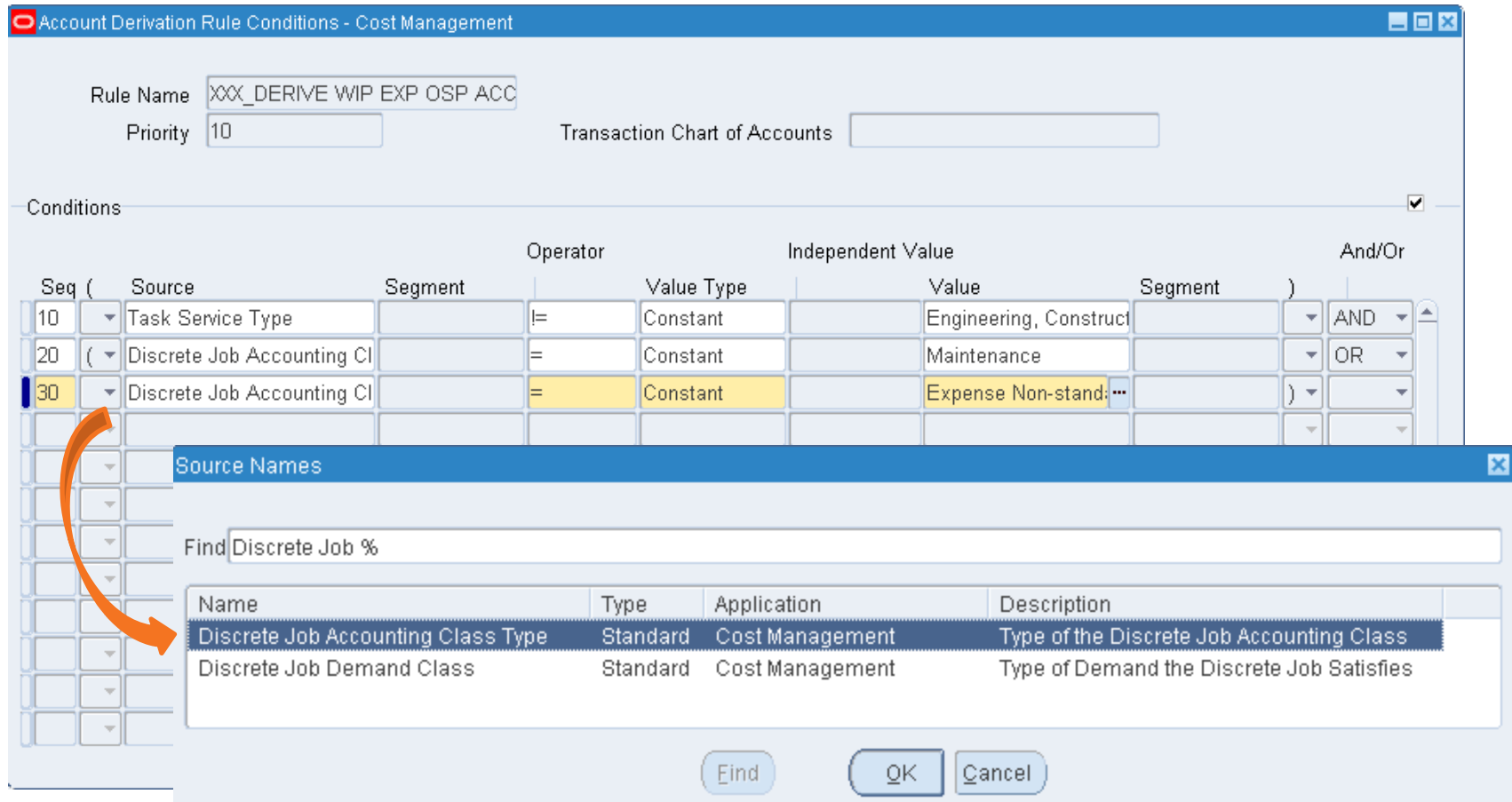
Priority	Value Type	Value	Input Source	Segment
10	Source	XXX_DERIVE WIP EXP OSP		

Condition:

Mapping Set **Conditions**

Create Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules => Conditions



The screenshot shows the 'Account Derivation Rule Conditions - Cost Management' window. The 'Rule Name' is 'XXX_DERIVE WIP EXP OSP ACC' and the 'Priority' is '10'. The 'Transaction Chart of Accounts' field is empty. The 'Conditions' section is checked and contains a table with three rows:

Seq (	Source	Segment	Operator	Value Type	Value	Segment	)	And/Or
10	Task Service Type		!=	Constant	Engineering, Construct			AND
20	(	Discrete Job Accounting Cl	=	Constant	Maintenance		)	OR
30	Discrete Job Accounting Cl		=	Constant	Expense Non-stand:...)	

An orange arrow points from the '30' row to the 'Source Names' dialog box. The dialog box has a search field containing 'Discrete Job %' and a list of results:

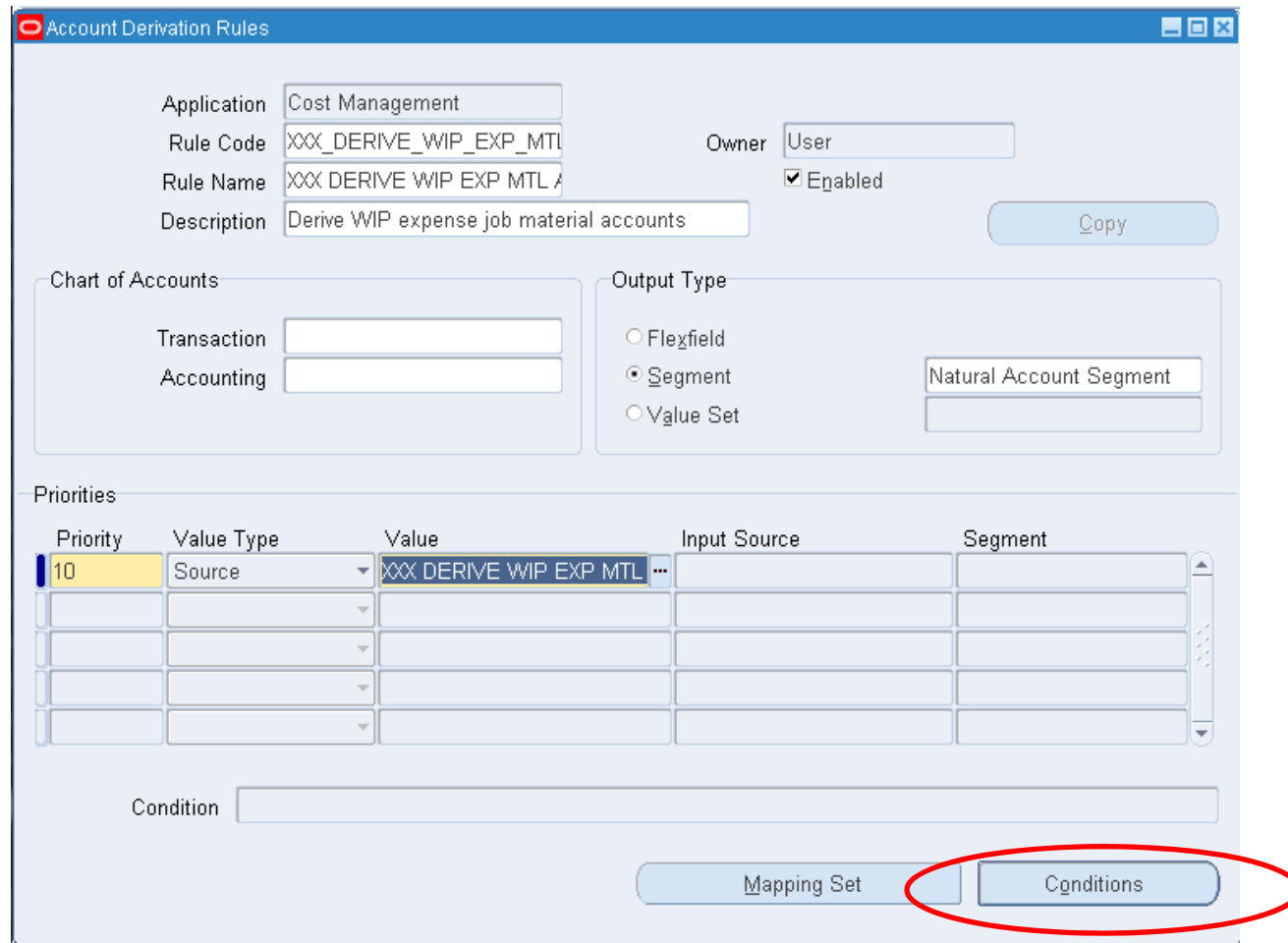
Name	Type	Application	Description
Discrete Job Accounting Class Type	Standard	Cost Management	Type of the Discrete Job Accounting Class
Discrete Job Demand Class	Standard	Cost Management	Type of Demand the Discrete Job Satisfies

The dialog box also has 'Find', 'OK', and 'Cancel' buttons.



Create Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules



Application: Cost Management
 Rule Code: XXX_DERIVE_WIP_EXP_MTL
 Rule Name: XXX DERIVE WIP EXP MTL A
 Description: Derive WIP expense job material accounts

Owner: User
 Enabled

Chart of Accounts:
 Transaction:
 Accounting:

Output Type:
 Flexfield
 Segment
 Value Set
 Natural Account Segment

Priority	Value Type	Value	Input Source	Segment
10	Source	XXX_DERIVE_WIP_EXP_MTL		

Condition:

Mapping Set | **Conditions**



Create Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules => Conditions

Account Derivation Rule Conditions - Cost Management

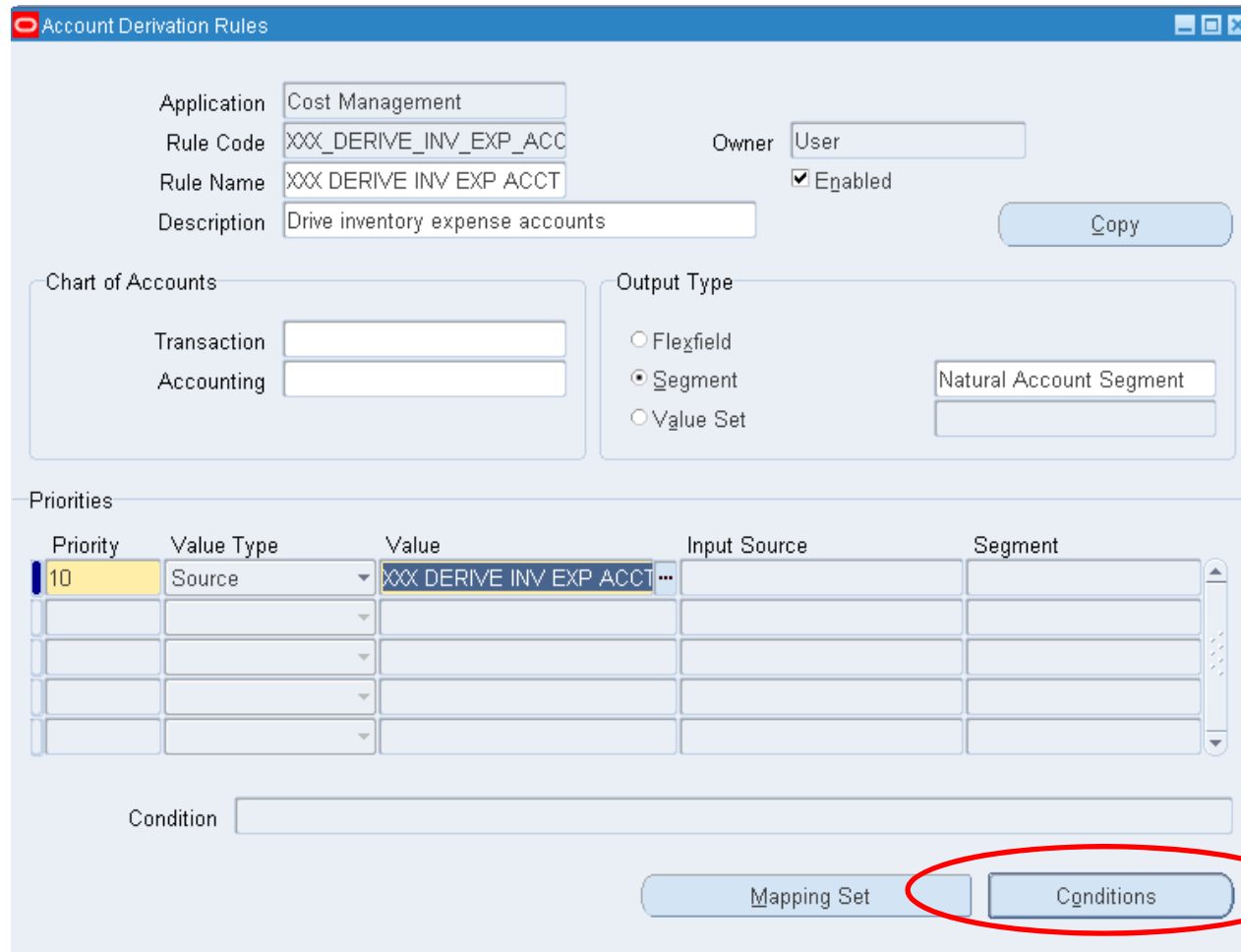
Rule Name:
 Priority: Transaction Chart of Accounts:

Conditions

Seq (	Source	Segment	Operator	Value Type	Independent Value	Value	Segment	)	And/Or
10	(	H_PROJECT_ID	IS NULL					)	AND
20		H_TO_PROJECT_ID	IS NULL					)	OR
30		Task Service Type	!=	Constant		Engineering, Construct		)	AND
40		Discrete Job Accounting Cl	=	Constant		Maintenance)	
)	
)	
)	
)	
)	
)	
)	
)	
)	

Create Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules



Application: Cost Management
 Rule Code: XXX_DERIVE_INV_EXP_ACC
 Rule Name: XXX DERIVE INV EXP ACCT
 Description: Drive inventory expense accounts

Owner: User
 Enabled

Copy

Chart of Accounts
 Transaction:
 Accounting:

Output Type
 Flexfield
 Segment
 Value Set

Natural Account Segment

Priorities

Priority	Value Type	Value	Input Source	Segment
10	Source	XXX DERIVE INV EXP ACCT		

Condition:

Mapping Set **Conditions**



Create Account Derivation Rule

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Journal Entry Setups => Account Derivation Rules => Conditions

Account Derivation Rule Conditions - Cost Management

Rule Name:

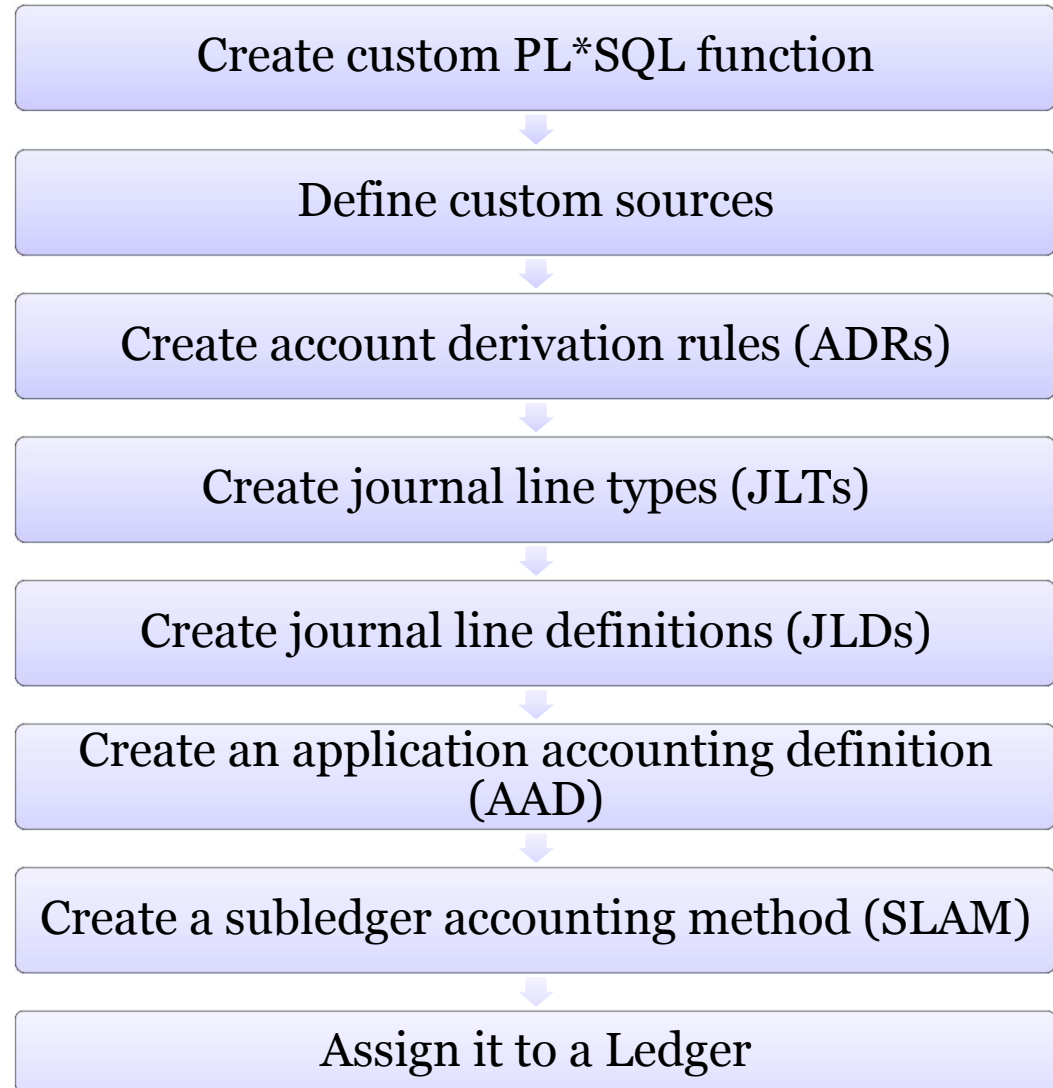
Priority:

Transaction Chart of Accounts:

Conditions

Seq (	Source	Segment	Operator	Value Type	Independent Value	Value	Segment	)	And/Or
10	(	H_PROJECT_ID	IS NULL					)	AND
20	H_TO_PROJECT_ID		IS NULL					)	OR
30	Task Service Type		!=	Constant		Engineering, Construct		)	AND
40	Subinventory Type Indicator		=	Constant		No)	
)	
)	
)	
)	
)	
)	
)	
)	
)	
)	
)	
)	
)	

Create Journal Line Definitions



Create Journal Line Types

From Oracle Cost Management User Guide

Which events and journal lines for expense accounting?

Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
YES	PO Delivery into Inventory	Inventory Valuation Receiving Inspection Clearing Material Overhead Absorption Purchase Price Variance Cost Variance Shikyu Variance Offset	Return to Receiving Inspection from Inventory PO Delivery into Inventory PO Delivery Adjustment Logical PO Delivery into Inventory Logical PO Delivery Adjustment Logical PO Delivery into Inventory Logical Return to Receiving Inspection from Inventory
YES	Miscellaneous	Inventory Valuation Offset Cost Variance	Move Order Issue Account Alias Issue Account Issue Account Receipt Account Alias Receipt Miscellaneous Issue Miscellaneous Receipt Project Contract Issue Inventory Lot Translate Internal Requisition Receipt Adjustment Shipment Receipt Adjustment Cycle Count Adjustment Physical Inventory Adjustment

Which Event Class Name (Transaction) are you using?

And for each Transaction which Journal Line Type needs a different account?

2) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions



- First, query up the Event Class / Outside Processing Example

The screenshot shows two overlapping Oracle Forms windows. The top window is titled 'Journal Lines Definitions' and contains fields for Application (Cost Management), Event Class, Definition Code, Definition Name, Description, Event Type, Owner (User), Enabled (checked), and Budgetary Control (unchecked). The bottom window is titled 'Find Journal Lines Definitions' and contains fields for Application (Cost Management), Event Class (Outside Processing), Owner, Definition Code, Definition Name, Chart of Accounts, Transaction, and Accounting. Below these fields are buttons for 'Clear', 'New', and 'Find'. The 'Find' button is circled in red. At the bottom of the 'Find Journal Lines Definitions' window is a table with columns: Segment, Inherit, Rule Name, Owner, Description, and Side. The table has three rows, with the first row having 'Inherit' checked. Below the table are buttons for 'Account Derivation Rule', 'Supporting References', and 'Copy Definition'.



3) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions



- Next copy to a new journal line definition

The screenshot shows the 'Journal Lines Definitions' window with a 'Copy Journal Lines Definition' dialog box open. The dialog box contains the following fields and options:

- Definition Code:
- Definition Name:
- Description:
- Chart of Accounts: Transaction Accounting
- Copy Line Assignments
- Display After Copy
- Buttons: Done, Cancel

Callouts indicate the following steps:

- 1) Click Copy Definition
- 2) Enter Definition Code, Name and Description
- 3) Click Done



5) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – OSP WIP Valuation

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the account segment

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Purchase Price Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Receiving Inspection	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Resource Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Work in Process Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Natural Account Segm	<input type="checkbox"/>	XXX_DERIVE WIP EXP OSP	User	Derive WIP expense job accou	
Management Segment	<input type="checkbox"/>	XXX_DERIVE WIP PL ACC	User	Derive WIP transaction product	



5) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – PO Delivery into INV

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the account segment

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Clearing	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Cost Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Material Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory product line ac	
Natural Account Segment	<input type="checkbox"/>	XXX DERIVE INV EXP ACCT	User	Drive inventory expense accou	

5) Create Journal Line Types



Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – PO Delivery into INV

Journal Lines Definitions

Application: Cost Management
 Event Class: PO Delivery into Inventory
 Definition Code: XXX_PURCHASE_ORDER
 Definition Name: XXX PO Delivery into Inventory
 Description: XXX PO Delivery into Inventory

Event Type: All
 Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
 Transaction: Accounting:

Line Assignments

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Material Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Purchase Price Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Receiving Inspection	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Shikyu Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Buttons: Line Type, Line Description, Multiperiod Accounting, Copy Line Assignment

Account Derivation Rules

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory product line ac	
Natural Account Seg...	<input type="checkbox"/>	XXX DERIVE INV EXP ACCT	User	Drive inventory expense accou	

Buttons: Account Derivation Rule, Supporting References, Copy Definition

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the account segment

5) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions

Assign new ADRs to new journal definitions – WIP Matl

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the account segment

Journal Lines Definitions

Application: Cost Management
Event Class: WIP Material
Definition Code: XXX_WIP_MTL
Definition Name: XXX WIP Material
Description: XXX Derive WIP expense accounts for material
Event Type: All
Owner: User
 Enabled
 Budgetary Control

Chart of Accounts
Transaction: [] Accounting: []

Line Assignments

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Cost Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Material Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Work in Process Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Buttons: Line Type, Line Description, Multiperiod Accounting, Copy Line Assignment

Account Derivation Rules

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory product line ac	
Natural Account Segment	<input type="checkbox"/>	XXX DERIVE INV EXP ACCT	User	Drive inventory expense accou	

Buttons: Account Derivation Rule, Supporting References, Copy Definition

5) Create Journal Line Types

Menu path: Cost Management SLA => Accounting Setup => Accounting Methods Builder => Methods and Definitions => Journal Lines Definitions



Assign new ADRs to new journal definitions – WIP Matl

1) Select the Journal Line Type

2) Keep the existing ADR

3) Override the account segment

Journal Line Type	Owner	Inherit Description	Line Description	Owner	Active
Cost Variance	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Inventory Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Material Overhead Absorption	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Offset	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Work in Process Valuation	Oracle	<input type="checkbox"/>			<input checked="" type="checkbox"/>

Segment	Inherit	Rule Name	Owner	Description	Side
All Segments	<input type="checkbox"/>	Cost Management Default Ac	Oracle	Cost Management Default Acc	
Management Segment	<input type="checkbox"/>	XXX DERIVE INV PL ACCT	User	Derive inventory product line ac	
Natural Account Segm	<input type="checkbox"/>	XXX DERIVE WIP EXP MTL	User	Derive WIP expense job materi	

Create Account Derivation Rules

Same process as
with the Product
Line Accounts

Create custom PL*SQL function

Define custom sources

Create account derivation rules (ADRs)

Create journal line types (JLTs)

Create journal line definitions (JLDs)

Create an application accounting definition
(AAD)

Create a subledger accounting method (SLAM)

Assign it to a Ledger



Create Application Accounting Definition



- Now assign new Journal Lines Definition to your Application Accounting Definition:

Expense and EAM Accounting Examples

- Delivery to Expense Destinations => XXX Delivery to Expense Destinations
- Outside Processing => XXX Outside Processing
- PO Delivery into Inventory => XXX PO Delivery into Inventory
- Receipt into Receiving Inspection => XXX Receipt into Receiving Inspection
- WIP Material => XXX WIP Material

- Validate your Application Accounting Definition

- Assign Application Accounting Definition to the Ledger



Summary



Caveats:

- Setting up SLA for product line accounting is:
 - A lot of work!
 - Will do at least 20 Accounting Events, maybe up to 33!
- Not quite as bad for EAM and expense processing
- Requires extensive design and analysis
- Requires even more testing
- Maintenance and documentation issues



Send Email Address to Get the Following:

- White paper and code samples
 - Companion white paper to this presentation
 - Has more extensive Subledger Accounting background information
 - Also has the full PL/SQL code samples, with all comments
 - Send email to: doug@volzconsulting.com

- Questions? Informal workshops can be arranged



Acknowledgements

- Don Hobbs & Matt Plyler, GlobalPTM, for generous knowledge sharing of EAM requirements
- Mohan Iyer and John Peters for support of our shared Vision instance
- Samir Othman, Oracle Proactive Support, for SLA patch levels and useful MOS documents
- Veerasha Javli, CSC, for paper review



Additional Information is Available From:

□ Collaborate 2009:

“Cost Accounting As You Want It - R12 Cost Accounting with SLA”

- Douglas Volz, Douglas Volz Consulting
(<http://www.volzconsulting.com/resources.html>)

“Simplify Enterprise Asset Management Product Line Accounting Using E-Business Suite Release 12 Subledger Accounting”

- Robert J. Flick, Onplan Solutions LLC

□ Collaborate 2012:

“Let Sub ledger Accounting Custom Sources Release You from Account generator workflows”

- Manoj Menon, Principal Consultant, Kbase Technologies Inc.

Additional Information is Available From:

- ❑ Oracle Cost Management User Guide, “*SLA Costing Events – Accounting*”, Chapter G
- ❑ *SUBLEDGER ACCOUNTING Custom Sources Release 12*, Oracle
- ❑ Oracle Subledger Accounting Implementation Guide



R12 Patch Information — February 1st, 2013:

- Check file version for cstxlaaad.ltd, should be 120.32.12010000.29 or higher.
- If not, look at patch 14371087:R12.BOM.C



Additional Information is Available From:

- My Oracle Support (Metalink):
 - *Steps to Run Import And Validate AAD (Application Accounting Definition) with troubleshooting*, ID 1406203.1
 - *How To Debug When Validate Application Accounting Definition Fails?*, ID 562763.1.
 - *EBS SLA: Sub Ledger Accounting Cost Management SLA Steps*, ID 873605.1
 - *SLA Cost Management Overview*, ID 471057.1
 - *What is Subledger Accounting for Cost Management?*, ID 466513.1
 - *R12 SLA : How Do You Set Up a Custom Source for Deriving Account Number?*, ID 1078837.1



Appendix

Discrete Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
Event Entity: WIP Accounting Events			
YES	WIP Absorption	Work in Process Valuation	Resource Absorption
		Estimated Scrap Absorption	
		Overhead Absorption	Resource Overhead Absorption
		Resource Absorption	
		Resource Rate Variance	Estimated Scrap Absorption
YES	Outside Processing	Work in Process Valuation	Outside Processing Transaction
		Resource Absorption	
		Overhead Absorption	Shop Floor Delivery for Direct Items
		Receiving Inspection	IPV Transfer to Work Order
		Purchase Price Variance	
		Offset	
YES	WIP Variance	Work in Process Valuation	Period Close Variance
		Work in Process Variance	Job Close Variance
			Final Completion Variance
	WIP Lot	Work in Process Valuation	WIP Lot Split
		Offset	WIP Lot Merge
			WIP Lot Update Quantity
			WIP Lot Bonus
	WIP Cost Update	Work in Process Valuation	WIP Cost Update
		Cost Update Adjustment	



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
Event Entity: Receiving Accounting Events			
YES	Receipt into Receiving Inspection	Accrual Receiving Inspection Clearing	Receipt into Receiving Inspection Return to Vendor Logical Receipt Logical Return to Vendor
		Intercompany Accrual Intercompany COGS	
YES	Delivery to Expense Destination	Charge Receiving Inspection	Delivery to Expense Return to Receiving Inspection from Expense
YES	Period End Accrual	Accrual Charge	Period End Accrual
YES	Retroactive Price Adjustment to Receipt	Accrual Retroactive Price Adjustment Intercompany Cost of Goods Sold Receiving Inspection	Retroactive Price Adjustment to Receipt
YES	Retroactive Price Adjustment to Delivery	Retroactive Price Adjustment Charge Receiving Inspection	Retroactive Price Adjustment to Delivery
Event Entity: Accrual Write-Off Events			
	Accrual Write-Off Event	Accrual Account Offset Exchange Rate Variance	Accrual Write-Off



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
YES	PO Delivery into Inventory	Inventory Valuation	Return to Receiving Inspection from Inventory
		Receiving Inspection	PO Delivery into Inventory
		Clearing	PO Delivery Adjustment
		Material Overhead Absorption	
		Purchase Price Variance	
		Cost Variance	Logical PO Delivery into Inventory
		Shikyu Variance	Logical PO Delivery Adjustment
		Offset	Logical PO Delivery into Inventory
			Logical Return to Receiving Inspection from Inventory
	Sales Order Issue	Inventory Valuation	RMA Return
		Cost of Goods Sold	RMA Receipt
		Deferred COGS	Sales Order Issue
		Cost Variance	COGS Recognition
		Cost Update Adjustment	Logical Sales Order Issue
			Logical RMA Receipt
			Backdated COGS Recognition
			COGS Recognition Adjustment
	Internal Order to Expense	Inventory Valuation	Internal Order Issue to Expense
		Offset	Internal Order Receipt into Expense
		Interorg Profit (OPM)	Internal Order Receipt into Expense, no Transfer Pricing
		Interorg Receivables	Internal Order Receipt into Expense, Transfer Pricing
		Interorg Payables	Internal Order Issue to Expense, no Transfer Pricing
			Internal Order Issue to Expense, Transfer Pricing



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
YES	WIP Material	Inventory Valuation	WIP Component Issue
		Work in Process Valuation	WIP Negative Component Issue
		Material Overhead Absorption	WIP Component Return
		Cost Variance	WIP Negative Component Return
		Offset	WIP Assembly Completion
			WIP Assembly Return
			WIP Assembly Scrap
			WIP Assembly Scrap Return
	Consigned Inventory Ownership	Inventory Valuation	Transfer from Consigned to Regular Inventory
		Accrual	Transfer from Regular to Consigned Inventory
		Material Overhead Absorption	
		Purchase Price Variance	
		Cost Variance	
YES	Miscellaneous	Inventory Valuation	Move Order Issue
		Offset	Account Alias Issue
		Cost Variance	Account Issue
			Account Receipt
			Account Alias Receipt
			Miscellaneous Issue
			Miscellaneous Receipt
			Project Contract Issue
			Inventory Lot Translate
			Internal Requisition Receipt Adjustment
			Shipment Receipt Adjustment
			Cycle Count Adjustment
			Physical Inventory Adjustment



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
	Intraorganization Transfer	Inventory Valuation	Move Order Transfer
		Cost Variance	Internal Order Transfer
		Offset	Cycle Count Adjustment
			Physical Inventory Adjustment
			Subinventory Transfer
			Cost Group Transfer
			Planning Transfer
			Internal Order Staging Transfer
			Sales Order Staging Transfer
		Direct Interorg Shipment	Inventory Valuation	Direct Interorg Shipment
	Interorg Receivables		Direct Interorg Shipment, No Transfer Price
	Interorg Transfer Credit		Direct Interorg Shipment, Transfer Price
	Interorg Freight Charge		
	Interorg Payables		
	Material Overhead Absorption		
	Offset		
	Purchase Price Variance		
	Interorg Profit (OPM)		
	Direct Interorg Receipt		Inventory Valuation	Direct Interorg Receipt
		Interorg Receivables	Direct Interorg Receipt, No Transfer Price
		Interorg Transfer Credit	Direct Interorg Receipt, Transfer Price
		Interorg Freight Charge	
		Interorg Payables	
		Material Overhead Absorption	
		Offset	
		Purchase Price Variance	
		Cost Variance	



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
	Intransit Interorg Shipment for FOB Receipt	Inventory Valuation Intransit Valuation Offset	Intransit Interorg Shipment for FOB Receipt
	Sender-side Intransit Interorg Receipt for FOB Receipt	Intransit Valuation Interorg Profit (OPM) Interorg Transfer Credit Interorg Freight Charge Interorg Receivables Cost of Goods Sold Offset	Sender-side Intransit Interorg Receipt for FOB Receipt without Transfer Pricing Sender-side Intransit Interorg Receipt for FOB Receipt with Transfer Pricing
	Recipient-side Intransit Interorg Receipt for FOB Receipt	Inventory Valuation Interorg Payables Material Overhead Absorption Purchase Price Variance Intercompany Expense Profit in Inventory Cost Variance Offset	Recipient-side Intransit Interorg Receipt for FOB Receipt without Transfer Pricing Recipient-side Intransit Interorg Receipt for FOB Receipt with Transfer Pricing



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
	Event Entity: Inventory Accounting Events		
	Sender-side Intransit Interorg Shipment for FOB Receipt	Inventory Valuation	Sender-side Intransit Interorg Shipment for FOB Shipment without Transfer Pricing
		Interorg Profit (OPM)	Sender-side Intransit Interorg Shipment for FOB Shipment with Transfer Pricing
		Interorg Transfer Credit	
		Interorg Receivables	
		Cost of Goods Sold Offset	
	Recipient-side Intransit Interorg Shipment for FOB Shipment	Intransit Valuation	Recipient-side Intransit Interorg Shipment for FOB Shipment without Transfer Pricing
		Interorg Payables	Recipient-side Intransit Interorg Shipment for FOB Shipment with Transfer Pricing
		Interorg Freight Charge	
		Material Overhead Absorption	
		Purchase Price Variance	
		Intercompany Expense	
		Profit in Inventory	
		Cost Variance Offset	
	Intransit Interorg Receipt	Inventory Valuation	Intransit Interorg Receipt for FOB Shipment
		Intransit Valuation	
		Offset	



Discrete Cost Management SLA Model



Cost Management Subledger Accounting Event Class, Journal Line Type and Event Type Model			
eAM Related	Event Class Name	Journal Line Types	Event Type Name
Event Entity: Inventory Accounting Events			
YES	Material Cost Update	Inventory Valuation	Standard Cost Update
		Cost Variance	Average Cost Update
		Cost Update Adjustment	IPV Transfer to Inventory
		Intransit Valuation	Layer Cost Update
YES	Retroactive Price Adjustment	Accrual	Retroactive Price Adjustment
		Retroactive Price Adjustment	
	Logical Intercompany	Inventory Valuation	Logical Intercompany Sales Issue
		Intercompany Accrual	Logical Intercompany Sales Return
		Intercompany COGS	Logical Intercompany Receipt Return
		Offset	Logical Intercompany Procurement Receipt
			Logical Intercompany Procurement Return
	WIP Material Lot	Work in Process Valuation	Lot Split
		Offset	Lot Merge
			Lot Bonus
			Lot Quantity Update



Professional Background

Doug Volz is a Senior Architect and Advisor for Oracle Application projects, specializing in Cost Management and Intercompany processes. He has 30 years accumulated experience, including 5 years in Oracle Development (co-designing Oracle Cost Management) and 12 years in industry for Cost and Accounting Management positions. His Manufacturing and Cost systems experience covers project management, software design/development, delivery and consulting services, for both Oracle Corporation, and multiple international consulting firms. Prior to his systems career, Mr. Volz also held numerous management accounting positions for telecommunications, defense, and electronics companies.

In his consulting roles, Doug has served over 100 clients. Many of these were multi-org, multi-currency with global footprints. Countries include US, Mexico, UK, Netherlands, Belgium, Taiwan, P.R.O.C., Norway, Japan, Italy, Switzerland and Germany.

Doug leads the OAUG Cost Management Special Interest Group. He also advises and participates on the Oracle Customer Advisory Board for Fusion Costing and for the SCM Financial Orchestration Functional Forum.

Core Expertise

- ❑ Multi-organization, Multi-currency Implementations
- ❑ Cost Accounting Processes
- ❑ Project Management and Senior Project Advisor
- ❑ Core manufacturing & EAM processes
 - ▶ Cost Management
 - ▶ Intercompany
 - ▶ Inventory
 - ▶ Bills of Material
 - ▶ WIP
- ❑ Systems Integration and Data Conversions

Experience

- ❑ Sample of clients served:
 - Beckman Coulter (US)
 - Celgene (US, Switzerland)
 - Garlock Sealing Tech. (US, Germany)
 - Logitech (US, Taiwan, P.R.C.)
 - Matsushita (UK, Mexico)
 - NTL (UK, now Virgin Media)
 - TCI International (US)
 - Onninen AS (Norway)



Any Questions?



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