Financial Close Management and PeopleSoft Integration

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OVERVIEW

Oracle Financial Close Management allows companies to centrally manage all of their periodic closing activities including the various activities within PeopleSoft Financials.

Purpose

The purpose of this whitepaper is to provide an overview of how Financial Close Management can be integrated with PeopleSoft Financials to provide a single task management application which covers all periodic closing activities from transaction processing through to financial fillings.

Introduction

Financial Close Management is a recently introduced product within the Enterprise Performance Management suite that allows centralized management of period-end close activities from PeopleSoft as well as other applications which contribute to the close process.

The key purpose of this new product is to centralize task management for the close cycle so that manually-maintained check-lists are eliminated and are replaced with action oriented dashboards that deliver visibility and execution capability. The new module will support all close cycle tasks including general ledger and feeder application processes, data loading and mapping processes, financial consolidation processes, 10K/10Q processes, reconciliation process, tax/treasury processes etc. – any task associated with the financial close. Functionality includes:

- Defining the close tasks and schedule to ensure the correct prioritization of closing tasks
- Automating the management of the close in order to track the status of closing tasks and provide notifications and alerts
- Monitoring the overall close status from a central dashboard
- Taking action on errors or delays with close tasks
- Analyzing the effectiveness of the close
- Additional close-related tasks that are performed during the close cycle (e.g. reconciliation and account signoffs)

- Workflow support for the Disclosure Management process (10K/10Qs, press releases etc)

A unified, real-time, web-based view of electronic sign-offs, due dates, and task dependencies will provide visibility and streamlining of the close process. Tasks can be anything that needs to be done during the close process – whether within the PeopleSoft suite of applications or another system. Employees are assigned to each task and the tasks are given a due date relative to each period end date.

With the release of the PeopleSoft Financials integration pack, Financial Close Management customers can easily manage their period end closing activities within the PeopleSoft Financials suite of applications. From Financial Close Management's dashboard, customers will be able to instantly understand the current state of their PeopleSoft Financial closing activities. If questions or issues arise on a closing task, customers can easily investigate the root cause by seamlessly navigating from the task to the specific transaction or area within PeopleSoft Financials.

Benefits

Oracle's new Financial Close Management product will help company's gain insight into their close process by monitoring all key close activities from transaction processing to statutory filings.

By integrating Financial Close Management and PeopleSoft Financials, customers can easily manage their critical closing activities within the PeopleSoft applications as well as other ERP systems. From within Financial Close Management, customers can orchestrate all of their end-user activities, schedule or run processes from PeopleSoft as well as other ERP systems and track manual processes from one easy to use business application.

By exposing the ongoing progress of a close cycle, and allowing comparisons with prior periods, a company can better manage the often chaotic close process. Financial Close Management ability to be tightly integrated with all of the various financial applications leveraged within a close cycle allows customers to gain insight across their entire process. This holistic view will enable customers to better understand their end to end process, highlight problem areas and identify improvements opportunities within the closing process.

FINANCIAL CLOSE MANAGEMENT ARCHITECTURE

The following exhibit illustrates the Financial Close Management architecture.

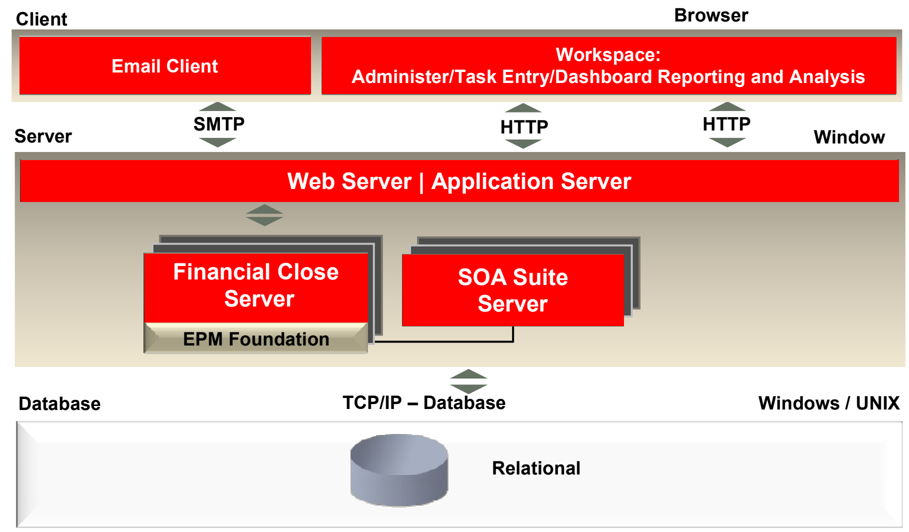

Figure 1

Email Client

Financial Close Management notifies task owners of upcoming task assignments via email notifications. The email is generated by Workflow/SOA Suite Server (BPEL). It is responsible for triggering the email and forming the basic content. It calls EPM routines to match up the BPEL user to an email address and FCM routines to draw the task specific content.

Workspace

Financial Close Management is a web based application that resides within the EPM Workspace. The application is 100% java based and leverages the latest Fusion Middleware Standards for application development. The FCM web UI houses the dashboards, calendars and tasks for both end users and administrators.

Financial Close Server

The Financial Close server is 100% java based and leverages the latest Fusion Middleware standards for application server development.

SOA Suite Server

Oracle's complete SOA offering, Oracle SOA Suite 11*g*, is an integrated, best-of-breed suite of products that helps you rapidly design and assemble, deploy and manage, highly agile and adaptable business applications. This 100 percent standards-based, hot-pluggable infrastructure interoperates with your existing IT investments lowering your upfront costs. Oracle SOA Suite is the foundation technology for Oracle Application Integration Architecture: Oracle's solution for delivering rapid application integrations. Financial Close Management heavily leverages Oracle's SOA Suite for all workflow related actions within the system.

Web Server – Application Server

The Web Application Service is a J2EE-based web application that provides services to most of the components in the Financial Close Management. This service interacts with the client-layer components, other middle-tier services, and the data storage components

Shared Services

Shared Services stores Financial Close Management user information and is used to authenticate users.

RELEASE COMPATIBILITY

For the initial PeopleSoft Financials Integrations Pack release, the following product versions will be required,

- Financial Close Management 11.1.2.1
- PeopleSoft 9.0 & 9.1 using PeopleTools 8.5.1.

TASK MANAGEMENT

Financial Close Management tasks can be categorized into two groups – Manual Tasks and System Automated tasks.

A manual task requires an end user to confirm that an action was performed. This type of task can require the user to provide documentation or other evidence of the task completion. The task can be defined to include:

- Detailed instructions that incorporate attached documents or reference links
- Required questions which the user must provided documentation or evidence
- Threaded comments with attachments
- Multiple levels of review and approvals

Additionally, a manual task can incorporate a link which will bring the user directly to the appropriate PeopleSoft page where the end user is expected to perform the task. For example, the user could be asked to run a process or report or simply review an inquiry page to ensure a correct balance exists.

A system automated task enables Financial Close Management to run a process within PeopleSoft at a specified time. Based on the task scheduling, Financial Close Management will request the process be run in PeopleSoft and then track its execution – did it complete successfully or fail with error.

The PeopleSoft Financials integration pack includes a sample of both manual tasks and system automated tasks. Appendix A details all of the PeopleSoft Financials tasks included within the integration pack.

INTEGRATING FINANICAL CLOSE MANAGEMENT WITH PEOPLESOFT FINANCIALS

Customers can add PeopleSoft Financials integration to their existing Financial Close Management applications by simply loading the integration pack XML file.

The PeopleSoft Financials Integration Pack can be obtained by accessing My Oracle Support and downloading the patch files.

The integration XML file can be loaded into the Financial Close Application. For instructions on loading the Integration XML, please refer to the "Managing Integration Types" section of the Financial Close Management Administrator's Guide. After the XML file has been loaded, Financial Close Management will be populated with new integration types that specify the PeopleSoft Financials tasks supported.

Screenshot of the PeopleSoft Integrations types

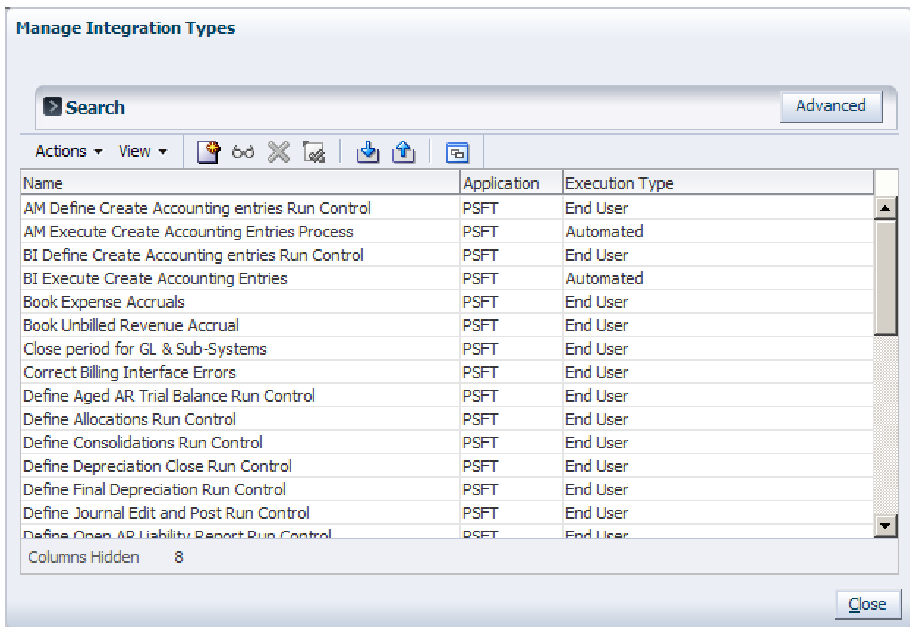

Figure 2

Once the integration XML is loaded, a new PeopleSoft application definition will be created within the Financial Close Management application. This application definition will detail specific information related to the customer's PeopleSoft environment. The application definition will include the server information, security protocols, and application tokens which are required to successfully execute the various tasks.

Screenshot of the PeopleSoft Application definition.

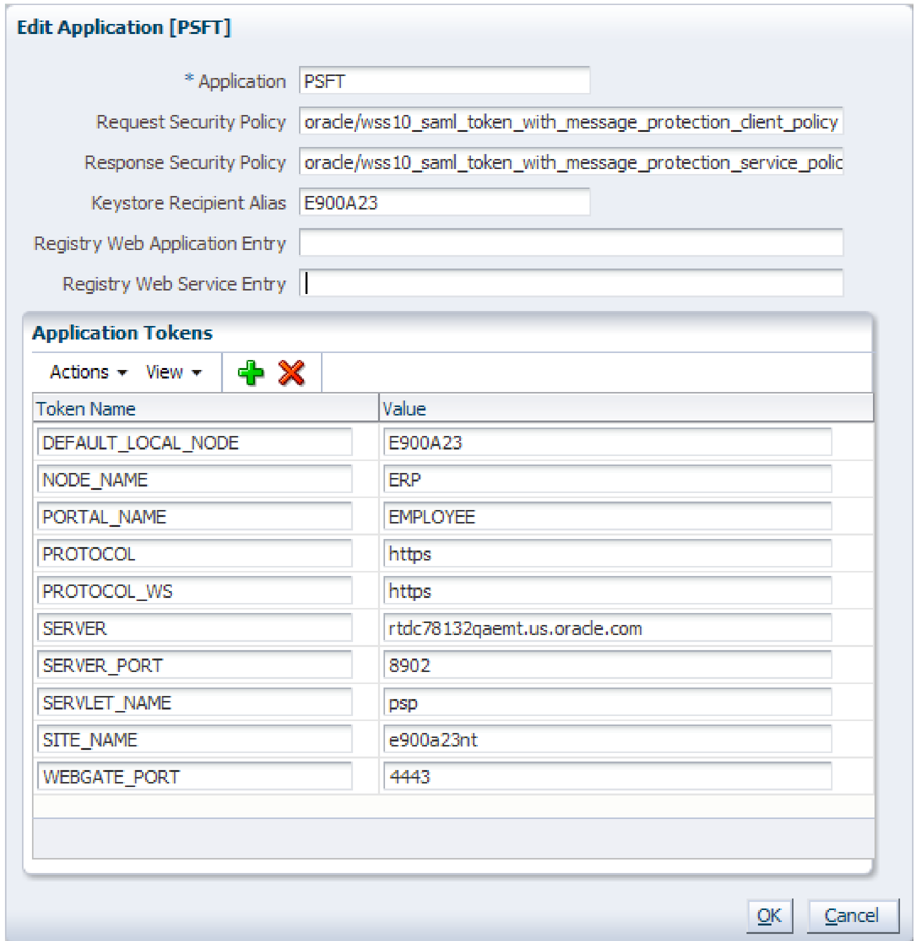

Figure 3

The combination of the new PeopleSoft integration types and the application definition will allow Financial Close Management to include end user product tasks and system automated tasks for the PeopleSoft Financials application.

Note: The PeopleSoft Financials integration pack contains a sample of key PeopleSoft closing tasks. Customers may extend this to include other tasks they need to perform in PeopleSoft. Please see the "Managing Integration Types" section within the Financial Close Management Administrator's Guide for instructions on how to add additional task integrations.

DEFINING PEOPLESOFT FINANCIALS TASKS WITHIN FINANICAL CLOSE MANAGEMENT

Customers can intertwine their PeopleSoft Financials closing activities with other closing tasks within Financial Close Management. Customers can easily create end user tasks which require their users to go to specific areas within the PeopleSoft Financials application – for example "Define Final Depreciation Run Control". Additionally, Financial Close Management can schedule the execution of application processes within the PeopleSoft Financials application – for example "Run Final Depreciation Process". The PeopleSoft integration types define the library of tasks that can managed within Financial Close Management. From this library of tasks, customer can decide which tasks to include within their closing process

The process for creating a PeopleSoft Financials' task from one of the delivered integration types follows the same basic flow as any other task within Financial Close Management. In addition to the standard task information, the customer will need to populate certain task parameters related to the different activities within the PeopleSoft Financials application. These parameters are defined within the PeopleSoft integration types and are passed between the two applications to perform a specific task. Within the task definition, the user will populate the parameter values on the parameters tab.

Screenshot of the Parameters settings

Figure 4

The PeopleSoft end user tasks will incorporate an embedded link to the specific PeopleSoft Financials application page. The end user will simply click on the "Go To Task" link and the appropriate page will be launched in a new browser session. The end user would then perform their task within the PeopleSoft Financials application then return to the Financial Close Management task and update any required questions, enter additional commentary, or attach supporting details to the task then submit for approval.

Screenshot of a PeopleSoft end user task

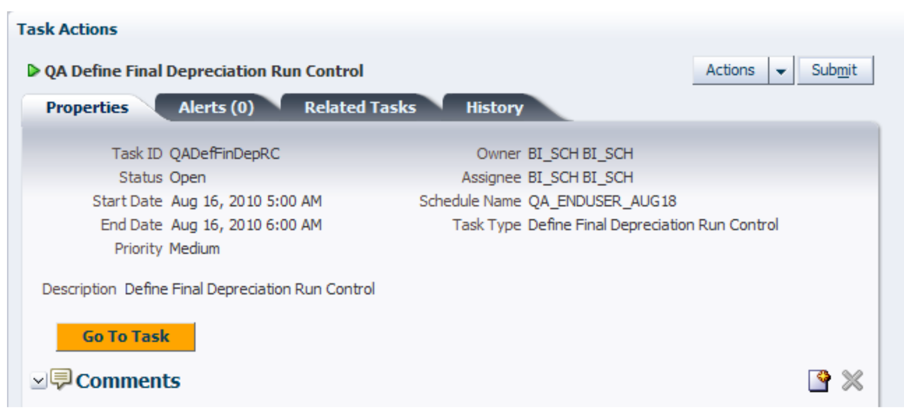

Figure 5

The PeopleSoft system automated tasks will include a task execution summary which will report on the execution of the task. Depending on the type of automated task, the "Results" section may include the task execution details, log locations, report URL's, and error messaging Users can simply click on the embedded links to easily access the report outputs or logs.

Screenshot of a PeopleSoft system automated task

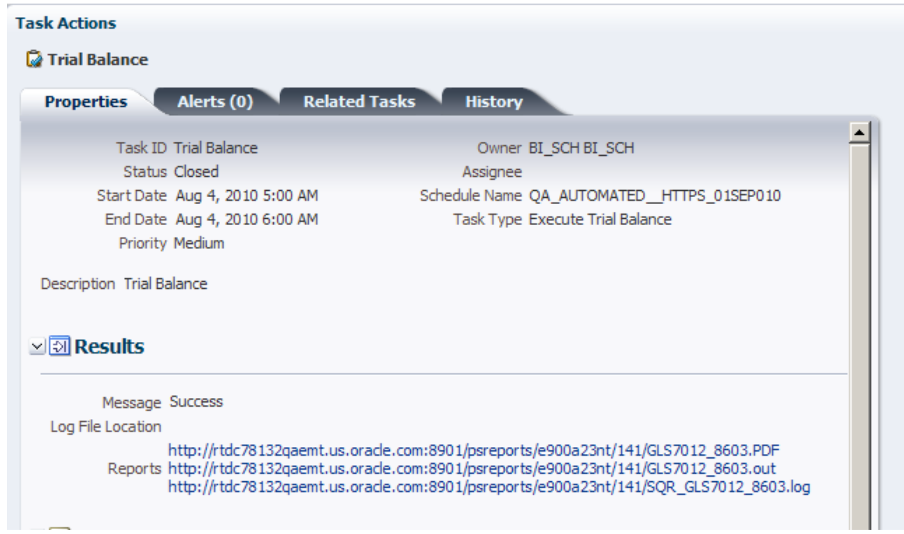

Figure 6

APPENDEX A – PEOPLESOFT FINANCIALS INTEGRATION TASKS

The table below is a summary listing of the various end user tasks (Task Type E) and system automated tasks (Task Type S) that are included within the initial PeopleSoft Financials Integration Pack.

Area	Task Name	Task Type
AM (6)	Define Final Depreciation Run Control	E
	Execute Final Depreciation Process	S
	Define Create Accounting Entries Run Control	E
	Execute Create Accounting Entries Process	S
	Define Depreciation Close Run Control	E
	Execute Depreciation Close Process	S
AP (6)	Book Expense Accruals	E
	Enter any adjustment vouchers	E
	Review and correct vouchers with errors	E
	Review and correct match exceptions	E
	Define Open AP Liability Report Run Control	E
	Execute Open AP Liability Report	S
AR (6)	Review Incomplete Deposits	E
	Resolve Pending Item Posting Errors	E
	Define Aged AR Trial Balance Run Control	E
	Execute Aged AR Trial Balance	S
	Write Off Balances as Appropriate	E
	Update Doubtful Receivables	E
BI (7)	Finalize Unprocessed Bills	E
	Correct Billing Interface Errors	E
	Define Pre-Load/Load to AR Run Control	E

Area	Task Name	Task Type
	Execute Pre-Load/Load to AR Process	S
	Define Create Accounting Entries Run Control	E
	Execute Create Accounting Entries	S
	Book Unbilled Revenue Accrual	E
GL (11)	Process all GL Journals	E
	Enter any manual journals	E
	Define Allocations Run Control	E
	Execute Allocations Process	S
	Define Journal Edit and Post Run Control	E
	Execute Journal Edit and Post Process	S
	Define Consolidations Run Control	E
	Execute Consolidations Process	S
	Define Trial Balance Run Control	E
	Execute Trial Balance	S
	Execute & Review Financial Statements	E
ALL (1)	Close period for GL & Sub-Systems	E

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