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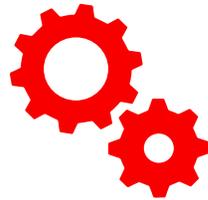
Oracle Financials Cloud

Accounting Hub
Best Practices





Overview



Setting Up
Accounting
Transformation



Best Practices



Key Things to Know

Oracle Accounting Hub Cloud now delivers a rapid implementation approach to registering source systems.

- Any source system, such as a loans or billings system, with no accounting engine, can now be registered in the Accounting Hub Cloud to create accounting entries with configurable accounting rules.
- Source systems with legacy or limited accounting can use Accounting Hub Cloud for account derivation and as a unified accounting engine repository.

A simplified source system spreadsheet registration process creates the complete registration in one step.



Setting Up Accounting Transformation



How to Set Up Accounting Hub in Cloud



Register a Source System



Verify Uploaded Sources



Define Accounting Rules



Upload Transaction Data

Overview

Setting Up Accounting Transformation

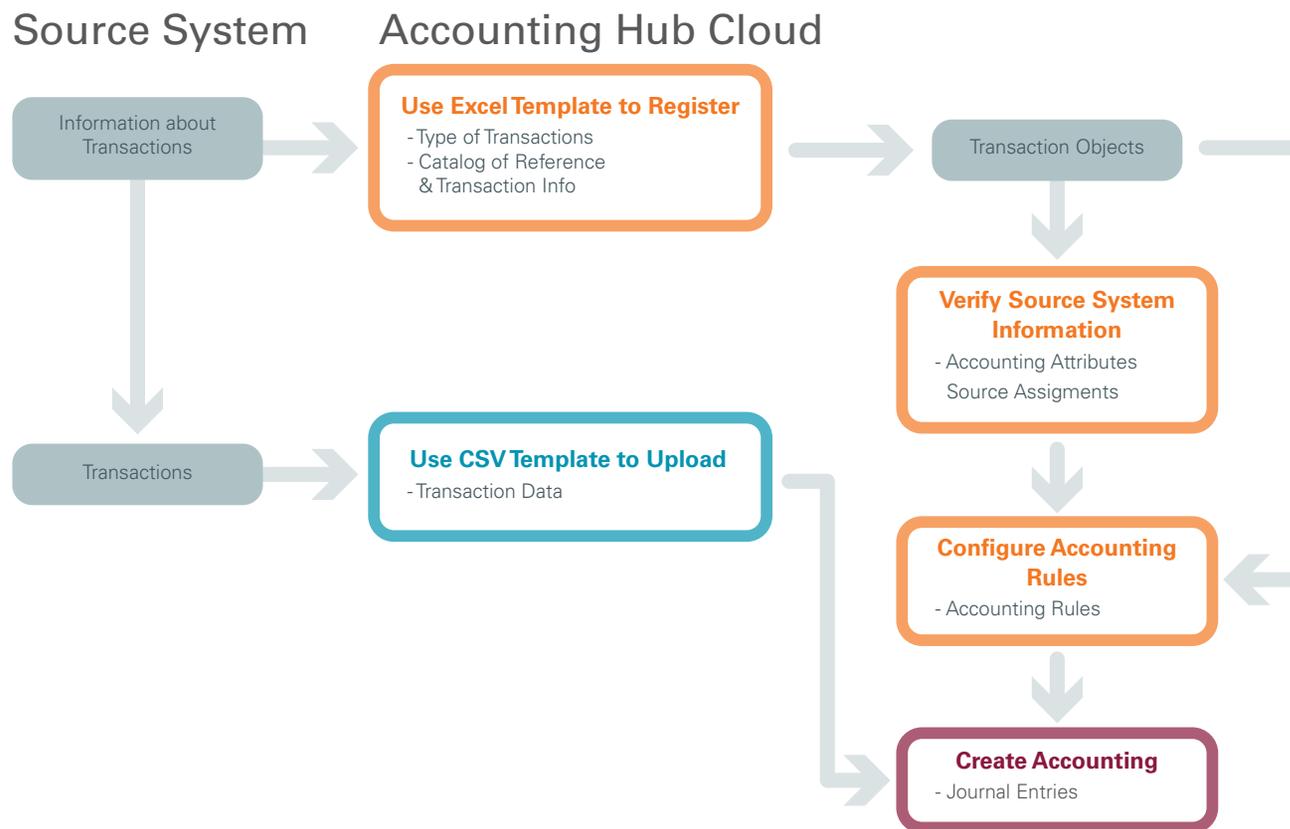
Best Practices

Key Things to Know

How to Set Up Accounting Hub Cloud.

Create a new subledger application by registering the transaction source system using a spreadsheet. After configuring accounting rules, upload transaction data in a spreadsheet to create accounting entries.

This graph depicts the quick setup checklist for rapid implementation of Accounting Hub Cloud:



Register a Source System

When setting up a new subledger application, you must know the information about transactions in your source system. Determine which attributes you want in the accounted journal entries. These attributes can come from the transaction or the transaction details. For example, this graphic displays a journal entry for a loans system:

Setup

Start by downloading the spreadsheet template. Navigate to the Setup and Maintenance work area. You can find this Create Subledger Application Setups in Spreadsheet task under the Register Source System Applications task list.

Transaction Event: Loan Origination **Loan Number:** FR-2016-100
Ledger: In-Fusion America Inc. **Description:** FR Loans Approved 6002
Accounting Date: 01-June-2016

Type	Account	Description	Currency	Debit	Credit
Loan Receivables	01.9100010.100	Rate.3.725/5	USD	12,636	
Cash	01.7000010.000	Mr. Brown Smith	USD		12,636
				12,636	12,636



WATCH
 Registering a Source System

Setting Up Accounting Transformation

Complete the spreadsheet: (Register a Source System continued)

1. Enter the source system name

*Name	*Short Name
Mortgages	MORTGAGES

2. Enter the transaction types

*Name	*Short Name
LOAN ORIGINATION	LOAN_ORIGINATION
LOAN INTEREST ACCRUAL	LOAN_INTEREST_ACCRUAL
LOAN INTEREST ACCRUAL REVERSAL	LOAN_INTEREST_ACCRUAL_REVERSAL
LOAN SCHEDULED PAYMENT	LOAN_SCHEDULED_PAYMENT
LOAN INTEREST ADJUSTED	LOAN_INTEREST_ADJUSTED
LOAN LATE PAYMENT	LOAN_LATE_PAYMENT
LOAN CHARGE OFF	LOAN_CHARGE_OFF

3. Enter the transaction header information

List of Sources			
*Name	*Short Name	*Type	Journal Display?
Transaction Date	TRANSACTION_DATE	Date	
Transaction Number	TRANSACTION_NUMBER	Text	
Ledger Name	LEDGER_NAME	Text	
Loan Scheduled Payment Date	LOAN_SCHEDULED_PAYMENT_DATE	Date	No
Loan Maturity Date	LOAN_MATURITY_DATE	Date	No
Loan Type	LOAN_TYPE	Text	Yes
Loan Origination Date	LOAN_ORIGINATION_DATE	Date	No
Mortgage Owner	MORTGAGE_OWNER	Text	Yes
Customer Number	CUSTOMER_NUMBER	Number	Yes
Loan Number	LOAN_NUMBER	Number	No
Loan Officer	LOAN_OFFICER	Text	No
Refinance Type	REFINANCE_TYPE	Text	No

4. Enter the line information for the transaction

List of Sources			
*Name	*Short Name	*Type	Chart of Accounts Value?
Transaction Number	TRANSACTION_NUMBER	Text	
Default Amount	DEFAULT_AMOUNT	Number	
Default Currency	DEFAULT_CURRENCY	Text	
Loan Rate	LOAN_RATE	Number	
Cost Center	COST_CENTER	Text	

5. Validate and generate a .zip file

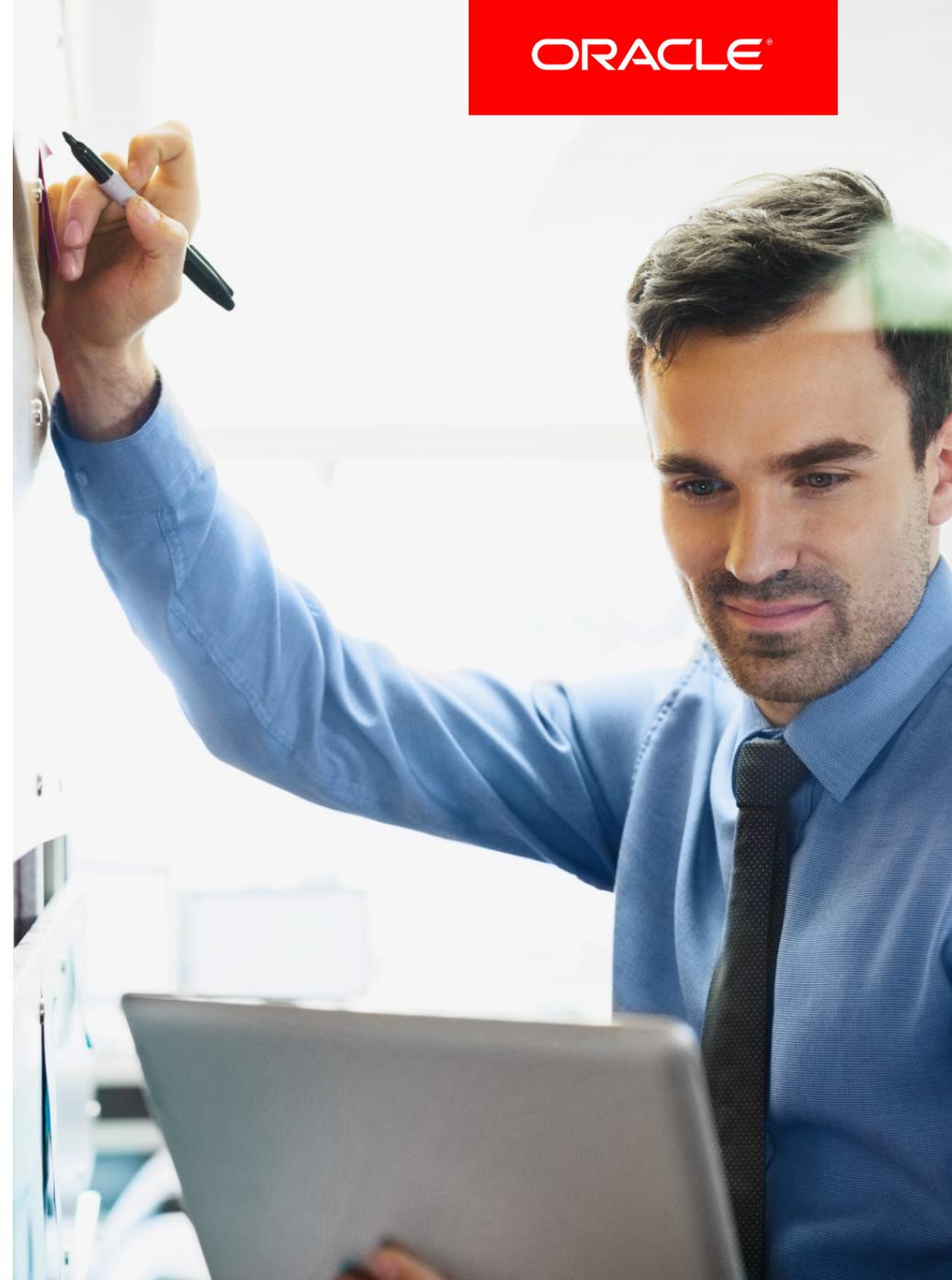
6. Upload the .zip file

Verify Uploaded Sources*

Next, verify the uploaded source system information:

- Review the subledger application
- Review the available sources
- Review the sources used in the accounting attributes and update if required

** Displayed in the Registering a Source System video*



Configure Accounting Rules

Configure accounting rules according to your business requirements. First, you need to have a visual layout of the different types of journal entries that result from accounting.

- What is the business transaction event that triggers this journal entry? For example, when a loan is originated, it needs to be accounted. This determines the type of the accounting lines to be created.
- What accounts are used for booking the amounts?
- What are the description text and other supporting references to be assigned to each journal line for identification purpose?

Journal Entry Rule Set

Transaction Event: Loan Origination **Loan Number:** FR-2016-100

Ledger: In-Fusion America Inc. **Description:** FR Loans Approved 6002

Accounting Date: 01-June-2016

Type	Account	Description	Currency	Debit	Credit
Loan Receivables	01.9100010.100	Fixed Rate	USD	12,636	
Cash	01.7000010.000	Rate.3.725/5	USD		12,636
				12,636	12,636

Journal Line Rule Account Rule Description Rule

WATCH
Creating Account Rules & Mapping Set

WATCH
Creating a Custom Formula & Description Rules

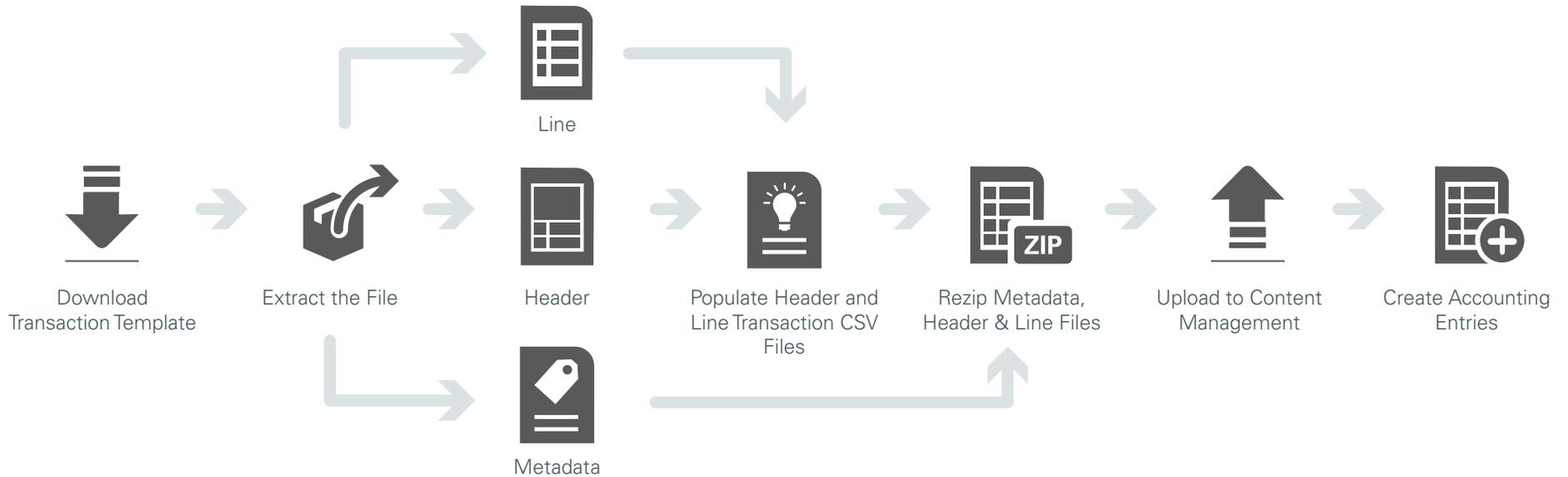
WATCH
Creating a Journal Line Rule

WATCH
Creating a Journal Entry Rule Set

WATCH
Creating an Accounting Method

Upload Transaction Data

Upload the transaction data used for creating accounting entries from the spreadsheet.



WATCH

Uploading Transaction Data for Accounting

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Key Things to Know

Setting Up Accounting Transformation

How to Verify Accounted Entries (Upload Transaction Data continued)

Verify the accounting result and related information by performing queries with specified criteria.

Journal Entry: VR-001 Actions View Transaction Done

Journal

General Transaction Details Ledger Attributes Additional Information

Ledger OFS Ledger US Completion Date 8/23/16

Status Final Legal Entity Name

Accounting Date 1/1/15 Entry Type Standard

Entry Description Loan Type: AR Event Type Name: LOAN ORIGINATION Customer Number: 1001

How to View Transaction Linked to Journal Entry

View the corresponding transaction used in the accounting:

Loan Mortgages Transaction: VR-001 Done

Header

Actions View Detach

Application Name	Event Type	Ledger	Transaction Date	Transaction Number	Loan Scheduled Payment Date	Loan Maturity Date	Loan Type	Loan Amount	Loan Origination Date	Mortgage Owner
Loan Mortgages	LOAN ORIGINA...	OFS Ledger US	1/1/15	VR-001	2/1/15	3/31/18	Variable Rate	200,000	1/1/15	Alicia Kim

Lines

Actions View Detach

Line Number	Default Amount	Default Currency	Loan Rate
1 1	200,000	USD	3.875



Implementing Oracle
Accounting Hub Cloud



Import Accounting
Transactions



Maintain Auditable
Accounting Rules



Actionable Insights and
Reporting



Analytics and
Operational Metrics

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Implementing Oracle Accounting Hub Cloud

The subledger source system, with its accounting rules, is one of the important organizational assets owned by any enterprise. It is beneficial for an enterprise to have good policies and procedures to maintain internal financial control, accounting, and reporting for day-to-day operations.

Manage the implementation project with the project-centric view user interface in the Setup and Maintenance work area. Start the implementation for Accounting Hub Cloud by creating an implementation project in the Setup and Maintenance work area.

Select and add the following predefined task lists:

Define Accounting Entry Configuration for Rapid Implementation

Define Financial Reporting Structures

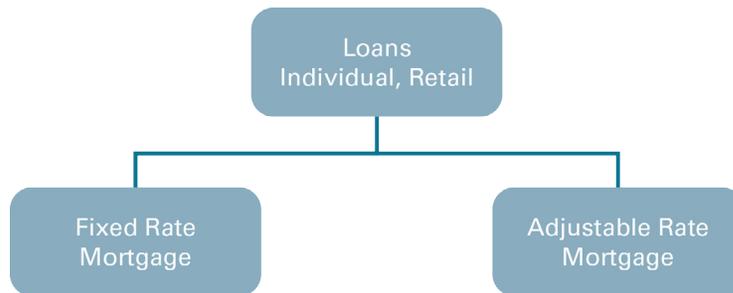
Define Ledgers

Define Enterprise Structures Configuration for Rapid Implementation

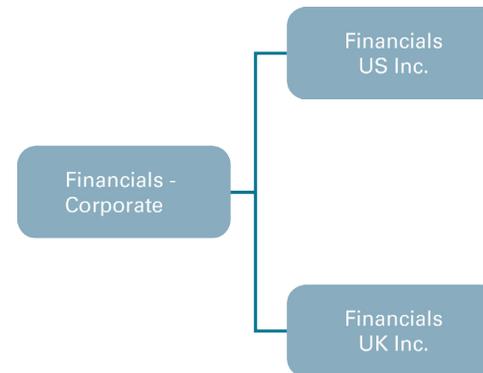
The Define Accounting Entry Configuration for Rapid Implementation task list includes all of the tasks required to complete the accounting rule configuration with a rapid implementation approach.

Planning and Modeling Subledgers

Accounting Hub Cloud offers the flexibility to plan and model subledger applications for managing transaction data file upload. For example:



- A banking source system that is comprised of multiple product lines can be registered with distinct number of subledgers equal to the number of product lines, or it can minimize the number of registered source systems by logically grouping the product lines.



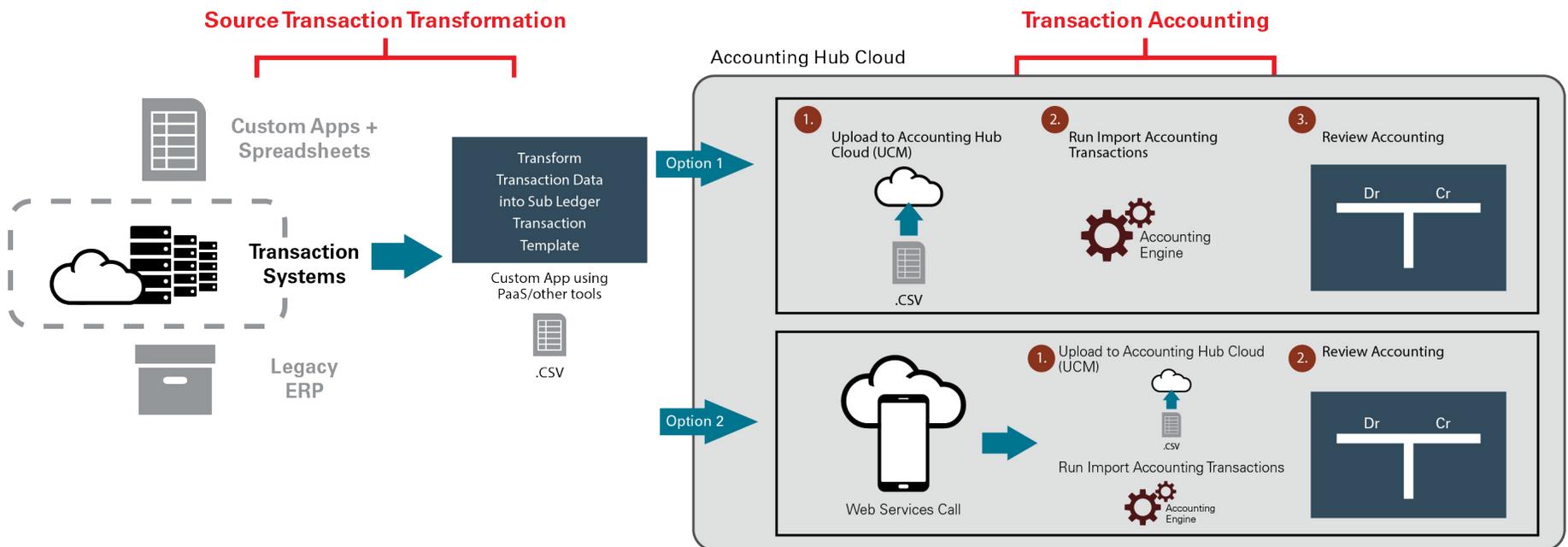
- A financials source system with a global business operation in the US and UK can optionally be registered as one subledger.

Source systems are modeled as separate subledger applications when:

- The transaction sources are mapped to different source systems.
- There is a need to have a separate control over the accounting and other business operation decisions for a specific source system.

Import Accounting Transactions

Transactions from source systems are imported into Accounting Hub Cloud to create accounting. Exceptions and error reports obtained from the import process must be reviewed and resolved whenever possible.

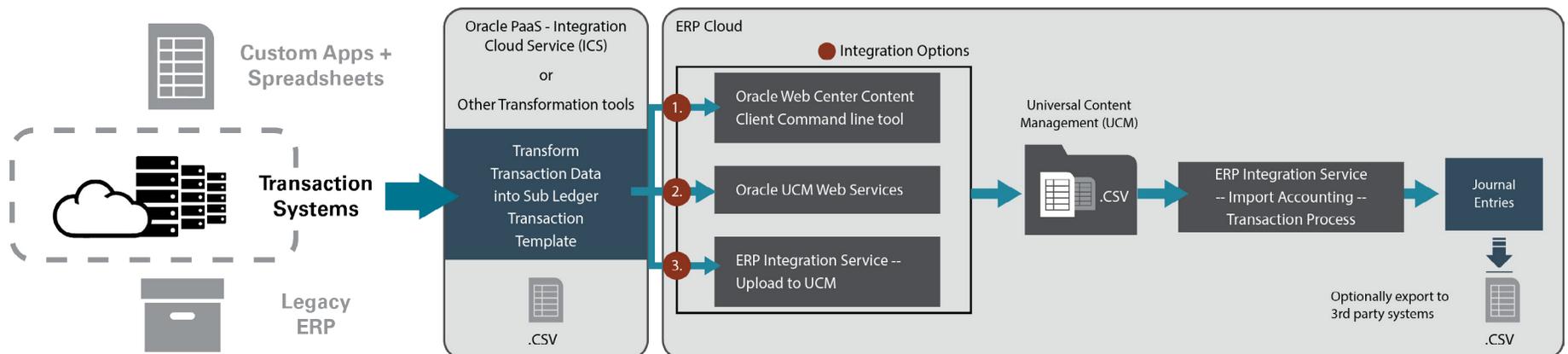


Accounting Hub Cloud provides the predefined process to import accounting transactions as described in Option 1. Option 2 displays the automated import process that is explained in the next section.

Automated Processing Options

There are automated processing options available to bring the transaction data files from the registered source systems into the ERP Cloud. This includes data from other external sources, such as other custom applications, transaction systems, or legacy ERP. Optionally, data transformation processing may be required for data sourced from PaaS or other external files.

- Transaction data in CSV files are brought to the Universal Content Management (UCM) in the ERP Cloud with one of the three available options.
- Subsequently, the Create Accounting process is called, resulting in the creation of journal entries.



References:

- Oracle Fusion Middleware Developer's Guide for Content Server: [Using Oracle UCM Web Services](#)
- [Oracle Integration Cloud Service](#)

Maintain Auditable Accounting Rules

Comply with the accepted auditing standards and minimize operational risks with auditable accounting rules.

Before and after updating accounting rules:

- Submit the Subledger Accounting Method Setups report to obtain the listing of accounting rule setup by ledger.
- Audit and verify the accounting rules configuration.

After updating accounting rules, always validate the changes on the rule set assignments.

The screenshot shows the Oracle Subledger Accounting Method Setup Report on a tablet. The report is titled "Subledger Accounting Method Setup Report" and includes the following sections:

- Accounting Method**: A table showing the "Loan Mortgages Accounting Method" with columns for Accounting Method Description, Loan Mortgages Accounting Method, Chart of Accounts, OFS Ledger, and Subledger Application.
- Journal Entry Rule Set**: A table showing the "Loan Originated" rule set with columns for Journal Entry Rule Set Description, Event Class, and Event Type.
- Used By Ledgers**: A table showing the "OFS Ledger US" ledger.
- Journal Entry Rule Sets**: A table showing the "Loan Originated" rule set with columns for Journal Entry Rule Set Description, Loan Originated, Chart of Accounts, OFS Ledger, Accounting Date, Transaction Date, and Event Header Description.
- Journal Line Rule**: A table showing the "Owner Cash Accrual" rule with columns for Journal Line Rule and Account Combination Rule.
- Journal Line Rule**: A table showing the "Loan Receivables" rule with columns for Journal Line Rule and Account Combination Rule.

Actionable Insights and Reporting

Accounting Process Reports:

It starts with the Create Accounting process that records financial transactions. When this process is completed, the corresponding Subledger Accounting Execution report is available for review. This report displays the subledger journal entries resulting from the accounting process. It also reports any exceptions resulting from the accounting process. There are also other predefined subledger reports that display subledger journal entries by accounts and periods.

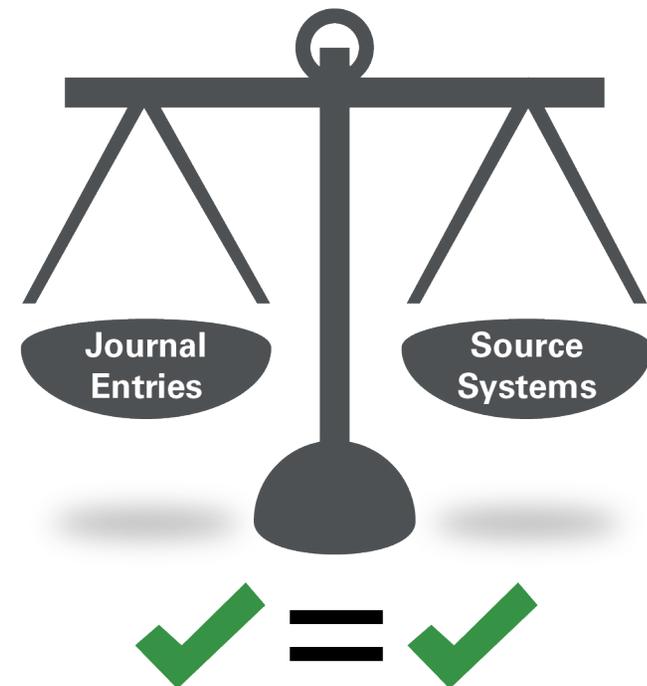
When you are ready to close the period, it's a good practice to run the Subledger Period Close Exceptions Report to identify unaccounted accounting events, draft, and untransferred final journal entries. Verify the exceptions and communicate to take actions for a successful financial close process. Additionally, get the visibility into the period close statuses and corresponding exceptions for each subledger from the General Accounting Period Close Dashboard.

Reconciliation with Source Systems:

Audit and verify the completeness and accuracy of the accounted journal entries in the Accounting Hub Cloud. It is a common business practice to reconcile the entries with source systems that maintain the balances.

You can configure supporting references to assist with reconciliation of account balances. For example, if a Loans subledger is configured to track a specific transaction attribute with supporting references, you can perform reconciliation between the Loans subledger journal entries with the corresponding attribute in the source system at the period end.

Loan Receivable Amounts



Analytics and Operational Metrics

Supporting Reference

Loan Receivable

Debit		Credit	
01/01/16	\$600,000	02/01/16	\$500
		Balance \$599,500	



Loan Type
ARM

Collect the analytical and operational metrics, and analyze the captured transactional data to measure the performance of the specified business category, such as product lines or customer categories.

For example, configure a supporting reference with balances to tag loan product types. You can use this supporting reference in the loan receivable journal line to track its outstanding loan receivable balances.

Best Practices

Audit and History of Source Transaction:

View the captured data and facts on the subledger application to help your business decision making.

Configure supporting references that do not maintain balances or journal line descriptions to tag journal entries with transaction attributes. Then, use the tag to report on entries, reconcile the entries back to source systems for the same transaction attribute.

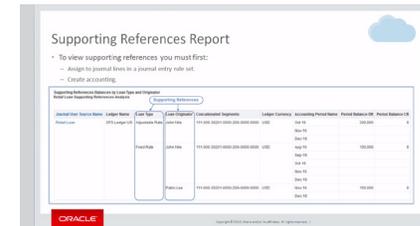
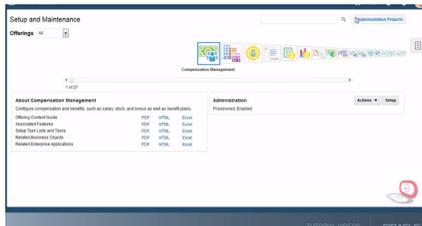
For example, configure a supporting reference or journal line description to capture the loans details information, such as loan type, rate, and terms. You can use this supporting reference or journal line description in the interest income journal line. When querying or viewing journal entries associated with the interest income journal line, this detail information is tagged along with the line.

Supporting Reference or Journal Line Description

Debit		Credit	
		08/31/16	\$500,000

**Loan Type
ARM; RATE:
3.43%**

←

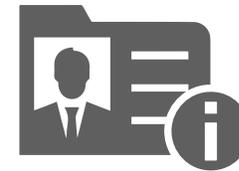


 **WATCH**
Creating Supporting References

 **WATCH**
Using the Supporting References Report



Key Things to Know for Implementor



Key Things to Know for Users

Overview

Setting Up Accounting Transformation

Best Practices

Key Things to Know

Key Things to Know for Implementor

Quick tips to help in the implementation and maintenance of Accounting Hub Cloud:

Flexible configuration options for implementors are listed below:

The strategy to use Accounting Hub Reporting from the existing E-business suite on premise configuration.

- Minimal additional setups are required to move the balances and re-post to the Oracle general ledger. This is explained in [Support Note Doc ID 2034564.1](#).

The ability to export accounted journal entries.

- For a source system that is registered in Accounting Hub Cloud, you can export the accounted entries to any general ledger in Fusion GL, EBS GL, or PeopleSoft GL formats.

The ability to automatically upload transaction files into UCM from an external system.

You can set up your external source system to automatically upload or download files in UCM. Of the three options, the first two options are recommended, as they are easier to use and can handle larger files.

Options:

- Oracle WebCenter Content Client Command line tool is a command line tool that transfers files from an external system into UCM.
 - o You must provide basic information, such as URL, the UCM username and password, the name of the file to transfer, and the UCM account to transfer it into.
 - o Additional documentation is available in the Oracle Fusion Applications Common Implementation Guide, External Integration section.
- Oracle UCM Web Services is a web service that can be called directly to upload an attached file to UCM, using the same code as the Oracle WebCenter Content Client Command line tool.

Key Things to Know for Implementor

- o Examples of java code and libraries are available for download.
 - o You must modify them with basic information, such as URL, the UCM username and password, the name of the file to transfer, and the UCM account to transfer it into.
 - o Documentation is available in Oracle Fusion Middleware Developer's Guide for Universal Content Management, section Using Oracle
 - o UCM Web Services.
 - o Customers should use the GenericSoapService. Note that the documentation for GenericSoapService indicates it does not use MTOM and thus cannot handle larger files, but this is no longer true.
- ERP Integration Service is a web service that can be called directly to upload an attached file to UCM. This is documented through the Oracle Financial Cloud documentation. You must write or generate code to call the web service yourself.

The ability to automatically submit the Import Oracle Fusion Subledger Accounting Transactions process.

Use the ERP Integration Service to automatically submit the Import Oracle Fusion Subledger Accounting Transactions process. This is documented through the Oracle Financial Cloud documentation.

The job package name is `/oracle/apps/ess/financials/subledgerAccounting/shared`.

The job name is `XLATXNIMPORT`.

Three parameters are used:

- Document ID (as returned by UCM)
- File name
- Null value

Key Things to Know for Implementor

The list of the mandatory sources that cannot be updated.

Header Level:

- Transaction Date
- Transaction Number
- Ledger Name

Line Level:

- Transaction Number
- Default Amount
- Default Currency

The maximum length of characters allowed for each source system.

- Transaction Name: 25 characters
- Transaction Type Name: 30 characters
- Source Name: 80 characters

The ability to arrange transaction sources in a different order than the current order in the template.

As long as you change the order of the source names in the heading to match, you can freely change the order of the sources in the template. You can remove any source that is not a mandatory source.

The ability to override the uploaded source system information.

You can re-upload the spreadsheet template for the same source system if you have not created any accounting rules for the uploaded source system.

Tips to enable the button to validate setup information in the Excel spreadsheet.

Enable the macro in Excel.

From Excel, click "Office Home" button -> "Excel Options" -> "Trust Center" -> "Trust Center Settings" -> "Macro Settings"

Select to 'enable all macros' and 'Trust access to VBA project object model'.

How to build account combination values in the transaction data file.

To build an account combination, you can use the following within your account rules:

- Use mapping sets to derive segment values and / or entire account combinations
- Use the predefined sources Default Suspense Account and Entered Currency Balancing Account to default your entire account combination or individual segments. These sources are based upon the default suspense account and the entered currency balancing account specified for your ledger.
- Define and use Accounting Hub Cloud segment sources. Note that this will only work if no secondary ledger that requires a chart of accounts mapping is set up.

Which document account and security group to use when uploading the Accounting Hub Cloud data into UCM.

Use a document account of fin\$/fusionAccountingHub\$/import\$.

Use a security group of FAFusionImportExport.

Assign the Accounting Hub Integration duty role to the job role for the user who runs the process to import subledger accounting transactions.

Key Things to Know for Users

Quick helps for users are listed below:

What is the best practice for naming the transaction upload file?

The name of the file must begin with 'XlaTransaction'. The files to have a unique name that includes a date and time stamp as well as the subledger source. For example, XlaTransactionLoanMortgage12_01_16.

Where can I review the accounted journal entry?

- Reports:
 - o Create Accounting Execution Report
 - o Journal Entries Report
 - o Account Analysis Report
- User Interface:
 - o Create Accounting Execution Report

Perform inquiry from subledger review journal entries user interface.

What is the quickest way to search for the accounted Accounting Hub Cloud journal entries?

Look for journals with a journal source name of the name you entered for Source System Transaction.

Enter transaction data with multi-byte languages, for example, Chinese and Japanese.

Extract the CSV files from your XlaTransactionUploadTemplate.zip file and open them using WordPad. If question marks are shown instead of the foreign language, then the issue is in the data file.

If you enter transaction date with a multi-byte language in Excel, use the following workaround to make sure data is encoded appropriately.

Key Things to Know for Users

- Enter data in Excel
- Save as Unicode Text (*.txt) on your desktop
- Edit the txt file, replace tab with comma and save
- Rename the .txt file to .csv

Open the header and line transaction CSV file with Excel.

When using the Excel spreadsheet to open the CSV data file, ensure the local date format is the same as the format noted in the metadata file:

- Change the Short date format to be the same as the format noted in the metadata file in the Region and Language window of the control panel

Populate the value with the date format as noted in the metadata file.

What is the source value for the Conversion Type accounting attribute?

Select the conversion type you want to convert from the transaction currency to the ledger currency. Use the conversion type as displayed in the user interface. Do not use a code or ID.

If accounting fails, trouble shoot the accounting process:

1. Enable diagnostics:
 - o Turn on the profile option 'Diagnostics Enabled' for the user who will perform Step
2. Submit the Create Accounting process in Draft mode with the same user as Step 1.
3. Submit the Subledger Accounting Method Setup Report.
4. Submit the Accounting Event Diagnostic Report with the Display accounting attribute parameter set to Yes.

Use the report outputs from the above processes to analyze the setup and transactional data to determine what may have caused the issue.

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Integrated Cloud
Applications & Platform Services

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