

# Closing and Reconciling Oracle Receivables Release 12 (and 11i)

2015

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# Agenda

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- ▶ What's New In R12?
- ▶ The Close
- ▶ A Formal Close Schedule
- ▶ "Period Close" Activities to Complete In Advance
- ▶ The Actual Close
- ▶ Close Checklist
- ▶ Reconcile AR to the Aging
- ▶ Document Accounting Activity
- ▶ Reconcile AR to GL
- ▶ Reconcile Cash with Deposits
- ▶ Improve Your Close Process

# About Me

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- ▶ One of Original Designers of Oracle Receivables and Revenue Accounting
- ▶ Worked with 80+ Companies Implementing, Upgrading and/or Optimizing Use of Oracle Receivables
- ▶ Over Thirty Years Experience Designing, Developing, and Implementing Financial Applications
- ▶ Independent Consultant 25+ Years

## Note:

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- ▶ This Paper is For the Most Part Applicable for both I Ii and R I2
  - ▶ I Will Note When Applicable for R I2 Only
- ▶ I am NOT an SLA Expert!
- ▶ Not a Fusion Expert!

# What's New in R12?

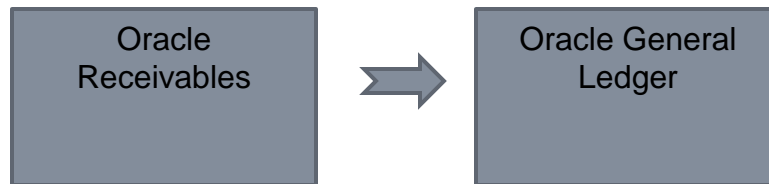
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- ▶ **SubLedger Accounting (SLA)**
- ▶ **More Reports Especially Reconciling Reports**
  - ▶ **SLA Reports**
  - ▶ **More Accounting Detail Reports**
  - ▶ **Report to Reconcile AR with GL**

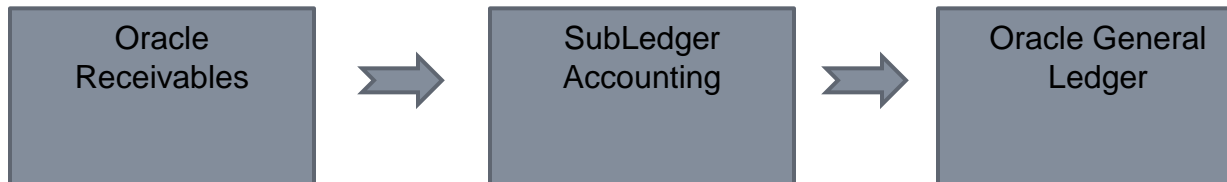
# SubLedger Accounting (SLA)

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Prior to SLA



With SLA



# SubLedger Accounting

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- ▶ Greater Control Over Accounts Used
- ▶ Ability to Override Default Values
  - ▶ **But - Should You?????**
    - ▶ Then AR Not the Same as GL

# Some of the New AR Reports in R12

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- AR to GL Reconciliation Report \*\*
  - Unapplied Receipts Journal \*\*
  - Cross Currency Exchange Gain/Loss Report
  - Cumulative Activity Balance Report (bug)
  - Customer Open Balance Letter (bug)
  - IEX: Create Dunning and Broken Promises Call Backs
  - Other Receipt Applications
  - Publish Actual Receipt
  - Publish Receipt Forecast
  - Publish Transaction Check
  - Receipt Analysis – Days Late
  - Reversed Notes Receivable Report
- \*\* Use in the Close



# New SLA Reports in R12

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- ▶ Control - Requests - Run
  - ▶ Account Analysis Report
  - ▶ Journal Entries Report
    - ▶ Old Report is Still There, Now Called:  
AR: Journal Entries Report
  - ▶ SubLedger Period Close Exceptions Report  
\*\*
  - ▶ Create Accounting (Process Accounting)
    - ▶ Creates the Journal Entries\*\*

# The Close

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- ◎ Visibility
- ◎ Too Much to Do
- ◎ Not Enough Time
- ◎ ***STRESS!***

# Relieve The Stress!

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- ▶ Brevity!
- ▶ Accuracy!
- ▶ Control!

## Suggestions:

- ▶ Have a Close Schedule
- ▶ Use a Close Checklist
- ▶ Create and Use Standard Reconciling Procedures

# A Formal Close Schedule

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- ▶ Clear Cut-Offs / Deadlines
  - ▶ Defined In Advance
  - ▶ Consistency!
- ▶ Useful For:
  - ▶ Bank Deposits
  - ▶ Shipments
  - ▶ Inter-company Activity
  - ▶ Miscellaneous Cash
  - ▶ Other Interfaces
  - ▶ Avoiding the “Just One More Thing” Syndrome

# Close Schedule Example

## Where the Last Day of the Period is a Friday

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TASK	DESCRIPTION	Who	Cutoff Date/Time
1.	Final Deposit for the Period	Cash	Thursday
2.	Enter Final Miscellaneous Cash Entries	Cash	Thursday 5:00 pm
3.	Process and Correct Final Deposit (AutoLockbox)	Cash	Friday 3:00
4.	Enter Final Intercompany Entries	Cash	Friday Noon
5.	Final Interfaces from Other Applications: Order Management, Projects, Cash Management...	Cash	Saturday at Noon
6.	Run the Final AutoInvoice Process	Billing	Saturday by 7:00 pm
7.	Scheduled Run of Period End Reports	Closer	Sunday Noon

# “Period Close” Activities to Complete in Advance / On-Going

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- ▶ Accept/Reject Adjustments
- ▶ Complete/Delete Incomplete Transactions
- ▶ Resolve AutoInvoice Rejects
- ▶ Clear Lockbox Exceptions
- ▶ Run Revenue Recognition Process
- ▶ Enter Miscellaneous Cash
- ▶ Apply Unapplied Cash
- ▶ Transfer Data to the General Ledger (11i)
- ▶ Create Accounting (R12) – Daily???

# It is Not Necessary to:

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- ▶ Make Unapplied Receipts On-Account
  - ▶ Doesn't Matter if Batch is "Closed"!!!
  - ▶ Double Work
  - ▶ Lose of Visibility of True Cash in Advance
- ▶ Apply all Unapplied Receipts

# The Actual Close

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- ◎ Complete All Interfaces
  - > AutoInvoice
  - > AutoLockbox
  - > Others....
- ◎ Enter Final Transactions
- ◎ Clear Exceptions
- ◎ Create Accounting (Final) \*\*
  - ◎ In 11i – General Ledger Interface
- ◎ Verify Accounting Entries
- ◎ Close the Current Period
- ◎ Open the New Period
  - > ***Tip: Have Only One Period Open at a Time!!***



# Use a Close Checklist

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- ▶ See What You Need to Do
  - ▶ And, The Sequence To Do Them
- ▶ Know What is Done
  - ▶ And, What is Left to Do

# Close Checklist - Example

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TASK	DESCRIPTION	Who	Cutoff Date/Time
1.	Complete the manual payments processing for the period (including cleanup of "Out of Balance" batches). Complete final wires too!	Cash	Friday 3:00pm
2.	Complete the adjustments for the period.	Cash	Friday 3:00
3.	Complete the final Lockbox process and clear all rejects.	Cash	Friday 3:00
4.	Complete entry of any manual invoices, credit memos, debit memos and corrections	Cash	Friday Noon
5.	Run the final AutoInvoice process	Billing	Saturday when?
6.	Correct ALL AutoInvoice rejects and re-run until clean	Billing	Saturday 7:00pm

# And More Details

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**9) Run the AR:Journal Entries Report** (to verify what the journal entries will look like)

## **Reports - Accounting (Print Accounting Reports)**

<b>Type</b>	Single Request
<b>Name</b>	AR: Journal Entries Report
<b>Reporting Level</b>	Ledger
<b>Reporting Context</b>	<i>Applicable Ledger</i>
<b>GL Date From</b>	<i>Period start date e.g. 01-JUN-16</i>
<b>GL Date To</b>	<i>Period end date e.g.,30-JUN-16</i>
<b>Posting Status</b>	Posted and Unposted (not the default)
<b>Print Detail by Account</b>	<i>blank</i>
<b>Print Detail by Category</b>	<i>blank</i>
<b>Print Summary by Account</b>	Yes
<b>Print Summary by Category</b>	Yes

Use the defaults ("Yes") for all record types and leave the rest of the parameters blank

# Reconcile AR to the Aging

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- ▶ AR Reconciliation Report (new in 11i) and
- ▶ Starting Aging Balance
  - ▶ Transaction Register
  - ▶ Applied Receipts Register
  - ▶ Unapplied and Unresolved Receipts Register
  - ▶ Adjustment Register
  - ▶ Invoice Exceptions Report
  - ▶ Currency Gains/Losses Report
- ▶ Ending Aging Balance

**\*\*Note: CAN NOT Retroactively Run Aging With the Same Results**

# Reconcile AR to the Aging

				Curr1 CO 00	Curr2 CO 00	USD CO 00
MONTH: _____						
PREPARED BY: _____						
ACTIVITY	AR Reconciliation Report	Transaction Reports	SOURCE			
Starting Balance	\$0.00	\$0.00	Aged Trial Balance - Old			
Invoices	\$0.00	\$0.00	Transaction Register	\$0.00	\$0.00	\$0.00
Debit Memos	\$0.00	\$0.00	Transaction Register			\$0.00
Credit Memos	\$0.00	\$0.00	Transaction Register			\$0.00
			0.00			
Applied Receipts	\$0.00	\$0.00	Transaction Register Subtot 0.00 Applied Receipts Register (Applied Amount Total * -1)	\$0.00	\$0.00	\$0.00
Discounts Taken	\$0.00	\$0.00	Earned Discount *-1 Unearned Discount *-1 <i>Multiply Unapplied.. by -1</i>	\$0.00 \$0.00		\$0.00 \$0.00
Unapplied Activity	\$0.00	\$0.00	Unapplied and Unresolved Receipts Register Unapplied Cross Currency Unapplied Cross Currency (AR)	\$0.00	\$0.00	\$0.00
On Account Activity	\$0.00	\$0.00	Unapplied and Unresolved Receipts Register Unidentified	\$0.00	\$0.00	\$0.00
CM Gain/Loss	\$0.00	\$0.00	On Account CM Gain/Loss Journal	\$0.00	\$0.00	\$0.00
CM Applications						
Adjustments	\$0.00	\$0.00	Adjustments Register (may be + or -)			\$0.00
Items Not Aged	\$0.00	\$0.00	Invoice Exceptions Report	\$0.00	\$0.00	\$0.00
TOTAL	\$0.00	\$0.00		0.00		
Ending Balance	\$0.00	\$0.00	Aged Trial Balance - New			
Difference	\$0.00	\$0.00	Should be 0 (Total - Ending Balance)			
			Totals:			

# A Few Tips

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- ▶ **AR: Journal Entries Report – Summary By Category**
  - ▶ Verify That No Illogical Entries (AR vs. Non AR by Category)
- ▶ **Transaction Register (Split by Company and Currency)**
  - ▶ Invoices, Debit Memos, Credit Memos, Commitments
  - ▶ Credit Memo Total Should be Negative
  - ▶ Watch Bottom Total in 11.5.9+ – includes ALL Currencies
- ▶ **Applied Receipts Register –**
  - ▶ Add Totals and Multiply by -1
  - ▶ Result May be Negative or Positive
  - ▶ Note that Total Does Not Include Discounts (in 11.5.9+)
  - ▶ Note: Cash Received Does Not Equal Amount Applied!
- ▶ **Adjustment Register (Total May be Negative or Positive)**
- ▶ **Invoice Exceptions Report (= Items Not Aged - Rare)**
- ▶ **Known Bugs in Numerous Reports:**
  - ▶ Including AR Reconciliation Report, AR:Journal Entries Report, Applied Receipts Register – **\*\*\*See Note: 1269489.1**

# Reconciling Items?

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- ▶ Inconsistent Use of Dates
  - ▶ Always Use First Date through Last Date of Period
- ▶ Use of Wrong Sign on Spreadsheet
- ▶ Buggy Version of a Report
- ▶ Improper Entry on Spreadsheet
- ▶ More Than One AR Period Open at a Time
- ▶ Watch Currency and Company
- ▶ Non-Unique Unapplied Account?

# Document Accounting Activity

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- ▶ **Key Accounts**
  - ▶ AR, Cash, Unapplied Cash...
- ▶ **What Does AR Say?**
  - ▶ Ending Aging Balance
  - ▶ AR: Journal Entries Report
- ▶ **What Does GL Say?**
  - ▶ Account Analysis Report
- ▶ **Are There Differences?**
  - ▶ Why?



# Reconcile AR to GL

MONTH:	PREPARED BY:	Curr1 CO 00	Curr2 CO 00	USD CO 00	JE Report Names	JE Totals	USD AR Acct1	USD AR Acct2	AR Acct3	AR Acct4	USD AR Acct5	USD AR Acct6	USD Unearned Mu	USD Earned Multiple	USD Cash Acct	USD Cash Acct2	USD Cash Acct3	USD Cash Acct4	
ACTIVITY		SOURCE																	
AR Reconciliation Report		Transaction Reports			AR: Journal Entries Report														
Starting Balance	\$0.00	\$0.00			Aged Trial Balance - Old														
Invoices	\$0.00	\$0.00			Transaction Register		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00						
Debit Memos	\$0.00	\$0.00			Transaction Register					\$0.00	\$0.00								
Credit Memos	\$0.00	\$0.00			Transaction Register					\$0.00	\$0.00								
					0.00														
Applied Receipts	\$0.00	\$0.00			Transaction Register Subtot	0.00													
					Applied Receipts Register	\$0.00	\$0.00	\$0.00					0	0					
					(Applied Amount Total * -1)														
Discounts Taken	\$0.00	\$0.00			Earned Discount *-1	\$0.00	\$0.00	\$0.00											
					Unearned Discount *-1	\$0.00	\$0.00	\$0.00											
					Multiply Unapplied. by -1									0					
Unapplied Activity	\$0.00	\$0.00			Unapplied and Unresolved Receipts Register	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00							
					Unapplied Cross Currency					\$15.87	\$15.87								
					Unapplied Cross Currency (AR)														
On Account Activity	\$0.00	\$0.00			Unapplied and Unresolved Receipts Register	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00								
					Unidentified					\$0.00									
CM Gain/Loss	\$0.00	\$0.00			On Account CM Gain/Loss Journal	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00								
					Credit Memo Exchange Loss														
					Credit Memo Exchange Gain														
CM Applications										\$0.00									
Adjustments	\$0.00	\$0.00			Adjustments Register					\$0.00	\$0.00			0					0
					(may be + or -)														
Items Not Aged	\$0.00	\$0.00			Invoice Exceptions Report	\$0.00	\$0.00	\$0.00		\$0.00									
TOTAL	\$0.00	\$0.00				0.00													
Ending Balance	\$0.00	\$0.00			Aged Trial Balance - New														
Difference		\$0.00			Should be 0		(Total - Ending Balance)												
Totals:								\$15.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	0	0
							Trade Receipts Cash			Cash Received									

# Tie AR to GL

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- ▶ GL Starting Balance
- ▶ +/- Current Period Activity
- ▶ +/- Current Period Manual Journal Entries
- ▶ +/- To Date Manual Journal Entries
  
- ▶ **Should Equal:**
  - ▶ Aging by Account
  - ▶ Ending GL Balance

# Differences Between AR and GL?

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- ▶ **Why Are There Differences?**
  - ▶ Account Usage From Other Sources
  - ▶ Manual Journal Entries
  - ▶ Post To GL Not Completed Successfully (11i)
  - ▶ Create Accounting not Successful (R12)
  - ▶ Changes to Standard Accounts, e.g., Unapplied Cash
  - ▶ Improper Setups
  - ▶ Unposted Items
  - ▶ SLA Rules Change Account Values\*\*
- ▶ **Run New Report in R12 After Final Create Accounting:**
  - ▶ AR to GL Reconciliation Report \*\* *Special Screen to Submit*

# Run the New SLA Reports (R12 Only)

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- ▶ Control - Requests - Run
  - ▶ Account Analysis Report
  - ▶ Journal Entries Report
    - ▶ (Huge – For Reference Only)
  - ▶ SubLedger Period Close Exceptions Report \*\*
    - ▶ Note: Also Good for Checking SLA Definitions That Differ from AR Definitions

# Reconcile Cash with Deposits

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- May Be Included in the Process Above - or Separate
- Who Does This?
- Shared Accounts with Accounts Payable? (Cash?)
- Keep Batches Clean
- Reconcile With Bank Deposits
  - Daily! Not Just at Month End
  - Use Deposited Cash Reports (in Other Reports)
  - Utilize Cash Management?
  - Per Oracle "This Can't Be Done"
- Have Procedures for Re-Entry of Prior Period Data
  - Sunday Date?
- Credit Card Receipts? Lag Time

# Improve Your Close Process

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- ▶ Resolve Inappropriate Usage of Accounts
- ▶ Isolate Accounts by Application
- ▶ Reduce Manual Journal Entries
- ▶ Suggest Process Improvements
- ▶ Get In the Habit of Pre-Doing as Much As You Can
- ▶ Create and Use a Close Schedule
- ▶ Create and Use a Close Checklist

# Bug & Note List From Note 1269489.1

- [BUG:7423482](#) - RECEIPT REGISTER AND RECEIPT JOURNAL NOT SHOWING ON ACCOUNT ACTIVITY
- [BUG:7589198](#) - RECEIPTS REGISTER DOES NOT MATCH RECEIPTS JOURNAL
- [NOTE:1055932.1](#) - R12: Receivables Reports - Reporting Context List of Values Is Empty
- [NOTE:1069117.1](#) - SALES JOURNAL BY CUSTOMER REPORT FAILS WITH REP-1401
- [NOTE:1106283.1](#) - ARSJGLARPT Sales Journal by GL Account Report (XML) Takes Several Hours to Complete
  
- [NOTE:1130633.1](#) - XLAAARPT Account Analysis Report Does Not Enforce Flexfield Segment Security Rules
- [NOTE:1132626.1](#) - AR Journal Entries Report Not Showing Credit Memo Refunds
- [NOTE:1150295.1](#) - R12: Third Party Balances Report Is Missing Some Items Even The Setup Has Been Done For Control Accounts
- [NOTE:1189046.1](#) - SubLedger Account Analysis Report Fails To Complete Due To High Volumes of Data
- [NOTE:1233033.1](#) - How To Close AR Period When There Are Incomplete Transactions On The SubLedger Period Close Exception Report XLAPEXRPT
- [NOTE:1269489.1](#) - R12 Period Close Procedure for Oracle Receivables
- [NOTE:1307206.1](#) - EBS: R12 Receivables Rollup Patch Collection February 2011
- [NOTE:1320546.1](#) - Information Center: Overview of the Transactions Workbench in Oracle Receivables (AR) 11.5 and later
- [NOTE:313074.1](#) - Reports Error: APP-FND Errors in Unresolved And Unapplied Receipts Register
- [NOTE:393682.1](#) - Unable To Reconcile Receipt Register to Receipt Journal
- [NOTE:464866.1](#) - E-Business Suite Diagnostics Test Catalog for 12.0.3 RUP 3
- [NOTE:469721.1](#) - Oracle E-Business Suite Diagnostics Test Catalog for 12.0.4 (RUP 4)
  
- [NOTE:557869.1](#) - EBS: R12.0 ORACLE FINANCIALS CRITICAL AND RECOMMENDED PATCHES
- [NOTE:559245.1](#) - R12: Unable To Run The Unposted Items Report
- [NOTE:560990.1](#) - Journal Entries Report Completes With Warning XML Page Cannot be Displayed
- [NOTE:601774.1](#) - Third Party Balance Report not showing Transaction Numbers
- [NOTE:729051.1](#) - R12: Why Do AR Reports like 'Account Status Report' or 'Transaction Register' or Aging Reports Not Show Secondary Ledger Currency In the Parameter List Of Values?
- [NOTE:736361.1](#) - SubLedger Period Close Exception Report Shows Unprocessed Cash And Misc Receipts, But Those Seem to Be Processed
- [NOTE:741601.1](#) - Oracle E-Business Suite Diagnostics Test Catalog for 12.0.6 RUP 6
- [NOTE:783319.1](#) - Oracle E-Business Suite Diagnostics Test Catalog for 12.1.1
- [NOTE:793257.1](#) - R12: Which Transactions Are Printed On the Unposted Items Report
- [NOTE:793598.1](#) - R12: How to Use the SubLedger Period Close Exceptions Report for Period Close Activity?
- [NOTE:799753.1](#) - R12: AR to GL Reconciliation Report Shows Difference When There Is Cross Currency Receipt Application and Multiple Ledgers Data
- [NOTE:805645.1](#) - R12: Sales Journal by GL Account Report (XML) replaces RDF report 'Sales Journal by GL Account'
- [NOTE:845008.1](#) - Transaction Register Errors with "ORA-06503: PL/SQL: Function returned without value" When Reporting Level is Ledger
  
- [NOTE:881050.1](#) - How Does Journal Entries Report Pick Up Data from AR/XLA Tables?
- [NOTE:951527.1](#) - XLATPRPT - Third Party Balances Report Retrieves No Data For Receivables
- [NOTE:958727.1](#) - AR Reconciliation Report Shows Wrong Sales Journal Entries After Upgrade To 12.1.1
- [NOTE:961285.1](#) - R12: Period-End Procedures for Oracle Financials E-Business Suite
- [NOTE:983063.1](#) - SLA: How to Troubleshoot XML Performance Issues in the Account Analysis & Journal Entries Report



# Find Differences Caused By SLA Definitions

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- ▶ Go to Note: 942252.1 in My Oracle Support and run for each Activity Type to see if there are any Personalizations that may be Causing Reconciliation Issues



# Fusion

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- ▶ Fusion Accounting Hub Reporting
  - ▶ Available for 12.1.2 +
  - ▶ Replace FSGs
  - ▶ Only a few Customers Live Now
  
- ▶ New In Fusion
  - ▶ “SOA Collaborations in the Close” (Service Oriented Architecture)
    - ▶ Record Related Conversations

# Good Luck!

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See [www.cathycakebread.com](http://www.cathycakebread.com) for more papers

See [www.cathycakebread.com/close](http://www.cathycakebread.com/close) for updates  
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