Understanding Fixed Assets Key Setup Steps

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- Objectives
  - The objective of this session is to walk through the setup steps for Oracle Assets and discuss the limitations and options on how to define the key setup steps to best satisfy your requirements:
    - Understand the key setup steps in Assets
    - Understand the limitations for some of the key setup steps
    - Understand the pros and cons for key setup steps to get the best results for you system

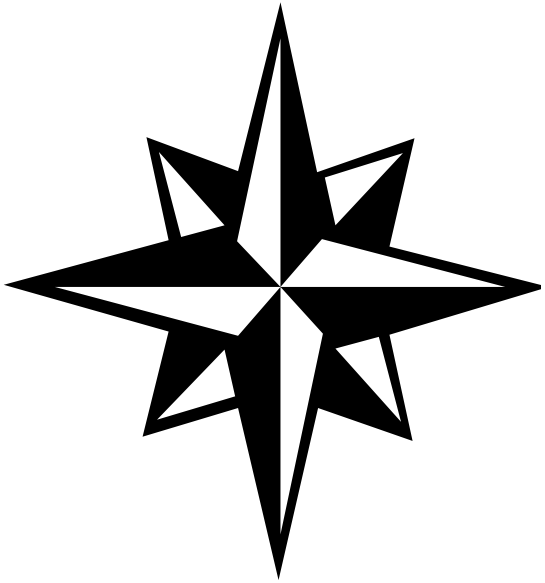
About the Presenter

- Brian Bouchard
  - 20 years Oracle Experience as an end user and implementation consultant
  - Over 20 Full Cycle Implementations
    - Financials
  - Chief Executive Office at Chi-Star Technology
  - Serves as the OAUG Asset SIG Coordinator
  - Prior Presentations:
    - How to facilitate the transfer of assets across Corporate Books – *AUSOUG 07 – Oracle with 20:20 Foresight*
    - Oracle Assets Release 12 Enhancements – *NCOAUG 08 - Winter*
    - R12 Assets – A Look Inside – *NCOAUG 08 – Summer*
    - Reporting – Reconciling Assets – *NCOAUG 09 - Winter*
    - Event Accounting – Impacts to R12 Assets – *Collaborate 10*
    - Who's Booking To My Account – *Collaborate 10*
    - Why Move Away From Account Generator – Collaborate 10
    - I Hate Tax Books! Do they have to be so hard to define & maintain? – *Oracle Open World 10*
    - Managing Assets in a Global Environment – *Collaborate 11*
    - Understanding Fixed Assets Key Setup Steps – *Collaborate 11*

About Chi-Star Technology

- Developed Bolt-on Oracle Assets products
  - AssetCross – Automates the transferring of assets between corporate depreciation books
  - AssetTie – Automates the reconciliation between Assets and General Ledger and Corporate and Tax books
- eLearning Service Offerings
  - Video training
    - Oracle Assets
    - Data Conversion
    - Asset Technical Training - Tables
  - Webinar Sessions

High-Level Overview



- Overview of Oracle Assets
  - Implementation
  - Setup Step Flow Chart
- Keys Setup Steps
- Great Sources for Asset Information
- Questions

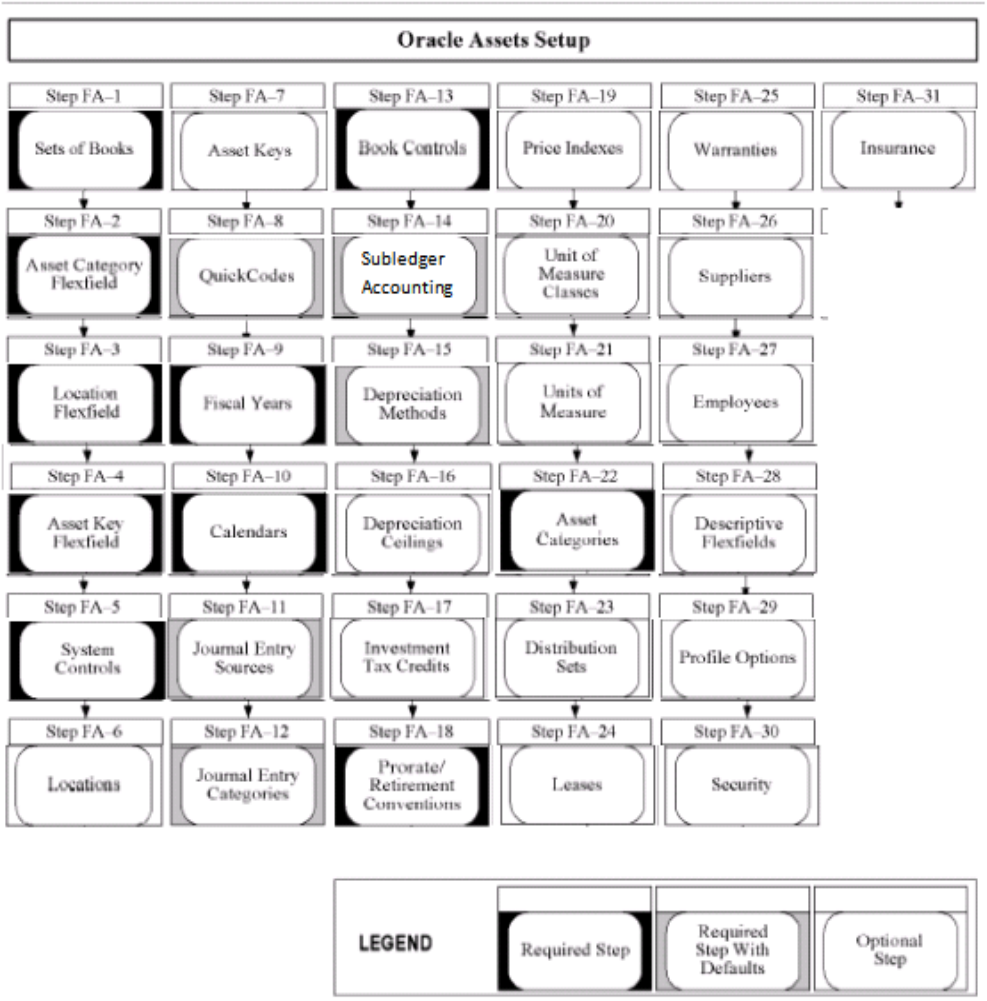
Overview of Oracle Assets

Implementation

Keys to a Successful Implementation:

- Early Planning
- Create Project Plan/Guidelines
- Complete Participation of all Users (Include Tax Department)
- Maintain Communication with other Application Teams
- Define Reporting Requirements Early
- Document Setup Decisions
- Continuous Feedback

Assets Setup Step Flow Chart



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Key Setup Steps

Setup Steps – Key Flexfields

Flexfield: Client defined fields. Clients determines the structure/order of the fields, the characteristics of the values to be housed, and the list of values users will select.

Two types of Flexfields:

1. Key – required, must be defined by client [data housed in segments on tables]
2. Descriptive – optional, used to maintain/house additional data that Oracle does not house [data housed in attributes on tables]

Assets has three Key Flexfields:

1. Category Flexfield
2. Location Flexfield
3. Asset Key Flexfield

Setup Steps - Key Flexfields

Step 1 - Accounting Flexfield [Required]:

- Preformed in the General Ledger
- Must be defined prior to other subledgers setting up
- Can have up to 30 segments, 25 characters each segment

Setup Steps - Key Flexfields

Step 2 - Category Flexfield [Required]:

Purpose: Group like assets that have the same accounting and depreciation rules

- Only one structure supported
- Category flexfield serves as the holder of default rules (life, method, prorate & accounts) for each of your corporate and tax books
- One segment must serve as a 'Major' segment
- Usually Tax Driven - Consult tax department when defining
- Can have up to 7 segments, 30 characters each segment (recommend 2 or 3 segments)
- Combination of segment values plus separators must be 25 characters or less
- Once used, unable to change setup

Setup Steps - Key Flexfields

Step 3 - Location Flexfield [Required]:

Purpose: Group assets that have the same physical location

- Only one structure supported
- Main function is for Property Tax as opposed to a true 'Asset Tracker'
- One segment must serve as 'State' segment – used for property tax reporting
- Define structure that can be easily maintained
- Can have up to 7 segments, 30 characters each segments
- Determine if your will allow Dynamic Insertion
- Determine to create aliases
- Once used, unable to change setup

Setup Steps - Key Flexfields

Step 4 - Asset Key Flexfield [Required]:

Purpose: Group assets without financial impact

- Only one structure supported
- Group like assets for enhanced reporting
- Specific to each implementation
- No financial impact on the system
- If not using, one segment required for setup (Define without validation)
- Can have up to 10 segments, 30 characters each segment
- Once used, unable to change setup

Setup Steps - Key Flexfields

Defining Flexfields:

- Plan Flexfield Structure carefully - including all your segment information (segment order, field length, dependencies)
- Once you have started entering assets using a flexfield, you cannot change the flexfield
- Dynamic Insertion versus Greater Control
- Oracle Assets only displays a limited number of characters on its forms and reports - may wish to limit the number of segments per flexfield.

Setup Steps – System Controls

Step 5 - System Controls [Required]:

- Company Name - Select a company name that will appear on all Oracle Assets reports
- Oldest Date Placed in Service - Required to enter the date of the oldest asset in your database (NOTE: no assets can be added prior to this date)
- Automatic Asset Numbering - If converting from a legacy system, select a starting number greater than the number of legacy assets (Alpha-numeric field)

Setup Steps – Locations

Step 6 – Location Combinations [Required / Optional]:

Required if:

- Dynamic insertion not allowed, OR
- Converting legacy assets via a sql load script into Mass Additions Interface table

- **Not Required if:**

  Dynamic insertion is allowed, AND
- Converting legacy assets via WebADI

Setup Steps – Asset Key

Step 7 – Asset Key Combinations [Required / Optional]:

Required if:

- Dynamic insertion not allowed, OR
- Converting legacy assets via a sql load script into Mass Additions Interface table

- **Not Required if:**

  Dynamic insertion is allowed, AND
- Converting legacy assets via WebADI

Setup Steps – QuickCodes

Step 8 – QuickCodes [Optional]:

- Create a list of values for predefined fields
- Oracle has predefined values
- Define, if needed, additional values to include in LOV

  (I.E. Retirement Type – predefined [Extraordinary & Sale])

Setup Steps – Fiscal Years

Step 9 – Fiscal Years [Required]:

- Define the fiscal years for your company
- Begin Fiscal Years in the year of the oldest date of your asset defined in System Controls
- Define the first year, save, then use arrow down to create additional years

Setup Steps – Calendars

Step 10 – Calendars [Required]:

- Define the calendars to be used for calculating depreciation
- Define the first year, save, then use arrow down to create additional years
- Period Name must be 100% equal to the GL Period Name (including case sensitive)
- Two-digit year versus Four-digit year naming convention

Setup Steps – Journal Source

Step 11 – Journal Entry Source [Optional]:

- Oracle has predefined values
- Define, if needed, additional values to include in LOV
- Used to identify the source of the journal created in GL

Setup Steps – Journal Category

Step 12 – Journal Entry Categories [Optional]:

- Oracle has predefined values
- Define, if needed, additional values to include in LOV
- Used to identify the transaction type of the journal created in GL

Setup Steps – Book Controls

Step 13 – Book Controls [Required]:

- Define required Depreciation Books (Corporate, Tax, or Budget)
- Define rules for the depreciation book (Calendar, Accounting Rules, Natural Accounts & Tax Rules)
- Define default accounts to be used for retirements (Gain / Loss)

Setup Steps – Accounting Rules

Step 14 – Subledger Accounting (SLA) / Account Generator [Optional]:

- Define how Oracle Assets will create account combinations for transactions
- Default rules:
  - Balancing Segment – Assignments
  - Accounts – Category, Book, or Assignments
  - Determine if entries need to be booked at a lower level (i.e. Cost Center)
- Account Generator:
  - Asset Level – depreciation expense
  - Book Level – gain / loss accounts, intercompany, deferred depreciation
  - Category Level – asset cost, clearing, accumulated depreciation, CIP accounts
- SLA: Modify Journal Lines Definitions (Event Class and Event Type)

Setup Steps – Depreciation Methods

Step 15 – Depreciation Methods [Optional]:

- Oracle has predefined Methods and Life combinations
- Define, if needed, additional Methods and Life combinations
- Oracle supports: life-based, flat-rate, and units or production

Setup Steps – Depreciation Ceilings

Step 16 – Depreciation Ceilings [Optional]:

- Used to limit an asset's depreciation
- Define, if needed, Cost or Expense ceilings

Setup Steps – ITC

Step 17 – Investment Tax Credits [Optional]:

- Used in the United States for luxury autos purchased prior to 1987
- ITC reduce the actual tax amount

Setup Steps – Prorate Conventions

Step 18 – Prorate Conventions [Required]:

- Define from the date of the oldest asset defined in System Controls
- Used to determine Prorate Date
- Prorate convention determines the annual depreciation for the first fiscal year
- Retirement convention determines the annual depreciation for the retirement year

Setup Steps – Price Indexes

Step 19 – Price Indexes [Optional]:

- Used in Australia
- Used by the Revalued Asset Retirement Report to determine the revalued asset cost,

  to use while calculating gains and losses

Setup Steps – UOM

Step 20 – Unit of Measure Classes [Optional]:

- Define if using Units of Production depreciation methods
- Classes group units of measure

Step 21 – Unit of Measure [Optional]:

- Define if using Units of Production depreciation methods

Setup Steps – Asset Categories

Step 22 – Asset Categories [Required]:

- Define asset category combinations
- Link Asset Categories to Depreciation Books defined in Book Controls
- Assign default accounts – to be used by SLA or Account Generator to create journals
- Define default depreciation rules – Method, Life, Prorate Conventions

Setup Steps – Distribution Sets

Step 23 – Distribution Sets [Optional]:

- Predefine assignments based on percentages

Setup Steps – Leases

Step 24 – Leases [Optional]:

- Define leases and assign to assets for tracking
- Determine if lease is capital or operational
- Create amortization schedules
- Interface payments to Oracle Payables

Setup Steps – Warranties

Step 25 – Warranties [Optional]:

- If desired, define warranties and assign to assets

Setup Steps – Suppliers

Step 26 – Suppliers [Optional]:

- Define Suppliers, if other Applications like Purchasing or Payables are not installed
- Assign to assets

Setup Steps – Employees

Step 27 – Employees [Optional]:

- Define Employees, if other Applications like HR, Payroll, Purchasing, Payables or Projects are not installed
- Assign to assets in the assignments window

Setup Steps – Descriptive Flexfields

Step 28 – Descriptive Flexfields (DFF) [Optional]:

- Define additional fields to house required information that Oracle does not house
- Information houses in Attributes on tables
- Noted on form by [ ]
- Choose from two types of DFF:
  - Global – asks the question every time (Attribute only used to house this information)
  - Context Sensitive – ask question based off of prior information entered on the form (Attribute can be reuses to house other context sensitive information)

Setup Steps – Profile Options

Step 29 – Profile Options [Optional]:

- Flexfield: Open Descr Window – if set to 'No' unable to view DFFs
- FA: Default DPIS to Invoice Date –
  - Blank or No – DPIS defaults to period end date
  - Yes – DPIS defaults to invoice date
- FA: Security Profile – if utilizing Security by Book set the security at the responsibility level
- FA: Mass Copy All Cost Adjustments -
  - if set to 'No' adjustments will not be copied to tax books if cost basis is different
  - if set to 'Yes' adjustment s will be copied to tax books regardless of the cost basis

Setup Steps – Security By Books

Step 30 – Security By Books [Optional]:

- Used to Limit access to Depreciation Books
- Uses the Organization structure in Oracle
- Business Groups are critical when setting up security by books

Great Sources for Information

Asset Special Interest Group (SIG)

FREE to join group: Assets SIG

affiliate of OAUG oracle applications users group

Meetings (Semi-Annual)

- OAUG Conference
- OpenWorld Conference [October 2 – 6, 2011 in San Francisco, CA]

http://assetsig.oaug.org

LinkedIn: http://www.linkedin.com/groups?gid=2202521

Chi-Star Technology®

Company website:

http://www.chistartech.com

Offer Product Solutions for Oracle Assets:

- AssetCross® – Automates the transferring of assets between depreciation books
- AssetTie™ – Automates the reconciliation processes between:
  - Fixed Assets and General Ledger
  - Corporate and Tax books

CST Education Network

Offerings:

- Asset relatedWebinars
- Asset Video Training (Functional & Technical)
  - By topic and Total courseware training
- Video Course Conversion Strategies Overview
- CRP / Test Scripts
- BR100

CST Education Network A Division of CHI-STAR TECHNOLOGY®

http://www.chistartech.com/CSTHome.html

LinkedIn: http://www.linkedin.com/groups?gid=2202600

Questions?

Questions after the fact –

Send email to:

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