

Asset Controls Setup

Overview

Asset Controls Setup

System References

None

Distribution

Oracle Assets

Job Title*

Ownership

The Job Title [list@YourCompany.com?Subject=EDUxxxxx] is responsible for ensuring that this document is necessary and that it reflects actual practice.

Asset Controls Setup

Release 12 Oracle Asset Management Fundamentals

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Objectives

After completing this module, you should be able to do the following:

- **List the Oracle Assets setup steps**
- **Discuss defining the Oracle Assets three key flexfields**
- **Discuss implementation issues in setting up the three Oracle Assets key flexfields**
- **Discuss implementation considerations for System Controls options**
- **Explain the use of Quickcodes in Oracle Assets**

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Objectives

- **Explain how fiscal years and calendars are used in Oracle Assets**
- **Discuss implementation issues in setting up calendars**
- **Explain the Oracle Assets profile options**
- **Discuss the key processes that need to be completed when planning an Oracle Assets implementation**

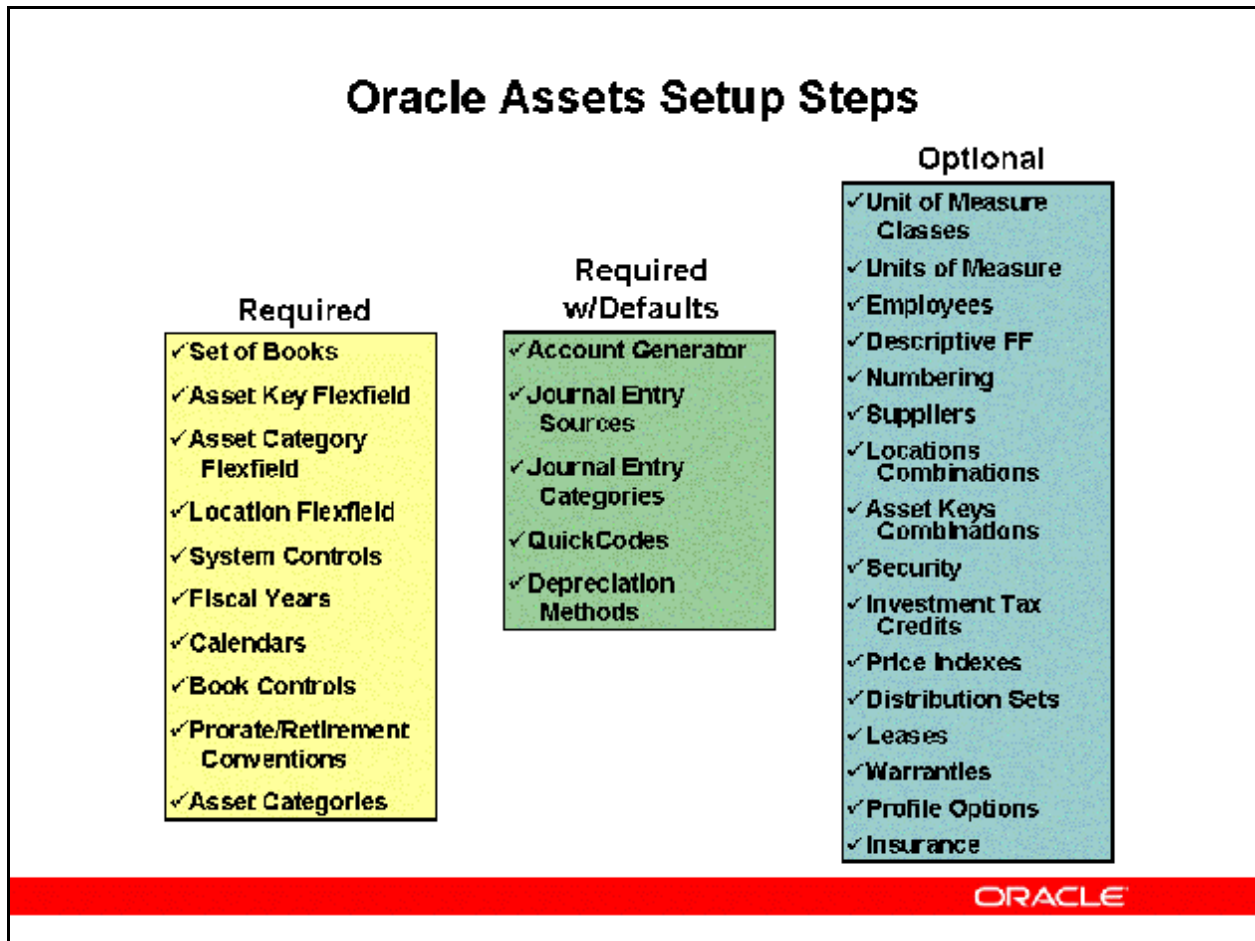
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Agenda

- **Oracle Assets Setup Steps**
- **Oracle Assets Key Flexfields**
- **Specifying System Controls**
- **QuickCodes**
- **Asset Calendars**
- **Oracle Assets Profile Options**
- **Planning an Oracle Assets Implementation**

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Oracle Assets Setup Steps



Oracle Assets Setup Steps

Oracle Assets setup requires a series of steps categorized in the following manner:

Required Steps

Must be completed in order to run the application. No pre-seeded defaults are provided.

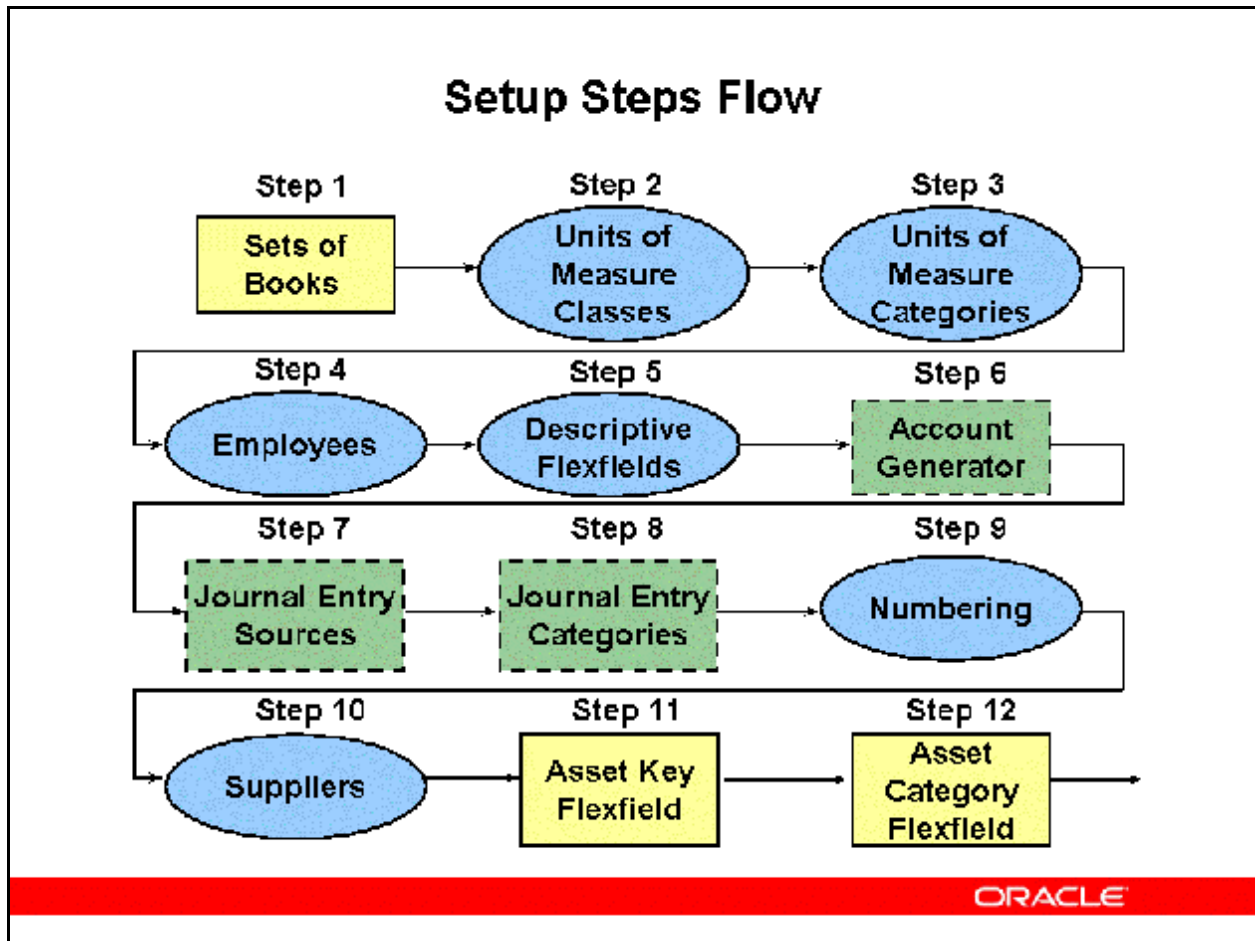
Required Steps With Defaults

Setup functionality that comes with pre-seeded, default values in the database. You should however, review these defaults and decide whether to change them to suit your business needs. If you want or need to change them, you should perform that setup step.

Optional Steps

You need to perform Optional steps only if you plan to use the related feature or complete certain business functions.

Setup Steps Flow



Setup Steps Flow

Before you set up Oracle Assets, set up an Oracle Applications System Administrator responsibility.

You can set up Oracle Assets in many different ways and defer optional setup steps until you are ready to use the corresponding functionality.

Legend

Required Step = Rectangle with solid line

Required Step with Defaults = Rectangle with dashed lines

Optional Steps = Oval

Step 1 Define Set of Books (Required)

(N) Setup > Financials > General Ledger > Set of Books

You need to define at least one set of books before you can implement and use Oracle Assets. A General Ledger set of books consists of a chart of accounts, calendar and functional currency. Appropriate values must be in place for the chart of accounts before a set of books can be defined. If you previously defined your set of books while setting up a different Oracle

Financials product, proceed to the next step. You need to perform this step only once per installation.

Step 2 Define Unit of Measure Classes (Optional)

(N) Setup > Financials > Units of Measure > Classes

If you do not install Oracle Inventory or Oracle Purchasing, use the Unit of Measure Classes window in Oracle Assets to define your unit of measure classes. You can define classes for the units you use to measure capacity and production for those assets that should be depreciated using the units of production method. The profile option HR: User Type and Inventory Organizations must be defined first before you can setup Units of Measure.

Step 3 Define Units of Measure (Optional)

(N) Setup > Financials > Units of Measure > Units of Measure

If you do not install Oracle Inventory or Oracle Purchasing, use the Units of Measure window in Oracle Assets to define your units of measure. You can define classes for the units you use to measure capacity and production for those assets that should be depreciated using the units of production method. The profile option HR: User Type and Inventory Organizations must be defined first before you can setup Units of Measure.

Step 4 Define Employees (Optional)

(N) Setup > Financials > Employees

If you do not install Oracle Personnel, Oracle Payroll, Oracle Purchasing, or Oracle Payables, use the Enter Person window in Oracle Assets to define employees. You must enter an employee before you can assign an asset to the employee.

Step 5 Define Descriptive Flexfields (Optional)

(N) Setup > Financials > Flexfields > Descriptive > Segments

You can set up descriptive flexfields to track additional information. For example, you might want to track the license number for cars, but the square footage for buildings. Then, when you assign a new asset to a category, you can enter the additional information.

Step 6 Decide How to Use the Account Generator (Required with defaults)

Use Oracle Workflow Builder if modification required.

Oracle Assets uses the Account Generator to generate accounting flexfield combinations for journal entries. You must review the default process that Oracle Assets uses to see if it meets your accounting requirements. You can optionally customize the Account Generator for each set of books that you have defined. Note that you must set up Oracle Workflow in order to use the Account Generator.

Step 7 Define Additional Journal Entry Sources (Required with defaults)

(N) Setup > Financials > General Ledger > Journal Sources

If you do not install Oracle General Ledger, use the Journal Entry Sources window in Oracle Assets to define additional journal entry sources. Journal entry sources are used to identify the origin of your journal entry transactions.

Step 8 Define Additional Journal Entry Categories (Required with defaults)

(N) Setup > Financials > General Ledger > Journal Categories

If you do not install Oracle General Ledger, use the Journal Entry Categories window in Oracle Assets to define additional journal entry categories. Journal entry categories describe the purpose or type of your journal entries.

Step 9 Define Supplier and Employee Numbering Schemes (Optional)

(N) Setup > Financials > General Ledger > Financial System Options

If you do not install Oracle Purchasing or Oracle Payables, use the Financials Options window in Oracle Assets to define your supplier and employee numbering schemes. You need to specify how to number your suppliers and employees before you can enter suppliers or employees.

Step 10 Define Suppliers (Optional)

(N) Setup > Financials > Suppliers

If you do not install Oracle Purchasing or Oracle Payables, use the Suppliers window in Oracle Assets to define your suppliers. You must define suppliers before you can bring over mass additions purchased from that supplier or optionally enter supplier information for manual asset additions. Oracle Assets only uses the supplier name, number, and inactive date.

Step 11 Define the Asset Key Flexfield (Required)

(N) Setup > Financials > Flexfields > Key > Segments

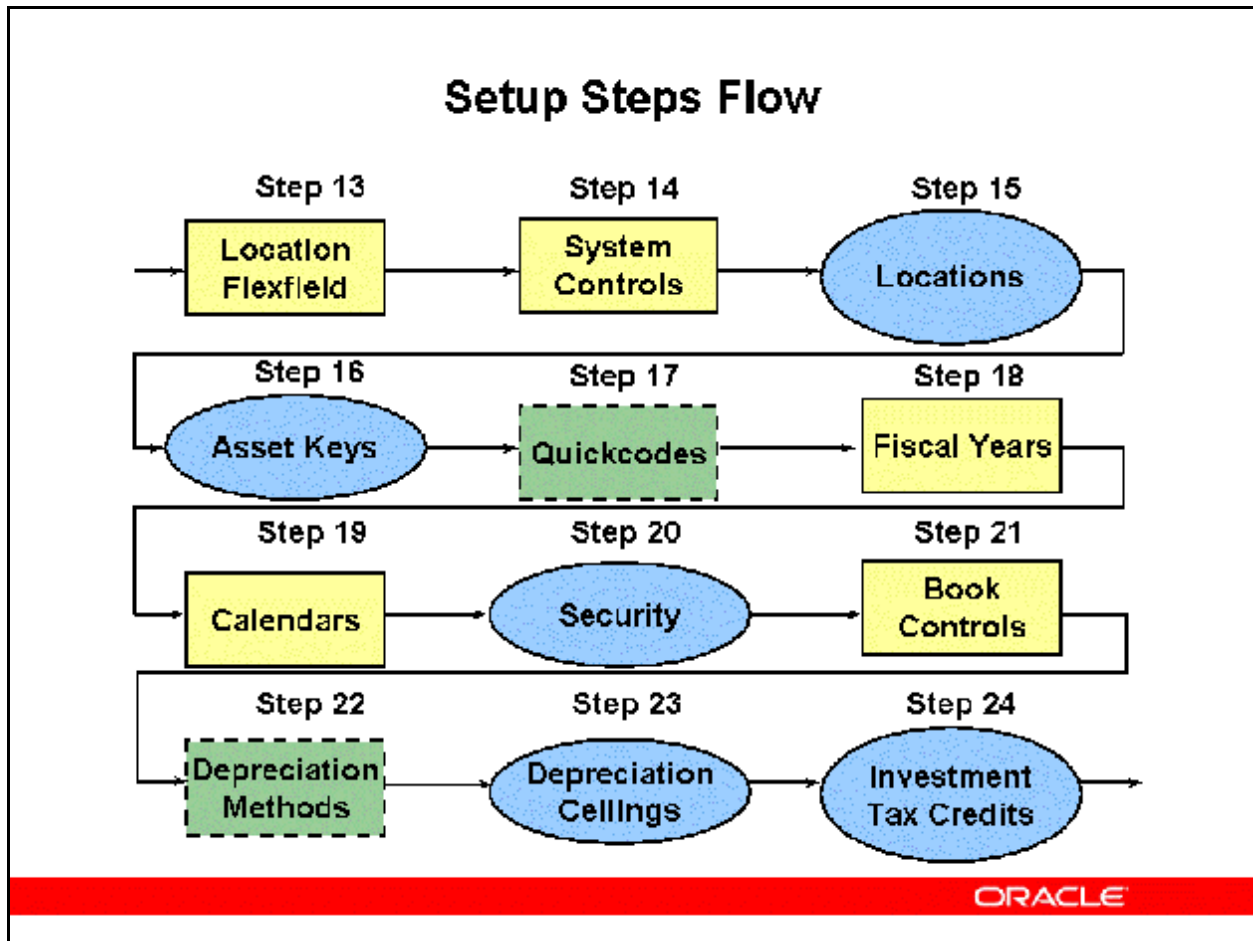
The asset key flexfield allows you to define asset keys that let you name and group your assets so you do not need an asset number to find them. The asset key is similar to the asset category in that it allows you to group assets. However, the asset key has no financial impact.

Step 12 Define the Asset Category Flexfield (Required)

(N) Setup > Financials > Flexfields > Key > Segments

The asset category flexfield allows you to define asset categories and subcategories. For example, you can create an asset category for your computer equipment. You can then create subcategories for personal computers, terminals, printers, and software.

Setup Steps Flow



Setup Steps Flow

Step 13 Define the Location Flexfield (Required)

(N) Setup > Financials > Flexfields > Key > Segments

The location flexfield allows you to specify and track the exact location of your assets.

Step 14 Define System Controls (Required)

(N) Setup > Asset System > System Controls

Set up your system controls. You specify your enterprise name, asset numbering scheme, and key flexfield structures in the System Controls window. You also specify the oldest date placed in service of your assets.

Step 15 Define Location Combinations (Optional)

(N) Setup > Asset System > Locations

Define valid locations. Your location flexfield combinations tell Oracle Assets what locations are valid for your company. Oracle Assets uses location for tracking assets and for property tax reporting. If your location flexfield has dynamic insertion turned off, this is the only place you can define valid combinations.

Step 16 Define Asset Key Combinations (Optional)

(N) Setup > Asset System > Asset Keys

Define valid asset keys. You can use the list of values to choose these combinations for your assets when you enter them. If dynamic insertion is turned off for this key flexfield, use the Define Asset Key form to enter new combinations.

Step 17 Define QuickCode Values (Required with defaults)

(N) Setup > Asset System > QuickCodes

QuickCode values are values that you can choose from a list of values when you enter and maintain assets. Items includes asset descriptions, queue names, retirement types, and others.

Step 18 Define Fiscal Years (Required)

(N) Setup > Asset System > Fiscal Years

Use the Fiscal Years window to define the beginning and end of each fiscal year since the start of your company. Your fiscal year groups your accounting periods. Create fiscal years from the oldest date placed in service through one fiscal year beyond the current fiscal year.

Step 19 Define Calendars (Required)

(N) Setup > Asset System > Calendars

Set up as many depreciation and prorate calendars as you need. Calendars break down your fiscal year into accounting periods. Define your calendars with as many periods as you need.

Step 20 Setup Security by Book (Optional)

(N) Setup > Security > Security

If you have multiple depreciation books, you may need to set up security for each book. Oracle Assets allows you to limit access to each book so that only certain individuals can view the information. If you skip this step, all asset depreciation books will be accessible to all users.

Step 21 Define Book Controls (Required)

(N) Setup > Asset System > Book Controls

You can set up an unlimited number of independent depreciation books. Each book has its own set of accounting rules and accounts so you can organize and implement your fixed assets accounting policies. When you define a tax or budget book, you must specify an associated corporate book.

Step 22 Define Additional depreciation Methods and rates (Required with defaults)

(N) Setup > Depreciation > Methods

Depreciation methods specify how to spread the asset cost. Oracle Assets includes many standard depreciation methods, and you can define additional methods if necessary.

Step 23 Define Depreciation Ceilings (Optional)

(N) Setup > Depreciation > Ceilings

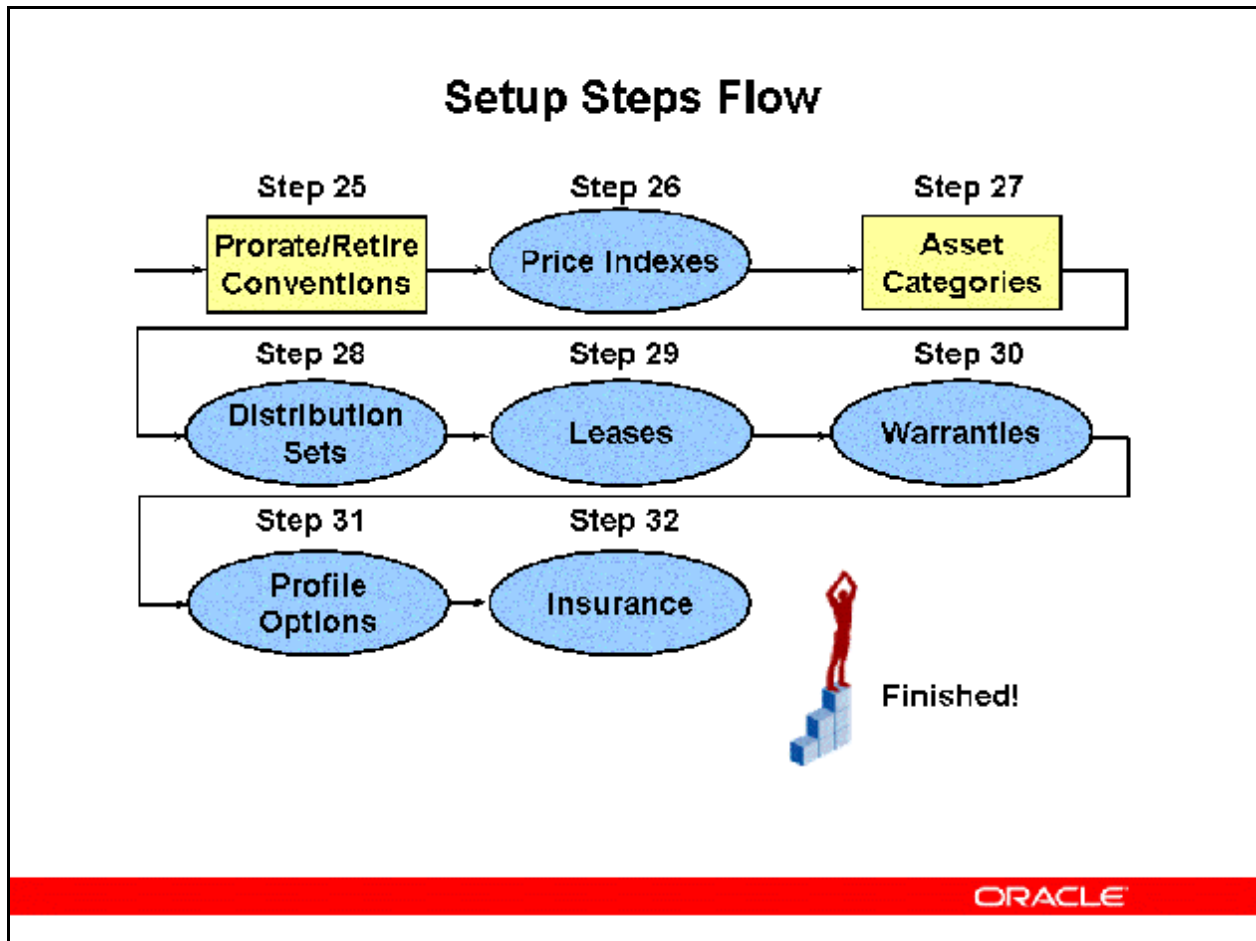
Depreciation ceilings limit the depreciation expense you can take for an asset. Set up depreciation expense ceilings to limit the annual amount of depreciation expense you can take on an asset. Or set up depreciation cost ceilings to limit the recoverable cost of an asset.

Step 24 Define Investment Tax Credits (Optional)

(N) Setup > Depreciation > ITC Rates

Set up your Investment Tax Credit (ITC) rates, recapture rates, and ceilings. Investment tax credits (ITC) allow you to reduce the recoverable cost of an asset.

Setup Steps Flow



Setup Steps Flow

Step 25 Define Prorate and Retirement Conventions (Required)

(N) Setup > Asset System > Prorate Conventions

Prorate and retirement conventions determine how much depreciation expense to take in the first and last year of life, based on when you place the asset in service. Oracle Assets lets you set up as many prorate and retirement conventions as you need.

Step 26 Define Price Indexes (Optional)

(N) Setup > Asset System > Price Indexes

A price index lets you calculate gains and losses for retirements using current value rather than historical cost. If you do business in a country that requires you to base gains and losses on current value rather than historical cost, Oracle Assets lets you set up price indexes to calculate the gains and losses for your asset upon retirement.

Step 27 Define Asset Category Combinations (Required)

(N) Setup > Asset System > Asset Categories

Asset categories let you define information that is common to all assets in a category, such as depreciation method and prorate convention. Oracle Assets uses this information to provide default values to help speed asset entry.

Step 28 Define Distribution Sets (Optional)

(N) Setup > Asset System > Distribution Sets

Distribution sets let you automatically assign distributions to a new asset or mass addition quickly and accurately by using a predefined distribution set.

Step 29 Enter Leases (Optional)

(N) Setup > Asset System > Leases > Lease Details

You can define asset leases and in turn assign assets to these defined leases for tracking purposes. You can also test your leases in accordance with generally accepted accounting principles to determine if they must be capitalized (United States GAAP accounting)

Step 30 Define Warranties (Optional)

(N) Setup > Asset System > Warranties

Define and track descriptive information on manufacturer and vendor warranties.

Step 31 Set Profile Options (Optional)

From System Administrator Responsibility:

Profile > System

Profile options specify how Oracle Assets controls access to and processes data.

Step 32 Define Asset Insurance (Optional)

(N) Assets > Insurance > Insurance Policy Details

You can define insurance information for your assets, such as insurance policy information and calculation methods. You can enter multiple insurance policies for an asset for different categories of insurance. Oracle Assets uses the insurance information that you enter here to calculate the current insurance value of the asset.

Oracle Assets Key Flexfields

Oracle Assets Key Flexfields

To run the application, three key flexfields must be set up.



**Asset Category
Key Flexfield**



**Asset Location
Key Flexfield**



**Asset Key
Key Flexfield**

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Oracle Assets Key Flexfields

The Asset Category Flexfield

The asset category flexfield groups assets by financial information.

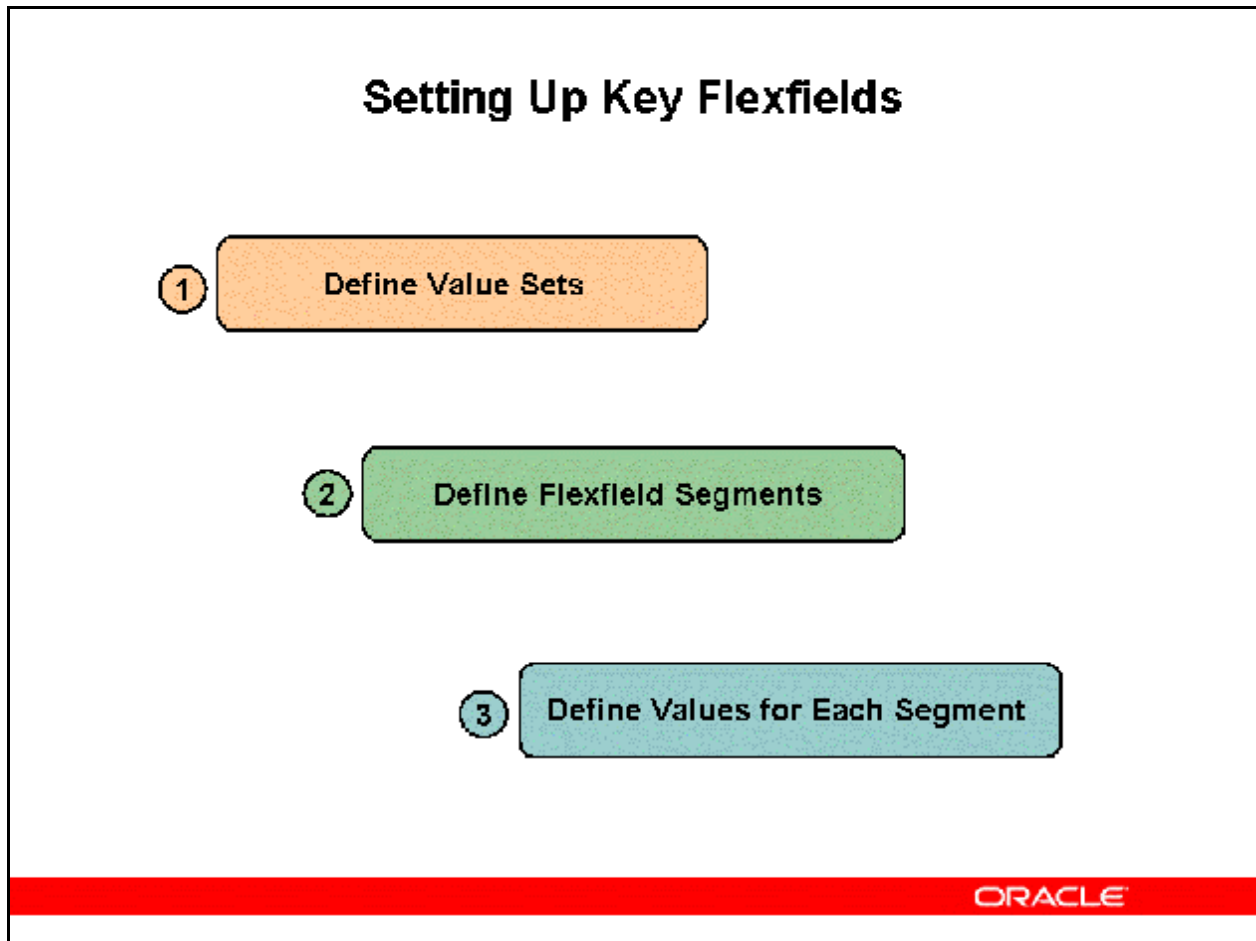
The Location Flexfield

The location flexfield groups and tracks assets by physical location.

The Asset Key Flexfield

The asset key flexfield identifies groups of assets by non financial information.

Setting Up Key Flexfields



Setting Up Key Flexfields

Create A Value Set For Each Segment

- Create a value set for each segment using the Value Set windows.

Enable Each Segment For Your Flexfield

- Define new segments using the Define Key Segments form.


Define Values For Each Segment

- Create a list of valid values for each segment using the Segment Values Window. Since Oracle Assets only displays a limited number of characters for flexfields on forms and reports, you may want to keep the values short.

It is very important to note that Oracle Assets allows only one structure for each key flexfield defined per application install. In other words, the segment structure you define for each key flexfield will apply to all users and locations of that Oracle Assets installation.

Asset Category Key Flexfield

Asset Category Key Flexfield



Purpose	To group assets by financial information
Max # of Segments	7
Maximum Width	30 spaces
Segment Qualifier	1 segment must be designated Major segment
Table Name	FA_CATEGORIES
Use Dynamic Insert	No
Unique ID Column	CATEGORY_ID

Asset Category Key Flexfield


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Asset Category Key Flexfield

(N) Setup > Financials > Flexfields > Key > Segments

- Design the category flexfield by grouping assets according to depreciation rules.
- Define one major category segment for capital budgeting and up to six subcategory segments.
- Organize category hierarchies so that valid subcategory values depend on a major category value.
- Do not use dynamic insertion for this key flexfield as new combinations require default depreciation rules be setup in the Asset Categories form.
- Plan each flexfield structure carefully; you cannot change it after entering data.
- Most sites limit the number of segments to three or less to avoid the truncation of the concatenated flexfield on forms and reports.
- Use the Asset Categories window to assign the category to an asset book before entering assets in that category and book.
- Enter the default rules for each category flexfield combination for each book.

Location Key Flexfield



**Location
Key Flexfield**

Location Key Flexfield

Purpose	To group assets by physical location
Max # of Segments	7
Maximum Width	30 spaces
Segment Qualifier	1 segment must be designated State segment
Table Name	FA_LOCATIONS
Use Dynamic Insert	Yes, if desired
Unique ID Column	LOCATION_ID

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Location Key Flexfield

(N) Setup > Financials > Flexfields > Key > Segments

- You can report on your assets by location and also transfer assets that share location information as a group.
- If you do business internationally (or plan to do so in the future), you may want to track the country an asset is in. Other segments you may want include are state, city, and site. If you track asset location to more detail, such as for bar-coding, you can also add segments for building and room number.
- You must define a state segment and you can also define up to six other location segments. The State segment is used as the primary sort segment for Property Tax Reporting. In order to change the sorting of the Property Tax Report, you must reassign the State segment qualifier to another segment. However, if you run the Property Tax Report using the Request Center feature of the Applications Desktop Integrator, you could send the report to an Excel spreadsheet and perform your needed sorting there.
- You may find it productive to use shorthand aliases to tie location codes to the location flexfield combinations.


Asset Key Key Flexfield

Asset Key Key Flexfield



**Asset Key
Key Flexfield**

Purpose	To group assets by non-financial information
Max # of Segments	10
Maximum Width	30 spaces
Segment Qualifier	No qualifier segment
Table Name	FA_ASSET_KEYWORDS
Use Dynamic Insert	Yes, if desired
Unique ID Column	CODE_COMBINATION_ID



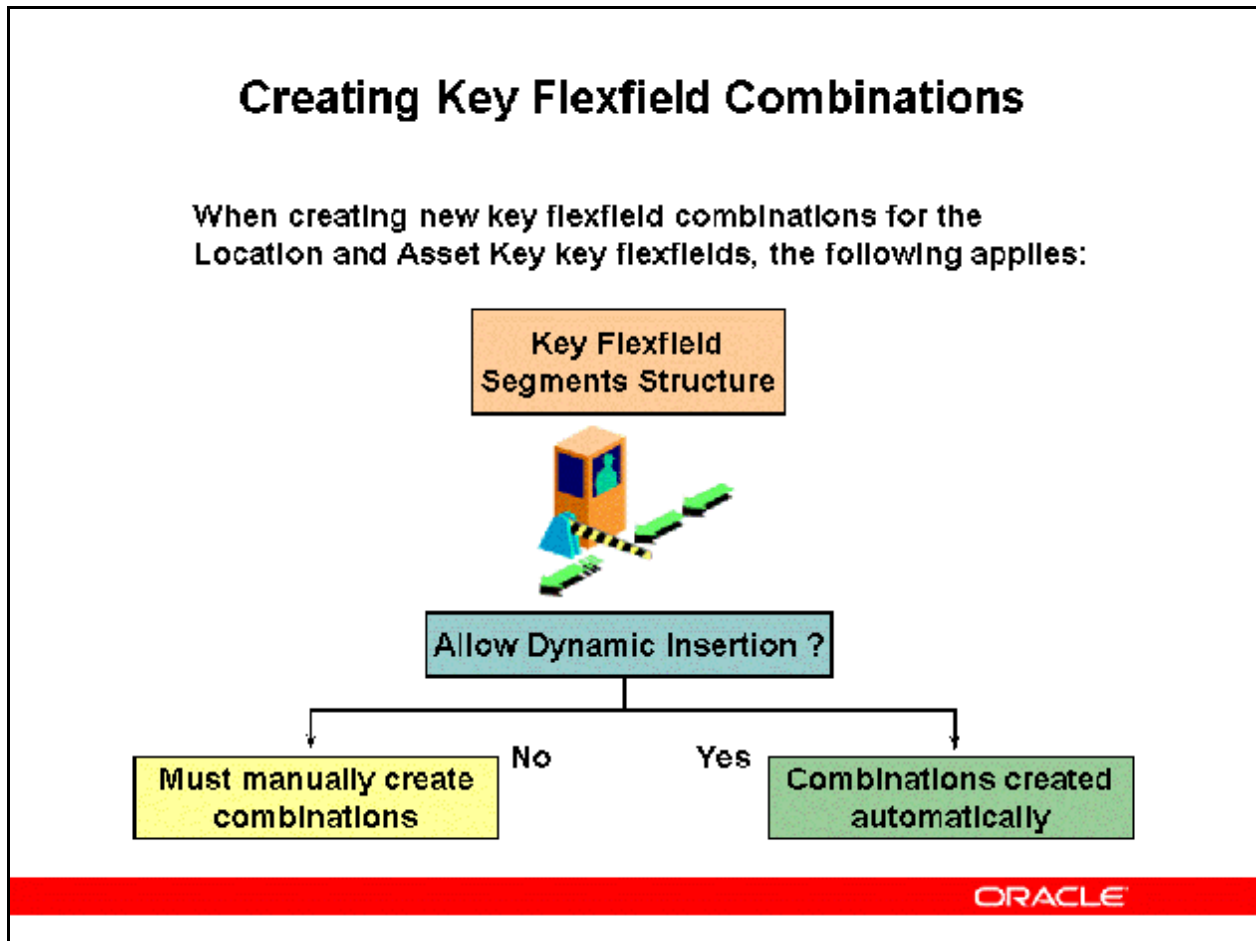
Asset Key Key Flexfield

(N) Setup > Financials > Flexfields > Key > Segments

- Although you must setup the Asset Key key flexfield, it is not a required field of entry in order to add an asset. Therefore, if you do not want to use the asset key flexfield, define a one-segment asset key flexfield without validation and not required. When you move to the asset key flexfield, the flexfield window does not open, and you can pass the field without entering a value.
- You can assign the same asset key to various assets to easily identify similar assets. For example, you can use the asset key to group assets by project number or capital appropriations request number. A natural gas company used the Asset Key key flexfield to group assets located above versus below ground level.
- All Oracle Assets transaction forms allow you to query using the asset key, and help you find your assets without an asset number.

Refer to *Demonstration - Oracle Assets Key Flexfield Setup [LAB034AY]*

Creating Key Flexfield Combinations



Creating Key Flexfield Combinations

If dynamic insertion is turned off for a key flexfield structure, you must manually create new flexfield combinations.

For Location key flexfield combinations follow this menu path:

- (N) Setup > Asset System > Locations

For Asset Key key flexfield combinations follow this menu path:

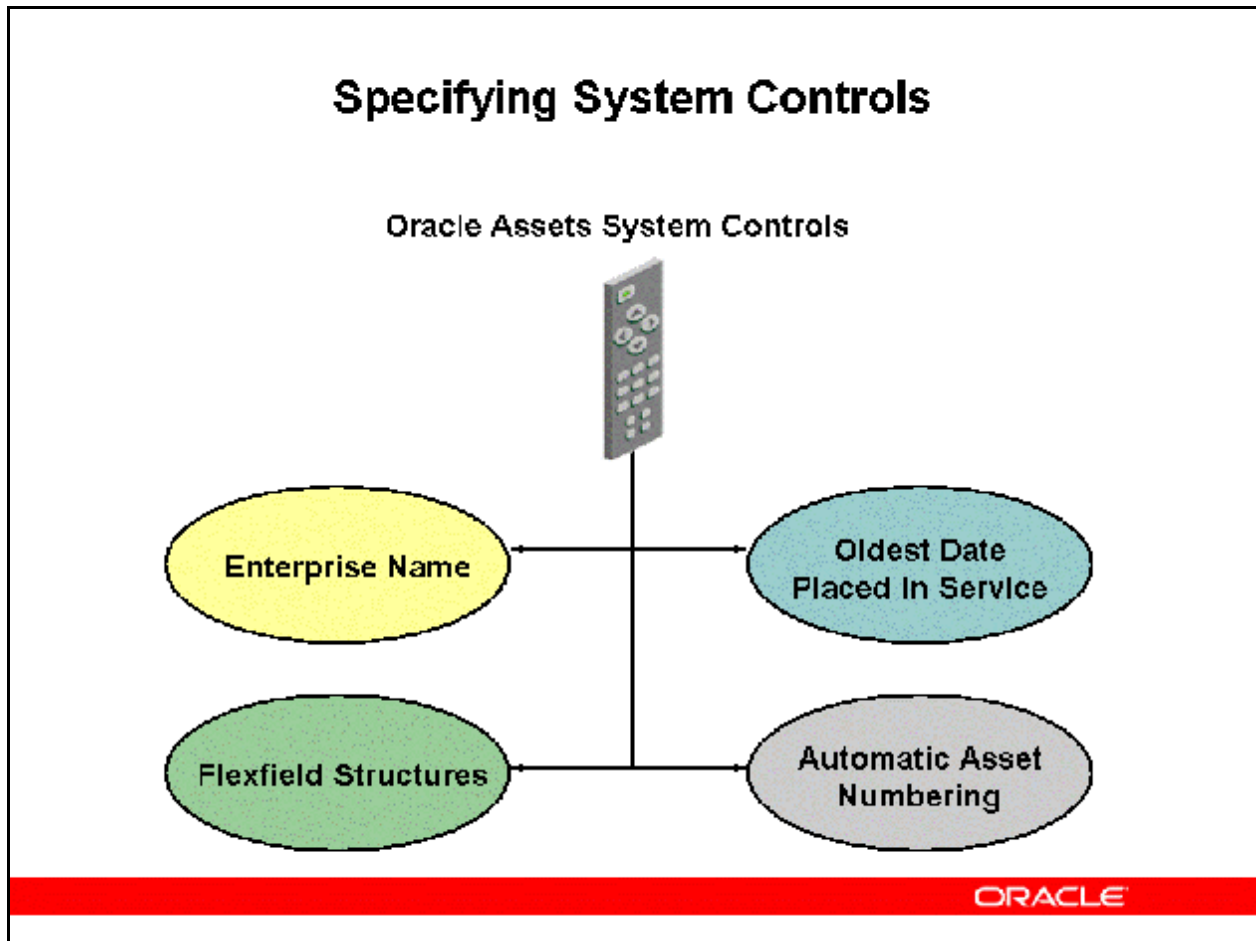
- (N) Setup > Asset System > Asset Keys

Be sure to check the Enabled box when defining new key flexfield combinations.

Refer to *Demonstration - Create a Location Flexfield Combination [LAB034BY]*

Refer to *Practice - Create a Location Flexfield Combination [LAB0375Y]*

Specifying System Controls



Specifying System Controls

(N) Setup > Asset System > System Controls

Enterprise Name

- The Enterprise Name you define here will be the heading used on all Oracle Assets reports

Oldest Date Placed in Service

- The Oldest Date Placed In Service controls what dates are valid to place assets in service and on what date to begin your calendars. If you change this field, you do not affect the assets already in the system. However, you cannot place new assets in service before the new date.
- You can only update the Oldest Date Placed in Service before you assign any calendars to depreciation books.

Flexfield Structures

- Note that you can designate only one structure for each key flexfield and once saved you cannot update these fields.

Automatic Asset Numbering

- The Oracle Assets application reserves all asset numbers above the number you place in the Starting Asset Number field for automatic numbering. If you are converting from another system, enter a starting number greater than the number of assets you want to convert so converted assets keep the same number from the previous system.
- Note that asset numbers with a letter in them are not reserved for automatic asset numbering, since the automatic numbers are a numerical sequence. You could assign a letter prefix to legacy asset numbers to keep them out of the automatic asset numbering range while maintaining a reference to the prior asset number.
- Oracle Assets does not support asset numbers that exceed 2,000,000,000

Set up system controls only once per installation.

In the System Controls form, note the following:

- All fields except the Enterprise Name field are not updatable. If this was a new installation, all fields would allow entry but only the Enterprise Name and Oldest Date Placed in Service would allow update after the record was saved. The Oldest Date Placed in Service can be updated only until any calendar is assigned to any asset book.
- Last number used is updated each time a new asset number is assigned by the system.

Refer to *Demonstration - System Controls Form [LAB034CY]*

QuickCodes

QuickCodes

QuickCode Type	QuickCode Value
Asset Description	Enter values to standardize asset descriptions
Journal Entries	You cannot enter new Journal Entry values, but you can change the descriptions
Queue Name	Enter values to describe your hold queues for Mass Additions
Property Type	Enter values to describe your property
Retirement	Enter values to describe your retirements
Asset Category	Enter values to describe your major asset categories (only used with table validation)

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QuickCodes

- A QuickCode is an Oracle Assets feature that enters standard asset information for the business. QuickCodes are mostly accessed through form fields with a List of Values.
- Note that some QuickCodes are used to report on certain groups of assets. For example, you can report on all retirements with a particular retirement type for the Form 4684: Casualties and Thefts Report.

QuickCodes

QuickCodes

QuickCode Type	QuickCode Value
Asset Subcategory	Enter values to describe your asset subcategories (only used with table validation)
Unplanned Depreciation Type	You can enter to describe different types of unplanned depreciation adjustments
Lease Frequency	You cannot alter existing or enter new Lease Frequency values, but you can change the existing descriptions.
Lease Payment Type	You can enter lease payment types in addition to Annuity, Balloon Payment, Bargain Purchase Option, and Bargain Renewal Option

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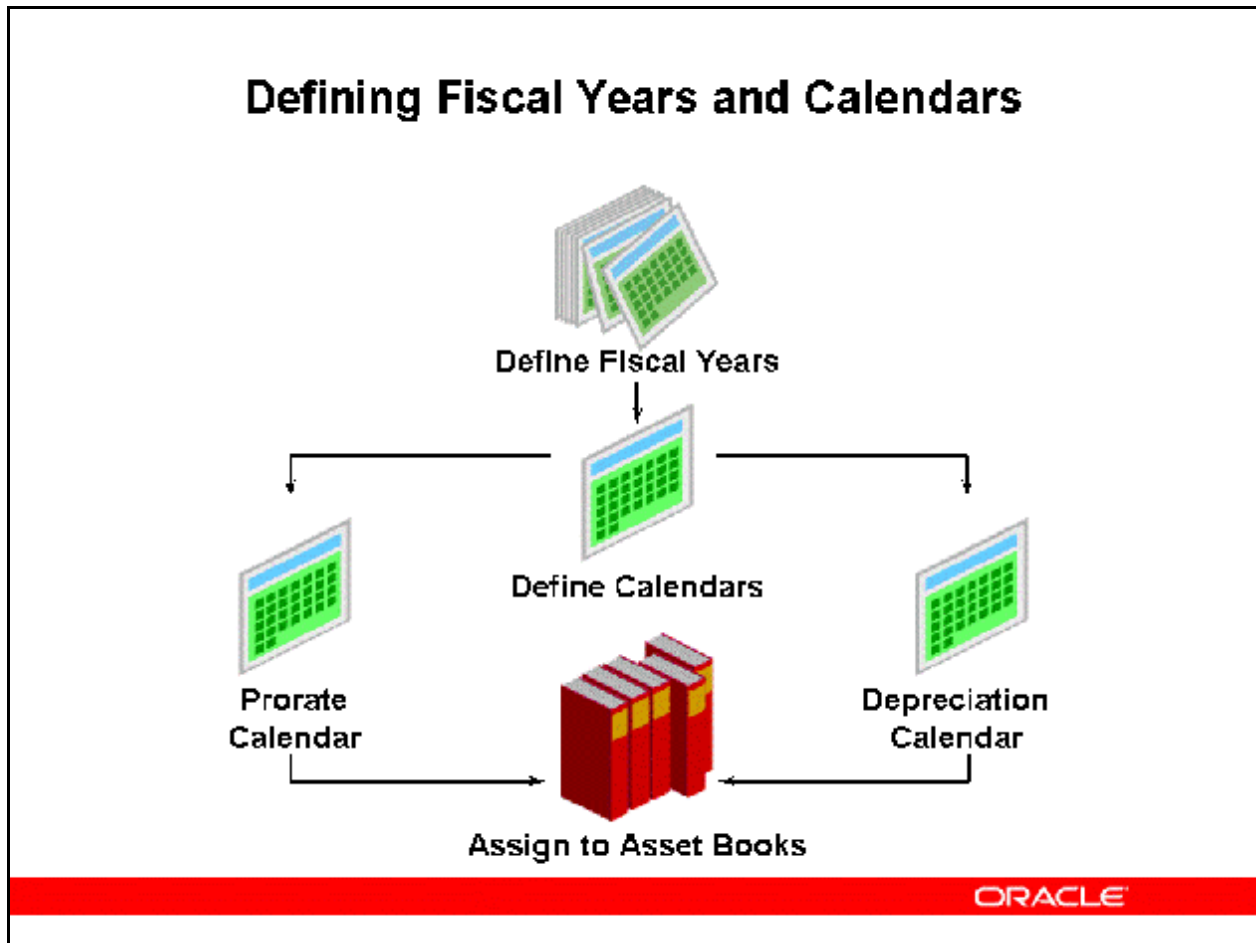
QuickCodes

(N) Setup > Asset System > QuickCodes

Refer to *Demonstration - QuickCodes [LAB034DY]*

Refer to *Practice - Add QuickCode Values [LAB0376Y]*

Defining Fiscal Years and Calendars



Defining Fiscal Years & Calendars

You must first define fiscal years then asset calendars based on those fiscal years.

Setting Up Fiscal Years



- **Set up multiple fiscal years with different names to assign to different asset books**
- **The calendar for a tax book must use the same fiscal year name as the calendar for the associated corporate book**
- **Define fiscal years from the oldest date placed in service through the current fiscal year**
- **At the end of each fiscal year, the depreciation program automatically generates the dates for the following fiscal year and calendars**



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Setting Up Fiscal Years

(N) Setup > Asset System > Fiscal Years

Setting Up Asset Calendars

Setting Up Asset Calendars

Prorate Calendar →

Determines the prorate period that is used to select the annual depreciation rate

Depreciation Calendar →

Determines the number of accounting periods in a fiscal year

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Setting Up Asset Calendars

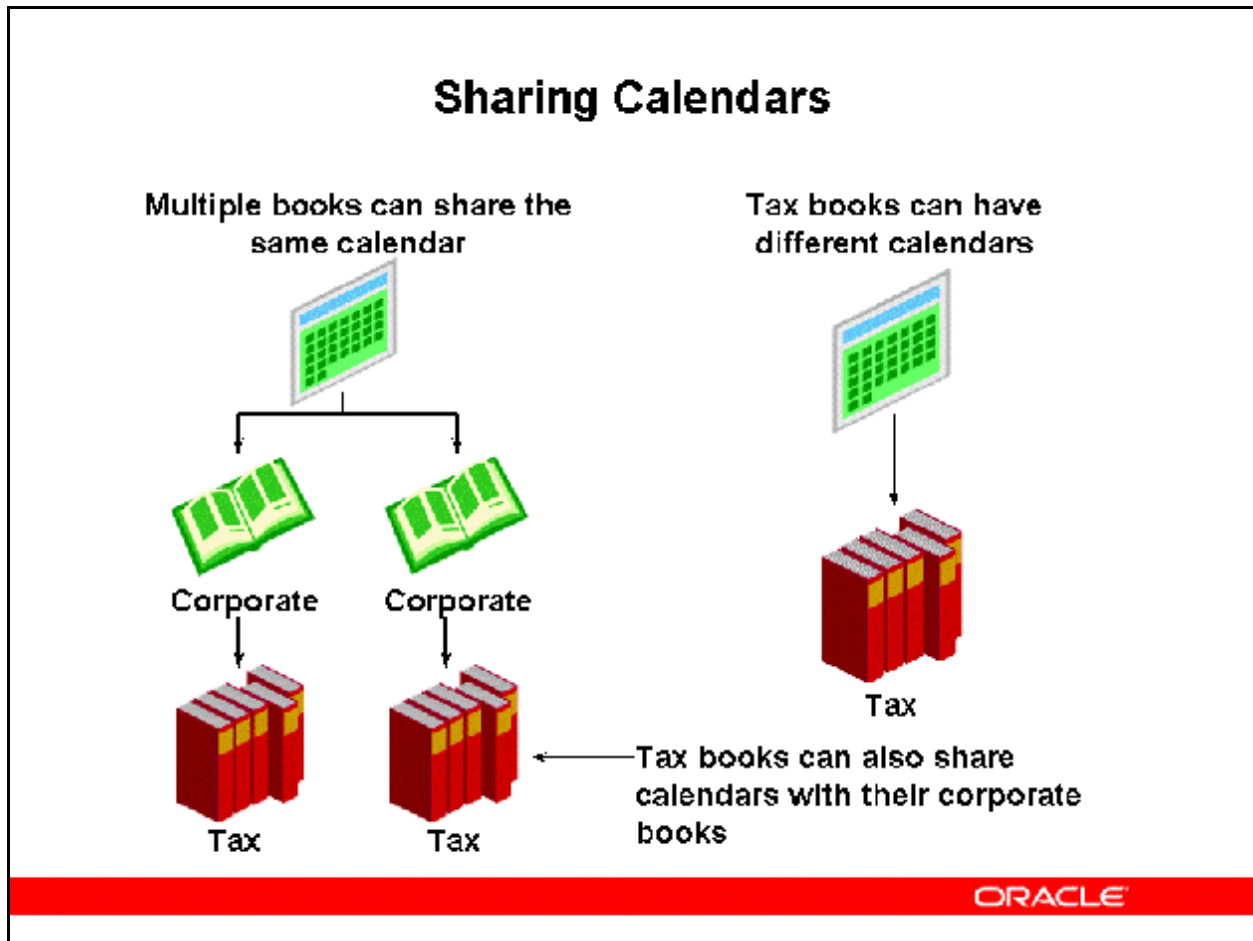
(N) Setup > Asset System > Calendars

- Each asset book requires a depreciation calendar and a prorate calendar. Set up as many calendars as needed under the same fiscal year name.
- The date placed in service and prorate convention determine the prorate date that associates with a period in the prorate calendar. This period specifies the annual depreciation rate.
- Set up all calendar periods initially from the period corresponding to the oldest date placed in service to the current period.
- Set up at least one period after the current period.
- At the end of each fiscal year, Oracle Assets automatically sets up the periods for the next fiscal year.
- You can define your calendar however you want. For example, to define a 4–4–5 calendar, set up your fiscal years, depreciation calendar, and prorate calendar with different start and end dates, and fill in the uneven periods.

Refer to *Demonstration - Fiscal Years & Calendars [LAB034EY]*

Refer to *Practice - Create an Oracle Assets Calendar [LAB0377Y]*

Sharing Calendars



Sharing Calendars

Corporate Calendars

Corporate books can share the same calendar as its depreciation calendar and prorate calendar. Corporate calendars use the same fiscal year name.

Tax Book Calendars

Tax books can have a different calendar from their associated corporate book. Both the corporate and tax calendars must use the same fiscal year name.

General Ledger Calendars

Oracle Assets calendars are additional to and different from the general ledger calendar. To create journal entries from an asset book, the period names for the depreciation calendar should match those in the general ledger calendar.

The depreciation calendar period names should be identical to the general ledger calendar period names for proper transfer of journal entries. The comparison is case-sensitive.

Since only the period names should match, you need not create an adjusting general ledger period in Oracle Assets.

Defining Price Indexes

- **Using Price Indexes is optional**
- **A price index enables you to calculate gains and losses for retirements using current value rather than historical cost**
 - **If you do business in a country that requires you to base gains and losses on current value rather than historical cost, Oracle Assets enables you to set up price indexes to calculate the gains and losses for your asset upon retirement**
- **When you retire an asset assigned to a category and book for which you have defined a price index, you can run the Revalued Asset Retirements Report which uses the revalued asset cost in calculating gains and losses**

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Defining Price Indexes

- You must set up your price indexes before you can assign them to an asset category and book in the Asset Categories window. You can use one price index for several asset categories in the same or different books. Or you can have a different price index for each asset category in each depreciation book.
- The Revalued Asset Retirement Report uses your price indexes to determine the revalued asset cost. It then uses this cost to calculate gains and losses for your retired assets. You can review all of the price indexes you defined by running the Price Index Listing.
- If you want to actually revalue the cost of your assets in your books, you must revalue the asset or category.

How to define Price Indexes

(N) Setup > Asset System > Price Indexes

1. Open the Price Indexes window.
2. Enter the name of the Index you want to define.
 - Suggestion: The name you enter appears in list of values windows which allow no more than 16 spaces. You may want to limit your name to 16 characters.

3. Enter the index value as a percentage.
4. Enter the dates that this index value is effective. If you leave the To Date blank, the index is effective indefinitely.
5. (I) Save

Profile Options

Profile Options



Account Generator: Purge Runtime Data	FA: Number Mass Addition Parallel Requests
FA: Allow Swiss Special Assets	FA: Number of Parallel Requests
FA: Archive Table Sizing Factor	FA: Print Debug
FA: Cache Sizing Factor	FA: Print Timing Diagnostics
FA: Deprn Single	FA: Security Profile
FA: Generate Expense Account	FA: Default DPIS to Invoice Date
FA: Large Rollback Segment Name	FA: Mass Copy All Cost Adjustments

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Profile Options

System Administrator Responsibility

Profile > System

During your implementation, you set a value for each profile option in Oracle Assets to specify how Oracle Assets controls access to and processes data.

Profile Options

Profile Options			
Profile Option	Required	Default Value	End User Updatable
Account Generator: Purge Runtime Data	Optional	Yes	Yes
FA: Allow Swiss Special Assets	Optional	No default	No
FA: Archive Table Sizing Factor	Optional	100 Kilobytes	No
FA: Cache Sizing Factor	Optional	25	No
FA: Deprn Single	Optional	No	No
FA: Generate Expense Account	Optional	No Default	No

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Profile Options

Account Generator: Purge Runtime Data

Always set this profile option to Yes to ensure that Oracle Workflow has finished generating accounting flexfield code combinations.

Temporarily set this option to No at the user level if you are debugging the account generator. Running the account generator with this option set to No fills up the workflow tables and slows performance.

FA: Allow Swiss Special Assets

Controls whether you can use the Swiss insurance calculation method.

If this profile option is set, when you add insurance details on the Fixed Asset Insurance window, you can check the Special Swiss Assets check box, which signifies that this asset will use the Swiss insurance calculation method.

FA: Archive Table Sizing Factor

This profile option controls the space allotted for the temporary tables created when you archive and purge a book.

The sizing factor specifies how many storage kilobytes to reserve for the initial extent. The default value is 100 kilobytes.

Update this option if you are archiving a large number of records for a fiscal year.

FA: Cache Sizing Factor

This profile option controls the database information retained in the concurrent program for performance improvement. The range is 0 to 25.

FA: Deprn Single

Controls the caching buffer used when you run depreciation. You can set the buffer to either No (20) or Yes (1).

If you set FA: Deprn Single to No, the cache is reset after every 20 assets. If you set FA: Deprn Single to Yes, the cache is reset after every asset.

FA: Generate Expense Account

Allows you to generate the depreciation expense account based on Workflow rules.

When you set this profile option to Yes, Generate Accounts reads the profile option and generates the expense account using Workflow rules. If you do not set this profile option or you set it to No, Generate Accounts uses the expense account entered for an asset in the Assignments window.

Profile Options

Profile Options			
Profile Option	Required	Default Value	End User Updatable
FA: Large Rollback Segment Name	Optional	No default	No
FA: Number Mass Addition Parallel Requests	Optional	2	No
FA: Number of Parallel Requests	Optional	No default	No
FA: Print Debug	Optional	No default	Yes
FA: Print Timing Diagnostics	Optional	No default	Yes

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Profile Options

FA: Large Rollback Segment Name

This profile option indicates the rollback segment name that Oracle Assets uses for programs requiring large rollback space.

If you do not specify a large rollback segment, Oracle Assets uses the first available rollback segment.

FA: Number Mass Addition Parallel Requests

- Controls the number of requests the Mass Additions Post program will run in parallel. When you run the program, Oracle Assets spawns a parent process with several child processes.
- Enter a number between 1 and 20 to specify the maximum number of parallel requests you want to allow. The parent process is not included in this number.

FA: Number of Parallel Requests

- This profile option controls the number of requests that Oracle Assets programs can run in parallel.

- Enter a number between 1 and 20 to specify the maximum number of parallel requests that you want to allow.

FA: Print Debug

This option indicates whether debug tracing messages are printed in concurrent program log files. Support uses these messages to identify a problem with the code.

FA: Print Timing Diagnostics

This option indicates whether timing diagnostic messages are printed in concurrent program log files. Support. uses these messages to identify a problem with the code.

Profile Options

Profile Options			
Profile Option	Required	Default Value	End User Updatable
FA: Security Profile	Optional	No default	No
FA: Default DPIS to Invoice Date	Optional	No	No
FA: Mass Copy All Cost Adjustments	Optional	No	No

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Profile Options

FA: Security Profile

Restricts access to the organizations defined in the security profile. This option is seeded at the site level with the view-all security profile created for the Startup Business Group.

FA: Default DPIS to Invoice Date

Enables you to use the Future Transactions feature by allowing the default date-placed-in-service to be the invoice date, even when the invoice date is in a future accounting period. If you set this profile option to Yes, Oracle Assets defaults the date-placed-in-service to the invoice date for future transactions. If you set this profile option to No, Oracle Assets does not default the date-placed-in-service to the invoice dates, and you cannot use the Future Transactions feature.

FA: Mass Copy All Cost Adjustments

Allows the Mass Copy program to copy all cost adjustments, even when the un-revalued cost is different in the corporate book and the associated tax books.

Refer to *Demonstration - Oracle Assets Profile Options [LAB034FY]*

Asset Insurance

Oracle Assets provides a window and reports to help you manage insurance values and other insurance information for your assets.

- **You can view and enter insurance information for an asset and assign more than one type of insurance to an asset.**
- **Asset insurance information includes insurance categories, current insurance value, and optional updates that affect the insurance value, such as additions or retirements.**

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Asset Insurance

Calculation Methods

Oracle Assets uses three methods to calculate the insurance value of an asset:

- **Value as New** – This method calculates the base insurance value of the asset, based on acquisition/production costs. This value can be indexed annually to give a current insurance value. It can also incorporate the indexed value of transactions that affect the asset value.
- **Market Value** – This method calculates the current market value of the asset. Oracle Assets automatically calculates the current value from the net book value of the asset, incorporating indexation factors and the indexed value of any transactions that affect the asset value.
- **Manual Value** – This method allows you to manually enter an insurance value for an asset, usually in agreement with the insurer. With this calculation method you can also manually enter updates to the asset insurance value. Oracle Assets only updates the current insurance value automatically if you enter an optional maintenance date for the asset.

If an asset is partially retired, the insurance calculation process reduces the insurance value of the asset in the same proportion as the current cost is reduced for the partial retirement.

For certain types of assets, such as buildings, the Swiss business practice is that the insurance value may occasionally be reassessed by the insurance company, and manually redefined.

Indexation of the insurance value can then recommence from this point. The manual update of an automatically calculated insurance value will only be allowed for these special Swiss assets, which must be flagged in the Asset Insurance window.

Reports

Oracle Assets provides two reports for reviewing asset insurance information.

- The Asset Insurance Data report lists all insurance policy data for an asset.
- The Asset Insurance Value report lists insurance values, current insurance amounts, and a calculation of the insurance coverage.

Entering Asset Insurance Information

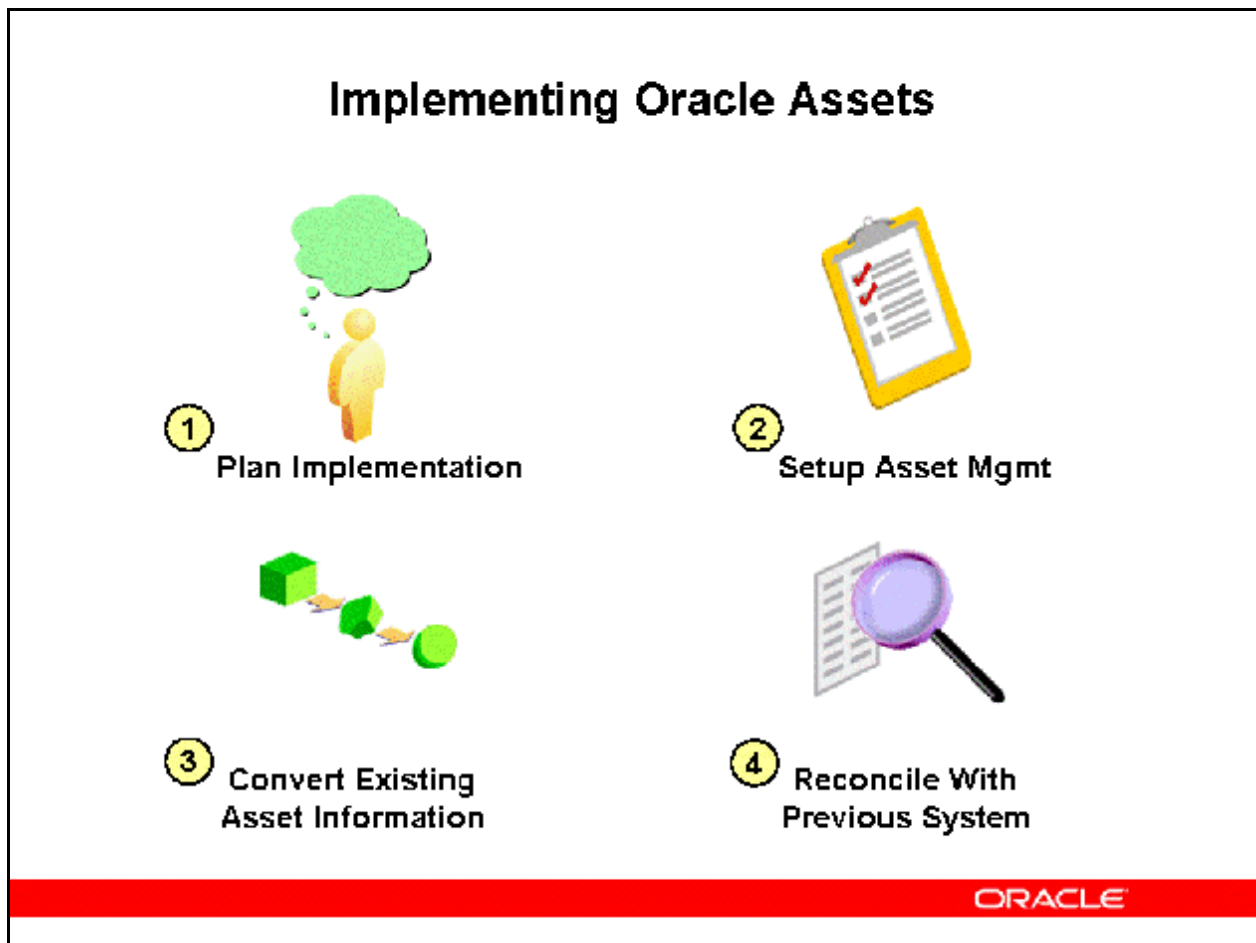
Prerequisites:

- **Enter suppliers in Oracle Payables with a supplier type of Insurance Company**
- **Set up Asset Price Indexes, if required**
- **Set up Insurance Category QuickCodes, such as Fire, Storm, Theft**
- **Set up Hazard Class QuickCodes**
- **Set the profile option FA: Allow Swiss Special Assets to Yes if you are planning to enter Swiss special case assets, such as Swiss buildings**

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Refer to *Demonstration - Enter Asset Insurance Information [LAB3513Y]*

Implementing Oracle Assets



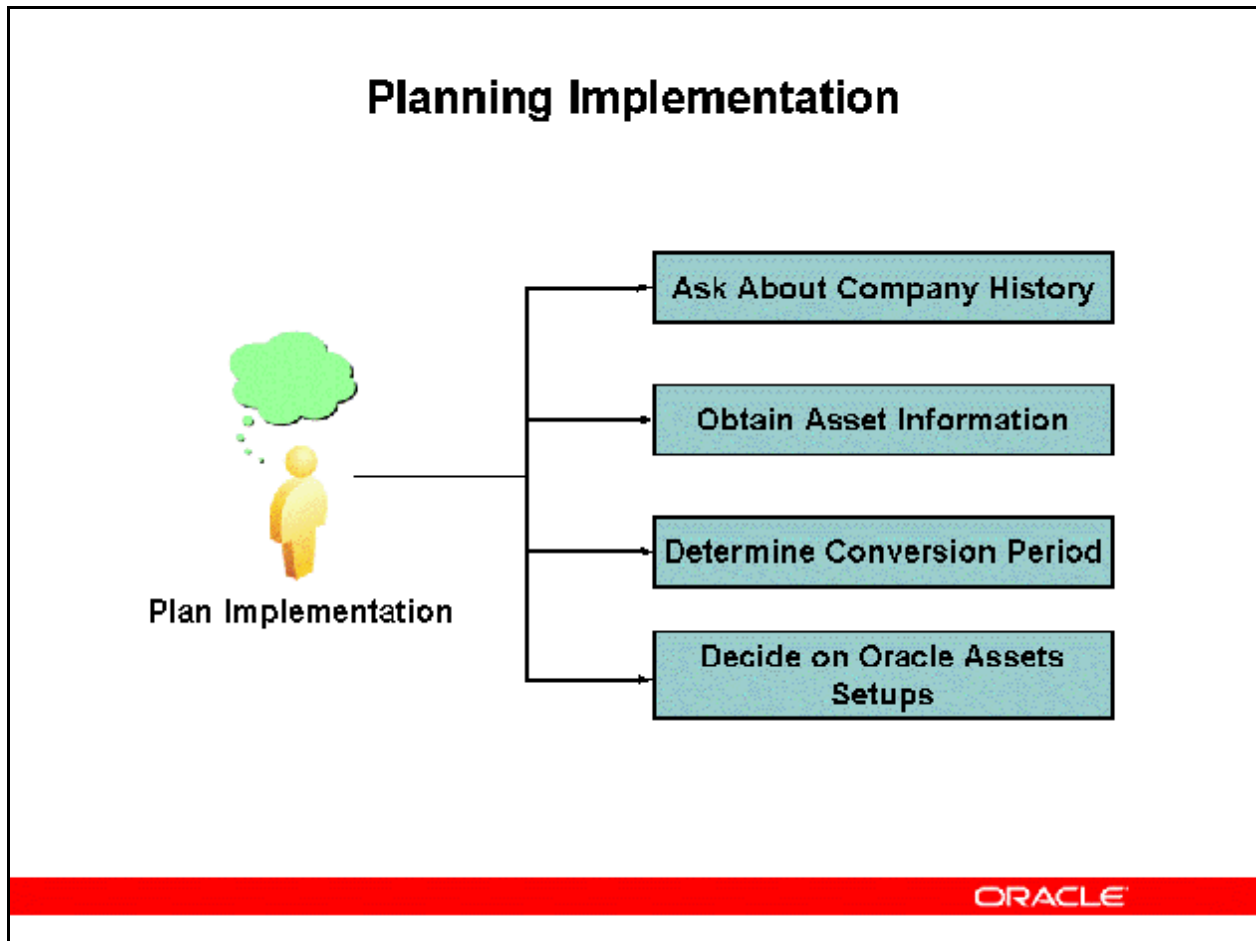
Implementing Oracle Assets

Implementing Oracle Assets requires setting up books and categories, and converting and reconciling existing asset information from and with the previous system. Note that while the setup is generally similar from one implementation to another, the conversion is usually different because each site has different existing data.

The following four phases of implementation will be discussed in more detail:

- Planning the Implementation
- Setting Up Oracle Assets
- Converting Existing Asset Information
- Reconciling with the Previous System

Planning Implementation



Planning Implementation

Consider your organizational structure and business dimensions. By carefully evaluating your business needs, you can design and set up Oracle Assets to take advantage of its flexible tools for recording and maintaining asset information.

Inquiring About Company History

- Determine what accounting changes have occurred in the company history.
- Have the calendar, fiscal year, or prorate rules changed?
- Has the company been acquired, or have there been any mass adjustments?
- What are the future plans for the company?
- What is the strategic plan of the company?
- How may future events affect the accounting procedures of the company?

Obtaining Existing Asset Information

- Based on existing asset information, decide how to bring the information into Oracle Assets. Consider the transfer as an opportunity to clean up the asset data.

- Obtain and review the existing asset information and how the company is currently maintaining its asset inventory. Find out, for example, what data is available, how many assets exist, and what detailed information is stored.
- Determine the location of the data, how to access it, the type of format it is in, and who has authority to access the information.
- Decide how to import the information into Oracle Assets by using the Mass Additions interface table FA_MASS_ADDITIONS. Consider using the Assets features of the Oracle Web Applications Desktop Integrator (Web ADI).
- Also determine how to verify and reconcile the information.

Determining the Conversion Period

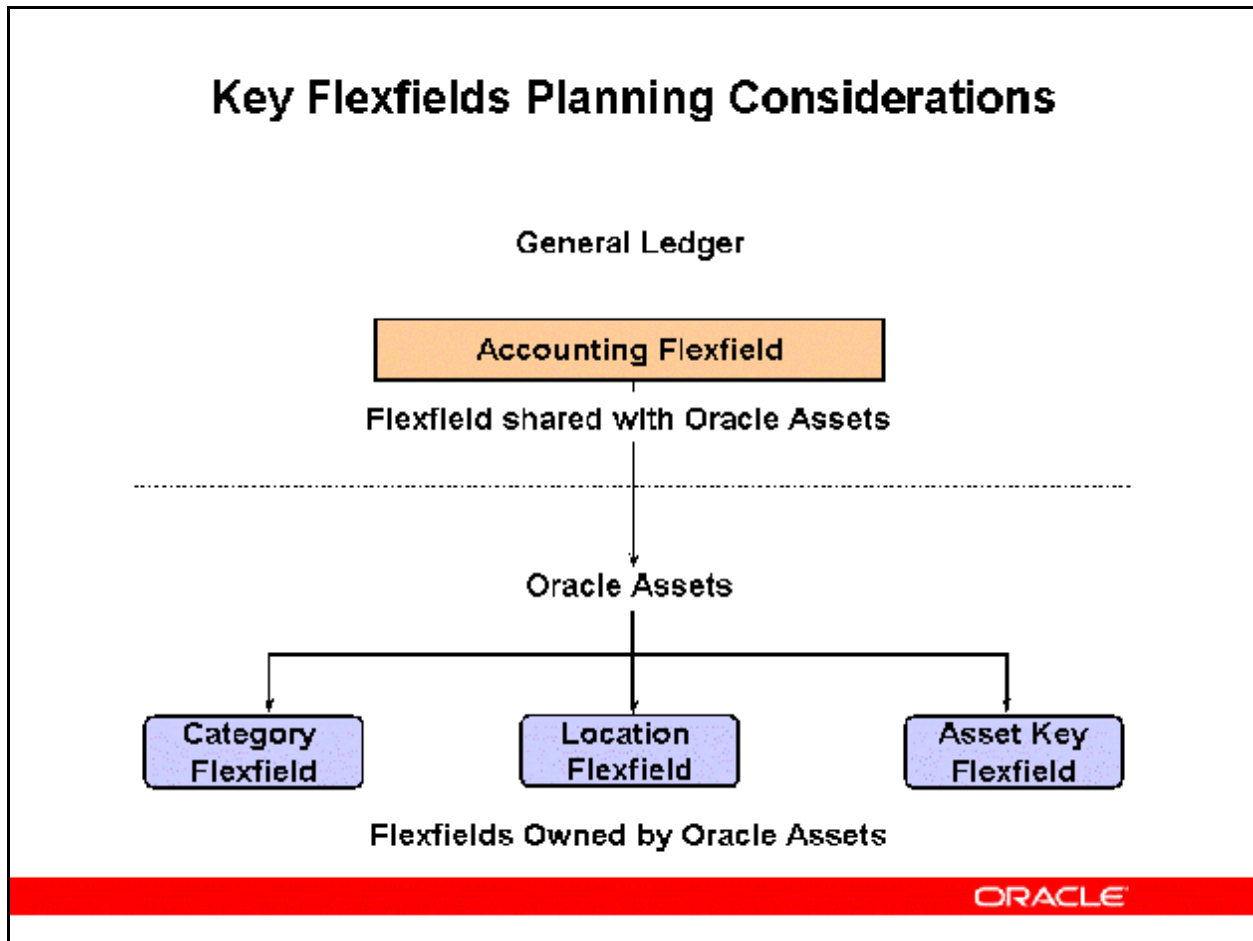
- Many companies find that it is convenient to convert at fiscal year-end because year-end numbers are easy to reconcile, and year-to-date figures are correct in the new year.
- If you convert in mid-fiscal period, consider keeping the previous assets system running in parallel with Oracle Assets until year-end for reconciliation, if feasible.

Decide on Oracle Assets Setups

Decide on key Oracle Assets setups such as:

- Key Flexfield Structures (discussed in more detail following)
- Asset Books
- Asset Categories
- System Controls
- Fiscal Years and Calendars

Key Flexfields Planning Considerations



Key Flexfield Planning Considerations

Planning the Accounting Key Flexfield

The Accounting Flexfield structure is shared by many products and is usually set up in Oracle General Ledger.

Planning the Key Flexfields in Oracle Assets

When your organization initially installs Oracle Assets, you customize the key flexfields to incorporate code segments that are meaningful to the business.

- Oracle Assets has three required key flexfields: Category, Location, and Asset Key flexfields
- You decide what each segment means, what values each segment has, and what the segment values represent.
- You also define rules to specify which segment values are combined to make a valid, complete code (also called a combination).
- Be sure to obtain company information to properly set up these flexfields

Planning the Category Flexfield

- Review how the company is currently grouping its assets.

- Use the chart of accounts to determine what asset cost and accumulated depreciation accounts are set up.
 - There is only one asset cost and one accumulated depreciation account segment value for each category in each book.
 - Compare the depreciation methods and prorate conventions used.
 - Determine the flexfield structure and segment values.

Tax books can be converted after the initial corporate conversion.

- Many sites perform taxes manually; using Mass Copy from the corporate book and doing a manual tax reconciliation is often a worthwhile effort in this case.

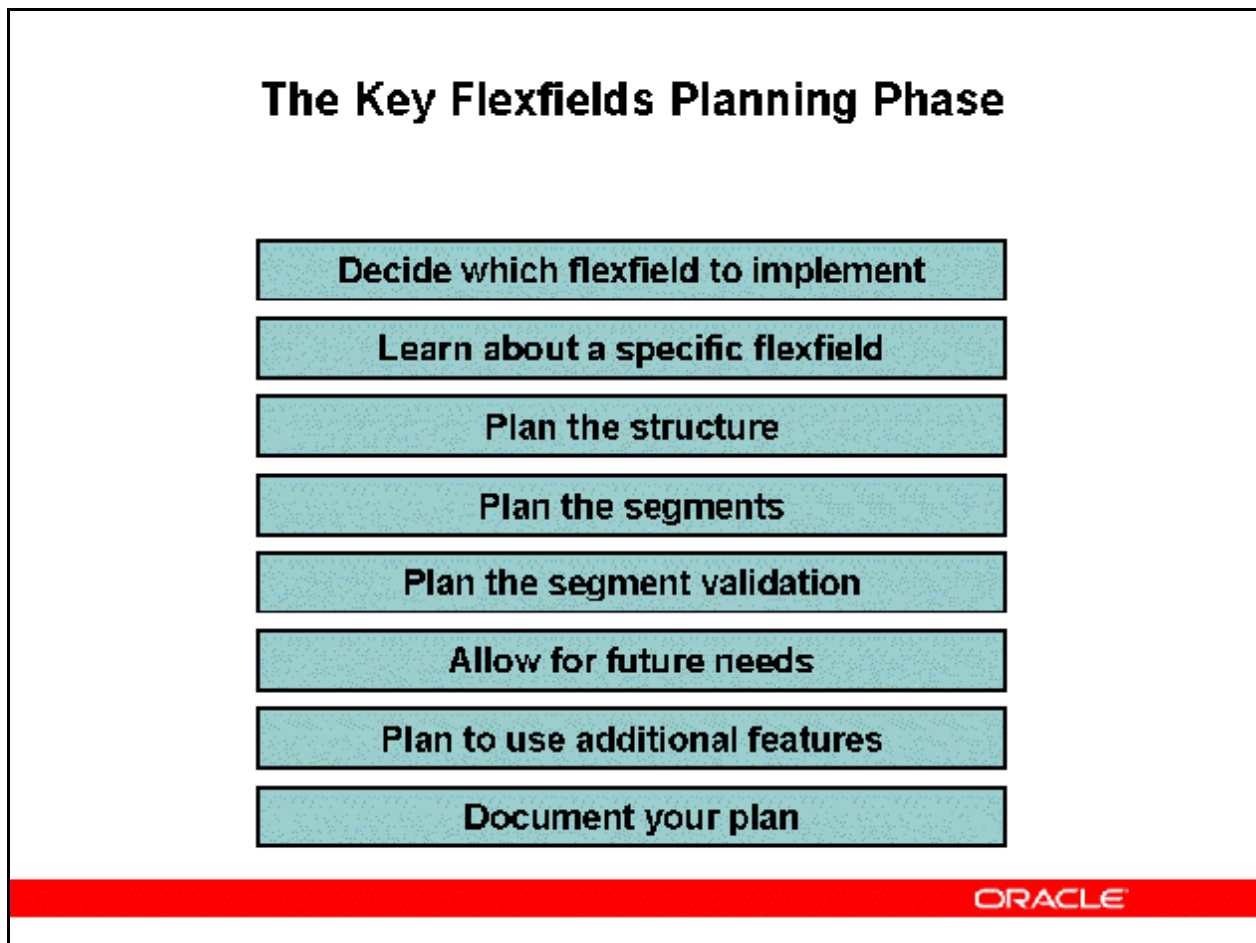
Planning the Location Flexfield

- Many sites encode the location instead of explicitly tracking asset location in their previous asset system. For example, some sites track location in the cost center segment of the Accounting flexfield.
- Many sites use segments such as Country, State, City, and Site. Some require further detailed information, such as room number, bar codes, or property taxes.
- Some sites set up shorthand aliases using a short code from a previous system. Using aliases enables users to continue using the same codes, but provides more readable flexfield combinations for others.

Planning the Asset Key Flexfield

The asset key flexfield is usually used to store non financial data such as a project number for CIP assets or capital appropriations request numbers.

The Key Flexfields Planning Phase



The Key Flexfields Planning Phase

Deciding Which Flexfield to Implement

Oracle Assets and Oracle Applications rely on some key flexfields as central parts of the applications:

- Set up the Accounting flexfield in Oracle General Ledger to set up the general ledger account numbers.
- Set up the Asset Category, Location, and Asset Key flexfields in Oracle Assets. These flexfields are mandatory.

Learning About a Specific Flexfield

Understand the purpose and requirements for the flexfield that you are defining. Some flexfields have restrictions on how you can define them.

Planning the Structure

Plan structures carefully for future needs. Once you have defined structure, you cannot change its number, order, or maximum length.

Planning the Segments

Select two lengths for each segment: the displayed and the maximum length. The maximum length is less than or equal to the underlying column length corresponding to the segment. Because these column sizes vary among flexfields, know what column lengths are available for the flexfield.

Planning the Segment Validation

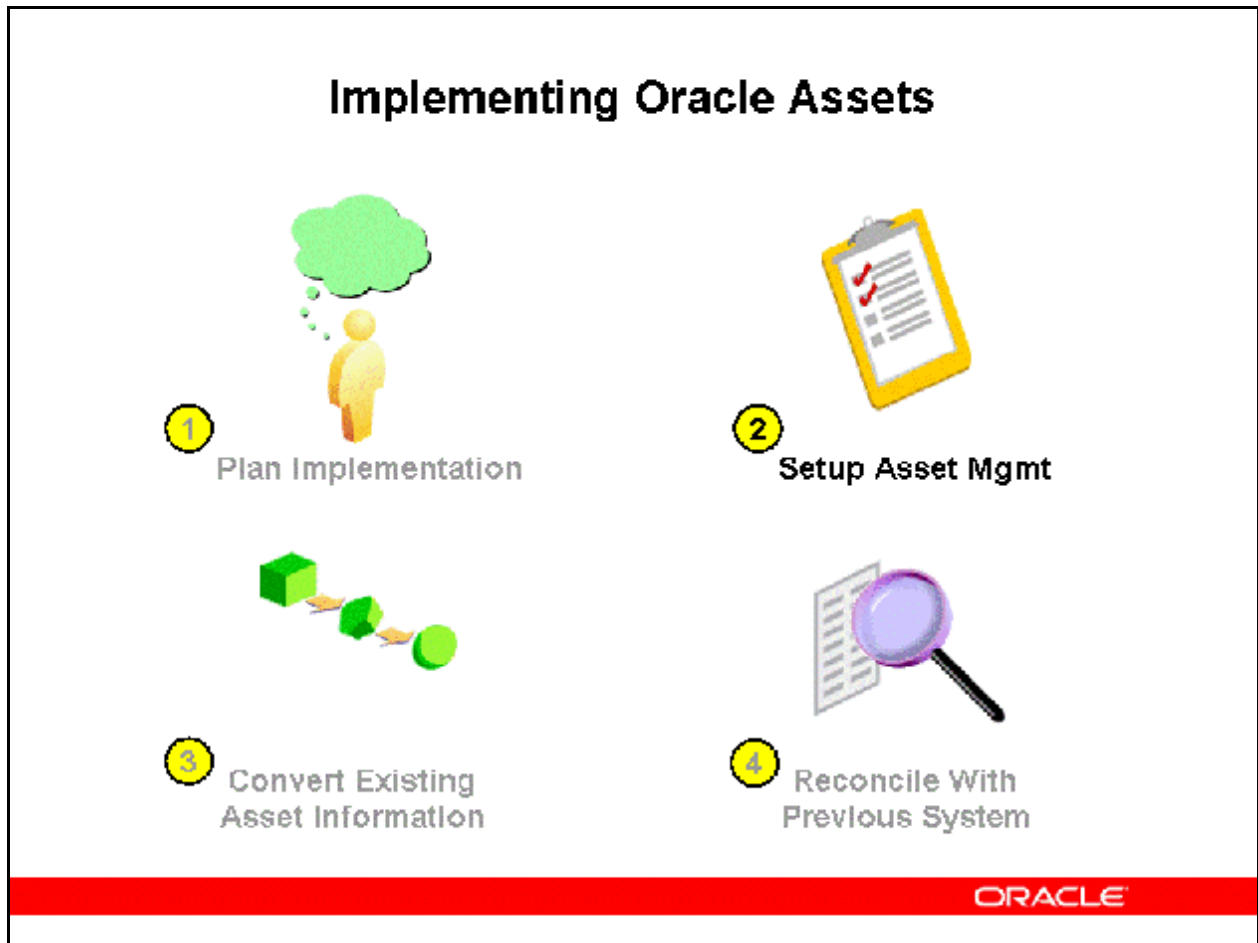
Consider value types used in the flexfield segments. Your answers to the following questions affect how you set up the value sets and values:

- Do you want to provide a list of values for each segment to make data entry faster and easier for the users?
- Do you want to share values among segments in different structures or among different flexfields?
- Do you want the available values in a segment to depend on what value a user entered in a prior segment?
- Do you not want to validate a segment? Not validating a segment would allow the user to enter any value that is not predefined.

Allowing for Future Needs

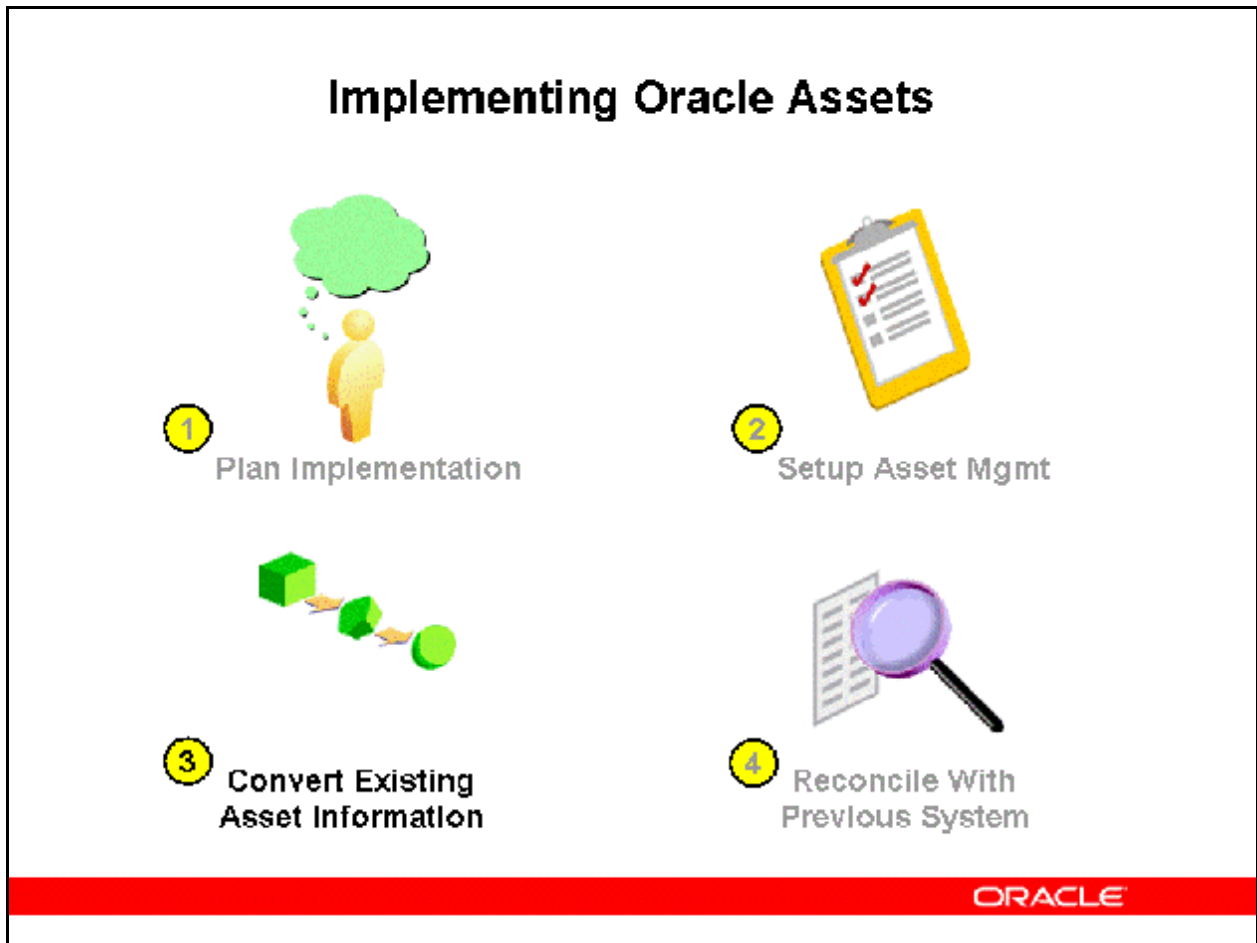
Values change over time. An organization may add more values as the business grows or reorganizes.

Implementing Oracle Assets

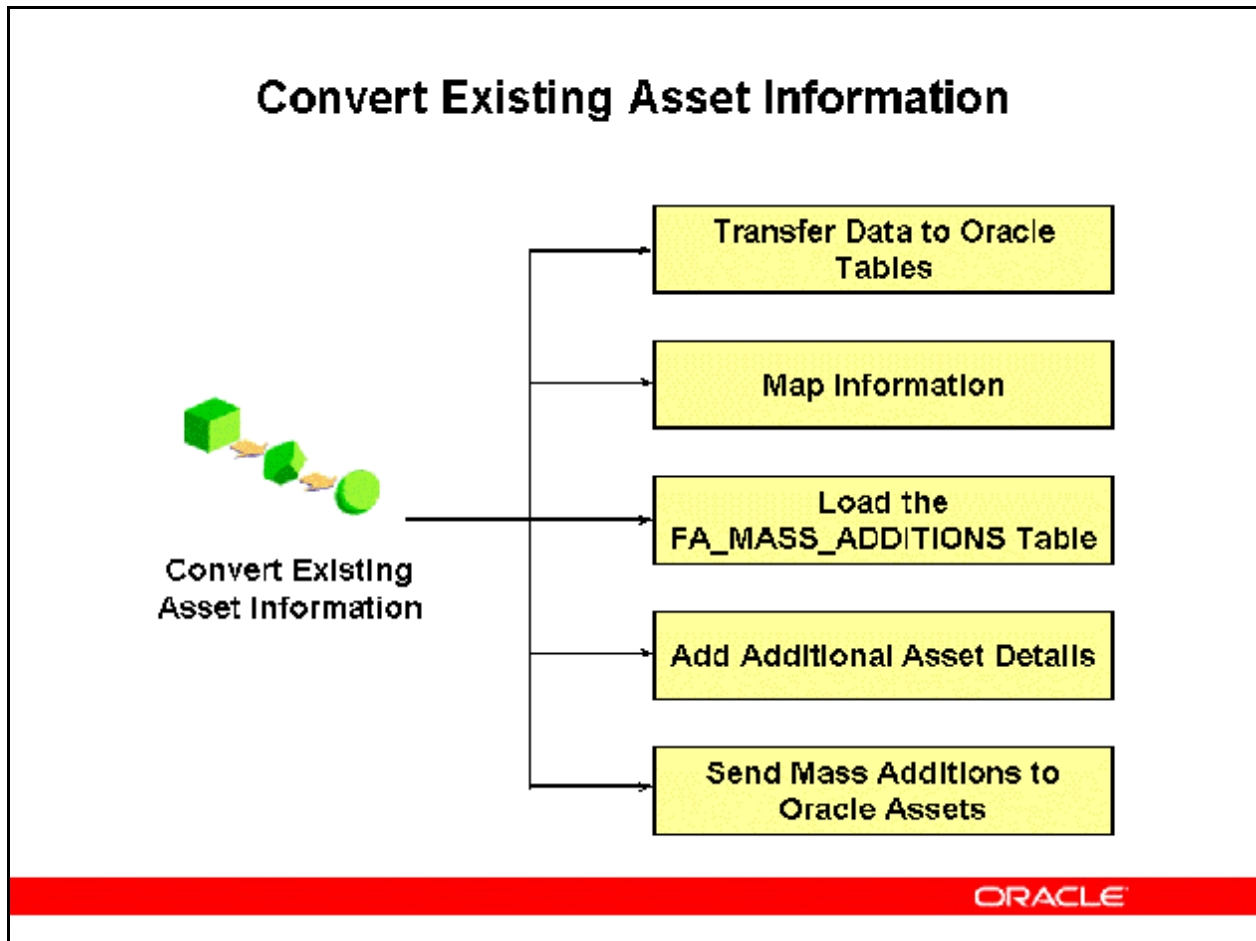


Implementing Oracle Assets

The detailed Oracle Assets Setup Steps were covered previously in this lesson.



Convert Existing Asset Information



Convert Existing Asset Information

Loading Asset Information

Load readily available information and map any hidden information. Then ask users to complete the information in the Mass Additions window and run the Post Mass Additions process.

Transferring Data into ORACLE Tables

If the data is not residing in ORACLE, extract it from the previous system and load it into an interim table.

For example, create a flat file of asset information by stripping the headers and footers from a report from the previous system. Use SQL*Loader to load the flat file.

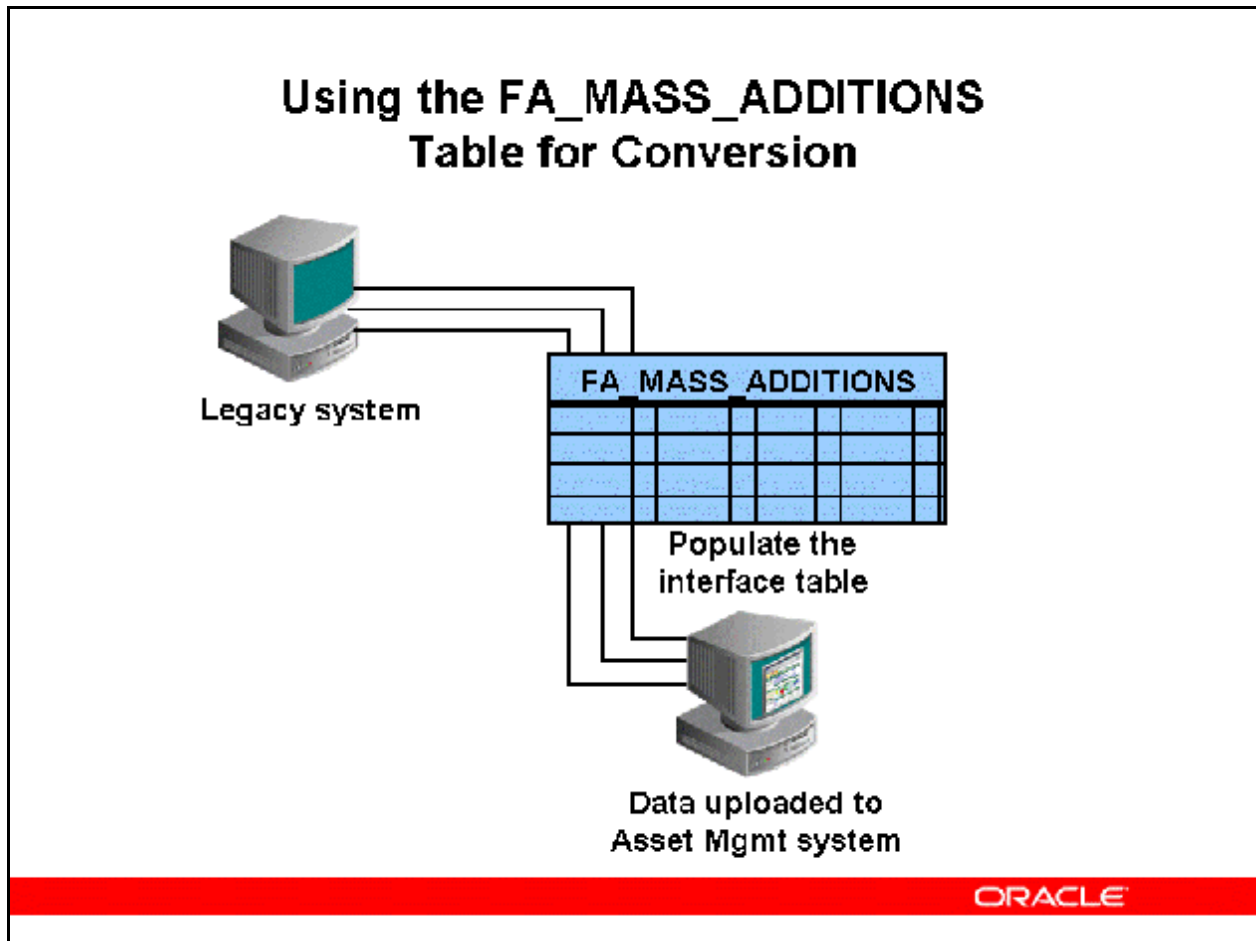
Mapping Information into Identification Codes

Map information into identification numbers.

- For example, look up the employee number or asset category ID.
- Try some test cases to verify behavior and tune scripts.
- Index and tune interim conversion tables, but do not tune standard Oracle Applications tables.

You can also use the Text Import feature of the Applications Desktop Integrator. The Import Text File feature allows you to import data from legacy systems, third party payables applications, barcode scanners, or any other flat data file sources, to your worksheet. Using the Import Text File feature, you can map fields in your source file to fields in your worksheet. Once you have created the map using the Import Text File feature, you can save it and apply it to future conversions.

Using the FA_MASS_ADDITIONS Table for Conversion



Using the FA_MASS_ADDITIONS Table for Conversion

Loading the FA_MASS_ADDITIONS Table

You can load asset information into the FA_MASS_ADDITIONS table.

- Decide how you will bring existing asset information into Oracle Assets using the Mass Additions interface table FA_MASS_ADDITIONS.
- All columns are nullable, so you can fill in columns in any order.
- Some information is required. Note that the Oracle Assets Technical Reference Manual lists all columns as nullable.
- Load all available asset information to enable users to review and update the data in the Mass Additions window.

Filling in Additional Details

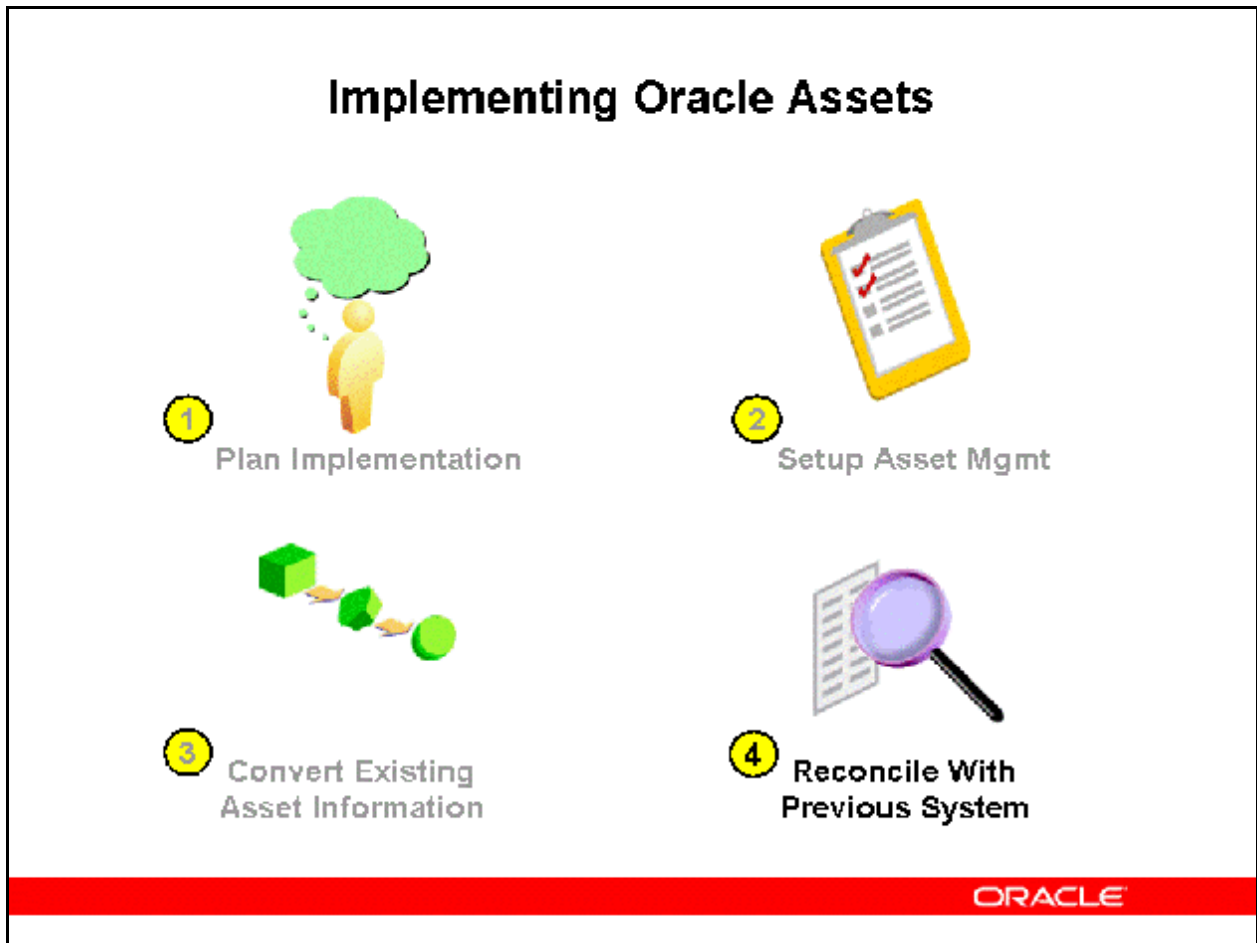
- Review the asset information in the Mass Additions window, and enter any additional information. You might need to add some required information that is missing.
- Consider using custom hold queues to specify what information is still needed or which person at the client site is responsible for providing the information.

Sending Mass Additions to Oracle Assets

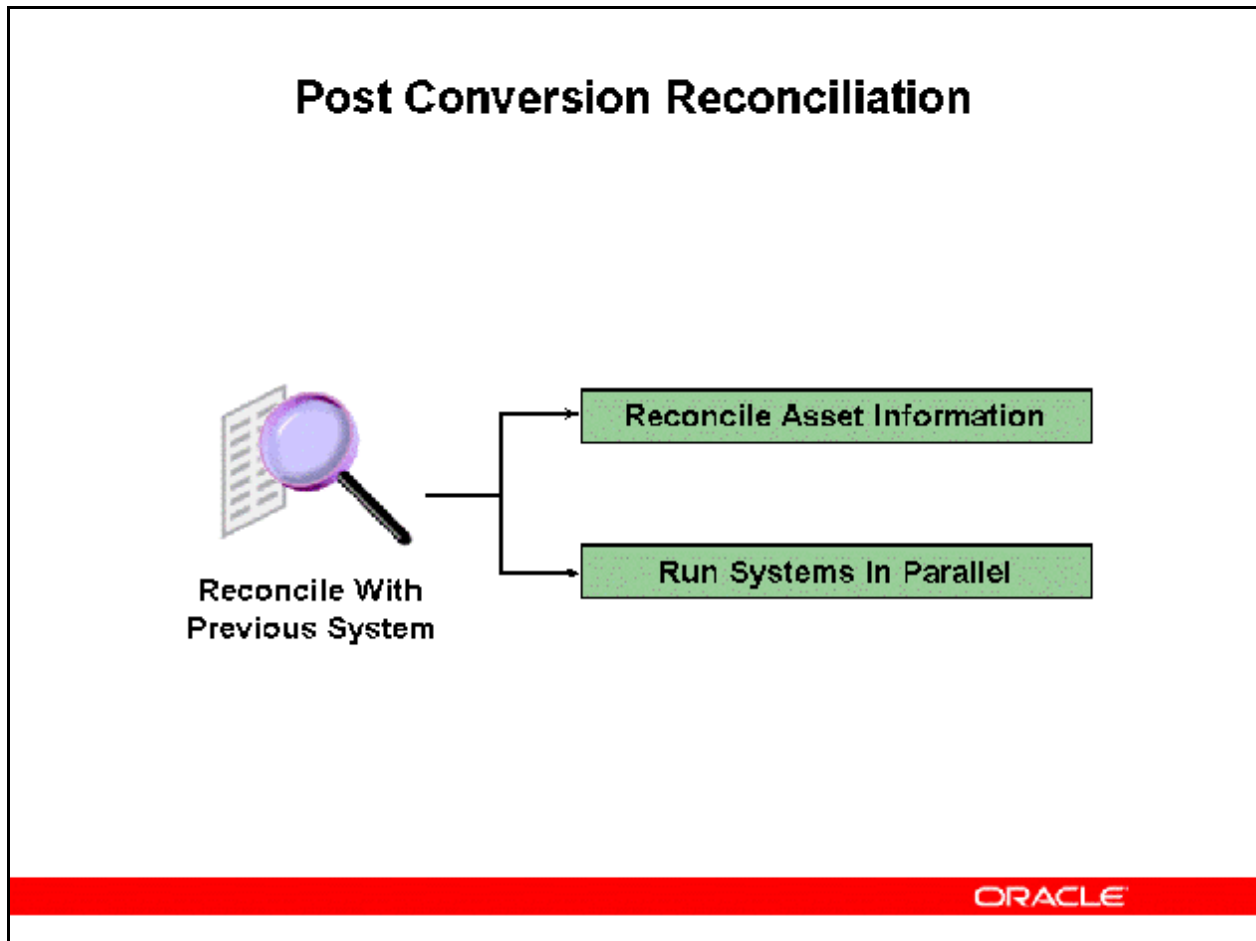
When you are satisfied that the information is complete in mass additions, run Post Mass Additions to create assets.

- If necessary, override depreciation rules by using Mass Change or the Books window.
- Do not manipulate the rates for a depreciation method.
- Process assets in batches for better performance.
- Be sure to compare record counts, and check the SQL*Loader bad and log files.
- Consider using a phased approach to loading FA_MASS_ADDITIONS:
 - All base information from the legacy system
 - Category ID
 - Location ID
 - Depreciation Expense Account CCID and Payables CCID
 - Asset Key CCID

Implementing Oracle Assets



Post Conversion Reconciliation



Post Conversion Reconciliation

Reconciling Asset Information

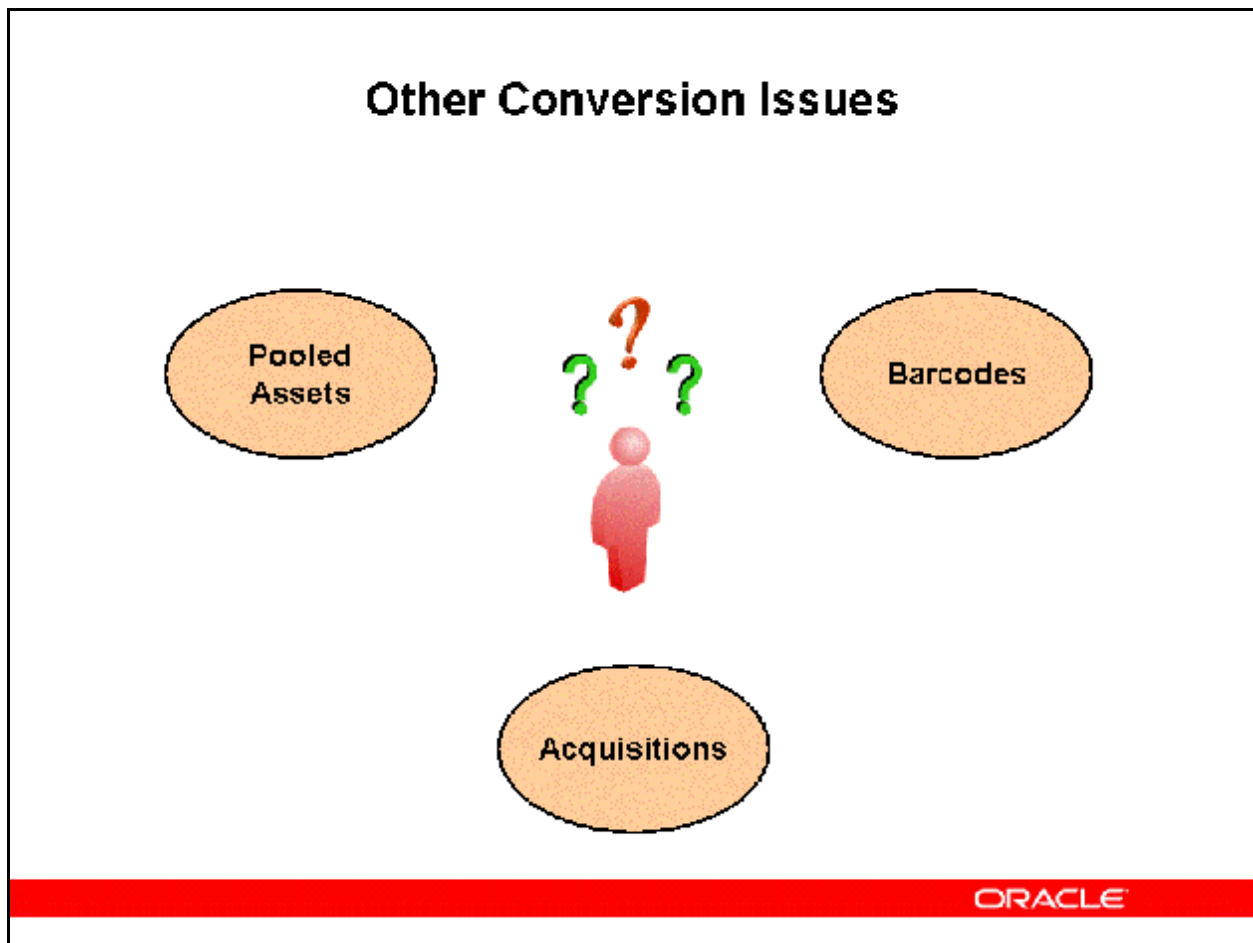
You can use standard and custom reports to compare asset information.

- Consider projecting depreciation to reconcile estimated depreciation. Note that a projection does not include all current period transactions. Refer to the *Release 12 Asset Management Fundamentals* lesson *Depreciation* for more information
- Be sure to take any adjustments in the new fiscal year.

Running Systems in Parallel

- Consider converting to Oracle Assets a few periods before the end of the fiscal year. Then run Oracle Assets in parallel with the legacy asset system to the end of the fiscal year and reconcile with year end figures.
- Consider also running both systems forward into the new fiscal year for a few periods.
- Consider closing the year on the legacy system, perform a conversion the month before fiscal year end, and open the new year in Oracle Assets.

Other Conversion Issues



Other Conversion Issues

Pooled Assets

- If the site is currently tracking assets in pools, consider using a separate asset category and asset cost account for each pool and letting the pools finish out their lives. If feasible, perform physical inventories and then track assets individually.
- Refer to an ancillary Oracle Assets product named *Capital Resource Logistics (CRL)* which has the ability to track and depreciate pooled assets.

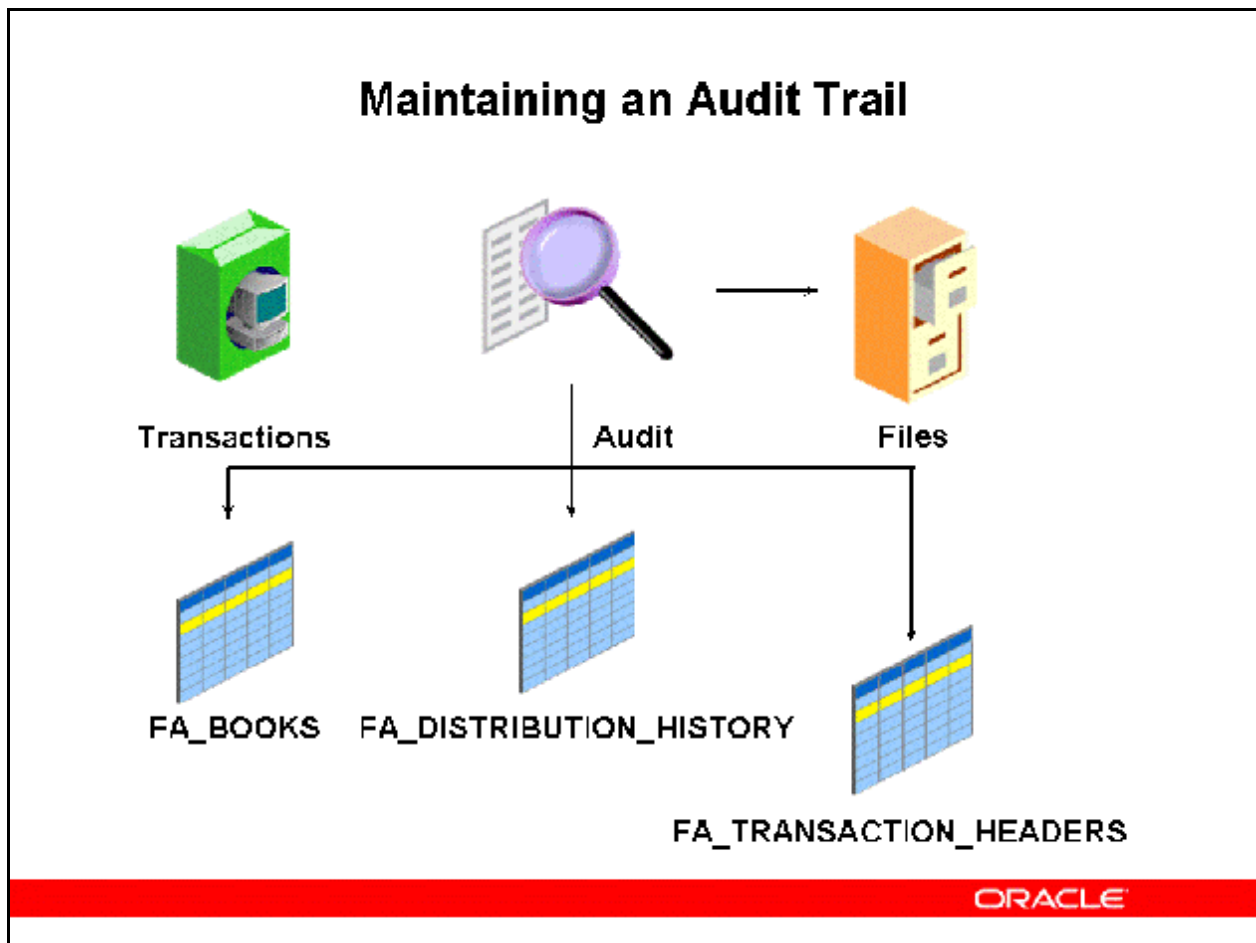
Barcodes

- If your site is using barcodes, use the Tag Number field to store the barcode number.
- You can enter barcode information directly (by using the keyboard) or with a "wedge" or wand that deciphers the barcode. Some customization may be required here.

Acquisitions

- If the company has been acquired and has restated their asset values, the new values become the depreciable basis. Convert these assets with the new values.
- If a company is acquired after installing Oracle Assets, reconvert with the new asset values.

Maintaining an Audit Trail

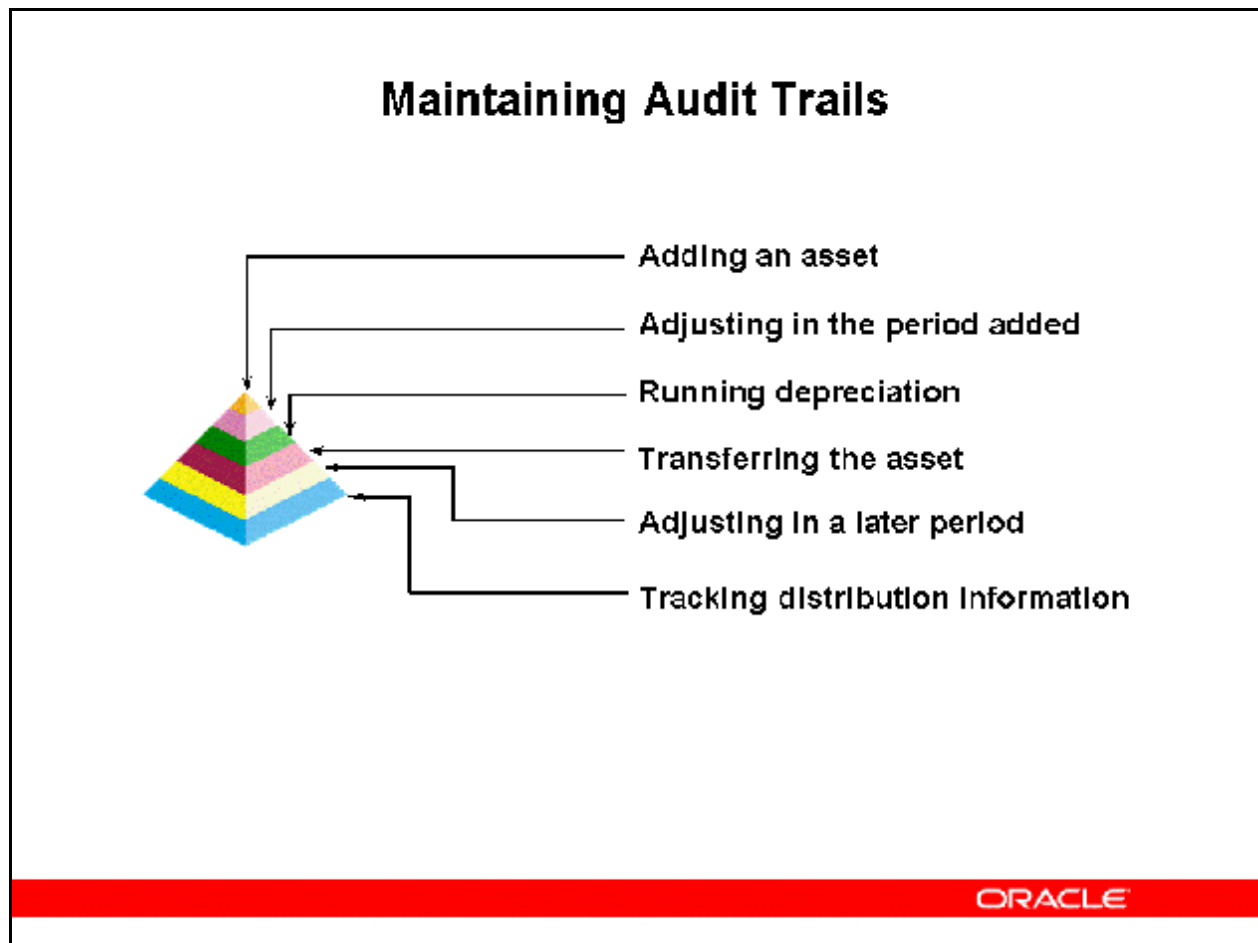


Maintaining an Audit Trail

Oracle Assets keeps a complete audit trail of transactions. Most transactions are stored in these primary tables:

- FA_BOOKS
- FA_DISTRIBUTION_HISTORY
- FA_TRANSACTION_HEADERS

Maintaining Audit Trails



Maintaining Audits Trails

Oracle Assets keeps a complete audit trail of all transactions that create a record. The current record is the row where TRANSACTION_HEADER_ID_OUT is NULL.

Adding an Asset

When Oracle Assets creates an ADDITION transaction, it creates a new row for the asset in the corporate asset book.

- A TRANSFER IN transaction is created by adding a new row that is used to track the distribution.
- The ADDITION/TRANSFER IN pair corresponds to adding the asset.

Adjusting in the Period Added

- Oracle Assets updates the original ADDITION transaction to ADDITION/VOID.
- A new ADDITION transaction is created by adding a new row for the asset in the corporate asset book and terminating the old one.

Running Depreciation

When depreciation is run and the close period checkbox is chosen, Oracle Assets closes the period and creates journal entries.

Transferring the Asset

Oracle Assets creates a TRANSFER transaction by creating a new row for the asset to track the distribution, and terminating the old row.

Adjusting the Asset in a Later Period

- When Oracle Assets creates an ADJUSTMENT transaction, it creates a new row for the asset in the corporate asset book and terminates the old one.
- Oracle Assets will void the original transaction if you change asset information before running depreciation because the asset cost account has not been charged yet.

Tracking Distribution Information

Oracle Assets tracks distribution information once per asset and tracks financial information for each book.

- The employee, location, and general ledger depreciation expense number are stored in FA_DISTRIBUTION_HISTORY.
- The asset category and units are stored in FA_ASSET_HISTORY.

Defining Asset Warranties

You can define and track descriptive information on manufacturer and vendor warranties in Oracle Assets

- **You define the warranty information in the Asset Warranties window**
- **You can then assign assets to these previously defined warranties in the Asset Details window**
- **You can assign any number of assets to the same warranty**
 - **If a warranty has any assets assigned to it, you cannot update or delete the warranty**
 - **You can attach the asset to a different warranty at any time**

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Refer to *Demonstration - Define an Asset Warranty [LAB3511Y]*

Creating Leases

Use the Lease Details window and the Lease Payments window to perform the following tasks:

- **Enter a Lease**
- **Enter a Payment Schedule**
- **Create an Amortization Schedule**

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Creating Leases

Use the Lease Details window and Lease Payments window to define new leases. You cannot update or delete leases that are in use.

If you want Oracle Assets to test your lease to determine whether to capitalize and depreciate assets assigned to it, enter information in the Capitalization Test region of the Lease Details window. If you have already defined a payment schedule for your lease, attach it to the lease in the Lease Details window. Otherwise, you can navigate to the Lease Payments window to define a payment schedule and to calculate the present value of your lease payments. Oracle Assets depreciates Capitalized leased assets and expenses Operating leased assets. Oracle Assets will capitalize and depreciate leased assets if any one of the following criteria is met:

- Test 1—The ownership of the asset transfers to the lessee at the end of the lease.
- Test 2—A bargain purchase option exists.
- Test 3—The term of the lease is more than 75% of the economic life of the leased asset.
- Test 4—The present value of the minimum lease payments exceeds 90% of the fair market value of the asset at lease inception.

When you add leased assets using the Detail Additions process, you can attach the assets to leases you have previously defined. You can assign multiple assets to the same lease.

Refer to *Demonstration - Define a Lease [LAB3510Y]*

Summary

In this lesson, you should have learned how to:

- **List the Oracle Assets setup steps**
- **Discuss defining the Oracle Assets three key flexfields**
- **Discuss implementation issues in setting up the three Oracle Assets key flexfields**
- **Discuss implementation considerations for System Controls options**
- **Explain the use of Quickcodes in Oracle Assets**

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Summary

- **Explain how fiscal years and calendars are used in Oracle Assets**
- **Discuss implementation issues in setting up calendars**
- **Explain the Oracle Assets profile options**
- **Discuss the key processes that need to be completed when planning an Oracle Assets implementation**

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