

Oracle Financial Consolidation and Close Cloud Service

Day 1

Agenda

Day 1

- Financial Consolidation and Close Cloud Overview (FCCS)
- Consolidations, Eliminations and Translations
- Creating a FCCS application
- Navigating a FCCS application

Day 2

- FCCS Dimensionality
- Building an application

Day 3

- Using SmartView
- Data Management

Day 4

- Designing Reports
- Supplemental Data Management Module
- Financial Close Management module

Acronyms

- EPM : Enterprise Performance Management
- CPM : Corporate Performance Management
- HFM : Hyperion Financial Management
- Consolidation : The process of consolidating or a Financial Consolidation software\application
- GAAP : Generally Accepted Accounting Principles
- IFRS : International Financial Reporting Standards
- ERP : Enterprise Resource Planning. Transactional applications.
- Segments : Dimensions
- COA : Chart of Accounts
- CM : Change Management
- FCCS : Financial Close and Consolidation Cloud Service
- PBCS : Planning and Budgeting Cloud Service

Financial Consolidation and Close Cloud Overview

Financial Close Cycle

Period end financial close is the **culmination** of all of the organisation's activities, set of sequential steps.

- Close Sub Ledgers into GL (AR\AP etc)
- Post Accruals into Ledgers and reconcile Account Balances
- Transfer data required for Financial Reporting
- Consolidate data across Organizational Hierarchies.
- Tax Calculations
- Generate Management Reports, External Report with supplementing disclosures.
- Statutory Filings



Financial Consolidation

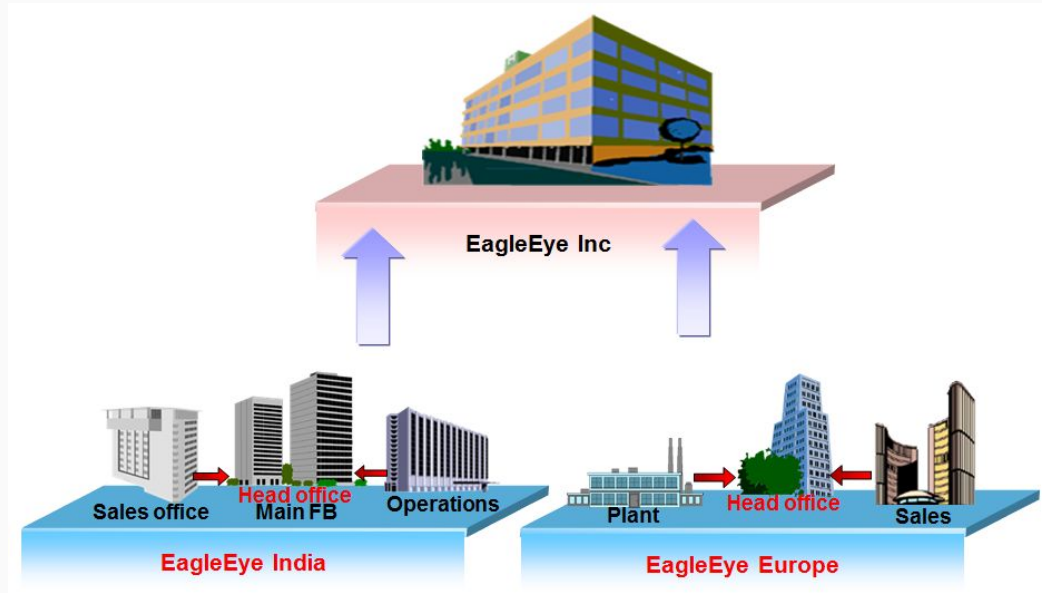
Consolidation is one of the major steps in the financial close cycle. Overall goal of Consolidation Process is to collect and **transform transactional data** into Financial Statements. It involves

- Defining Common COA and Hierarchy structures using multidimensional solution, to serve as the central repository of Financial Data.
- Eliminating Intercompany Transactions
- Foreign Exchange calculations
- Equity\Minority interest calculations.
- Topside Adjustments\Allocations and more..



Need for Consolidation

- Goal of every Close and Consolidation solution is to reduce the reporting cycle and delivering accurate reporting.
- Statutory and Management Reporting
- Consolidation Involves
 - Roll up of data along Entities
 - Currency Conversion
 - Intercompany Elimination
 - Proportional Consolidation
 - Topside Adjustments
 - Calculations
 - Minority Interest, Goodwill

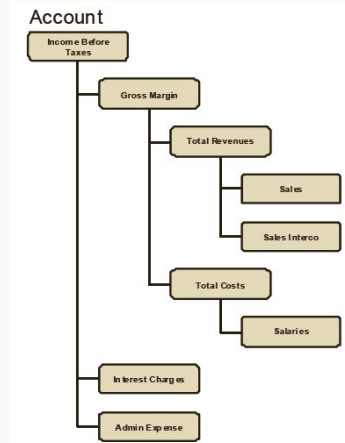
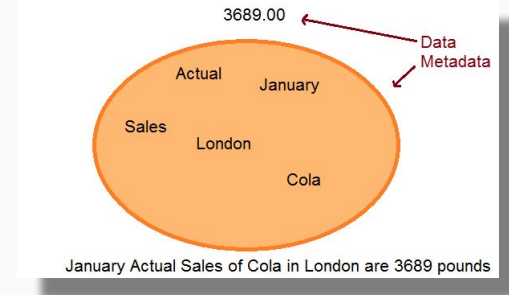


Deployment Use Cases

- Most small enterprises consolidate using excel or ERP systems.
- Enterprise typically choose to implement a separate EPM\CPM application for Consolidation when
 - Revenue over \$100m or more. Very common among companies with more than \$1b revenue.
 - International operations dealing with multiple currencies.
 - Large number of legal entities involving transactions between the legal entities.
 - Multiple ERP systems used by different legal entities.
 - M & A activity or simply the business chose different ERP's.
 - Consolidated Financial Reporting
 - Statutory Reporting
 - Management Reporting and Analysis
 - Complex Ownership Structure
 - Dashboards

FCCS Concepts

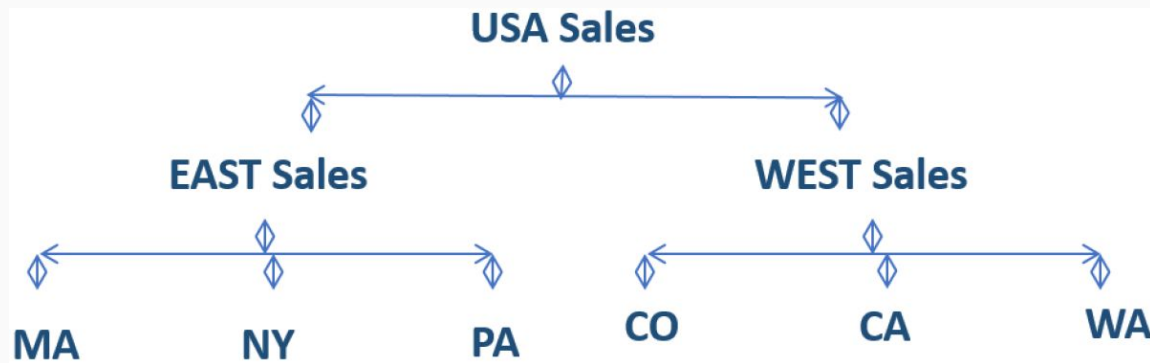
- Metadata : Structural elements of the application that describe and hold data. Examples include dimensions, its members and properties etc
- Data : Amount, Value, Exchange Rates, Percentage ownership, ratios etc.
- Dimension Hierarchy : Parent and child tree
- Data is stored at unique combination of all dimension members.
- During consolidation, data rolls up only in the Entity dimension.
- Artifacts : Data Forms, Journals, Reports, Smartview are artifacts used to manage data.



Consolidations, Eliminations and Translations

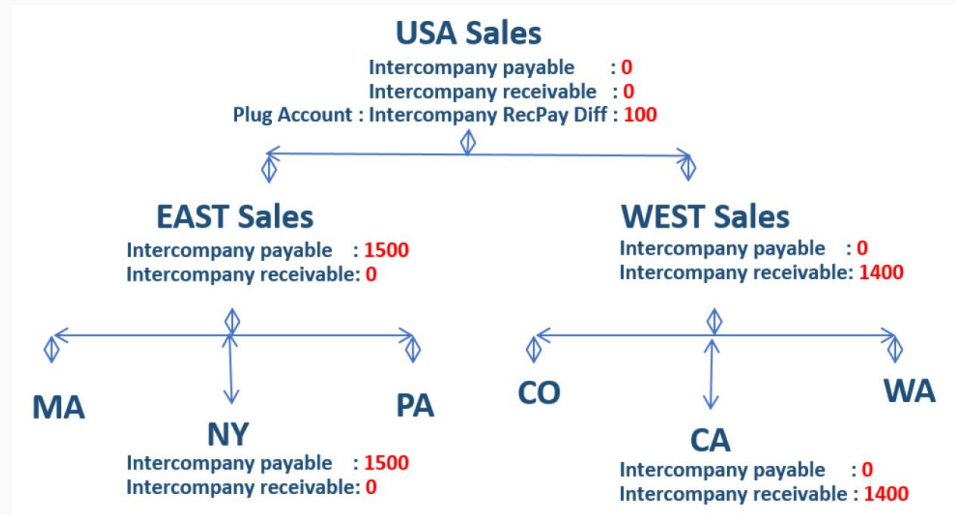
Intercompany Transactions

- Transaction between two entities within the organization are called intercompany transactions.
- E.g. East sales makes a sale to an external customer and the goods are shipped by west sales org. West sales sends an intercompany invoice to east sales. They both are known as IC partners.
- IC transactions are eliminated at the first common parent. Transactions between MA and NY are eliminated at East Sales and MA and CA at USA Sales.



Setting up IC Eliminations

- Application structure. Enable IC Data with tracking during application creation.
- Set one Asset, Liability and Plug Account.
 - Edit the account, attribute values and add Plug_ACC_YES
 - Edit the Asset account, attribute values and add IC_Acc_Yes & Plug account.
 - Edit the account, attribute values and add IC_Acc_Yes & Plug account.
- Set IC Entities.
 - Edit the Entity, attribute values and add IC_Entity_Yes.
 - This step will add the entity in the ICP dimension.
- Do not forget DB refresh.



Translations

- FCCS has a separate dimension to store data in different currencies called Currency Dimension.
- FCCS supports upto 45 currencies.
- Input Currencies : All the valid input currencies for the entities.
- Reporting Currencies : Currencies used only for reporting purpose. They need to be enabled only after which they will be available for translation.
- Entity Currency : Input currency relative to entity.
- Parent Currency : Parent currency relative to entity.

Entity Currency = USD

Geography

Europe

Entity Currency = EUR
Parent Currency = USD



Translating Data

- Two rate accounts pre built
 - Average Rate
 - Ending Rate
- Flow Account : Average Rate & PVA Method
 - Revenue\Income
 - Expense
- Balance Accounts : Ending Rate and VAL Method
 - Asset
 - Liability
 - Equity
- Standard translation except for Historical Accounts.

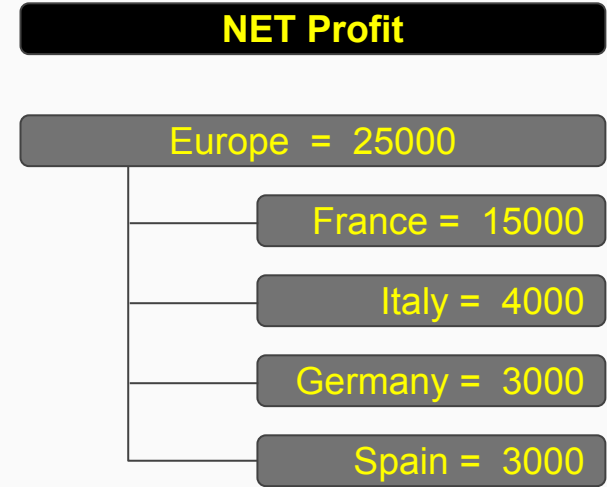
	JAN	FEB
Exchange Rate Factor	1:3	1:4
YTD Value	50	75
Translated using VAL	$50 * 3 = 150$	$75 * 4 = 300$
Translated using PVA	$50 * 3 = 150$	$(75 - 50) * 4 + 150 = 250$

Currency Translations

- Enabling Reporting Currency
 - Navigator -> Dimensions -> Currency -> Add, Select and check Reporting currency option.
- Exchange Rates
 - Home Page -> Data -> Single Period or Multi Period Exchange Rate form.
- Checking Translation Status
 - Home Page -> Data -> Open Data Status form.
 - Select Point of view and a cell.
 - From the Actions drop down menu, select business rules.
 - Click on Translate.

Consolidations

- Consolidation is the process of gathering data from descendant entities and aggregating to Parent entities.
- Data is loaded at base entities.
- Journals adjustments can be made at parent entities.
- When you trigger a consolidation.
 - Consolidation is started from the base entities.
 - Calculation are performed for all based entities.
 - If the node has different currencies, translations are performed.
 - Intercompany transactions are eliminated.
 - Percentage ownership is applied.



Consolidation Dimension

- Consolidation Audit Trail
- Entity Input
 - Input for entities (Only via journals for parent entity)
- Entity Consolidation
 - Sum of all children's contribution
- Entity Total
 - Sum of Entity Input and Consolidation
- Proportion
 - Translated Entity Total * PCON
- Elimination
 - Intercompany Elimination values
- Contribution
 - Child Contribution to Parent

▲ Consolidation
▲ FCCS_Contribution 🔑
FCCS_Elimination 🔑
FCCS_Proportion
▲ FCCS_Entity Total
FCCS_Entity Input
FCCS_Entity Elimination Adj
FCCS_Entity Consolidation

Calculation Status and Running Consolidations

- Calculation Status
 - OK : Data is consolidated and up to date.
 - No Data : No data has been loaded\entered yet.
 - Impacted : Data has changed after last consolidation. Reconsolidation required.
 - Needs Translation : Selected currency dimension is different from entity currency.
 - System Change : Metadata has changed. Rules, dimensions, exchange rates etc.
- Home Page -> Data -> Open Data Status form.
- Select Point of view and a cell.
- From the Actions drop down menu, select business rules.
- Click on Consolidate.
- Select the POV.
- Click on Submit.

FCCS Components

My Services

Core Consolidation

Data Management

Close Management

Supplemental Data
Management

Financial Reports

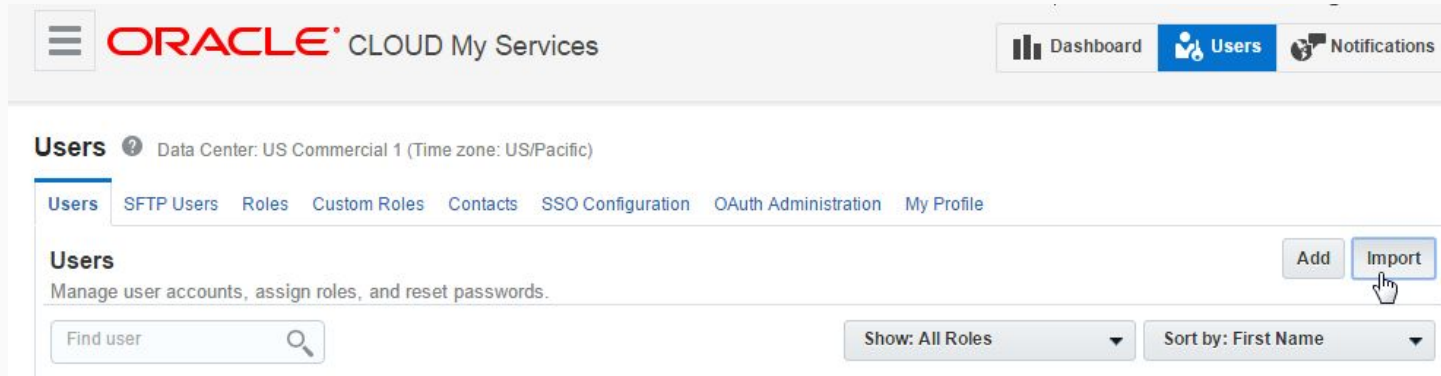
Smartview

EPM Automate

Connections

My Services

- Security is managed through multi layered approach
- System Roles and Privileges together determine access
- Step 1 : Identity Domain Administrator role is given when any Oracle Cloud service is purchased.
- Using IDA role, user can login into Oracle Cloud My Services. Click on Users.
- Step 2 : Create New users or Import users from a flat file.



Core Consolidation

- Application Creation Wizard
- Currency Translation
- Intercompany Elimination
- Automated Cash Flow Reporting
- Multi GAAP Reporting
- Data Source Tracking
- Managing Navigations
- Metadata Management
- Forms
- Managing Journals
- Auditing
- Dashboards
- Others....

Data Management



- Target\Source Registration
- Dimensionality Mapping between source and target
- Data Load Rules
- Member mappings
- Workbench
 - Import\Validate and Export

Close Management

- Provides insight and transparency in the close process
- Ability to define tasks and schedule them to ensure efficient task flow
- Integrated and Ad hoc tasks
- Email Notifications
- Overall Status Dashboard
- Ability to analyze close effectiveness and helps continuous improvement.



Supplemental Data Management

- Some Line items in Income Statement and Balance Sheet Statement often require additional details that supplement the summary data.
 - E.g. Investment in Securities.
- Typically the details for the line items do not exist in transactional systems.
- Define data model and templates to collect data for the data model.
- Calculation Formulas and Validations.

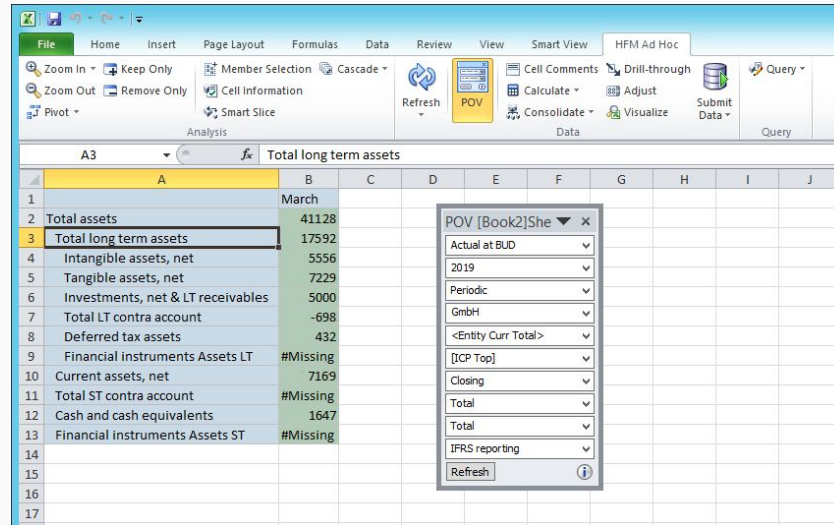
Summary I - Employee Information II - Payroll and Bonus III - Payroll Summary History							
Actions       							
	Employee ID	Employee Name	Annual Earnings	Regular Hours	Qualified Bonus	Bonus Amount	Total Earnings
1	913001	Mary T. Kay	75,000	40	Yes	7,500	82,500
2	934220	John L. Smith	45,000	40	No	0	45,000
3	982902	Michael P. Gunita	125,000	40	Yes	12,500	137,500
4	912430	Tyler A. Jones	25,000	30	No	0	25,000
5	943230	Aly W. Lee	40,000	32	Yes	4,000	44,000
6	955220	Sarah T. Krish	76,000	40	Yes	7,600	83,600
7	913420	Donna Y. Bear	89,000	40	Yes	8,900	97,900
8	945002	Victor A. Clark	22,000	32	No	0	22,000
9	998300	Theresa H. Homes	35,000	30	No	0	35,000
10	972232	Robert R. Klaus	150,250	32	Yes	15,025	165,275
11	912220	Richard E. Smith	54,000	40	No	0	54,000
Total			736,250			55,525	791,775

Financial Reports

- Financial Reporting Web Studio
 - Designer for reports
- Statutory Reports
- Management Reports
- Grid based reports
- Chart based reports
- Rich formatting to generate print quality reports

Smart View

- Client based microsoft Excel add in
- Enables usage of excel interface to view and analyze FCCS data
- Support for Excel, Word, Outlook and powerpoint



EPM Automate

- Remote administration of Tasks in FCCS
- Command Line Utility
- Installation required
- Ability to script multiple actions in a required sequence
- Can be scheduled for lights out operation

```
EPM Automate Version 15.08
Welcome to EPM Automate. Type epmautomate help and press <Enter> for help.

C:\Oracle\EPM Automate\bin>epmautomate help

For more information about EPM Automate visit http://docs.oracle.com/cloud/latest/pbcs_common/index.html

List of all EPM Automate commands:

login          Login to an EPM environment
logout         Log out of an EPM environment
uploadfile     Upload a file to the EPM repository
downloadfile   Download a file from the EPM repository
importdata     Initiate a data import into a planning application
exportdata     Initiate a data export from the planning application
refreshcube   Initiate a cube refresh operation in a planning application
runbusinessrule Launch a business rule in a planning application
listfiles      View a list of all the files in the EPM repository
deletefile     Delete a file in the EPM repository
exportsnapshot Initiate a repeat export of a LifeCycle Management Snapshot
importsnapshot Initiate an import operation of a LifeCycle Management Snapshot
importmetadata Initiate a metadata import into a planning application
exportmetadata Initiate a metadata export into a planning application
runplanytypeapp Execute a plan type mapping/report mapping in a planning application
recreate       Recreate the EPM environment
encrypt        Encrypt the user password

For usage details of each of these commands, type 'epmautomate <commandname> help'
e.g.: epmautomate uploadfile help

C:\Oracle\EPM Automate\bin>_
```

Connections

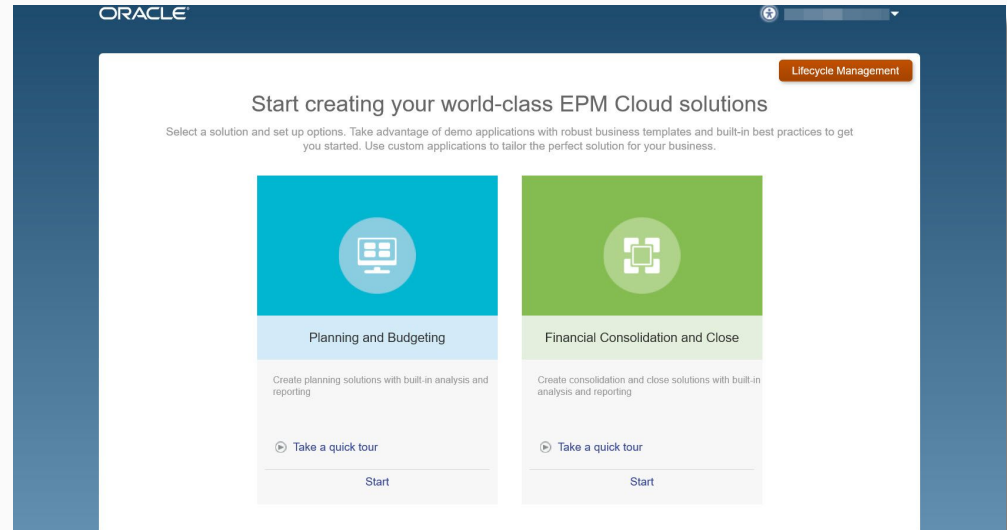
- Multiple subscriptions on the same identity domain can be interconnected for seamless navigation.



Creating a FCCS application

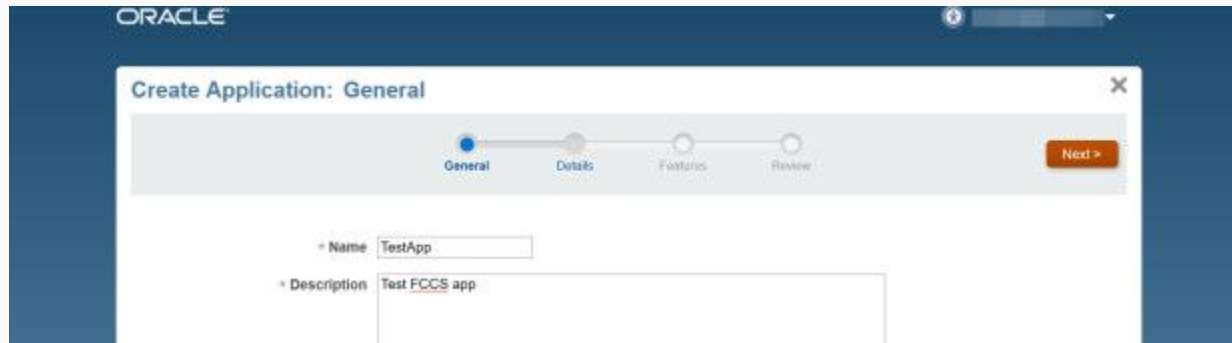
FCCS Components

- Applications can be created from the instance landing page.
- New application or a sample application can be created.
- Wizard driven approach to create an application.
- Application Creation workflow
 - Application Structure
 - Load Metadata
 - Load data
 - Data Forms
 - Task Lists
 - Reports



FCCS Components

- Step 1 : Specify a name and description for the application



The screenshot shows the 'Create Application: General' dialog box in the Oracle interface. The dialog has a title bar with the Oracle logo and a close button. Below the title bar is a progress bar with four steps: 'General' (selected), 'Details', 'Features', and 'Review'. A 'Next >' button is located to the right of the progress bar. The main content area contains two input fields: 'Name' with the value 'TestApp' and 'Description' with the value 'Test FCCS app'.

FCCS Components

- Step 2 : Determine the Time dimension and currencies for the application
 - Time Period : 12 or 13 periods
 - Start and End Year
 - Fiscal Year
 - HTD optional member
 - Main Currency
 - Multi Currency

The screenshot shows the 'Create Application: Details' form in the Oracle interface. The form has a progress bar at the top with four steps: General, Details (current), Features, and Review. The 'Details' section includes the following fields:

- Time Period:**
 - Number of Months:** Radio buttons for '12 Months' (selected) and '13 Months'.
 - Start and end year:** Dropdowns for '2013' and '2024'.
 - First month of fiscal year:** Dropdown for 'January'.
 - Create HYTD members:** Check box labeled 'Enable'.
- Other Details:**
 - Main Currency:** Dropdown for 'USD United States of America Dollar'.
 - Multicurrency:** Check box labeled 'Yes'.

FCCS Components

- Step 3 : Application Features
 - Consolidation
 - Balance Sheet Hierarchy
 - Multi GAAP dimension
 - Intercompany Data
 - Journals
 - Ratio Calculations
 - CTA
 - Ownership Management
 - Custom Dimensions
 - Enabling Supplemental Data Collection

Create Application: Features

< Back General Details **Features** Review Next >

FCCS provides a centralized monitoring of all close process tasks by defining your Close Calendar activities for the period. You can enable the Consolidation feature to calculate and aggregate data throughout the organization. Additionally you can enable Supplemental Data collection feature to organize and manage the additional transaction details.

Consolidation ✓ Enabled

When Consolidation is enabled, you can calculate and adjust data, perform currency translation and run consolidation rules. You can select to enable the features applicable for your application.

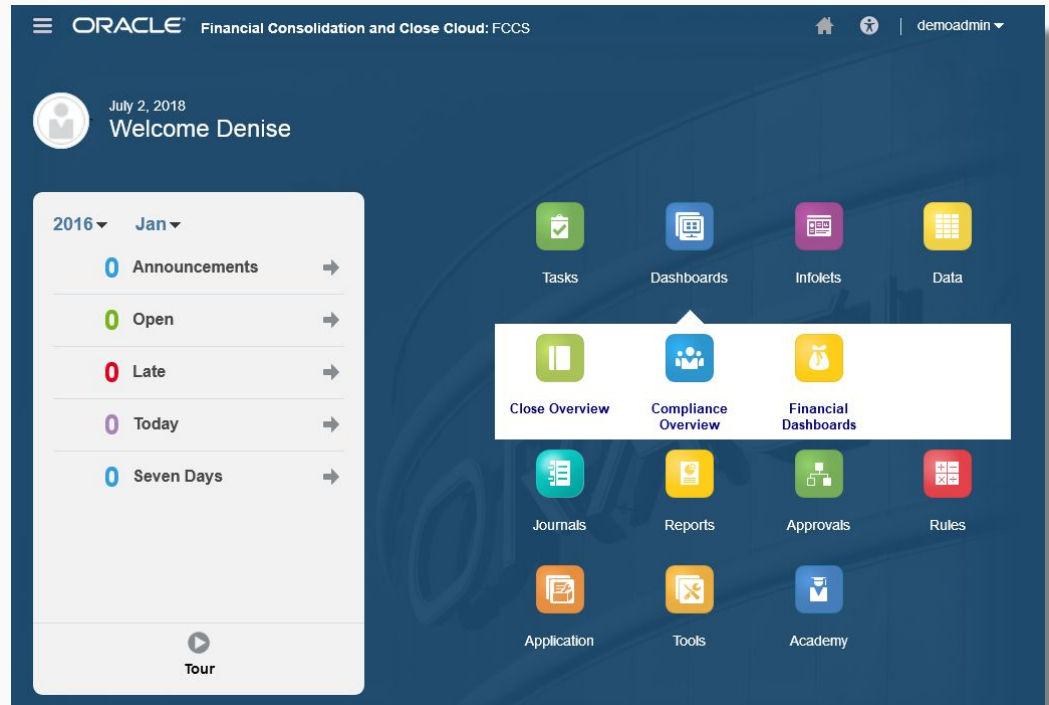
Balance Sheet Hierarchy <input checked="" type="radio"/> Traditional Balance Sheet Approach <input type="radio"/> Net Asset Approach	Journal Adjustments <input checked="" type="radio"/> Yes, with Workflow <input type="radio"/> Yes, without Workflow <input type="radio"/> No
Multi-GAAP <input checked="" type="radio"/> Yes, with Manual Adjustments <input type="radio"/> Yes, with Calculated Adjustments <input type="radio"/> No	Intercompany Data <input checked="" type="radio"/> Yes, with Tracking <input type="radio"/> Yes, without Tracking <input type="radio"/> No
CTA Account <input checked="" type="radio"/> Balance Sheet <input type="radio"/> Comprehensive Income	Include Ratio Calculations <input type="checkbox"/> Liquidity Ratio <input type="checkbox"/> Asset Management Ratio <input type="checkbox"/> Profitability Ratio <input type="checkbox"/> Leverage Ratio
Local GAAP <input checked="" type="radio"/> CTA (Balance Sheet) <input type="radio"/> CICTA (Comprehensive Income)	Ownership Management <input checked="" type="radio"/> Yes <input type="radio"/> No
Custom Dimensions <input checked="" type="checkbox"/> Dimension 1 <input type="text" value="Department"/> <input type="checkbox"/> Dimension 2 <input type="text" value="Enter Name"/>	Other Options <input checked="" type="checkbox"/> Include Other Data Member

DEMO

Navigating a FCCS application

UI Components

- Clusters
- Cards
- Navigator Menus
- Vertical Tabs
- Slider Tabs
- Custom Navigation



Application Tab

- Administration of the application
- Importing and Exporting Metadata\Data
- Managing Jobs\Periods
- Audit Log
- Close Management and Supplemental Data Management Administration

The screenshot displays the Oracle Financial Consolidation and Close Cloud: Vision interface. The top navigation bar includes icons for Overview, Consolidation, Task Manager, Supplemental Data, Settings, Manage Periods, Configuration, Valid Intersections, Jobs, Services, and Non-Consolidation Reports. The main content area is titled 'Application' and features tabs for Overview, Cubes, Dimensions, and Activity Reports. Below the tabs, there are filters for 'Cube: Consol' and 'Dimension Type: Essbase'. A table lists application components with columns for Type, Name, Order, Dense, Evaluation Order, and Modified. The table includes rows for Account (345 Members), Period (18 Members), Consolidation (10 Members), and Data Source.

Type	Name	Order	Dense	Evaluation Order	Modified
Account	345 Members		<input checked="" type="checkbox"/>	1	5/31/19 demoadmin
Period	18 Members	^ v	<input type="checkbox"/>	-	5/31/19 demoadmin
Consolidation	10 Members	^ v	<input type="checkbox"/>	-	5/31/19 demoadmin
Data Source		^ v	<input type="checkbox"/>	-	5/31/19 demoadmin

Tools Tab

- More administration activities
- Access Control
- Migration
- Customizing Navigation Flows
- Maintenance Timings
- Connections

ORACLE Financial Consolidation and Close Cloud: Vision

Appearance Variables Announcements Artifact Labels **Access Control** Navigation Flows Daily Maintenance Connections Audit Migration User Preferences

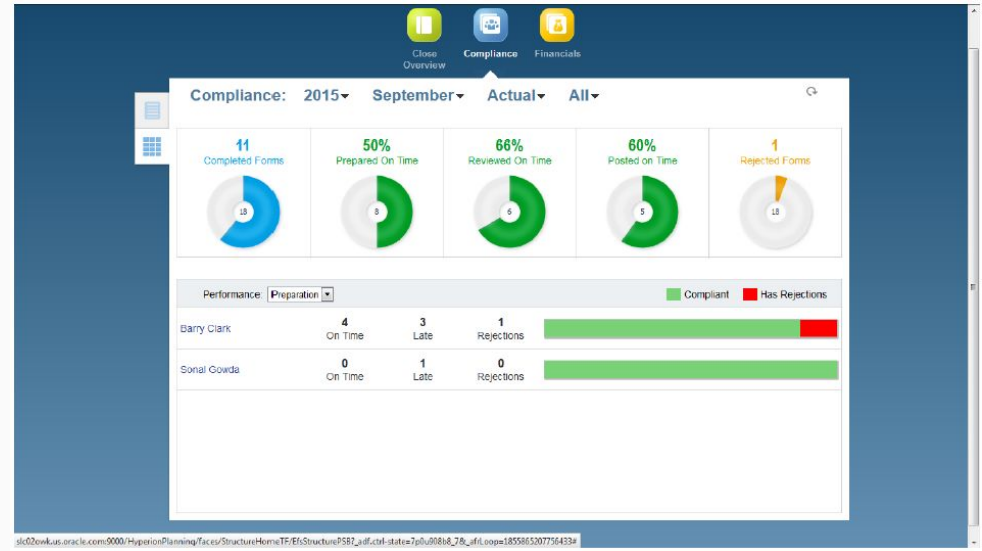
Manage Groups | Provisioning Roles | Provisioning Report | User Login Report | Manage Teams | Task Manager Users

User Name Search Create Manage Groups ?


User Name	First Name	Last Name	Email Address	Description	Actions
Alex Smith	Alex	Smith	alex.smith@discard.oracle.com		
Amy Marlin	Amy	Marlin	amy.marlin@discard.oracle.com		
Anita Kennedy	Anita	Kennedy	anita.kennedy@discard.oracle.com		
Aruna	Aruna	Patel	aruna.patel@discard.oracle.com		
Barry	Barry	Mills	barry.mills@discard.oracle.com		

Dashboards

- Task Overview
- Compliance Overview
- Financial Dashboards



Exercise 1

- Login to the application
- Understand the various cards and clusters
- Click on the Navigator icon  and understand the menus.
- Click on the Home button.
- Click on the drop down against the username and understand the various options.
- Navigate to the Application Tab and view.
 - Overview - Prebuilt dimension
 - View options to export\import data.
 - View options to Refresh database, remove the application.
 - View options to copy\clear data.
- Navigate to the Application Tab and view the various options.
- Navigate to all the other cards.

Thanks!

Contact us:

training@apps2fusion.com

+44 207 101 9262

+ 1 212 404 1735

www.apps2fusion.com

