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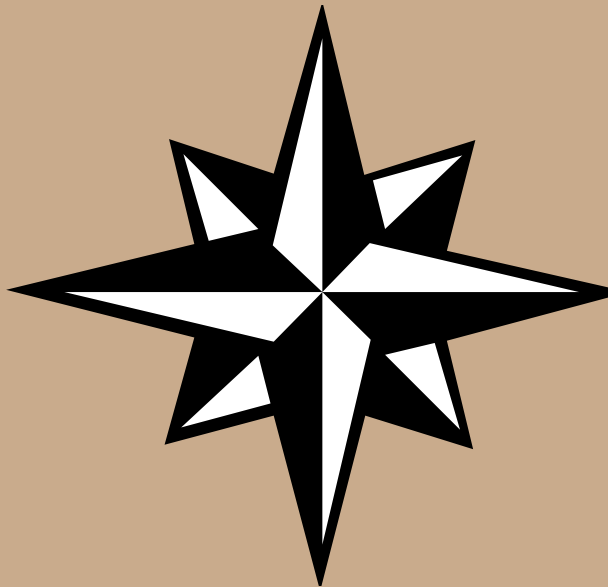
Education Network

A Division of

CHI-STAR TECHNOLOGY

Key Setups & Conversion Strategy

High-Level Overview



- Overview of Oracle Fixed Assets
- Keys Setup Steps
- Implementation Tip
- Conversion Strategies
- Questions
- Great Sources for Asset Information

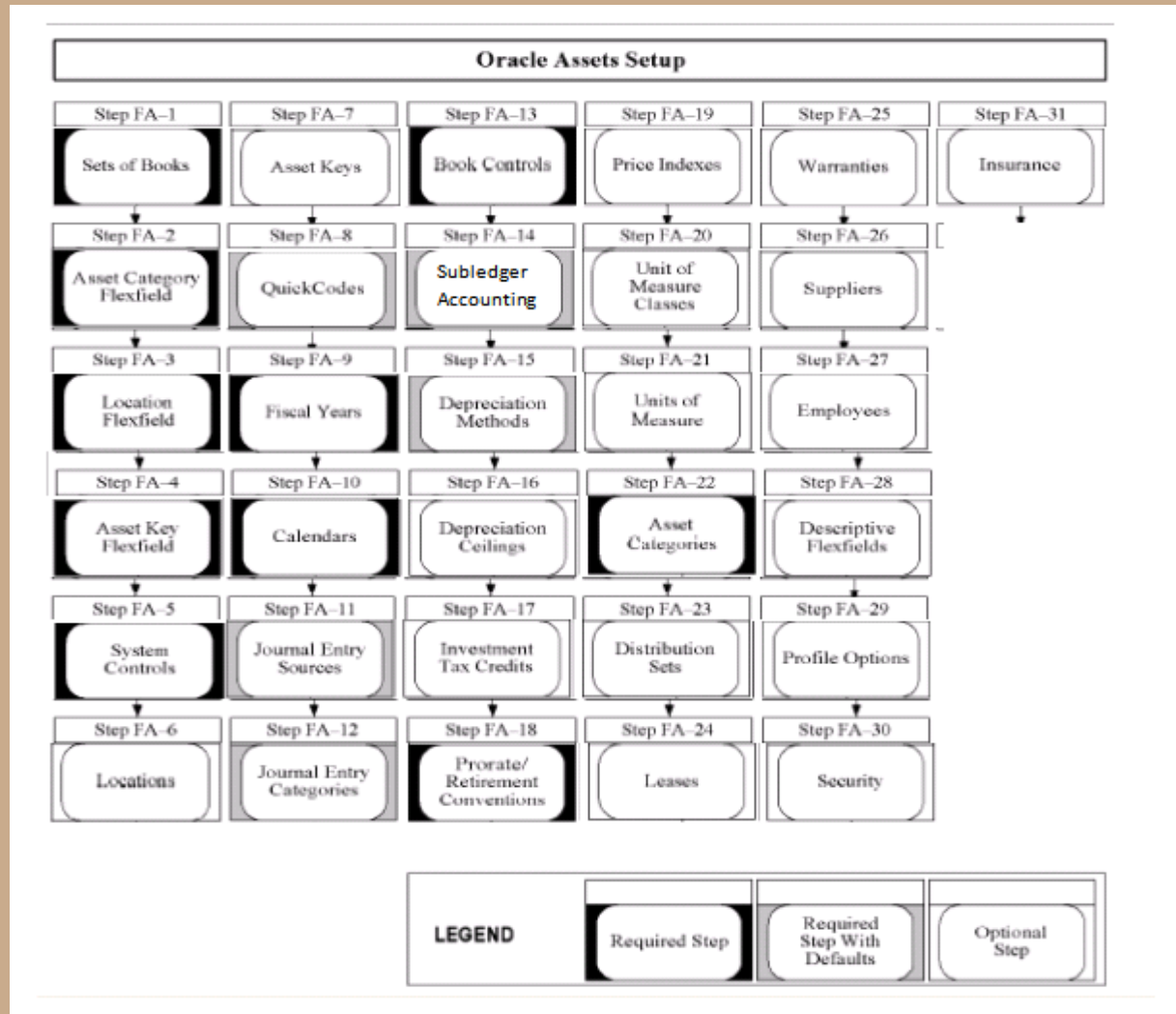
Overview of Oracle Assets

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



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]:

- ❖ Performed 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 / Calendars

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

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 / Category

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

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 / Ceilings

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

Step 16 – Depreciation Ceilings [Optional]:

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

Setup Steps – ITC / Prorate Conventions

Step 17 – Investment Tax Credits [Optional]:

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

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 / UOM

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

Step 20 – Unit of Measure Classes [Optional]:

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

Setup Steps – UOM / Asset Categories

Step 21 – Unit of Measure [Optional]:

- ❖ Define if using Units of Production depreciation methods

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 / Leases

Step 23 – Distribution Sets [Optional]:

- ❖ Predefine assignments based on percentages

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 / Suppliers

Step 25 – Warranties [Optional]:

- ❖ If desired, define warranties and assign to assets

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 reused 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' adjustments 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

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Conversion Strategy

Legacy Asset Numbers

Financial Data Considerations:

- **Legacy Asset Number**
 - **Determine if the legacy asset number will be brought over as the Oracle Asset Number**
 - **Asset Number options:**
 - **Bring over the legacy asset number as the Oracle asset number**
 - **Bring over the legacy asset number as the Oracle tag number (Oracle will reissue asset numbers)**
 - **Bring over the legacy number in a Descriptive Flexfield (DFF) (Oracle will reissue asset numbers)**
 - **Do not bring over the legacy asset number**

Legacy Asset Numbers

Financial Data Considerations:

- **Legacy Asset Number**
 - **Bring over the legacy asset number as the Oracle asset number**
 - **Set the Automatic Number Schema higher than the last asset number**
 - **Modify the Legacy Asset Number to a non-numeric value**

NOTE: If the legacy asset number is a numeric value, it must fall outside of the Automatic Numbering schema define in Oracle, during setups (Step 5 – System Controls)

NOTE: If the legacy numbers fall within the numbering schema – you can make the legacy number alphanumeric to get it out of the schema and still upload the legacy numbers (for example: legacy number 200900 = in Oracle L200900 or 200900L – L indicates Legacy Asset)

– this is also a valid solution if you are converting multiple companies that legacy asset numbers overlap – placing a alpha character at the beginning or end will also identify the origin of the converted asset.

Legacy Asset Numbers

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Legacy Asset Numbers

Financial Data Considerations:

- **Legacy Asset Number**
 - **Bring over the legacy number in a Descriptive Flexfield (DFF) (Oracle will reissue asset numbers)**
 - **This options will allow Oracle to reissue asset numbers and keep the tag number field available for maintaining tag number information**
 - **DFF will need to be created to house the information (System Setups)**
 - **DFF are not reportable fields on Oracle Standard Reports – therefore, if this information needs to be reportable, custom reports are required**
 - **DFF information is not visible in the system unless you click to open the DFF on the form**

Legacy Asset Numbers

Financial Data Considerations:

- **Legacy Asset Number**
 - **Do not bring over the legacy asset number**
 - **If the legacy asset numbers are not converted, an audit trail back to the legacy system is a must. You need to be able to reconcile between the legacy and Oracle.**
 - **Personally, this is not an option – it is critical to be able to tie the converted assets back to the legacy system.**

NOTE: The key is to maintain an audit trail back to the legacy system

Legacy Asset Numbers

Financial Data Considerations:

- **Legacy Asset Number**
 - **Determine the best field in Oracle to house the legacy number**
 - **Asset Number**
 - **Tag Number**
 - **DFF**
 - **Do not convert**
 - **Purpose of converting the legacy asset number**
 - **Audit back to the legacy system**
 - **Reconciling the conversion**
 - **Maintain the integrity of the converted data**

When to Go Live & Convert

Go Live & Conversion Date:

- **Identify the period in which Oracle will be used**
 - **The first period is the first period of a new fiscal year**
 - **Convert in the first period**
 - **Convert in the last period of the prior fiscal year**
 - **The first period falls within the fiscal year**
 - **Convert in the first period**
 - **Convert in the period prior to go live**
 - **Convert in the last period of the prior fiscal year**

Tax Conversion

Tax Data Considerations:

- **Legacy Asset Details**
 - **Determine if the legacy asset detail is available, some legacy tax details may be grouped by asset type and not by individual assets.**
 - **Legacy Asset Details:**
 - **Do you have tax details at the asset level?**
 - **If so, does this reconcile to the corporate / financial information?**
 - **In any prior fiscal years did you have to depreciate assets on the Mid-Quarter prorate basis?**
 - **What details are available?**
 - **How accurate is the legacy detail?**
 - **What details should be converted? (cost, ytd depreciation, reserve)**
 - **Convert all detail – (cost, ytd, reserve)**
 - **Oracle re-calculate – (cost only – Oracle will recalculate the ytd and reserve)**

Tax Conversion

Tax Data Considerations:

- **Legacy Asset Details**
 - **Determine if the legacy asset detail is available, some legacy tax details may be grouped by asset type and not by individual assets.**
 - **Legacy Asset Details:**
 - **If legacy detail is not at the asset level, then zero dollar financial assets are required.**
 - **How to populate the tax books with tax asset information**
 - **Mass Copy features (Initial / Periodic)**
 - **Manually**
 - **How to update the legacy detail in Oracle**
 - **Overlay script**
 - **Tax Interface table**

Tax Conversion

Tax Data Considerations:

- **Legacy Asset Details**
 - **At Asset Level:**
 - **Utilize the Mass Copy feature within Oracle**
 - **Initial Mass Copy – used if the conversion period is the last period of the fiscal year**
 - **Periodic Mass Copy – use if the conversion period is anything other than the last period of the fiscal year**
 - **Update assets with appropriate information (not applicable if Oracle is going to re-calculate depreciation)**
 - **At Group Level:**
 - **Create zero dollar financial assets**
 - **Copy zero dollar assets to tax book**
 - **Update the zero dollar assets with appropriate tax details**
 - **Does this group level reconcile to the individual assets?**

Tax Conversion

Tax Data Considerations:

- **Legacy Asset Details**
 - **At Group Level:**
 - **Does this group level reconcile to the individual assets?**
 - **Yes – do you want to maintain in Oracle the legacy group level or switch to an asset level?**
 - **No – group level will be converted with associated zero dollar assets on the financial books**

NOTE: which ever way I choose to convert, once in Oracle the tax details for all new items will be maintained at the asset level basis

When to Go Live & Convert

Go Live & Conversion Date:

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 - **Convert in the period prior to go live**
 - **Convert in the last period of the prior fiscal year**

Great Sources for Information

Asset Special Interest Group (SIG)

FREE to join group:

Assets SIG



Meetings (Semi-Annual)

- OAUG Conference
- OpenWorld Conference

<http://assetsig.oaug.org>

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

Chi-Star TechnologySM

Company website:

<http://www.chistartech.com>

Offer Product Solutions for Oracle Assets:

- AssetCrossTM – Automates the transferring of assets between depreciation books
- AssetTieTM – Automates the reconciliation processes between:
 - Fixed Assets and General Ledger
 - Corporate and Tax books
- CST Education Network – (Education Division)
 - FREE Webinars on topics concerning assets
 - Training and materials

CST Education Network

Offerings:

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



<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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