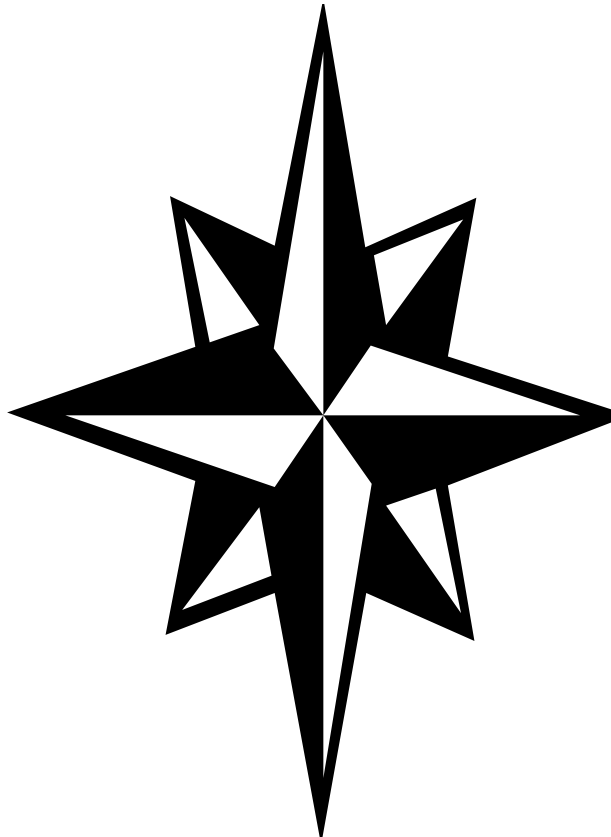


Assets Special Interest Group (SIG)

Meeting Agenda



- Housekeeping
 - Board Introductions
 - Board / Volunteer Openings
 - Thank you Cindy Cline
- SIG Direction / Vision
- Enhancement Requests
- Improvements
- Questions & Answers
- Tax Books Setup and Maintenance Presentation



Housekeeping

Asset SIG Board Introductions:

- **Group Coordinator**
Brian Bouchard
- **Co-Chairperson**
Jean Matzke

Asset SIG Service Introductions:

- **Communication Chairperson**
Alla Lande
- **Newsletter Editor**
Vini Sondhi
- **Oracle Liaison**
Madhulika Deshmukh
Usha Thothathri
Sundar Narayanan

Housekeeping

SIG Board Service Opportunities

- **European Chairperson – [OPEN]**
 - Organizing an annual meeting of the Oracle Assets SIG at the European and /or Asia-Pacific OAUG conferences
 - Act as a liaison with the US Chapter of the Oracle Assets SIG
 - Ensuring that the European Charter complies with the Asset SIG charter and by-laws as well as OAUG guidelines

- **Secretary / Treasurer – [OPEN]**
 - Recording and documenting information discussed and decided upon at the meetings
 - Publish meeting minutes
 - Managing the action item list and maintaining all other documents
 - Receipt, maintenance, and disbursement of all funds of the group
 - Management and maintenance of membership lists

Housekeeping

SIG Board Service Opportunities

- **Enhancement Coordinator – [OPEN]**
 - **Coordinating all strategic enhancement requests originating from the Oracle Assets SIG**
 - **Editing all submitted enhancements from the SIG and communicating the status of enhancements to group members**
 - **Communicating strategic enhancements to the OAUG Enhancement Chair**

Housekeeping

Cindy Cline – stepping down from SIG Chairperson

- Cindy founded the Asset SIG
- She has served as SIG Chairperson for 10 years

Asset SIG Direction / Vision

Asset SIG purpose is to be a forum to:

- Discuss Asset specific questions/issues within Oracle Assets Application
- Discuss Asset specific questions/issues with integrated Applications (i.e. Purchasing, Payables, Projects, Inventory, EAM, iAssets, Asset Tracking, etc.)
- Share tricks of the trade
- Conduct educational presentation at semi-annual meetings
- Ask the Group – ask inquiries during the year to the group for feedback
- Conduct educational sessions during the year on various topics (webinars)
- Highlight issues and resolutions

SIG Website

Asset SIG website:

- New look (url: <http://assetsig.oaug.org>)
- Upcoming Meetings / Events
- Download presentations
- Knowledge Sharing
 - OAUG Knowledge Factory
 - Share Issues and Resolutions
 - Share tricks of the trade
 - Ask the Group Q&A postings
- Enhancements – identify enhancements presented to Oracle

Enhancement Requests

Current Enhancement Requests with Oracle:

- **Bug #7705668 – FAXMADDS ABILITY TO POPULATE/RETAIN SERIAL & TAG NUMBERS VIA SPLIT FEATURE (ASSET ENHANCEMENT)**

This ER is to give back the feature in Oracle Assets Mass Additions to prepare an invoice that is to be split into multiple assets with as much of the serial number and tag number information, upon the split into multiple assets enter the unique values for serial number and tag number information

- **Bug #7717937 – IN THE NEW INVOICE LINE TIER – NO FIELD TO ENTER TAG NUMBER INFORMATION (PAYABLES ENHANCEMENT)**

This ER is to add a field in Payables at the new Invoice Line tier to include Tag Number. This would allow Tag Number information to be entered in Payables and integrated to Assets during the Mass Additions Create process

- **Bug #8231740 – UNABLE TO ENTER ASSET UNITS IN AP (PAYABLES ENHANCEMENT)**

This ER is to add a Asset Units field in Payables at the new Invoice Line tier. This ER would allow for Asset Units to be manually entered and integrated to Assets during the Mass Additions Create process. If an invoice is matched to a PO, then the Asset Units field will be automatically populate and not up-datable.

Enhancement Requests

Current Enhancement Requests with Oracle:

- **Bug #8405368 – UNABLE TO PERFORM UNPLANNED DEPRECIATION IN PERIOD ADDED (ASSET ENHANCEMENT)**

This ER is for assets added in the current period, you are not able to reduce the amount of depreciation using the unplanned depreciation feature. The new rollback depreciation feature should not include unplanned depreciation so that you can use this feature in the period added

- **Bug #8356664 – ACCUMULATED DEPRECIATION ACCOUNTING ON ADDITION FOR PRIOR PERIOD ASSET (ASSET ENHANCEMENT)**

This ER is to change the design of Oracle Assets to book accumulated depreciation when entered on an asset added in the current period

- **Bug #8453525 – TRANSACTION TYPE AND DATE NOT AVAILABLE FOR WEBADI (ASSET ENHANCEMENT)**

This ER is to add the Transaction Type and Transaction Date to be selected for a WebADI template. This would allow clients to upload future additions via WebADI.

Improvements

What can we do better?:

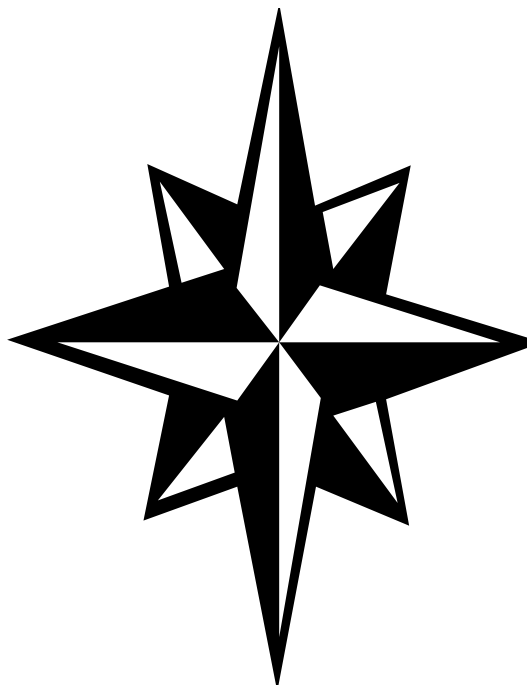
- Reaching out and getting new members
 - **Asset SIG Campaign (Done)**
 - **More advertising (NCOAUG)**
- Increasing conference attendance
 - Change meeting to a week day session
 - **Offer people to join meeting via webcast (Done)**
- Increase communication
 - Periodic Newsletter (Quarterly)
 - Periodic Conference Calls (Quarterly)
 - **Website enhanced and operational (Done)**
- Conference door prizes / give-a-ways

Questions?

CHI-STAR TECHNOLOGY

Tax Books Setup & Maintenance (Oracle EBS – Assets)

High-Level Overview



- Tax Books Setups Considerations
 - Asset Calendars
 - Defining Tax Books
 - Prorate Conventions
 - Asset Categories
 - 30% & 50% Tax Bonus Methods
 - Profile Options
- Data Conversion Considerations
 - Legacy Considerations
 - Data Conversion Considerations
 - Conversion Strategy Considerations
 - Tax Interface Table
 - Old school “overlay scripts”
- Monthly Close Process
 - Mass Copy Program
 - Reconciliation
 - Process Considerations

Setups Considerations

Asset Calendars

Asset calendars defined for the tax books should be 12 periods. Ideally the tax calendars should be the same as the financial (CORP book) calendars. Oracle standard depreciation methods are based on a 12 period year, therefore creating a calendar with more or less periods would not allow the use of Oracle seeded methods, but force you to create custom depreciation methods and rates.

Recommendation:

- Use a 12 period calendar
- If possible, use the same calendar as your CORP book

Defining Tax Books

Same setup screen as when defining your corporate book.

- Required to associate a tax book to the corporate book
- Determine special tax rules (in R12 a new tab appears)
- Determine the Mass Copy features
- Determine default accounts (usually same as CORP book)

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Calendar]

Book Controls

Book: MACRS TAX Class: Tax

Description: MACRS TAX BOOK

Associated Corporate Book: USD CORP

Calendar Accounting Rules Natural Accounts Tax Rules

Inactive On:

Allow Purge Purged Through:

Ledger: USD LEDGER2023(USD) USD LEDGER

Allow GL Posting

Depreciation Calendar: PCLN MONTHLY

Fiscal Year Name: PCLN FISCAL

Prorate Calendar: PCLN MONTHLY

Current Period: DEC-2007

Current Fiscal Year: 2007

Divide Depreciation: Evenly

Depreciate if Retired in First Year

Last Depreciation Run

Last Run Date: 31-OCT-2008 00:00:00 Request Status:

Status: Request Phase:

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Accounting Rules]

The screenshot shows the 'Book Controls' window with the following details:

- Book:** MACRS TAX
- Class:** Tax
- Description:** MACRS TAX BOOK
- Associated Corporate Book:** USD CORP
- Accounting Rules Tab:**
 - Capital Gain Threshold Years:** 1
 - Months:** 0
 - Allow Amortized Changes
 - Allow Mass Changes
 - Create Intercompany Balancing Entries
 - Allow Cost Sign Changes
 - Allow Revaluations**
 - Revalue Accumulated Depreciation
 - Revalue YTD Depreciation
 - Retire Revaluation Reserve
 - Amortize Revaluation Reserve
 - Revalue Fully Reserved Assets (B)
 - Maximum Revaluations:** []
 - Life Extension Factor:** []
 - Life Extension Ceiling:** []
 - Allow Group Depreciation**
 - Allow CIP Members in Group Assets (J)
 - Allow CIP Depreciation in Group Assets (K)
 - Allow Member Asset Tracking (Q)
 - Allow Intercompany Member Asset Assignments (X)

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Accounting Rules]

Book Controls

Book: MACRS TAX Class: Tax

Description: MACRS TAX BOOK

Associated Corporate Book: USD CORP

Calendar Accounting Rules **Natural Accounts** Tax Rules

Retirement Accounts

| | Gain | Loss | Clearing |
|------------------------|-------|-------|----------|
| Proceeds of Sale | 83110 | 83110 | 83110 |
| Cost of Removal | 83110 | 83110 | 83110 |
| Net Book Value Retired | 83110 | 83110 | |
| Reval Reserve Retired | 83110 | 83110 | |

Deferred Depreciation Reserve: 78010

Deferred Depreciation Expense: 78010

Depreciation Adjustment: 78010

Account Generator Defaults: 110.13010.000.00.000.000.0000



Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Tax Rules]

The screenshot shows the 'Book Controls' window with the following details:

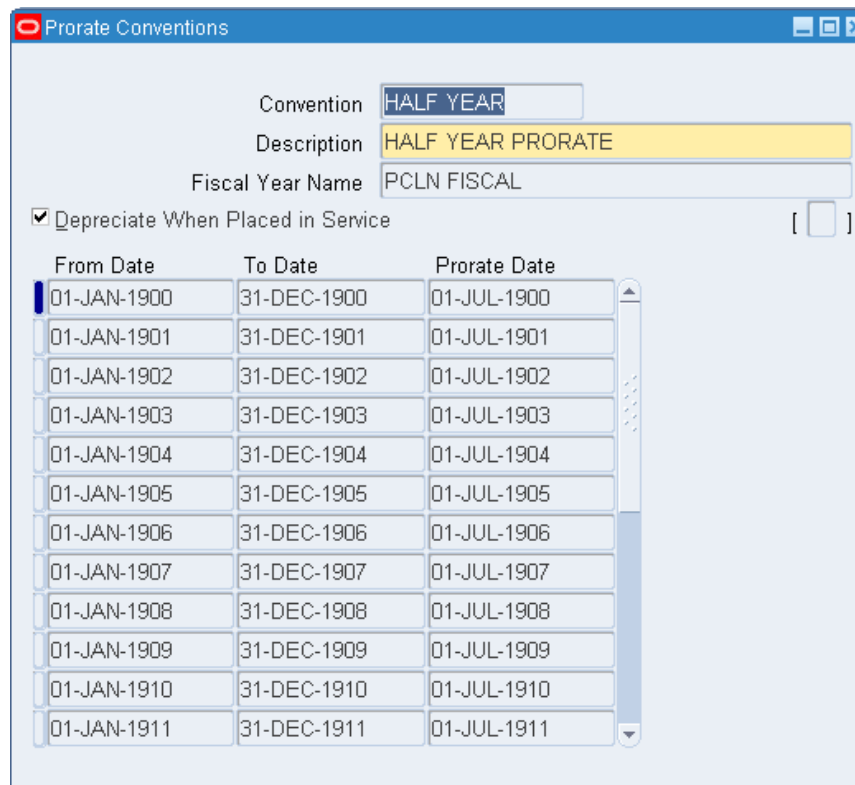
- Book:** MACRS TAX
- Class:** Tax
- Description:** MACRS TAX BOOK
- Associated Corporate Book:** USD CORP
- Navigation Tabs:** Calendar, Accounting Rules, Natural Accounts, **Tax Rules**
- Checkboxes:**
 - Allow Reserve Adjustments (Z)
 - Allow Investment Tax Credits
 - Allow CIP Assets
 - Allow Cost Ceilings
 - Allow Expense Ceilings
- Allow Mass Copy:**
 - Copy Additions
 - Copy Adjustments
 - Copy Retirements
- Salvage Value:** Do Not Copy
- Last Period:** (empty field)
- Group Rules:**
 - Group Asset Additions: Do Not Copy
 - Member Asset Assignments: Do Not Copy

Prorate Convention

Navigator: Setup > Asset System > Prorate Convention

Define Tax Prorate Conventions (in United States we use 3 main conventions)

1. Half Year (used for personal property)



Prorate Conventions

Convention: HALF YEAR

Description: HALF YEAR PRORATE

Fiscal Year Name: PCLN FISCAL

Depreciate When Placed in Service

| From Date | To Date | Prorate Date |
|-------------|-------------|--------------|
| 01-JAN-1900 | 31-DEC-1900 | 01-JUL-1900 |
| 01-JAN-1901 | 31-DEC-1901 | 01-JUL-1901 |
| 01-JAN-1902 | 31-DEC-1902 | 01-JUL-1902 |
| 01-JAN-1903 | 31-DEC-1903 | 01-JUL-1903 |
| 01-JAN-1904 | 31-DEC-1904 | 01-JUL-1904 |
| 01-JAN-1905 | 31-DEC-1905 | 01-JUL-1905 |
| 01-JAN-1906 | 31-DEC-1906 | 01-JUL-1906 |
| 01-JAN-1907 | 31-DEC-1907 | 01-JUL-1907 |
| 01-JAN-1908 | 31-DEC-1908 | 01-JUL-1908 |
| 01-JAN-1909 | 31-DEC-1909 | 01-JUL-1909 |
| 01-JAN-1910 | 31-DEC-1910 | 01-JUL-1910 |
| 01-JAN-1911 | 31-DEC-1911 | 01-JUL-1911 |



Prorate Convention

Define Tax Prorate Conventions (in United States we use 3 main conventions)

2. Mid Month (used for real property)

Prorate Conventions

Convention: MID MONTH

Description: MID MONTH PRORATE

Fiscal Year Name: PCLN FISCAL

Depreciate When Placed in Service []

| From Date | To Date | Prorate Date |
|-------------|-------------|--------------|
| 01-JAN-1900 | 31-JAN-1900 | 15-JAN-1900 |
| 01-FEB-1900 | 28-FEB-1900 | 15-FEB-1900 |
| 01-MAR-1900 | 31-MAR-1900 | 15-MAR-1900 |
| 01-APR-1900 | 30-APR-1900 | 15-APR-1900 |
| 01-MAY-1900 | 31-MAY-1900 | 15-MAY-1900 |
| 01-JUN-1900 | 30-JUN-1900 | 15-JUN-1900 |
| 01-JUL-1900 | 31-JUL-1900 | 15-JUL-1900 |
| 01-AUG-1900 | 31-AUG-1900 | 15-AUG-1900 |
| 01-SEP-1900 | 30-SEP-1900 | 15-SEP-1900 |
| 01-OCT-1900 | 31-OCT-1900 | 15-OCT-1900 |
| 01-NOV-1900 | 30-NOV-1900 | 15-NOV-1900 |
| 01-DEC-1900 | 31-DEC-1900 | 15-DEC-1900 |

Prorate Convention

Define Tax Prorate Conventions (in United States we use 3 main conventions)

3. Mid Quarter (used if the 30% test is failed at year end)

Prorate Conventions

Convention: MID QTR

Description: MID QUARTER PRORATE

Fiscal Year Name: PCLN FISCAL

Depreciate When Placed in Service []

| From Date | To Date | Prorate Date |
|-------------|-------------|--------------|
| 01-JAN-1900 | 31-MAR-1900 | 15-FEB-1900 |
| 01-APR-1900 | 30-JUN-1900 | 15-MAY-1900 |
| 01-JUL-1900 | 30-SEP-1900 | 15-AUG-1900 |
| 01-OCT-1900 | 31-DEC-1900 | 15-NOV-1900 |
| 01-JAN-1901 | 31-MAR-1901 | 15-FEB-1901 |
| 01-APR-1901 | 30-JUN-1901 | 15-MAY-1901 |
| 01-JUL-1901 | 30-SEP-1901 | 15-AUG-1901 |
| 01-OCT-1901 | 31-DEC-1901 | 15-NOV-1901 |
| 01-JAN-1902 | 31-MAR-1902 | 15-FEB-1902 |
| 01-APR-1902 | 30-JUN-1902 | 15-MAY-1902 |
| 01-JUL-1902 | 30-SEP-1902 | 15-AUG-1902 |
| 01-OCT-1902 | 31-DEC-1902 | 15-NOV-1902 |

Asset Categories

Link the asset categories to the tax books that will maintain those assets. Oracle allows you to exclude, if needed, asset categories from be maintained on the tax books. For each asset category assign the associated accounts (usually same as CORP book) and the depreciation default rules. Oracle allows for multiple depreciation default rules based on date placed in service. This is to eliminate the need to define new categories if the depreciation rules change.

NOTE: Consult the Tax department prior to finalizing the Asset Categories – Tax may have certain requirements that will impact how the Corporate books maintain the assets (i.e. Software)

Asset Categories

Navigator: Setup > Asset System > Asset Categories

Asset Categories

Category: PPE.EQUIP-COMP Enabled

Description: COMPUTER EQUIPMENT Capitalize

Category Type: Non-Lease In Physical Inventory

Ownership: Owned

Property Type: PERSONAL Property Class: 1245 []

General Ledger Accounts

| | |
|--------------------------------|-------------------------------|
| Book | MACRS TAX |
| Asset Cost | 110.13010.000.00.000.000.0000 |
| Asset Clearing | 110.13010.000.00.000.000.0000 |
| Depreciation Expense | 110.78010.600.00.000.000.0000 |
| Accumulated Depreciation | 110.13510.000.00.000.000.0000 |
| Bonus Expense | 110.78010.600.00.000.000.0000 |
| Bonus Reserve | 110.13510.000.00.000.000.0000 |
| Revaluation Reserve | |
| Revaluation Amortization | |
| CIP Cost | 110.13100.000.00.000.000.0000 |
| CIP Clearing | 110.13100.000.00.000.000.0000 |
| Alternate Asset Cost | |
| Write-off Expense | |
| Unplanned Depreciation Expense | |

[]

Default Rules



Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – One Rule

Default Depreciation Rules - PPE,EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-1900 - []

Depreciate

Method **MACRS HY**

Life Years 5

Months 0

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR** ...

Default Salvage Value [] %

Ceiling []

Price Index []

Bonus Rule []

Default Subcomponent Life

Rule []

Minimum Years []

Months []

Straight Line for Retirement

Method []

Life Years []

Months []

Use Depreciation Limit

Percent [] %

Limit []

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset []

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method [] Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-1900 - 10-SEP-2001 []

Depreciate

Method **MACRS HY**

Life Years 5

Months 0

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Default Subcomponent Life

Rule

Minimum Years

Months

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 11-SEP-2001 - 10-SEP-2004 []

Depreciate

Method: MACRS 30B HY ...

Life Years: 5

Months: 0

Bonus Rule: []

Prorate Convention: HALF YEAR

Retirement Convention: HALF YEAR

Default Salvage Value: [] %

Ceiling: []

Price Index: []

Straight Line for Retirement

Method: []

Life Years: []

Months: []

Use Depreciation Limit

Percent [] %

Limit []

Capital Gain Threshold

Years: 1

Months: 0

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset: []

Group Asset Options

Recognize Gain Loss: Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss: Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method: [] Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 11-SEP-2004 - 31-DEC-2005 []

Depreciate

Method: MACRS 50B HY ...

Life Years: 5

Months: 0

Bonus Rule: []

Prorate Convention: HALF YEAR

Retirement Convention: HALF YEAR

Default Salvage Value: [] %

Ceiling: []

Price Index: []

Default Subcomponent Life

Rule: []

Minimum Years: []

Months: []

Straight Line for Retirement

Method: []

Life Years: []

Months: []

Use Depreciation Limit

Percent [] %

Limit []

Capital Gain Threshold

Years: 1

Months: 0

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset: []

Group Asset Options

Recognize Gain Loss: Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss: Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method: [] Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-2006 - 31-DEC-2007 []

Depreciate

Method: MACRS HY
 Life Years: 5
 Months: 0
 Bonus Rule: []

Prorate Convention: HALF YEAR
 Retirement Convention: HALF YEAR
 Default Salvage Value: [] %
 Ceiling: []
 Price Index: []

Straight Line for Retirement

Method: []
 Life Years: []
 Months: []

Use Depreciation Limit

Percent [] %
 Limit []

Capital Gain Threshold

Years: 1
 Months: 0

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset: []

Group Asset Options

Recognize Gain Loss: Do Not Recognize Recapture Excess Reserve
 Terminal Gain Loss: Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method: [] Allocate to Fully Retired and Reserved Assets
 Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-2008 - 31-DEC-2008 []

Depreciate

Method **MACRS 50B HY** ...

Life Years 5

Months 0

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Default Subcomponent Life

Rule

Minimum Years

Months

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

– Tracking Options

Tracking Method Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-2009 - []

Depreciate

Method: MACRS HY
 Life Years: 5
 Months: 0
 Bonus Rule: []

Prorate Convention: HALF YEAR
 Retirement Convention: HALF YEAR
 Default Salvage Value: [] %
 Ceiling: []
 Price Index: []

Default Subcomponent Life
 Rule: []
 Minimum Years: []
 Months: []

Straight Line for Retirement
 Method: []
 Life Years: []
 Months: []

Use Depreciation Limit
 Percent [] %
 Limit []

Capital Gain Threshold
 Years: 1
 Months: 0

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset: []

Group Asset Options
 Recognize Gain Loss: Do Not Recognize Recapture Excess Reserve
 Terminal Gain Loss: Recognize Immediately Limit Net Proceeds to Cost

Tracking Options
 Tracking Method: [] Allocate to Fully Retired and Reserved Assets
 Distribute Excess Reduce Excess

Tax Bonus Methods

Patches are required to install the 30% and 50% Bonus Rules:

Job Creation & Workers Assistance Act 2002

30% Bonus Rule: Effective From September 11, 2001 to September 10, 2004

Jobs And Growth Tax Relief Reconciliation Act of 2003

50% Bonus Rule: Effective From September 11, 2004 to December 31, 2005

American Jobs Creation Act of 2004

Effective October 22, 2004 to December 31, 2005

Economic Stimulus Act of 2009

Effective From January 1, 2009 to December 31, 2009

Patches Required (Note: 383033.1):

2357093 – supplies MACRS, AMT, & STL 30% Bonus Rates

2284381 – supplies form 4562 report

2978998 – supplies MACRS, & STL 50% Bonus Rules (NOTE AMT is not included – if needed you will need to manually define – Oracle does not provide)

2422184 – supplies MACRS STL30B for 27.5 & 39 years

4047757 – supplies STL 50% bonus for 15 year life

2722776 – supplies AMT200 30% Bonus Rates

Profile Options

Set Profile Option FA:Mass Copy All Cost Adjustments to 'Yes'.

If set to NO – this option will not allow cost adjustments to be copied from the corporate book to the tax book if the cost basis is different between the books.

If set to YES – this option will allow the cost adjustment to be copied from the corporate book to the tax book. (For example if an asset has a corporate cost of \$50 and a tax cost of \$120 – if the corporate cost is adjusted to \$60, Oracle will adjust the tax cost by the \$10 increment to \$130)

Profile Options

Navigator: Other > Profile

| Profile Name | Default Value | User Value |
|-------------------------------------|---------------|------------|
| FA: Enable Depreciable Basis Rul | | |
| FA: Enable Depreciation Override | | |
| FA: Generate Asset Level Account | Yes | |
| FA: Generate Book Level Account | Yes | |
| FA: Generate Category Level Account | Yes | |
| FA: Include Nonrecoverable Tax in | | |
| FA: Japan 2007 Tax Reforms Feat | | |
| FA: Large Rollback Segment Nam | | |
| FA: Mass Copy All Cost Adjustme | Yes | |
| FA: Maximum Projection Extent | | |
| FA: Number Mass Addition Paralle | 1 | |
| FA: Number of Generate Accounts | 1 | |



Data Conversion Considerations

Legacy Considerations

- Do you have tax details currently in a legacy system or maintained offline by an accounting company?
- What level is the legacy detail maintained?
 - Asset level
 - Grouped by asset type, life, other
- Do you have Mid-Quarter conventions?
- Conversion Period? (Year-end, Mid-Year)
 - Conversion timing
- Tax Asset Detail Considerations
 - Asset Cost
 - YTD Depreciation
 - Accumulated Depreciation
 - Date Placed in Service

Data Conversion Considerations

- Consider using the financial details for the tax basis
- Overlay with tax YTD and accumulated depreciation
 - Tax Interface Table
 - Overlay scripts (PL*SQL Scripts)
- Re-calculate YTD and accumulated depreciation
- Determine if there are any basis differences between financial & tax

Conversion Strategy Considerations

- **Go Live for Tax Books – Usually different than financial books**
- **Asset Category setups will determine additional asset details to be converted**
- **Mid-Quarter convention – if needed, will require additional asset details to be converted**
- **Data source to use for conversion**
 - **Financial**
 - **Tax Legacy**

Monthly Close Process

Mass Copy Program

Initial Mass Copy versus Periodic Mass Copy:

Initial Mass Copy – Used ONLY when implementing Tax Books with the first period is the year-end period. If used for initial implementation, never use again!!!!

Periodic Mass Copy – Used monthly to copy Additions, Adjustments, and Retirements from the financial books to the tax books

NOTE: Always review Mass Copy output/log for “Good” and “Bad” errors

Periodic Mass Copy Process

After the Corporate Books have been closed run the Period Mass Copy process

Review the Output / Log File when process is complete to determine Good and Bad errors:

Example of a Good Error:

Transaction unable to be copied, not a cost adjustment **(this could be a Depreciation Method , Life, or any other non financial adjustment that should not impact Tax)**

Example of a Bad Error:

Retirement Transaction unable to be copied

All errors should be review and determined if the transaction needs to be manually performed on the Tax Books

Periodic Mass Copy Process

Example of a Good Error:

| | | |
|--------|-------|--|
| CST011 | 15406 | This asset's category is not set up for this tax book |
| CST012 | 15407 | This asset's category is not set up for this tax book |
| CST013 | 15408 | This asset's category is not set up for this tax book |
| CST014 | 15409 | This asset's category is not set up for this tax book |
| CST015 | 15410 | This asset's category is not set up for this tax book |
| | | |
| CST009 | 15475 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST010 | 15476 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST011 | 15477 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST012 | 15478 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST013 | 15479 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST014 | 15480 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST015 | 15481 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST016 | 15482 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST017 | 15483 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST019 | 15484 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST001 | 15486 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST002 | 15487 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST003 | 15488 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST004 | 15489 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST005 | 15490 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST006 | 15491 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST007 | 15492 | The adjustment is not a cost, salvage value, or production capacity adjustment |
| CST008 | 15493 | The adjustment is not a cost, salvage value, or production capacity adjustment |

Periodic Mass Copy Process

Example of a Bad Error:

```

VISION ENTERPRISES                                Periodic Mass Copy Execution Report

Book: CST FEDERAL
Period: Feb-08
Request ID: 2844202
Number of successes: 0
Number of warnings: 0
Number of failures: 3
Module Periodic Mass Copy ended with error

Asset Number      Transaction Number  Action
-----
CST004            10954              Mass Copy failed on this asset and transaction
CST004            10955              The Mass Copy program cannot copy this transaction because
CST004            10956              The Mass Copy program cannot copy this transaction because
    
```

Reconciliation Process

After the Periodic Mass Copy has been completed and all errors have been reviewed and acted upon (if needed)

Reconcile the Corporate Books to the Tax Books (should be done on a monthly basis)

- Additions
- Adjustments
- Retirements

Run the above transaction reports for both the Corporate and Tax books and compare, based on system setups there might be known variances, identify and correct all unknown variances.

Run Tax Depreciation and close period.

Reconciliation

Monthly depreciation runs – benefits

Reconcile monthly to the financial books' activity

Ensure quick resolution of issues – pinpoint month issue occurred

Process Considerations

Timing on Closing Tax Books:

- Process begins after corporate book is closed
- If Year-End, keep tax book open to calculate the 30% test
- Mass Change feature

Questions?

Download presentation at:

Website: <http://www.chistartech.com/>

Brian Bouchard

CHI-STAR TECHNOLOGY

2413 W. Algonquin Rd PMB #328

Algonquin, IL 60102 USA

Email: brian_bouchard@chistartech.com

Phone: 224-623-2219