

GL Consolidation

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**CDC Services/Horizon Companies
(A CDC Corporation Company)**

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CDC Services/Horizon Companies

Oracle Practice

- Oracle Partner
- Oracle implementation, upgrade, customizations, training, post production support
- Oracle Financials, Distribution, Manufacturing, Project Accounting, Discoverer, BI
- On site/Offshore teams

Agenda

- Set of Books Structure
- GL Consolidation
- Elimination
- Case Study
- Lessons learned

GL Sets of Books

- Accounting Flexfield Structure
 - Balancing Segment
 - Cost Center
 - Natural Account
 - Example 10.225.4159
- Accounting Calendar
- Currency

Over view of GL Consolidation

- Consolidation is a functionality in the General Ledger Module that allows you to combine financial results of multiple companies from multiple sets of books, currencies, calendars and accounting flexfield structures

GL Consolidation

- Consolidation of companies within a Set of Books
- Consolidation of companies across multiple Sets of Books in the same instance
- Consolidation of companies across multiple Sets of Books across multiple instances
- Accounting for some companies is maintained in non-Oracle applications

GL Consolidation

- Same or Different Charts of Accounts
- Balances or Transactions
- Same or Different Calendar
- Balance Type
 - Actual/Translated
 - Budget
 - Statistical
- Same or Different Currency

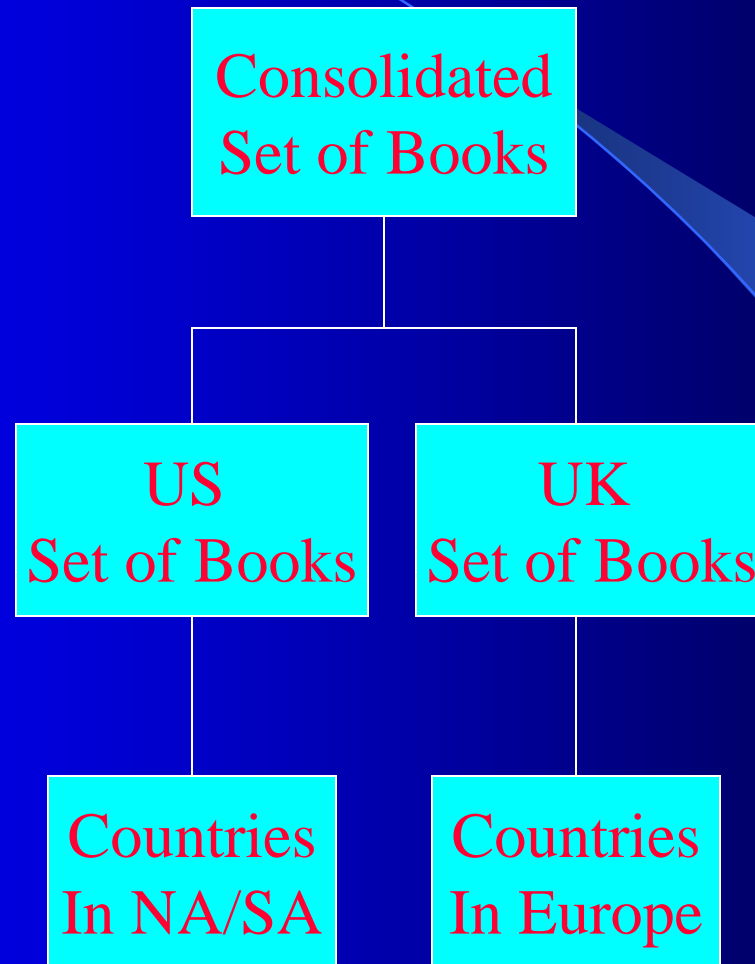
Consolidation Steps

- Create Consolidation mapping: parent and subsidiary sets of books
- Post all Journals in subsidiary set of books
- Revalue foreign currency balances in subsidiary sets of books
- Translate subsidiary balances to the functional currency of parent set of books

Consolidation Steps

- Run and review trial balance report
- Transfer data from subsidiary to parent
- Run Journal import
- Post the consolidation journal in parent set of books
- Eliminate intercompany balances
- Run trial balance and other financial reports

Example



Consolidation mapping

| | | | |
|--|---|--|---|
| Mapping | <input type="text" value="Distribution to Corporate"/> | Method | <input type="text" value="Balances"/> |
| Description | <input type="text" value="Consolidate Vision Distribution which has a 5 segment COA, 12/31 year end and functional c"/> | | |
| Set of Books | | Effective Dates | |
| Subsidiary | <input type="text" value="Vision Distribution (SNG)"/> | From | <input type="text"/> |
| Parent | <input type="text" value="Vision Corporation (UK)"/> | To | <input type="text"/> |
| Currency | <input type="text" value="GBP"/> | Usage | <input type="text" value="Standard"/> |
| Run Options | | | |
| <input checked="" type="checkbox"/> Run Journal Import | <input checked="" type="checkbox"/> Create Summary Journals | <input type="checkbox"/> Audit Mode | <input type="checkbox"/> AutoPost |
| <input type="button" value="Segment Rules"/> | <input type="button" value="Account Rules"/> | <input type="button" value="Mapping Set"/> | <input type="button" value="Transfer"/> |

Consolidation Rules

- Segment Rules
 - Assign Single Value
 - Copy Value From
 - Use Rollup group
- Account Rules

Segment Rules

| | | | |
|-------------------------|-----------------------|---------------------------|--|
| Parent: | | Subsidiary: | |
| Vision Corporation (UK) | | Vision Distribution (SNG) | |
| Company | Assign Single Value | 02 | |
| Department | Use Rollup Rules From | Department | |
| Account | Copy Value From | Account | |
| Intercompany | Assign Single Value | 00 | |
| | | | |

Rollup Rules

| Parent Segment | Transfer Level | Using | Subsidiary Segment |
|----------------|----------------|--------|--------------------|
| Detail Value | | | Parent Value |
| 100 | Detail | Parent | 100 |
| 200 | Detail | Parent | 200 |
| 400 | Detail | Parent | 400 |
| 500 | Detail | Parent | 500 |

Subsidiary Segment Ranges

| Low | High |
|-----|------|
| 101 | 199 |
| | |
| | |
| | |

Account Rules

Subsidiary Account Range

10-100-1001 To 10-500-1999



Parent Account

10-999-1000

Account Rules

Account Rules (Distribution to Corporate) - vision Corporation - vision Distribution

Subsidiary Accounts

| Low | High | Parent Account |
|-----|------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Distribution Accounting Flex

| | Low | High |
|-------------|----------------------|----------------------|
| Company | <input type="text"/> | <input type="text"/> |
| Department | <input type="text"/> | <input type="text"/> |
| Account | <input type="text"/> | <input type="text"/> |
| Sub Account | <input type="text"/> | <input type="text"/> |
| Product | <input type="text"/> | <input type="text"/> |

OK Cancel Clear Help

Mapping Sets

| | | | |
|-------------|---|--------|--------------------------------|
| Mapping Set | Vision Corporate Mapping | Parent | Vision Corporation (UK) |
| Description | This Mapping Set groups the three Consolidations together for Vision Corporate | | |
| Method | Balances | | [] |

Run Options

Run Journal Import Create Summary Journals Audit Mode AutoPost

| Mapping | Subsidiary | Child Mapping Set | [] |
|----------------------------------|----------------------------------|-------------------|-----|
| Operations to Corporate | Vision Operations (USA) | | |
| Services to Corporate | Vision Services (USA) | | |
| Distribution to Corporate | Vision Distribution (SNG) | | |
| | | | |
| | | | |
| | | | |

Elimination of Intercompany Balances

- Automatic Inter company Eliminations using elimination sets
- Standard Journal Entries
- ADI
- Recurring Journal Entries with formulas

Balancing Eliminations

- Allow out of balance journal
- Balance with net difference accounts
- Threshold rules
 - Constant amount
 - Percentage of amount
 - Percentage of journal

Elimination Set

Elimination Set **ICE Subsidiaries in Operations**

Description **Standard Elimination - One Journal**

Elimination Company **95** **Operations Elimination**

Track Elimination Status

Effective Dates

From

To

Period Last Run **Feb-02**

[]

Accounts

Balancing Options

Generate

Elimination Accounts Setup

| | | | | |
|-------------------|--|-------------|----------------------------------|-------------------------------------|
| Elimination Entry | <input type="text" value="ICE All in one JE"/> | Currency | <input type="text" value="USD"/> | <input checked="" type="checkbox"/> |
| Category | <input type="text" value="Elimination"/> | Amount Type | <input type="text" value="PTD"/> | <input type="text" value="[]"/> |

| Accounts <input checked="" type="checkbox"/> | | | |
|--|----------------------|--------|---------------------------------|
| Line | Source | Target | <input type="text" value="[]"/> |
| <input checked="" type="checkbox"/> | 10 T-T-1819-0000-000 | 95---- | <input type="text" value="[]"/> |
| <input type="checkbox"/> | 20 T-T-2379-0000-000 | 95---- | <input type="text" value="[]"/> |
| <input type="checkbox"/> | 30 T-T-4169-0000-000 | 95---- | <input type="text" value="[]"/> |
| <input type="checkbox"/> | 40 T-T-7759-0000-000 | 95---- | <input type="text" value="[]"/> |
| <input type="checkbox"/> | | | <input type="text" value="[]"/> |
| <input type="checkbox"/> | | | <input type="text" value="[]"/> |
| <input type="checkbox"/> | | | <input type="text" value="[]"/> |
| <input type="checkbox"/> | | | <input type="text" value="[]"/> |

| Descriptions | |
|--------------|--|
| Source | <input type="text" value="Total Comp-Total Department Par-I/C Receivables Parent-No Sub Account-No Produc"/> |
| Target | <input type="text" value="Operations----"/> |

Elimination Balancing Options

Out of Balance Options

Allow Out of Balance Journal

Balance with Net Difference Accounts

Use Threshold Rules

Net Difference Accounts

Debit Account

95-000-2980-0000-000

Description

Operations-No Department-Intercompany Suspense-No Sub

Credit Account

95-000-2980-0000-000

Description

Operations-No Department-Intercompany Suspense-No Sub

Threshold Rules

Constant Amount

USD

Percent of Account

%

Account

Percent of Journal

%

Generate Eliminations

Period

| Elimination Set | Period Last Run | Request ID |
|---|-----------------|------------|
| <input type="checkbox"/> ICE Subsidiaries in Operations | Feb-02 | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |
| <input type="checkbox"/> | | |

Elimination Set

Generate

Reports

- Unmapped Subsidiary Report
- Disabled Parent Accounts Report
- Consolidation Rules Report
- Consolidation Journals Report
- Consolidation Audit Report
- FSG reports

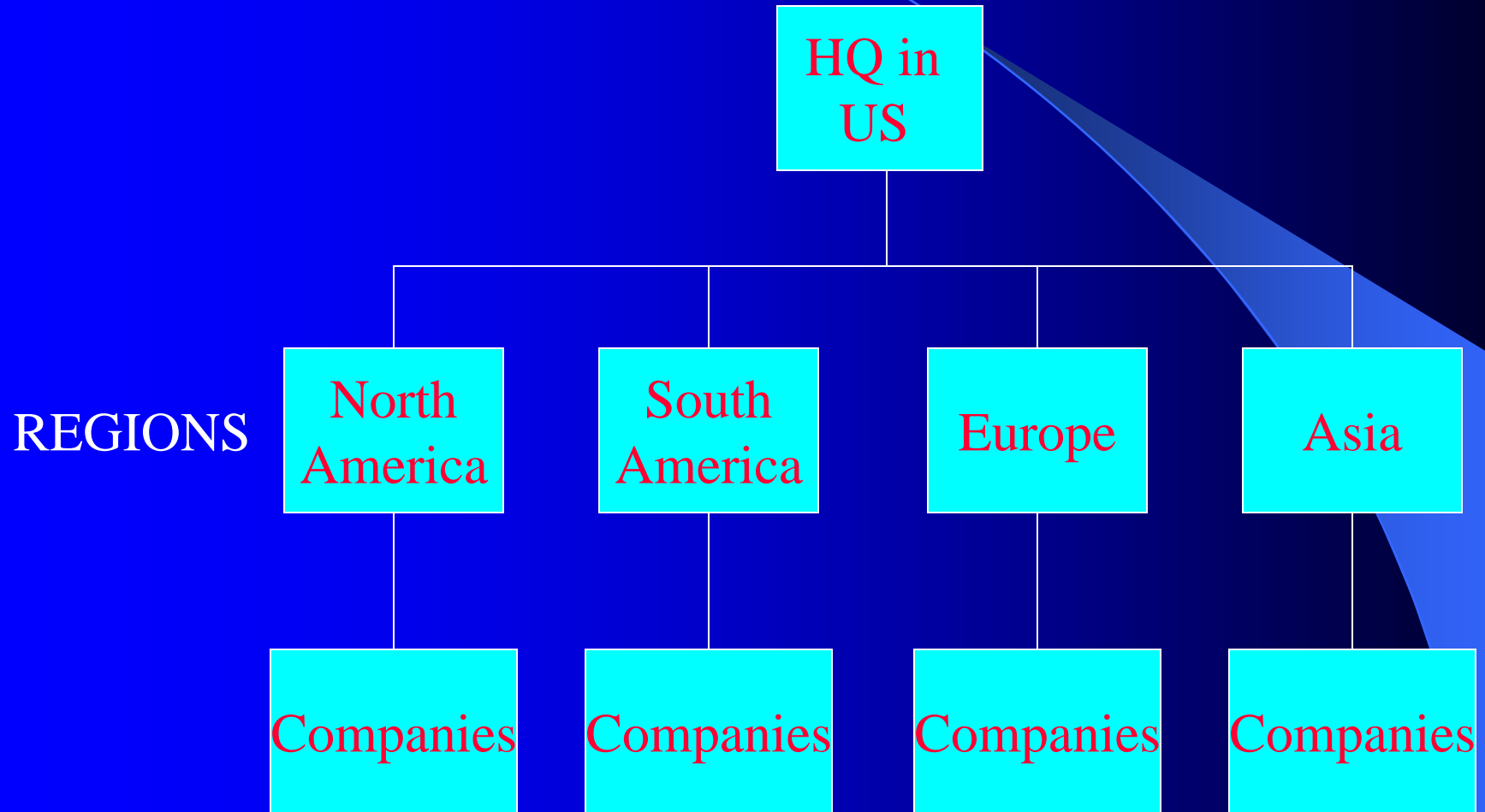
Inquiry & Drill Down

- Consolidated and subsidiary entities
- Summary and detail account balances
- Consolidation Journals
- Subledger transactions

Case Study

- Global company investing in power plants
- 150 subsidiary, joint venture and fully owned companies across the globe
- Regional reporting for North America, South America, Europe, Asia
- Implementation of GL, AP, AR, FA, CM, Project Costing & Billing, iExpenses, Discoverer, BI
- GL Consolidation for Regional & Global Financial reporting

Case Study



Lessons learned

- Standardize Key Accounting Flexfield across Sets of Books
- Importance of Security rules and Cross-validation rules
- Incorrect account code combinations must be disabled
- Limited access for creation of code combinations
- Design the consolidation hierarchy
- Keep only 1 period open at a time

Lessons learned

- User testing for all Sets of Books
- User Training
- Participation by international users
- Phased v/s big bang approach
- Process ownership
- Top Management support

Thank You

Your Global Partner

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