

R12 Asset Management Fundamentals Ed. 1

Student Guide - Volume 1

D49290GC10

Edition 1.0

June 2007

D50604

ORACLE®

Copyright © 2007, Oracle. All rights reserved.

This document contains proprietary information and is protected by copyright and other intellectual property laws. You may copy and print this document solely for your own use in an Oracle training course. The document may not be modified or altered in any way. Except where your use constitutes "fair use" under copyright law, you may not use, share, download, upload, copy, print, display, perform, reproduce, publish, license, post, transmit, or distribute this document in whole or in part without the express authorization of Oracle.

The information contained in this document is subject to change without notice. If you find any problems in the document, please report them in writing to: Oracle University, 500 Oracle Parkway, Redwood Shores, California 94065 USA. This document is not warranted to be error-free.

If this documentation is delivered to the United States Government or anyone using the documentation on behalf of the United States Government, the following notice is applicable:

U.S. GOVERNMENT RIGHTS

The U.S. Government's rights to use, modify, reproduce, release, perform, display, or disclose these training materials are restricted by the terms of the applicable Oracle license agreement and/or the applicable U.S. Government contract.

Oracle, JD Edwards, PeopleSoft, and Siebel are registered trademarks of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.

Authors

Gail D'Aloisio, Brent A. Bosin, and Paul Scott

Technical Contributors and Reviewers

Kathy Wahnoutka, Ruth Kukla, Jan Quist, JongSung Ahn, Chris Rudd, Som Viswapathy, and Bruce Isner

This book was published using: *oracle*tutor****

Table of Contents

Overview of Oracle Asset Management	1-1
Overview of Oracle Asset Management.....	1-3
Objectives.....	1-4
Agenda.....	1-5
Overview of Oracle Assets.....	1-6
E-Business Suite Integration.....	1-7
Implementation Considerations for Oracle Financials.....	1-8
The Best Project Team for the Job.....	1-9
Critical Implementation Issues.....	1-10
Oracle Assets Setup Steps.....	1-12
Oracle Assets Key Flexfields.....	1-13
Implementing Oracle Assets.....	1-14
Asset Books Positioning.....	1-15
Asset Categories Positioning.....	1-17
Asset Life Cycle.....	1-18
Adding Assets Manually.....	1-19
Mass Asset Additions Process.....	1-21
Adding and Capitalizing a CIP Asset.....	1-23
Acquire and Build CIP Assets.....	1-24
Asset Adjustments.....	1-25
Asset Adjustment Overview.....	1-26
Performing Physical Inventory.....	1-27
Elements of Depreciation.....	1-29
Basic Depreciation Calculation.....	1-31
Tracking Asset Retirements.....	1-33
Assets Journal Entries Flow.....	1-34
Default Account Generator Process for Oracle Assets.....	1-36
Reconciling Data in Oracle Assets.....	1-37
Viewing Asset Information Online.....	1-38
Oracle Assets Reporting.....	1-39
Assets Reports Groupings.....	1-40
Creating a Tax Book.....	1-41
Entering Information in Tax Books.....	1-42
Transaction APIs.....	1-44
Business Events.....	1-46
Asset Business Event Triggers.....	1-47
Summary.....	1-48
Asset Controls Setup	2-1
Asset Controls Setup.....	2-3
Objectives.....	2-4
Agenda.....	2-6
Oracle Assets Setup Steps.....	2-7
Setup Steps Flow.....	2-8
Oracle Assets Key Flexfields.....	2-15
Setting Up Key Flexfields.....	2-16
Asset Category Key Flexfield.....	2-17
Location Key Flexfield.....	2-18
Asset Key Key Flexfield.....	2-19
Guided Demonstration - Oracle Assets Key Flexfield Setup.....	2-20
Creating Key Flexfield Combinations.....	2-22
Guided Demonstration - Create a Location Flexfield Combination.....	2-23
Practice - Create a Location Key Flexfield Combination.....	2-24

Solution – Create a Location Key Flexfield Combination	2-25
Specifying System Controls	2-26
Guided Demonstration - System Controls Form	2-28
QuickCodes	2-29
Guided Demonstration - QuickCodes	2-31
Practice - Add QuickCode Values	2-32
Solution – Add QuickCode Values.....	2-33
Defining Fiscal Years and Calendars.....	2-34
Setting Up Fiscal Years	2-35
Setting Up Asset Calendars	2-36
Guided Demonstration - Fiscal Years & Calendars.....	2-37
Practice - Create an Oracle Assets Calendar.....	2-39
Solution – Create an Oracle Assets Calendar	2-40
Sharing Calendars.....	2-42
Defining Price Indexes	2-43
Profile Options.....	2-45
Guided Demonstration - Oracle Assets Profile Options	2-51
Asset Insurance.....	2-52
Entering Asset Insurance Information.....	2-54
Guided Demonstration - Entering Asset Insurance Information.....	2-55
Implementing Oracle Assets.....	2-57
Planning Implementation.....	2-58
Key Flexfields Planning Considerations.....	2-60
The Key Flexfields Planning Phase	2-62
Implementing Oracle Assets.....	2-64
Convert Existing Asset Information	2-66
Using the FA_MASS_ADDITIONS Table for Conversion	2-68
Implementing Oracle Assets.....	2-70
Post Conversion Reconciliation.....	2-71
Other Conversion Issues.....	2-72
Maintaining an Audit Trail.....	2-73
Maintaining Audit Trails	2-74
Defining Asset Warranties.....	2-76
Guided Demonstration - Define an Asset Warranty	2-77
Creating Leases	2-78
Guided Demonstration - Define a Lease.....	2-79
Summary.....	2-81
Asset Books.....	3-1
Asset Books	3-3
Objectives	3-4
Agenda.....	3-5
Asset Books Positioning.....	3-6
Asset Books Regions.....	3-8
Calendar Region	3-10
Accounting Rules Region.....	3-12
Natural Accounts Region.....	3-14
Guided Demonstration - Define an Asset Book.....	3-16
Group Depreciation	3-18
Group Depreciation in the Global Market.....	3-20
Group and Member Asset Rules.....	3-21
Set Up Group Assets.....	3-23
Assigning Member Assets to Group Assets	3-25
Group Asset Reserve Transfer.....	3-27
Practice - Set Up Group Assets.....	3-28
Solution – Set Up Group Assets	3-30
Energy Assets	3-32

Security by Book	3-34
Organizations and Security by Book	3-35
How Security by Book Is Used within Process Flow	3-36
Security by Book Setup Steps.....	3-37
Guided Demonstration - Security by Book Setup (Optional)	3-41
Practice - Review Security by Book Setup	3-44
Solution – Review Security by Book Setup.....	3-46
Troubleshooting Security by Book.....	3-48
Implementation Considerations for Security by Book.....	3-50
Summary.....	3-51
Asset Categories.....	4-1
Asset Categories	4-3
Objectives	4-4
Agenda.....	4-5
Asset Categories Positioning	4-6
Asset Categories Regions	4-7
Asset Categories Setup	4-8
Guided Demonstration - Define Asset Category Flexfield Values	4-10
Practice - Add Asset Category Key Flexfield Values.....	4-11
Solution – Add Asset Category Key Flexfield Values	4-12
Guided Demonstration - Define an Asset Category.....	4-21
Practice - Define Asset Categories	4-23
Solution – Define Asset Categories	4-24
Summary.....	4-29
Manual Asset Additions	5-1
Manual Asset Additions	5-3
Objectives	5-4
Agenda.....	5-6
Asset Life Cycle	5-7
Adding Assets Manually	5-8
Asset Additions Required Data	5-10
QuickAdditions.....	5-11
Guided Demonstration - Add Assets Using QuickAdditions (Optional).....	5-14
Practice - Add an Asset Using QuickAdditions.....	5-16
Solution – Add an Asset Using QuickAdditions	5-17
Detail Asset Additions.....	5-20
Detail Additions - Asset Details Window.....	5-22
Detail Additions - Books Window.....	5-24
Asset Cost Terminology	5-26
Accumulated Depreciation Considerations.....	5-27
Depreciate Checkbox Actions	5-29
Detail Additions - Assignments Window	5-30
Detail Additions - Source Lines Window.....	5-31
Guided Demonstration - Add an Asset Using Detail Additions (Optional).....	5-32
Practice - Add an Asset Using Detail Additions.....	5-33
Manual Asset Additions Journal Entries	5-37
Summary.....	5-38
Mass Asset Additions.....	6-1
Mass Asset Additions	6-3
Objectives	6-4
Agenda.....	6-6
Mass Asset Additions Process.....	6-7
Using the Mass Additions Interface Table	6-9
Adding Assets from Invoice Distribution Lines	6-10
The Mass Additions Process.....	6-11

Step 1 Mass Additions Create.....	6-13
Requirements to Create Mass Addition Lines	6-15
Tracking Expensed Items in Oracle Assets	6-17
Guided Demonstration - Create Mass Addition Lines	6-18
Practice - Create Mass Addition Lines	6-21
Solution – Create Mass Additions	6-23
Other Mass Additions Considerations	6-27
Step 2 Prepare Mass Additions.....	6-29
Required Fields and Mass Additions	6-30
Automatic Preparation of Mass Additions.....	6-31
Automatic Preparation of Mass Additions Process	6-32
Guided Demonstration - Automatic Preparation of Mass Addition Lines	6-34
Mass Addition Queues.....	6-43
Mass Addition Queue Names	6-44
Changing Asset Information.....	6-45
Changing Asset Information.....	6-46
Merging Mass Addition Lines	6-47
Splitting Mass Addition Lines.....	6-48
Merging Then Splitting Functionality	6-49
Adding a Mass Addition Line to an Existing Asset.....	6-50
Guided Demonstration - Prepare Mass Addition Lines	6-51
Practice - Prepare Mass Addition Lines.....	6-53
Solution – Prepare Mass Addition Lines	6-55
Accounting for Cost Adjustments Example	6-61
Step 3 Post Mass Additions	6-62
Effect of Post Mass Additions on Queue Names	6-63
Guided Demonstration - Post Mass Additions.....	6-64
Practice - Post Mass Additions	6-65
Solution – Post Mass Additions.....	6-66
Step 4 Delete Mass Additions.....	6-68
Purge Mass Additions.....	6-69
Future Transactions	6-70
View Pending Transactions	6-73
Guided Demonstration - Add a Future Dated Asset	6-74
Creating Assets Using Web ADI.....	6-76
Web ADI Upload to Oracle Assets.....	6-78
Guided Demonstration - Add Assets Using Web ADI	6-80
Practice - Add Assets Using Web ADI.....	6-83
Solution – Add Assets Using Web ADI	6-86
Summary.....	6-89
CIP Asset Additions.....	7-1
CIP Asset Additions	7-3
Objectives.....	7-4
Agenda.....	7-5
Adding and Capitalizing a CIP Asset	7-6
Acquire and Build CIP Assets	7-7
Automatically Adding CIP Assets to Tax Books	7-8
Modifying the Cost of CIP Assets	7-10
Guided Demonstration - Create a CIP Asset and Build Costs	7-12
Guided Demonstration - Transfer Invoice Lines	7-14
Practice - Create a CIP Asset and Add Costs	7-16
Solution – Create a CIP Asset and Add Costs	7-18
Practice - Transfer Invoice Lines.....	7-21
Solution – Transfer Invoice Lines	7-23
Recording a CIP Asset Addition.....	7-27
Capitalizing a CIP Asset.....	7-28

Reversing a Capitalized Asset	7-29
Guided Demonstration - Capitalizing a CIP Asset	7-30
Practice - Capitalize a CIP Asset	7-31
Solution – Capitalize a CIP Asset	7-32
Updating Asset Fields When Capitalizing CIP Assets	7-34
Updating Transaction Types When Capitalizing CIP Assets	7-35
Recording a Capitalization - Adding and Capitalizing in the Same Period	7-36
Recording a Capitalization - Adding and Capitalizing in Different Periods	7-37
CIP Assets and Oracle Projects	7-39
Tracking Capital Projects in Oracle Projects	7-40
Capital Projects Flow Integration	7-41
Creating Mass Additions from Oracle Projects	7-42
Integrating Oracle Projects with Oracle Assets	7-44
Summary	7-46
Asset Adjustments and Maintenance	8-1
Asset Adjustments and Maintenance	8-3
Objectives	8-4
Agenda	8-6
Asset Adjustments	8-7
Asset Adjustment Overview	8-8
Single Asset Reclassification	8-9
Mass Reclassification	8-10
Inheriting Depreciation Rules	8-11
Copying Category Descriptive Flexfield Information	8-13
Mass Transactions Process	8-14
Recording a Reclassification	8-15
Adjusting Units	8-16
Adjusting Financial Information	8-17
Choosing to Expense or Amortize Depreciation Adjustments	8-18
Amortizing Adjustments Using a Retroactive Start Date	8-20
Using Mass Changes	8-21
Single Asset Transfers	8-22
Mass Asset Transfers	8-24
Guided Demonstration - Perform Single Asset Adjustments	8-26
Guided Demonstration - Perform Mass Transactions	8-28
Practice - Perform Single Asset Adjustments	8-31
Solution – Perform Single Asset Adjustments	8-33
Asset Revaluation	8-39
Scheduling Asset Maintenance	8-41
Guided Demonstration - Schedule Asset Maintenance	8-42
Performing Physical Inventory	8-43
Entering Physical Inventory	8-45
Physical Inventory Comparison	8-46
Physical Inventory Reconciliation	8-48
Guided Demonstration - Review a Physical Inventory	8-49
Integrating Web ADI with Physical Inventory	8-50
Guided Demonstration - Create a Physical Inventory in Web ADI	8-52
Summary	8-54
Depreciation	9-1
Depreciation	9-3
Objectives	9-4
Agenda	9-5
Elements of Depreciation	9-6
Depreciation Setup Areas	9-8
Basic Depreciation Calculation	9-9
Depreciation Methods	9-11

Using the Life-Based Method.....	9-12
Life-Based Method Terms.....	9-13
Life-Based Method Example.....	9-14
Using the Flat-Rate Method.....	9-15
Flat-Rate Method Example.....	9-17
Guided Demonstration - Create a New Depreciation Method.....	9-18
Practice - Create a New Depreciation Method.....	9-19
Solution – Create a New Depreciation Method.....	9-20
Using the Units-of-Production Method.....	9-22
Units-of-Production Method Example.....	9-23
Entering Production Information.....	9-24
Guided Demonstration - Enter Production.....	9-26
Units-of-Production Method Production Amount Restrictions.....	9-27
Units-of-Production Method Restrictions.....	9-28
Units-of-Production Capacity Restrictions.....	9-29
Prorate Conventions.....	9-30
Guided Demonstration - Create a Prorate Convention.....	9-31
Practice - Create a Prorate Convention.....	9-32
Solution – Create a Prorate Convention.....	9-33
Run Depreciation Process.....	9-35
Depreciation Program Processes.....	9-37
Rollback Depreciation.....	9-38
Projecting Depreciation for an Asset.....	9-40
Defining a Projection.....	9-41
Guided Demonstration - Perform a Depreciation Projection.....	9-42
Practice - Run a Depreciation Projection.....	9-43
Solution – Run a Depreciation Projection.....	9-44
Depreciation Forecasts.....	9-46
Guided Demonstration - Perform a What-if Depreciation Analysis.....	9-47
Practice - Perform a What-If Depreciation Analysis.....	9-48
Solution – Perform a What-If Depreciation Analysis.....	9-49
Using Depreciation Override.....	9-51
Useful Depreciation Reports.....	9-53
Summary.....	9-55
Asset Retirements.....	10-1
Asset Retirements.....	10-3
Objectives.....	10-4
Agenda.....	10-5
Tracking Asset Retirements.....	10-6
Overview of Retiring an Asset.....	10-7
Restrictions on Retirements and Reinstatements.....	10-8
Fully Retiring Assets.....	10-10
Guided Demonstration -Perform a Full Retirement and Undo Retirement.....	10-11
Partially Retiring Assets.....	10-12
Guided Demonstration - Process a Partial Retirement and Reinstat.....	10-14
Mass Asset Retirements.....	10-16
Guided Demonstration - Perform a Mass Retirement.....	10-18
External Retirements.....	10-19
Reinstating Retired Assets.....	10-21
Calculate Gains and Losses Program.....	10-22
Practice - Perform a Retirement and Reinstatement.....	10-23
Solution – Perform a Retirement and Reinstatement.....	10-24
Retirement Processing Flow.....	10-27
Processing a Pending Retirement and Reinstatement.....	10-28
Calculating Depreciation for the Period Retired.....	10-29
Recording Retirements and Reinstatements.....	10-30

Recording Retirements	10-31
Recording a Retirement on Multiple Accounts	10-33
Retirement Journal Entries Example	10-34
Recording Prior Period Reinstatement Entries	10-35
Retirement Reports	10-36
Summary.....	10-39
Asset Accounting.....	11-1
Asset Accounting.....	11-3
Objectives	11-4
Agenda.....	11-5
Setting Up Asset Accounting.....	11-6
Assets Journal Entries Flow.....	11-8
Oracle Subledger Accounting.....	11-10
Accounting Event Entities and Classes	11-11
Create Accounting – Assets Program	11-13
Guided Demonstration - Run Create Accounting	11-14
Journal Entries Created.....	11-15
Reconciling Data in Oracle Assets	11-17
Generating Reports to Reconcile to the General Ledger	11-18
Reconciling an Asset Cost Account.....	11-19
Reconciling Asset Cost Accounts.....	11-20
Reconciling a CIP Cost Account	11-21
Reconciling a Reserve Account	11-22
Reconciling Depreciation Expense.....	11-24
Reconciling Mass Additions.....	11-25
Summary.....	11-27
Asset Inquiry & Reporting	12-1
Asset Inquiry & Reporting.....	12-3
Objectives	12-4
Agenda.....	12-5
Viewing Asset Information Online.....	12-6
Types of Asset Inquiries	12-7
Asset Inquiry Options.....	12-8
iAssets Search for Assets.....	12-9
Viewing Financial Information.....	12-11
Viewing Transaction History.....	12-13
Viewing Transaction Accounting	12-14
Viewing Subledger Accounting Transactions	12-15
Guided Demonstration -Perform Asset Inquiries.....	12-16
Practice - Perform Asset Inquiries	12-19
Solution – Perform Asset Inquiries.....	12-21
iAssets	12-27
iAssets Setup Steps.....	12-28
iAssets Setup Steps—Rules.....	12-30
Guided Demonstration - iAssets Setup-Rules.....	12-31
iAssets Setup Steps—Profile Options.....	12-34
iAssets Setup Steps—User Responsibilities	12-35
Oracle Assets Reporting	12-36
Assets Reports Groupings.....	12-38
Variable Format Reports	12-39
Assets Reports Using XML Publisher	12-40
Summary.....	12-41
Tax Accounting.....	13-1
Tax Accounting	13-3
Objectives.....	13-4

Agenda.....	13-6
Creating a Tax Book.....	13-7
Asset Books Regions.....	13-8
Guided Demonstration - Create a Tax Asset Book.....	13-10
Practice - Define a Tax Asset Book.....	13-12
Solution – Define a Tax Asset Book.....	13-15
Prerequisites for Setting Up Tax Book Asset Categories.....	13-18
Guided Demonstration - Add Asset Categories to Tax Book.....	13-19
Practice - Add Asset Categories to a Tax Book.....	13-21
Solution – Add Asset Categories to a Tax Book.....	13-23
Entering Information in Tax Books.....	13-26
Populating the Tax Book by Initial Mass Copy.....	13-28
Populating the Tax Book.....	13-30
Guided Demonstration - Perform an Initial Mass Copy.....	13-31
Practice - Perform an Initial Mass Copy.....	13-32
Solution – Perform an Initial Mass Copy.....	13-33
Populating the Tax Book by Periodic Mass Copy.....	13-35
Updating a Tax Book Manually.....	13-37
Guided Demonstration - Manually Add an Asset to a Tax Book.....	13-38
Practice - Manually Add an Asset to a Tax Book.....	13-39
Solution – Manually Add an Asset to a Tax Book.....	13-41
Tax Book Upload Interface.....	13-44
Discussing Tax Rules.....	13-46
Deferred Depreciation.....	13-48
Calculating Deferred Depreciation.....	13-49
Adjusting Accumulated Depreciation.....	13-50
Adjusting Depreciation Reserve for a Single Asset.....	13-51
Guided Demonstration -Adjust Depreciation Reserve.....	13-53
Adjusting Depreciation Reserve for All Assets.....	13-54
Controlling Mass Depreciation Adjustment.....	13-55
Calculating Mass Depreciation Adjustment.....	13-56
Automatically Adding CIP Assets to Tax Books.....	13-57
General Tax Reports.....	13-59
Special Tax Reports.....	13-60
Depreciation Adjustment Reports.....	13-61
Summary.....	13-62