....

FA Setups.

Setup Steps Flow

Step 1 **Sets of Books**	→	Step 2 Units of Measure Classes	→	Step 3 Units of Measure Categories
Step 4 Employees	→	Step 5 Descriptive Flexfields	→	Step 6 Account Generator
Step 7 Journal Entry Sources	→	Step 8 Journal Entry Categories	→	Step 9 Numbering
Step 10 Suppliers	→	Step 11 **Asset Key Flexfield**	→	Step 12 **Asset Category Flexfield**

Step 1 Define Set of Books (Required)
(N) Setup > Financials > General Ledger > Set of Books
Step 2 Define Unit of Measure Classes (Optional)
(N) Setup > Financials > Units of Measure > Classes
Step 3 Define Units of Measure (Optional)
(N) Setup > Financials > Units of Measure > Units of Measure
Step 4 Define Employees (Optional)
(N) Setup > Financials > Employees
Step 5 Define Descriptive Flexfields (Optional)
(N) Setup > Financials > Flexfields > Descriptive > Segments
Step 6 Decide How to Use the Account Generator (Required with defaults)
Use Oracle Workflow Builder if modification required.
Oracle Assets uses the Account Generator to generate accounting flexfield
combinations for journal entries. You must review the default process that Oracle
Assets uses to see if it meets your accounting requirements. You can optionally
customize the Account Generator for each set of books that you have defined. Note
that you must set up Oracle Workflow in order to use the Account Generator.
Step 7 Define Additional Journal Entry Sources (Required with defaults)
(N) Setup > Financials > General Ledger > Journal Sources
Step 8 Define Additional Journal Entry Categories (Required with defaults)
(N) Setup > Financials > General Ledger > Journal Categories
Step 9 Define Supplier and Employee Numbering Schemes (Optional)
(N) Setup > Financials > General Ledger > Financial System Options
Step 10 Define Suppliers (Optional)
(N) Setup > Financials > Suppliers
Step 11 Define the Asset Key Flexfield (Required)
(N) Setup > Financials > Flexfields > Key > Segments
Step 12 Define the Asset Category Flexfield (Required)

(N) Setup > Financials > Flexfields > Key > Segments
Step 13 Define the Location Flexfield (Required)
(N) Setup > Financials > Flexfields > Key > Segments
Step 14 Define System Controls (Required)
(N) Setup > Asset System > System Controls
Step 15 Define Location Combinations (Optional)
(N) Setup > Asset System > Locations
Step 16 Define Asset Key Combinations (Optional)
(N) Setup > Asset System > Asset Keys
Step 17 Define QuickCode Values (Required with defaults)
(N) Setup > Asset System > QuickCodes
Step 18 Define Fiscal Years (Required)
(N) Setup > Asset System > Fiscal Years
Step 19 Define Calendars (Required)
(N) Setup > Asset System > Calendars
Step 20 Setup Security by Book (Optional)
(N) Setup > Security > Security
Step 21 Define Book Controls (Required)
(N) Setup > Asset System > Book Controls
Step 22 Define Additional depreciation Methods and rates (Required with defaults)
(N) Setup > Depreciation > Methods
Step 23 Define Depreciation Ceilings (Optional)
(N) Setup > Depreciation > Ceilings
Step 24 Define Investment Tax Credits (Optional)
(N) Setup > Depreciation > ITC Rates
Step 25 Define Prorate and Retirement Conventions (Required)
(N) Setup > Asset System > Prorate Conventions
Prorate and retirement conventions determine how much depreciation expense to take in the
first and last year of life
Step 26 Define Price Indexes (Optional)
(N) Setup > Asset System > Price Indexes
Step 27 Define Asset Category Combinations (Required)
(N) Setup > Asset System > Asset Categories
Step 28 Define Distribution Sets (Optional)
(N) Setup > Asset System > Distribution Sets
Step 29 Enter Leases (Optional)
(N) Setup > Asset System > Leases > Lease Details
Step 30 Define Warranties (Optional)
(N) Setup > Asset System > Warranties
Step 31 Set Profile Options (Optional)
Profile > System
Profile options specify how Oracle Assets controls access to and processes data.
Step 32 Define Asset Insurance (Optional)
(N) Assets > Insurance > Insurance Policy Details

Asset Category Key Flexfield
(N) Setup > Financials > Flexfields > Key > Segments
Location Key Flexfield
(N) Setup > Financials > Flexfields > Key > Segments
Asset Key Key Flexfield

(N) Setup > Financials > Flexfields > Key > Segments
Creating Key Flexfield Combinations
If dynamic insertion is turned off for a key flexfield structure, you must manually create new
flexfield combinations.
For Location key flexfield combinations follow this menu path:
• (N) Setup > Asset System > Locations
For Asset Key key flexfield combinations follow this menu path:
• (N) Setup > Asset System > Asset Keys
Specifying System Controls
(N) Setup > Asset System > System Controls
QuickCodes
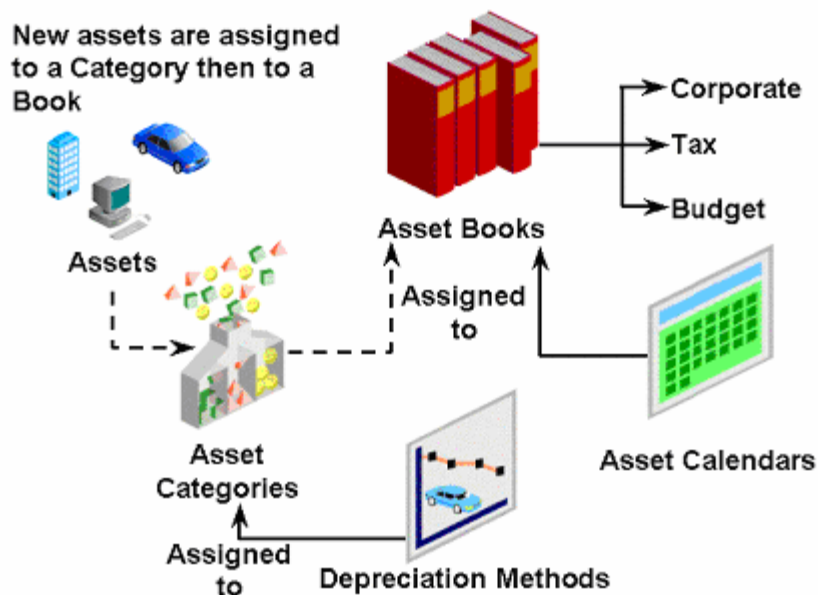(N) Setup > Asset System > QuickCodes
Setting Up Fiscal Years
(N) Setup > Asset System > Fiscal Years
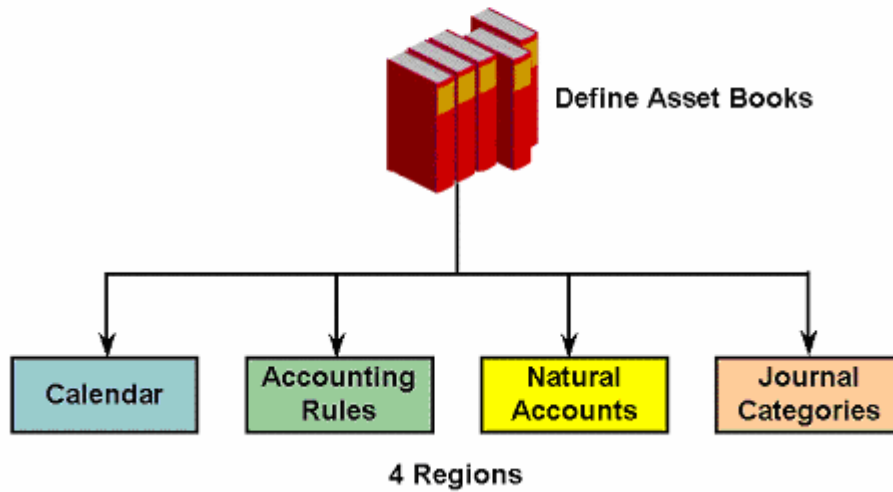Setting Up Asset Calendars
(N) Setup > Asset System > Calendars
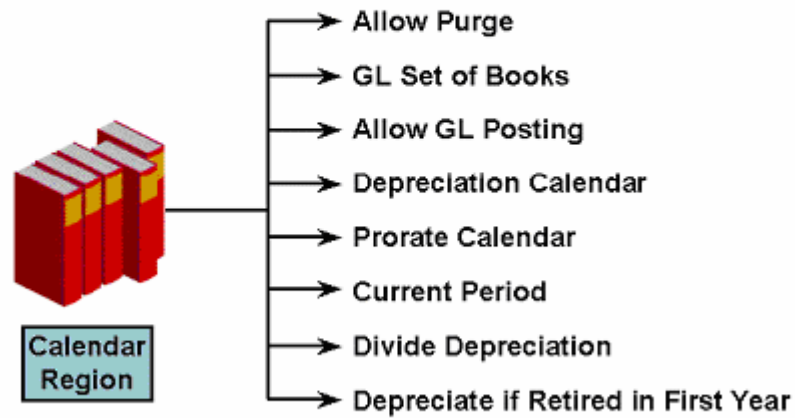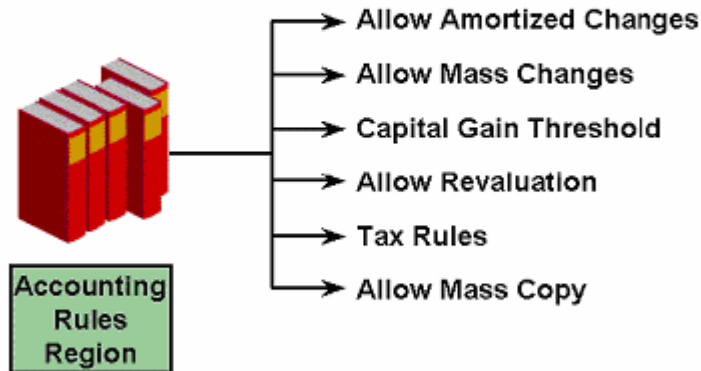
FA Basics

Asset Books Positioning

New assets are assigned to a Category then to a Book

Asset Books Regions

Calendar Region

Accounting Rules Region

- → Allow Amortized Changes
- → Allow Mass Changes
- → Capital Gain Threshold
- → Allow Revaluation
- → Tax Rules
- → Allow Mass Copy

Accounting Rules Region

Natural Accounts Region

- → Retirement Accounts
- → Other Natural Account Defaults
- → Account Generator Defaults

Natural Accounts Region

Journal Categories Region

- → Journal Source
- → Journal Categories
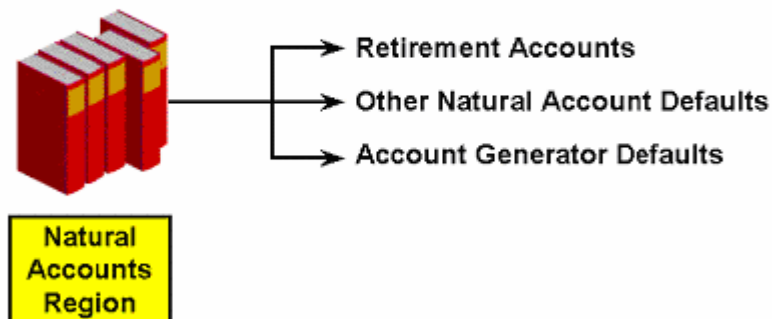
Journal Categories Region
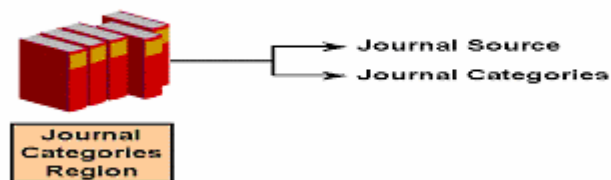
Sample Books
Natural Accounts
Gain Loss Clearing
Proceeds of Sale 7850 7851 1247
Cost of Removal 7852 7853 2240

Net Book Value
Retired
7854 7855
Reval Reserve Retired 7854 7855
Intercompany Receivables 1810
Intercompany Payables 2370
Deferred Depreciation Reserve 2540
Deferred Depreciation Expense 7860
Depreciation Adjustment 1690
Account Generator Defaults 01-000-9999-0000-000

Journal Categories

Field Name Value Field Name Value

Additions Addition CIP Additions CIP Addition
Adjustments Adjustment CIP Adjustments CIP Adjustment
Retirements Retirement CIP Retirements CIP Retirement
Reclass Reclass CIP Reclass CIP Reclassification
Transfers Transfer CIP Transfers CIP Transfer
Revaluation Revaluation
Depreciation Depreciation
Deferred Depreciation Deferred Depreciation
Depreciation Adjustment Depreciation Adjustment

Book Controls

Book	XX_CORP BOOK	Class	Corporate
Description	XX_CORPORATE BOOK		

Associated Corporate Book **XX_CORP BOOK** [ ]

Calendar | **Accounting Rules** | **Natural Accounts** | **Journal Categories**

☑ Allow Amortized Changes   ☑ Allow Mass Changes

Capital Gain Threshold Years **1**   Months **0**

☑ Allow Revaluations

☐ Revalue Accumulated Depreciation   ☐ Revalue YTD Depreciation
☑ Retire Revaluation Reserve   ☐ Amortize Revaluation Reserve
☐ Revalue Fully Reserved Assets   Maximum Revaluations [ ]
                    Life Extension Factor [ ]   Life Extension Ceiling [ ]

Tax Rules

☐ Allow Reserve Adjustments   ☐ Allow Cost Ceilings
☐ Allow Investment Tax Credits   ☐ Allow Expense Ceilings (B)
☐ Allow CIP Assets (J)

☐ Allow Mass Copy...

☐ Copy Additions (O)   Salvage Value **Do Not Copy**
☐ Copy Adjustments (Z)   Last Period [ ]
☐ Copy Retirements

Book Controls

Book	XX_CORP BOOK	Class	Corporate
Description	XX_CORPORATE BOOK		

Associated Corporate Book **XX_CORP BOOK** [ ]

Calendar | **Accounting Rules** | **Natural Accounts** | **Journal Categories**

Retirement Accounts

	Gain	Loss	Clearing
Proceeds of Sale	7850	7851	1247
Cost of Removal	7852	7853	2240
Net Book Value Retired	7854	7855	
Reval Reserve Retired	7854	7855	

Intercompany Receivables	1810
Intercompany Payables	2370

Deferred Depreciation Reserve	2540
Deferred Depreciation Expense	7860
Depreciation Adjustment	1690

Account Generator Defaults **01-000-9999-0000-000** [...]

Book Controls — Journal Categories tab

Book	XX_CORP BOOK	Class	Corporate
Description	XX_CORPORATE BOOK		

Associated Corporate Book **XX_CORP BOOK** [ ]

Calendar | Accounting Rules | Natural Accounts | **Journal Categories**

Journal Source **Assets**

Additions	Addition	CIP Additions	CIP Addition
Adjustments	Adjustment	CIP Adjustments	CIP Adjustment
Retirements	Retirement	CIP Retirements	CIP Retirement
Reclass	Reclass	CIP Reclass	CIP Reclassification
Transfers	Transfer	CIP Transfers	CIP Transfer
Revaluation	Revaluation		
Depreciation	Depreciation		

Deferred Depreciation **Deferred Depreciation**
Depreciation Adjustment **Depreciation Adjustment**

Security by Book

Co 1 User   Co 2 User
Co 1 Asset Book
Co 3 User   Co 4 User
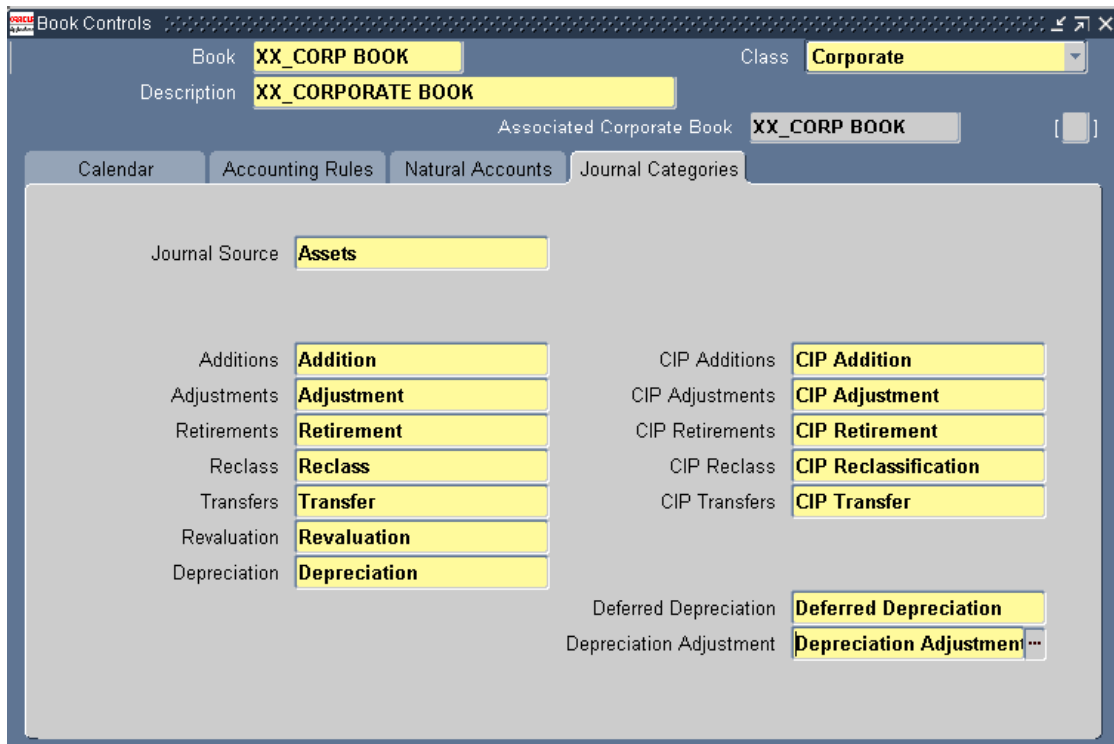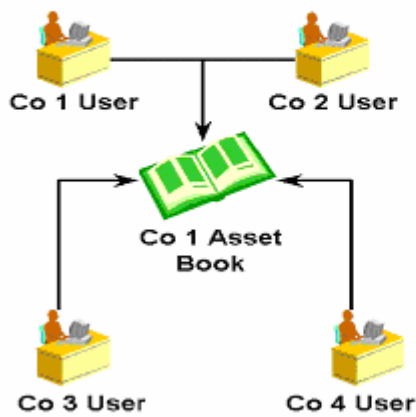
Security by Book

What is it Good For?

Absolutely Something!

Organizations and Security by Book

UK User → UK Security Profile → Oracle UK

Manchester User → Manchester Security Profile → Oracle Manchester | Oracle London ← London Security Profile ← London User
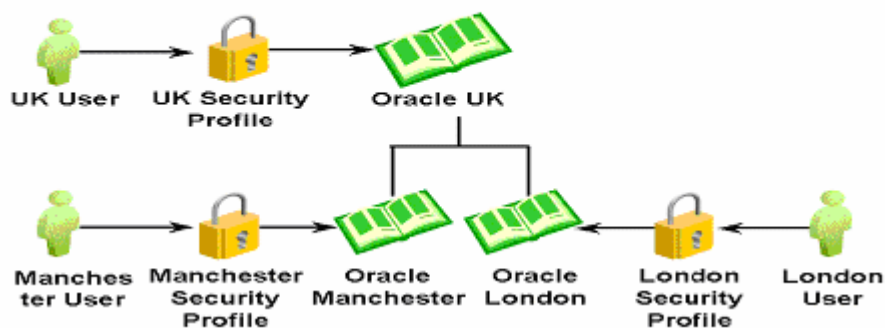
How Security by Book Is Used within Process Flow

Responsibility
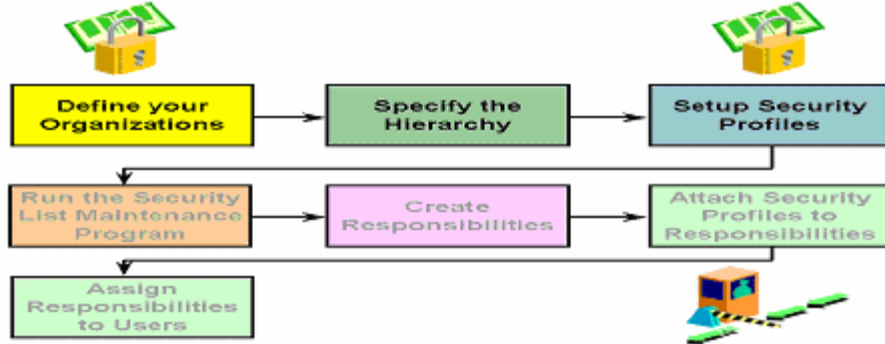
Users

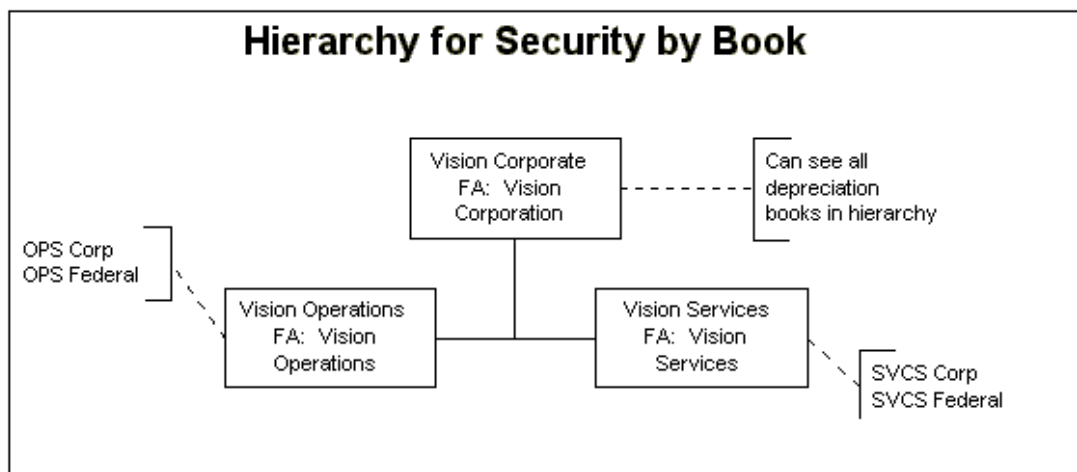Manage assets

Run depreciation and close books

View reports

Security by Book Setup Steps

Define your Organizations	→	Specify the Hierarchy	→	Setup Security Profiles
Run the Security List Maintenance Program	→	Create Responsibilities	→	Attach Security Profiles to Responsibilities
Assign Responsibilities to Users				

Security by Book Setup Steps

Define your Organizations	→	Specify the Hierarchy	→	Setup Security Profiles
Run the Security List Maintenance Program	→	Create Responsibilities	→	Attach Security Profiles to Responsibilities
Assign Responsibilities to Users				

Samples

Hierarchy for Security by Book

Asset Accounting

Setting Up Asset Accounting
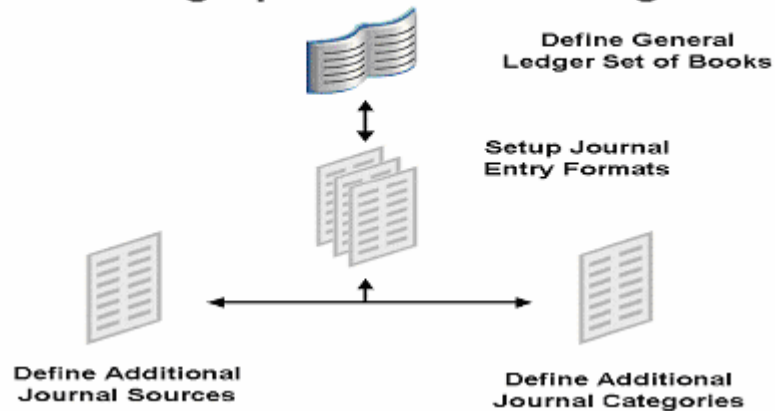
Assets Journal Entries Flow

In Asset Books:
- Allow GL Posting
- GL Set of Books Name
- Journal Sources & Categories

Run Depreciation to Generate Accounts

Create Journal Entries

Send entries to General Ledger

Rollback Journals?

Yes

Not Posted

Post entries
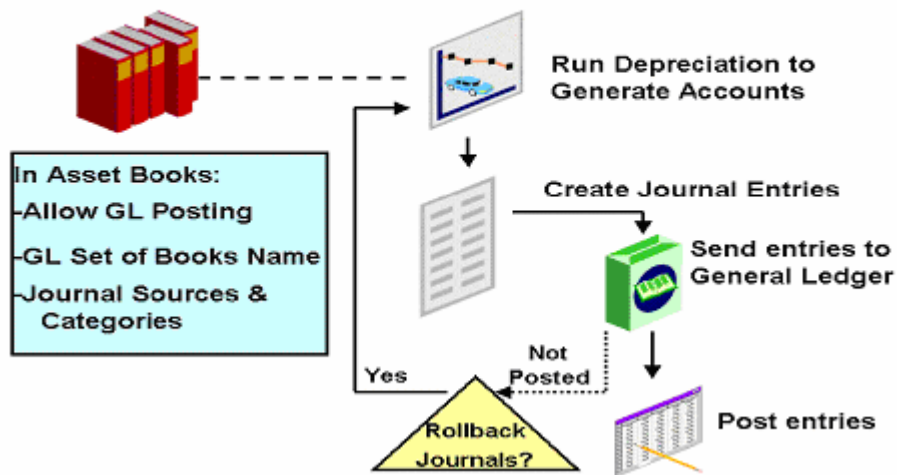
Rollback Journal Entries

Create Journal Entries

General Ledger

Journals Posted?
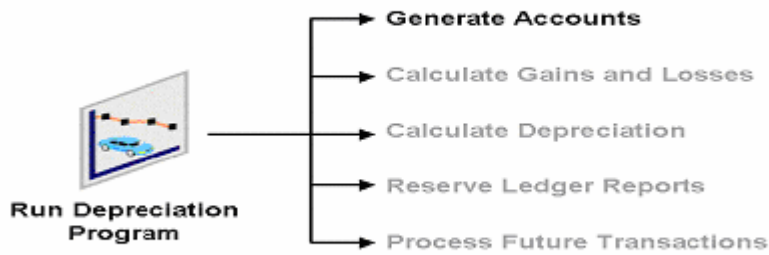
No

Yes

Done

Rollback Journals
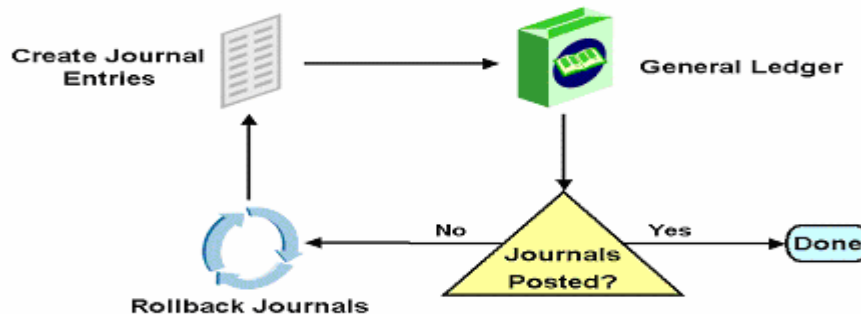
Journal Entries Created

Oracle Assets creates journal entries for the following general ledger accounts:

Accumulated Depreciation	Depreciation Expense
Asset Clearing	Intercompany Payables
Asset Cost	Intercompany Receivables
CIP Clearing	Net Book Value Retired Gain and Loss
CIP Cost	Proceeds of Sale Gain, Loss, and Clearing
Cost of Removal Gain, Loss, and Clearing	
Deferred Accumulated Depreciation	Revaluation Amortization
Deferred Depreciation Expense	Revaluation Reserve
	Revaluation Reserve Retired Gain and Loss
Depreciation Adjustment	

Account Generator

- **Generate Accounts**
- Calculate Gains and Losses
- Calculate Depreciation
- Reserve Ledger Reports
- Process Future Transactions

Run Depreciation Program

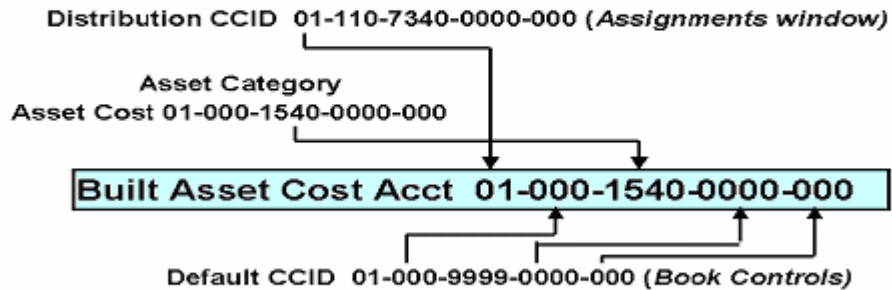## Default Account Generator Process for Oracle Assets

For example purposes, the Operations Accounting flexfield structure from the Vision demo database is used.

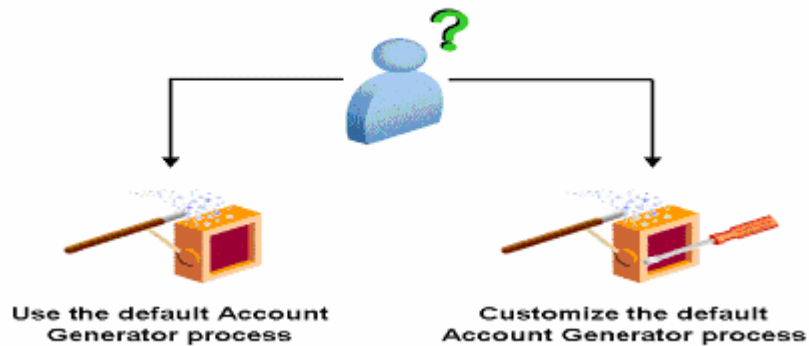Company-Cost Center-Account-Product-SubAccount

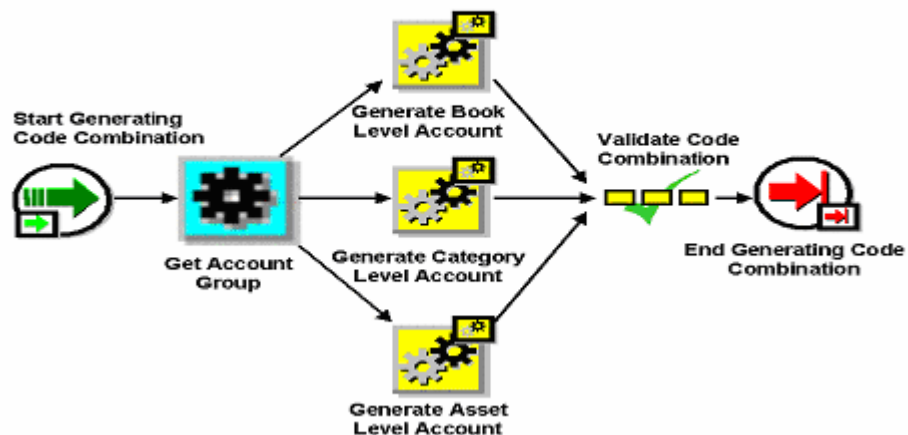| Segment Name	Default Segment Sources
Company (Balancing Segment)	Distribution CCID (Assignments screen)
Cost Center (Cost Center Segment)	Default CCID (Book Controls screen)
Account (Natural Account Segment)	Account Segment Value
Product	Default CCID (Book Controls screen)
Sub-Account	Default CCID (Book Controls screen)

CCID = Code Combination ID

Account Generator Example – Build Asset Cost Account

Distribution CCID 01-110-7340-0000-000 (*Assignments window*)

Asset Category
Asset Cost 01-000-1540-0000-000

Built Asset Cost Acct 01-000-1540-0000-000

Default CCID 01-000-9999-0000-000 (*Book Controls*)

Decide How to Use the Account Generator

Use the default Account Generator process

Customize the default Account Generator process

Account Generator and Oracle Workflow

Start Generating Code Combination

Get Account Group

Generate Book Level Account

Generate Category Level Account

Generate Asset Level Account

Validate Code Combination

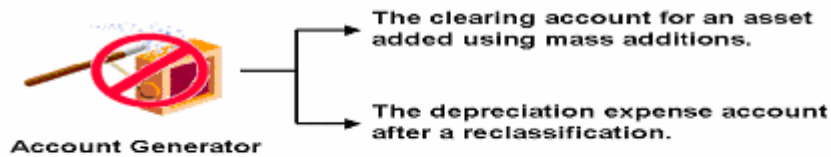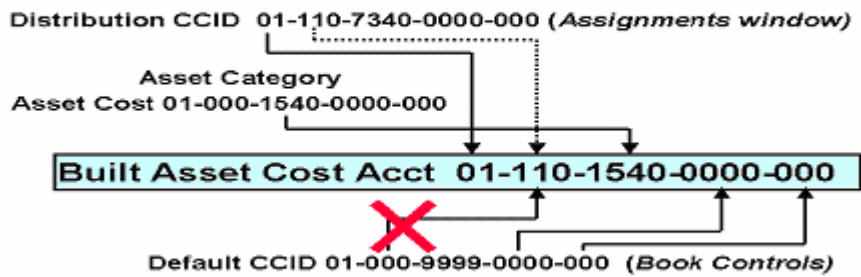End Generating Code Combination

Exceptions to Using Account Generator

In a few special cases, Oracle Assets does not use the Account Generator to determine which account to create.
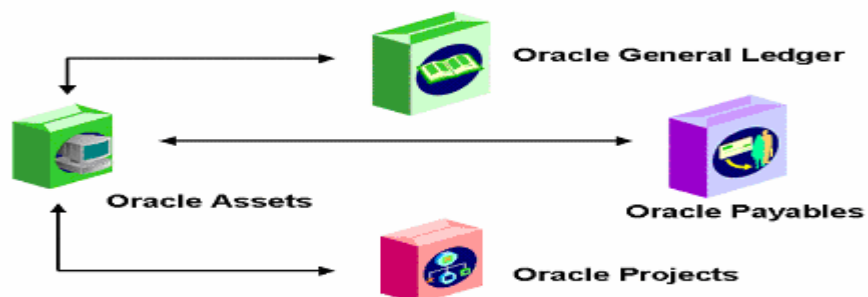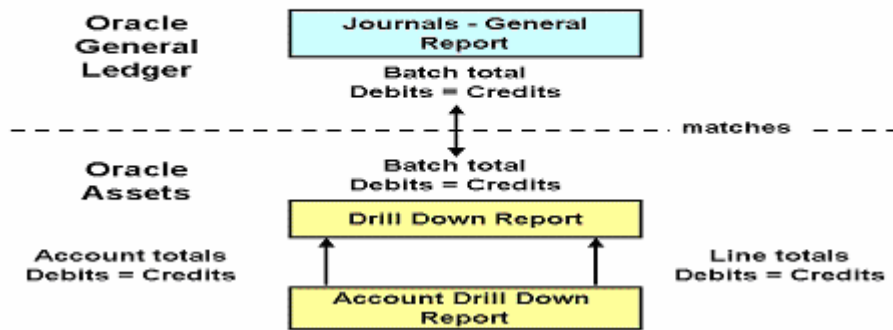
Account Generator

- The clearing account for an asset added using mass additions.
- The depreciation expense account after a reclassification.

Customizing Account Generator

Distribution CCID 01-110-7340-0000-000 (*Assignments window*)

Asset Category
Asset Cost 01-000-1540-0000-000

Built Asset Cost Acct 01-110-1540-0000-000

Default CCID 01-000-9999-0000-000 (*Book Controls*)

Objective = populate cost center segment from Distribution CCID

Reconciliation in FA

Reconciling Data in Oracle Assets

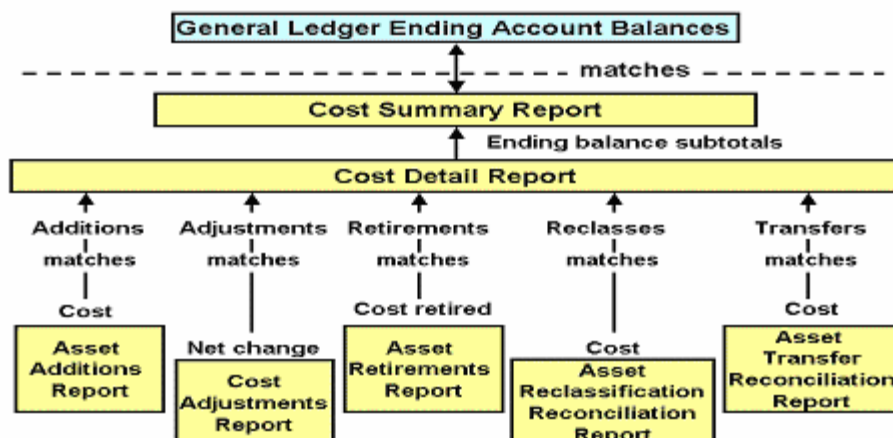Oracle Assets

Oracle General Ledger

Oracle Payables

Oracle Projects

Generating Reports to Reconcile to the General Ledger

Oracle General Ledger

> Journals – General Report

Batch total
Debits = Credits

- matches - - - - -

Oracle Assets

Batch total
Debits = Credits

> Drill Down Report

Account totals
Debits = Credits

Line totals
Debits = Credits

> Account Drill Down Report

Reconciling an Asset Cost Account

Oracle General Ledger

> Account Analysis with Payables Detail Report

> General Ledger Report

Ending balance

DETAIL

- matches - - - - -

Ending balance

DETAIL

Oracle Assets

> Cost Summary Report
> CIP Summary Report
> Reserve Summary Report

Ending balance

Ending balance subtotals

> Related detail reports
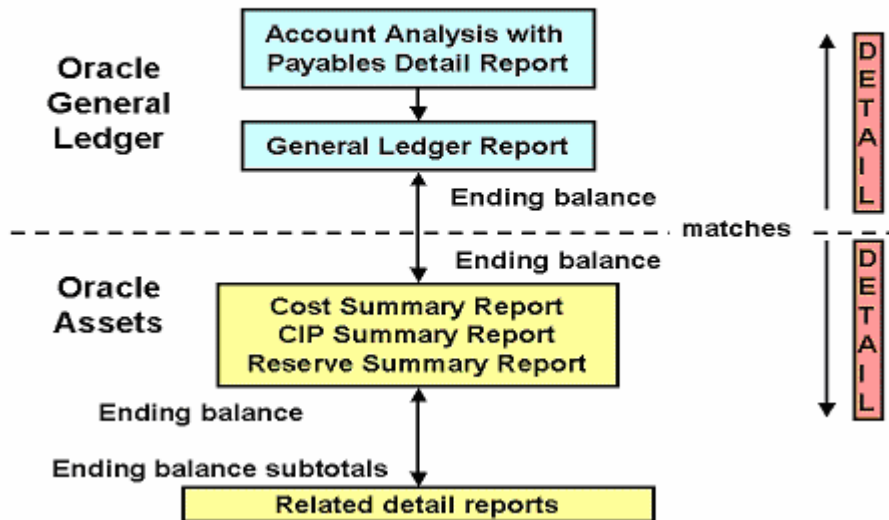
Reconciling Asset Cost Accounts

> General Ledger Ending Account Balances

- - - - - - - - - - - - - - - matches - - - - - - - -

> Cost Summary Report

Ending balance subtotals

> Cost Detail Report

Additions matches	Adjustments matches	Retirements matches	Reclasses matches	Transfers matches
Cost	Net change	Cost retired	Cost	Cost
Asset Additions Report	Cost Adjustments Report	Asset Retirements Report	Asset Reclassification Reconciliation Report	Asset Transfer Reconciliation Report

Reconciling a CIP Cost Account

General Ledger Ending Account Balances

- matches - - - - - -

CIP Summary Report

Ending balance subtotals

CIP Detail Report

Additions	Retirements		Reclasses	Transfers	Balance
Adjustments		Capitalized			
Cost	Cost retired		Cost		Cost

Asset Additions Report

Asset Retirements Report

Asset Reclassification Reconciliation Report

CIP Assets Report

Net change

Cost

Assigned cost

Cost Adjustments Report

CIP Capitalization Report

Asset Transfer Reconciliation Report

Reconciling a Reserve Account

Reserve Summary Report

Ending balance subtotals

Reserve Detail Report

| Additions | Adjustments | Retirements | Reclasses | Depreciation | Transfers |
| Accumulated depreciation | | Cost retired NBV retired | | Depreciation amount | |

Asset Additions Report

Asset Retirements Report

Asset Reconciliation Reserve Ledger

Reserve adjustments

Accumulated depreciation

Accumulated depreciation

Reserve Adjustments Report

Asset Reclassification Reconciliation Report

Asset Transfers Report

Reconciling Depreciation Expense

Oracle General Ledger

Account Analysis with Payables Detail Report

General Ledger Report or Account Analysis Report

Ending balance

DETAIL

- matches - - - - -

Oracle Assets

Depreciation amount

Journal Entry Reserve Ledger

DETAIL

Reconciling Mass Additions

Setting up Depreciation

Defining Depreciation

Additional Depreciation Methods

Oracle Assets allows you to set up the following types of additional depreciation methods:

- Life-based
- Flat-rate
- Units-of-production
- Formula-based

Demonstration

In Oracle Assets we will demonstrate how to:
Set up a depreciation book
Define additional depreciation methods
Define a formula-based depreciation method
(N) Setup > Asset System > Book Controls
(N) Setup > Depreciation > Methods

Defining Depreciation Ceilings

Cost ceilings: cost ceilings limit an asset's total depreciation

Expense ceilings: expense ceilings limit an asset's annual depreciation

Investment tax credit (ITC) ceilings: ITC ceilings limit the cost Oracle Assets uses to calculate investment tax credits

Prorate Conventions

The prorate convention determines the annual depreciation for the first fiscal year.

The prorate date and the prorate calendar determine the prorate period.

Enter the prorate date for each date–placed–in–service range.

Specify whether to spread annual depreciation from the date placed in service or from the prorate date.

Specifying Dates for Prorate Conventions
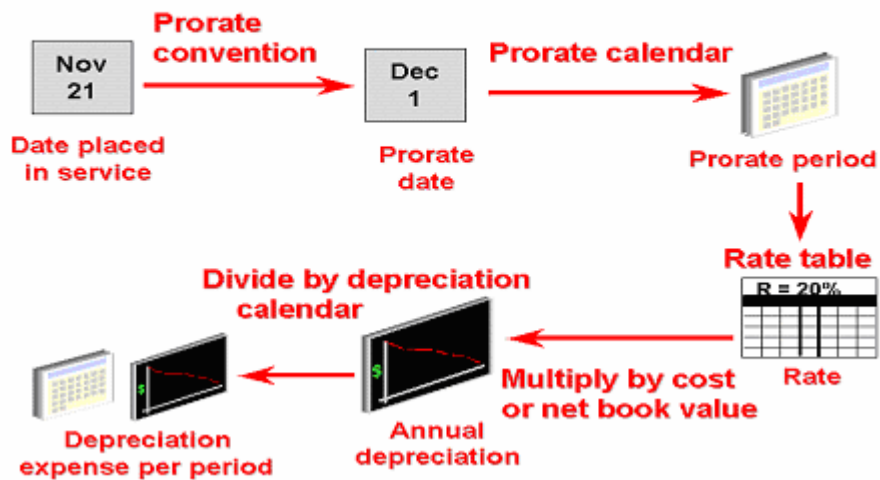
Retirement Conventions

The retirement convention determines the annual depreciation for the retirement year.

In the United States, the retirement and prorate conventions are usually the same.

Use any defined prorate convention as a retirement convention.

Price Indexes

You must set up your price indexes before you can assign them to an asset category and book.

You can use one price index for several asset categories in the same or different books, or you can have a different price index for each asset category in a depreciation book.

The Revalued Asset Retirement Report uses price indexes to:

- Determine the revalued asset cost
- Calculate gains and losses for your retired assets using the revalued cost

Units of Measure

Unit-of-measure classes group units of measure.

Units of measure label the production amounts for units-of-production assets.

Create the units of measure for production amounts for units-of-production assets.

Oracle Assets does not perform any conversions between units of measure.

Categories

Asset Categories Positioning
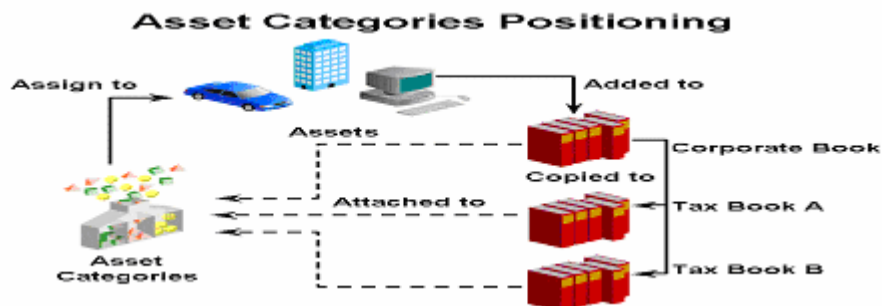
Asset Categories Regions

Asset Categories Setup

Asset Categories Setup

Setup Asset Category Header Region ✓

Header Region
- ✓ Description
- ✓ Category Type
- ✓ Ownership
- ✓ Property Type
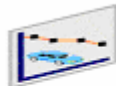- ✓ Property Class
- ✓ Checkboxes

Asset Categories Setup

Setup Asset Category GL Accounts Region ✓

General Ledger Accounts Region
- ✓ Book
- ✓ Asset Cost, Asset Clearing
- ✓ Depr. Expense Segment
- ✓ Accumulated Depreciation
- ✓ Bonus Expense, Reserve
- ✓ Reval Reserve, Amortization
- ✓ CIP Cost, CIP Clearing

Asset Categories Setup

Setup Asset Category Default Depreciation Rules Region ✓

Default Depreciation Rules Region
- ✓ Date Placed in Service
- ✓ Depreciation Method/Life
- ✓ Prorate Conventions
- ✓ Salvage Value
- ✓ Subcomponents
- ✓ STL Retirement
- ✓ Depreciation Limits
- ✓ Capital Gain Threshold
- ✓ ITC

Asset Categories

Category	XX_COMPUTER-XX_SERVER	☑ Enabled
Description	XX_Category	☑ Capitalize
Category Type	Non-Lease	☑ In Physical Inventory
Ownership	Owned	
Property Type	PERSONAL	Property Class 1245 [ ]

General Ledger Accounts

Book	OPS CORP
Asset Cost	01-000-1560-0000-000
Asset Clearing	01-000-1570-0000-000
Depreciation Expense Segment	7360
Accumulated Depreciation	01-000-1660-0000-000
Bonus Expense	7360
Bonus Reserve	01-000-1660-0000-000 ...
Revaluation Reserve	
Revaluation Amortization	
CIP Cost	[ ]
CIP Clearing	

Default Rules

Default Depreciation Rules - XX_COMPUTER-XX_SERVER, OPS CORP

Placed in Service   01-JAN-1850   [_____] [...]

☑ **Depreciate**

Method	STL	Prorate Convention	FOL-MONTH
Life Years	7	Retirement Convention	FOL-MONTH
Months	0	Default Salvage Value	___ %
		Ceiling	
Bonus Rule		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   [☐]

Asset Categories

Category	XX_COMPUTER-XX_SERVER
Description	XX_Category
Category Type	Non-Lease
Ownership	Owned
Property Type	PERSONAL

☑ Enabled
☑ Capitalize
☑ In Physical Inventory

Property Class   1245   [☐]

General Ledger Accounts

Book	OPS STATE
Asset Cost	01-000-1560-0000-000
Asset Clearing	01-000-1570-0000-000
Depreciation Expense Segment	7360
Accumulated Depreciation	01-000-1660-0000-000
Bonus Expense	7360
Bonus Reserve	01-000-1660-0000-000 [...]
Revaluation Reserve	
Revaluation Amortization	
CIP Cost	
CIP Clearing	

[☐]

[Default Rules]

Default Depreciation Rules - XX_COMPUTER-XX_SERVER, OPS STATE

Placed in Service   01-JAN-1850   -   [_____]

☑ **Depreciate**

Method	STL	Prorate Convention	MONTH
Life Years	5	Retirement Convention	MONTH [...]
Months	0	Default Salvage Value	___ %
		Ceiling	
Bonus Rule		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   [☐]

Manual Asset Addition

Asset Life Cycle
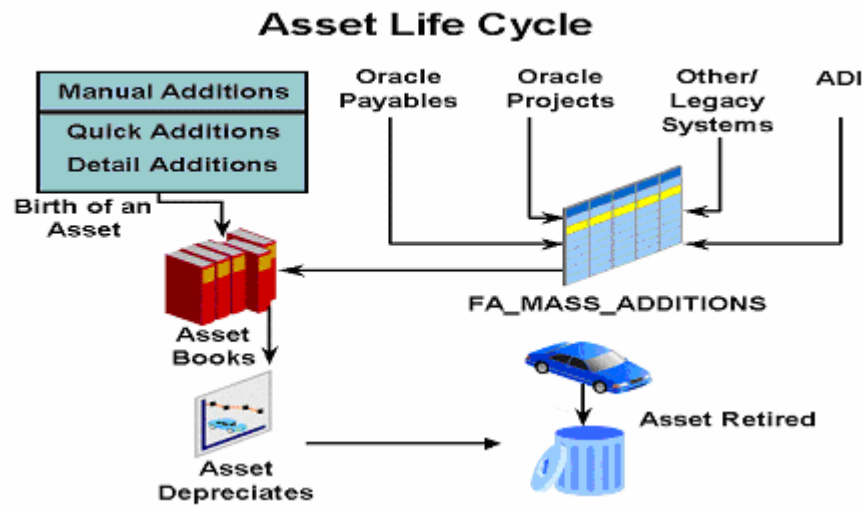
Adding Assets Manually
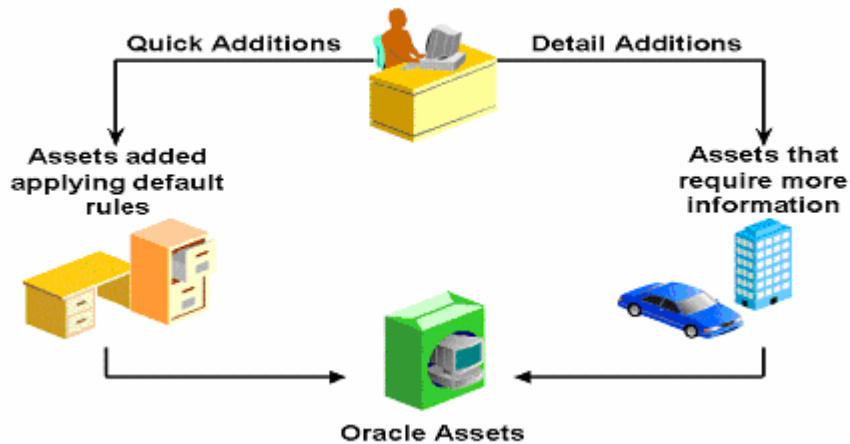
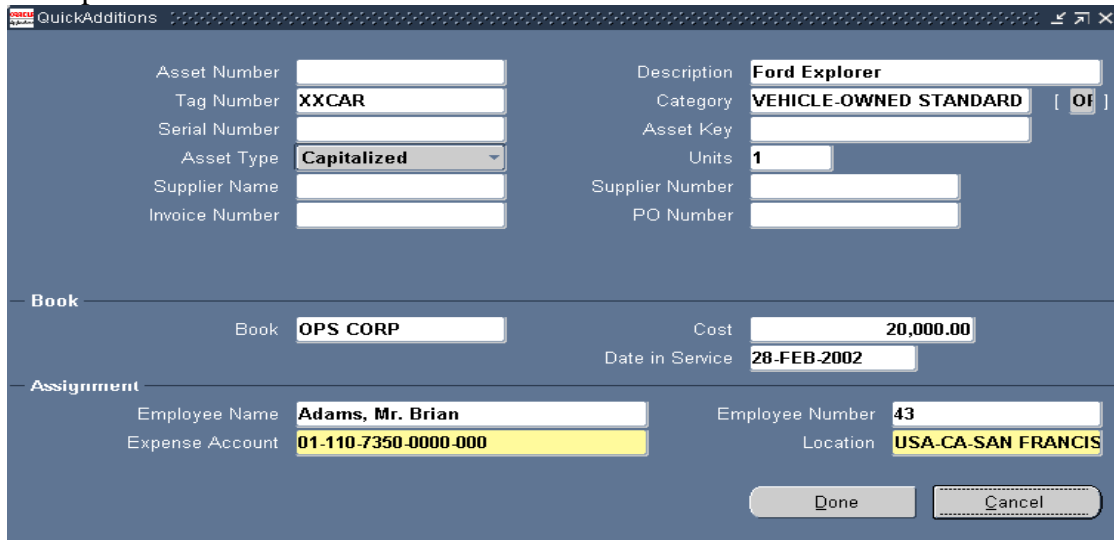### Asset Additions Required Data

To add an asset, the following fields require data:

✓ Asset Number
✓ Description
✓ Category
✓ Asset Type
✓ Units
✓ Book
✓ Cost
✓ Date Placed in Service
✓ Depreciation Expense Account
✓ Location

QuickAditions

Required Fields	Optional Fields
✓Asset Number	✓Tag Number
✓Description	✓Category Descriptive Flexfield
✓Category	✓Serial Number
✓Asset Type	✓Asset Key
✓Units	✓Supplier/PO Info
✓Book	✓Employee Info
✓Cost	
✓Date Placed in Service	
✓Depr Expense Account	
✓Location	

Examples of Manual Addition

QuickAdditions

Asset Number		Description	Ford Explorer
Tag Number	XXCAR	Category	VEHICLE-OWNED STANDARD [OF]
Serial Number		Asset Key	
Asset Type	Capitalized	Units	1
Supplier Name		Supplier Number	
Invoice Number		PO Number	

Book

Book	OPS CORP	Cost	20,000.00
		Date in Service	28-FEB-2002

Assignment

Employee Name	Adams, Mr. Brian	Employee Number	43
Expense Account	01-110-7350-0000-000	Location	USA-CA-SAN FRANCIS

Done   Cancel

Transaction Type	Asset Number - Description	Periods		[ ]
		Effective	Entered	
ADDITION	101465 - Ford Explorer	FEB-02	FEB-02	
TRANSFER IN	101465 - Ford Explorer	FEB-02	FEB-02	

Book **OPS CORP**

Reference Number **2900**   ☐ Amortized Adjustment

Comments

Details

Detail Asset Additions

The Asset Workbench provides access to four
windows where you can enter detail asset information.

Asset Workbench

Optional ——— Asset Details

Source Lines — — —> Books ——> Assignments

Detail Additions - Asset Details Window

Fields in Detail Additions not previously discussed:

Asset Details Window
✓ Parent Asset
✓ Manufacturer / Model
✓ Warranty Number
✓ Lease Information
✓ In Use/Physical Inv Checkboxes
✓ Property Type/Class
✓ Ownership
✓ Bought Status

Detail Additions - Books Window

Fields in Detail Additions not previously discussed:

Books Window	
✓Amortize Adjustment Checkbox	✓Revaluation Options
✓Amortize NBV Over Remaining Life Checkbox	✓Depreciation Methods
✓Various Asset Costs	✓Depreciate Checkbox
✓Salvage Value	✓Prorate Convention
✓YTD Depreciation	✓Amortization Start Date
✓Accumulated Depreciation	✓Short Fiscal Year Options
✓Ceiling	

Asset Cost Terminology

Current Cost	Original added cost +/- any cost adjustments
Original Cost	Original added cost - not updated after first period
Recoverable Cost	Current cost - salvage value - ITC basis reduction
Net Book Value	Current cost - accumulated depreciation

Depreciate Checkbox Actions

Depreciate Checkbox

✓   Asset depreciates as long as checkbox is checked

Start   Check Later   Depreciation from Date Placed in Service to date checked is charged in current period

Start   Uncheck   Recheck Later   Depreciation for unchecked period(s) is taken in last period of asset's life

Example of manual Addition

Asset Details

Field	Value
Asset Number	
Tag Number	XXBLDG
Serial Number	
Asset Type	Capitalized
Parent Asset	
Description	Overhead Office Building
Category	BUILDING-OFFICE [FII]
Asset Key	
Units	1
Description	

Field	Value
Manufacturer	
Warranty Number	
Lease Number	
Lessor	
Model	
Description	[ ]
☑ In Use	
☑ In Physical Inventory	

Field	Value
Property Type	Real
Property Class	1250
Ownership	Owned
Bought	New

Source Lines   Continue   Cancel

Books

Field	Value
Asset Number	
Book	OPS CORP
Comments	
Reference Number	
☐ Amortize Adjustment	
☐ Amortize NBV over Remaining Life	[ ]

Depreciation

Field	Value
Current Cost	10,000,000.00
Original Cost	10,000,000.00
Salvage Value	0.00
Recoverable Cost	10,000,000.00
Net Book Value	10,000,000.00
YTD Depreciation	0.00
Accumulated Depr	0.00
Ceiling	
Revaluation Ceiling	
Revaluation Reserve	

☑ Depreciate

Field	Value
Date in Service	28-FEB-2002
Prorate Convention	FOL-MONTH
Prorate Date	01-MAR-2002
Amortization Start Date	

Method

Field	Value
Method	STL
Life Years	15
Months	0
Bonus Rule	

☐ Short Fiscal Year

Field	Value
Conversion Date	
Original Depr Start Date	

Continue   Cancel

Assignments

Field	Value
Asset Number	
Book	OPS CORP
Comments	
Distribution Set	
Total Units	1
Reference Number	
Transfer Date	28-FEB-2002
Unit of Measure	
Units to Assign	0 [ ]

Employee

Unit Change	Units	Name	Number	Expense Account	Location
1	1	Palm, Mrs. Ellen	59	01-110-7320-0000-000	USA-NY-NEW YORK-2

Done   Cancel

Journal Entries for Manual Asset addition

Manual Asset Additions Journal Entries

The journal entry created when manually adding an asset.

Asset Cost	Asset Clearing
50,000	50,000

You must create a manual journal entry in General Ledger to clear the Asset Clearing Account.

Asset Clearing	Appropriate Acct
50,000	50,000
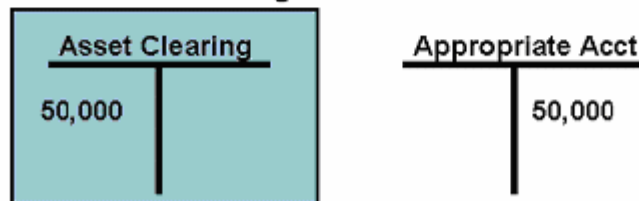
Asset Adjustments

Asset Adjustments

Reclass

Unit Change

Change Financial Info

Oracle Assets

Transfer

Changes via APIs
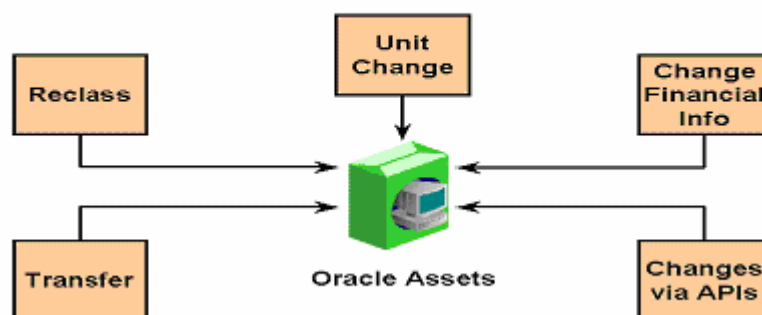
Asset Adjustment Overview

Adjustment	Action Performed	Mass Transaction Available
Reclassification	Change Asset Category	Yes
Unit Change	Change Number of Asset Units	No
Financial Information	Change Asset Cost and/or Depreciation Information	Yes (Prorate Convention, Method, Life only)
Transfer	Change Asset Assignment Information	Yes

Single Asset Reclassification

VEHICLE-LEASED
STANDARD

VEHICLE-OWNED
STANDARD

Reclassification Actions
Transfers the cost and accumulated depreciation to the accounts associated with the new category
Depreciation expense already taken remains in the account associated with the old category
Charges current depreciation expense according to the new category
Reclassification Restrictions
Cannot reclassify fully retired assets
Does not redefault the depreciation rules to the default rules from the new category

Mass Reclassification

VEHICLE-LEASED
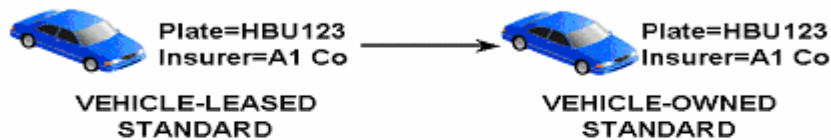STANDARD

VEHICLE-OWNED
STANDARD

Additional Options Available:

☑ Inherit Depreciation Rules

☑ Amortize Depreciation Adjustments

☑ Copy Descriptive Flexfield Information

Inheriting Depreciation Rules

STL 30 Yrs   STL 25 Yrs

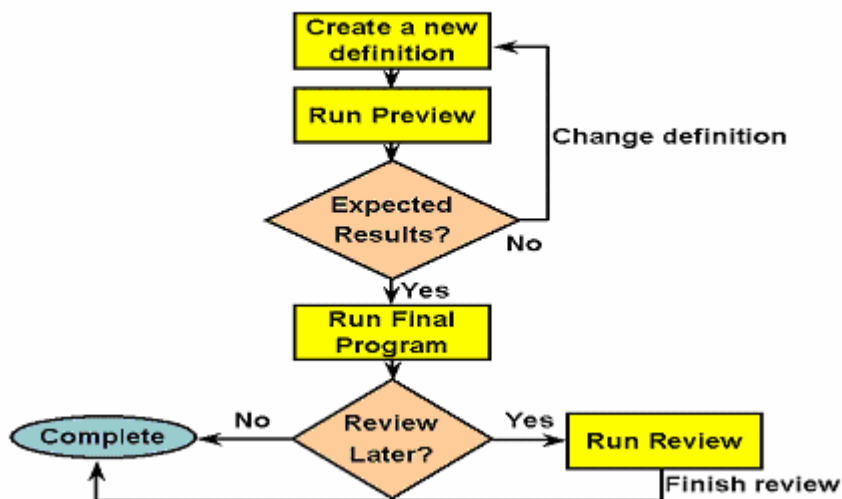BUILDING-OFFICE   BUILDING-MANUFACTURING

✓ Performed at the book level

✓ Depreciation rules are inherited in both the corporate and tax books

✓ Must Allow Mass Changes in Accounting Rules region of the asset book

✗ You cannot choose to have assets inherit only specified depreciation rules

✗ If you do not check the Amortize adjustments check box, adjustments will be expensed

Copying Category Descriptive Flexfield Information

Plate=HBU123   Plate=HBU123
Insurer=A1 Co   Insurer=A1 Co

VEHICLE-LEASED   VEHICLE-OWNED
STANDARD   STANDARD

✓ Will be copied only if assets are being reclassified within the same major category.

✓ The descriptive flexfields should be set up with the same segments in both the old and the new category.

✗ If you do not choose to copy category descriptive flexfield information to the new category, the category descriptive flexfield information from the old category will be deleted.

Mass Transactions Process

Create a new definition →

Run Preview

Expected Results? — No → Change definition

↓ Yes

Run Final Program

Review Later? — No → Complete

Yes → Run Review — Finish review

Recording a Reclassification

Cost $4,800
STL 4 Yr

In Period 4 you reclass the asset from COMPUTER-PC to COMPUTER-NETWORK

Per 1   Per 4   Per 48
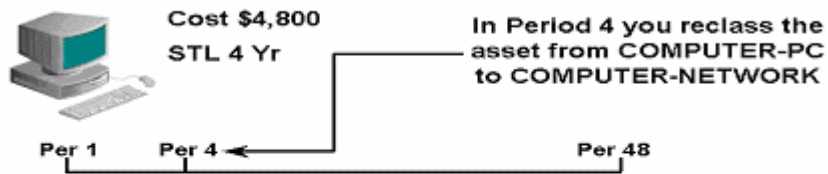
Reclass journal entry:	Dr	Cr
Asset Cost - COMPUTER-NETWORK	4,800	
Asset Cost - COMPUTER-PC		4,800

Depreciation journal entry:		
Depr Exp (current) - COMPUTER-NETWORK	100	
Acc Depr - COMPUTER-PC	300	
Acc Depr - COMPUTER-NETWORK		400

Adjusting Units

3 units   2 units

Assignments Window

Adjust Units   -1
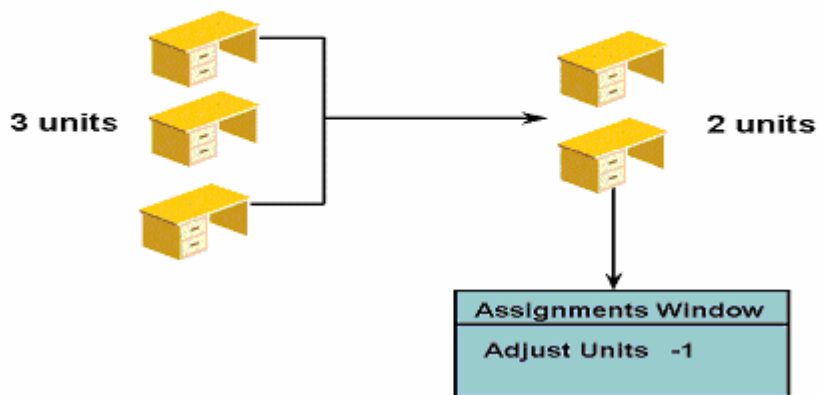
Adjusting Financial Information

Cost

Depreciation ceiling

Salvage value

Unit of measure

Financial information adjustment

Life

Following month prorate convention

Depreciation method

Capacity

Rates

Bonus rule
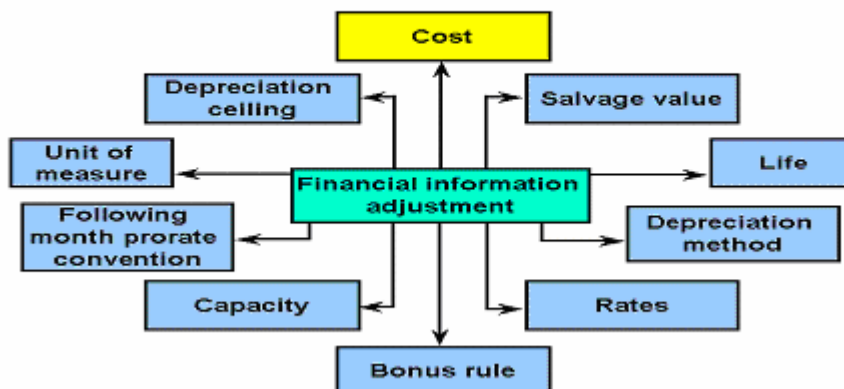
Choosing to Expense or Amortize Depreciation Adjustments

Original Cost	Cost Adjustment	Depreciation Adj
7,200	3,600	1,000
36 Period Life	In Period 11	

Depreciation Adjustment Expense Per 11

Amortize Adjustment ?

No → 1,000 — Current Period

Yes → 40 — (1,000 / 25 periods)
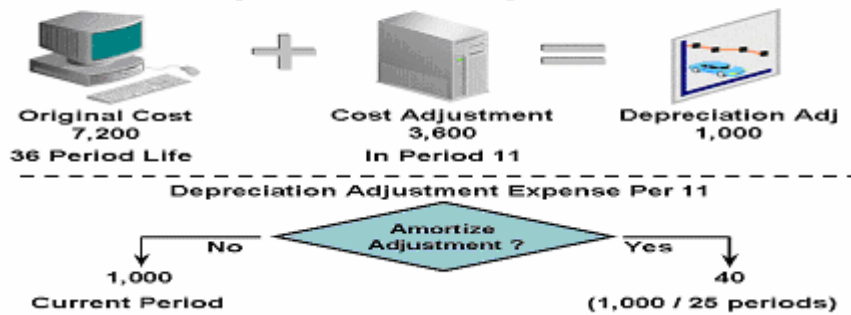
Amortizing Adjustments Using a Retroactive Start Date

45 periods

OCT-01 JAN-02 APR-02 ... SEP-05

(1) (2)

Amort Start Date

End of Life

Asset Added $24,000

Cost Adj $7,200

(1) Depr Adj - $7,200/48 * 3 periods = $450

APR-02 Depreciation:

Depreciation Expense	$660.00	New cost [$31,200 / 48 per] + [$450 / 45 per]
Depreciation Expense Adjustment	$480.00	(2) [JAN-MAR $7,200 / 48 per * 3 per] + [JAN-MAR $450 / 45 per * 3 per]

Using Mass Changes

Before — After

Mass Change

Prorate Convention → Prorate Convention

Depreciation Method → Depreciation Method

Life → Life

Single Asset Transfers

Before		After	
General Ledger Number		**General Ledger Number**	
Company	01	Company	01
Cost Center	110	Cost Center	120
Account	7320	Account	7320
Product	0000	Product	0000
SubAcct	000	SubAcct	000

Depreciation Expense Accounts

Locations

US-CA-SF-BLDG3   FR.GV.PA.BLDG3

Employees

Charles Ackroyd Employee 33   Sandy Chen Employee 117

Mass Asset Transfers

From:
USA-VA-RICHMOND-H300
To:
USA-PA-PITTSBURGH-A450

You can change the transfer date to a prior period date within the current fiscal year. You cannot change the date to a future period date.

Examples of Adjustments

QuickAdditions

Asset Number		Description	Very Large Truck
Tag Number	XX_LARGE TRUCK	Category	VEHICLE-OWNED STANDARD [---]
Serial Number		Asset Key	
Asset Type	Capitalized	Units	2
Supplier Name		Supplier Number	
Invoice Number		PO Number	

Book

Book	OPS CORP	Cost	75,000.00
		Date in Service	28-FEB-2002

Assignment

Employee Name	Allen, Bertie	Employee Number	5
Expense Account	01-130-7350-0000-000	Location	USA-NY-NEW YORK-2

Done   Cancel

Asset Details

Asset Number	101464	Description	Very Large Truck
Tag Number	XX_LARGE TRUCK	Category	VEHICLE-OWNED HEAVY [---]
Serial Number		Asset Key	
Asset Type	Capitalized	Units	2
Parent Asset		Description	
Manufacturer		Model	
Warranty Number			
Lease Number		Description	[ ]
Lessor			☑ In Use
			☑ In Physical Inventory
Property Type	Personal	Ownership	Owned
Property Class	1245	Bought	New

Done   Cancel

Assignments

Asset Number	101464	Reference Number	
Book	OPS CORP	Transfer Date	28-FEB-2002
Comments			
		Unit of Measure	
Total Units	1	Units to Assign	-1 [ ]

Employee

Unit Change	Units	Name	Number	Expense Account	Location
-1	2	Allen, Bertie	5	01-130-7350-0000-000	USA-NY-NEW YORK-2

Done   Cancel

Books

Asset Number	101464	Reference Number	
Book	OPS CORP		☐ Amortize Adjustment
Comments			☐ Amortize NBV over Remaining Life [ ]

Depreciation

Current Cost	100,000.00	YTD Depreciation	0.00
Original Cost	100,000.00	Accumulated Depr	0.00
Salvage Value	0.00	Ceiling	
Recoverable Cost	100,000.00	Revaluation Ceiling	
Net Book Value	100,000.00	Revaluation Reserve	0.00
			☑ Depreciate
		Date in Service	28-FEB-2002
		Prorate Convention	MID-MONTH
		Prorate Date	18-FEB-2002
		Amortization Start Date	

Method

Method	STL
Life Years	4
Months	0
Bonus Rule	

☐ Short Fiscal Year
Conversion Date
Original Depr Start Date

Unplanned Depreciation   Done   Cancel

Assignments

	Asset Number	101464	Reference Number	
	Book	OPS CORP	Transfer Date	28-FEB-2002
	Comments			
	Distribution Set		Unit of Measure	
	Total Units	1	Units to Assign	0 [ ]

— Employee —

Unit Change	Units	Name	Number	Expense Account	Location
.25	1	Allen, Bertie	5	01-130-7350-0000-000	USA-NY-NEW YORK-2
.25	.25	Allen, Bertie	5	01-110-7350-0000-000	USA-NY-NEW YORK-

[Done] [Cancel]

Performing Physical Inventory

Enter physical inventory → Run inventory comparison → View comparison

Reconcile differences

Update assets manually

Entering Physical Inventory
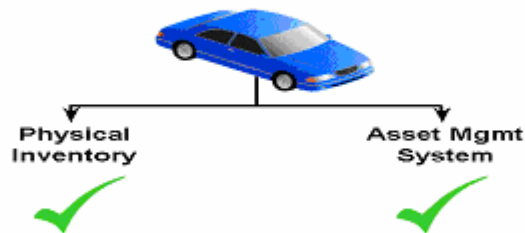
Excel Spreadsheet via ADI   Manual Entry   SQL Loader
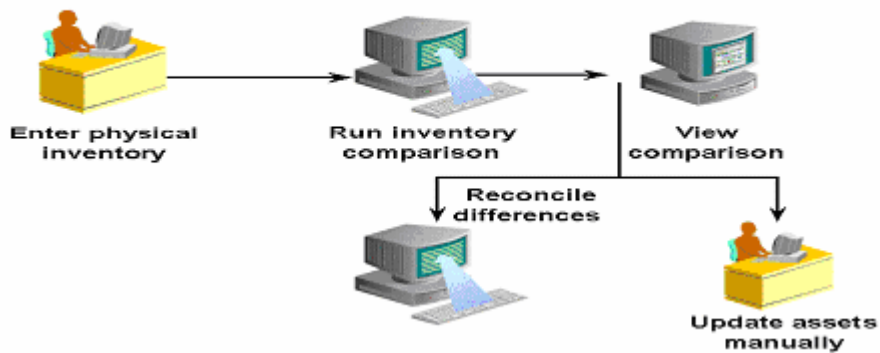
Enter physical inventory
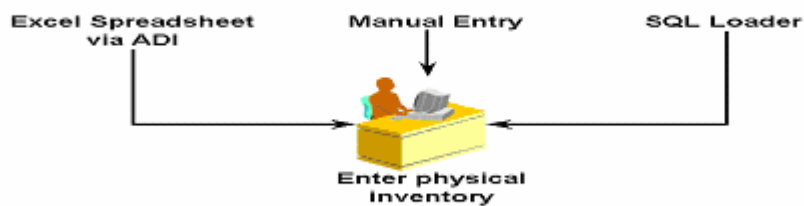
Physical Inventory Comparison
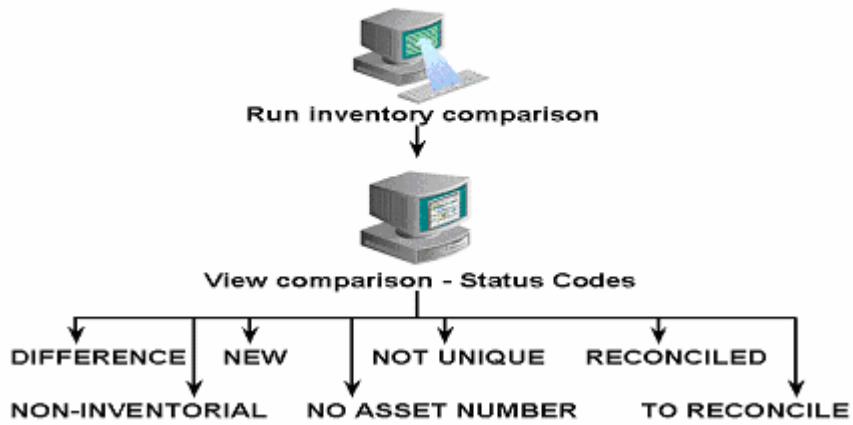
Physical Inventory Reconciliation

Asset Retirements

Overview of Retiring an Asset

Asset to retire

Full retirement ————————————— Partial retirement

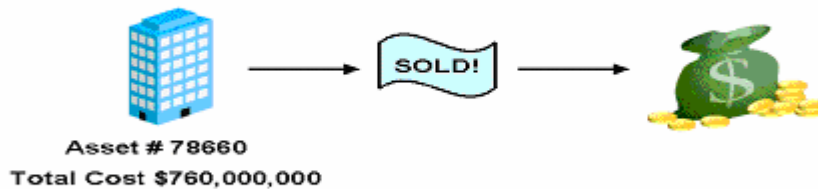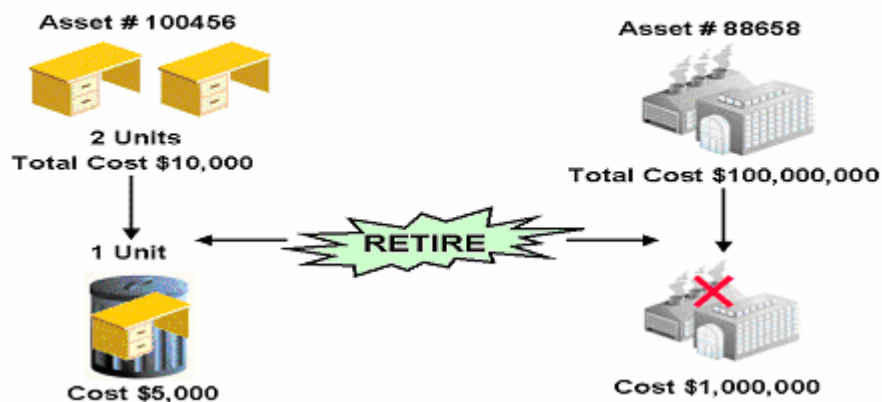Entire units and entire cost   Partial unit   Partial cost
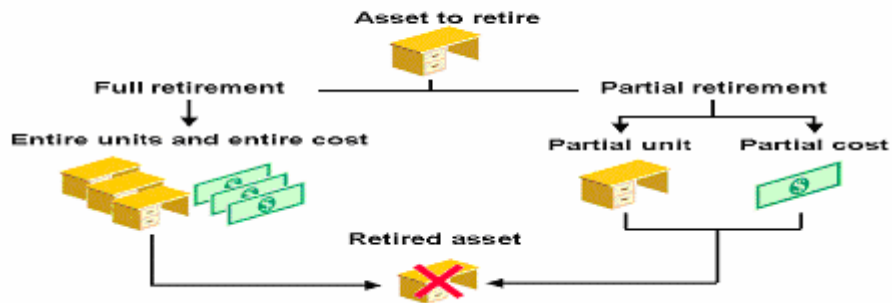
Retired asset

Restrictions on Retirements and Reinstatements

Desired Action	Can Be Performed When
Retire an asset	The asset is in service in the current fiscal year and was added in a prior period
Reinstate an asset	The asset was retired in the current fiscal year
Reinstate a partially retired asset	No transactions have occurred since the partial retirement Only the last partial retirement can be reinstated

Fully Retiring Assets

SOLD!

Asset # 78660
Total Cost $760,000,000

Partially Retiring Assets

Asset # 100456

2 Units
Total Cost $10,000

Asset # 88658

Total Cost $100,000,000

1 Unit   RETIRE

Cost $5,000

Cost $1,000,000
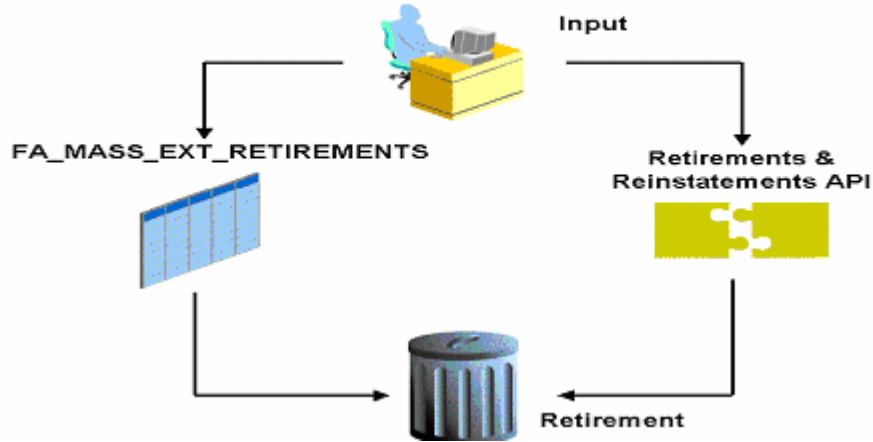
Mass Asset Retirements
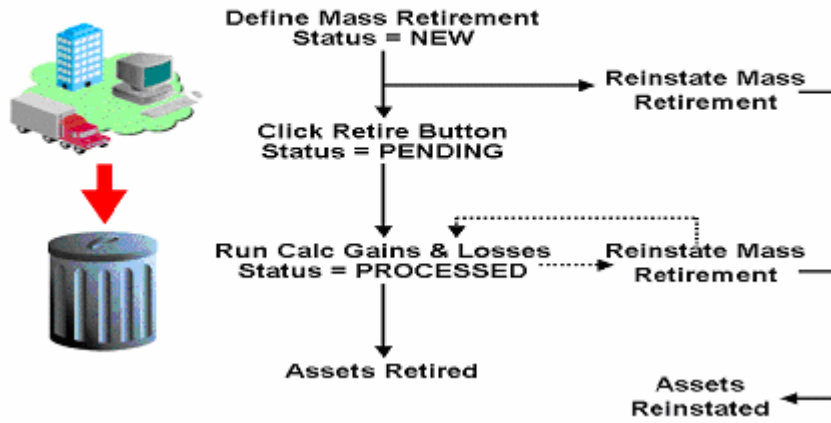

External Retirements

Reinstating Assets/Gain Loss

Reinstating Retired Assets

Oracle Assets makes it easy to reinstate formerly retired assets.

Retirement Status	Option to Choose	Result
Pending	Undo Retirement	Deletes the retirement transaction
Processed	Reinstate	Creates the reinstatement transaction, and reverses the retirement entry
Reinstatement Error	Undo Reinstatement	Reverses the reinstatement entry

Calculate Gains and Losses Program
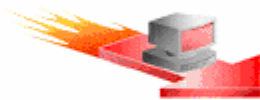
Run the calculate gains and losses program to:

• Calculate gains and losses resulting from retirements

• Correct the accumulated depreciation for reinstated assets

• Calculate Investment Tax Credit recapture for retired assets in a tax book, if necessary

Examples

Asset Number	101482
Book	OPS CORP
Comments	
Reference Number	
Retire Date	31-MAR-2002
Status	PENDING

Retirement Details

Current Units	2	
Units Retired	1	
Retirement Type	THEFT	
Retirement Convention	MID-MONTH	
Current Cost		20,000.00
Cost Retired		10,000.00
Proceeds of Sale		0.00
Cost of Removal		0.00
Gain/Loss Amount		

Straight Line Method		
Check/Invoice		
Trade in Asset		
Life Years		Months
Sold To		
Description		

Subcomponents   Reinstate   Continue   Cancel

Assignments

Asset Number	101482
Book	OPS CORP
Comments	
Total Units	1

Reference Number	
Transfer Date	31-MAR-2002
Unit of Measure	
Units to Assign	0 [ ]

Employee

Unit Change	Units	Name	Number	Expense Account	Location
-1	2			01-110-7330-0000-000	USA-CA-SAN FRANCIS

[Done] [Cancel]

Retirements

Asset Number	101482
Book	OPS CORP
Comments	

Reference Number	2941
Retire Date	31-MAR-2002
Status	Processed [ ]

Retirement Details

Current Units	2		Current Cost	20,000.00
Units Retired	1		Cost Retired	10,000.00
Retirement Type	THEFT		Proceeds of Sale	0.00
			Cost of Removal	0.00
Retirement Convention	MID-MONTH		Gain/Loss Amount	<8,000.00>
Straight Line Method			Life Years	Months
Check/Invoice			Sold To	
Trade in Asset			Description	[ ]

[Subcomponents]   [Reinstate]   [Done]   [Cancel]

Retirement Processing Flow
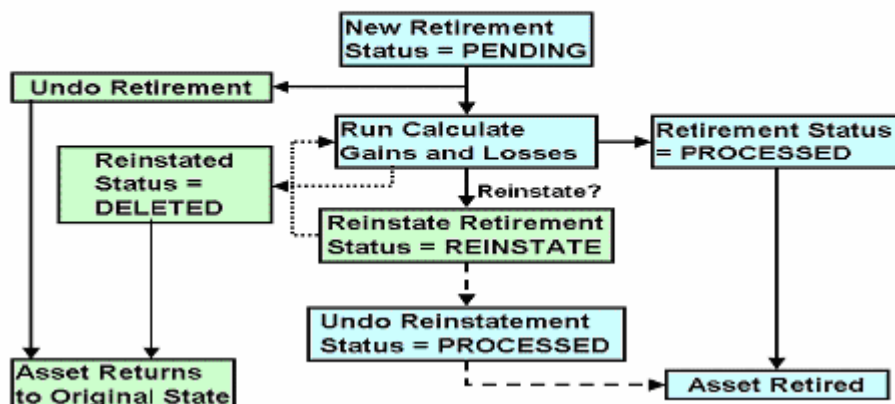
Processing a Pending Retirement and Reinstatement

PENDING RETIREMENT	REINSTATEMENT
Calculate the gain or loss	Reinstate the asset cost and depreciation reserve to the appropriate accounts
Remove the asset cost and accumulated depreciation	Determine depreciation adjustment for missed depreciation
Depreciate during the period of retirement according to the retirement convention	Update status to DELETED
Take any necessary ITC recapture	
Update status to PROCESSED	

Calculating Depreciation for the Period Retired
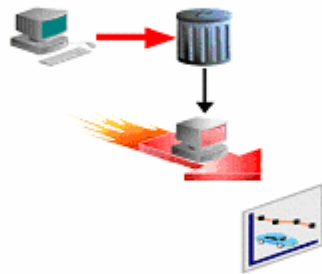
Factors that affect the period depreciation of an asset retired:

✓ Effective date of the retirement

✓ The Depreciate-in-Year-Retired flag

✓ The retirement convention

✓ The Depreciate if Retired in First Year flag in the Book Controls window

Recording Retirements and Reinstatements

Action	Asset Type		
	Capitalized	CIP*	Expensed
1. Charges or reverses depreciation for the year retired	✓	✓	
2. Removes the asset cost and accumulated depreciation from the corresponding accounts	✓	✓	
3. Clears the proceeds of sale and the cost of removal	✓	✓	
4. Recognizes gain or loss from the retirement	✓		
5. Creates no journal entries			✓

* Construction-in-Process

Recording Retirements

Calculating the Gain or Loss from an Asset Sale

Sale proceeds − Removal cost − Retired net book value + Retired revaluation reserve

= Gain/Loss

Recording Retirements
Full Retirement with Multiple Retirement Accounts Dr Cr
Accumulated Depreciation 2,750
Proceeds of Sale Clearing 2,000
*Cost of Removal Gain 500
*Net Book Value Retired Gain 1,000
*Revaluation Reserve Retired Gain 250
Asset Cost 4,000
*Proceeds of Sale Gain 2,000
Cost of Removal Clearing 500
Full Retirement with a Single Gain or Loss Account
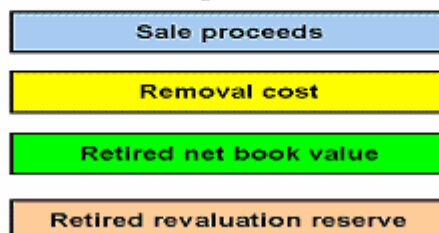Accumulated Depreciation 2,750
Proceeds of Sale Clearing 2,000
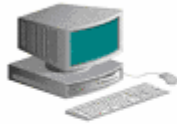Asset Cost 4,000
Cost of Removal Clearing 500
*Gain or Loss 250

Recording a Retirement on Multiple Accounts

Oracle Assets creates journal entries for each component of the gain or loss amount.

Sale proceeds

Removal cost

Retired net book value

Retired revaluation reserve

Retirement Journal Entries Example

- Asset Cost $4,000
- Depreciating using STL 4 year life
- Sell the asset in Period 31 for $2,000
- Removal cost is $500
- The asset uses a retirement convention and depreciation method that allows you to take depreciation in the period of retirement.
- A single gain and loss account is used

Retirement Journal Entries Example

Journal Entries Created by Oracle Assets Dr Cr

Depreciation Expense 250
Accumulated Depreciation 2,500
Proceeds of Sale (clearing account) 2,000
Removal Cost (clearing account) 500
Gain or Loss 250
Asset Cost 4,000

Journal Entries Created by Oracle Receivables

Accounts Receivable 2,000
Proceeds of Sale (clearing account) 2,000

Journal Entries Created by Oracle Payables

Removal Cost (clearing account) 500
Accounts Payable 500

Recording Prior Period Reinstatement Entries

Scenario:

In Year 2 Qtr 1, you retired a $4,000 asset.

The asset had a four-year life and used the straight-line depreciation method.

In Year 2 Qtr 3, you reinstate the asset.

Entry to Reinstate the Asset and Calculate Depreciation		
Asset Cost	4,000	
Depreciation Expense	250	
Depreciation Expense (adjustment)	250	
Accumulated Depreciation		1,750
Gain or Loss		2,750

Recording Prior Period Reinstatement Entries

Period

Qtr	Asset Cost	Accum Depr	YTD Depreciation	Depreciation Expense
Year 1 Q1	$4,000	$ 250	$ 250	$ 250
Q2	$4,000	$ 500	$ 500	$ 250
Q3	$4,000	$ 750	$ 750	$ 250
Q4	$4,000	$1,000	$1,000	$ 250
Year 2 Q1	$ 0	$ 0	$ 250	$ 250
Q2	$ 0	$ 0	$ 0	$ 0
Q3	*$4,000*	*$1,750*	$ 750	*$ 500*

Q4 $4,000 $2,000 $1,000 $ 250

Retirement Reports

1 Form 4684 Casualties & Thefts report
2 Retired assets without property class
3 Retired assets with out retirement types
4 Asset retirements by cost center
5 Asset retirements report
6 Asst disposal responsibility
7 Reinstated assets report
8 Tax retirement report
9 Mass retirements (Retirements report)
10 Mass retirement exception report

Creating Assets using ADI
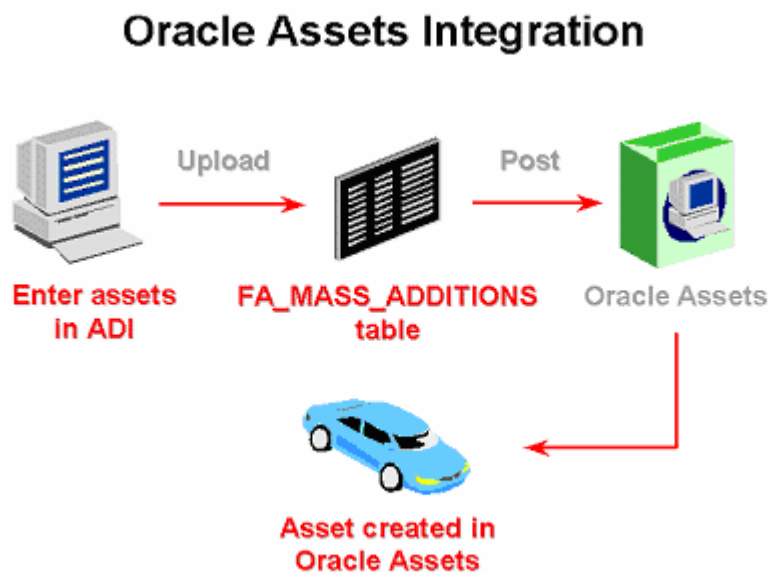
Depreciation

Elements of Depreciation
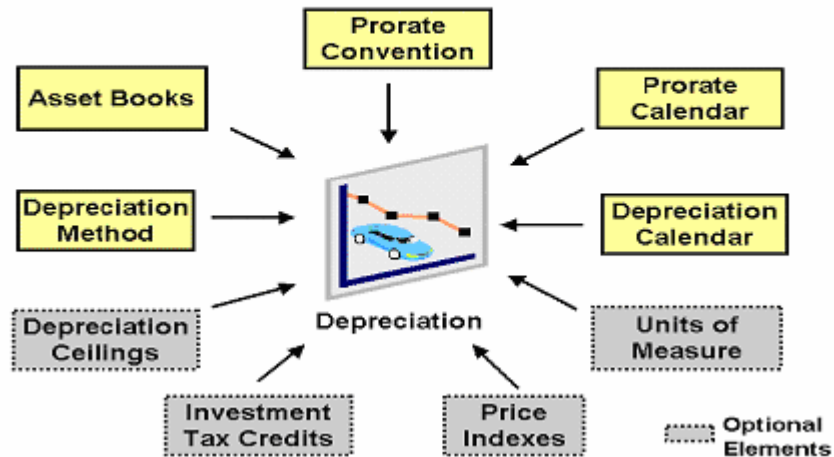
Depreciation Setup Areas

Basic Depreciation Calculation

Depreciation Methods

		Year 1	Year 2	Year 3
	Life-Based	60%	30%	10%
	Flat-Rate	33%	33%	33%
	Units-of-Production	10M	14M	11M →

Barrels

Capacity 100M Barrels

Using the Life-Based Method

	Year 1	Year 2	Year 3
Life-Based	60%	30%	10%

Table: Oracle Assets gets the annual depreciation rate from a rate table.

Calculated: For straight-line depreciation, the depreciation program calculates the annual depreciation rate by dividing the life (in years) into one.

Life-Based Method Terms

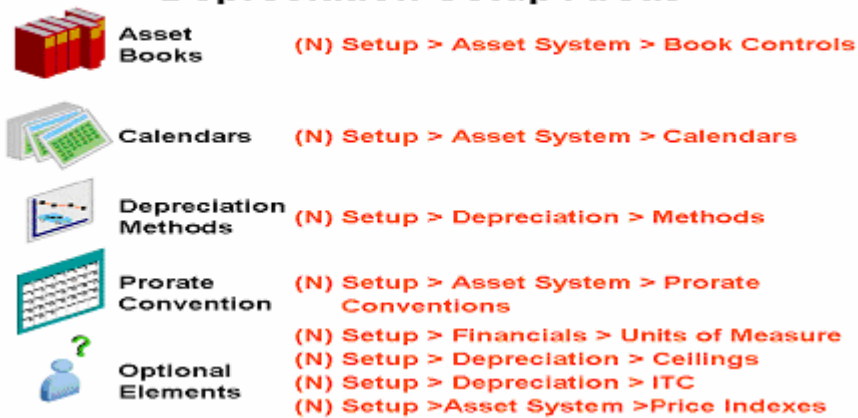| Term	Definition
Prorate period	The period where a prorate calendar maps a prorate date (Prorate convention assigns a date placed in service to a prorate date)
Depreciation	Each prorate period corresponds to a rate table per fiscal year of asset life
Annual Depreciation	Total annual depreciation = Depreciation rate x depreciable basis Depreciable basis = Cost or Beginning net book value – Salvage value
Depreciation expense per period	Annual depreciation allocated from the service date or prorate date to fiscal year end, based on the Depreciate When Placed in Service flag

Life-Based Method Example

Recoverable Cost $ 50,000

Method = 200%DB 5 Year Life

Placed in Service 15-MAR-YYYY

Fiscal Year is January 1 to December 31

Depreciation and Prorate calendars are Monthly

Prorate Convention is Following Month

200% DB Rate Table							
	Prorate Periods						
Year	1	2	3	4	5	6	7
1	.4000	.3667	.3333	.3000	.2667	.2333	.2000
2	.2400	.2533	.2667	.2800	.2933	.3067	.3200

Using the Flat-Rate Method
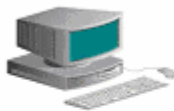
	Year 1	Year 2	Year 3
Flat-Rate	33%	33%	33%

Basic Rate or Adjusted Depreciation Rate:

Adjusted rate = Basic rate × (1 + Adjusting rate)

Bonus Rule: Depreciation rate = Adjusted rate + Bonus rate

Enter a bonus rule if your country allows additional depreciation in early years of asset life.

New Depreciation Method

Year	Period	Annual Rate
1	1	.4
2	1	.3
3	1	.3
4	1	0
1	2	.4
2	2	.3
3	2	.3
4	2	0
1	3	.4
2	3	.3
3	3	.3
4	3	0

Using the Units-of-Production Method

Nov 21 — Date placed in service

Prorate convention →

Dec 1 — Prorate date

Enter production amounts →

Rate = Production/Capacity

X

Multiply by depreciable basis

Depreciation expense per period

Prorate Conventions

Date Placed In Service
01-APR-YYYY

Prorate Convention	Prorate Date
Following Month	01-MAY-YYYY
Mid Month	15-APR-YYYY
Month	01-APR-YYYY
Half-Year	01-JAN-YYYY

Run Depreciation Process

Run Depreciation – Initial Status

Run Depreciation – New Additions Only

Next Period Opened

Close Period?

Yes → Next Period Opened

No

Rollback Depreciation?

Yes

No

Ready to Create Journal Entries

Depreciation Program Processes
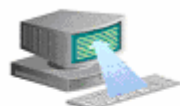
Running depreciation starts the following program processes:

Generate Accounts

Calculate Gains and Losses

Depreciation Run

Reserve Ledger Reports

Rollback Depreciation

Run depreciation

Handle exceptions

Rollback depreciation and make corrections

Run depreciation and close period
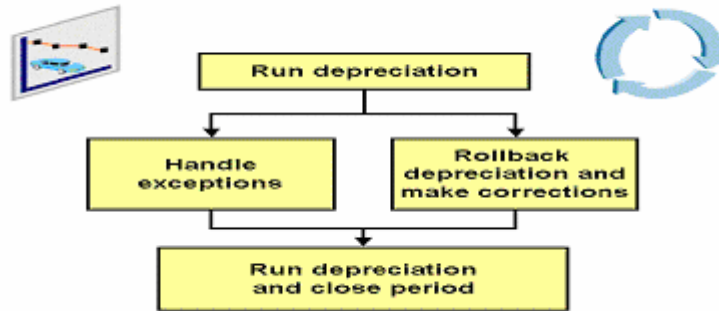
Projecting Depreciation for an Asset

Q4
Q3
Q2
Q1

Annual Budget

$40,000
$30,000
$20,000
$10,000
0

Q 1   Q 2   Q 3   Q 4

Defining a Projection

Asset

Year 1: $12,000

Year 2: ?

Year 3: ?
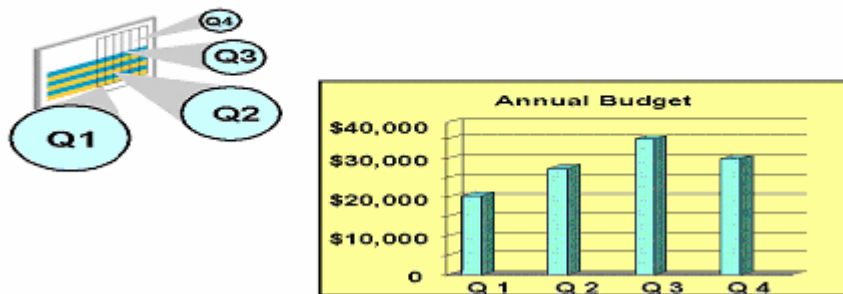
Run Projection

Depreciation Projection Report

Estimated
Year 2: $9,000
Year 3: $6,000
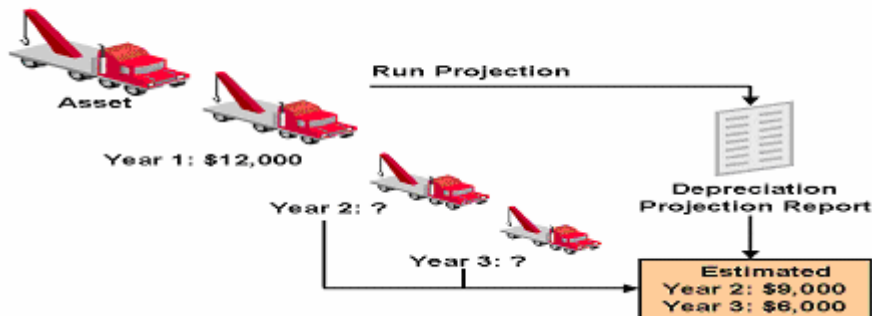
Depreciation Projection,What-if Analysis

Using Depreciation Override

FA_DEPRN_OVERRIDE

Load Table

Override Amounts

Run Depreciation
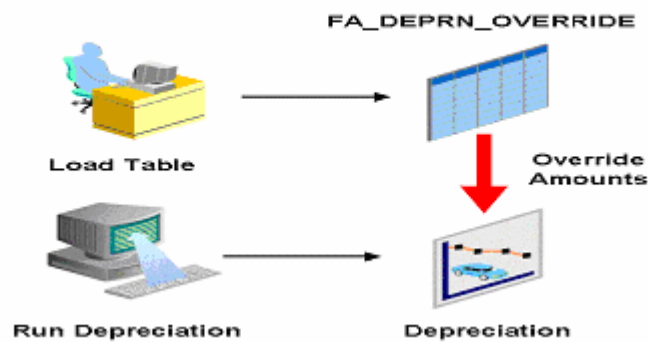
Depreciation

Depreciation Reports

1 Assets not assigned to any book listing
2 Assets not assigned to any cost listing
3 Diminishing value report
4 Expensed property report
5 Fully reserved asset report
6 Non-Depreciating property report
7 Production history report
8 Depreciation Projection Report
9 What-if Depreciation analysis report

Unplanned depreciation & Re-Valuation

Adjusting Asset Value by Unplanned Depreciation and Revaluation

Additional asset adjustments

Unplanned depreciation
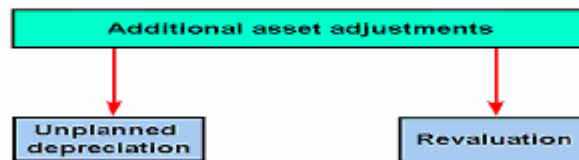
Revaluation

Adjusting the Value of Assets

To conform to various countries' accounting and tax laws, you apply unplanned depreciation or revaluation to assets added in a prior period.
You cannot perform a mass copy for these. If you make an adjustment in the corporate book, you must make a manual adjustment in the associated tax books as well.

Unplanned Depreciation

You can adjust an asset's net book value by adding additional depreciation, in addition to the regular depreciation, to account for unforeseen circumstances such as obsolescence or damage.
You charge unplanned depreciation to:
- A special expense account (which can be different from the asset's expense account)
- The accumulated depreciation account.

Revaluation

You can use revaluation to adjust the value of your assets to reflect inflation or deflation, according to a specified rate

Revaluation affects:

- Asset cost
- Accumulated depreciation
- Revaluation reserve
- Depreciation expense

Using Unplanned Depreciation

Definition: Unplanned depreciation is depreciation taken in addition to the normal depreciation amount.

Purpose: To comply with accounting and tax laws or to account for unforeseen circumstances that affect the value of the assets.

Asset
obsolescence

Asset
damage

When to Use Unplanned Depreciation

Unplanned depreciation is used primarily in Europe, especially in Germany and the Netherlands, to comply with special depreciation accounting rules.

Enter unplanned depreciation expense up to the asset's current net book value (cost – salvage value – accumulated depreciation) during its useful life.

Enter multiple unplanned amounts in a single period, provided that the net amount does not exceed the asset's current net book value, and you can back out depreciation taken in prior periods, including previously entered unplanned depreciation.

Unplanned Depreciation Restrictions

Assets must meet the following criteria:
Assets belong to one balancing segment
Assets are assigned to one distribution
Assets cannot use table-based depreciation methods

Recording Unplanned Depreciation Choosing Not to Amortize

Oracle Assets creates different journal entries depending on when you choose to amortize the unplanned depreciation amount.

Scenario:

You place an asset costing DM120,000 in service.

The life of the asset is five years.

The depreciation method is straight-line, with no salvage value.

In Year 2, Quarter 4, you enter an unplanned depreciation amount of DM10,000.

You choose not to amortize the amount.

Choosing Not to Amortize

If you choose not to amortize the amount, Oracle Assets continues to depreciate the asset, taking regular depreciation expense in subsequent periods.

If you do not amortize the unplanned depreciation or make an amortized adjustment in a subsequent period, the asset becomes fully reserved by Year 5, Quarter 3—before the end of its useful life.

Revaluing an Asset

Cost	$ 100,000
Accumulated depreciation	$ 50,000
Revaluation reserve	$ 0

Revalue an asset   Inflation or deflation

Cost	$ 110,000
Accumulated depreciation	$ 55,000
Revaluation reserve	$ 5,000
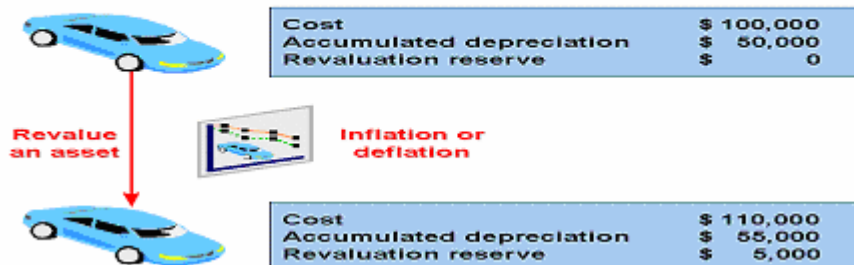
Revaluing Assets

Revaluation is used in some countries, such as France, Portugal, the United Kingdom, Canada, Mexico, New Zealand, and many Latin American nations, to adjust the value of assets due to inflation or deflation, according to a specified rate.

You can revalue all assets in a category, or specify individual assets.

In Oracle Assets, you multiply the asset cost by the revaluation rate you enter in the Mass Revaluations window to determine the adjustment to the asset cost.

Revaluation is not used in the United States

Applying the Revaluation Formula

Revalued asset cost = Asset cost + [Asset cost x (Rate/100)]

Rules for handling accumulated depreciation for fully reserved assets differ from country to country.

To obtain a value for replacement cost for insurance purposes, run the Mass Revaluation Preview Report without performing the revaluation.

Controlling Mass Revaluation

Mass Revaluation Process	
Step	Process
1	Create mass revaluation
2	Preview mass revaluation
3	Run revaluation
4	Review revaluation (optional)

Note: This is the same process as Mass Change

Recording Revaluation
Revaluing Accumulated Depreciation

Journal entries

Asset Cost	200.00	
Depreciation Expense	262.50	
Accumulated Depreciation		150.00
Revaluation Reserve		312.50

Recording Revaluation
Accumulated Depreciation Not Revalued

Journal entries

Asset Cost	200	
Depreciation Expense	350	
Accumulated Depreciation	650	
Revaluation Reserve		1,200

Quick Reference

Asset WorkBench
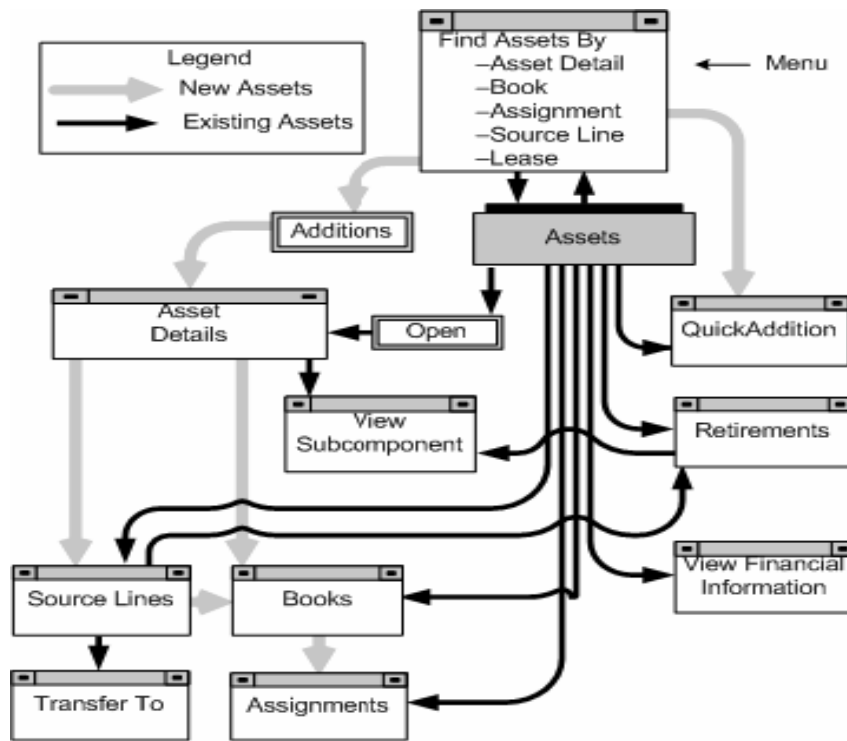
MassAdditions WorkBench
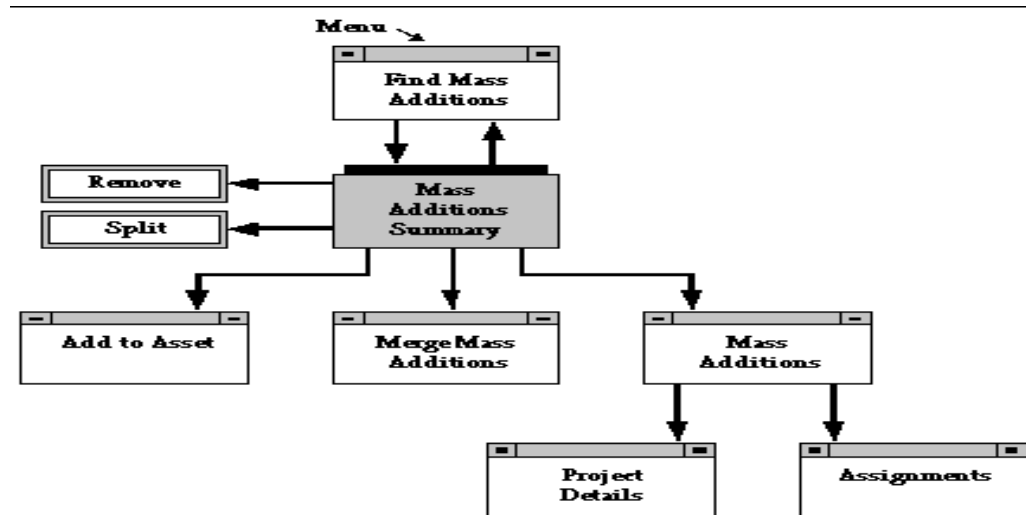
Tax WorkBench
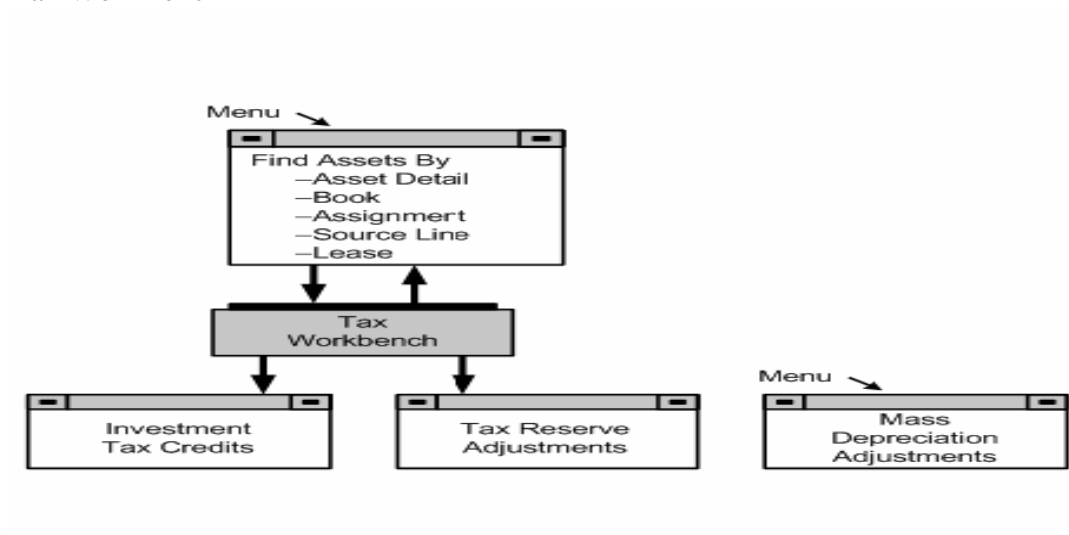
Category Descriptive Flexfield Descriptive flexfields allow you to collect and store additional information about your assets.

Asset Type Valid asset types are:

• **Capitalized:** Assets included on the company balance sheet. Capitalized assets usually depreciate. Charged to an asset cost clearing account.

• **CIP (Construction-In-Process):**Unfinished assets being built,not in use and not yet depreciating.

Expensed: Items that do NOT depreciate; the entire cost is charged in a single period to an expense account.

• **Group:** A group asset is a collection of member assets. You can add member assets to a group asset, transfer assets out, or between groups assets. Group asset cost is the sum of all the associated member assets costs.

Oracle Assets automatically updates the cost to the sum of the invoice line costs after you add invoice lines to a CIP asset using the Mass Additions process.The salvage value is calculated by multiplying the acquisition cost by the default salvage value percentage. The recoverable cost is the portion of the current cost that can be depreciated. It is the current cost less the salvage value less the Investment Tax Credit basis reduction amount. Limit the annual depreciation expense that Oracle Assets calculates for an asset. Limit the recoverable cost used to calculate annual depreciation expense. Oracle Assets uses the prorate convention to determine how much depreciation to take in the first and last years of asset life. Oracle Assets uses the Amortization Start Date to determine the amount of catchup depreciation to take in the current open period. The remaining depreciation is spread over the remaining life of the asset. Assign assets to employees, general ledger depreciation expense accounts, and locations. You can share your assets among several assignment lines. You can automatically assign distributions to an asset by choosing a predefined Distribution Set.

Net Book Value = Current Cost - Total Reserve (Accumulated Depreciation + Bonus Reserve)
Revaluation Reserve = Existing Revaluation Reserve + Change in Net Book Value due to current revaluation
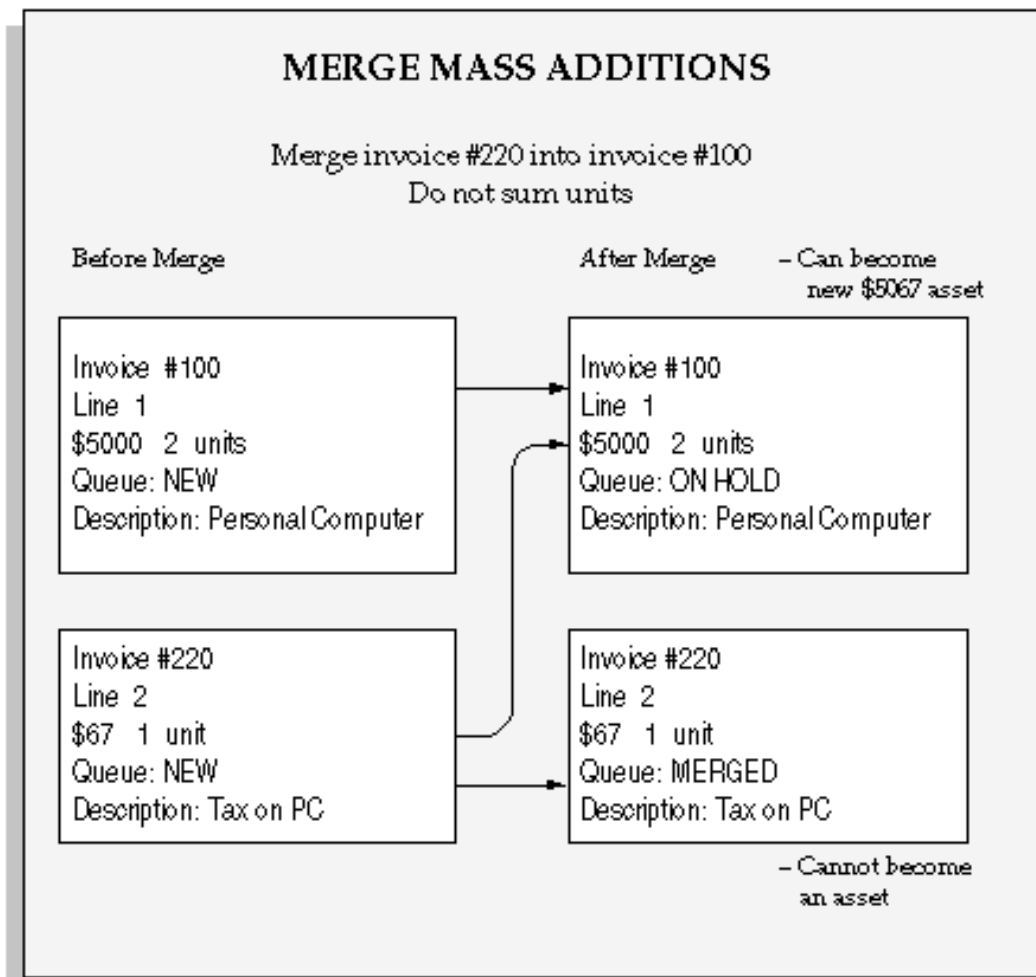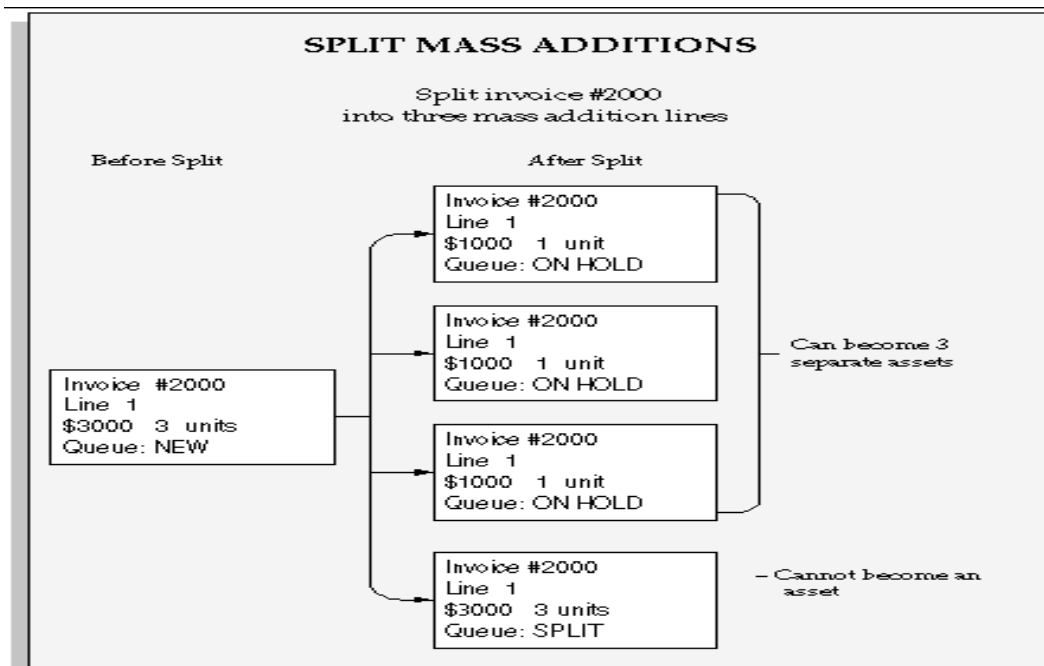
Accounting Example Purchase an asset & place it in-to service

Oracle Payables
Dr Asset Clearing EUR 4,000
    Cr Accounts Payable Liability EUR 4,000
Oracle Assets
Dr Asset Cost USD 5,000.00
Dr Depreciation Expense USD 312.50
    Cr Asset Clearing USD 5,000.00
    Cr Accumulated Depreciation USD 312.50
Oracle General Ledger
Dr Asset Clearing EUR 4,000.00
    Cr Asset Clearing USD 5,000.00
Manually Balance Oracle General Ledger
Dr Asset Clearing USD 5,000.00
    Cr Asset Clearing EUR 4,000.00

Mass Revaluation Process
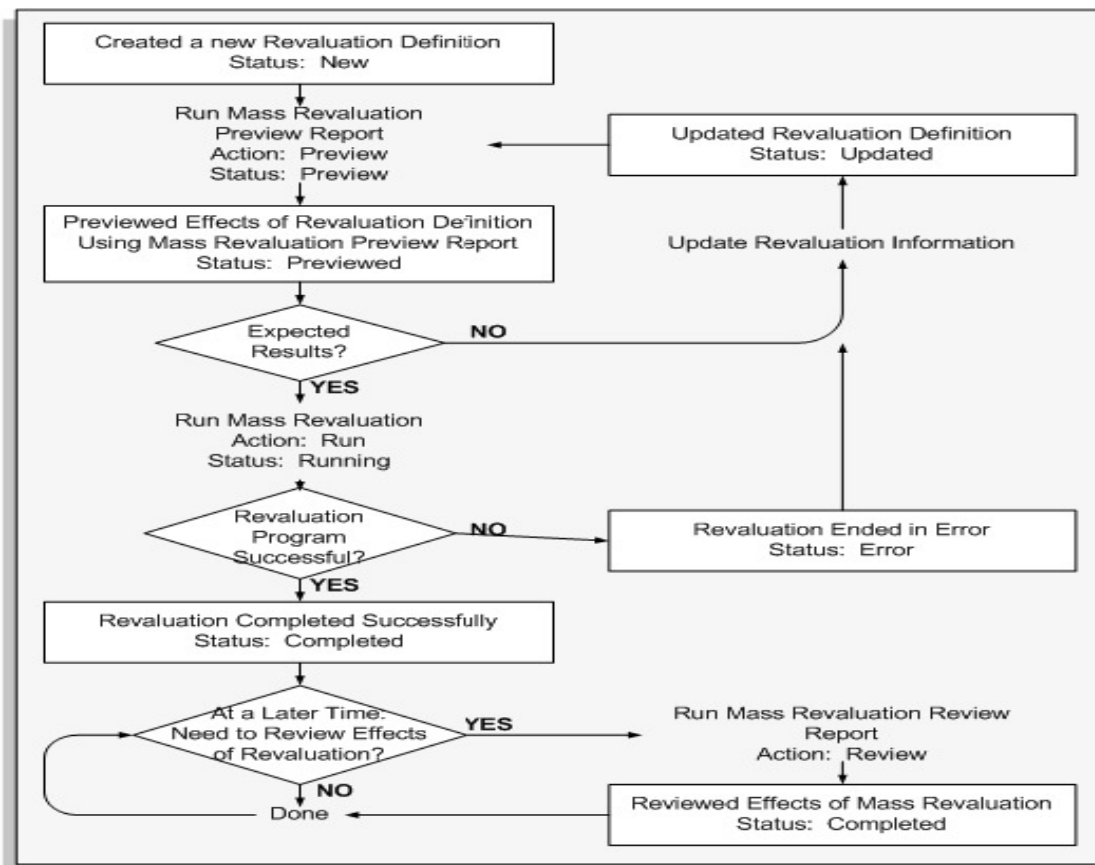
Gain/Loss = Proceeds of Sale - Cost of Removal - Net Book Value Retired +Revaluation Reserve Retired

Proceeds of Sale (per asset) = Current cost of asset/Total current cost of all selected assets X Proceeds of Sale

Cost of removal (per asset) = Current cost of asset/Total current cost of all selected assets X Cost of Removal

Depreciation Expense = (Current Cost - Recoverable Cost) * Basic Rate
Recoverable Cost = Cost - Default Depreciation Limit

Depreciation Flat Rate
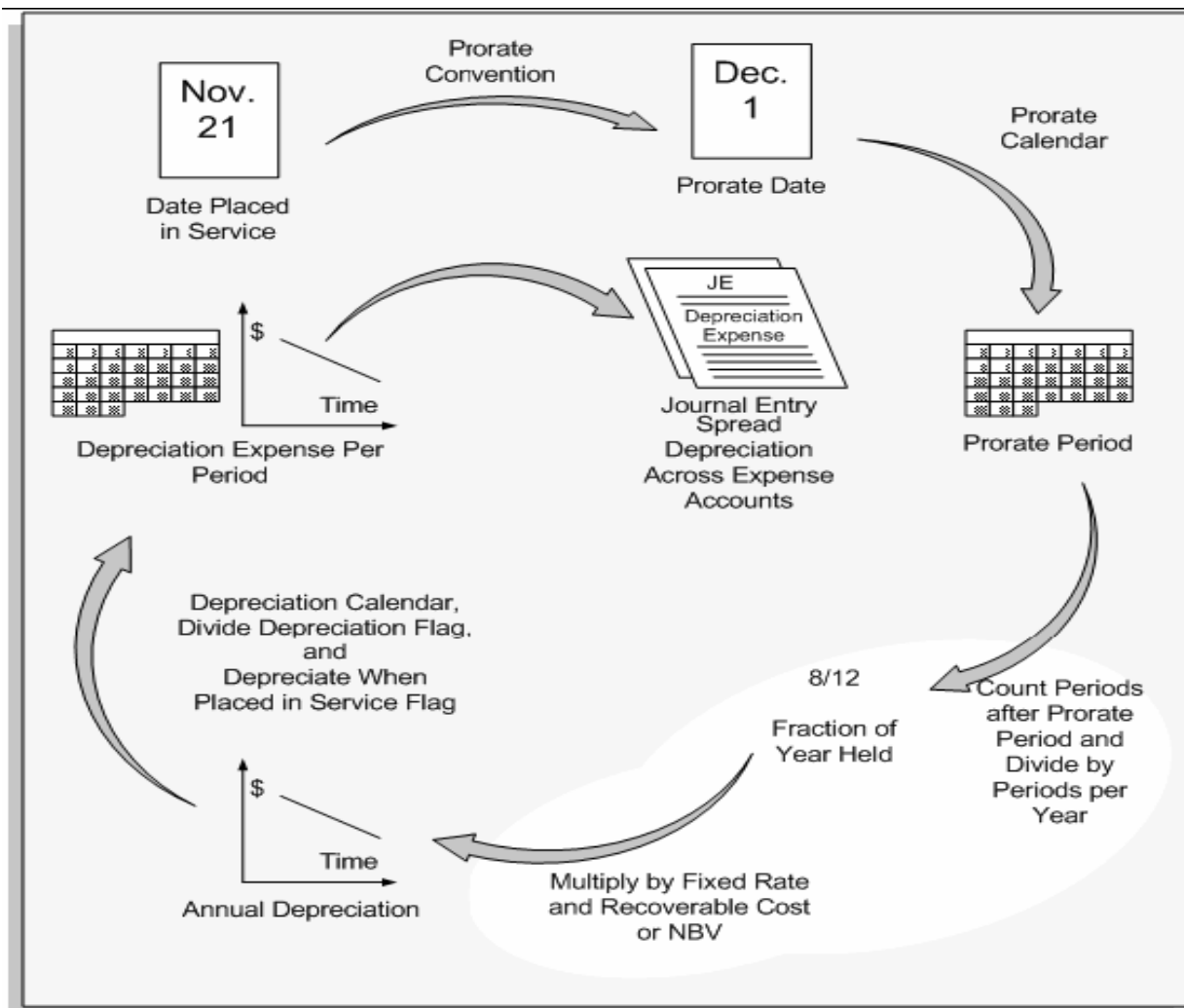
Depreciation Rate = Basic Rate x (1 + Adjusting Rate) + Bonus Rate

> **Annual Depreciation Amount = Depreciation Rate x Depreciation Calculation Basis x Fraction of Year Held**
>
> **Annual Depreciation Amount = Depreciation Rate x Depreciation Calculation Basis xFraction of Year Held**
>
> **Depreciation Expense = (Production for the Period / Capacity) X Recoverable Cost**

Depreciation per period(straight line) = min ((recoverable cost - life-to-date depreciation), (cost - salvage value) / life in periods))

Depreciation per period = (1/ periods per year)*(Salvage Value/Extended Life in years)

Oracle Assets Accounts

Oracle Assets creates journal entries for the following general ledger accounts:

• Accumulated Depreciation	• Asset Clearing
• Asset Cost	• Bonus Expense
• Bonus Reserve	• CIP Clearing
• CIP Cost	• Cost of Removal Gain, Loss, and Clearing
• Deferred Accumulated Depreciation	• Deferred Depreciation Expense
• Depreciation Adjustment	• Depreciation Expense
• Intercompany Payables	• Intercompany Receivables
• Net Book Value Retired Gain and Loss	• Proceeds of Sale Gain, Loss, and Clearing
• Revaluation Amortization	• Revaluation Reserve
• Revaluation Reserve Retired Gain and Loss	

Accounting in FA

JE Depreciation Account Description	Debit	Credit
Depreciation Expense	200.00	

Account Description	Debit	Credit
Bonus Expense	50.00	
Accumulated Depreciation		200.00
Bonus Reserve		50.00

JE Asset Addition
Payables System

Account Description	Debit	Credit
Asset Clearing	4,000.00	
Accounts Payable Liability		4,000.00

Oracle Assets - CURRENT PERIOD ADDITION

Account Description	Debit	Credit
Asset Cost	4,000.00	
Depreciation Expense	250.00	
Asset Clearing		4,000.00
Accumulated Depreciaiton		250.00

Oracle Assets - PRIOR PERIOD ADDITION

Account Description	Debit	Credit
Asset Cost	4,000.00	
Depreciation Expense	250.00	
Depreciation Expense(Adjustment)	1,250.00	
Asset Clearing		4,000.00
Accumulated Depreciaiton		1,500.00

JE Mass Addtions

Account Description	Debit	Credit
Asset Cost	4,000.00	
Asset Clearing (mass addition#1 accounts payable clearing account)		3,000.00
Asset Clearing (mass addition #2 accounts payable clearing account)		1,000.00
Accumulated Depreciaiton		1,500.00

CIP Mass addition

Account Description	Debit	Credit
CIP Cost	4,000.00	
CIP Clearing		4,000.00

Oracle Assets creates **no journal entries for deleted mass additions** and does not clear the asset clearing accounts credited by accounts payable. You clear the accounts by either reversing the invoice in your payables system, or creating manual journal entries in your general ledger.

JE Capitalization

Account Description	Debit	Credit
CIP Cost	4,000.00	
Accounts Payable Liability	4,000.00	
Asset Cost	4,000.00	
Depreciation Expense	250.00	
CIP Clearing		4,000.00
Accumulated Depreciation		250.00

JE Capitalization(Prior period)

Account Description	Debit	Credit
Asset Cost	4,000.00	
Depreciation Expense	250.00	
CIP Cost		4,000.00
Accumulated Depreciaiton		250.00

JE Adjustments

Account Description	Debit	Credit
CIP Cost	4,000.00	
Asset Clearing		4,000.00

Cost Adjustments(line based)

Account Description	Debit	Credit
Asset Clearing	800.00	
Accounts Payable Liability		800.00

Account Description	Debit	Credit
Asset Cost	800.00	
Asset Clearing		800.00

JE Expensed(line based)

Account Description	Debit	Credit
Depreciation Expense	300.00	
Bonus Expense	120.00	
Depreciation Expense(adjustment)	150.00	
Bonus Expense (adjustment)	80.00	
Accumulated Depreciation		450.00
Bonus Reserve		180.00

JE Amortized(line based)

Account Description	Debit	Credit
Depreciation Expense	311.53	
Bonus Expense	120.00	
Accumulated Depreciation		311.53
Bonus Reserve		120.00

JE Depreciation Method adjustments

Expensed

Account Description	Debit	Credit
Depreciation Expense	250.00	
Accumulated Depreciation	750.00	
Depreciation Expense(adjustment)		1,000.00

Amortized

Account Description	Debit	Credit
Depreciation Expense	166.67	
Accumulated Depreciation		166.67

JE Life Adjustment

Expensed

Account Description	Debit	Credit
Depreciation Expense	200.00	
Accumulated Depreciation	50.00	
Depreciation Expense(adjustment)		250.00

Amortized

Account Description	Debit	Credit
Depreciation Expense	183.33	
Accumulated Depreciation		183.33

Retirement in current Period

Account Description	Debit	Credit
Accounts Receivable	2,000.00	
Proceeds of Sales Clearing		2,000.00
Account Description	**Debit**	**Credit**
Cost of Removal Clearing	500.00	
Accounts Payable		500.00
Account Description	**Debit**	**Credit**
Accumulated Depreciation	2,500.00	
Proceeds of Sale Clearing	2,000.00	
Cost of Removal Gain	500.00	
Revaluation Reserve	600.00	
Net Book Value Retired Gain	1,500.00	
Asset Cost		4,000.00
Proceeds of Sale Gain		2,000.00
Cost of Removal Clearing		500.00
Revaluation Reserve Retired Gain		600.00

Retirement in Prior Period

Account Description	Debit	Credit
Accounts Receivable	2,000.00	
Proceeds of Sale Clearing		2,000.00
Account Description	**Debit**	**Credit**
Cost of Removal Clearing	500.00	
Accounts Payable		500.00
Accumulated Depreciation	2,500.00	
Proceeds of Sale Clearing	2,000.00	
Cost of Removal Loss	500.00	
Net Book Value Retired Loss	1,750.00	

Proceeds of Sale Loss   2,000.00
Cost of Removal Clearing   500.00
Asset Cost   4,000.00
Depreciation Expense   250.00

Reinstament of Asset retired in current Period

Account Description	Debit	Credit
Asset Cost	4,000.00	
Cost of Removal Clearing	500.00	
Gain / Loss	600.00	
Depreciation Expense	250.00	
Accumulated Depreciation		2,750.00
Proceeds of Sale Clearing		2,000.00
Revaluation Reserve		600.00

Reinstament of Asset retired in Prior Period

Account Description	Debit	Credit
Asset Cost	4,000.00	
Cost of Removal Clearing	500.00	
Proceeds of Sale Loss	2,000.00	
Depreciation Expense	250.00	
Depreciation Expense(adjustment)	500.00	
Net Book Value Retired Loss		2,750.00
Cost of Removal Loss		500.00
Proceeds of Sale Clearing		2,000.00
Accumulated Depreciation		2,000.00

Adjusted Current Earnings Steps

Fiscal 1989 | Fiscal 1990

DEC | JAN   MAR   MAY

CORP
FED
AMT
ACE

1. Define ACE book
2. Define categories for the book
3. Run Initial Mass Copy
4. Run ACE Exception reports
5. Run Depreciation

6. Populate the conversion table according to ACE rules
7. Run Update ACE Book program
8. Run Periodic Mass Copy
9. Run ACE Depreciation Comparison Report
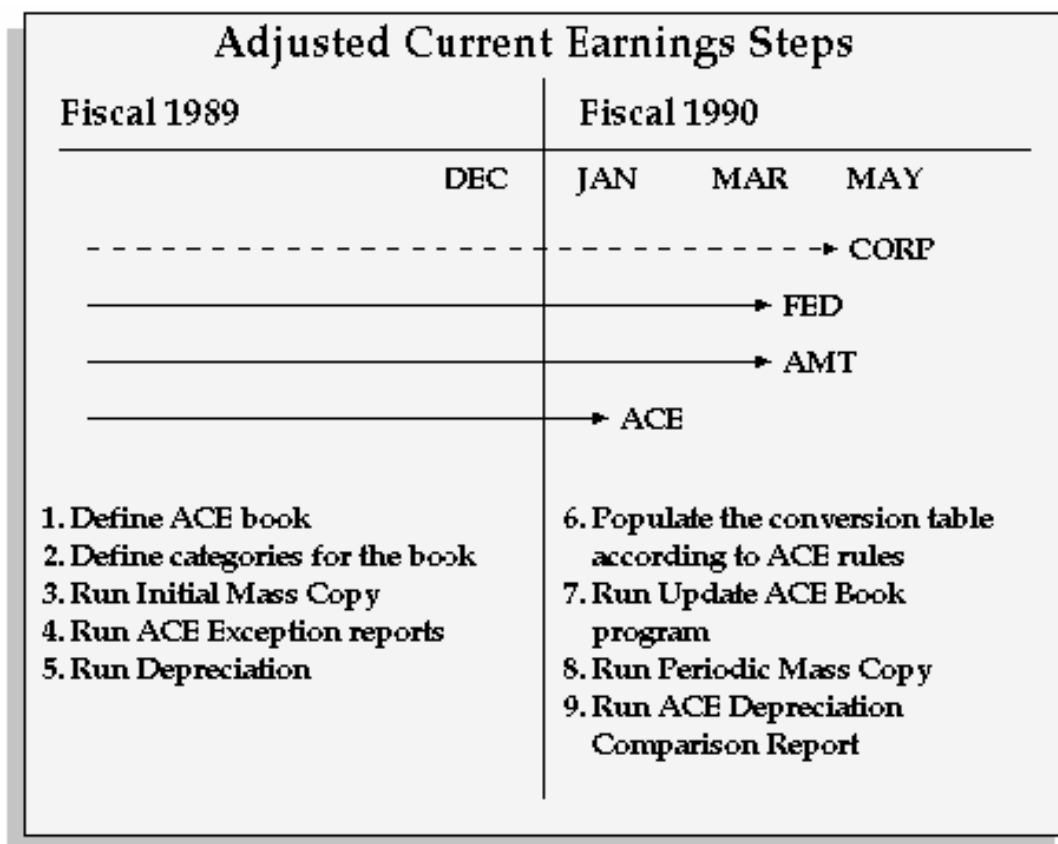
Minimum Depreciation Expense = Minimum Accumulated Depreciation
- Accumulated Depreciation in the Adjusted Book at the Beginning of the Fiscal Year
Maximum Depreciation Expense = Maximum Accumulated Depreciation
- Accumulated Depreciation in the Adjusted Book at the Beginning of the Fiscal Year

Adjusted Depreciation Expense = Minimum Depreciation Expense + Depreciation Adjustment Factor ? (Maximum Depreciation Expense - Minimum Depreciation Depreciation)

Mass Depreciation Adjustment Process

Flow of the Capital Budgeting Process

Develop your budget
in the environment you prefer

↓

Budget Feeder System

Transfer your budget data from the system
where you maintain your budget to the system
where you have Oracle Assets

↓

Oracle Assets System

Use SQL *Loader to move your
budget data into the budget interface

↓

Budget Interface

Use the Upload Capital Budget window
to move your budget into the budget worksheet

↓

Budget Worksheet

Use the Upload Capital Budget window
to move your budget into a budget book

↓

Budget Book

↓

Run depreciation projections
and other reports on your budget book

Oracle Assets Setup

Step FA–1	Step FA–7	Step FA–13	Step FA–19	Step FA–25	Step FA–31
Sets of Books	Journal Entry Sources	Location Flexfield	Calendars	Prorate/ Retirement Conventions	Profile Options

Step FA–2	Step FA–8	Step FA–14	Step FA–20	Step FA–26	Step FA–32
Unit of Measure Classes	Journal Entry Categories	System Controls	Security	Price Indexes	Insurance

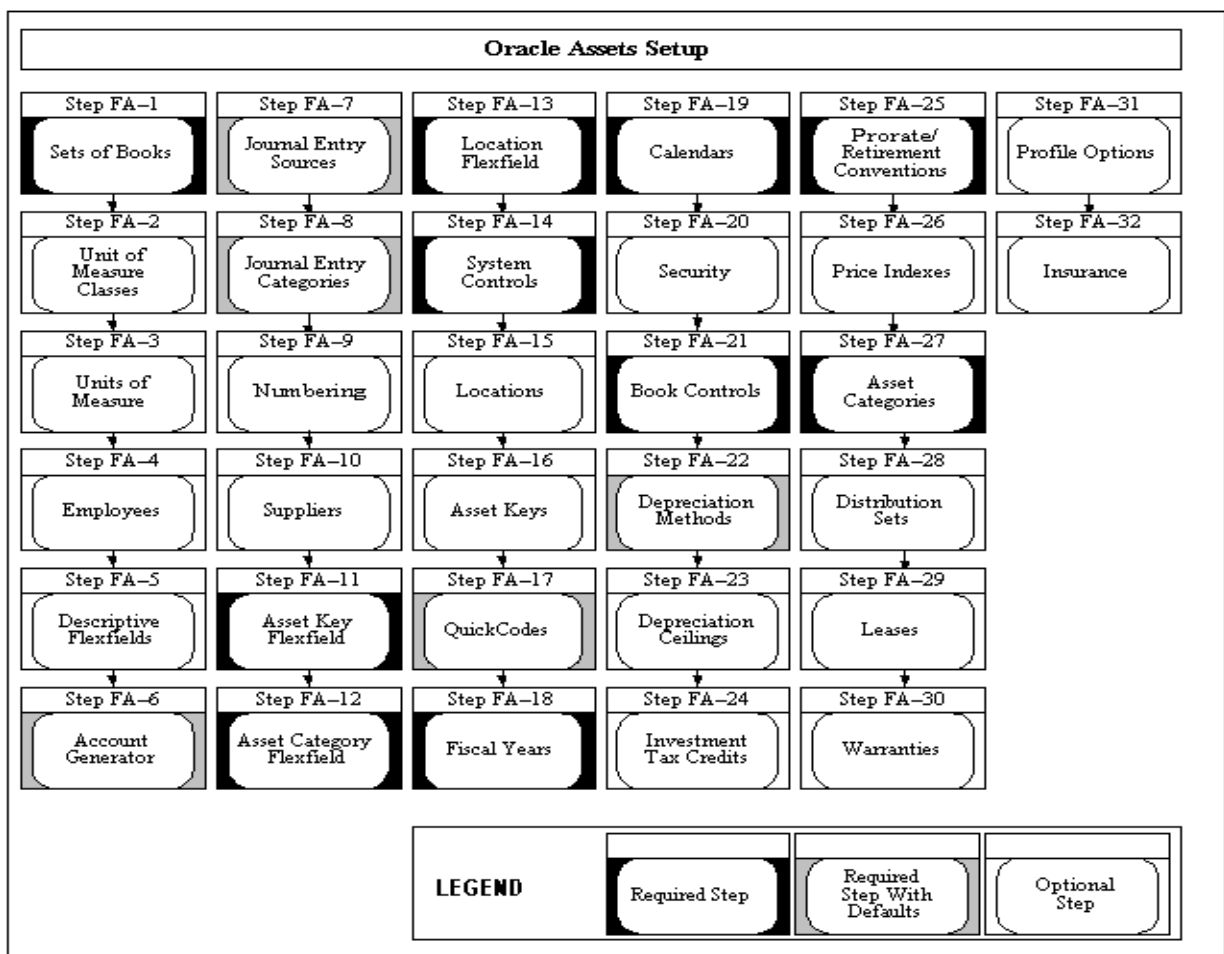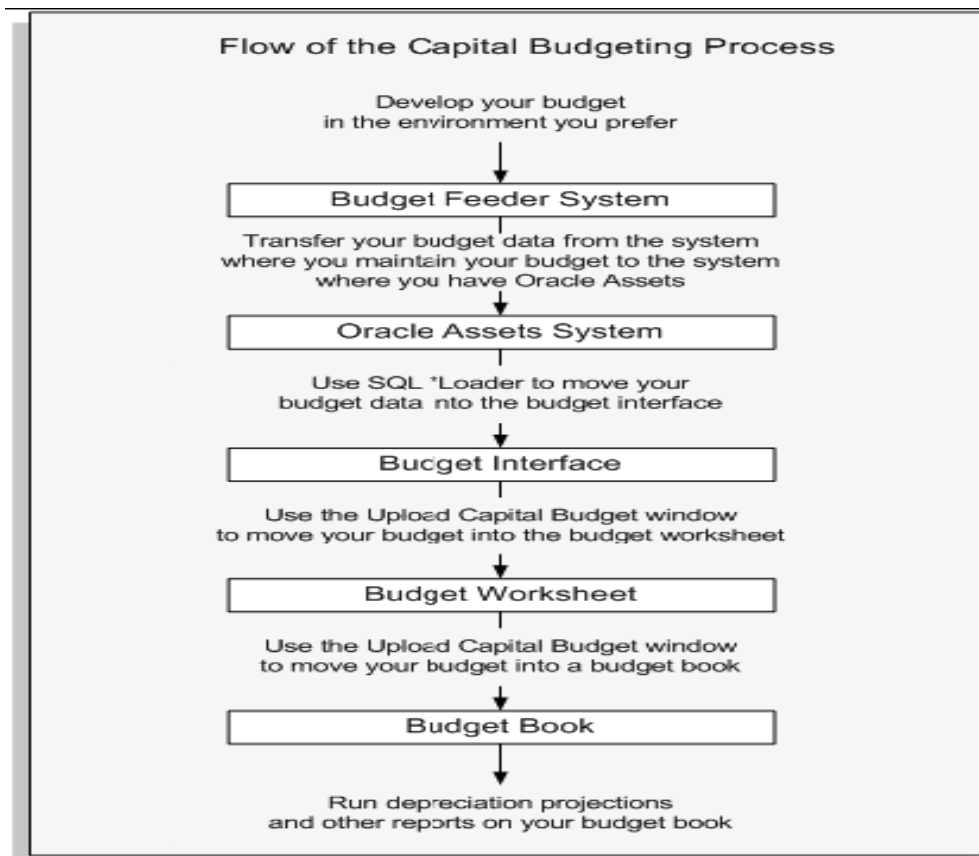| Step FA–3	Step FA–9	Step FA–15	Step FA–21	Step FA–27	
Units of Measure	Numbering	Locations	Book Controls	Asset Categories	

Step FA–4	Step FA–10	Step FA–16	Step FA–22	Step FA–28	
Employees	Suppliers	Asset Keys	Depreciation Methods	Distribution Sets	

Step FA–5	Step FA–11	Step FA–17	Step FA–23	Step FA–29	
Descriptive Flexfields	Asset Key Flexfield	QuickCodes	Depreciation Ceilings	Leases	

Step FA–6	Step FA–12	Step FA–18	Step FA–24	Step FA–30	
Account Generator	Asset Category Flexfield	Fiscal Years	Investment Tax Credits	Warranties	

LEGEND   Required Step | Required Step With Defaults | Optional Step

Report Overview

Reconciling Mass additions

Diagram

Additions By Source Report

Cost Adjustments By Source Report

GENERAL LEDGER

Oracle Assets automatically makes these journal entries for your general ledger

Asset Additions Report includes posted mass additions as well as manual asset additions

Mass Additions Posting Report

Adjusting journal entries are necessary for account transfers and cost adjustments to posted invoice lines

Cost Clearing Reconciliation Report

Oracle Assets posts mass additions with a status of POST

| Mass Additions Invoice Merge Report | Mass Additions Invoice Split Report | Unposted Mass Additions Report | Mass Additions Delete Report |

Split, merge, celete, place on hold, or prepare for posting invoice line items brought over from accounts payable

Mass Additions Create Report