

Oracle® Public Sector Advanced Features

Documentation Update Notes

Release 11*i*

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Oracle Public Sector Advanced Features Documentation Update

The information contained in this documentation update applies to Oracle Public Sector Advanced Features, Release 11*i*. This document includes the following sections:

- [Document Accessibility](#)
- [New Features](#)
- [Additional Chapters](#)

Document Accessibility

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New Features

The following new feature is added to Advanced Features, Release 11i:

- GASB 34/35 Asset Accounting

Additional Chapters

The following chapter is substantially revised:

- [Oracle Public Sector Advanced Features Setup Overview](#)

The following chapters are added to Advanced Features, Release 11i:

- [GASB 34/35 Asset Accounting Process](#)

This chapter appears after Encumbrance Reconciliation Reports Procedures.

- [GASB 34/35 Asset Accounting Setup](#)

This chapter appears after GASB 34/35 Asset Accounting Process.

- [GASB 34/35 Asset Accounting Procedure](#)

This chapter appears after GASB 34/35 Asset Accounting Setup.

Oracle Public Sector Advanced Features Setup Overview

This chapter describes the setup steps that are required for Oracle Public Sector Advanced Features. The following sections are in this chapter:

- [Overview](#)
- [Oracle Public Sector Advanced Features Setup Checklist](#)
- [Oracle Public Sector Advanced Features Setup Steps](#)

Overview

This chapter provides a setup checklist for Oracle Public Sector Advanced Features and describes the setup steps.

Complete all required setup steps for the following applications before beginning the Advanced Features setup steps:

- Oracle Applications System Administration
- Oracle Assets
- Oracle Public Sector General Ledger
- Oracle Public Sector Payables
- Oracle Public Sector Purchasing
- Oracle Public Sector Receivables

Oracle Public Sector Advanced Features Setup Checklist

All required steps in this checklist must be completed. Specific information for each setup step is described in the following section, [Oracle Public Sector Advanced Features Setup Steps](#), page 12.

Note: The sequence indicated for the setup checklist applies to the Advanced Features setup process only. For each application installed, consult the manuals for that application to determine the sequence of setup steps.

[Table 1](#) shows the Advanced Features setup checklist.

Table 1 Oracle Public Sector Advanced Features Setup Checklist

Step Number	Setup Step	Step Type	Oracle Application	Feature
1.	Define a Set of Books	required	General Ledger	Encumbrance Reconciliation Reports GASB 34/35 Asset Accounting
2.	Create New Responsibilities	optional, but recommended	System Administration	Multi-Fund Accounts Receivable GASB 34/35 Asset Accounting
3.	[Assign Responsibilities to Users]	optional, but recommended	System Administration	Multi-Fund Accounts Receivable GASB 34/35 Asset Accounting
4.	Specify Site-Level and Application Level Profile Options	required with defaults	System Administration	Multi-Fund Accounts Receivable GASB 34/35 Asset Accounting
5.	Enable Multi-Fund Accounts Receivable Implementation	required	Advanced Features	Multi-Fund Accounts Receivable

Table 1 Oracle Public Sector Advanced Features Setup Checklist

Step Number	Setup Step	Step Type	Oracle Application	Feature
6.	Implement Function Security	required	System Administration	Multi-Fund Accounts Receivable
7.	[Define Request Groups]	required [not part of standard setup checklist]	System Administration	Multi-Fund Accounts Receivable GASB 34/35 Asset Accounting
8.	Define Chart of Accounts	required	General Ledger	GASB 34/35 Asset Accounting
9.	Define Transaction Types	required	Receivables	Multi-Fund Accounts Receivable
10.	Define Book Controls	required	Assets	GASB 34/35 Asset Accounting
11.	Define Payables Options	required	Payables	GASB 34/35 Asset Accounting
12.	Define Request Set	required	System Administration	GASB 34/35 Asset Accounting
13.	Define Journal Reversal Criteria	required	General Ledger	GASB 34/35 Asset Accounting
14.	Set Up the Global Consolidation System (GCS)	required	General Ledger	GASB 34/35 Asset Accounting
15.	[Set Up MassAllocation Batches]	required [not part of standard setup checklist]	General Ledger	GASB 34/35 Asset Accounting
16.	[Define Financial Reports With Financial Statement Generator (FSG)]	required [not part of standard setup checklist]	General Ledger	GASB 34/35 Asset Accounting

Table 1 Oracle Public Sector Advanced Features Setup Checklist

Step Number	Setup Step	Step Type	Oracle Application	Feature
17.	Flag Multi-Fund Accounts Receivable Transaction Types	required	Advanced Features	Multi-Fund Accounts Receivable
18.	Schedule Multi-Fund Accounts Receivable Distributions	required	Advanced Features	Multi-Fund Accounts Receivable

Oracle Public Sector Advanced Features Setup Steps

To set up Advanced Features, perform the following setup steps in the order listed.

1. Define a Set of Books

This step applies to encumbrance reconciliation reports and GASB 34/35 asset accounting.

Encumbrance Reconciliation Reports

To use the full capabilities of encumbrance accounting and run encumbrance reconciliation reports, users must enable budgetary control for a set of books.

Note: If budgetary control is disabled, users can still enter manual encumbrances by journal entry, but encumbrances cannot be automatically generated from requisitions, purchase orders, and invoice transactions.

To enable budgetary control for a set of books, see [Enabling and Disabling Budgetary Control](#), *Oracle Public Sector General Ledger User's Guide*.

GASB 34/35 Asset Accounting

To enable asset accounting in compliance with GASB 34/35, set up a second, accrual-based General Ledger set of books that uses the same chart of accounts, calendar, and currency as the primary modified accrual General Ledger set of books.

To define a new set of books, see [Defining Sets of Books](#), *Oracle Public Sector General Ledger User's Guide*.

2. Create New Responsibilities

This step applies to multi-fund accounts receivable and GASB 34/35 asset accounting.

Determine the responsibilities that will use multi-fund accounts receivable. If required, create new responsibilities. A separate responsibility must be assigned to each organization and set of books where multi-fund accounts receivable is enabled.

Set up a GASB reporting responsibility that is tied to the accrual General Ledger set of books through the GL: Set of Books profile option. Assign this responsibility to users who prepare or run GASB reports.

To create new responsibilities, see [Defining a Responsibility, Responsibilities Window](#), and [Users Window](#), *Oracle Applications System Administrator's Guide*.

3. [Assign Responsibilities to Users]

Assign new responsibilities for multi-fund accounts receivable and GASB 34/35 reporting to users.

Note: Users must be assigned to the PSA Administrator responsibility to implement multi-fund accounts receivable.

To create new users or assign access to Advanced Features for existing users, see [Overview of Oracle Applications Security](#) and [Users Window](#), *Oracle Applications System Administrator's Guide*.

4. Specify Site-Level and Application Level Profile Options

This step applies to multi-fund accounts receivable and GASB 34/35.

This section includes the following parts:

- [Set Up Profile Option Levels](#)
- [Set Up Profile Option Values](#)

Set Up Profile Option Levels

The common user profile options for Oracle Applications must be specified as part of System Administration setup. There are a maximum of four levels at which a profile can be set: Site, Application, Responsibility, and User. Most profiles are seeded with default values at the site level that serve as the defaults until they are overridden at other levels.

If users are using single organization, the profile options are set at the site level. If multiple organizations is implemented, Advanced Features profile values should be set at the responsibility level.

[Table 2](#) describes the profile option levels.

Table 2 Profile Option Levels

Feature	Profile Option Name	Site	Applica- tion	Respon- sibility	User
Multi-Fund Accounts Receivable GASB 34/35 Asset Accounting	GL: Set of Books	x		x	
Multi-Fund Accounts Receivable	MO: Operating Unit	x		x	
Multi-Fund Accounts Receivable	AR: Use Invoice Accounting For Credit Memos		x		

Set Up Profile Option Values

[Table 3](#) describes the profile option values.

Table 3 Oracle Public Sector Advanced Features Profile Option Values

Profile Option Name	Value	Description
GL: Set of Books	set of books	enables set of books to be used in Advanced Features; must be set up at the responsibility level Verify the set of books that is using multi-fund accounts receivable or GASB 34/35 reporting. Note: If multiple organizations is implemented, a set of books is linked to a specific Advanced Features responsibility.
MO: Operating Unit	organization name; list of values	Set the multiple organization profile option for users who have multiple organization environments. Verify the organization identifier that is using multi-fund accounts receivable. Note: Each organization linked to a particular responsibility appears on the Responsibilities menu. When logging in, users select the responsibility that corresponds to the appropriate organization. Each unique organization identifier must be associated with a responsibility.
AR: Use Invoice Accounting For Credit Memos	yes or no; list of values	Set to yes so that credit memos always follow the accounting for invoices. Note: The profile option must be set to yes to use multi-fund accounts receivable.

5. Enable Multi-Fund Accounts Receivable Implementation

Enable a multi-fund accounts receivable implementation to set up multi-fund transaction types and use the multi-fund accounts receivable feature.

Note: Enable a multi-fund accounts receivable implementation for a particular responsibility and organization. The implementation must be enabled for each organization using multi-fund accounts receivable.

To enable a multi-fund accounts receivable implementation, see [Multi-Fund Accounts Receivable Setup](#), *Oracle Public Sector Advanced Features User's Guide*.

6. Implement Function Security

Add multi-fund accounts receivable functions to the Receivables top menu.

Note: The functions for multi-fund accounts receivable are predefined.

[Table 4](#) shows the functions added to the AR_NAVIGATE_GUI menu.

Table 4 *Menu, Submenu, and Function Names*

Menu Name	Submenu Name	Function Name
AR_NAVIGATE_GUI	<blank>	Adjustment Distributions
	<blank>	Multiple Fund Balances
	<blank>	Transaction Distributions
	<blank>	Receipt Distributions
	<blank>	Credit Memo Distributions

To implement function security, see [Overview of Function Security](#) and [Menus Window](#), *Oracle Applications System Administrator's Guide*.

7. [Define Request Groups]

This step applies to multi-fund accounts receivable and GASB 34/35 asset accounting.

For reporting purposes, the PSA Administrator responsibility can only be assigned one organization.

To enable multiple organizations to access multi-fund accounts receivable reports, add the reports to the following request groups owned by Receivables:

- Receivables All
- Other

For GASB 34/35 asset accounting, add processes to the All Reports request group in Payables.

Table 5 shows the reports and programs added to the request groups in Receivables and Payables.

Table 5 Request Groups

Request Group	Application	Report or Program
Receivables All	Receivables	PSA Adjustment Register PSA Aging 4 Buckets Report PSA Applied Receipts Register PSA Create Multiple Fund Distributions PSA Multiple Fund Distributions Error Report PSA Receipt Register PSA Sales Journal by Customer PSA Sales Journal by GL Account PSA Transaction Register
Other	Receivables	PSA Adjustment Register PSA Aging 4 Buckets Report PSA Applied Receipts Register PSA Create Multiple Fund Distributions PSA Multiple Fund Distributions Error Report PSA Receipt Register PSA Sales Journal by Customer PSA Sales Journal by GL Account PSA Transaction Register
All Reports	Payables	Update Assets Tracking Flag Update Asset Type

To add reports and programs to request groups, see [Organizing Programs into Request Groups](#) and [Request Groups Window](#), *Oracle Applications System Administrator's Guide*.

8. Define Chart of Accounts

This step applies to GASB 34/35 asset accounting.

Define the following accounting flexfield segment values:

- Fixed Assets and Asset Expenditures
- Depreciation
- Debt
- Net Assets

To define accounting flexfield segment values see [Defining Your Chart of Accounts, Oracle Public Sector General Ledger User's Guide](#) and [Defining Segment Values, Oracle Applications Flexfields Guide](#).

Fixed Assets and Asset Expenditures

Set up a mirror range of natural account segment values, minimally at the major asset category level, for asset accounts and expense accounts.

[Table 6](#) shows an example of a one-to-one relationship between the asset accounts and expense accounts.

Table 6 Sample One-to-One Relationship for Asset Accounts and Expense Accounts

Account Description	Asset Account	Expense Account
Land	1510	6510
Buildings	1520	6520
Equipment	1530	6530
Construction in Progress	1590	6590

Table 7 shows an example of a many-to-one relationship between an asset account and expense accounts.

Table 7 Sample Many-to-One Relationship for Asset Account and Expense Accounts

Account Description	Asset Account	Expense Account
Construction in Progress	1590	
CIP - Architectural Fees		6591
CIP - Engineering Fees		6592
CIP - Building Construction		6593

Depreciation

Set up Depreciation Expense and Accumulated Depreciation accounts.

Debt

Set up separate Bonds Payable or other debt accounts to record liabilities related to financing the acquisition, construction, or improvement of fixed assets.

Net Assets

Set up an account called Invested in Capital Assets, Net of Related Debt, as a component of Net Assets. This represents the value of such assets, less accumulated depreciation, and less outstanding debt related to their acquisition.

9. Define Transaction Types

Define transaction types for multi-fund accounts receivable.

Use a naming convention to identify the transaction types that are for multi-fund accounts receivable. For example, create transaction types for Multi-Fund Invoice and Multi-Fund Debit Memo.

Select a transaction type class of invoice or debit memo. A transaction type with a class other than invoice or debit memo cannot be flagged as multi-fund transaction type for multi-fund accounts receivable.

Note: A transaction type cannot be used for both multi-fund accounts receivable transactions and non-multi-fund accounts receivable transactions. If a transaction type is intended for multi-fund accounts receivable, then all transactions that use

this transaction type are treated as multi-fund accounts receivable. Users must define transaction types for non-multi-fund accounts receivable if these are needed.

Note: Do not select the Allow Overapplication check box for transaction types that are used for multi-fund accounts receivable.

Note: Credit memo transaction types are not flagged as multi-fund accounts receivable transaction types because credit memos follow the invoice accounting. Users should set the AR: Use Invoice Accounting For Credit Memos profile option to Yes. Users may want to create a standard Receivables transaction type for direct credit memos and another transaction type for on-account credit memos.

To define transaction types, see [Transaction Types](#), *Oracle Public Sector Receivables User's Guide*.

10. Define Book Controls

Define a second asset book for GASB 34/35 asset accounting.

Set up the depreciation asset book as a tax asset book. Associate the book with the accrual General Ledger set of books. Designate the expenditure asset book as the associated corporate asset book and ensure that Mass Copy is allowed.

Note: Set up the expenditure asset book as a corporate asset book. Associate the book with the modified accrual General Ledger set of books. Ensure that the Payables installation, from which the Mass Additions process will be used to add assets automatically to this asset book, is associated with the same General Ledger set of books.

To define book controls, see [Define Your Book Controls](#), *Oracle Assets User's Guide*.

11. Define Payables Options

This step applies to GASB 34/35 asset accounting.

Select the Allow Override at Program Submission option in the Transfer to GL tab of the Payables Options window. This is required to allow users to define parameters for the Payables Transfer to General Ledger process as part of a request set.

To define Payables options, see [Defining Payables Options](#) and [Payables Options Window Reference](#), *Oracle Public Sector Payables User's Guide*.

12. Define Request Set

This step applies to GASB 34/35 asset accounting.

Define a request set for GASB 34/35 asset accounting as follows:

- Select Concurrent Processes
- Define Parameters
- Set Print Options
- Schedule Request Set

To define request sets, see [GASB 34/35 Asset Accounting Setup](#), page 35.

Select Concurrent Processes

In System Administration, set up a request set to run concurrent processes required for GASB 34/35 asset accounting in the following sequence:

- Payables Approval
- Payables Accounting Process

Note: It is possible to run the Payables Transfer to General Ledger process as part of the Payables Accounting process. However, for GASB 34/35 asset accounting, the Payables Transfer to General Ledger process should be run separately.

- Update Assets Tracking Flag
- Payables Transfer to General Ledger
- Mass Additions Create
- Update Asset Type

This request set replaces the Mass Additions process in all cases and adds new public sector processes for GASB 34/35 asset accounting.

Note: If the concurrent processes are run individually, the processes must still be run in the correct sequence.

Define Parameters

Define the parameters for each of the processes in the request set.

Set Print Options

Optionally, set print options to automatically print output reports.

Schedule Request Set

Schedule the request to run overnight so that the previous day's asset acquisitions are available in the Mass Additions table the following morning.

13. Define Journal Reversal Criteria

This step applies to GASB 34/35 asset accounting.

Define journal reversal criteria for all journal categories, other than the depreciation category, that are associated with Assets in the second General Ledger set of books. Specify the reversal method and period.

This is required because the Create Journal Entries process creates journals for categories other than depreciation, such as additions, that are not needed by GASB 34/35 asset accounting. Only depreciation amounts should be posted to the accrual General Ledger set of books. Use AutoReverse to automatically generate and post journal reversals.

To define journal reversal criteria, see [Automatic Journal Reversal Overview](#), *Oracle Public Sector General Ledger User's Guide*.

14. Set Up the Global Consolidation System (GCS)

This step applies to GASB 34/35 asset accounting.

Define consolidation mapping with the modified accrual General Ledger set of books as the subsidiary set of books and the accrual General Ledger set of books as the parent.

Using segment rules, set up each segment in the parent General Ledger set of books to copy values from the same segment in the subsidiary set of books. For the initial copy, select Balances, not Transactions, as the consolidation method.

To define a consolidation mapping, see [Mapping Subsidiaries to Your Parent](#), *Oracle Public Sector General Ledger User's Guide*.

15. [Set Up MassAllocation Batches]

This step applies to GASB 34/35 asset accounting.

Set up the following MassAllocation batches to reclassify the following:

- capital expenditures to fixed assets
- unrestricted net assets to invested in capital assets, net of related debt

Set up a MassAllocation batch with formulas to automatically reclassify the balances of all capital expenditures to the appropriate fixed asset or CIP accounts in the mirror range of accounts that were set up in the assets section of the balance sheet.

Set up a MassAllocation batch with formulas to automatically reclassify, for all funds, that portion of net assets that represents net investment in capital assets.

To set up MassAllocation batches, see [Creating MassAllocation Batches](#), *Oracle Public Sector General Ledger User's Guide*.

16. [Define Financial Reports with Financial Statement Generator (FSG)]

This step applies to GASB 34/35 asset accounting.

At a minimum, the following reports should be set up.

In the modified accrual General Ledger set of books, set up the following reports for fund reporting:

- Balance Sheet
- Statement of Revenues, Expenditures, and Changes in Fund Balance

In the accrual General Ledger set of books, set up the following reports for government- or university-wide reporting:

- Statement of Net Assets
- Statement of Activities

To define a financial report using the Financial Statement Generator (FSG), see [Defining Financial Reports](#), *Oracle Public Sector General Ledger User's Guide*.

17. Flag Multi-Fund Accounts Receivable Transaction Types

Flag transaction types that are used for multi-fund accounts receivable.

To flag multi-fund accounts receivable transaction types, see [Multi-Fund Accounts Receivable Setup](#), *Oracle Public Sector Advanced Features User's Guide*.

18. Schedule Multi-Fund Accounts Receivable Distributions

Schedule multi-fund accounts receivable distributions to run periodically as needed.

Note: Distributions should be scheduled for each organization.

To schedule multi-fund accounts receivable distributions, see [Multi-Fund Accounts Receivable Setup](#), *Oracle Public Sector Advanced Features User's Guide*.

GASB 34/35 Asset Accounting Process

This chapter describes the GASB 34/35 asset accounting process. The following sections are in this chapter:

- [Requirement](#)
- [Overview](#)
- [GASB 34/35 Asset Accounting Process Flowchart](#)
- [GASB 34/35 Asset Accounting Process](#)
- [Modified Accrual Versus Accrual Asset Accounting Example](#)

Requirement

Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, establishes new reporting requirements for state and local governments while maintaining much of what is already required for annual reports. GASB Number 35 extends these requirements to public colleges and universities. One of the most significant new requirements is to prepare government- or university-wide financial statements using the accrual basis of accounting, in addition to the modified accrual-based fund statements already required. The challenge presented by GASB 34/35 is to produce these accrual and modified accrual statements simultaneously from the same financial records.

Nowhere is this challenge more acute than in the area of asset accounting. Capital acquisitions, accounted for and reported as expenditures in the fund statements, must be accounted for and reported under GASB 34/35 as assets and depreciated in the government- or university-wide statements.

Overview

The objective of GASB 34/35 is to enhance the understanding and usefulness of the general purpose external financial reports of state and local governments, and public colleges and universities. GASB 34/35 asset accounting enables users to simultaneously report capital acquisitions as expenditures in fund statements and depreciating assets in the new government- or university-wide statements required by GASB while continuing to charge these acquisitions to expense accounts in Oracle Public Sector Purchasing and Oracle Public Sector Payables.

Standard consolidation and allocation functionality in Oracle Public Sector General Ledger can be used to copy account balances from the modified accrual set of books to a new, full accrual set of books, reclassifying certain expense account balances to asset accounts to reflect the change in accounting basis. Standard copying functionality in Oracle Assets can be used to set up a second asset book that automatically calculates depreciation for the full accrual set of books.

Note: The relationship between the depreciation asset book and the expenditure asset book is analogous to the relationship between the tax asset book and the corporate book for commercial organizations.

GASB 34/35 Setup

GASB 34/35 asset accounting setup requires the following:

- modified accrual General Ledger set of books as the set of books of record that reflects the expenditure-oriented, fund-based accounting used by state and local governments or by public colleges and universities
- second General Ledger set of books for accrual reporting
- expenditure asset book associated with the modified accrual General Ledger set of books
- depreciation asset book that is tied to the expenditure asset book and associated with the accrual General Ledger set of books

GASB 34/35 Asset Accounting Process

The GASB 34/35 process consists of the following parts:

1. Capital acquisitions are recorded in Payables as expenditures.
2. Expenditures are posted to the modified accrual General Ledger set of books.
3. Expenditures are brought into the expenditure asset book using Mass Additions which runs a process to allow depreciation to be generated for these additions even though they were not charged to asset accounts.
4. Mass Copy copies assets from the expenditure asset book to the depreciation asset book where depreciation is generated.
5. Depreciation and accumulated depreciation are posted to the accrual General Ledger set of books.
6. Balances, including asset expenditure balances, are copied from the modified accrual General Ledger set of books to the accrual General Ledger set of books using standard consolidation mapping and transfer functionality.
7. Entries in the accrual General Ledger set of books are recorded to adjust certain balances, including asset balances, from the modified accrual to the accrual basis of accounting.

Note: The use of the accrual set of books should be limited to financial reporting only. All transactions from subledgers should be posted to the modified accrual General Ledger set of books.

Financial Statements

GASB 34/35 statements can be prepared using General Ledger's Financial Statement Generator provided that the user has an appropriately structured chart of accounts.

Assumptions and Dependencies

The following assumptions and dependencies apply to the GASB 34/35 asset accounting feature:

- Payables, Assets, and General Ledger applications are used.
- If modified accrual basis of accounting is already in use, beginning balances of certain balance sheet accounts on an accrual basis are ascertainable.
- All capital acquisitions are originally recorded to expense accounts.
- This solution assumes a new installation of Assets.

Note: If Assets is already used, consulting assistance may be required to implement the solution.

References

For information on setting up GASB 34/35 asset accounting, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7 and [GASB 34/35 Asset Accounting Setup](#), page 35.

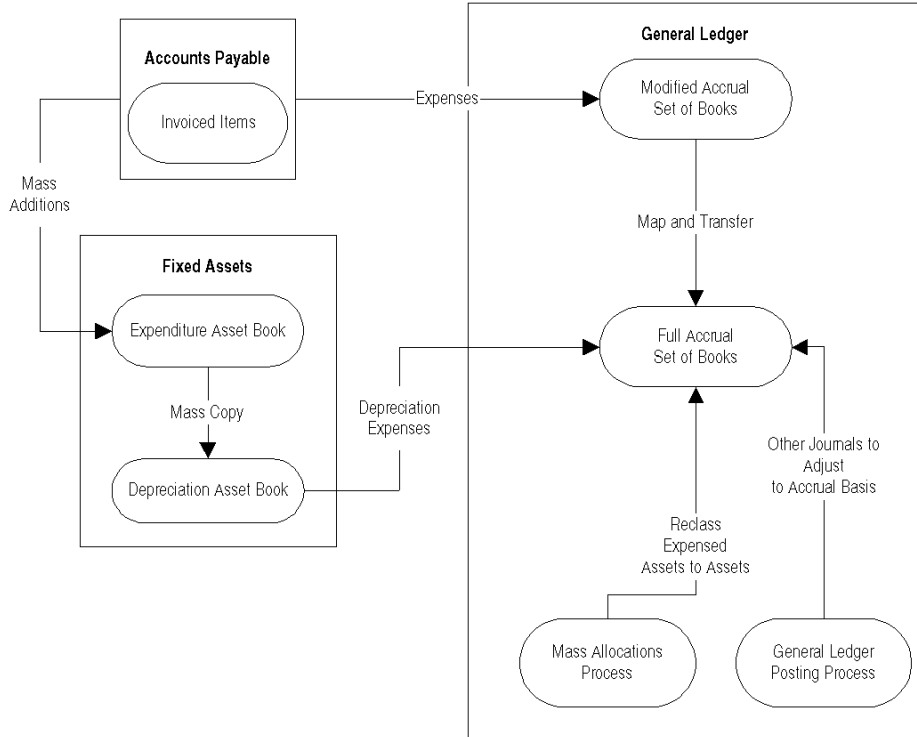
For information on using the GASB 34/35 asset accounting feature, see [GASB 34/35 Asset Accounting Procedure](#), page 45.

For information on using the Financial Statement Generator, see [Overview of the Financial Statement Generator](#) and [Using Financial Statement Generator](#), *Oracle Public Sector General Ledger User's Guide*.

GASB 34/35 Asset Accounting Process Flowchart

Figure 8 shows an overview of the integration between Payables, Assets, and General Ledger under the GASB 34/35 asset accounting process as described in Table 9.

Figure 8 GASB 34/35 Asset Accounting Process Flowchart



GASB 34/35 Asset Accounting Process

Table 9 describes the GASB 34/35 asset accounting process.

Table 9 *GASB 34/35 Asset Accounting Process*

Event	Activity
1.	In Payables, users enter invoices, using expense accounts reserved for capital acquisitions.
2.	A GASB 34/35 request set, scheduled to start at regular intervals, automatically runs the following processes: Payables Approval Payables Accounting Process Update Assets Tracking Flag process for all invoice distributions in range of expense accounts reserved for capital acquisitions, ensuring that all such acquisitions are eligible for Mass Additions to Assets. Payables Transfer to General Ledger Mass Additions Create program from Payables to the expenditure asset book Update Asset Type program to change Expensed assets to Capitalized or CIP. Note: Capitalized assets are depreciated immediately. CIP assets depreciate when placed in service some time in the future.
3.	In the expenditure asset book, users prepare assets in the Mass Additions Summary window, assigning category codes, depreciation expense accounts, and locations.
4.	Users post Mass Additions in the expenditure asset book.
5.	Users close the period in the expenditure asset book by running depreciation. Note: Even though nothing is done with the depreciation generated in the expenditure asset book, depreciation must be run to close a period in Assets, and a period must be closed in an asset book before assets can be copied from that book.
6.	Users run Mass Copy to copy assets from the expenditure asset book to the depreciation asset book.
7.	Users generate depreciation in the depreciation asset book.
8.	Users run the Create Journal Entries program in Assets to send depreciation expense and accumulated depreciation amounts to accrual General Ledger set of books where they are posted.
9.	In General Ledger, users run the Transfer Consolidation Data process to transfer account balances and transactions from the modified accrual General Ledger set of books to the accrual General Ledger set of books. The resulting journal entry is posted in the accrual General Ledger set of books.

Table 9 *GASB 34/35 Asset Accounting Process*

Event	Activity
10.	In the accrual General Ledger set of books, users run Mass Allocations to reclassify asset expenditures to fixed asset accounts.
11.	In the accrual General Ledger set of books, users record journal entries to reclassify proceeds from asset disposals, a revenue account in the modified accrual General Ledger set of books, to its accrual basis components.
12.	In the accrual General Ledger set of books, users record funding of fixed assets by running Mass Allocations to reclassify that portion of net assets representing investment in fixed assets, net of related debt.

Modified Accrual Versus Accrual Asset Accounting Example

Figure 10 shows how the differences between modified accrual and accrual accounting affect the respective balance sheets.

This example depicts the accounting treatment of the same series of business transactions using the modified accrual and accrual bases of accounting. The basis for the modified accrual accounting shows a Fund Balance of \$157,500 and the basis for the accrual accounting shows Net Assets of \$239,500.

Capital expenditures, which are expensed in modified accrual accounting, are recorded as assets and depreciated in accrual accounting. Asset disposals are also accounted for differently. The reconciliation of the Fund Balance to Net Assets takes the Fund Balance of \$157,000, adds the Fixed Assets value of \$90,000, and deducts the Accumulated Depreciation of \$8,000. This equals the Net Assets value of \$239,500.

GASB 34/35 Asset Accounting Setup

This chapter describes how to set up GASB 34/35 asset accounting. The following sections are in this chapter:

- [Definition](#)
- [Overview](#)
- [Prerequisites](#)
- [Defining GASB 34/35 Request Set Procedure](#)
- [Update Assets Tracking Flag Parameters](#)
- [Update Asset Type Parameters](#)
- [Scheduling GASB 34/35 Request Set Procedure](#)

Definition

Users must set up a new request set to enable GASB 34/35 asset accounting.

Overview

GASB 34/35 asset accounting enables users to report capital acquisitions as expenditures in fund statements and as depreciating assets in the government- or university-wide statements, while continuing to charge the acquisitions to expense accounts in Oracle Public Sector Purchasing and Oracle Public Sector Payables.

To meet GASB 34/35 asset accounting requirements, users must set up a new request set that includes the following concurrent processes in the sequence indicated:

- Payables Approval
- Payables Accounting Process
- Update Assets Tracking Flag
- Payables Transfer to General Ledger
- Mass Additions Create
- Update Asset Type

Users must define the parameters for the concurrent processes and schedule the request set to run overnight to capture all daily Payables activity. Users can also set up the option to print all output results.

Note: Context sensitive help for these concurrent processes is available when running the processes individually. To enable context sensitive help when running the concurrent processes as part of the new GASB 34/35 request set, users must customize the online help files to add the anchor name. To customize online help, see [Customizing Oracle Applications Help](#), *Oracle Applications System Administrator's Guide*. Users can also consult the online documentation.

Payables Approval

The Payables Approval process enables users to automate their approval cycle through automatic approval submission.

Payables Accounting Process

The Payables Accounting Process creates accounting entries in Payables.

Update Assets Tracking Flag

The Update Assets Tracking Flag process automatically checks the Track As Asset flag for all invoice distributions containing object codes in a predefined range of values for recording capital expenditures. The process selects the Track As Asset flag for all invoice distributions that meet the following conditions:

- Track As Asset flag not already selected
- not yet exported to Oracle Assets by the Mass Additions process

An output report is generated that lists all invoice distributions with the Track As Asset flag automatically selected.

Payables Transfer to General Ledger

The Payables Transfer to General Ledger process sends Payables transaction accounting information to Oracle Public Sector General Ledger.

Mass Additions Create

The Mass Additions Create process transfers capital invoice line distributions from Payables to Assets.

Update Asset Type

The Update Asset Type process changes the asset type from Expensed to Capitalized or CIP for each expensed asset within the range of accounts brought into Assets by the Mass Additions process. This process changes the asset type for all lines in the Mass Additions table that meet the following conditions:

- asset type equals Expensed
- posting status equals New
- account falls within range of all possible Capital and CIP expenditure accounts

An output report is generated that lists all assets whose types were changed from Expensed to Capitalized or CIP.

Prerequisites

- ❑ Setup of the GASB 34/35 asset accounting feature must be completed in the sequence indicated in the Oracle Public Sector Advanced Features Setup Checklist. Ensure that all setup steps required before defining request set parameters are completed.

To review setup steps, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7.

- ❑ A GASB 34/35 request set must be set up.

To set up a GASB 34/35 request set, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7.

Defining GASB 34/35 Request Set Procedure

Note: For additional information on defining request sets, see [Defining Request Sets](#), *Oracle Applications User's Guide*.

To define the GASB 34/35 request set, perform the following steps.

1. In System Administration, navigate to the Request Set window as follows:
Requests - Set
2. Click **Request Set Wizard**.
3. To set up requests to run sequentially, select the Sequentially (One After Another) radio button.
4. Click **Next>**.
5. To abort processing when a request ends with the status Error, select the Abort Processing radio button.
6. Click **Next>**.
7. In the Set field, enter a name for the request set.
8. In the Application field, select System Administration from the list of values.
9. Click **Next>**.
10. To print output files, select the appropriate radio button to print output files as each request in the set completes or after the entire set has completed.
11. Click **Next>**.
12. Enter the concurrent processes in the Program field in the following sequence:
 - Payables Approval
 - Payables Accounting Process
 - Update Assets Tracking Flag
 - Payables Transfer to General Ledger
 - Mass Additions Create
 - Update Asset Type

The application for each concurrent process is automatically entered in the Application field.
13. Click **Finish**.

14. Click **OK**.

The Request Set window appears.

15. To define parameters and print options for the request set, click **Define Stages**.

The Stages window appears.

16. Select a concurrent process and click **Requests**.

The Stage Requests window appears.

17. Enter print options for the concurrent process.

18. To enter parameters, click **Parameters**.

The Requests Parameters window appears.

19. Enter and save the parameters and return to the Stages window.

Note: Use the current date as a parameter for these processes to allow the request set to automatically run overnight or on a daily basis.

Enter parameters as follows:

- To enter parameters for the Payables Approval process, see [Payables Approval Program](#), *Oracle Public Sector Payables User's Guide*.
- To enter parameters for the Payables Accounting Process, see [Payables Accounting Process](#), *Oracle Public Sector Payables User's Guide*.
- To enter parameters for the Update Assets Tracking Flag process, see [Table 11](#).
- To enter parameters for the Payables Transfer to General Ledger process, see [Payables Transfer to General Ledger Program](#), *Oracle Public Sector Payables User's Guide*.
- To enter parameters for the Mass Additions Create process, see [Mass Additions Create Program](#), *Oracle Public Sector Payables User's Guide*.
- To enter parameters for the Update Asset Type process, see [Table 12](#).

20. Repeat Steps 16 to 19 for each concurrent process.

21. Close the windows.

Update Assets Tracking Flag Parameters

Table 11 describes the parameters for the Update Assets Tracking Flag process.

Table 11 Update Assets Tracking Flag Parameters

Parameter	Type	Description
GL Date From	optional	General Ledger start date Note: GL Date From and GL Date To establish the date range for invoice distributions.
GL Date To	required	General Ledger end date Note: GL Date From and GL Date To establish the date range for invoice distributions.
Account From	required	starting account for all Capital and CIP expenditure accounts as defined in the chart of accounts setup Note: Account From and Account To establish the account range for invoice distributions that are checked by the process.
Account To	required	ending account for all Capital and CIP expenditure accounts as defined in the chart of accounts setup Note: Account From and Account To establish the account range for invoice distributions that are checked by the process.

Update Asset Type Parameters

[Table 12](#) describes the parameters for the Update Asset Type process.

Table 12 Update Asset Type Parameters

Parameter	Type	Description
Asset Book	required	asset book
Capital Account From	required	beginning capital account Note: Capital Account From and Capital Account To represent all possible capital expenditure accounts.
Capital Account To	required	ending capital account Note: Capital Account From and Capital Account To represent all possible capital expenditure accounts.
CIP Account From	required	beginning CIP account Note: CIP Account From and CIP Account To represent all possible CIP expenditure accounts.
CIP Account To	required	ending CIP account Note: CIP Account From and CIP Account To represent all possible CIP expenditure accounts.

Scheduling GASB 34/35 Request Set Procedure

To schedule the GASB 34/35 request set, perform the following steps.

1. In Payables, navigate to the Submit Request window as follows:

Other - Requests - Run

The Submit a New Request pop-up window appears.

2. Select the Request Set radio button.
3. Click **OK**.

The Submit Request window appears.

4. In the Name field, select the GASB 34/35 request set from the list of values.
5. To schedule the request set to run overnight, click **Schedule**.

The Schedule window appears.

Note: Scheduling the request set allows users to set the parameters once, save the parameters, and automatically run the request set at regular intervals.

6. Enter details in the Schedule window.
7. Click **OK**.
8. Close the window.

GASB 34/35 Asset Accounting Procedure

This chapter describes how to meet asset accounting and reporting requirements for GASB 34/35. The following sections are in this chapter:

- Definition
- Overview
- Prerequisites
- Creating Invoices Procedure
- Reviewing GASB 34/35 Request Set Results Procedure
- Preparing Assets Procedure
- Posting Assets Procedure
- Closing Period in Expenditure Asset Book Procedure
- Copying Assets from Expenditure Asset Book to Depreciation Asset Book Procedure
- Generating Depreciation Procedure
- Posting Depreciation to the Accrual General Ledger Set of Books Procedure
- Copying Balances and Transactions Procedure
- Converting Asset Expenditures to Fixed Assets Procedure
- Reclassifying Proceeds from Disposals Procedure
- Recording Funding of Fixed Assets Procedure
- Recording Additional Entries Procedure
- Running Financial Statements Procedure

Definition

GASB 34/35 asset accounting enables users to report financial statements using the accrual basis of accounting in addition to reporting the modified accrual-based fund statement, drawing from the same financial records.

Overview

The procedure for meeting GASB 34/35 asset accounting and reporting requirements consists of the following parts:

1. create invoices
2. review results for GASB 34/35 request set
 - Payables Approval
 - Payables Accounting Process
 - Update Assets Tracking Flag
 - Payables Transfer to General Ledger
 - Mass Additions Create
 - Update Asset Type
3. prepare assets
4. post assets
5. close period in expenditure asset book
6. copy assets from expenditure asset book to depreciation asset book
7. generate depreciation
8. post depreciation to the accrual General Ledger set of books
9. copy balances and transactions from the modified accrual General Ledger set of books to the accrual General Ledger set of books and establish beginning balance of net assets
10. convert asset expenditures to fixed assets
11. reclassify proceeds from disposals
12. record funding of fixed assets

13. record additional entries
14. run financial statements

Prerequisites

- ❑ All required setup for GASB 34/35 asset accounting must be completed.
To set up GASB 34/35 asset accounting, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7 and [GASB 34/35 Asset Accounting Setup](#), page 35.

Creating Invoices Procedure

In Oracle Public Sector Payables, enter invoices in the Invoices window. Enter invoices using assets expenditure codes as the natural account values in the invoice line distributions.

To enter invoices and invoice distributions, see [Entering Basic Invoices in the Invoice Workbench](#) and [Entering Invoice Distributions in the Invoice Workbench](#), *Oracle Public Sector Payables User's Guide*.

Reviewing GASB 34/35 Request Set Results Procedure

A GASB 34/35 request set that consists of the following processes must already be defined and scheduled:

- Payables Approval
- Payables Accounting Process
- Update Assets Tracking Flag
- Payables Transfer to General Ledger
- Mass Additions Create
- Update Asset Type

To review the results and output reports for the request set, perform the following steps.

1. In any product, navigate to the Requests window as follows:

View - Requests

The Find Requests window appears.

2. Enter request criteria and click **Find**.

The Requests window appears.

3. To view the results, select a request and click **View Output**.

Note: Optionally, view the results for each concurrent process in the GASB 34/35 request set.

4. Close the window.

Note: If the printing option is set up for the request set, users can review printouts of the results.

Preparing Assets Procedure

In Oracle Assets, open each line and assign category codes depending on the asset type in the Mass Additions Summary window. Category codes default depreciation information such as accounts, methods, and useful lives. Users can also assign assets to employees and locations and add other additional information such as tag numbers with no accounting impact. When finished with asset preparations, change the Queue Name from New to Posted to make the assets eligible for posting in Assets.

To prepare assets, see [Overview of the Mass Additions Process](#) and [Mass Additions, Oracle Assets User's Guide](#).

Posting Assets Procedure

In Assets, run the Post Mass Additions request set to create asset records from the Mass Addition lines.

Note: The Mass Additions Post process creates asset records in Assets. It does not post to General Ledger.

To run the Post Mass Additions request set, see [Posting Mass Addition Lines to Oracle Assets](#), *Oracle Assets User's Guide*.

Closing Period in Expenditure Asset Book Procedure

In Assets, close the period in the expenditure asset book.

From the Run Depreciation window, enter the name of the expenditure asset book and the period as the parameters. Optionally, select the Close Period check box. However, if all assets depreciate successfully, the period automatically closes and the next one opens.

Although depreciation is not needed in the modified accrual General Ledger set of books to which the expenditure asset book is tied, depreciation must be run before a period is closed and a period must be closed in an asset book before its assets can be copied to another book.

To close the period in the expenditure asset book, see [Running Depreciation](#), *Oracle Assets User's Guide*.

Copying Assets from Expenditure Asset Book to Depreciation Asset Book Procedure

In Assets, run the Periodic Mass Copy process to copy assets from the expenditure asset book to the depreciation asset book. Specify the name of the depreciation asset book to which assets is to be copied and the period as the parameters.

Note: The Periodic Mass Copy process can be used to initially populate the depreciation asset book if all assets were added to the expenditure asset book in the period for which Periodic Mass Copy is being run. The relationship between the depreciation asset book and the expenditure asset book is analogous to the relationship between the tax asset book and the corporate book for commercial organizations.

To copy assets from the expenditure asset book to the depreciation asset book, see [Updating a Tax Book with Assets and Transactions](#) and [How Periodic Mass Copy Works](#), *Oracle Assets User's Guide*.

Generating Depreciation Procedure

In Assets, generate depreciation in the depreciation asset book.

From the Run Depreciation window, enter the name of the depreciation asset book and the period as the parameters. Optionally, select the Close Period check box. However, if all assets depreciate successfully, the period automatically closes and the next one opens.

To generate depreciation, see [Running Depreciation](#), *Oracle Assets User's Guide*.

Posting Depreciation to the Accrual General Ledger Set of Books Procedure

From the Submit Request window in Assets, run the Create Journal Entries process to post depreciation to the accrual General Ledger set of books. Specify the name of the depreciation asset book and the period as the parameters. Since the depreciation asset book is associated with the accrual General Ledger set of books, the journal entries are created in the accrual set of books.

Note: Journal reversal criteria must be defined for all journal categories, other than the depreciation category, that are associated with Assets in the second General Ledger set of books.

To define journal reversal criteria, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7.

To post depreciation to the accrual General Ledger set of books, see [Creating Journal Entries for the General Ledger](#), *Oracle Assets User's Guide*.

Copying Balances and Transactions Procedure

Balances are copied from the modified accrual General Ledger set of books to the accrual General Ledger set of books during the first year. Transactions are copied from the modified accrual General Ledger set of books to the accrual General Ledger set of books during subsequent years.

To set up consolidation mapping, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7.

To copy balances or transactions, see [Transferring Subsidiary Data to Your Parent](#), *Oracle Public Sector General Ledger User's Guide*.

Copying Balances During the First Year

From the Transfer Consolidation Data window in General Ledger, select the consolidation mapping that was set up for GASB 34/35. The year-to-date balances through the twelfth period must be copied from the modified accrual General Ledger set of books to the accrual General Ledger set of books.

The transfer creates a journal entry, where Source equals Consolidation and Category equals Consolidation that must be posted in the accrual General Ledger set of books.

The account balances for the first General Ledger set of books are copied in their entirety to the second General Ledger set of books. In the first or modified accrual General Ledger set of books, revenues and expenditures are closed to fund balance. In the second or accrual General Ledger set of books, revenues and expenditures are closed to net assets.

One difference between fund balance and net assets is that fund balance is reduced by capital acquisitions while net assets are reduced by depreciation. After the beginning balances of fixed assets and accumulated depreciation are determined, the following journal entry converts the fund balance to net assets in the accrual General Ledger set of books:

Dr. Fund Balance	XX,XXX,XXX	
Dr. Fixed Assets	X,XXX,XXX	
Cr. Accumulated Depreciation		XXX,XXX
Cr. Net Assets		XX,XXX,XXX

Copying Transactions During Subsequent Years

Once a net assets balance is established in the accrual General Ledger set of books, copy the year-to-date transactions, not the balances, from the modified accrual General Ledger set of books to the accrual General Ledger set of books to avoid copying fund balance accounts again.

Converting Asset Expenditures to Fixed Assets Procedure

In the accrual General Ledger set of books, run the Mass Allocation batch that was set up to reclassify asset expenditure accounts to fixed asset accounts.

To set up Mass Allocation batches, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7.

To run Mass Allocation batches, see [Generating MassAllocation Journals](#), *Oracle Public Sector General Ledger User's Guide*.

Reclassifying Proceeds from Disposals Procedure

In the accrual General Ledger set of books, record journal entries to reclassify Proceeds from Asset Disposals which is a revenue account in the modified accrual General Ledger set of books.

The credit balance of this account must be reclassified to the following components:

- credits to fixed assets equal to the cost of the disposed assets
- debits to accumulated depreciation of those assets
- gain or loss on the disposals equal to the difference between the proceeds and the net of the other two components

To record journal entries, see [Entering Journals](#), *Oracle Public Sector General Ledger User's Guide*.

Recording Funding of Fixed Assets Procedure

In the accrual General Ledger set of books, run the Mass Allocation batch that was set up to reclassify that portion of net assets that represents net investment in capital assets.

To set up Mass Allocation batches, see [Oracle Public Sector Advanced Features Setup Overview](#), page 7.

To run Mass Allocation batches, see [Generating MassAllocation Journals](#), *Oracle Public Sector General Ledger User's Guide*.

Recording Additional Entries Procedure

In the accrual General Ledger set of books, record any additional entries required to comply with GASB 34/35. For example, record entries to reflect differences in accounting for debt between the modified accrual General Ledger set of books and the accrual General Ledger set of books or to reflect more detail in net asset accounts.

Note: Optionally, record entries in a thirteenth adjusting period.

To record journal entries, see [Entering Journals](#), *Oracle Public Sector General Ledger User's Guide*.

Running Financial Statements Procedure

Use the Financial Statement Generator to set up, at a minimum, the following reports:

- Modified Accrual General Ledger Set of Books, Fund Reporting
 - Balance Sheet
 - Statement of Revenues, Expenditures and Changes in Fund Balance
- Accrual General Ledger Set of Books, Government- or University-wide Reporting
 - Statement of Net Assets
 - Statement of Activities

To use the Financial Statement Generator, see [Overview of the Financial Statement Generator](#) and [Using Financial Statement Generator](#), *Oracle Public Sector General Ledger User's Guide*.