E-Business Suite Release 12 Payables Upgrade: Like for Like and Then Some

Karen Brownfield
Rolta
About the Speaker

• Oracle Ace
• Oracle Certified Specialist
• Over 35 years System Design and Support
• Over 20 years E-Business Suite support, upgrade, implementation
• Former OAUG President
• Over 100 presentations at multiple venues
Agenda

• Definition of “Like for Like”
• Impact on
  • Suppliers
  • Invoices
  • Payments
  • Banks
  • Subledger Accounting (SLA), Month End
• Tax
• Multi-org Access Control
Like for Like Functional Upgrade

• Upgrade application from current release to the most current stable release (12.1.3)
• Minimize customization while continuing to support unique business requirements  
  • Retire any where standard functionality suffices
• Thorough testing of all utilized functionality
• Keep current functionality and change only what R12 requires to be changed
Change Only What R12 Requires To Be Changed

- For Payables, that Includes
  - Suppliers – New Form
  - Invoices – Form Modified
  - Payments – New Module, New Form
  - Banks – New Forms, Banks now owned by LE
  - Subledger Accounting (SLA), Month-end
  - Taxes – New Module EBTax
  - Multi-org Access Control (MOAC)
SUPPLIERS
Suppliers – New Structure

If Need to Use Address for Multiple Op Units, or need 2 sites with different defaults, must rekey

Key Once
- Grant right to use to Op Unit (creates 1st site)
- Add 2nd site if op unit needs multiple sets of defaults
Suppliers – New Form

- R12 Opens to Search screen to minimize duplicates
Query Lands Here

- Supplier Details
- Grouped by Page
- Same Address
- Multiple Op Units

- Same Address
- Same Op Unit
- Multiple Sites
- Dif Defaults
Add Lands ....

Here for Header (and after clicking Apply)

Here to Create Sites (but note.. There are no addresses)
Suggested Add Process

- Search by Name, Search by TIN and/or Tax #
- Enter Header
  - After Header created, DFF moves to Organization page
  - DFFs are “Additional Information” in OAF pages
- Enter Address (Address Book Tab)
  - Click Purpose(s)
  - Subscribe Op Unit(s)
  - Add Additional Sites for Same Address/Op Unit
Suggested Add Process

• Enter Tax IDs on Initial Header page or Tax Details page (and whether subject to 1099 tax)
• Tax IDs also on Organization page
• Remaining 1099 info and Transaction Tax info entered on Tax and Reporting page
• Enter Suppliers bank account details for EFT on Banking Details page
• Enter appropriate site defaults on Accounting, Purchasing, Receiving, Payment Details, and Invoice Management pages
Suggested Add Process

- **Contact Directory** is for contacts across all addresses – only place for names – iSupplier users for Supplier listed here
  - **Address Level** – one phone, fax and/or email
    - Address tab, click pencil
  - **Site Level** – multiple phone, fax and/or emails
    - Address tab, click Manage Sites, Communication tab
- **Business Classification page** stores EEOC info
Upgrade Considerations

- Sites Upgrade to Addresses and Sites
- Site name becomes Address name
  - If multiple sites reference same address (whether due to multiple operating units or due to multiple sites for same address in same operating unit), the address name becomes the first name alphabetically
  - Example
    - Site Names: PHILADELPHIA, OU1-PHILLY
    - Resulting Address Name: OU1-PHILLY
    - Two sites: PHILADELPHIA, OU1-PHILLY
Upgrade Considerations

- No “About this record” information
  - Oracle considers this an enhancement request
  - OOW paper “What Happened to Record History and other R12 OAF Personalization Tips” shows how to add back date and user_id (but not name)
- No seeded Inquiry form
  - See MOS notes 473346.1, 559510.1, 1089925.1, 328525.1
    - Script to validate whether responsibility has update or inquire access – MOS note 1385028.1
- To allow update only to Contacts, follow MOS note 466699.1
Upgrade Considerations

• TINs are not upgraded for Suppliers with an Organization Type Code of Individual, Partnership or Foreign Partnership
  • MOS Note 1271092.1 “R12: Generic Data Fix (GDF) Patch 10635325 – GDF for Missing Supplier COLUMNS INDIVIDUAL_1099/TAX_PAYER_ID, JOB_TITLE, SERVICE_TOLERANCE_ID during 11i to R12 Upgrade”
  • The script ap_inc_SuppUpg_fields_sel.sql selects Individuals, but not Partnerships. Add ‘PARTNERSHIP’ to the values in the line ‘AND s.organization_type_lookup_code IN’
Upgrade Considerations

• By Default, Employee Suppliers (Suppliers with Vendor Type = Employee) not available in View/Enter Supplier screen
  • Entry / Updates done via HR screens
  • Employee Supplier created with expense report created
  • Changes made in HR synced to Supplier via Employee Update Program
  • Inquiry and/or Update can be restored
    • See MOS note 1377888.1 “White Paper: Understanding and Working with Employee Suppliers in R12”
New Features

- 3rd Party Payments
  - Set relationship on Relationship page
  - Check written to party specified with method of that party
  - 1099 reporting stays with Invoice Supplier

- AP/AR Netting

- MOAC Access
  - Consider using this form to test MOAC access as it helps to have those who enter suppliers see all addresses across entire instance
INVOICES
Invoices – Form Modified

- New Fields
- Reworked Areas
- New Tab – Lines
- New Buttons
Invoices – Form Modified

- New Lines Tab
- Distributions for Specific Line
- All Distributions
Invoices – Form Modified

- Allocations
- 11i – Multiple lines
- R12 – One line, multiple distributions
New Form Impacts

• Tax
• Allocations
• Matching – POs, DR/CR memos, Prepayments
• Changes
  • If line involved in any type of match or allocation, must Discard line to change
  • Impact Increases at Validated, Accounting
• Layout
  • Strongly suggest use of folders
New Optional Features

- **Tax Control Amount**
  - Forces tax calculation to match tax on invoice, i.e. penny round-off errors

- **Ability to add most asset fields during invoice entry**

- **Expense Amortization**
  - MOS Note 1315106.1 “R12: Subledger Accounting: White Paper on Multi Period Accounting”
Upgrade Considerations

• File SR to ensure have latest patches to upgrade invoices with tax
• Install Master GDF Diagnostic
  • MOS Note 1360390.1
Upgrade Considerations

• Looks like the least changes, but this form causes the most issues
  • File SR to ensure latest APXINWKB and tax engine patches
  • TEST TEST TEST TEST TEST TEST TEST
  • Issues are with changing validated and/or accounted invoices, esp those invoices with tax
  • Test changes to invoices entered in 11i as well as those entered in R12
PAYMENTS
Payments – New Form
Payment Request

Specify Bank and Payment Doc

Specify Failure Options

Specify process stop points
Hint: Use PPPs and Templates

- **PPP** – Payment Process Profile
- **Type Payment** – Printed, Electronic, Pay Card
- **Documents** – which and what format
  - “Check”, Positive Pay, Remittance Advice, Register
- **Template**
  - Pay from/thru, Pay Group(s), Op Unit(s), LE(s), Priority
  - Where to stop in process, error handling
- **Either**
  - Payment Document, Method, Currency
PPP for Electronic

Create Payment Process Profile

Processing Type
- Electronic

Electronic Processing Channel
- Oracle Payments

Payment Completion Point
- When the Payment Instruction is Formatted

Payment System

Transmission Configuration
- Automatically Transmit Payment File after Formatting

Grouping Mode
- Batch Booking

Usage Rules
Payment Instruction Creation Rules
Separate Remittance Advice
Additional Information
PPP for Printed

Create Payment Process Profile

* Indicates required field

Processing Type
- Printed

Default Payment Document
- Printed

Payment File
- Send to Printer
- Send to File
- Disallow Save/Re-Print
- Automatically Print after Formatting

Default Printer
- [Field]

Payment System
- [Field]

Transmission Configuration
- [Field]

Usage Rules

Payment Methods
- All
- Specify

Currencies
- All
- Specify

First Party Organizations
- All
- Specify
Template

Create Payment Process Request Template

* Indicates required field

* Name
Description
User

OPERATIONS

Scheduled Payment Selection Criteria | Payment Attributes | Process Automation | Validation Failure Results | Additional Information

Number of Pay From Days
* Additional Pay Through Days 0
Payment Priority High 1
Payment Priority Low 99

(1 is highest priority, and 99 is lowest)

Include Only Due

Supplier Type
Payee
Payment Method

Document Exchange Rate Type

Include Zero Amount

Pay Groups

Legal Entities

Values
○ All
○ Specify

Values
○ All
○ Specify

Payment Currencies

Operating Units

Values
○ All
○ Specify

Values
○ All
○ Specify
Upgrade Considerations

- All Payment Process Requests (PPRs) produce a file
  - Check, Electronic, etc
  - Can specify multiple templates, i.e. layouts, but cannot customize data extract
- Payment Documents Assigned to non-standard formats (like Evergreen) will be deleted during upgrade and must be recreated
  - Note Last Used for each document
Upgrade Considerations

• Only Printed Documents have Check Number (now called Paper Document Number)
• Defined by Payment Document
• All Payments have Payment Reference Number

• MOS note 855097.1 describes patch to add Document Number to Electronic
Upgrade Considerations

- Review current payment documents
  - Determine number of different formats currently used
    - New Name: Payment Instruction Format
    - Each one will require at least one PPP
- Determine current payment batch parameters
  - Each set can become a template
- Goal: Users specify template, PPR name, review/adjust first page, submit
- MOS Note 7333537.1 “R12 Upgrade: Functional Upgrade Impacts Document for Oracle Payments”
Setup Order

• From Payment Administrator screen
  • Register New XML Publisher Format Templates
  • Define New Payment Formats
  • Create Payment Process Profiles
  • Adjust any other settings in the Payment Administrator page and mark all steps complete
• From Bank Accounts screen (see next section)
  • Clean up Bank Account Settings, Assign the Formats to the Payment Documents
• Create Templates
BANKS
Banks

- Belong to Legal Entities
- New tables CE_
  - Old tables still exist, but are empty
- Internal Banks only
- Account Number Can Be Masked
  - Profile Option: CE: Mask Internal Bank Account Numbers
- Security to View/Update controlled through User Management Security
Drilldown – Banks

- Acct Owner and Use
- Account Information

- Country, Bank, Branch, Account
Drilldown – Banks

- Account Controls
- Set Minimum Payment to avoid negative checks
- Zero Balance Accounts
  - Min and Max Payment s/b 0.00

- Account Access
- Override Accounting
Direct – Bank Accounts

- Payment Document Access
Upgrade Considerations

- Oracle seeds most banks
  - Your definitions folded in if name matches exactly
- Default masking is “Masking – last 4 visible”
  - CE: Mask Internal Bank Account Numbers
- Payment Documents referencing custom formats are deleted
  - Evergreen is a custom format
  - Note last numbers for all payment documents as part of pre-upgrade
- Clean up old accounts, payment documents
SUBLEDGER ACCOUNTING (SLA) MONTH END
Subledger Accounting (SLA)

- New Module that provides single repository for accounted subledger transactions
- Allows modification of JE Header/Line description and/or attributes
- Allows accounting assigned at subledger level to be altered as transaction is accounted and passed to GL
- RECOMMENDATION: Use seeded definitions
11i – View Accounting Lines

![Find Accounting Lines Interface]

- **Document Class**: 
- **Document Numbers**: 
- **Event Type**: 
- **Supplier Name**: 
- **Supplier Site**: 
- **Bank Account**: 
- **Journal Category**: 
- **Accounting Dates**: 
- **Transferred to GL**: All
- **Line Type**: 
- **Entered Currency**: 
- **Accounts**: 
- **Accounting Method**: Accrual
- **Currency**: USD
- **Set of Books**: Vision Operations

[Options: Clear Find]
SLA Inquiry – By JE Line

And / Or

Can only specify segments that are tagged as qualifiers

Can add additional criteria
SLA Inquiry – By Event Class / Type
Account Analysis Report

- Replaces Payables Account Analysis Report
- Internal Name XLAAARPT (old internal name APXAAREP)
- Supports Accounting combination ranges

<table>
<thead>
<tr>
<th>Source</th>
<th>Category</th>
<th>GL Date</th>
<th>Event Class</th>
<th>Transaction Number</th>
<th>Line Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>Purchase Invoices</td>
<td>Feb 6, 2011</td>
<td>Invoices</td>
<td>XB-1ES12</td>
<td>US-SALES-TAX-12 - CITY</td>
<td>1.70</td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>Purchase Invoices</td>
<td>Feb 6, 2011</td>
<td>Invoices</td>
<td>KS-TE5712</td>
<td>US-SALES-TAX-131 - STATE</td>
<td>49.00</td>
<td></td>
</tr>
</tbody>
</table>

Beginning Balance for Period | Feb-11 | 6.00 | 0.00

Ending Balance for Period | Feb-11 | 42.40 | 0.00

Account Total | 42.40 | 0.00

<table>
<thead>
<tr>
<th>Source</th>
<th>Category</th>
<th>GL Date</th>
<th>Event Class</th>
<th>Transaction Number</th>
<th>Line Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
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<td>Payables</td>
<td>Purchase Invoices</td>
<td>Feb 6, 2011</td>
<td>Invoices</td>
<td>XB-1ES11</td>
<td>US-SALES-TAX-10H - CITY</td>
<td>1.70</td>
<td></td>
</tr>
</tbody>
</table>

Beginning Balance for Period | Feb-11 | 6.00 | 0.00
New Accounting Process

All Modes except Draft

All Modes

Post adds “Posting Single Ledger”

Transfer to GL
New Accounting Process

<table>
<thead>
<tr>
<th>Event Class</th>
<th>Number of Accounts Processed</th>
<th>Number of Events</th>
<th>Ledger Type</th>
<th>Balance Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>15</td>
<td>15</td>
<td>Payables</td>
<td>Actual</td>
<td>15</td>
</tr>
<tr>
<td>Payments</td>
<td>15</td>
<td>15</td>
<td>Payables</td>
<td>Actual</td>
<td>15</td>
</tr>
<tr>
<td>Unapplied Premiums</td>
<td>15</td>
<td>15</td>
<td>Payables</td>
<td>Actual</td>
<td>15</td>
</tr>
<tr>
<td>Unapplied Premiums</td>
<td>15</td>
<td>15</td>
<td>Payables</td>
<td>Actual</td>
<td>15</td>
</tr>
</tbody>
</table>

Transfer to General Ledger Summary

<table>
<thead>
<tr>
<th>Ledger</th>
<th>Balance Type</th>
<th>Journal Entries</th>
<th>Unapplied Premiums</th>
<th>Unapplied Premiums</th>
<th>Unapplied Premiums</th>
<th>Unapplied Premiums</th>
<th>Unapplied Premiums</th>
<th>Unapplied Premiums</th>
<th>Unapplied Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>Actual</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

Journal Entry Details:

- **Journal Entry Number**: 6222
- **Payment Date**: 25-JAN-98
- **Bank Name**: Operating Account
- **Payment Currency**: USD

<table>
<thead>
<tr>
<th>Line</th>
<th>Accounting Class</th>
<th>Account</th>
<th>Currency</th>
<th>Debit</th>
<th>Credit</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cash</td>
<td>1210000000000</td>
<td>USD</td>
<td>20,311.00</td>
<td>20,311.00</td>
<td>20,311.00</td>
<td>20,311.00</td>
</tr>
</tbody>
</table>

Error Message:

0 | Error Number | Error Message |
---|---------------|---------------|
0 | 125819808 | The subledger journal entry does not balance in the entered currency. Please verify the entered amounts on the journal entry line. |
Upgrade Considerations

• Amount of History Moved to SLA tables
  • Default – 6 months or current fiscal year, whichever is greater
  • Bringing over more requires patching 11i and running a script
    • As long as patch is applied, can bring over default and rest later after upgrade
• For more information see
  • MOS note 604893.1 “R12.0 and R12.1: FAQ for the SLA Upgrade: SLA Pre-Upgrade, Post-Upgrade, and Hot Patch”
  • OAUG paper database, authored by Alyssa Johnson
Closing

* Highlights a changed process in R12

- Complete transactions
  - Invoices On Hold Report
- Approve invoices
- Complete payments
- Reconcile payments / bank statements
- Resolve potential accounting issues *
  - Create Accounting *
- Journal Entries Report
- Unaccounted Transactions Report

  - From “Oracle Financials Release 12 Close Process and Reconciliation”
Closing

* Highlights a changed process in R12

- Post Payables transactions in General Ledger *
- Review Accounting *
  - Payables Accounting Process Report
  - Payables Posted Invoices Register
  - Payables Posted Payments Register
- Subledger Period Close Exceptions Report *
- Unaccounted Transactions Sweep *
- Close Payables period

- From “Oracle Financials Release 12 Close Process and Reconciliation”
Closing

* Highlights a changed process in R12

- Accrue un-invoiced receipts
- Reconcile Payables activity to GL
  - Accounts Payable Trial Balance *
  - Third Party Balances Report *
  - Account Analysis Report *
- Tax reporting
- Mass addition transfer to Assets

- From “Oracle Financials Release 12 Close Process and Reconciliation”
TAX
Tax Code Upgrade from 11i to 12

- 11i Tax codes become R12 Tax Classification Codes
- Tax classification codes are entered on the transaction lines and the tax rate associated with the tax classification code is then applied to the transaction
What does this look like in Ebiz Tax

- A tax regime is created for each operating unit defined in 11i. Tax regimes are named as “2 digit country code (from the Operating Unit Address) – TAX”, (ex: US-TAX) and hold the tax setup that has been upgraded.
- Regimes created for use with integration partners such as Taxware and Vertex have a slightly different naming convention and are typically upgraded as "US-Sales-Tax-101"
What does this look like in Ebiz Tax

- A Tax is created for each tax code
- A Tax Status is created for each tax code
- A Tax Rate is created for each tax code
- A Tax "Rule" is then created as a "Direct rate rule". This simple rule hard-codes the relationship between the tax classification code and the tax, tax status and tax rate. When a transaction is entered and the user picks the tax classification code, the direct rate rule automatically retrieves and associates each of these items to the transaction and does the tax calculation
What is the STCC?

• After the upgrade, the system will set "Configuration Owner Tax Options" for each product and event class (e.g. Invoices, Credit Memo, etc). This will be set as "Standard Tax Classification Code" or STCC following an upgrade.

• Combined with the Direct Rate Rule that are created during the 11i upgrade result in a unique branch of code to be called when calculating taxes.
Restrictions on Migrated Setups

- If the configuration owner tax options are set to “STCC”, users CANNOT
  - Create new tax rules
  - Modify or add to existing tax rules
  - Modify existing tax formulas
  - Newly implement partner integrations such as Vertex or Taxware
  - Set up new tax groups
  - Patch 9723745 allows users to add new tax rates to an existing tax rate (not create new rules). For example if a jurisdiction rate has changed from 5% to 6%, the old rate could be end dated and create the new rate
Pro/Cons for Upgrading or Fresh implementation of Regimes

• Upgraded Regime
  • Faster
  • Exemptions are regime specific so a new regime means all new exemptions must be defined
  • Few changes for the end user

• Fresh Implementation
  • More flexibility to add/remove tax codes
  • 11i PL*SQL rules do not migrate
  • Able to automate many of the tax decisions through the creation of tax rules
Tax – More Information

• MOS Note 1062897.1 ‘Case Study: How to Switch From an Upgraded Tax Regime to a New Tax Regime - Canada HST example’
• MOS Note 464243.1 ‘E-Business Tax For Oracle Purchasing’
Tax Partners – More Information

- MOS Note 1335680.1 ‘Oracle E-Business Tax Now Validated With Four Tax Partners’
  - Contains Advisor webcast explaining partner integration
- MOS Note 465260.1 ‘What versions of Vertex, Taxware and Sabrix are certified with E-Business Tax (EBTax)’
MULTI-ORG ACCESS CONTROL
MOAC
Multi-Org Access Control (MOAC)

- See/Enter Data across multiple organizations without switching responsibilities
- Run reports showing data from multiple OUs

See “Implementing Multiple Organizations in Release 12” by Alyssa Johnson
Upgrade Considerations

• MOAC is optional
  • Most useful for managing suppliers
• Oracle seeds single org security profiles
• If add security profiles, don’t forget to run “Security List Maintenance”
• Custom Programs – new call to set Org context
  • mo_global.set_policy_context (‘S’,&org_id);
• MO: Operating Unit must be set at site level
• New Profile options
  • MO: Security Profile
  • MO: Default Operating Unit
Upgrade Considerations

• Even if you stick with one org per responsibility, ensure reports properly defined
  • <System Administrator> System Administration | Concurrent | Program; Request Tab
  • Operating Unit Mode must be Single / Multiple
  • Check MULTI_ORG_CATEGORY field in FND_CONCURRENT_PROGRAMS for null values

![Single Op Unit](image1.png)

![Multiple Op Unit](image2.png)
SUMMARY
Where to Focus

- MOAC – It’s an access issue, choice won’t significantly impact setup or testing
- Tax – Upgraded Regime
  - New Regime will add time for setup / testing
  - File SR to ensure upgrade script has latest patches for upgrading transactions with tax
- Banks – impacts setup time due to unfamiliar form
- Subledger Accounting – accept seeded SLAM
  - Create Accounting in Final Post mode
Where to Focus

• Closing
  • Consider Setting up Report Set to ensure parameters specified correctly

• Payments
  • Focus on Setups to gain ease of use
  • Payment Templates

• Suppliers
  • Most Confusing Form
  • Develop procedure for Adding Supplier
  • Use Personalization to Order Fields on pages to ensure most used fields show w/o scrolling
Where to Focus

• Invoices
  • Changes Easy to See, Understand
  • Use Folders to Ease Data Entry
  • Most prone to problems
  • Test updates/changes to Transactions
    • All Types – Standard, Debit, Credit, Prepayment…
    • Allocations
    • Matching, Unmatching
    • Transactions with Tax
    • Transactions Created Before Upgrade
    • Transactions Created After Upgrade
    • Various statuses – Not Validated, Validated, Accounted
Potential Approach

• Prioritize Uptake of optional functionality
• CRP1
  • Learn New Forms
  • Setup Payments for ease of use
  • Test, Test, Test, Test, Test, Test Invoices
    • Especially changes and especially if using Tax
• CRP2
  • WRICEP, CEMLI
    • Payment Templates
  • Work Prioritized Optional Functionality List
• Freeze and Finish Upgrade
Where to Find Information

- Information Centers
- Master Troubleshooting Guides
- Search Helpers
- OAUG Paper Database

- See paper for list of MOS notes in each category
Release 12 Books by Rolta Employees

The ABCs of Workflow for Oracle E-Business Suite Release 11i and Release 12

The Release 12 Primer – Shining a Light on the Release 12 World

Available from Amazon.com, Barnes & Noble (bn.com), Lulu.com
Questions?

Thank You

Karen Brownfield
Karen.Brownfield@roltasolutions.com