

Taking Advantage of R12 Functionality with a Single Chart of Accounts and a Single Instance

an eprentise white paper



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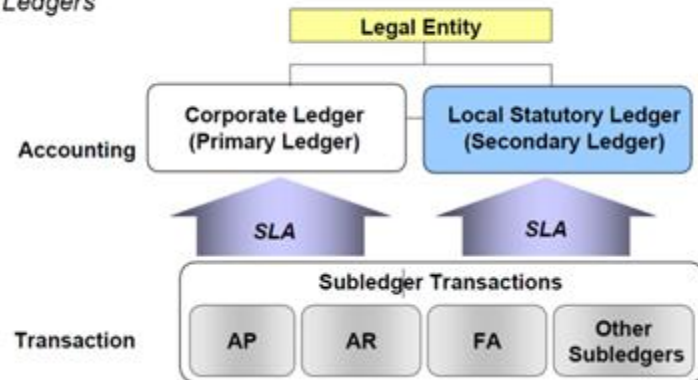
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Oracle® describes R12 as “the global business release,” and much of the focus has been on improving the ability of EBS to better manage complex global businesses, especially where organizations are centralizing their applications into a shared service environment. Some of the key enhancements include the introduction of a Common Accounting Engine with Subledger Accounting (SLA) and Multi-Org Access Control (MOAC). This article examines how to best use a single chart of accounts and a single instance to leverage R12 functionality to meet the globalization challenges.

Ledgers have replaced the concept of sets of books in EBS. A ledger can have its own accounting method, calendar, currency, and chart of accounts. Ledgers can be combined into ledger sets for processing all transactions. This means that a user can enter a single transaction in the primary ledger, and by defining create accounting rules and events, can update multiple ledgers without having to reenter the same information for each transaction. In a

Maintaining Multiple Accounting Representations with Secondary Ledgers



global environment, a company might have ledgers to comply with statutory requirements of a particular region or to report on the same data in a different way. For example, most organizations with foreign subsidiaries need to prepare their consolidated financial statements according to IFRS (International Financial Reporting Standards) and also US GAAP standards. Using SLA, a company can have one ledger that complies with IFRS and one that complies with GAAP accounting methods, post the transactions one time, and generate the consolidated reports from both ledgers. When a user posts a transaction type to the primary ledger, the “Create Accounting Function” uses a set of rules to update the statutory ledger. In R12, Oracle also introduces a single accounting engine to manage all posting activities into the general ledger. In prior releases, modules such as AR and AP contained their own rules for posting accounting events into the general ledger. The universal posting engine streamlines the close process. By applying standard accounting rules to all business transactions, SLA ensures consistent financial reporting. If the business uses a single chart of accounts, the user only needs to define the rules to create the transactions for posting to the GL or to subledgers one time, and then all the related subsidiary ledgers in a ledger set will be updated automatically. Users need to support only one set of rules, and maintenance of rules is simplified. A single global Chart of Accounts and a single global instance reduces the time spent compiling, reconciling, and consolidating financial data from disparate systems and spreadsheets and reduces the close time between the different modules and the general ledger. With a single chart of accounts and SLA, accounting policies are standardized across the entire enterprise and everyone adheres to the same set of rules and definitions. The data remains consistent, has full drill-down and roll-up capability, auditability, and visibility into all of the activity for the entire ledger set.

Multi-Org Access Controls provide the ability to manage customers and suppliers across operating units without changing responsibilities. Users can be assigned to multiple operating units, and processes and transactions can span operating units. MOAC increases the efficiency of operating a shared service center with streamlined access, processing, and reporting across operating units. Operating from a single global instance ensures global corporate consistency and global visibility. From a single global instance, MOAC provides the ability to negotiate with suppliers and leverage purchasing power across the enterprise. A

single global instance with MOAC implemented allows customers to make decisions based on complete information, even when the business crosses regions and divisions.

Learn how to use software to prepare your 11i organization for new R12 functionality >>>

[Contact us](#) to see how eprentise software can help you get to a single chart of accounts and a single instance.

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About eprentise

eprentise provides transformation software products that allow growing companies to make their Oracle® E-Business Suite (EBS) systems agile enough to support changing business requirements, avoid a reimplementation and lower the total cost of ownership of enterprise resource planning (ERP). While enabling real-time access to complete, consistent and correct data across the enterprise, **eprentise** software is able to consolidate multiple production instances, change existing configurations such as charts of accounts and calendars, and merge, split or move sets of books, operating units, legal entities, business groups and inventory organizations.