

# Oracle Financial Consolidation and Close Cloud

## FCCS Managing Journals

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**Journal Adjustments** : During financial consolidation process, adjustments that need to be made in common chart of accounts of a group of organizations. If there have been intra-group transactions, such as sales from one subsidiary company to another, any profits or losses resulting from these transactions should be eliminated from the consolidated financial statements.

## **Sample Adjustments.**

**Allocation Adjustments** : Commonly used for non-financial consolidation entries such as management reporting functionality

**Intercompany Eliminations** : Fixed – use to make value adjustments in order to eliminate intercompany transactions between two operating entities, by defining a specific amount

**Restatement** : Use to restate posted data that was incorrect

**Journal Adjustments** : Select this option if your application includes journal adjustment data. If you select this option, the Journals menu displays in the application for you to manage your journal entries. Journals can be manually entered or loaded.

## Consolidation

When Consolidation is enabled, you can calculate and adjust data, perform currency translation and run consolidation rules. You can select to enable the features applicable for your application.

Enabled

Journal Adjustments  Yes, with Workflow  
 Yes, without Workflow  
 No

## Note:

1. The journal functionality is only available if it has been enabled by an administrator, this can be during application creation or through the enable features option in application configuration.
2. During application create there is an option to enable journal adjustments, this can be with or without the workflow process

It is income earned during a particular accounting period but not received until the end of that period. It is **treated as an asset** for the business. Journal entry for accrued income recognizes the accounting rule of “Debit the increase in assets”.

Examples of accrued income – Interest on investment earned but not received, rent earned but not collected, commission due to being received, etc.

Journal entry for accrued income is;

<b>Accrued Income A/C</b>	<b>Debit</b>	Debit the increase in asset
<b>To Income A/C</b>	<b>Credit</b>	Credit the increase in income

Accrued income is also known as **income receivable, income accrued but not due, outstanding income** and **income earned but not received**.

## Simplifying with an Example

**Question** – On December 31st 2018 Company-A calculated 50,000 as rent earned but not received for 12 months from Jan'18 to Dec'18.

The same is received in cash next year on January 10th 2019. Show all related rent entries including the journal entry for accrued income on these dates;

December 31st 2018 (Same day)

January 10th 2019 (When the payment is received)

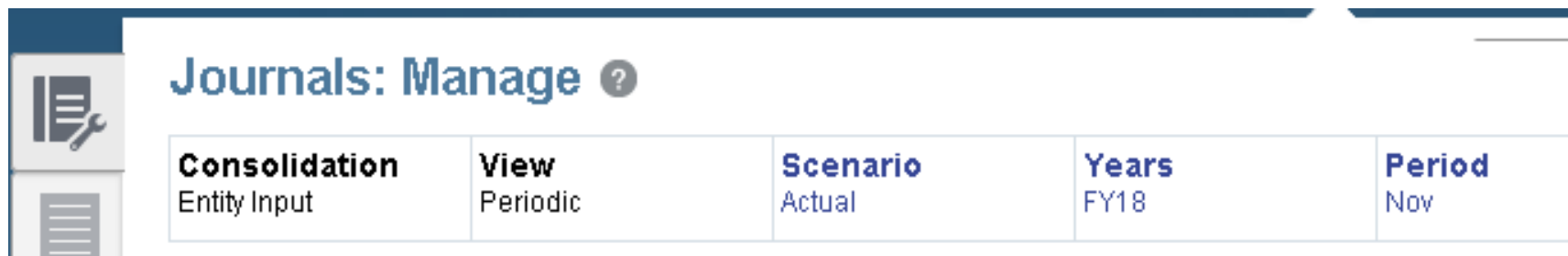
### 1. **December 31st 2018** – (Rent earned but not received)

Accrued Rent Account	50,000
To Rent Account	50,000

### 2. **January 10th 2019** – (Received cash in lieu of accrued rent from 2018)

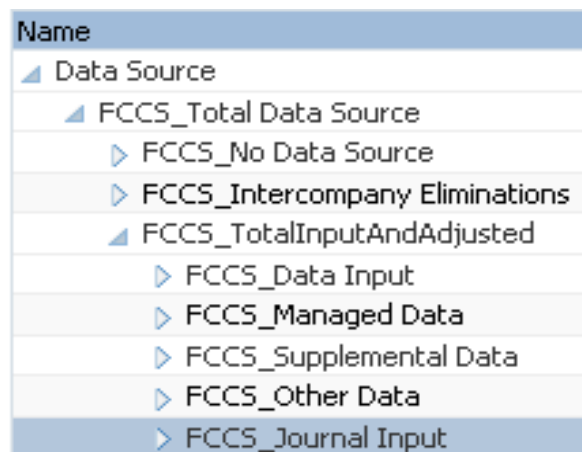
Cash Account	50,000
To Accrued Rent Account	50,000

Journals are created against the consolidation dimension member “Entity Input”, “View” member “Periodic” and currency member “Entity Currency”, they are managed by a combination of scenario, year and period.



Consolidation	View	Scenario	Years	Period
Entity Input	Periodic	Actual	FY18	Nov

Journals are also created against the seeded “Data Source” dimension member “FCCS\_Journal Input”.



Name
▲ Data Source
▲ FCCS_Total Data Source
▶ FCCS_No Data Source
▶ FCCS_Intercompany Eliminations
▲ FCCS_TotalInputAndAdjusted
▶ FCCS_Data Input
▶ FCCS_Managed Data
▶ FCCS_Supplemental Data
▶ FCCS_Other Data
▶ FCCS_Journal Input

# Example : Journal Entry for Prepaid Expenses

A requirement in financial consolidation is to ensure amounts arising from transactions with other companies in the same group be eliminated. The intercompany elimination (ICE) journal type facilitates this process by providing a method of adjusting consolidated totals based on transactions that take place between subsidiaries.

## Template Details: IC Adjustment

Actions Save Close

\* Label  \* Template Type  \* Journal Type  Group

Description

Create

Entity	Account	Intercompany	Movement	Multi-GAAP	Pro	Debit	Credit	Actions
C_101:US 1 LE 1 BU 1	18100:I/C Receivable	ICP_C_102:US 1 LE 2	1 Other Current Assets	FCCS_Local GAAP:Lo				
C_101:US 1 LE 1 BU 1	12104:Revenue Clearing	FCCS_No Intercompar	[FCCS_Mvmts_Change	FCCS_Local GAAP:Lo				

0.00	0.00
<b>Variance</b>	0.00

# Example : Journal Entry for Prepaid Expenses

## Sample Journal Entry

### Journal Details: 6 - 1003 (Posted)

Actions Save Close

\* Label 1003

\* Journal Type Regular

Group Others

Description Utilities Charges Accrual

Scenario	Years	Period	Consolidation	View	Currency	Data Source
Actual	FY17:FY 2017	Jun:June	FCCS_Entity Input:Entity Input	FCCS_Periodic:Periodic	Entity Currency	FCCS_Journal Input:Journal Input

Create

Entity	Account	Intercompany	Movement	Multi-GAAP	F	Debit	Credit	Actions
[Europe].[C_312]:Spain (EUR)	63550:Office Equipment Rental	FCCS_No Intercomp...	[FCCS_Mvmts_Oper...	FCCS_Local GAAP:...	[	6,500		⚙
[Europe].[C_312]:Spain (EUR)	13300:VAT Receivable	FCCS_No Intercomp...	[FCCS_Mvmts_Chan...	FCCS_Local GAAP:...	[	1,300		⚙
[Europe].[C_312]:Spain (EUR)	22110:Accounts Payables (T...	FCCS_No Intercomp...	[FCCS_Mvmts_Chan...	FCCS_Local GAAP:...	[		7,800	⚙
[Europe].[C_309]:Switze (CHF)	63550:Office Equipment Rental	FCCS_No Intercomp...	[FCCS_Mvmts_Oper...	FCCS_Local GAAP:...	[	2,900		⚙
FCCS_No Intercompany:No Intercompany						10,700.00	10,700.00	
						Variance	0.00	

## Output in Smartview

A	B	C	D	E	F
		Journal Input	Data Input	Total Input And Adjusted	
		Spain	Spain	Spain	
		Entity Input	Entity Input	Entity Input	
		June	June	June	
Changes in Net Income	Office Equipment Rental	6500	1000	7500	
Changes in Accounts Receivable	VAT Receivable	1300	#Missing	1300	

POV Sheet4\_1

FY 2017

Actual

Periodic

Entity Currency

No Intercompany

Local GAAP

No Product

Refresh



# Step#1 Creating Journal Groups

## Journals: Manage

Consolidation	View	Scenario	Years	Period		
FCCS_Entity Input:Entity Input	FCCS_Periodic:Periodic	Actual	FY17:FY 2017	Jun:June		

Actions ▾

- Import
- Export
- Groups
- Journal Options

Refresh Create

▼ Status: All

#	Label	Journal Type	Status	Description	Group	
1	<b>IFRS Adj Asset</b>	Regular	Approved	IFRS Adjustment Asset Revaluation	IFRS	⚙
2	<b>IFRS Adj Inv</b>	Regular	Posted	IFRS Adjustment Inventory FIFO	IFRS	⚙
3	<b>IFRS Asset Reval</b>	Regular	Posted	IFRS asset revaluation	IFRS	⚙

As a Service Administrator, you can create journal groups to classify journals and filter journal lists. You can create journal groups to classify journals by type, and to filter journal lists. You can add or delete groups, edit group descriptions, and load groups during a journals load.

## Journals: Groups ?

Name	Description
<b>Corp</b>	Corporate
<b>ICP Reconciliati...</b>	Intercompany Reconciliation
<b>IFRS</b>	IFRS Adjustments
<b>Ops</b>	Operations
<b>Others</b>	Other Journals
<b>Reclass</b>	Reclassifications
<b>Region</b>	Region
<b>Tax</b>	Tax Journals

## Managing Journal Periods

Before you can work with journals, you must open the time periods for the journals. By default, all periods have an initial status of Unopened. You can open and close periods at any time, but you cannot change an opened period to unopened.

### To open or close periods:

1. On the Home page, click **Application**.
2. Click **Manage Periods**.
3. For Scenario and Year, select members of the periods that you want to open.
4. Select the periods to open or close.
5. To open the selected periods, from the **Actions** drop-down, select **Open**, or to close them, click **Close**.

### Manage Periods

Actions ▾

Scenario	Years		
Actual	FY17:FY 2017	→	⚙️

Period	Status	Action
Jan	Unopened	⚙️
Feb	Unopened	Open Close
Mar	Unopened	

# Step#3 : Creating Journal

The below example shows balanced journal entry( Total Debit = Total Credit). Make a note, journal input is done for FCCS\_Journal Input Data Source members.

## Journal Details: 1 - IFRS Adj Asset (Approved)

Actions Save Close

\* Label IFRS Adj Asset

\* Journal Type Regular

Group IFRS

Description IFRS Adjustment Asset Revaluation

Scenario	Years	Period	Consolidation	View	Currency	Data Source		
Actual	FY17:FY 2017	Jun:June	FCCS_Entity Input:Entity Input	FCCS_Periodic:Periodic	Entity Currency	FCCS_Journal Input:Journal Input	→	⚙️

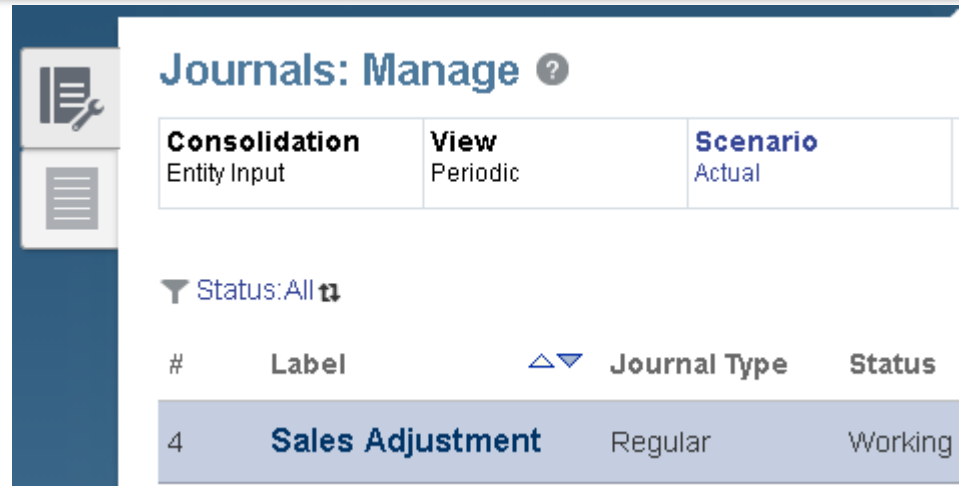
Create

Entity	Account	Intercompany	Movement	Multi-GAAP	Status	Debit	Credit	Actions
C_101:US 1 LE 1 BU 1 (USD)	68130:Depreciation Machiner...	FCCS_No Intercompa...	[FCCS_Mvmts_Oper...	FCCS_Adjustm	Approved	5,000		⚙️
C_101:US 1 LE 1 BU 1 (USD)	16130:Accum. Depr. Machine...	FCCS_No Intercompa...	Mvmts_Depreciation:...	FCCS_Adjustm	Approved		5,000	⚙️
C_101:US 1 LE 1 BU 1 (USD)	15130:Machinery and Equip...	FCCS_No Intercompa...	[FCCS_Mvmts_Invest...	FCCS_Adjustm	Approved	15,000		⚙️
C_101:US 1 LE 1 BU 1 (USD)	33150:Other Comprehensive ...	FCCS_No Intercompa...	[FCCS_Mvmts_Invest...	FCCS_Adjustm	Approved		15,000	⚙️

20,000.00	20,000.00
<b>Variance</b>	0.00

# Step#4 Follow Journal Review Process

Once created, the status of the journal will be "Working"



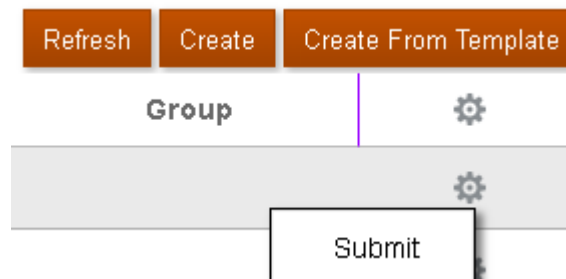
**Journals: Manage** ?

<b>Consolidation</b> Entity Input	<b>View</b> Periodic	<b>Scenario</b> Actual
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▼ Status: All ↕

#	Label	Journal Type	Status
4	<b>Sales Adjustment</b>	Regular	Working

The user then submits the journal for approval.



Refresh Create Create From Template

Group [Settings Icon]

[Settings Icon]

Submit

As the journal is not balanced an error is generated and cannot be submitted.



**Error**

▼ **Sales Adjustment**

Journal is not balanced by currency GBP.

# Journal Review Process

The journal was updated to be balanced and submitted.

▼ Status: All

#	Label	Journal Type	Status
4	<b>Sales Adjustment</b>	Regular	Submitted

The approver then tried to approve the journal.

⚙️  
 Submit  
 Reject  
 Approve

## Journals: Manage

Actions ▼

<b>Consolidation</b> FCCS_Entity Input:Entity Input	<b>View</b> FCCS_Periodic:Periodic	<b>Scenario</b> Actual	<b>Years</b> FY17:FY 2017	<b>Period</b> Jun:June	→	⚙️
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▼ Status: All

Refresh Create Create From Template

#	Label	Journal Type	Status	Description	Group	
15	<b>CFA Marketable...</b>	Regular	Working	Cash Flow Adjustment - purchase of marketable securities	Corp	Submit Reject Approve Post Unpost Copy Delete
7	<b>1004</b>	Regular	Approved	Correction of misposting in source system	Others	
5	<b>1002</b>	Regular	Working	Correction Tax Provision Journal Entry for Holding	Tax	
8	<b>1005</b>	Regular	Submitted	Correction to be done in July 17 in ERP	Others	
4	<b>1001</b>	Regular	Approved	ICP Difference Adjustment in Revenues between Germany and Spain	ICP Reconcili...	
1	<b>IFRS Adi Asset</b>	Regular	Approved	IFRS Adjustment Asset Revaluation	IFRS	

# Step#5 : Render Journal Report

The final step is to generate report. One can create report by clicking create button.

[Financial Reports](#) | [Journal Reports](#) | [Intercompany Reports](#) | [Task Manager Reports](#) | [Supplemental Data Reports](#) | [Consolidation Reports](#)

## Journals: Reports

Label	Description	Output Format	Actions
All JE	All Journal Entries	  	
IFRS Journals	IFRS Posted Journals	  	
Journals by Status	Journals by Status	  	

[Create](#) [Refresh](#) [Run Report](#)

[Financial Reports](#) | [Journal Reports](#) | [Intercompany Reports](#) | [Task Manager Reports](#) | [Supplemental Data Reports](#) | [Consolidation Reports](#)

## Journals: Reports

Report Type  [Run Report](#) [Save](#) [Cancel](#)

Consolidation	View	Scenario	Years	Period	
FCCS_Entity Input:Entity Input	FCCS_Periodic:Periodic	Actual	FY17:FY 2017	Jun:June	 

### Row Filter Options

Entity <input type="text" value="C_101"/>	Label <input type="text"/>	Intercompany <input type="text"/>
Description <input type="text"/>	Group <input type="text"/>	Multi-GAAP <input type="text"/>
Account <input type="text"/>	Status <input type="text"/>	Product <input type="text"/>
Journal Type <input type="text" value="Regular"/>	Movement <input type="text"/>	
Data Source <input type="text" value="FCCS_Journal Input"/>	Currency <input type="text"/>	

Any Question?