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TECHNOLOGY AND APPLICATIONS FORUM  
FOR THE ORACLE COMMUNITY

#C14LV

# Case Study: Balancing by 2 segments in EBS Release 12.1.3

Session ID#: 13941

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# About the Presenters

## ■ Sangeeta Sameer

- IT Team Leader, with General Electric for 11 years
- Previously, Senior Principal Consultant with Oracle for 6 years
- Focus on ERP, Oracle Financials and Project Accounting
- Presented at OAUG Conferences in 1999 and 2006

## ■ David Haimes

- Senior Director, ERP Development, Oracle
- Managing the development, product management and QA organizations for GL, Intercompany, Legal Entity and Common Modules
- Blogging for 7 years on Oracle Financials ([davidhaimes.wordpress.com](http://davidhaimes.wordpress.com))
- Oracle Liaison for the OAUG GL SIG
- Regular presenter at Oracle OpenWorld and OAUG Conferences



# Learning Objectives

- Learn more about Standard Oracle Balancing for both Sub-ledger Accounting (SLA) and General Ledger
- Gain in-depth knowledge of how Standard Oracle Balancing works in release 12.1.3 including the Tables used by the Balancing API
- Learn about the 3 controlled Patches that Oracle provided to enable the custom solution.
- Learn about the Factors that contributed to making this Custom solution successful at GE.



# Introduction

- GE launched Enterprise Standards in 2012, including a Standard Chart of Accounts (COA)
- Legal Entity (LE) and Management Entity (ME) segments are part of COA
- Need to generate balanced Trial Balance for LE and ME
- Build a global custom balancing solution for Oracle R12:
  - Corp. & Tax require balancing at Statutory Department Level (LE / ME)
  - Oracle R12 (out of the box) balances only on one Segment



# Requirements

- Balanced Trial Balance by 2 segments in COA
  - Legal Entity
  - Management Entity
- Solution needs to work for all journal sources
  - Sub-ledger created Journal Entries
  - Manual Journal Entries
  - GL only processes (allocations, etc.)
  - GL integrations
- Balancing lines should be included with original journal
- Balancing should be simultaneously created with posting process to allow ledger to be balanced at all times, not just at end of closing.



# Alternative Solutions

- Fusion balances by up-to 3 Segments
- Custom Program in GL Interface Table
  - Balancing will not happen at Sub-ledger Accounting
  - Potential to lose drill down ability from GL to Sub-ledger
- Concatenate LE and ME segments
  - Not consistent with Enterprise Standards



# David Haimes



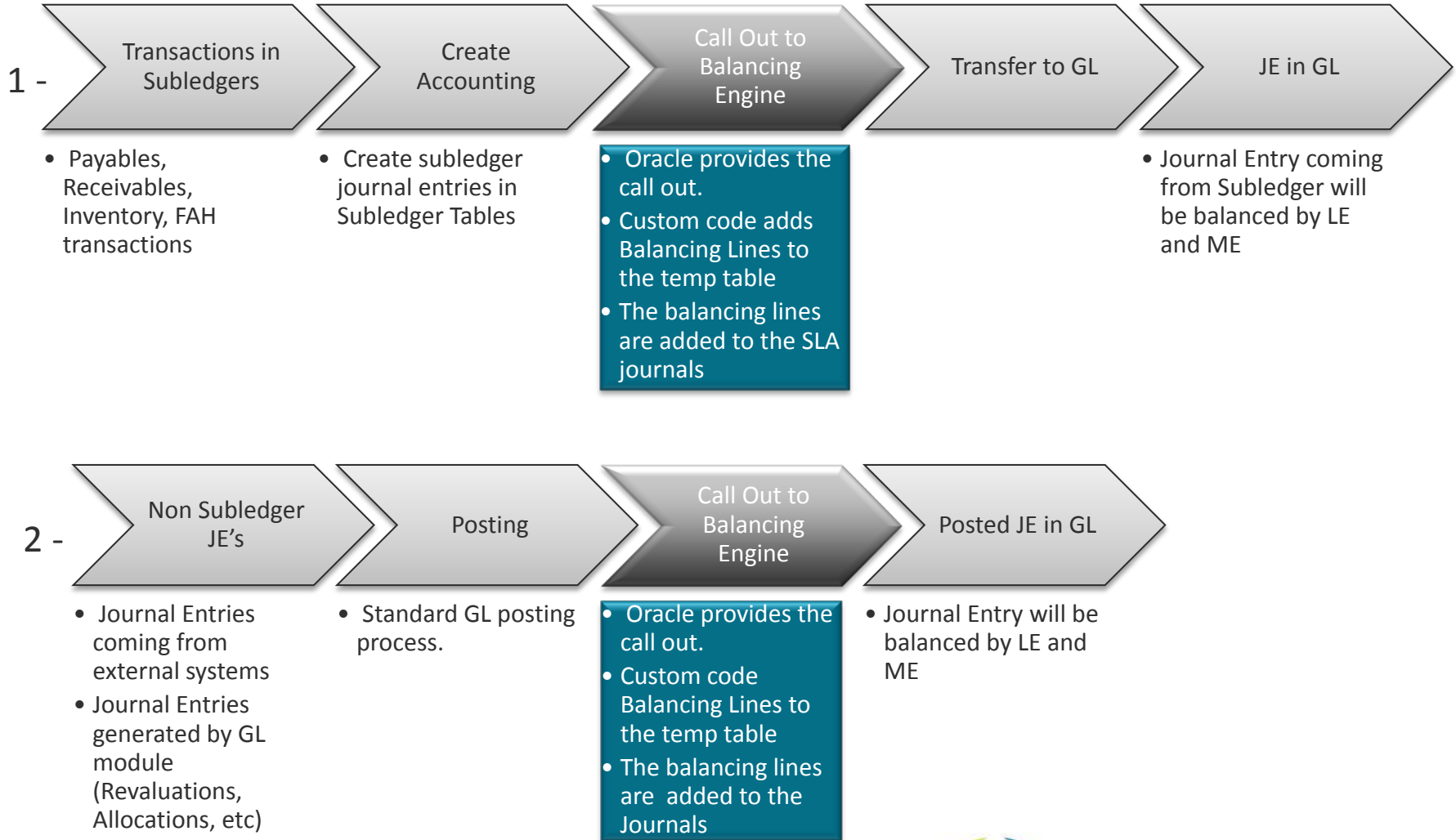
# How Oracle Balancing works

- There is a centralized balancing engine
- Called by SLA create accounting and GL posting programs
- Calling programs populate a Global Temporary Tables with the unbalanced lines (FUN\_BAL\_HEADERS\_GT and FUN\_BAL\_HEADERS\_LINES\_GT)
- Balancing engine returns balancing lines in another global temporary table (FUN\_BAL\_RESULTS\_GT)
- SLA and GL add the balancing lines to the journals they create
- The balancing is done per each individual SLA or GL Journal
- Lines are added to an individual Journal that is out of balance to balance the journal
- The lines are always grouped by: Journal Name, Period, Category, Source, Effective Date, Currency (plus Conversion Date, Type, Rate)





# Solution Flow



# Selected solution - Summary

- LE = Primary Balancing Segment
- Add Secondary Tracking qualifier to second balancing segment (ME)
- Oracle Patch # 1 to add a call out at the end of FUN Balancing API (Intercompany Engine) to call a custom package
- Oracle Patch # 2 to enable GL Posting Program to call the Intercompany Engine when the journal is balanced by LE, but not balanced by ME
- Oracle Patch # 3 to enable SLA Create Accounting Program to call the Intercompany Engine when the journal is balanced by LE, but not balanced by ME
- Custom package developed by GE



# Second Balancing Segment

Add Secondary Tracking qualifier to the second Balancing Segment

## ■ Advantages:

- Provides out of the box balancing for Retained Earnings, Cumulative Translation Account
- Simple way for Oracle code in “GL Posting” and “SLA Create Accounting” to check if Journal lines are not balanced and call the Intercompany engine (Balancing API), where there is a call out to a custom package based on a Profile Option
- Able to handle an already set-up Ledger
  - Oracle White paper to enable secondary tracking segment for an Existing Set of Books
  - GE used this for a Brazil Ledger that was already live



# Balancing API Patch # 17325813:R12.FUN.B

- Adds the functionality to call a Custom Package from the balancing engine (Balancing API) processing
- Allowing custom code to create the balancing lines
- Patch delivered for this: 17325813:R12.FUN.B
- The Patch enables Balancing API to call a Custom Package by utilizing a Profile Option:

Profile Option Name: FUN\_ENABLE\_BALANCING\_CUSTOM\_API



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# GL Posting Patch #: 16663728:R12.GL.B

If Profile Option FUN\_ENABLE\_BALANCING\_CUSTOM\_API is set, then

- Adds the functionality to invoke the Balancing API for both segments, not just the Primary Balancing segment
- Populates the input tables with unbalanced lines for both segments
- Skips Oracle rounding logic
- Bypasses Oracle Intercompany logic



# SLA Patch #: 17028916:R12.XLA.B

If Profile SLA Custom Generate Balancing Journals is set, then

- Adds the functionality to invoke the Balancing API for both segments, not just the Primary Balancing segment
- Populates the input tables with unbalanced lines for both segments
- Bypasses the following steps in standard SLA code:
  - Balance by Ledger Currency (Suspense – optional)
  - Intercompany Balancing
  - Cross Currency Balancing (Entered Currency Balancing)
  - Balancing by encumbrance
  - Rounding logic



# This is a customization - there is work involved

- Oracle provides a callout, but it does not support the custom
  - Support will ask to turn this off if you file an SR
- The custom code GE wrote is **not** trivial
  - You need to test all the different types of transactions that could occur in SLA and GL
  - Testing and sign off from all impacted business users is key
- You must consider performance
  - The calculation logic could slow down posting and SLA accounting significantly if it does not perform well
  - Volume testing with realistic data is recommended



# Sangeeta Sameer



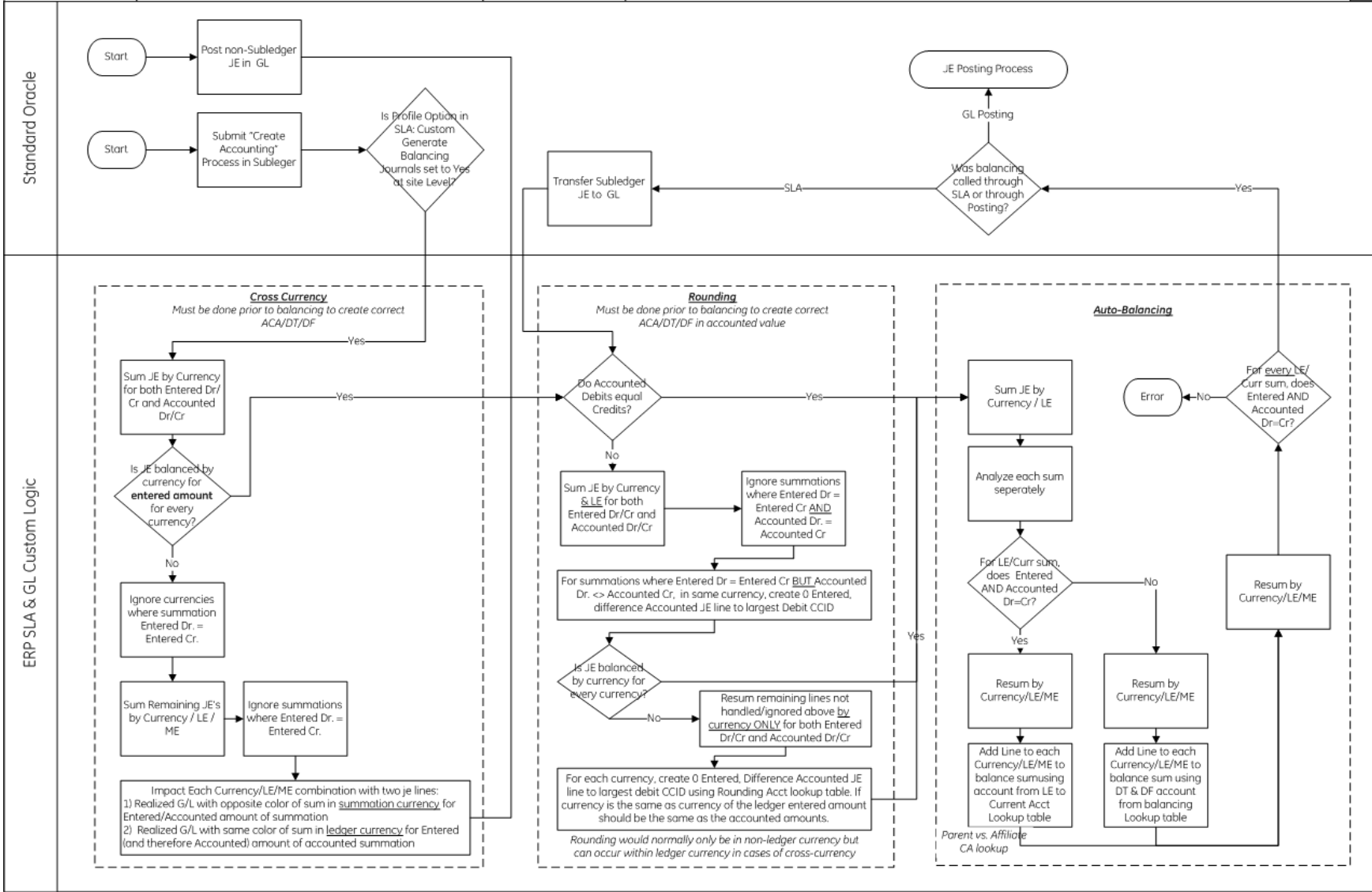
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# Custom Logic

<b>Business</b>	<b>R12 ES GAP</b>	Level 1	Custom Two Segment Balancing – GL & SLA in R12 Oracle
<b>Site</b>		Level 2	
<b>Process Owner</b>	Mike Fisk / Sharon Foy / Luis Uribe/ Sangeeta Sameer	Level 3	
<b>Revision Date</b>	11/19/13	Level 4	
<b>Version #:</b>	1.0	Level 5	



Parent vs. Affiliate CA lookup

# Test Scenarios

Test Case	Test Case JE Line Characteristics									Output Lines Created		
	GL (Feeder/MJE) or SLA	Subledger Cross Currency?	Rounding Needed?	Cross LE Seg?	Cross ME Seg?	Entered Currency = Accounted Currency	Journal Currency Entered	Ledger Accounted Currency	Rate	Cross Currency	Rounding	Two Seg Balancing
<a href="#">1G</a>	GL	N/A	No	No	No	Yes	USD	USD	N/A	No	No	No
<a href="#">1S</a>	SLA (AR or FAH)	No	No	No	No	Yes	USD	USD	N/A	No	No	No
<a href="#">2G</a>	GL	N/A	No	No	No	No	JPY	USD	0.01111	No	No	No
<a href="#">2S</a>	SLA (AR or FAH)	No	No	No	No	No	JPY	USD	0.01111	No	No	No
<a href="#">3G</a>	GL	N/A	Yes	No	No	No	USD	JPY	83.47739	No	Yes	No
<a href="#">3S</a>	SLA (AR or FAH)	No	Yes	No	No	No	USD	JPY	83.47739	No	Yes	No
<a href="#">4G</a>	GL	N/A	No	No	Simple	Yes	USD	USD	N/A	No	No	Yes
<a href="#">4S</a>	SLA (AR or FAH)	No	No	No	Simple	Yes	USD	USD	N/A	No	No	Yes
<a href="#">5G</a>	GL	N/A	No	Simple	No	Yes	USD	USD	N/A	No	No	Yes
<a href="#">5S</a>	SLA (AR or FAH)	No	No	Simple	No	Yes	USD	USD	N/A	No	No	Yes
<a href="#">6G</a>	GL	N/A	No	No	Complex	Yes	USD	USD	N/A	No	No	Yes
<a href="#">6S</a>	SLA (AR or FAH)	No	No	No	Complex	Yes	USD	USD	N/A	No	No	Yes
<a href="#">7G</a>	GL	N/A	No	Complex	No	Yes	USD	USD	N/A	No	No	Yes
<a href="#">7S</a>	SLA (AR or FAH)	No	No	Complex	No	Yes	USD	USD	N/A	No	No	Yes
<a href="#">8G</a>	GL	N/A	No	Complex	Complex	Yes	USD	USD	N/A	No	No	Yes
<a href="#">8S</a>	SLA (AR or FAH)	No	No	Complex	Complex	Yes	USD	USD	N/A	No	No	Yes
<a href="#">9G</a>	GL	N/A	Yes	Complex	Complex	No	USD	JPY	83.47739	No	Yes	Yes
<a href="#">9S</a>	SLA (AR)	No	Yes	Complex	Complex	No	USD	JPY	83.47739	No	Yes	Yes
<a href="#">10S</a>	SLA (AR)	Yes	No	No	No	N/A	EUR/USD	USD	1.289852	Yes	No	No
<a href="#">11S</a>	SLA (AR)	Yes	No	Simple	Simple	N/A	EUR/USD	USD	1.289852	Yes	No	Yes
<a href="#">12S</a>	SLA (AR)	Yes	No	Simple	Simple	N/A	EUR/JPY	USD	1.289852	Yes	No	Yes
<a href="#">13S</a>	SLA (AR)	Yes	Yes	Complex	Complex	N/A	USD/EUR	JPY	1.3084	Yes	Yes	Yes





# Success Factors

Solution in Production for Power Generation and Oil and Gas businesses

- Cross Functional, Collaborative Project Team
- Requirements and Use Cases defined at a detailed level by Finance Team
- Rigorous Testing for different scenarios



# Please complete the session evaluation

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