Closing and Reconciling Oracle Receivables - Release 12 (and 11i)

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Introduction

Your close needs to be quick, accurate and reliable. With a clear and consistent process you can insure that you are comfortable with your results and that you have the proper backup. Confirm that both your Accounts Receivable activity balances to your Aging and that your AR, SLA and GL values are in sync and, if not, why not. This paper includes a step-by-step process with details for improving your close and a detailed reconciliation for Release 12 (and 11i too). Most of the concepts presented here are applicable for all releases of Oracle Receivables; I will point out where there are applicable changes in Release 12.

This talk walks you through my process for optimizing your close and reconciliation using detailed step-by-step instructions that provide you with:
- Best practices for your close
- A guide for what can be done in advance to speed the actual close process
- A clear check list of tasks to be performed to insure that everything you need to do is really done and done in the proper sequence
- Details of the reconciliation process both within AR and AR to GL
- Tips for speeding up your close.

What's New in Release 12?

In release 12 Oracle introduced Subledger Accounting (SLA). SLA provides you with the capability to create more sophisticated rules for how you assign GL accounts to your activities (beyond what AutoAccounting and the standard assignment of accounts can handle). While this is a great concept, it introduces another issue, if your SLA definitions create accounts that are not the same as the accounts that Oracle Receivables assigns, you will have different accounts in your AR from in your General Ledger – causing reconciling items. I recommend that you use the standard account assignments from Oracle Receivable whenever possible. With SLA the GL Accounts associated with your activities such as creating receipts are not automatically created. You need to run a process called Create Accounting. As part of the Create Accounting concept, SLA created an intermediate area for storing accounting entries from "Subledger" applications such as Oracle Receivables. This means that there is an additional layer between AR and GL.

The Close Process

The actual close process includes:
- Completion of the final run (for the period) of all applicable interfaces and correction of any errors which result
- Completion and/or deletion of all incomplete transactions (invoices, credit memos, debit memos)
- Completion of creation of all Lockbox payments as receipts
- Approve or reject all pending adjustments
- Create all accounting entries

- Running all month end reports and validating the outcome
- Passing data from Accounts Receivable to SLA to the General Ledger
- Reconciling Accounts Receivable activity to the Aging
- Reconciling Accounts Receivable activity to the General Ledger
- Closing the old period and opening the new period

A Formal Close Schedule

Since Accounts Receivable is dependent on data for invoices, credit memos and potentially debit memos, which are generated from other applications - you need a clear schedule for when new activity may or may not be imported. A formal close schedule provides you with this.

The close process begins with collecting all of the data you need, in a timely manner. It also means preventing changes to the data as you are performing the close so making the window in which you need to process the close as short as is possible is key

One way to help this process is to create a formal close schedule. This establishes clear-cut deadlines for when data will and will not be accepted for inclusion in the period. After that point, everything goes into the next period (the key to this is clearly communicating this information to all related parties and their managers - prior to the close). This includes both manually created data and data from other modules such as Projects, Order Management, Service Contracts and other billing applications.

The close schedule also defines when others may use the system for queries and reporting *only*, so you are not trying to balance a moving target. Key to this is letting everyone know when you are closing (so no new activity can occur) and then when you are done (so they can start processing again). Depending on the size of your organization this could be mass emails, voice mails or yelling over the cubicle walls to say that you are starting and when you are done.

Consistency across periods for these activities is critical. Activities which may be controlled by a close schedule:
- **Bank Deposits** - The cut off date for bank deposits: What will and will not be included in the period. Typically you get the information for today's deposits tomorrow. So, should the last deposit in the period be included in the current period or in the next period? If you typically get large deposits on the last date of the period, this can have a significant impact on what period they are included in or not. What is the best cut-off date for you to use? If you need to include yesterday's deposit in the close, how will you achieve this and how will it impact your close.
- **Shipments** – When do you cutoff the shipments for one period and apply them to the next period? What is the determining factor for this? Again, materiality and the specific quarter may make a difference.
- **Inter-Company Activity** – If this activity is controlled by manual adjustments, miscellaneous cash transfers etc. you can control when these are accepted and what period they are posted in. This is specifically an area where having a clear cutoff schedule will help you to avoid the "just one more" syndrome.
- **Miscellaneous Cash** – What is your cut-off for these activities and what determines which period they are for?
- **Interfaces from Other Applications** - When they cut off their data impacts how long you have to wait for them. Can their cutoffs be changed? Accelerated?

The key is to be consistent from period to period and to have clearly documented schedules. You will know exactly why you are closing when you are and what you are and are not including and why. But, be realistic regarding your business needs - you just may not be able to change some of these things.

Oracle Receivables – Period Close Schedule Example
This is based on a period that ends on Fridays:

TASK	DESCRIPTION	Who	Cutoff Date/Time
1.	Final Deposit for the Period	Cash	Thursday
2.	Process and Correct Final Deposit (AutoLockbox)	Cash	Friday 3:00
3.	Final Interfaces from Other Applications: Projects, Order Management, Cash Management…	Cash	Saturday at Noon
4.	Run the Final AutoInvoice Process	Billing	Saturday by 7:00 pm
5.	Enter Final Miscellaneous Cash Entries	Cash	Thursday 5:00 pm
6.	Enter Final Intercompany Entries	Cash	Friday Noon
7.	Schedule Period End Reports to Run	Closer	Sunday Noon

"Period Close" Activities You Can Do Prior to "The Close"

Certain "clean up" activities should be performed by the end of each period, but this does not mean that you have to wait until the last minute to complete them. They can be done daily, weekly or at least by the Friday prior to the last date of the period. This should reduce the time it takes for you to complete the tasks for the actual close – always a good thing.

These activities include:
- **Accept or Reject Unapproved Adjustments** – If you have adjustments which are outside of the creator's applicable limits, they need to be approved or rejected by someone with higher limits. It is not required that you reject or approve all unapproved adjustment prior to closing the period, however, it is much harder to remember why the adjustment was created in the first place if you wait too long. So why not just keep them clean as you go? At least every Friday? Or more often. You can see all pending adjustments by performing a query in the Approve Adjustments screen.
- **Complete or Delete Incomplete Transactions** – Since you may leave a transaction before you finalize it with a Status of "Incomplete", it is possible to have transactions that may have been "forgotten about" in Oracle Receivables. Again, you are not required to complete your transactions before you close the period but it is best to remove extraneous and potentially confusing data from the system in a timely manner. You can see all incomplete transaction by performing a query in the Transactions Summary screen where you blank out the Completed indicator.
- **Process All AutoInvoice Activity** – AutoInvoice is the process which is used to pass order, project and external billing details into Oracle Receivables. AutoInvoice performs literally hundreds of edits to insure that you don't add garbage transactions and it is possible for some transactions to be stuck in the interface tables since they did not pass these edits. Leaving AutoInvoice "rejects" and then fixing them in the next period has been known to create serious reconciliation problems; you don't have a clear picture of your sales for the period and most importantly, if you don't invoice, you can't collect the cash. So fix

these rejects and the cause of the rejects ASAP, throughout the period. Note that in Release 11.3, Oracle introduced a new screen for correcting AutoInvoice rejects; AutoInvoice → Interface Lines - this should make the correction of these rejects easier. Also, if you see patterns of why data is rejected, you can be more proactive in how to fix them. I recommend that you also fix the source document (order, project…) so that you don't have additional rejects in the future.

- **Clear AutoLockbox Exceptions** – Automatic Lockbox is used to import data from your bank about payments from your customers. As with AutoInvoice, this data goes through lots of edits before they can become "real payments." You won't be able to reconcile with your bank or to account for your actual cash until all your lockbox data has run through the Post QuickCash step in the process. So, you need to resolve the rejects and run through this last step for all batches. An 'unidentified receipt' is better than no receipt at all.

- **Create Accounting (R12 Only)**– With the introduction of SLA there is a new step – Create Accounting that creates the accounting details for all activity in all Subledger applications including Oracle Receivables. Have visibility to the accounting details is useful when working with your data. I suggest running this process at least nightly.

- **Transfer Data to the General Ledger** – This is the process that passes your accounting entries from SLA to the General Ledger. Obviously, this needs to be done by the end of the period, but could you transfer the data more frequently? Oracle Receivables and SLA are designed to allow you to run the transfer as many times as you need during the period – it simply picks up any data that hasn't already been transferred and transfers that data (so you don't have to worry about running this process too often). Another advantage of running the interface more frequently is that you can run your General Ledger reports throughout the period vs. just waiting until the end of the period. Caution; some activities such as Transactions are easier to change (e.g., if you have used an invalid account) prior to running the Transfer to the General Ledger. Also insure that the data actually made it the General Ledger – verify that there are no Unposted Items and the SLA Period Close Exceptions Report.

- **Revenue Recognition Process** – If you use Accounting Rules to defer the recognition of revenue, Oracle Receivables uses the Revenue Recognition Process to distribute the recognition of the revenue (exactly how varies by the product release you are using). This process is run automatically as part of the General Ledger Interface, but you may also run the Revenue Recognition process as a standalone process at any time. As with the General Ledger Interface, this process only picks up data which has not yet been processed so by running this standalone process in advance, you reduce the number of records to process each time this process is run. Note that there have been performance issues with this process (where it runs more slowly than it should); be sure that you are using the latest patches.

- **Enter Miscellaneous Cash** - Entering information about your non-Accounts Receivable Cash is often left until the last minute but you could be entering these receipts throughout the period. Again, this will reduce the amount of work you have to do at period end.

- **Unapplied Cash** - Note that there is no requirement to convert all of your unapplied receipts into on-account receipts, just so that the batch status says "Closed." This does not buy you anything and it actually: 1) causes you to lose visibility to what really is on-account (cash in advance) and 2) it takes 2 steps instead of 1 to apply the cash later. So, you can skip this process, one less thing to do! I only recommend that you change the status to On-Account when this truly is "cash in advance" or a pre-payment. It is always a good habit to regularly match your unapplied receipts and open invoices.

The Actual Close

Once you have received, imported and entered all the data for the period, you should minimize the amount of time required to "close" the period (since no new transactions may be entered during that time). ***See Exhibit A: Oracle Receivables Period Close Checklist*** *(and detailed instructions)*. By using a close checklist; you ensure that you have not skipped any steps, that you proceed in a logical manner and you always know what remains to be done. The sample checklist may include steps that are not applicable to you but you can just skip them (you can use the sample checklist provided as a starting point to create your own custom checklist).

One of the key aspects of this process is to have a clear method of communicating to others when the application is available for inquiry only and when they may start entering activity for the next period. Of course, the shorter the time it takes to complete the close, the happier everyone will be.

The close includes:
- Completing all interfaces
- Cleaning up all exceptions (see above for the list)
- Verifying that the accounting entries you are passing to the General Ledger are indeed valid
- Running the Final General Ledger Interface
- Closing the current period
- Opening the new period

After you have completed all of the interface cleanups and have received all of the applicable data into Oracle Receivables – run the AR:Journal Entries Report – Summary by Category (new name in Release 12). Use this report to verify that you will be creating your journal entries using the correct GL accounts. Even if you have already run General Ledger Transfers for the period, if you find that you are using an inappropriate account you can create offsetting activities prior to the close. By creating offsetting entries in AR, you are insuring that the final General Ledger account activity will match the AR activity and both AR and GL will be using the proper accounts.

Typical areas to check for inappropriate use of accounts in the AR:Journal Entries – Summary by Account report include:
- For categories where the name ends in '(AR)', e.g., Sales Invoices (AR) – you should only see Accounts Receivable accounts being used
- For the Category Trade Receipts – on the debit side, you should only see cash accounts
- For categories where the name does not end in '(AR)' – you should never see Accounts Receivable accounts being used.
- For the category 'Sales Invoices' – your credits should only include revenue, tax and freight accounts…

See Exhibit A for more details.

If you find an account which is inappropriate for a category: re-run the AR:Journal Entries Report using the Detail by Category version - for just the category and account where you found the problem. This will allow you to trace the problem to the exact transaction(s) with the error. Correct the error in an appropriate manner based on the type of transaction that actually had the problem. Re-run the AR:Journal Entries Report (Summary by Category) to verify that you no longer have any issues.

You are ready to run final Create Accounting and to transfer to the General Ledger and to complete the posting within General Ledger. Ensure that: all steps of the General Ledger Transfer complete successfully, the numbers appear reasonable; you had no un-posted items. Notify the General Ledger staff that your journal entries are available for posting (or post the batch yourself, depending on your policies). Run the Subledger Period Close Exceptions Report to verify that there were no issues.

Close the old period and open the new period. Notify all applicable users that the new period is now open and they may begin processing. Congratulations!

Tip: *I strongly recommend that you have only one Oracle Receivables period open at one time. With more than one period open at a time, you could have activity going into one period when you meant for it to go into the other period. This is due to the General Ledger date defaulting to the current date and if that date is within an open period it will use that date. Also, there are known problems with items being posted with one side of the entry in one period and the other side in the next period. I find it to be just too risky to have more than one period open. If you minimize the time it takes to close, this should not be an issue.*

Reconciling Oracle Receivables Activity to the Aging

In this process, you verify that all transactional activity for the period is reflected in the net activity in the Aging (Beginning Balance +/- current period activity = Ending Balance). If not, it is necessary to determine why. Possible reasons include system errors, incomplete tasks and mis-coding of activity.

In 11i, Oracle introduced the AR Reconciliation Report (similar to what was formerly known of as the "Roll Forward Reports" – but much faster). Run this report for a summary level view of your starting aging balance, your ending aging balance and the totals for the activity that occurred within the period: new transactions (invoices, credit memos, and debit memos), payments applied, adjustments, currency gains and losses…

Even if you are using 11i or newer, I still recommend that you also run various standard Oracle transaction detail reports as "backup documents" for these totals. These reports may be used to reconcile with the AR Reconciliation Report and provide you with the backup details for auditors, management… as needed. Those reports include the:
- Aging, 7 Buckets by Account
- Transaction Register
- Applied Receipts Register
- Unapplied and Unresolved Receipts Register
- Invoice Exceptions Report
- Currency Gains/Losses Report
- Adjustments Register
- AR Reconciliation Report

All of these reports should be run using the first GL Date of the Period, through the last GL Date of the Period (no matter when run in the period) and with the GL Date ranges as the only date parameters used to run the reports. *See Exhibit B – Reconciling AR to the Aging* for details on running and reconciling the reports. This exhibit includes an example of a spreadsheet to use to reconcile these amounts. The totals should equal the amounts on the AR Reconciliation Report but you may also use the spreadsheet to further subdivide for different orgs, currencies, and/or companies.

Tip: *I recommend keeping folders by period and year with softcopies of all of these reports in case you need to look back at the details you used for your reconciliation. This is especially true for the Aging reports you use since if you retroactively run the Agings, you will not get the same results as when you originally ran them.*

If you have issues with the reconciliation, go to the source reports to research the cause of the reconciling item.

Typical reasons why you don't reconcile include, you:

- Did not use the same dates for every report;

- Used dates other than the General Ledger dates (or in addition to the General Ledger dates) for the selection;

- Entered the wrong amounts from the various reports into the spreadsheet (especially easy to do with the Transaction Register);

- Used the wrong sign. Credit Memos and Applied Receipts should be negative. Adjustments, unapplied activity and "invoice exceptions" may be negative or positive;

- Have overlapping dates in your "Aging Bucket" definitions;

- Have a buggy version of one of the reports;

- Used custom reports that do not have the same selection criteria as the standard Oracle reports;

- Included data in the column for the wrong company or you skipped a company;

- Note that the Invoice Exceptions Report lists all transactions that have an impact on the General Ledger but do not create open receivables on your aging. You need to factor these into your calculation since the transactions will still appear on the Transaction Register. This option is rarely used.

- Many of the reports in Release 12 split out the non-"Functional Currency" (e.g., CAD) activity and display them in the Functional Currency (USD) and some (Applied Receipts Register) include the non-"Functional Currency" activity with the rest of the activity, converted to the Functional Currency. Be sure that you are selecting the correct amounts. *Watch the Transaction Register, this report combines the values for multiple currencies into the totals – as if there are the same currencies – eek!*

Correct as needed and you should now be in balance.

Document Your Accounting Activity

Now that you have balanced Accounts Receivable activity to the Aging Balance and have opened the new period, it is time to explain the actual accounting activity that makes up those high level numbers and to confirm that your Accounts Receivable and General Ledger numbers are in sync.

Using a list of your key Accounts Receivable, Cash and Unapplied Cash accounts and the AR:Journal Entries Report (Summary by Category), document which accounts comprise each of the report totals. *See **Exhibit C: Reconciling AR and GL** -- spreadsheet and instructions.*

Start with the spreadsheet you used to balance to the Aging. Add a column for each of your Accounts Receivable accounts and your cash and unapplied cash accounts (on-account and unidentified cash too, if they are different accounts). If you have more than one company, split out each company and account combination and currency too.

Using the values in the AR:Journal Entries Report (Summary by Category), fill in the detail numbers for each of the accounts for the applicable activity. Use only the net amounts and debit amounts should be positive and credit amounts should be negative.

This gives you a detailed breakdown of which accounts comprise each type of activity, and points out where an account was used inappropriately. A common example of an inappropriate usage is Adjustments and the Adjustment setup. Since you want to reduce the Accounts Receivable account you entered an Accounts Receivable account in the setup Receivables Activity Account field (which seems quite logical). However, Oracle Receivables automatically credits the Accounts Receivable account when you create a negative Adjustment. If you have entered the Accounts Receivable account, you have then created wash entries in General Ledger (with no impact on the Accounts Receivable account) but have reduced the aging balance, thus, an out of sync condition.

The enclosed instructions include what you should and should not see by account category. Note the usage of each account, both appropriate and inappropriate. If it is a standard usage, include the amount on the same line as the amount you reported when balancing to the Aging. If it is an inappropriate usage, of the account, add a new line for the amount and a description of what was done.

Cross foot the amounts broken out by account with the "Balancing AR to the Aging" amounts. The amounts should match, if not, re-check the numbers. Since the inappropriate accounts are on separate lines, they will not throw off your cross validation.

One area where you will not be able to directly cross foot is Receipt Applications. This activity appears in two standard reports: the Applied Receipts Register and the Unapplied and Unresolved Receipts Activity Register (thus two separate lines on the "Balance AR to the Aging" spreadsheet). But, they fall into the single General Ledger category of Trade Receipts on the Journal Entries report. When you cross foot, you must include the combination of the Applied Receipts and Unapplied Activity in the Trade Receipts (AR) totals. Note that the cash, unapplied, unidentified and on-account account activities should be on separate lines, since they do not have any direct effect on the Aging.

Possible sources of discrepancies:
1) You did not run the Journal Entries report for all accounts. If you select specific accounts based on what you are expecting you may be missing some activity. Unless you are researching a specific issue, always run for all applicable accounts.

2) You had more than one period open in Oracle Receivables and activity appeared in an unexpected period.

3) You had un-postable items (they should have appeared on the "Unposted Items" report). These items appear on the standard reports (so you used them in balancing to the Aging) but

they were not transferred to the General Ledger due to unbalanced debits and credits. Contact IS to resolve ASAP.

You have now explained how your data was accounted for in Accounts Receivable, now you need to see how they match the values in the General Ledger.

Reconciling AR to the General Ledger

See **Exhibit C: Reconciling AR and GL** for details on how to walk through this process and a sample spreadsheet for your reconciliation.

Once General Ledger has posted your journal entries, run the Account Analysis Report (in General Ledger) for every key account you included in your reconciliation spreadsheet. This may include various different cost centers, divisions … so be sure that your ranges allow for all possible sub-segment values for the accounts you are working with (Accounts Receivable, Cash, Unapplied Cash…). Use 000 – 9999, or whatever your lowest to highest possible range is e.g., for the Company low value, enter 000 and for the high value, enter 999 to insure that you catch all possible options. If you are working with different companies, you should run a separate report for each company and account combination.

For each account and company combination add the starting and ending balances from the Account Analysis report to the "Reconciling AR and GL" spreadsheet (on the gray lines).

Add one line for each journal entry that has a Source other than Receivables. Note the Source, Category, Batch Name and amount by account. Note that debits are positive and credits are negative.

Foot the totals for the Starting Balance plus or minus all activity for each account (including manual journal entries) and compare this amount to the new Ending Balance. If they do not match, check for the following possible issues:

1) Your General Ledger Interface did not complete successfully. Verify that you had no un-posted items in the General Ledger or in Oracle Receivables. And the all batches were imported properly successfully.

2) You have changed the standard GL accounts used for Unapplied, Unidentified, and On-Account receipts, or for Accounts Receivable. Even if you change the defaults for these accounts, the original accounts are retained in the existing transactions and used if you have any subsequent activity against them. You must run Account Analysis reports for each of the old accounts also and include their activity on the spreadsheet.

3) The dates you used for the Account Analysis reports are not consistent with those you used for the Oracle Receivables reports.

4) Remember that until General Ledger closes the period, these values may change and you will have to recreate the Account Analysis reports and re-complete the spreadsheet.

5) Improper set up values, for example; using your cash account for your Unapplied, On-Account, and/or Unidentified accounts. You should use a special account, *not your cash or Accounts Receivable accounts for any of these accounts*. Often the Unapplied, On-Account and Unidentified accounts are all the same account, which is fine.

If you still do not balance (rarely occurs), you need to review the data at a more detailed level. Check which of the totals by Source and Category in General Ledger do not match the totals for the same sources and categories in Oracle Receivables. Use the Drill Down capabilities to get more information about the transactions that make up the totals.

One of the drawbacks of the Account Analysis report is that it lacks subtotals by Source and Category. Downloading the report to a spreadsheet and then deriving the subtotals by Source and Category is the best way to deal with this. See which categories or sources have problems by comparing the totals with the amounts on your spreadsheet for that account and type of activity.

When you have narrowed the differences down to specific accounts, sources and categories, run the AR:Journal Entries report again but request the Detail by Category and specify just the accounts and categories you need to research. You should be able to see exactly which transactions made up the values that you see. If you still have problems, get IT involved to do more research.

Document each of the inappropriate account usages, and manual journal entries that caused your values to be out of sync and add to your totals. You should now tie to the ending balances.

Improving Your Close Process

As a result of following this procedure, hopefully, you have found areas for improvement. Decide what you need to do, and fix them. For example; if you find inappropriate usage of accounts, you may need to modify some of your setups and/or retrain some of your users so this does not continue to occur. You can use the AR:Journal Entries Report (Detail by Account) to identify the offending items - then query the item and identify who created it.

If you had manual journal entries and/or other sources using "AR Accounts", question them. If you have set up and are using Oracle Receivables properly you should *rarely* need to create manual journal entries (and look at the confusion and extra work that they cause)! You need to research who is creating the manual journal entries and why. You may need to create additional accounts and activities in Accounts Receivable to prevent this in the future, but it is worth it.

Tip: If possible, set up your Unapplied Cash, Unidentified Cash, On-Account Cash and Accounts Receivables accounts once and do not change them. Do not use your AR or Cash accounts for your Unapplied, Unidentified or On-Account accounts. Processes in Oracle Receivable, such as applying receipts and creating adjustments, do not allow you access to these values (so you can't override them). Oracle Receivables derives the accounts based on the accounts that were used when the item was originally created (no matter how long ago that was). If these accounts are stable, reconciliation is fairly straightforward. If they are not stable, reconciling can be much more cumbersome and you may see these old accounts keep popping up for what seems like forever. Also, Oracle Receivables creates four sided entries that pass through your unapplied account, even you know the invoices to pay at the time you enter the receipt. This causes a lot of extra activity using the unapplied account. If you use your AR account for your unapplied account, you can't see what is really open receivables and what is really unapplied.

Conclusion

Congratulations! You have successfully closed the period, accounted for your activity, and documented any discrepancies between Accounts Receivable and General Ledger. Hopefully you have also taken steps to prevent problems in the future and have started procedures to speed the close process. Now all you have to do is this month's work and get ready for the next close.

About the Presenter

Cathy Cakebread, an independent consultant, specializes in Oracle Financials implementations and upgrades. Cathy has over thirty years' experience in designing, developing, and implementing financial applications and was one of the original designers of Oracle Receivables and Revenue Accounting. Cathy has worked with over 80 companies in implementing, upgrading and/or optimizing their implementation of Oracle Receivables. See www.cathycakebread.com for more papers on Oracle Receivables issues and implementation tips. See www.cathycakebread.com/close for updates on these procedures.

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Exhibit A: Oracle Receivables Period Close Checklist - Release 12 Example
This example assumes Friday is the last day of the period

Period Name: _____

Period Close Date: _____

TASK	DESCRIPTION	Who	Cutoff Date/Time
1.	Complete the manual payments for the period (including cleanup of "Out of Balance" batches). Complete final wires too!	Cash	Friday Noon
2.	Complete the adjustments for the period.	Cash	Friday 3:00
3.	Complete the final Lockbox process and clear all rejects.	Cash	Friday 3:00
4.	Complete entry of any manual invoices, credit memos, debit memos and corrections	Cash	Friday Noon
5.	Run the final AutoInvoice process	Billing	Saturday when?
6.	Correct ALL AutoInvoice rejects and re-run until clean	Billing	Monday am as needed
7.	Confirm that there are no unapproved adjustments. If found: approve or reject.	Cash	Friday Noon
8.	Complete or delete ALL "Incomplete" transactions	Cash and Billing	Friday 3:00 pm
9.	Notify all users that the system is not available	Closer	Friday 5:00 pm
10.	Run final Revenue Recognition Process	Closer	Saturday after step 6
11.	Run the final Create Accounting Process	Closer	Sunday 8:00 am
12.	Run the Unposted Items Report	Closer	Sunday after step 10
13.	Run final Subledger Period Close Exceptions Report		Sunday after step 10
14.	Run the AR:Journal Entries Reports (Summary by Category)	Closer	Friday and Sunday

15.	Review the AR:Journal Entries reports for "unusual" accounts and correct as needed (if possible - have someone in GL verify too)	Closer	Friday and Monday
16.	Run Period End Reports – schedule to run on Sunday. *Note: if you need to fix AutoInvoice rejects, it will be necessary to re-run: AR:Journal Entries Report, Aging, Transaction Register, Invoice Exceptions Report, and the Invoices Posted to Suspense reports after the rejects have been resolved.*	Closer	Sunday
17.	Close the period - verify that there are no "Unposted" items	Closer	Monday am
18.	Open the new period	Closer	Monday am
19.	Notify users that the system is available	Closer	Monday am after step14)
20.	Notify General Ledger that they can now import and post the AR Journal Entries – if not already done as part of your Create Accounting process	Closer	Monday am after step 14)
21.	Balance AR to the Aging	Closer	Monday
22.	Balance AR to the AR: Journal Entries Report for the key accounts	Closer	Monday
23.	Run the AR to GL Reconciliation Report (twice)	Closer	Monday (after GL Posts)
24.	Run the Account Analysis Report for the applicable accounts (e.g., AR, Cash, Unapplied…)	Closer	After GL closes the period
25.	Balance AR to the General Ledger for the key accounts	Closer	After step 20

Oracle Receivables - Period Close Checklist - Detailed Instructions

□ **1) Complete the entry of manual receipts for the period including cleanup of Out of Balance batches. Includes wires too.**

2) Complete the adjustments for the period

□ **3) Complete the final Lockbox process for the period - correct and re-run as needed.**

To verify that there are no records stuck in the interface:
Receipts → Lockbox → Maintain Transmission Data
Do a full Query - Ctrl + F11
You should see the message "Query caused no records to be retrieved"
If you see any records, work with the cash folks to get these records processed.

□ **4) Complete entry of any manual invoices, credit memos, debit memos and corrections for the period.**

□ **5) Run the final AutoInvoice Process (this includes inputs from Projects, Order Management, Service Contracts and other billing systems)**
Interfaces → AutoInvoice

□ **6) Correct *all* AutoInvoice rejects and re-run until clean (if applicable)**
Control → AutoInvoice → Interface Exceptions

□ **7) Confirm that no unapproved adjustments appear on the Adjustment Approval Report or using the Approve Adjustments screen (Control → Adjustments →Approve Adjustments – if you have access to this screen)**

Reports → Accounting (Print Accounting Reports)

Type	Single Request
Name	Adjustment Approval Report
Order By	Adjustment Status
Status Low	Waiting Approval
Status High	Waiting Approval

 - skip the rest of the parameters

There should be no data on this report. If there is, contact your manager to approve these adjustments as follows:

Approve or Reject Unapproved Adjustments:

Control → Adjustments → Approve Adjustments

Find Window:
Leave as the default **(Pending is the only Status that is checked)**
Click on the **Find** button
If you see the message **"Query caused no records to be Retrieved"** close the window, you are done.

To approve or reject pending adjustments:

Click on the line of the adjustment you wish to approve or reject.
Change the Status to "Approved" or to "Rejected"
Save

*** Tip:* *If you need to approve/reject multiple adjustments, you must save after EACH item. Do not approve several and then save, this has been known to cause data corruption.*

Continue until you have approved or rejected all pending adjustments.
Re-query to confirm that no pending adjustments exist.

8) Complete or delete all incomplete transactions
Transactions → Transactions Summary

Query - Enter (F11)
Click on Complete (checkbox) – this should uncheck the box – it should be unchecked when you run the query

Query – Run (Ctrl+F11)
You may see a message: This query could take a long time to execute… Click on the No button to continue

You should see a message "Query caused no records to be retrieved"
If you do - get out of Query Mode (F4)
     You are done (this is the desired condition)

- If some records are retrieved - work with the appropriate department to complete or delete the incomplete items.

Just to be sure, I would also run the Incomplete Invoices Reports – it should be empty.

> *Reports → Listing (Print Listing Reports)*
> **Incomplete Invoices Report**
> **Order by**   Invoice

9) Notify all users that the system is not available.

10) Run final Revenue Recognition Process
    Control → Accounting → Revenue Recognition
   Revenue Recognition Master Program
   Print Format   Summary
   Maximum Number of Workers   4

11) Run Final Create Accounting Process

    Control → Requests → Run
    Submit Accounting
        Ledger   *LEDGER*
        Process Category   *blank for all*
        End Date   *period end date*
        Mode   Final
        Errors Only   No
        Report   Summary (watch, default is No Report)
        Transfer to General Ledger   Yes
        Post in General Ledger   Yes (policy decision)
        General Ledger Batch Name *blank*
        Include User Transaction Identifiers   No

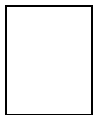**12) Run Unposted Items Report** – to see if there are any issues
Reports → Accounting (Print Accounting Reports)
Unposted Items Report
        Ledger Currency   USD
        Start GL Date   period start date
        End GL Date   period end date

13) Run Subledger Period Close Exceptions Report – to see if there are any issues
Control → Requests → Run
Subledger Period Close Exceptions Report
        Journal Source   **Receivables**
        Ledger/Ledger Set   **LEDGER**
        Period From   **current period**
        Period To   **current period**
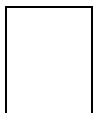
14) Run the AR: Journal Entries report to verify what the journal entries will look like) and to check for inappropriate account usage
Reports → Accounting (Print Accounting Reports)
    Type   Single Request
    Name   AR: Journal Entries Report

Reporting Level	Ledger
Reporting Context	*LEDGER*
GL Date From	*Period start date e.g. 01-JUN-13*
GL Date To	*Period end date e.g.,30-JUN-13*
Posting Status	Posted and Unposted (not the default)
Print Detail by Account	*blank*
Print Detail by Category	*blank*
Print Summary by Account	Yes
Print Summary by Category	Yes

Use the defaults ("Yes") for all record types and leave the rest of the parameters blank

15) Review the AR: Journal Entries report - check to see if any unusual accounts were used. If found, run the Journal Entries Report again, Specifying: "Yes" to Detail by Category and "Yes" only for the categories where you found problems.

Review the results. Find the item(s) that have the problem. Direct the responsible individual to correct the problem. Repeat steps 9 and 10.

16) Run the Period End Reports – *place resulting report files in a special folder by month and year in case you need to review them later e.g., with your Auditors. If possible, schedule to run overnight or on the weekend. Note: if you need to fix AutoInvoice rejects, it will be necessary to re-run: AR:Journal Entries Report, Aging, Transaction Register, Invoice Exceptions Report, and the Invoices Posted to Suspense reports after the rejects have been resolved if you ran them overnight or over the weekend.*

Reports → Accounting (Print Accounting Reports)

a) **AR Reconciliation Report**

Reporting Level	Ledger
Reporting Context	LEDGER
GL Date From	*period start date*
GL Date To	*period end date*
Potential Reconciling Items	Yes

Review the AR Reconciliation Report for any out of balance conditions (Difference is not 0).

Review the Potential Reconciling Items report to see if there are any issues to be dealt with.

b) Aging - 7 Buckets - By Account Report

Reporting Level	Ledger
Reporting Context	*LEDGER*
Set of Books Currency	*blank for all*
As of GL Date	*period end date*
Report Summary	Invoice Summary
Report Format	Brief
Aging Bucket Name	*the standard 'bucket' name*
Show Open Credits	Age
Show Receipts At Risk	Age

c) Transaction Register

Attribute Set	Invoice Number
Reporting Level	Ledger
Reporting Context	*LEDGER*
Set of Books Currency	*blank for all*
GL Date From	*period start date*
GL Date To	*period end date*

d) Unapplied and Unresolved Receipts Register

Attribute Set	DEFAULT
Reporting Level	Ledger
Reporting Context	*LEDGER*
GL Date From	*period start date*
GL Date To	*period end date*

(Note: Run once for all currencies and then run for each currency: e.g., USD, EUR, AUD)

e) Applied Receipts Register

Reporting Level	Ledger
Reporting Context	*LEDGER*
Application GL Date From	*period start date*
Application GL Date To	*period end date*

f) Adjustment Register

Attribute Set	Customer
Reporting Level	Ledger
Reporting Context	*LEDGER*
Set of Books Currency	*blank for all (the first time)*
GL Date From	*period start date*
GL Date To	*period end date*

(Note: Run once for all currencies and then run for each currency: e.g., USD, EUR, AUD)

g) Invoice Exceptions Report

Reporting Level	Ledger
Reporting Context	*LEDGER*

GL Date From	*period start date*
GL Date To	*period end date*
Order by	***Customer***

h) **Invoices Posted to Suspense**

Reporting Level	Ledger
Reporting Context	*LEDGER*
Order by	Customer
GL Date From	*period start date*
GL Date To	*period end date*

i) **On Account Credit Memo Gain and Loss Journal**

Reporting Level	Ledger
Reporting Context	*LEDGER*
GL Date From	*period start date*
GL Date to	*period end date*
Receivables Mode	Yes

j) **Journal Entries Report (SLA Version) –** this can be quite large, you may not print and keep just a softcopy

Control → Requests → Run
Journal Entries Report

Ledger/Ledger Set	LEDGER
Period From	*current period*
Period To	*current period*
Journal Entry Status	Final
Transfer or Posting Status	
Journal Source	Receivables
Include Zero Amount Lines	No
Include User Transaction Identifiers	No
Display Legal Information	No

17) Close the period
Control → Accounting → Open/Close Periods

- Click in the Accounting Periods region
- Scroll down to the line for the current period
- Change the status to "Closed"
    Oracle then checks for unposted items - there shouldn't be any.
    If there are none, **SAVE.**
- If there are unposted items, you will be unable to "close" the period. This is generally due to problems with data issues. Change the status to "Close Pending" and contact IT.
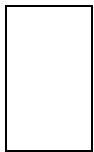
18) Open the new period
Control → Accounting → Open/Close Periods

- Click in the Open Next Period button
- **Save**

Tip: I recommend that you never have more than one Oracle Receivables period open at one time.

**19) Notify everyone that they may use the system again.
You are now ready to start work in the new period. Good Luck!**

20) Notify General Ledger that they can import and post the Accounts Receivable Journal Entries (or do it yourself – depending on your company policies).

21) Balance to the Aging. Note the results from the above reports on the Balancing AR to the Aging spreadsheet (*see detailed instructions below*).
- Confirm they balance. Correct as needed.
- Watch for activity in other companies and currencies and be sure to include this information in your totals. This may be done after the close
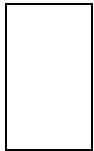
22) Balance AR to the AR: Journal Entries Report for the key account – Insert values from the AR:Journal Entries report into the proper columns in the Balancing AR to the Aging Spreadsheet – *see detailed instructions*. Verify that AR:Journal Entries report totals equal spreadsheet totals.
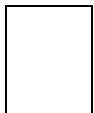
23) Run the AR to GL Reconciliation Report (once you are sure that your items have posted to the General Ledger).

Control → Accounting → AR to GL Reconciliation
    Out of Balance Only   No
    GL Period   *Enter the applicable period*

Run again for Out of Balance Only:
    Out of Balance Only   Yes
    GL Period   *Enter the applicable period*
This will invoke the report: Potential Reconciling Items Report
This gives a better report, it shows "Natural Account Inconsistent with Category", and it would be a good idea to see why items are appearing on this report.
Note any issues and verify on the spreadsheet.

24) Run the Account Analysis report for the applicable accounts (e.g., AR, Cash,

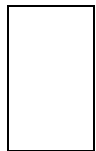Unapplied…). When General Ledger has completed its close for the period:

- Run the **Account Analysis Report** for each of the critical accounts
Reports → Request → Standard
    Account Analysis – (132 Char)
        Type   Line Item
        Currency   *Functional Currency*
        Balance Type   A (Actual)
        Starting Period   Period Name
        Ending Period   Period Name
        Flexfield From   **
        Flexfield To   **
        Order By   Source

** For each applicable account – enter all zeros (000) in the Low column and all nines (999) in the High column. In the account segment – enter the applicable account in both the Low and High columns.

25) Balance to the General Ledger for the key accounts. Create the Reconciling AR and GL spreadsheet indicating the distribution of the critical accounts (Accounts Receivable, Unapplied, and the Cash accounts). Ensure that these numbers balance (*see detailed instructions below*).

- Copy the report results into an Excel Spreadsheet
- In Excel, calculate the totals by source and category (note you should see the net as the Debit Amount – the Credit Amount).
- Compare the report totals to those on the Reconciling AR and GL spreadsheet, and correct as needed. *See detailed instructions*.

Balancing AR to the Aging (Spreadsheet)

MONTH: _____

PREPARED BY:
_____

ACTIVITY	AR Reconciliation Report	Transaction Reports	SOURCE REPORT	
Starting Balance			Aging - Old	
Invoices			Transaction Register	
Debit Memos			Transaction Register	
Credit Memos	( )	( )	Transaction Register	
				Transaction Register Subtotal
Applied Receipts	( )	( )	Applied Receipts Register	(Applied Amount Total * -1)
Discounts Taken	( )	( )	Applied Receipts Register	(Earned Discount + Unearned Disc
Unapplied Activity	( )	( )	Unapplied and Unresolved Receipts Register * -1	
Adjustments			Adjustments Register (may be + or -)	
Items Not Aged		( )	Invoice Exceptions Report	
TOTAL				
Ending Balance			Aging - New	

Difference [   ] [   ] Should be 0   (Total - En

Balancing AR to the Aging

Using the reports listed above, fill in the values on the Balancing AR to the Aging spreadsheet.

Aging - Use the "Grand Total" amount for the Outstanding Amount column

Transaction Register - Use the "Sum for _____ Class" total for the "Functional Currency" for each class of transactions (Credit Memos, Debit Memos, Invoices, and Chargebacks) - WATCH OUT the "Sum for Invoice Class" is just before the last total on the report. On the spreadsheet - sum the amounts for each of these transactions (compare to the 'Grand Total in Functional Currency' on the final page of the report - they should be identical - if not correct as needed. Use the signs as they appear on the report (Credit Memos are negative - the rest are positive). *Note: if you are using multiple currencies – use a column for each currency on the spreadsheet.*

Applied Receipts Register - Use the "Total for Receipt Currency: xxx" for the "Total Amount in Functional Currency" column - enter as the report value multiplied by -1. *Note: if you are using multiple currencies, they will all appear together in the Functional Currency.*

Unapplied and Unresolved Receipts Register - Use the "Total for Report" values – from the Total Column. Multiply the total by -1 and enter on the spreadsheet as the sign you get as a result of this calculation.

Adjustment Register - Use the "Total for Postable: Yes" for the Functional Amount column - enter as whatever sign appears on this report

Invoice Exception Report - use the "Grand Total" for the Functional Amount column - enter as whatever sign appears on the report

Fill in the spreadsheet - the derived total should equal the new aging total
If it doesn't, you may find that you:

1) Did not use the same dates for every report;

2) Used dates other than the GL dates (or in addition to the GL dates) for the selection;

3) Have used overlapping dates;

4) Entered the wrong amounts from the various reports onto the spreadsheet;

5) Used the wrong sign (credit memos, applied receipts should be negative, adjustments, unapplied activity and "invoices exceptions" may be negative or positive);

6) Have overlapping dates in the aging bucket definitions;

7) Used the buggy version of the Applied Receipts Register that does not include the reversed and reapplied receipts;

8) Used custom reports that do not use the same selection criteria as the standard Oracle Reports;

9) Buggy versions of numerous reports. Check note: 1269489.1 for details about the current report bugs.

Correct as needed. You should now be in balance for Accounts Receivable.

Reconciling AR and GL
(Spreadsheet Example)

MONTH: _____

PREPARED BY:

_____

ACTIVITY	Balance to Aging	Journal Entries Report Totals	Journal Entries Category Name	AR1	AR2	Cash 1	Cash 2	Unapplied
Starting Balance								
Invoices								
Debit Memos								
Credit Memos								
CM - Application								
Applied Payments								
Discounts Taken								
Unapplied Activity								
Adjustments								
Items Not Aged								
Manual - Journal Entries								
Cash-AR								
Cash-Misc.								
Unapplied Cash								
NEW BALANCE								
NEW REPORT TOTALS								
Difference								

Current JE's									
JE's To Date									
TOTAL									
ATB- By Account									
Difference									

- Note - Discount activity impacts the Aging but is included in the applied receipts total when posted to GL
- New Report Totals = The New Aging and The Account Analysis Reports (gray areas are for the Account Analysis Report values)
- Add NEW BALANCE to JE's (current and to date) - this should equal the new Aging totals

RECONCILING AR with GL

Create the "Reconciling AR and GL Spreadsheet" indicating the distribution of the critical accounts (Accounts Receivable accounts and the "cash" accounts and any other accounts you wish to track). Ensure that these numbers balance.

Start with the spreadsheet that you created in the prior step (Reconciling AR to the Aging).

Add a column for each "Accounts Receivable", unapplied and cash account you will be reconciling to GL. For example; the AR, unapplied and cash accounts for *every* company

Use the Journal Entries Report - Summary by Category:
    This report shows one line per Accounting Flexfield per Category (type of AR Activity). Enter the net values for the applicable accounts in the appropriate columns on the spreadsheet. If the net value is a debit, enter a positive amount; otherwise, enter a negative amount. If you see both debits and credits for an account, enter the result of the debit amount less the credit amount – the net amount may be negative.

Look for the key accounts in every category listing, even if they are not "logical" for that activity type. The following lists the proper and improper usage of accounts for each category and how to enter the data into the spreadsheet to indicate how the data will be accounted for.

Category	Where to Add
Adjustment	There should be *no* AR account activity in this category. If they occur - add a special line for each - add to the column for the applicable AR account.
Adjustment (AR)	There should *only* be AR account activity in this category. For each account add to the Adjustment activity line - split by AR account. If there are non-AR accounts in this category, add a special line for each - add a new column for the non-AR account.
Adjustment Tax	There should *only* be sales tax account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
CM Applications and CM Applications (AR)	These should net to zero - and should include *only* AR Accounts - (if there are non-AR accounts add a special line for each and add a new column to the spreadsheet for each account). If each account does not net to zero, enter the amount for each account in the proper column on the spreadsheet.
Credit Memos (AR)	There should *only* be AR account activity in this category. For each account add to the Credit Memo activity line - split by AR account. There should be no non-AR accounts in this category. If they occur, add a special line for each and add a new column for the non-AR account.
Credit Memos Revenue	There should be *no* AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account.
Credit Memos Tax	There should *only* be sales tax account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
Credit Memos Unbill	There should *only* be unbilled account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
Debit Memos (AR)	There should *only* be AR account activity in this category. For each account add to the Debit Memo activity line - split by AR account. There should be no non-AR accounts in this category. If they occur, add a special line for each and add a new column for the non-AR account.
Debit Memos Revenue	There should be *no* AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account.
Earned Discount on Trade	There should *only* be discount account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new

	column for the AR account.
On Account Trade Receipts	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. Add the On Account amount to the appropriate column on the spreadsheet. You should only see On Account accounts in this section of the report.
Receipt Exchange Gain	There should *only* be currency conversion account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
Receipt Exchange Loss	There should *only* be currency conversion account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
On Account Trade Receipts	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. Add the On Account amount to the appropriate column. You should only see On Account accounts in this section of the report.
Unapplied Cross Currency	There should *only* be currency conversion account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
Sales Invoices (AR)	There should only be AR account activity in this category. For each account add to the Invoice activity line - split by AR account. There should be no non-AR accounts in this category. If they occur, add a special line for each and add a column for the applicable non-AR account.
Sales Invoices Revenue	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. You should only see Revenue accounts here.
Sale Invoices Round	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. You should only see the account you defined for line level rounding in your System Options here.
Sales Invoices Tax	There should only be Tax account activity in this category. For each account add to the Invoice activity line - split by tax account. There should be no AR accounts in this category. If they occur, add a special line for each and add a column for the applicable AR account.
Sales Invoices Unbill	There should *only* be unbilled account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.

Trade Receipts (AR)	There should *only* be AR account activity in this category. For each account add to the Applied Receipts activity line - split by AR account. There should be no non-AR accounts in this category. If they occur, add a special line for each and add a column for the non- AR account. Add unapplied amounts to the appropriate columns.
Trade Receipts Cash	There should be *no* AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. This should represent your Cash Account(s) *only*. Add cash amounts to the appropriate columns.
Trade Tax	There should only be Tax account activity in this category. For each account add to the Invoice activity line - split by tax account. There should be no AR accounts in this category. If they occur, add a special line for each and add a column for the applicable AR account.
Unapplied Cross Currency	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. Add the Unapplied amount to the appropriate column. You should only see Unapplied Accounts in this section of the report.
Unapplied Trade Receipt	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. Add the Unapplied amount to the appropriate column. You should only see Unapplied Accounts in this section of the report.
Unearned Discount on Trade	There should *only* be discount account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
Unidentified Receipt	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. Add the Unapplied amount to the appropriate column. You should only see Unidentified Accounts in this section of the report.

	The following are old categories that no longer appear on this report. I have included them here in case they re-appear at some point.
Cross Currency Exchange	There should *only* be currency conversion account activity in this category. There should be no AR accounts in this category. If they occur, add a special line for each and add a new column for the AR account.
Cross Currency Receipts (AR)	There should *only* be AR account activity in this category. For each account add to the Currency Exchange activity line - split by AR account. There should be no non-AR accounts in this category. If they occur, add a special line for each and add a new column for the non-AR account.
Misc Cash	There should be no AR account activity in these categories. If they occur, add a special line for each and add to the column for the applicable AR account.
Misc Receipts	There should be no AR account activity in these categories. If they occur, add a special line for each and add to the column for the applicable AR account. Add the cash amount to the appropriate column.
Misc Receipts	There should be no AR account activity in these categories. If they occur, add a special line for each and add to the column for the applicable AR account. Add the cash amount to the appropriate column.
Misc Remittances	There should be no AR account activity in these categories. If they occur, add a special line for each and add to the column for the applicable AR account. Add the cash amount to the appropriate column.
Special Applications	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account.
Trade Confirmation	There should be no AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account.
Trade Remittances	There should be *no* AR account activity in this category. If they occur, add a special line for each and add to the column for the applicable AR account. This should represent your Cash Account(s) *only*. Add cash amounts to the appropriate columns.

Note: the "Total for Currency" debit and credit amounts should be equal but the "Total for AR" debit and credit amounts may not be equal since not all activity impacts the AR account.

Determine the net amounts for each category and compare to the totals on the Balancing AR to the Aging spreadsheet - they should match.

Note that the Unapplied Amount plus the Unapplied Activity (from the journal details) should equal the Applied Payment plus the Unapplied Activity totals from the reports.

From General Ledger:

From General Ledger, Run the Account Analysis Report (From GL - Reports → Requests → Standard), for the period you just closed, for each of the key accounts.

Reports → Request → Standard
      Account Analysis – (132 Char)
       Type   Line Item
       Currency   *Functional Currency*
       Balance Type   A (Actual)
       Starting Period Period Name
       Ending Period   Period Name
       Flexfield From   **
       Flexfield To   **
       Order By   Source

** For each applicable account – enter all zeros (000) in the Low column and all nines (999) in the High column. In the account segment – enter the applicable account in both the Low and High columns.

Your key accounts should include: Accounts Receivable, Cash, Unapplied Cash and AP/AR Clearing and any other accounts you wish to reconcile e.g., Revenue.

If any items are shown under the "Manual" Category or the Source is not Receivables, add a line to the spreadsheet for that item, note the batch name, and add the amount to the proper column. And, add to the period to date journal entry amounts - by account.

Enter the Beginning Balance for each account in the top gray line.
    - Include this in your total activity calculation on the spreadsheet.
Enter the Ending Balance in the bottom gray line.
    - Add a new line for each manual journal entry and record the amount in the proper column
    - Add a total for each account including the beginning balance and all activity
    - Confirm that the 'Ending Balance' on the Account Analysis Report is equal to the total you calculated on the spreadsheet.

Subtract the current period journal entry amounts from each total by account.

Subtract the period to date journal entry amounts from each total by account.

Calculate the new total - this should be identical to the totals on the Aged Trial Balance
    - 7 Buckets by Account (by account).

If you are not in balance - possible reasons include:

1)   Manual Journal Entries - Be sure to document on the spreadsheet
 (Long term - find out why these are being done. If you are using the system properly - there *should never* be manual journal entries). Determine why you are creating manual journal entries, if possible, revise procedures so that all activity related to Accounts Receivable accounts comes from Oracle Receivables only.

2)   Activities from Sources other than AR - find out why these are happening and get this *stopped now*. Only Accounts Receivable should be using AR accounts. It is even helpful to use a separate cash account from the one used by Accounts Payable, even if both applications use the same bank account. Some companies use a different sub account for AP than is used by AR.

3)   Your posting did not complete successfully. Verify that you had no unposted items in the GL Interface.

4) You restricted the accounts to appear on the Journal Entries report (in AR) - do not select specific accounts, allow for all accounts and see what you get.

5) You have changed the standard accounts used for Unapplied, Unidentified, and On-Account receipts, or for Accounts Receivable. Even if you change the defaults for these accounts, the original accounts are retained on the records and used if you have any subsequent activity against them. Run the reports for both the old and new accounts.

6) The dates you used for the Account Analysis report are not consistent with the dates you used for the Receivables reports.

7) You have more than one accounting period open in Receivables so activity went to a period other than what you had expected.

8) The posting has not yet been completed in Oracle General Ledger. You or the applicable GL person should go to the Post Journals screen (Journals → Post), do not enter any criteria and click on the Find button. There should be no batches with "Receivables" in the Batch name.