

CST

Education Network

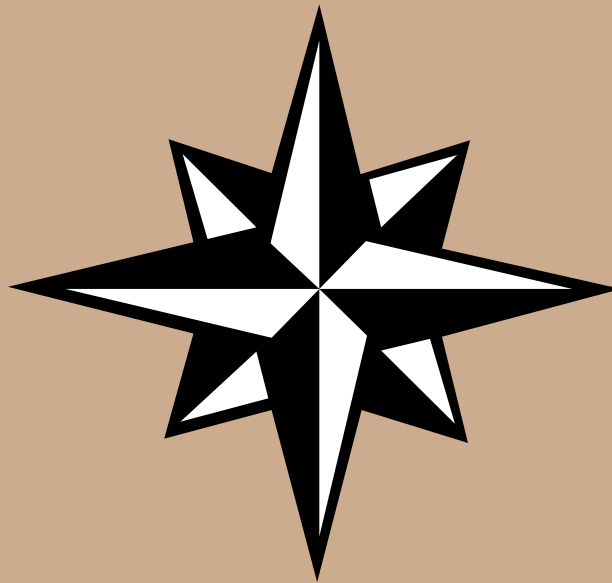
A Division of

CHI-STAR TECHNOLOGY®

Tax Books Setup & Maintenance

(Oracle EBS – Assets)

High-Level Overview



■ Tax Books Setups Considerations

- Asset Calendars
- Defining Tax Books
- Prorate Conventions
- Asset Categories
- 30% & 50% Tax Bonus Methods
- Profile Options

■ Data Conversion Considerations

- Legacy Considerations
- Data Conversion Considerations
- Conversion Strategy Considerations
 - Tax Interface Table
 - Old school “overlay scripts”

■ Monthly Close Process

- Mass Copy Program
- Reconciliation
- Process Considerations

Setups Considerations

Asset Calendars

Asset calendars defined for the tax books should be 12 periods. Ideally the tax calendars should be the same as the financial (Corp book) calendars. Oracle standard depreciation methods are based on a 12 period year, therefore creating a calendar with more or less periods would not allow the use of Oracle seeded methods, but force you to create custom depreciation methods and rates.

Recommendation:

- **Use a 12 period calendar**
- **If possible, use the same calendar as your Corp book**

Defining Tax Books

Same setup screen as when defining your corporate book.

- **Required to associate a tax book to the corporate book**
- **Determine special tax rules (in R12 a new tab appears)**
- **Determine the Mass Copy features**
- **Determine default accounts (usually same as corp book)**

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Calendar]

Book Controls

Book: MACRS TAX Class: Tax

Description: MACRS TAX BOOK

Associated Corporate Book: USD CORP

Calendar Accounting Rules Natural Accounts Tax Rules

Inactive On:

Allow Purge Purged Through:

Ledger: USD LEDGER2023(USD) USD LEDGER

Allow GL Posting

Depreciation Calendar: PCLN MONTHLY

Fiscal Year Name: PCLN FISCAL

Prorate Calendar: PCLN MONTHLY

Current Period: DEC-2007

Current Fiscal Year: 2007

Divide Depreciation: Evenly

Depreciate if Retired in First Year

Last Depreciation Run

Last Run Date: 31-OCT-2008 00:00:00 Request Status:

Status: Request Phase:

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Accounting Rules]

Book Controls

Book: MACRS TAX Class: Tax

Description: MACRS TAX BOOK

Associated Corporate Book: USD CORP

Calendar Accounting Rules Natural Accounts Tax Rules

Capital Gain Threshold Years: 1 Months: 0

Allow Amortized Changes Allow Mass Changes

Create Intercompany Balancing Entries Allow Cost Sign Changes

Allow Revaluations

Revalue Accumulated Depreciation Revalue YTD Depreciation

Retire Revaluation Reserve Amortize Revaluation Reserve

Revalue Fully Reserved Assets (B) Maximum Revaluations: []

Life Extension Factor: [] Life Extension Ceiling: []

Allow Group Depreciation

Allow CIP Members in Group Assets (J)

Allow CIP Depreciation in Group Assets (K)

Allow Member Asset Tracking (Q)

Allow Intercompany Member Asset Assignments (X)

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Accounting Rules]

Book Controls

Book: Class:

Description:

Associated Corporate Book: []

Calendar | Accounting Rules | **Natural Accounts** | Tax Rules

Retirement Accounts

	Gain	Loss	Clearing
Proceeds of Sale	<input type="text" value="83110"/>	<input type="text" value="83110"/>	<input type="text" value="83110"/>
Cost of Removal	<input type="text" value="83110"/>	<input type="text" value="83110"/>	<input type="text" value="83110"/>
Net Book Value Retired	<input type="text" value="83110"/>	<input type="text" value="83110"/>	
Reval Reserve Retired	<input type="text" value="83110"/>	<input type="text" value="83110"/>	

Deferred Depreciation Reserve	<input type="text" value="78010"/>
Deferred Depreciation Expense	<input type="text" value="78010"/>
Depreciation Adjustment	<input type="text" value="78010"/>

Account Generator Defaults:

Defining Tax Books

Navigator: Setup > Asset System > Book Controls [Tax Rules]

The screenshot shows the 'Book Controls' window with the following configuration:

- Book: MACRS TAX
- Class: Tax
- Description: MACRS TAX BOOK
- Associated Corporate Book: USD CORP

The 'Tax Rules' tab is active, showing the following options:

- Allow Reserve Adjustments (Z)
- Allow Investment Tax Credits
- Allow CIP Assets
- Allow Cost Ceilings
- Allow Expense Ceilings
- Allow Mass Copy
 - Copy Additions
 - Copy Adjustments
 - Copy Retirements

Additional settings for 'Allow Mass Copy':

- Salvage Value: Do Not Copy
- Last Period: [Empty]

Group Rules

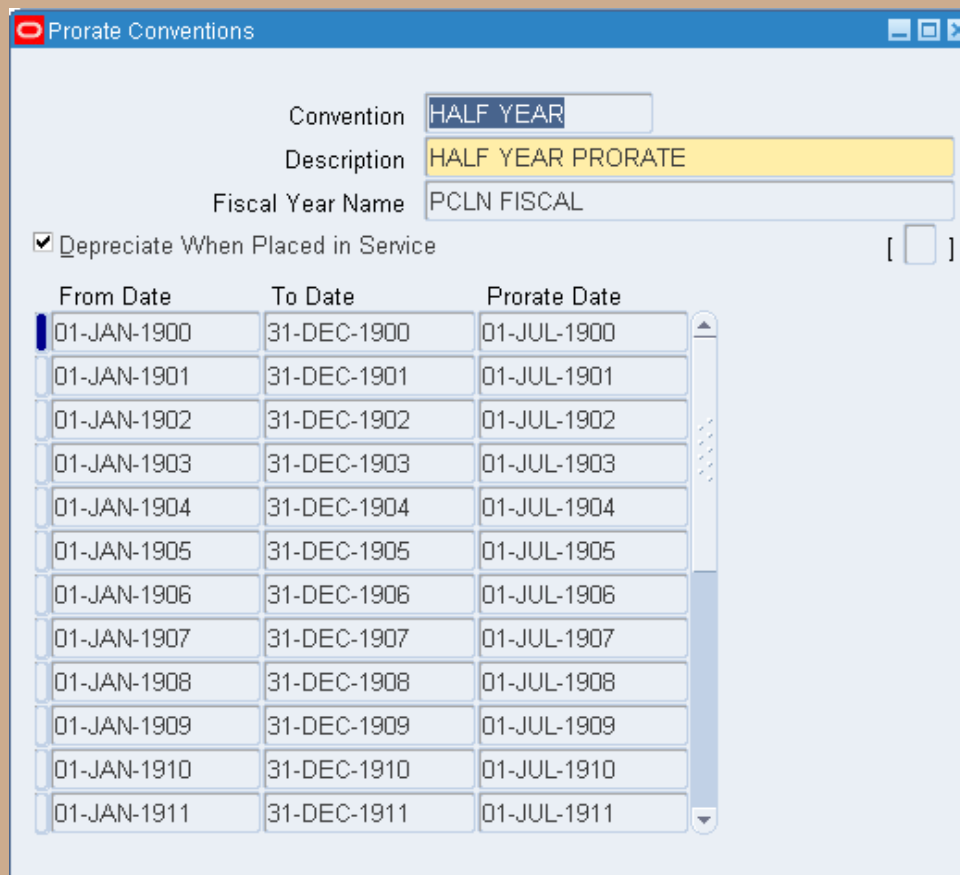
- Group Asset Additions: Do Not Copy
- Member Asset Assignments: Do Not Copy

Prorate Convention

Navigator: Setup > Asset System > Prorate Convention

Define Tax Prorate Conventions (in United States we use 3 main conventions)

1. Half Year (used for personal property)

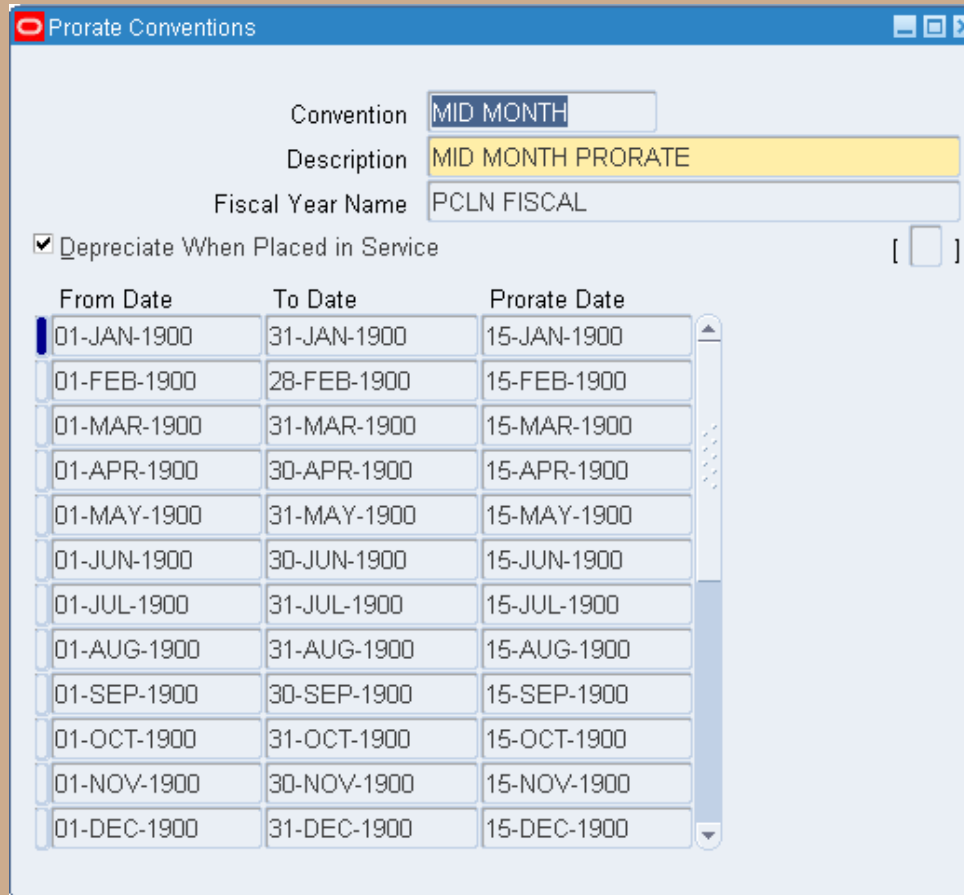


From Date	To Date	Prorate Date
01-JAN-1900	31-DEC-1900	01-JUL-1900
01-JAN-1901	31-DEC-1901	01-JUL-1901
01-JAN-1902	31-DEC-1902	01-JUL-1902
01-JAN-1903	31-DEC-1903	01-JUL-1903
01-JAN-1904	31-DEC-1904	01-JUL-1904
01-JAN-1905	31-DEC-1905	01-JUL-1905
01-JAN-1906	31-DEC-1906	01-JUL-1906
01-JAN-1907	31-DEC-1907	01-JUL-1907
01-JAN-1908	31-DEC-1908	01-JUL-1908
01-JAN-1909	31-DEC-1909	01-JUL-1909
01-JAN-1910	31-DEC-1910	01-JUL-1910
01-JAN-1911	31-DEC-1911	01-JUL-1911

Prorate Convention

Define Tax Prorate Conventions (in United States we use 3 main conventions)

2. Mid Month (used for real property)



Prorate Conventions

Convention: MID MONTH
Description: MID MONTH PRORATE
Fiscal Year Name: PCLN FISCAL

Depreciate When Placed in Service []

From Date	To Date	Prorate Date
01-JAN-1900	31-JAN-1900	15-JAN-1900
01-FEB-1900	28-FEB-1900	15-FEB-1900
01-MAR-1900	31-MAR-1900	15-MAR-1900
01-APR-1900	30-APR-1900	15-APR-1900
01-MAY-1900	31-MAY-1900	15-MAY-1900
01-JUN-1900	30-JUN-1900	15-JUN-1900
01-JUL-1900	31-JUL-1900	15-JUL-1900
01-AUG-1900	31-AUG-1900	15-AUG-1900
01-SEP-1900	30-SEP-1900	15-SEP-1900
01-OCT-1900	31-OCT-1900	15-OCT-1900
01-NOV-1900	30-NOV-1900	15-NOV-1900
01-DEC-1900	31-DEC-1900	15-DEC-1900

Prorate Convention

Define Tax Prorate Conventions (in United States we use 3 main conventions)

3. Mid Quarter (used if the 30% test is failed at year end)

Prorate Conventions

Convention: MID QTR

Description: MID QUARTER PRORATE

Fiscal Year Name: PCLN FISCAL

Depreciate When Placed in Service []

From Date	To Date	Prorate Date
01-JAN-1900	31-MAR-1900	15-FEB-1900
01-APR-1900	30-JUN-1900	15-MAY-1900
01-JUL-1900	30-SEP-1900	15-AUG-1900
01-OCT-1900	31-DEC-1900	15-NOV-1900
01-JAN-1901	31-MAR-1901	15-FEB-1901
01-APR-1901	30-JUN-1901	15-MAY-1901
01-JUL-1901	30-SEP-1901	15-AUG-1901
01-OCT-1901	31-DEC-1901	15-NOV-1901
01-JAN-1902	31-MAR-1902	15-FEB-1902
01-APR-1902	30-JUN-1902	15-MAY-1902
01-JUL-1902	30-SEP-1902	15-AUG-1902
01-OCT-1902	31-DEC-1902	15-NOV-1902

Asset Categories

Link the asset categories to the tax books that will maintain those assets. Oracle allows you to exclude, if needed, asset categories from be maintained on the tax books. For each asset category assign the associated accounts (usually same as corp book) and the depreciation default rules. Oracle allows for multiple depreciation default rules based on date placed in service. This is to eliminate the need to define new categories if the depreciation rules change.

NOTE: Consult the Tax department prior to finalizing the Asset Categories – Tax may have certain requirements that will impact how the Corporate books maintain the assets (i.e. Software)

Asset Categories

Navigator: Setup > Asset System > Asset Categories

Asset Categories

Category: PPE.EQUIP-COMP Enabled

Description: COMPUTER EQUIPMENT Capitalize

Category Type: Non-Lease In Physical Inventory

Ownership: Owned

Property Type: PERSONAL Property Class: 1245 []

General Ledger Accounts

Book	MACRS TAX
Asset Cost	110.13010.000.00.000.000.0000
Asset Clearing	110.13010.000.00.000.000.0000
Depreciation Expense	110.78010.600.00.000.000.0000
Accumulated Depreciation	110.13510.000.00.000.000.0000
Bonus Expense	110.78010.600.00.000.000.0000
Bonus Reserve	110.13510.000.00.000.000.0000
Revaluation Reserve	
Revaluation Amortization	
CIP Cost	110.13100.000.00.000.000.0000
CIP Clearing	110.13100.000.00.000.000.0000 []
Alternate Asset Cost	
Write-off Expense	
Unplanned Depreciation Expense	

[]

Default Rules

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – One Rule

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-1900 - []

Depreciate

Method **MACRS HY**

Life Years 5

Months 0

Bonus Rule []

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR** ...

Default Salvage Value [] %

Ceiling []

Price Index []

Straight Line for Retirement

Method []

Life Years []

Months []

Use Depreciation Limit

Percent [] %

Limit []

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset []

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method [] Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-1900 - 10-SEP-2001 []

Depreciate

Method **MACRS HY**

Life Years 5

Months 0

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

— Tracking Options

Tracking Method Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE EQUIP-COMP, MACRS TAX

Placed in Service 11-SEP-2001 - 10-SEP-2004 []

Depreciate

Method **MACRS 30B HY** ...

Life Years 5

Months 0

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Default Subcomponent Life

Rule

Minimum Years

Months

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 11-SEP-2004 - 31-DEC-2005 []

Depreciate

Method **MACRS 50B HY** ...

Life Years

Months

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Default Subcomponent Life

Rule

Minimum Years

Months

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years

Months

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset

Group Asset Options

Recognize Gain Loss Recapture Excess Reserve

Terminal Gain Loss Limit Net Proceeds to Cost

Tracking Options

Tracking Method

Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-2006 - 31-DEC-2007 []

Depreciate

Method **MACRS HY**

Life Years 5

Months 0

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible

Group Asset

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-2008 - 31-DEC-2008 []

Depreciate

Method **MACRS 50B HY** ...

Life Years

Months

Bonus Rule

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value %

Ceiling

Price Index

Straight Line for Retirement

Method

Life Years

Months

Use Depreciation Limit

Percent %

Limit

Capital Gain Threshold

Years

Months

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset

Group Asset Options

Recognize Gain Loss **Do Not Recognize** Recapture Excess Reserve

Terminal Gain Loss **Recognize Immediately** Limit Net Proceeds to Cost

Tracking Options

Tracking Method Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Asset Categories

Navigator: Setup > Asset System > Asset Categories [Default Rules] – Multiple Rules

Default Depreciation Rules - PPE.EQUIP-COMP, MACRS TAX

Placed in Service 01-JAN-2009 - []

Depreciate

Method **MACRS HY**

Life Years 5

Months 0

Bonus Rule []

Prorate Convention **HALF YEAR**

Retirement Convention **HALF YEAR**

Default Salvage Value [] %

Ceiling []

Price Index []

Straight Line for Retirement

Method []

Life Years []

Months []

Use Depreciation Limit

Percent [] %

Limit []

Capital Gain Threshold

Years 1

Months 0

ITC Eligible Use ITC Ceilings Mass Property Eligible Group Asset []

Group Asset Options

Recognize Gain Loss Do Not Recognize Recapture Excess Reserve

Terminal Gain Loss Recognize Immediately Limit Net Proceeds to Cost

Tracking Options

Tracking Method [] Allocate to Fully Retired and Reserved Assets

Distribute Excess Reduce Excess

Tax Bonus Methods

Patches are required to install the 30% and 50% Bonus Rules:

Job Creation & Workers Assistance Act 2002

30% Bonus Rule: Effective From September 11, 2001 to September 10, 2004

Jobs And Growth Tax Relief Reconciliation Act of 2003

50% Bonus Rule: Effective From September 11, 2004 to December 31, 2005

American Jobs Creation Act of 2004

Effective October 22, 2004 to December 31, 2005

Economic Stimulus Act of 2008

Effective From January 1, 2008 to December 31, 2008

Patches Required (Note: 383033.1):

2357093 – supplies MACRS, AMT, & STL 30% Bonus Rates

2284381 – supplies form 4562 report

2978998 – supplies MACRS, & STL 50% Bonus Rules (NOTE AMT is not included – if needed you will need to manually define – Oracle does not provide)

2422184 – supplies MACRS STL30B for 27.5 & 39 years

4047757 – supplies STL 50% bonus for 15 year life

2722776 – supplies AMT200 30% Bonus Rates

Profile Options

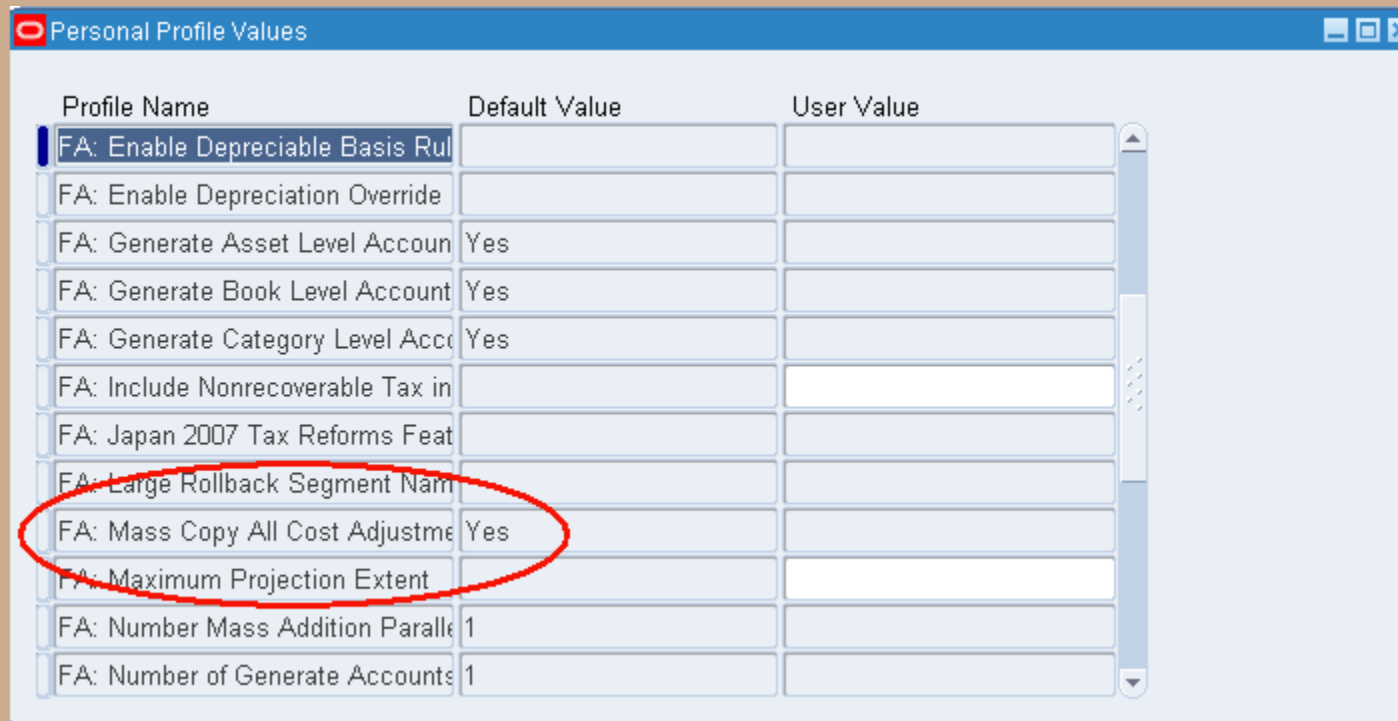
Set Profile Option FA:Mass Copy All Cost Adjustments to 'Yes'.

If set to NO – this option will not allow cost adjustments to be copied from the corporate book to the tax book if the cost basis is different between the books.

If set to YES – this option will allow the cost adjustment to be copied from the corporate book to the tax book. (For example if an asset has a corporate cost of \$50 and a tax cost of \$120 – if the corporate cost is adjusted to \$60, Oracle will adjust the tax cost by the \$10 increment to \$130)

Profile Options

Navigator: Other > Profile



Personal Profile Values

Profile Name	Default Value	User Value
FA: Enable Depreciable Basis Rul		
FA: Enable Depreciation Override		
FA: Generate Asset Level Accoun	Yes	
FA: Generate Book Level Account	Yes	
FA: Generate Category Level Acct	Yes	
FA: Include Nonrecoverable Tax in		
FA: Japan 2007 Tax Reforms Feat		
FA: Large Rollback Segment Nam		
FA: Mass Copy All Cost Adjustme	Yes	
FA: Maximum Projection Extent		
FA: Number Mass Addition Paralle	1	
FA: Number of Generate Accounts	1	

Data Conversion Considerations

Legacy Considerations

- **Do you have tax details currently in a legacy system or maintained offline by an accounting company?**
- **What level is the legacy detail maintained?**
 - **Asset level**
 - **Grouped by asset type, life, other**
- **Do you have Mid-Quarter conventions?**
- **Conversion Period? (Year-end, Mid-Year)**
 - **Conversion timing**
- **Tax Asset Detail Considerations**
 - **Asset Cost**
 - **YTD Depreciation**
 - **Accumulated Depreciation**
 - **Date Placed in Service**

Data Conversion Considerations

- **Consider using the financial details for the tax basis**
- **Overlay with tax ytd and accumulated depreciation**
 - **Tax Interface Table**
 - **Overlay scripts (PL*SQL Scripts)**
- **Re-calculate ytd and accumulated depreciation**
- **Determine if there are any basis differences between financial & tax**

Conversion Strategy Considerations

- **Go Live for Tax Books – Usually different than financial books**
- **Asset Category setups will determine additional asset details to be converted**
- **Mid-Quarter convention – if needed, will require additional asset details to be converted**
- **Data source to use for conversion**
 - **Financial**
 - **Tax Legacy**

Monthly Close Process

Mass Copy Program

Initial Mass Copy versus Periodic Mass Copy:

Initial Mass Copy – Used ONLY when implementing Tax Books with the first period is the year-end period. If used for initial implementation, never use again!!!!

Periodic Mass Copy – Used monthly to copy Additions, Adjustments, and Retirements from the financial books to the tax books

NOTE: Always review Mass Copy output/log for “Good” and “Bad” errors

Current Reconciliation Process

Ideally on a monthly basis run the Periodic Mass Copy process to each Tax Book, this process will copy the following transactions from your Corporate Book to the Tax Book:

- Asset Additions**
 - Provided the option is checked on the Book Setup Form
 - Provided that Asset Category is also associated to the Tax Book
- Asset Adjustments**
 - Provided the option is checked on the Book Setup Form
 - Provided that Asset Category is also associated to the Tax Book
 - Provided the cost basis is the same for the 2 books or the profile option is set to allow adjustments for assets with different basis
- CIP Additions**
 - Provided the option is checked on the Book Setup Form
 - Provided the option to allow CIP assets on Tax Books is set on the Book Setup Form
 - Provided that Asset Category is also associated to the Tax Book
- CIP Adjustments**
 - Provides the option is checked on the Book Setup Form
 - Provided the option to allow CIP assets on Tax Books is set on the Book Setup Form
 - Provided that Asset Category is also associated to the Tax Book
 - Provided the cost basis is the same for the 2 books or the profile option is set to allow adjustments for assets with different basis
- Asset Retirements**
 - Provides the option is checked on the Book Setup Form
 - Provided that Asset Category is also associated to the Tax Book

Book Setup Form

- 1) CIP Asset Allowed
- 2) Asset Transactions Allowed

The screenshot displays the 'Book Controls' window for the 'OPS FEDERAL' book, which is classified as 'Tax'. The description is 'OPERATIONS FEDERAL TAX BOOK' and it is associated with the 'OPS CORP' corporate book. The 'Tax Rules' tab is active, showing several configuration options:

- Allow Reserve Adjustments
- Allow Investment Tax Credits
- Allow CIP Assets (highlighted with a yellow circle)
- Allow Cost Ceilings
- Allow Expense Ceilings
- Allow Mass Copy (highlighted with a red box)
 - Copy Additions
 - Copy Adjustments
 - Copy Retirements

Additional settings include:

- Salvage Value: Do Not Copy
- Last Period: Oct-03
- Group Rules:
 - Group Asset Additions: [Dropdown]
 - Member Asset Assignments: [Dropdown]

Asset Category Setup Form

Asset Categories

Category: **COMPUTER-PC** Enabled

Description: **Owned Personal computer** Capitalize

Category Type: **Non-Lease** In Physical Inventory

Ownership: **Owned**

Property Type: **PERSONAL** Property Class: **1245**

General Ledger Accounts

Book	OPS FEDERAL
Asset Cost	01-000-1560-0000-000
Asset Clearing	01-000-1570-0000-000
Depreciation Expense Segment	7360
Accumulated Depreciation	01-000-1660-0000-000
Bonus Expense	7360
Bonus Reserve	01-000-1660-0000-000
Revaluation Reserve	01-000-1670-0000-000
Revaluation Amortization	01-000-1680-0000-000
CIP Cost	01-000-1580-0000-000
CIP Clearing	01-000-1590-0000-000

Profile Option Form

Profile Name	Default Value	User Value
FA: Deprn Single	No	
FA: Enable Depreciable Basis F		
FA: Enable Depreciation Overri		
FA: Generate Asset Level Acco		
FA: Generate Book Level Acco		
FA: Generate Category Level A		
FA: Include Nonrecoverable Ta		
FA: Large Rollback Segment N:		
FA: Mass Copy All Cost Adjustm	No	
FA: Number Mass Addition Para	2	
FA: Number of Generate Accou		
FA: Number of Parallel Reques	1	

Periodic Mass Copy Process

After the Corporate Books have been closed run the Period Mass Copy process

Review the Output / Log File when process is complete to determine Good and Bad errors:

Example of a Good Error:

Transaction unable to be copied, not a cost adjustment (this could be a Depreciation Method , Life, or any other non financial adjustment that should not impact Tax)

Example of a Bad Error:

Retirement Transaction unable to be copied

All errors should be review and determined if the transaction needs to be manually performed on the Tax Books

Periodic Mass Copy Process

Example of a Good Error:

CST011	15406	This asset's category is not set up for this tax book
CST012	15407	This asset's category is not set up for this tax book
CST013	15408	This asset's category is not set up for this tax book
CST014	15409	This asset's category is not set up for this tax book
CST015	15410	This asset's category is not set up for this tax book

CST009	15475	The adjustment is not a cost, salvage value, or production capacity adjustment
CST010	15476	The adjustment is not a cost, salvage value, or production capacity adjustment
CST011	15477	The adjustment is not a cost, salvage value, or production capacity adjustment
CST012	15478	The adjustment is not a cost, salvage value, or production capacity adjustment
CST013	15479	The adjustment is not a cost, salvage value, or production capacity adjustment
CST014	15480	The adjustment is not a cost, salvage value, or production capacity adjustment
CST015	15481	The adjustment is not a cost, salvage value, or production capacity adjustment
CST016	15482	The adjustment is not a cost, salvage value, or production capacity adjustment
CST017	15483	The adjustment is not a cost, salvage value, or production capacity adjustment
CST019	15484	The adjustment is not a cost, salvage value, or production capacity adjustment
CST001	15486	The adjustment is not a cost, salvage value, or production capacity adjustment
CST002	15487	The adjustment is not a cost, salvage value, or production capacity adjustment
CST003	15488	The adjustment is not a cost, salvage value, or production capacity adjustment
CST004	15489	The adjustment is not a cost, salvage value, or production capacity adjustment
CST005	15490	The adjustment is not a cost, salvage value, or production capacity adjustment
CST006	15491	The adjustment is not a cost, salvage value, or production capacity adjustment
CST007	15492	The adjustment is not a cost, salvage value, or production capacity adjustment
CST008	15493	The adjustment is not a cost, salvage value, or production capacity adjustment

Periodic Mass Copy Process

Example of a Bad Error:

```
VISION ENTERPRISES                               Periodic Mass Copy Execution Report

Book: CST FEDERAL
Period: Feb-08
Request ID: 2844202
Number of successes: 0
Number of warnings: 0
Number of failures: 3
Module Periodic Mass Copy ended with error

Asset Number      Transaction Number      Action
-----
CST004            10954                  Mass Copy failed on this asset and transaction
CST004            10955                  The Mass Copy program cannot copy this transaction because
CST004            10956                  The Mass Copy program cannot copy this transaction because
```

Reconciliation Process

After the Periodic Mass Copy has been completed and all errors have been reviewed and acted upon (if needed)

Reconcile the Corporate Books to the Tax Books (should be done on a monthly basis)

- Additions**
- Adjustments**
- Retirements**

Run the above transaction reports for both the Corporate and Tax books and compare, based on system setups there might be known variances, identify and correct all unknown variances.

Run Tax Depreciation and close period.

Automated Reconciliation Process

(Corporate to Tax Book)

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Summary Level) [Excel Format]

CHI-STAR TECHNOLOGY
 ORACLE FA CORP BOOK TO TAX BOOK SUMMARY RECONCILIATION REPORT
 CORP Book: CST CORP
 TAX Book: CST FEDERAL
 Period: Jan-08

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADDITION	BUILDING	OFFICE	17,302,670.00	17,302,670.00	0
ADDITION	COMPUTER	PC	62,300.03	62,300.03	0
ADDITION	FURNITURE	DESKS	22,900.00	22,900.00	0
ADDITION	VEHICLE	OWNED HEAVY	80,479.02	80,479.02	0
SUM:			17,468,349.05	17,468,349.05	0

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADJUSTMENT	VEHICLE	OWNED HEAVY	3,000.00	3,000.00	0
SUM:			3,000.00	3,000.00	0

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Summary Level) [Excel Format]

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADDITION	BUILDING	OFFICE	356,000.00	356,000.00	0
SUM:			356,000.00	356,000.00	0

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADJUSTMENT	BUILDING	OFFICE	500	500	0
SUM:			500	500	0

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
RETIREMENT	COMPUTER	PC	-129,799.85	-129,799.85	0
RETIREMENT	FURNITURE	DESKS	-57,569.37	-57,569.37	0
SUM:			-187,369.22	-187,369.22	0

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Summary Level) [PDF Format]



CHI-STAR TECHNOLOGY
 ORACLE FA CORP BOOK TO TAX BOOK SUMMARY RECONCILIATION REPORT
 CORP Book: CST CORP
 TAX Book: CST FEDERAL
 Period: Jan-08

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADDITION	BUILDING	OFFICE	17,302,670.00	17,302,670.00	0.00
ADDITION	COMPUTER	PC	62,300.03	62,300.03	0.00
ADDITION	FURNITURE	DESKS	22,900.00	22,900.00	0.00
ADDITION	VEHICLE	OWNED HEAVY	80,479.02	80,479.02	0.00
SUM:			17,468,349.05	17,468,349.05	0.00

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADJUSTMENT	VEHICLE	OWNED HEAVY	3,000.00	3,000.00	0.00
SUM:			3,000.00	3,000.00	0.00

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Summary Level) [PDF Format]

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADDITION	BUILDING	OFFICE	356,000.00	356,000.00	0.00
SUM:			356,000.00	356,000.00	0.00

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADJUSTMENT	BUILDING	OFFICE	500.00	500.00	0.00
SUM:			500.00	500.00	0.00

Source	Major	Minor	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
RETIREMENT	COMPUTER	PC	-129,799.85	-129,799.85	0.00
RETIREMENT	FURNITURE	DESKS	-57,569.37	-57,569.37	0.00
SUM:			-187,369.22	-187,369.22	0.00

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Detail Level) [Excel Format]

CHI-STAR TECHNOLOGY
 ORACLE FA CORP BOOK TO TAX BOOK DETAIL RECONCILIATION REPORT
 CORP Book: CST CORP
 TAX Book: CST FEDERAL
 Period: Jan-08

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADDITION	BUILDING	OFFICE	CST020	4,367,000.00	4,367,000.00	0
ADDITION	BUILDING	OFFICE	CST027	12,900,000.00	12,900,000.00	0
ADDITION	BUILDING	OFFICE	CST029	35,670.00	35,670.00	0
ADDITION	COMPUTER	PC	CST021	2,300.00	2,300.00	0
ADDITION	COMPUTER	PC	CST022	60,000.03	60,000.03	0
ADDITION	FURNITURE	DESKS	CST023	10,000.00	10,000.00	0
ADDITION	FURNITURE	DESKS	CST024	12,900.00	12,900.00	0
ADDITION	VEHICLE	OWNED HEAVY	CST025	56,789.00	56,789.00	0
ADDITION	VEHICLE	OWNED HEAVY	CST026	23,690.02	23,690.02	0
SUM:				17,468,349.05	17,468,349.05	0

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADJUSTMENT	VEHICLE	OWNED HEAVY	CST015	3,000.00	3,000.00	0
SUM:				3,000.00	3,000.00	0

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Detail Level) [Excel Format]

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADDITION	BUILDING	OFFICE	CST028	356,000.00	356,000.00	0
SUM:				356,000.00	356,000.00	0

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADJUSTMENT	BUILDING	OFFICE	CST018	500	500	0
SUM:				500	500	0

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
RE TIREMENT	COMPUTER	PC	CST005	-129,799.85	-129,799.85	0
RE TIREMENT	FURNITURE	DESKS	CST007	-57,569.37	-57,569.37	0
SUM:				-187,369.22	-187,369.22	0

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Detail Level) [PDF Fomat]



CHI-STAR TECHNOLOGY
 ORACLE FA CORP BOOK TO TAX BOOK DETAIL RECONCILIATION REPORT
 CORP Book: CST CORP
 TAX Book: CST FEDERAL
 Period: Jan-08

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADDITION	BUILDING	OFFICE	CST020	4,367,000.00	4,367,000.00	0.00
ADDITION	BUILDING	OFFICE	CST027	12,900,000.00	12,900,000.00	0.00
ADDITION	BUILDING	OFFICE	CST029	35,670.00	35,670.00	0.00
ADDITION	COMPUTER	PC	CST021	2,300.00	2,300.00	0.00
ADDITION	COMPUTER	PC	CST022	60,000.03	60,000.03	0.00
ADDITION	FURNITURE	DESKS	CST023	10,000.00	10,000.00	0.00
ADDITION	FURNITURE	DESKS	CST024	12,900.00	12,900.00	0.00
ADDITION	VEHICLE	OWNED HEAVY	CST025	56,789.00	56,789.00	0.00
ADDITION	VEHICLE	OWNED HEAVY	CST026	23,690.02	23,690.02	0.00
SUM:				17,468,349.05	17,468,349.05	0.00

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
ADJUSTMENT	VEHICLE	OWNED HEAVY	CST015	3,000.00	3,000.00	0.00
SUM:				3,000.00	3,000.00	0.00

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADDITION	BUILDING	OFFICE	CST028	356,000.00	356,000.00	0.00
SUM:				356,000.00	356,000.00	0.00

Automated Tax Reconciliation Process

One report to compare Corp to Tax Transactions (Detail Level) [PDF Format]

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
CIP ADJUSTMENT	BUILDING	OFFICE	CST018	500.00	500.00	0.00
SUM:				500.00	500.00	0.00

Source	Major	Minor	Asset Number	CORP Book Amount	TAX Book Amount	CORP to TAX Variance
RETIREMENT	COMPUTER	PC	CST005	-129,799.85	-129,799.85	0.00
RETIREMENT	FURNITURE	DESKS	CST007	-57,569.37	-57,569.37	0.00
SUM:				-187,369.22	-187,369.22	0.00

Process Considerations

Timing on Closing Tax Books:

- Process begins after corporate book is closed
- If Year-End, keep tax book open to calculate the 40% test
- Mass Change feature

Great Sources for Information

Asset Special Interest Group (SIG)

FREE to join group:

Assets SIG



Meetings (Semi-Annual)

- OAUG Conference
- OpenWorld Conference

<http://assetsig.oaug.org>

LinkedIn: <http://www.linkedin.com/groups?gid=2202521>

Chi-Star Technology®

Company website:

<http://www.chistartech.com>

CHI-STAR TECHNOLOGY®

Offer Product Solutions for Oracle Assets:

- AssetCross™ – Automates the transferring of assets between depreciation books
- AssetTie™ – Automates the reconciliation processes between:
 - Fixed Assets and General Ledger
 - Corporate and Tax books

Learn More About AssetTie™

Download Product Video:

<http://www.chistartech.com/AssetTie.html>

Join our User Group on LinkedIn:

<http://www.linkedin.com/groups?gid=2202572>

The logo features the text "CHI-STAR TECHNOLOGY® - AssetTie™" in white, bold, sans-serif font. It is set against a dark, textured background that resembles a night sky or a starry field, with a horizontal band of light at the bottom.

CST Education Network

Webinars:



Offerings:

- Video Training (Functional & Technical)
- Conversion Strategies Overview
- CRP / Test Scripts
- BR100

<http://www.chistartech.com/CSTHome.html>

LinkedIn: <http://www.linkedin.com/groups?gid=2202600>

Questions?

Questions after the fact –

Send email to: brian_bouchard@chistartech.com