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The Webinar will begin shortly.

Presented by:

eprentise®

#CVRtips

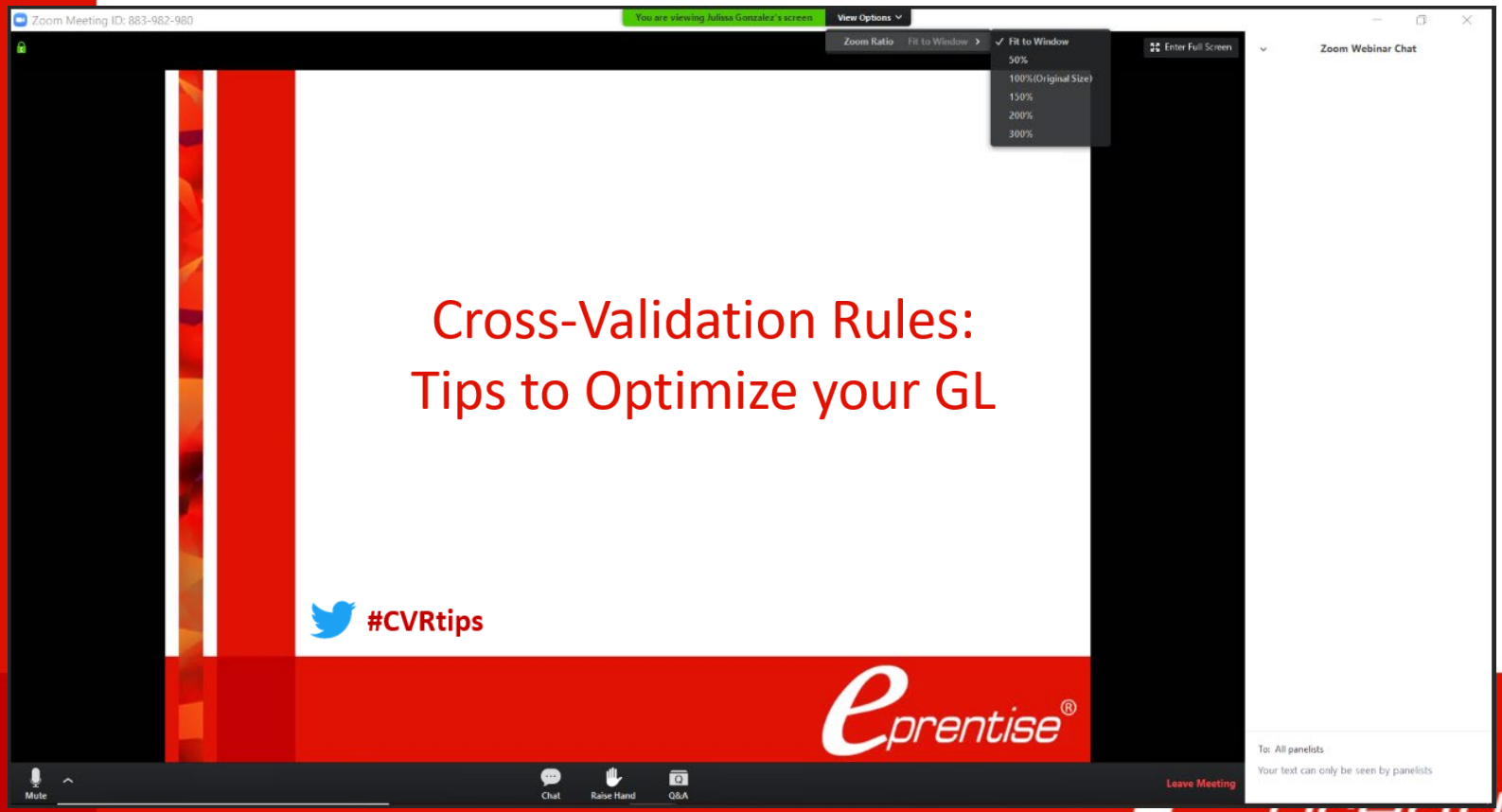
Cross-Validation Rules: Tips to Optimize your GL

#CVRtips

eprentise®

Webinar Mechanics

- Submit text questions.
- Q&A addressed at the end of the session and posted on LinkedIn.
- Everyone will receive an email with a link to view a recorded version of today's session.
- Polling questions will be presented during the session. If you want CPE credit for this webinar, you must answer all of the polling questions.



Who Is eprentise?

In 2007 eprentise was founded on its original product, FlexField

- Enables customers to make unprecedented changes to their financial chart of accounts while maintaining transactional history and data integrity.

In 2009 we introduced our Consolidation, Divestiture, and Reorganization products

- Transformational software which can copy, change, filter, or merge all elements of Oracle EBS financial systems to address ever-changing business needs, such as regulatory compliance and growth opportunities.

Transformation to Optimization

One-time usage to subscription model

In 2020 we are expanding to new markets with our C Collection analytics suite, and our Audit Automation software

- C Collection analytics provides transparency and identifies potential problem areas with transactional data. This allows users to reduce costs, leverage opportunities across the enterprise, improve business processes, and increase the confidence level of the users in their data, processes, and operations.

- Automated Audit provides internal auditors and the finance team with drill-down data from a balance sheet report into the transaction-level detail. The software covers hundreds of substantive procedures for the entire enterprise domain and builds in consistent audit processes and workflows across the organization.

Learning Objectives

Objective 1: Learn how cross-validation rules work in Oracle E-Business Suite.

Objective 2: Learn how to set up cross validation rules.

Objective 3: Learn how a good chart of accounts design reduces the need for complex cross-validation rules.

Objective 4: Understand the importance of ranges in designing cross-validation rules.

Agenda

- Cross-validation Rules Overview
  - Introduction
  - Chart of Accounts Basics
- Cross-validation Rule Setup
  - Defining and Creating Your Rules
- Optimizing Cross-validation Rules
  - Chart of Accounts Design
  - Logical Ranges
  - Data and Information Segmentation
- Seven Criteria for Designing Good Cross-validation Rules

Chart of Accounts Basics

Accounting Flexfield Structure in E-Business Suite

- Segments
- Values
- Code Combinations

Segments (or Value Sets) →

Values →

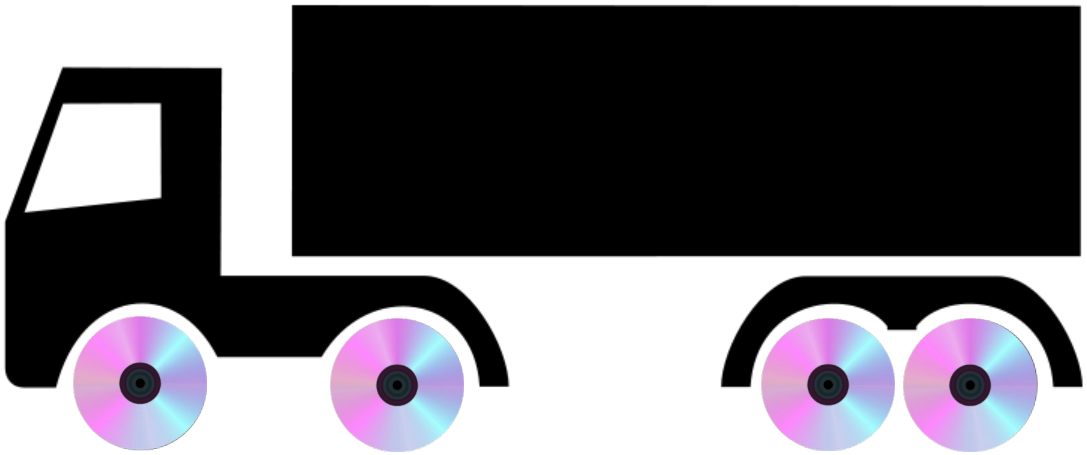
Company	Business Unit	Cost Center	Region	Account
01	100	150	East	1111
02	100	210	West	2222

01.100.150.East.1111 ← Code Combination

A **cross-validation rule** determines and controls the valid segment values that may be used in conjunction with values in other segments.

Layman's terms?

- Tractor Unit - Semi-Trailer - Engine - Cabin - **Compact Discs**



Setting Up Cross-Validation Rules

1. A cross-validation rule only applies to a **single chart of accounts** structure or accounting flexfield
2. Cross-validation rules **only work on data entry**
3. Cross-validation rules have **no impact on code combinations that are already in use**
   - Important to design and set up your cross-validation rules *before entering transactions*
4. Set up rules by defining valid combinations in the **Define Cross-validation Rules form**

Creating Cross Validation Rules

Define the Goal — Limit vs. Allow

Limit

- Prevent certain chart of account segment values from being used in conjunction with specific values in other segments.

  Example: Prevent accounts 7000 – 9000 from being used with departments 1000 – 1999

Allow

- Only permit certain values to be used under certain matching conditions.

Example: only department 8723 may be used with any product line that begins with H

What's the difference?

- Nothing — the logic is the same. By allowing only certain values, you are really just limiting all the rest of the values. Even so, it's good practice to think about the rules as Limiting or Allowing in order to get a better grasp of what values or ranges need to be included and excluded.

POLL QUESTION #1

CVR Elements (or Statements)

The first part of setting up your rule is defining the cross-validation rule elements, or statements.

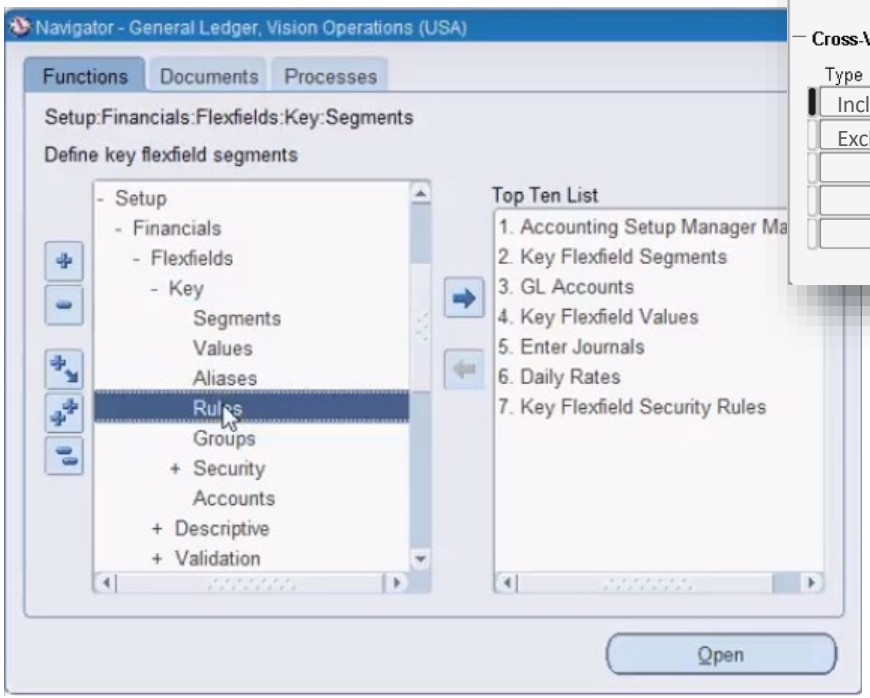
- **Include element**
  - First create an **Include** element that includes the entire range of values for each segment. Every cross-validation rule must include at least one Include element.
- **Exclude element(s)**
  - Next create any necessary **Exclude** elements that place limits on the values that can be used. Exclude elements override Include elements.

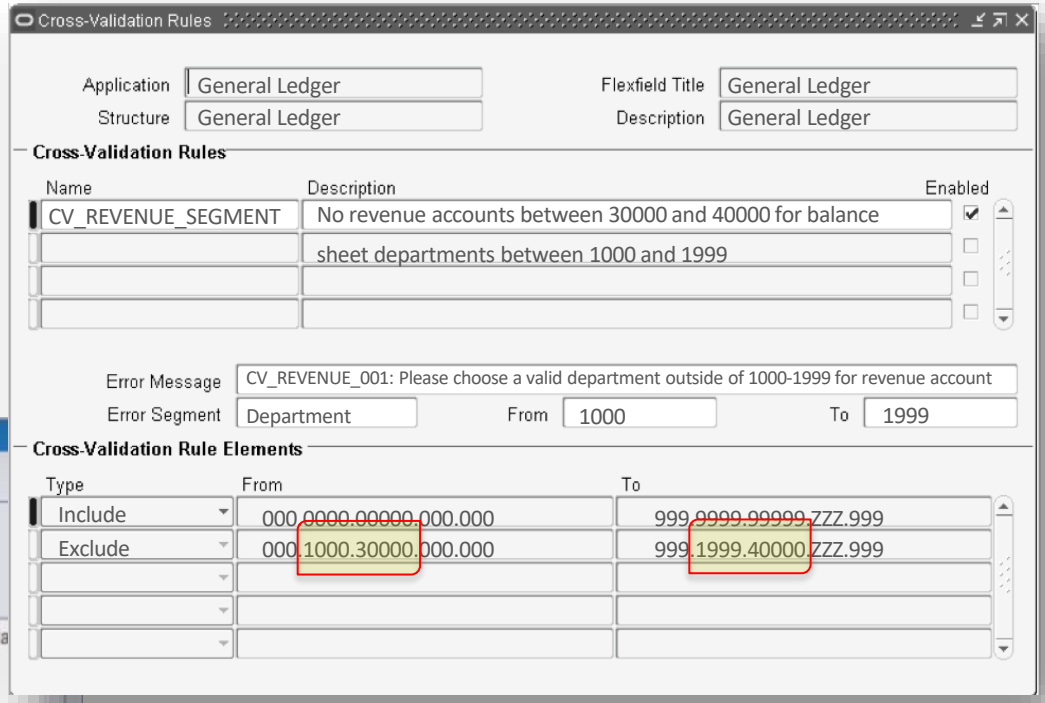
Always start with a global Inclusion – then move on to Exclusions.

Cross-validation Errors

- A cross-validation error occurs when a user inputs an invalid segment value based on the Exclusion elements of existing cross-validation rules.
- As with any application, **handling errors efficiently** allows the user to get back up and running with minimum wasted time and effort.
  - **Determine your error segment** — This is the segment that will receive the focus of the cursor upon an error, so choose the segment that will most likely be causing the error
  - **Define your own error messages** — Short, concise messages that briefly explain the problem and suggest a fix are best. For example, *"You have entered an incompatible business unit/account combination. Please re-enter."*

Defining Rules in the Form





Example COA Structure & Values

We'll use the following five-segment Accounting Flexfield in the examples that follow:

	Company		Department		Account		Product Line		Intercompany	
	3 digits Numeric		4 digits Numeric		5 digits Numeric		3 digits Alphanumeric		3 digits Numeric	
Example Values	001	US Holding Co	1010	Administrative	40000	Revenue	C99	CPUs	001	US Holding Co
	010	ABC Hard Drives, Ltd.	5042	Consulting	20000	Liabilities	D47	Internal Hard drives	010	ABC Solutions, Ltd.
	320	DEF Systems, LLC	7640	Repair and Maintenance-Internal Hard Drives	50013	Expenses Replacement parts for Internal Hard Drives	M50	Memory	320	DEF Systems, LLC
	731	GHI Enterprises, Inc.	2020	Finance	35000	Sales - Hardware	S10	Installation Services	731	GHI Enterprises, Inc.

CVR Example 1

- **Goal** — Prevent revenue account values between 30000 and 40000 from being used with balance sheet department values between 1000 and 1999.
  - **Elements:** Global Include, single Exclude
  - **Error segment:** Department

INCLUDE	Low Value	High Value
Company	000	999
Department	0000	9999
Account	00000	99999
Product Line	000	ZZZ
Intercompany	000	999

EXCLUDE	Low Value	High Value
Company	000	999
Department	1000	1999
Account	30000	40000
Product Line	000	ZZZ
Intercompany	000	999

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CVR Example 2

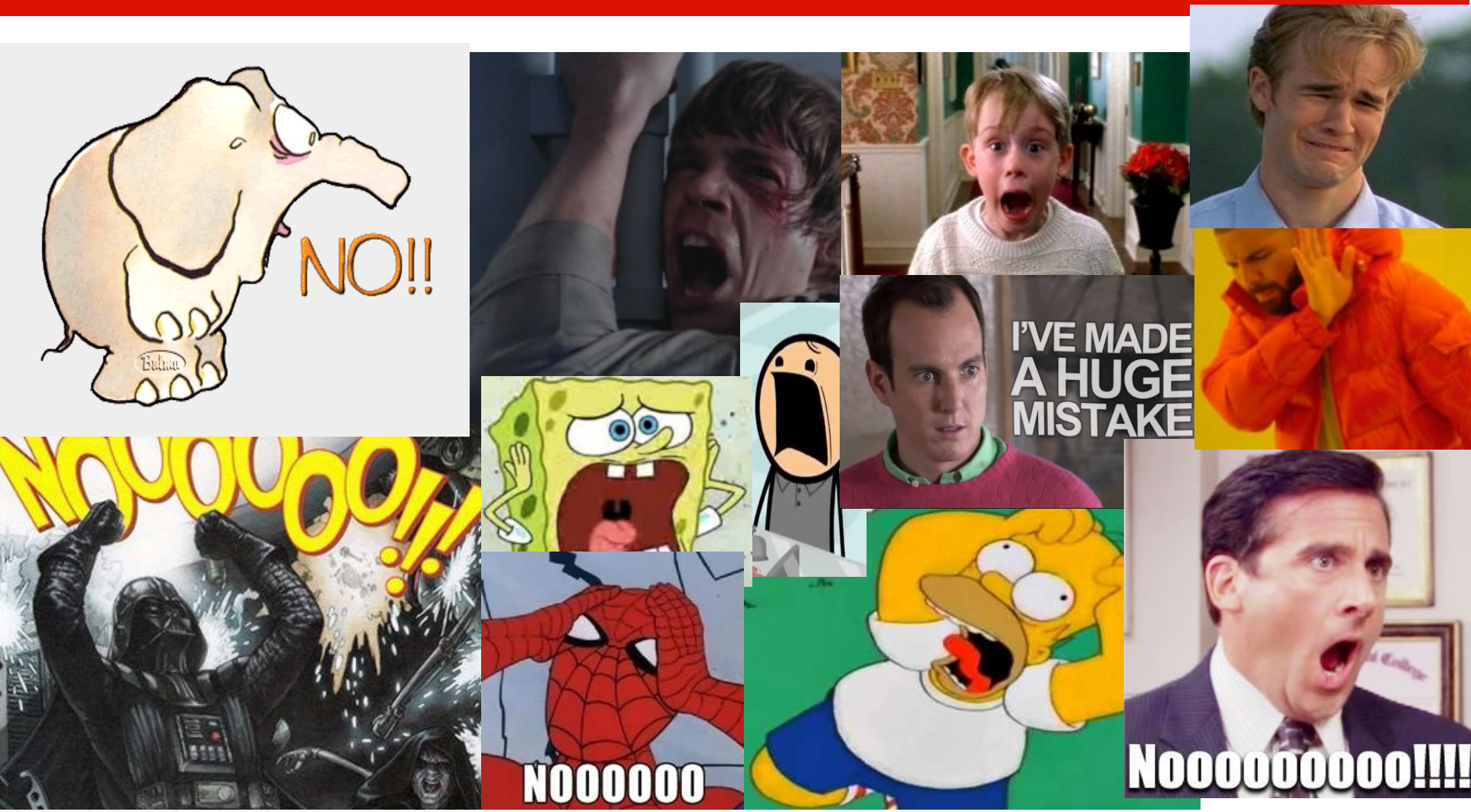
- **Goal** — *Only* department 7640 is permitted for use with any product line that starts with S.
  - **Elements:** Global Include, three Excludes
  - **Error segment:** Department

INCLUDE	Low Value	High Value
Company	000	999
Department	0000	9999
Account	00000	99999
Product Line	000	ZZZ
Intercompany	000	999

This exclude statement prevents the departments above 7640 from using any product line that starts with anything below S.

This exclude statement prevents the departments below 7640 from using any product line that starts with anything above S:

EXCLUDE	Low Value	High Value
Company	000	999
Department	0000	7639
Account	00000	99999
Product Line	T00	ZZZ
Intercompany	000	999



POLL QUESTION #2

CVR Implications on COA Design

- **Out of Range** — Cross-validation rules can get messy if your chart of accounts values are not organized in logical ranges.
  - Rule elements are much more complex due to the inability to rely on value ranges for exclusion
  - **Example Goal:** Prevent revenue account values between 30000 and 40000 from being used with any department values other than the following 5 values (we'll begin with the familiar global Include element):
    - 3001
    - 5057
    - 6124
    - 8537
    - 9905

INCLUDE	Low Value	High Value
Company	000	999
Department	0000	9999
Account	00000	99999
Product Line	000	ZZZ
Intercompany	000	999

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CVR Implications on COA Design

Exclude Elements — 6 Steps Required

- Need Exclude elements for all the values above and below each of the department values

Example Goal: Prevent revenue account values between 30000 and 40000 from being used with any department values other than the following 5 values (we'll begin with the familiar global Include element):

3001 ■ 5057 ■ 6124 ■ 8537 ■ 9905

This statement prevents all departments greater than 3001 and less than 5057 from being used.

This statement prevents all departments greater than 5057 and less than 6124 from being used.

This statement prevents all departments greater than 6124 and less than 8537 from being used.

This statement prevents all departments greater than 8537 and less than 9905 from being used.

EXCLUDE	Low Value	High Value
Company	000	999
Department	9906	9999
Account	30000	40000
Product Line	000	ZZZ
Intercompany	000	999

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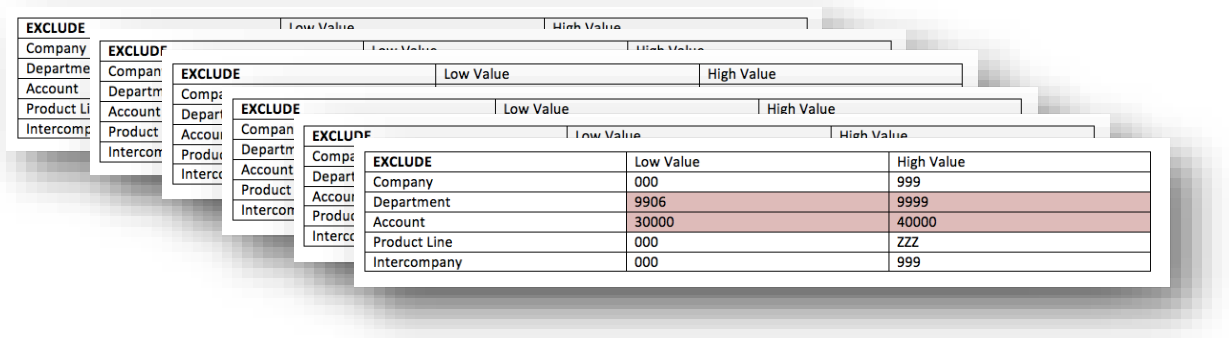
CVR Implications on COA Design

INCLUDE	Low Value	High Value
Company	000	999
Department	0000	9999
Account	00000	99999
Product Line	000	ZZZ
Intercompany	000	999



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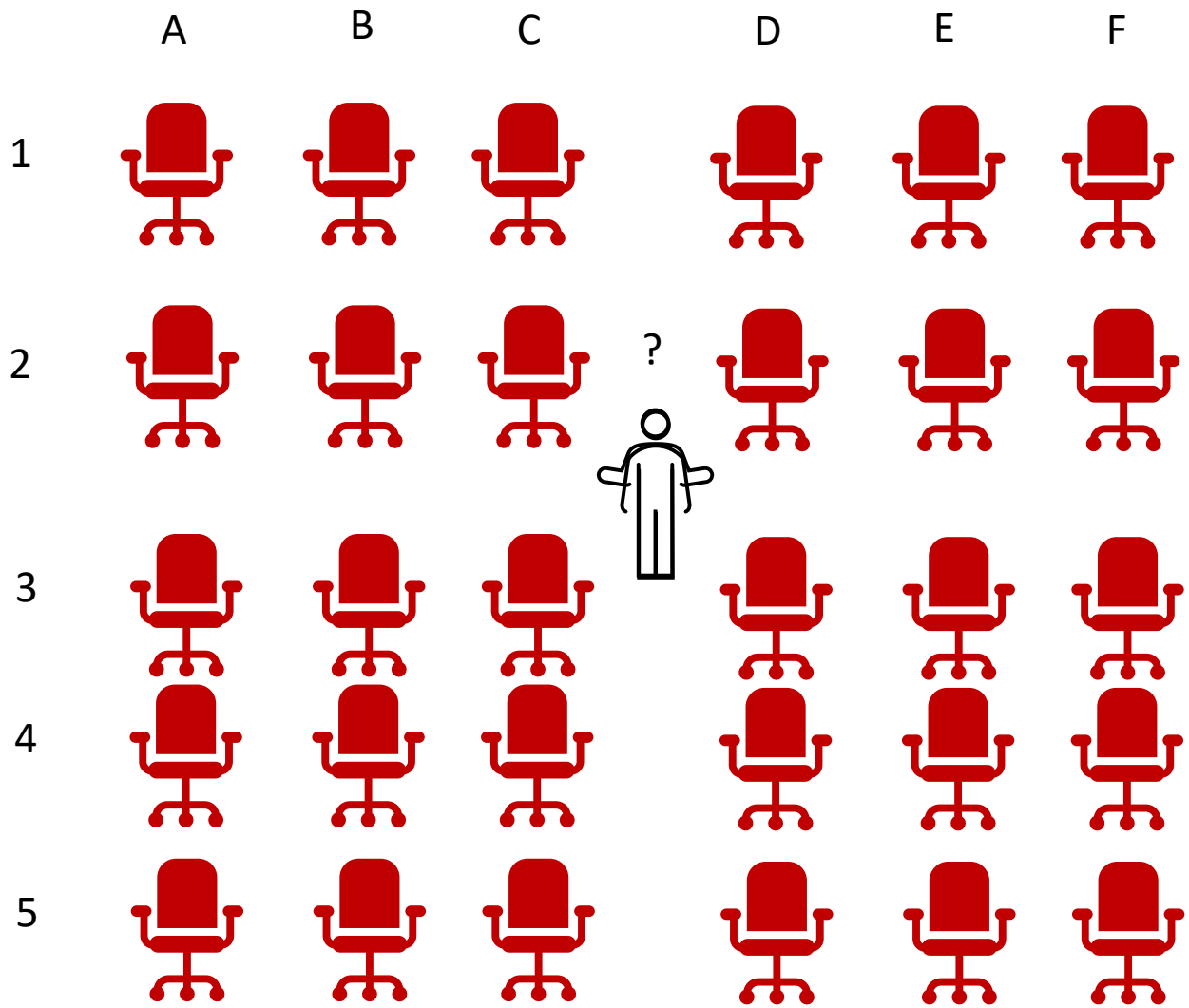
Best Practices

- Trying to include more than two segments in a cross-validation rule is too complex and leads to even more required Exclude elements.
  - Soon, you're at thousands of rules to maintain
- It's easy to steer clear of this problem by adhering to best practices when designing your chart of accounts
  - Ranges
  - One type of data in one (and only one) segment
  - Similar data in only one segment
  - Do not implement a dependent segment

Do Not Use a Dependent Segment



Maintaining Your CV Rules and Valid Combinations

- Review existing key flexfields when you update your cross-validation rules to maintain consistent validation.
  - Regardless of your current validation rules, GL accepts a key flexfield combination if the combination already exists and is enabled.
- Maintenance Suggestions:
  - Decide upon your cross-validation rules when you first set up your key flexfield structure.
  - Review existing combinations and disable any combinations that do not match the criteria of your new rules.

Available Reports

Reports for Checking Cross-validation Rules:

- **Cross-Validation Rules Listing Report**

  This report lists all the cross-validation rules that exist for a particular flexfield structure. This is the information you define using the Define Cross-Validation Rules form presented in a multiple-rule format you can review and keep for your records for a given flexfield structure.

- **Cross-Validation Rule Violation Report**

  This report provides a listing of all the previously-created flexfield combinations that violate your cross-validation rules. You can also choose to have the report program actually disable the existing combinations that violate your new rules.

POLL QUESTION #3

Seven Criteria for an Optimized CVR Design

1. Design your chart of accounts with cross-validation rules in mind.
   - ❑ Keep values in ranges
   - ❑ Put similar data in only one segment, and keep each segment for only one type of data
   - ❑ Use alphanumerics only when necessary
   - ❑ Do not implement a dependent segment
2. Start each rule with an Include statement that includes the entire range of values.
3. Limit each rule to only 2 segments.
4. Make your error messages very descriptive so that when a user gets an error, he or she understands what changes need to be made to the entered code combination.
5. Use several simple rules rather than one complex rule.
6. Start your Cross-validation Error Messages with CV so that the user knows that the combination is failing because of a Cross-validation rule (as opposed to a security rule, or an end-dated value) when they get the error message.
7. Use a single chart of accounts for all your operations. This greatly reduces the number of cross-validation rules necessary.

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Thank You!

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