Change your Functional Currency in Oracle EBS
...without Reimplementing.

eprentise Currency Change software allows Oracle® E-Business Suite customers to change the functional currency for any set of books. Relying on its built-in knowledge base of Oracle EBS, eprentise software provides a streamlined, cost-effective way to change the functional currency for a set of books.

eprentise software features include:

- » Support for either top-down or bottom-up conversions
- » The ability to convert monetary and non-monetary transactions using different conversion methods
- » The ability to tie to pre-defined landing balances
- » Configuration analysis of all relevant setups in an EBS installation
- » Support for all EBS modules including Assets and Projects
- » Identification of all related data to determine the impact of changes made
- » Drop-down lists with instance-specific data choices
- » A built-in knowledge repository that is used to constrain the choices made in EBS to maintain the data integrity
- » The ability to maintain history to have consistency in reporting and in business processes

Key Functions
of eprentise Currency Change Software

The Metadata Analysis component of eprentise software mines information about an Oracle EBS implementation including the structures, relationships, existing setup, and all data values. The eprentise **Change Currency** rule template allows the user to identify the set of books in which the currency conversion will take place, transforming its source currency into a new target currency for that set of books. Metadata Analysis identifies all of the data that will be impacted, and eprentise Currency Change software generates all the code required to change the source currency into its target currency everywhere in that set of books.
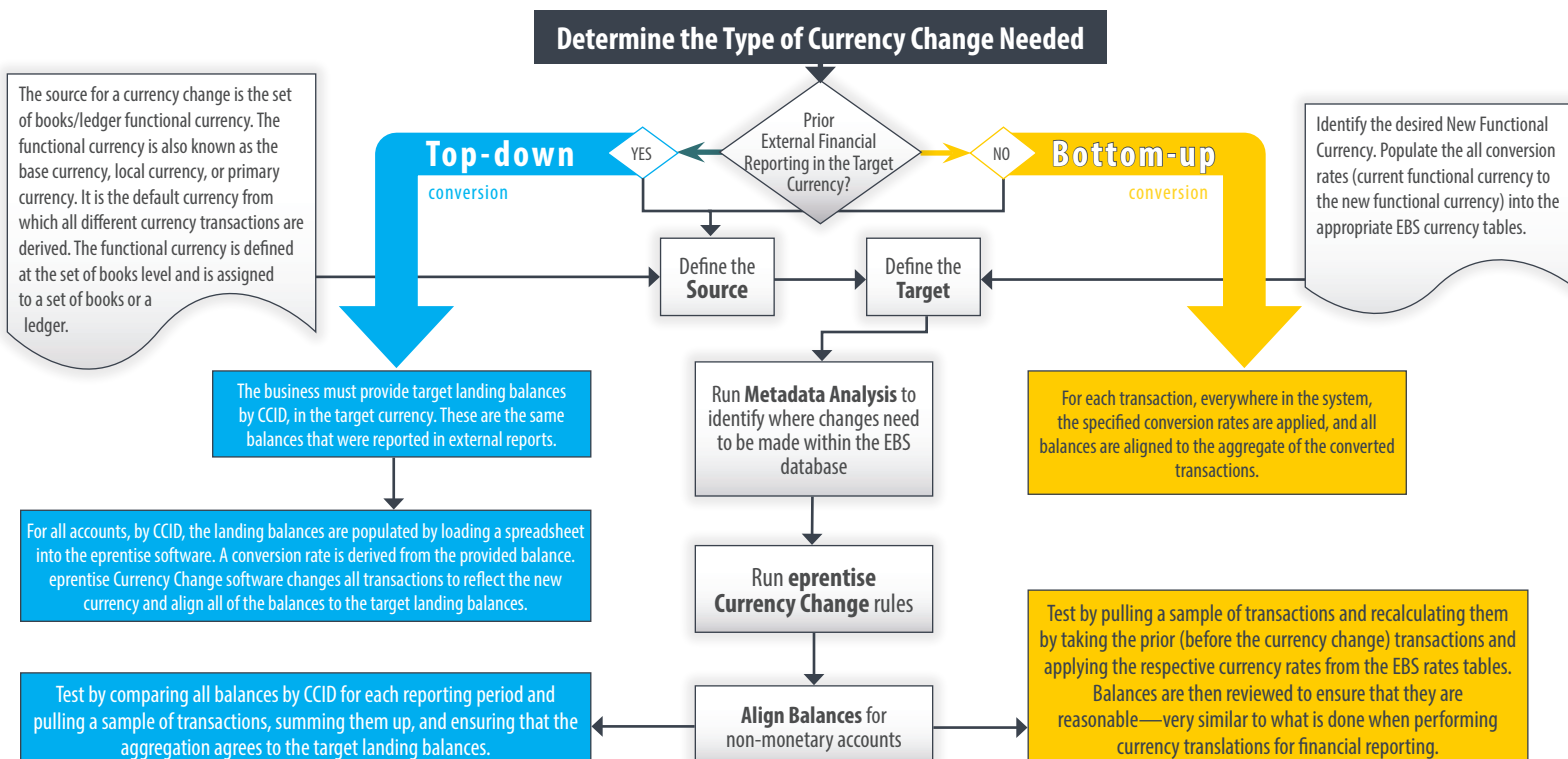
Support for Both Top-down and Bottom-up Conversions

A **top-down conversion** is required when the target currency has been used for external reports (e.g. SEC reports, tax and other regulatory compliance reports, public service commission reports) for that set of books. With a top-down conversion, the balances after using eprentise Currency Change software must tie out to the balances that were reported in the target currency. In order to tie out the balances, the user submits the landing balance for each code combination. eprentise Currency Change software derives the conversion rate to ensure that the related transaction aggregate to the previously reported balances.

If there have been no prior externally-reported balances in the target currency, a **bottom-up conversion** approach is allowed. With a bottom-up conversion, there is no need to generate landing balances. Instead, eprentise Currency Change software converts all transactions and balances to the new target currency using defined conversion rates.

Determine the Type of Currency Change Needed

The source for a currency change is the set of books/ledger functional currency. The functional currency is also known as the base currency, local currency, or primary currency. It is the default currency from which all different currency transactions are derived. The functional currency is defined at the set of books level and is assigned to a set of books or a ledger.

Prior External Financial Reporting in the Target Currency?

Top-down conversion ← YES

NO → **Bottom-up** conversion

Identify the desired New Functional Currency. Populate the all conversion rates (current functional currency to the new functional currency) into the appropriate EBS currency tables.

Define the **Source** → Define the **Target**

The business must provide target landing balances by CCID, in the target currency. These are the same balances that were reported in external reports.

Run **Metadata Analysis** to identify where changes need to be made within the EBS database

For each transaction, everywhere in the system, the specified conversion rates are applied, and all balances are aligned to the aggregate of the converted transactions.

For all accounts, by CCID, the landing balances are populated by loading a spreadsheet into the eprentise software. A conversion rate is derived from the provided balance. eprentise Currency Change software changes all transactions to reflect the new currency and align all of the balances to the target landing balances.

Run **eprentise Currency Change** rules

Test by comparing all balances by CCID for each reporting period and pulling a sample of transactions, summing them up, and ensuring that the aggregation agrees to the target landing balances.

Align Balances for non-monetary accounts

Test by pulling a sample of transactions and recalculating them by taking the prior (before the currency change) transactions and applying the respective currency rates from the EBS rates tables. Balances are then reviewed to ensure that they are reasonable—very similar to what is done when performing currency translations for financial reporting.

eprentise Currency Change Software — Transactions, Projects, and the UI

Monetary and Non-monetary Transactions

eprentise Currency Change software supports different conversion methods for monetary and non-monetary accounts. Non-monetary accounts are accounts that have ongoing transactions that do not result in cash (e.g. deferred revenue, fixed assets (accumulated depreciation), other amortizable assets, etc). The conversion rate for non-monetary accounts is calculated at the time the original transaction is booked. For example, an asset depreciation account is a non-monetary account that originates when the asset is purchased or put into service. The currency conversion for the asset cost is calculated based on the conversion rate as of the date the asset was put into service, and the depreciation expense retains that same currency conversion rate for the life of the asset (it is not subject to currency fluctuation). Non-monetary accounts require the step of matching the subsequent transactions to the original currency conversion rate. The conversion method for monetary transactions employs either a daily rate (the conversion rate on the date of the transaction), a spot rate (the conversion rate at a point in time – may be user defined), an average rate, or a historical rate. eprentise Currency Change software allows the user to identify the monetary and non-monetary accounts and set the rates and conversion methods accordingly.

A Typical Project

Typically, a currency change project using eprentise software will require 2-3 test runs followed by a go-live in the production instance. The eprentise team will need VPN access to the test environment and will conduct the first test run, perform an initial validation, and then turn the transformed instance over to the users for testing. Subsequent runs may be administered by the client team with eprentise assisting, or by the eprentise team with the client team assisting. Functional testing will be required after each of the runs.

The extent and scope of testing is the decision of the business. A test plan for a top-down currency conversion usually includes comparing all balances by CCID for each reporting period and pulling a sample of transactions, summing them up, and ensuring that the aggregation agrees to the target landing balances. Testing for a bottom-up conversion usually includes pulling a sample of transactions and recalculating them by taking the prior (before the currency change) transactions and applying the respective currency rates from the EBS rates tables. Balances are then reviewed to ensure that they are reasonable—very similar to what is done when performing currency translations for financial reporting. We generally recommend that you communicate with your external auditors to see if the set of books being converted is material to the company's financial reporting. If it is, your auditors will probably want to review your testing as part of their audit procedures.

After the testing is complete, the eprentise team will help the client team with planning and execution of the cutover into production. Near the end of the project, journal entries will be created by the eprentise software and will need to be posted (adjusting entries, gain and loss entries). There may be additional steps required to change reports, interfaces, customizations, enhancements, and workflows, and the users will need to be trained in new processes using the new functional currency.

When the project is complete, the set of books will have the new functional currency for all configurations, for all history, and in all modules. It will look like the new functional currency for the set of books was in place since the original implementation.

The eprentise User Interface
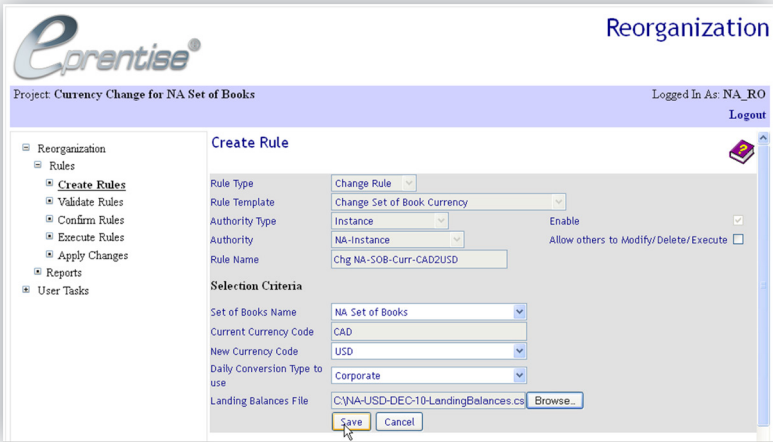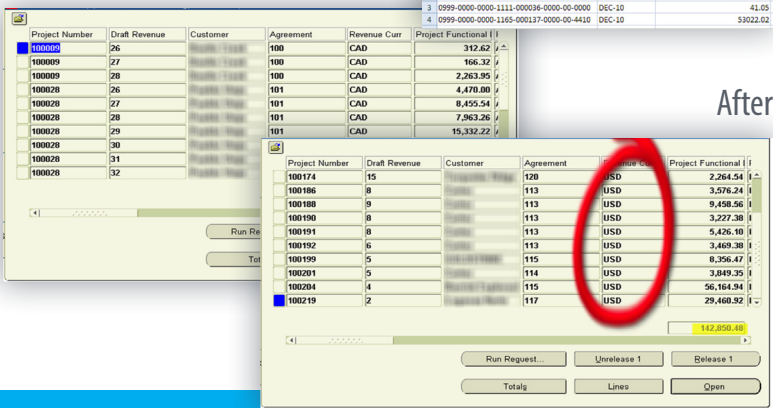
eprentise provides software that allows Oracle® E-Business Suite users to consolidate multiple production instances, to change existing configurations like charts of accounts, calendars, and to merge, split, or move sets of books, operating units, legal entities, business groups, and inventory organizations. Our software allows growing companies to make their E-Business Suite systems agile enough to support changing business requirements, avoid a reimplementation, and lower the total cost of ownership of ERP while also enabling real-time access to complete, consistent, and correct data across the enterprise.

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