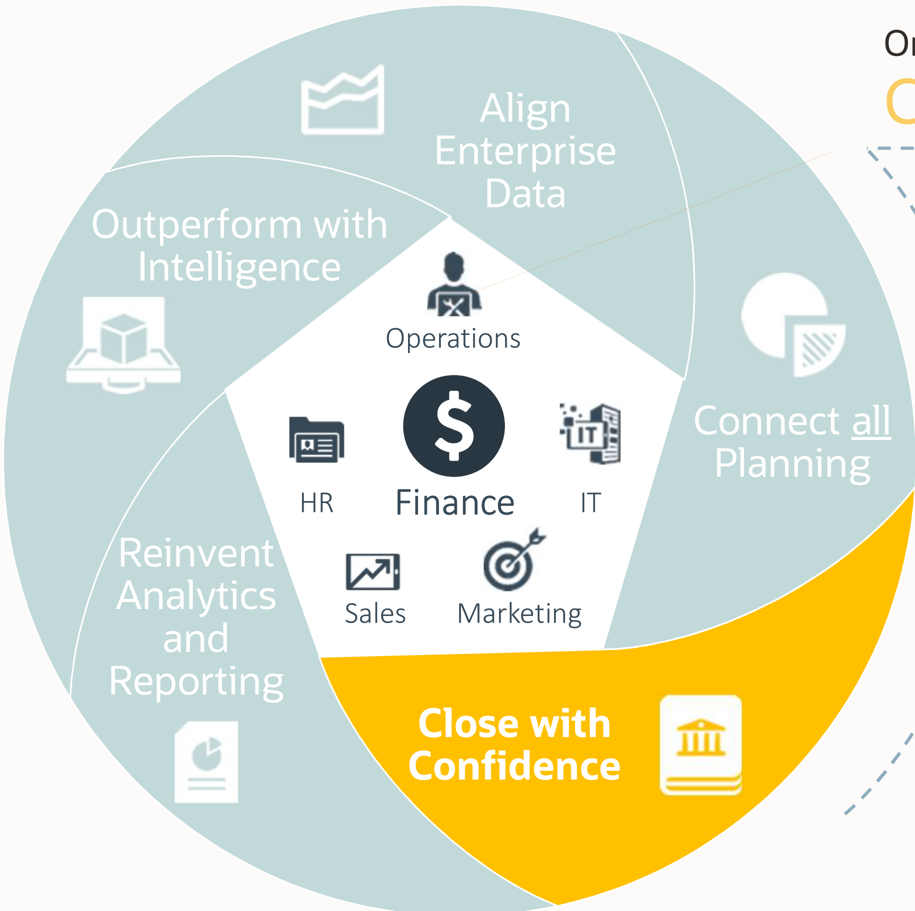
Public

ORACLE

EPM Transaction Matching Review, Best Practices, and Implementation Tips & Tricks

Oracle Cloud EPM

Tim Gaumont
Sr Director, Product Management
September, 2023



Oracle Cloud EPM

Connected Financial Close

- Close Process Orchestration
- Financial Consolidation
- Enterprise Journals
- Reconciliations and Transaction Matching
- Tax Provision and Reporting
- Transfer Pricing
- Intelligent Process Automation
- Oracle Digital Assistant (ODA) For EPM
- Narrative Report Packages

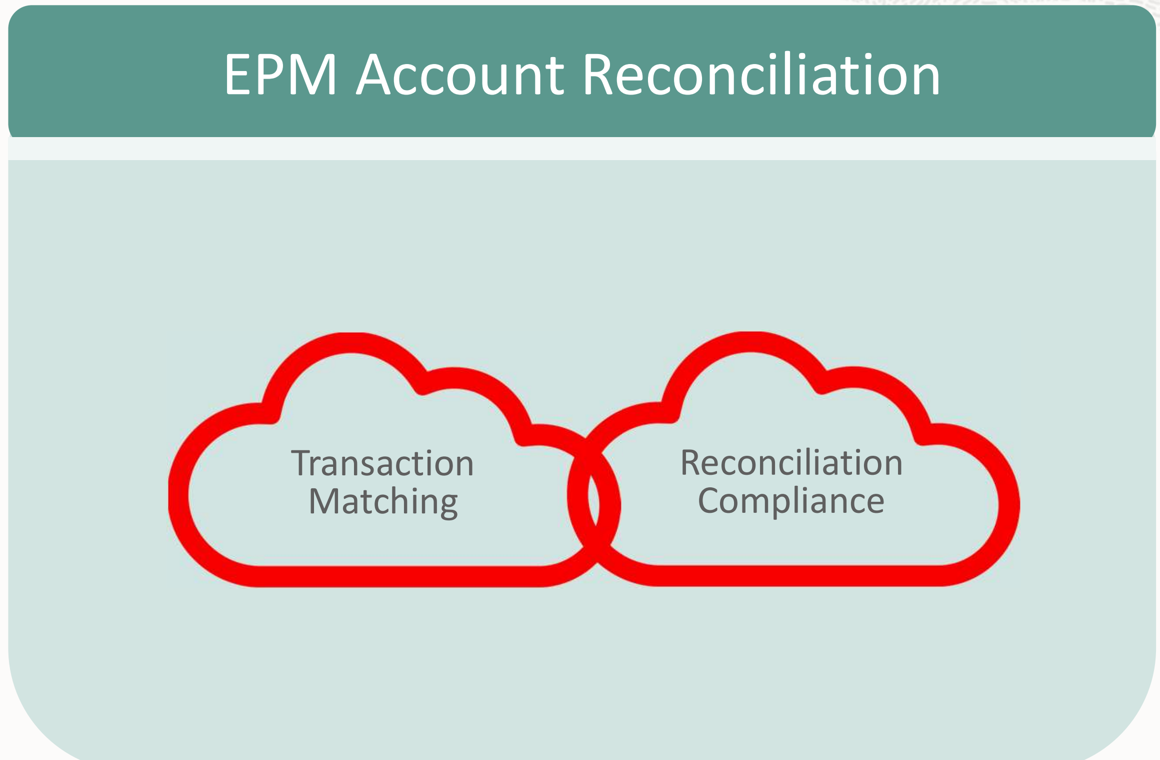
Best In Class Reconciliation Solution

Reconciliation Compliance

- Manage Entire Reconciliation Process
  - Balance Sheet Recons
  - Variance Analysis for B/S and P&L
  - Consolidation & any other balance checks
  - GAAP / STAT / IFRS / other
- Daily, Weekly, Monthly, etc.
- Ensure Compliance Requirements

Transaction Matching

- Automate High Volume, Labor Intensive, Complex Reconciliations
- Transactions across one, two, or more data sources
- Load & Match on preferred/required frequency
- Balance sheet or operational related



Best In Class Reconciliation Solution – Reconciliation Compliance Design

Reconciliation Compliance

- Manage Entire Period-End Reconciliation Process
    - Balance Sheet Reconciliation
    - Flux and Variance Analysis
    - Consolidation checks
    - GAAP / STAT / IFRS / other
- Daily, Weekly, Monthly, etc.
- Compliance and Attestations

Transaction Matching

- Automate High Volume, Labor Intensive, Complex Reconciliations
- Transactions across one, two, or more data sources
- Load & Match on preferred/required frequency
- Balance sheet or operational related

1. Format

- Typically set up by Account Type
- > 30 Prebuilt Formats Out of the Box
- Control the method of reconciliation and ensuring the capture of relevant and accurate information

2. Profile

- One per segment combination to be reconciled
- Group balances into single Group reconciliation
- Assign a Format, risk rating, currency requirements, workflow, and other attributes

3. Reconciliation

- Created in the Period
- Load Balances
- Auto Reconciliation & Roll-forward
- Notification to users for preparation/review

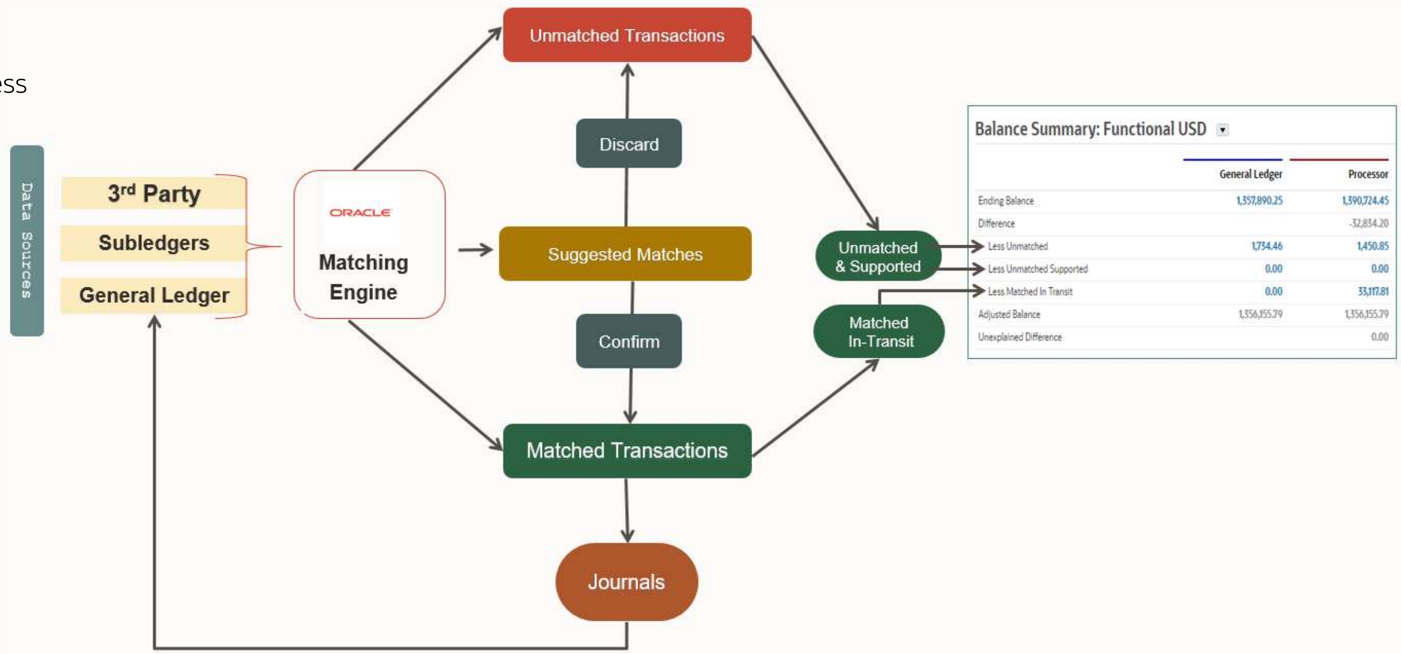
Best In Class Reconciliation Solution – Transaction Matching Design

Reconciliation Compliance

- Manage Entire Period-End Reconciliation Process
    - Balance Sheet Reconciliation
    - Flux and Variance Analysis
    - Consolidation checks
    - GAAP / STAT / IFRS / other
- Daily, Weekly, Monthly, etc.
- Compliance and Attestations

Transaction Matching

- Automate High Volume, Labor Intensive, Complex Reconciliations
- Transactions across one, two, or more data sources
- Load & Match on preferred/required frequency
- Balance sheet or operational related



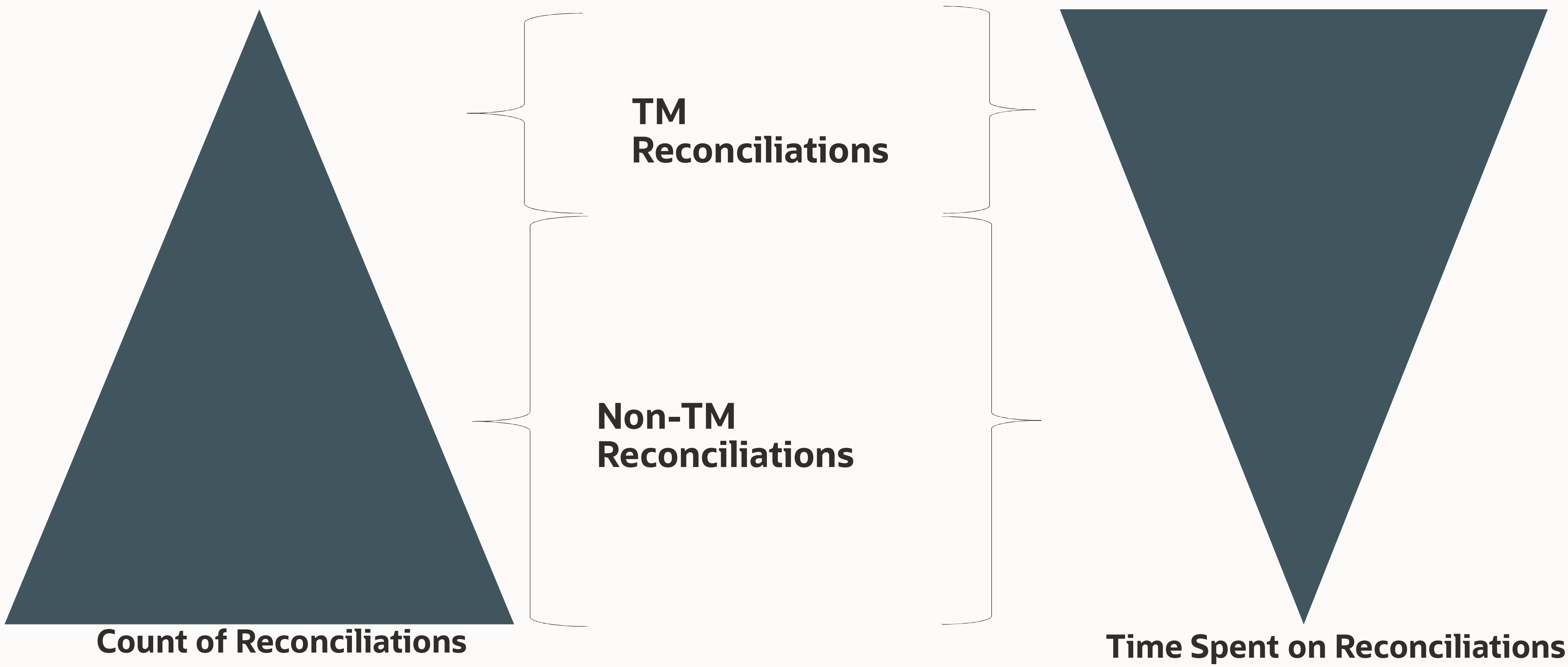
What is Transaction Matching?

- A feature that facilitates preparation of reconciliations
  - Comparing transactions between two data sources to see which transactions are outstanding
  - Netting transactions within a single data source to determine the “net balance” of the account
- The overall objective is to produce a reconciliation, the format of which is dependent on the nature of the account/matching

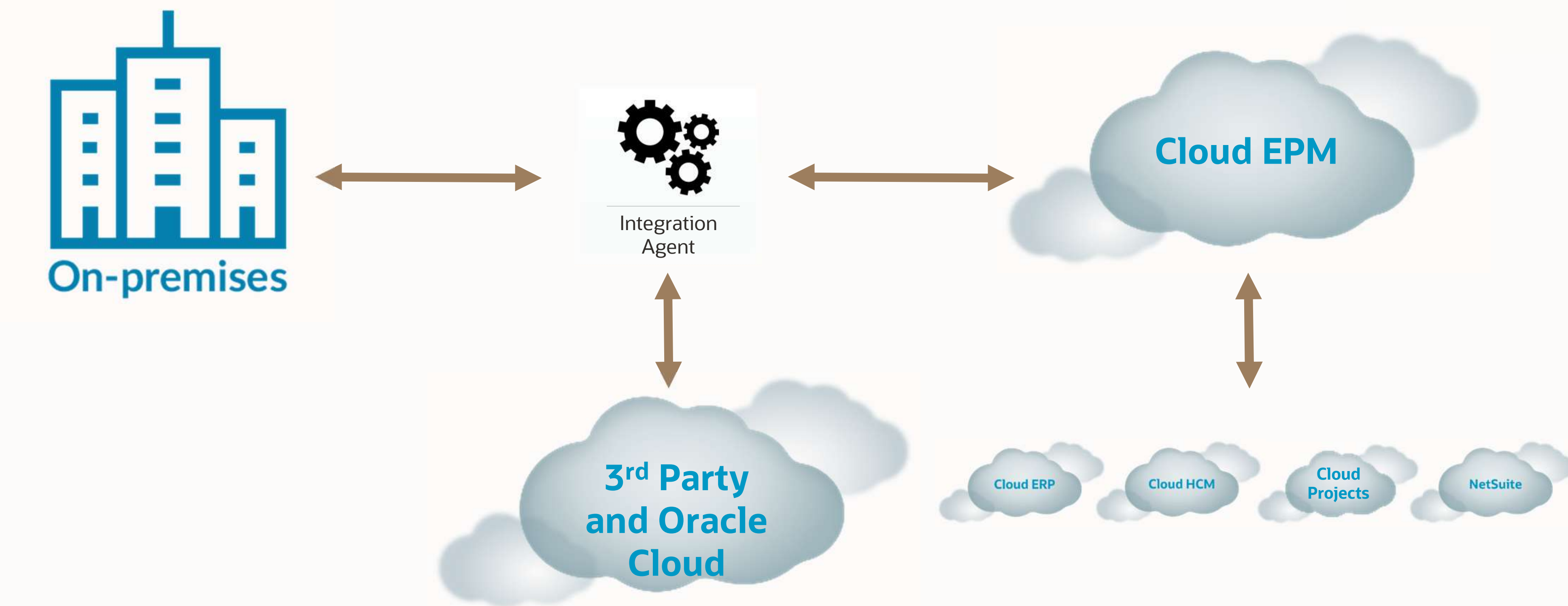
Many Use Cases	
Cash	ATM
Intercompany	Lockbox
Suspense	Claims to Payments
Clearing	Share/Stock Transactions
A/P and A/R	Expense Reimbursement
Credit Cards	Etc. etc.

Various Workflows
Matching Daily and Balancing Daily
Matching Daily and Balancing Monthly
Matching Monthly and Balancing Monthly

Transaction Matching Business Case



EPM Integration – Any Source or Target Combination



Reconciliation Compliance & Transaction Matching integration/balancing

What are the "5 Golden Balancing Rules"?

When comparing the Accounting Date of transactions to the period-end date, each transaction or match set will fall into only 1 of 5 buckets:

1. Unmatched – On or Before
2. Unmatched – After
3. Matched – All On or Before
4. Matched – All After
5. Matched – Both Before and After

Link to ARCS Help on this topic:

- http://docs.oracle.com/cloud/latest/account-reconcile-cloud/RAARC/reconcile_trans_match_balancing_report_104x6cd24227.htm#RAARC-GUID-6C7D2B71-708B-4CDD-B4FC-EAF3032F48B3

Transaction Matching Go Live Planning

There are 2 common go live plans you can follow:

1) The “Clean Start”
   - Need the full list of unmatched/in-transit from the last month of the previous process
   - Load that in as your starting point
   - I prefer this is the best practice, since the period-end recon is “in balance” from day 1

2) The “Running Start”
   - Just starting loading data that applies to day 1* of the go live period
     - * if one source is always later then the other you could consider not loading the “later” source day 1
       - For example “GL to Bank” go live 01-Sep-2022 then you might skip loading bank for 01-Sep
   - You will have to “adjust” the transactions that would have cleared against the prior transactions
     - All of this needs to be completed and cleaned up before the first period-end recon is performed

Transaction Matching Go Live Planning – example data

POS Data					Bank Data				
Reconciliation ID	Location	Date	Transaction Type	Amount	Reconciliation ID	Customer Ref	Transaction Date	Transactic	Amount
100-10001	200	31-Aug-22	175	2749.00	100-10001	200	1-Sep-22	175	2749.00
100-10001	201	31-Aug-22	175	2258.00	100-10001	201	1-Sep-22	175	2258.00
100-10001	202	31-Aug-22	175	1943.00	100-10001	202	1-Sep-22	175	1943.00
100-10001	203	31-Aug-22	175	4477.00	100-10001	203	1-Sep-22	175	4477.00
100-10001	210	29-Aug-22	175	4272.00	100-10001	210	6-Sep-22	175	4272.00
100-10001	210	30-Aug-22	175	3194.00	100-10001	210	6-Sep-22	175	3194.00
100-10001	210	31-Aug-22	175	4243.00	100-10001	210	6-Sep-22	175	4243.00
100-10001	200	1-Sep-22	175	1758.00	100-10001	200	2-Sep-22	175	1758.00
100-10001	201	1-Sep-22	175	1965.00	100-10001	201	2-Sep-22	175	1965.00
100-10001	202	1-Sep-22	175	2014.00	100-10001	202	2-Sep-22	175	2014.00
100-10001	203	1-Sep-22	175	2825.00	100-10001	203	2-Sep-22	175	2825.00
100-10001	210	1-Sep-22	175	4201.00	100-10001	210	2-Sep-22	175	4201.00
100-10001	200	2-Sep-22	175	1665.00	100-10001	200	6-Sep-22	175	1665.00
100-10001	201	2-Sep-22	175	4040.00	100-10001	201	6-Sep-22	175	4040.00
100-10001	202	2-Sep-22	175	1495.00	100-10001	202	6-Sep-22	175	1495.00
100-10001	203	2-Sep-22	175	1326.00	100-10001	203	6-Sep-22	175	1326.00
100-10001	210	2-Sep-22	175	1624.00	100-10001	210	6-Sep-22	175	1624.00

(yellow) = Clean Start Transactions

(blue) = Do not load if doing Running Start

(orange) = Transactions that cause problems for the Running Start method since timing is off

ORACLE