WORLDSOFTWARE

Guide
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WORLDSOFTWARE

Contract Billing

Release
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JDEdwards

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Where Do I Look?

CD–ROM Guides

Guides

Technical Foundation

System Administration and Environment Fundamentals

- Understanding Your Environment
- Creating and Maintaining Environments
- Setting Up Security
- Upgrading Your System

Common Foundation

Prerequisite J.D. Edwards Software Fundamentals

- Using Menus
- Getting Help
- Customizing Data
- Reporting

Important Note for Students in Training Classes

This guide is a source book for online helps, training classes, and user reference. Training classes may not cover all the topics contained here.

Welcome

About this Guide

This guide provides overviews, illustrations, procedures, and examples for release A7.3 of J.D. Edwards software. Forms (screens and windows) shown are only examples. If your company operates at a different software level, you might find discrepancies between what is shown in this guide and what you see on your screen.

This guide includes examples to help you understand how to use the system. You can access all of the information about a task using either the guide or the online help.

Before using this guide, you should have a fundamental understanding of the system, user defined codes, and category codes. You should also know how to:

- Use the menus
- Enter information in fields
- Add, change, and delete information
- Create and run report versions
- Access online documentation

Audience

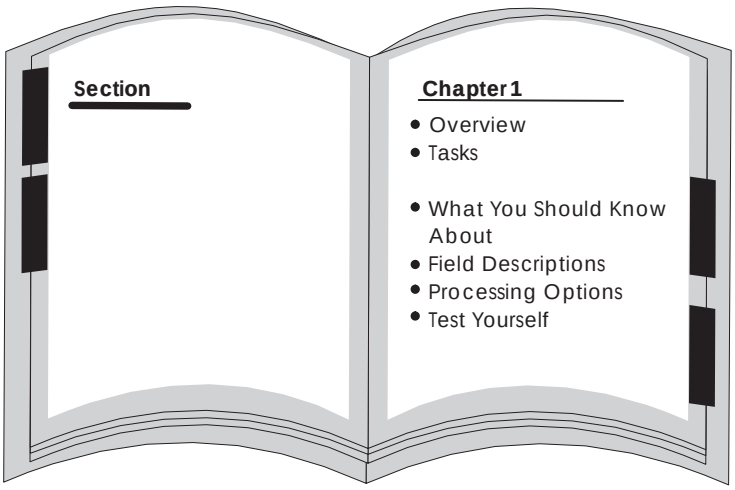
This guide is intended primarily for the following audiences:

- Users
- Classroom instructors
- Client Services personnel
- Consultants and implementation team members

Organization

This guide is divided into sections for each major function. Sections contain chapters for each task or group of related tasks. Each chapter contains the information you need to accomplish the task, run the program, or print the

report. Chapters normally include an overview, form or report samples, and procedures.



When it is appropriate, chapters also might explain automatic accounting instructions, processing options, and warnings or error situations. Some chapters include self-tests for your use outside the classroom.

This guide has a detailed table of contents and an index to help you locate information quickly.

Conventions Used in this Guide

The following terms have specific meanings when used in this guide:

- *Form* refers to a screen or a window.
- *Table* generally means "file."

We assume an "implied completion" at the end of a series of steps. That is, to complete the procedure described in the series of steps, either press Enter or click OK, except where noted.

Table of Contents

Contract Billing Overview

System Integration 1–2
Service Billing 1–3
General Accounting 1–4
Payroll and Time Accounting 1–4
Equipment/Plant Management 1–6
Work Orders 1–6
Job Cost 1–6
Change Management 1–7
Accounts Receivable 1–7
Address Book 1–7
Accounts Payable 1–8
System Features 1–8
Workfile Generation 1–8
Journal Processing 1–9
Billing 1–9
System Management 1–9
Contract Billing Tables 1–10
Contract Billing Menu Overview 1–14
Test Yourself: Contract Billing Overview 1–15

Contract Information

Contract Information

About Contract Information 2–1
Work with Contract Master Information 2–5
Working with Contract Master Information 2–5
Creating the Master Record for a Contract 2–6
Processing Options for Contract Master Revisions 2–13
Entering Retainage Rules for a Contract 2–13
Entering Additional Master Information 2–17
Entering Log Information for a Contract 2–18
Work with Owner Pay Items 2–23
Working with Owner Pay Items 2–23
Entering Owner Pay Items 2–24
Copying Detail from the Change Management System 2–28
Entering Text for an Owner Pay Item 2–30
Copying Text for an Owner Pay Item 2–32
Processing Options for Owner Pay Item Details 2–34

Work with Lump Sum 2–35
Working with Lump Sum 2–35
Entering an Owner Pay Item for Lump Sum 2–36
Defining Cross-References for Lump Sum 2–40
Percent Complete Method 2–40
Percent of Cost Method 2–40
Assigning a Cost Account to Lump Sum 2–43
Defining Recurring Amounts 2–45
Work with Milestone Billing 2–47
Working with Milestone Billing 2–47
Entering an Owner Pay Item for Milestone Billing 2–47
Defining Billing Events for Milestone Billing 2–50
Work with Progress Billing 2–53
Working with Progress Billing 2–53
Entering an Owner Pay Item for Progress Billing 2–53
Defining Billing Events for Progress Billing 2–56
Work with Prepayments for Contracts 2–59
Working with Prepayments for Contracts 2–59
Entering an Owner Pay Item for a Direct Draw 2–59
Entering an Owner Pay Item for a Rated Draw 2–63
Work with Unit Price 2–67
Working with Unit Price 2–67
Entering an Owner Pay Item for Unit Price 2–67
Defining a Cross-Reference for Unit Price 2–71
Assigning a Cost Account to Unit Price 2–73
Work with Time and Material (T&M) 2–75
Working with Time and Material (T&M) 2–75
Entering an Owner Pay Item for T&M 2–75
Defining a Cross-Reference for T&M 2–78
Work with Fee Lines 2–83
Working with Fee Lines 2–83
Entering an Owner Pay Item for a Fee Line 2–84
Defining Rate Codes for a Fee Line 2–86
Defining a Cross-Reference for a Fee Line 2–88
Assigning a Cost Account to a Fee Line 2–92
Work with Components 2–95
Working with Components 2–95
Entering an Owner Pay Item for a Component 2–95
Defining a Cross-Reference for a Component 2–97
Processing Options 2–101
Processing Options for Owner Pay Item Details 2–101
Review Billing Information 2–103
Reviewing Billing Information 2–103

Billing

Billing

About Billing 3–1
Billing for Time and Material (T&M) and Non-T&M 3–2
Accumulate Costs for Billing 3–5
Accumulating Costs for Billing 3–5
Processing Options for Workfile Generation – Batch Front End 3–9
Review the Workfile for Billing 3–11
Reviewing the Workfile for Billing 3–11
Locating Transactions in the Workfile for Billing 3–13
Reviewing Workfile Transactions for Billing 3–14
Reviewing Burden Transactions for Billing 3–19
Reviewing Component Transactions for Billing 3–22
Reviewing Transaction Totals for Billing 3–24
Verifying Contract Information for Billing 3–28
Processing Options for Unbilled Detail Revisions 3–29
Revise Workfile Transactions for Billing 3–31
Revising Workfile Transactions for Billing 3–31
Workfile Revisions and Sequence Numbers 3–32
Adding Text to a Workfile Transaction for Billing 3–34
Adding Existing G/L Transactions for Billing 3–35
Changing the Markup for Billing 3–38
Entering Ad Hoc Transactions for Billing 3–43
Assigning a Hold Status for Billing 3–45
Overriding a Bill-When-Paid Requirement for Billing 3–48
Splitting a Workfile Transaction for Billing 3–49
Moving a Transaction to History for Billing 3–53
Printing Workfile Transactions for Billing 3–56
Processing Options for Service Billing Workfile Listing 3–58
Work with the Workfile History for Billing 3–59
Working with the Workfile History for Billing 3–59
Reviewing Transaction Revisions for Billing 3–60
Moving a Transaction Out of History for Billing 3–62
Processing Options for Detail History 3–64
Create Invoices Automatically for Billing 3–65
Creating Invoices Automatically for Billing 3–65
Processing Options for Contract Billing Invoice Generation 3–70
Work with Invoices for Billing 3–71
Working with Invoices for Billing 3–71
Reviewing Invoices for Billing 3–72
Decreasing Invoice Amounts for Billing 3–79
Calculating Retainage Manually for a Contract for Billing 3–83
Calculating Fee Lines Manually for a Contract for Billing 3–86
Create Invoices Manually for Billing 3–89
Creating Invoices Manually for Billing 3–89
Creating a Batch Header Manually for Billing 3–90
Creating an Invoice Manually for Billing 3–91

Adding T&M Transactions to an Invoice for Billing 3–96
Revising an Invoice Amount for Non-T&M for Billing 3–102
Releasing Retainage for Billing 3–106
Print Invoices for Billing 3–109
Printing Invoices for Billing 3–109
Processing Options for Invoice Print Sequence Derivation 3–113
Work with A/R and G/L Entries for Billing 3–115
Working with A/R and G/L Entries for Billing 3–115
Creating Preliminary A/R and G/L Entries for Billing 3–116
Processing Options for Invoice Journal Generation – Service Billing 3–119
Reviewing Preliminary A/R and G/L Entries for Billing 3–119
Creating Final A/R and G/L Entries for Billing 3–123
Processing Options for Billing Invoice AR – G/L Journal Generation 3–125
Reviewing and Posting Journal Entries for Billing 3–126
Work with Final Invoices for Billing 3–127
Working with Final Invoices for Billing 3–127
Reviewing the Billing History for Contracts for Billing 3–128
Printing Invoices from History for Billing 3–129
Processing Options for Print Invoices From History – For Dream Writer 3–130
Voiding a Final Invoice for Billing 3–130

Revenue Recognition

Revenue Recognition

About Revenue Recognition 4–1
Work with Workfile Transactions for Revenue 4–5
Working with Workfile Transactions for Revenue Recognition 4–5
Accumulating Costs for Revenue Recognition 4–6
Processing Options for Workfile Generation – Batch Front End . 4–9
Reviewing the Workfile for Revenue Recognition 4–10
Locating Transactions in the Workfile for Revenue Recognition . 4–11
Reviewing Workfile Transactions for Revenue Recognition . 4–12
Reviewing Burden Transactions for Revenue Recognition . . 4–16
Reviewing Component Transactions for Revenue Recognition 4–19
Reviewing Transaction Totals for Revenue Recognition 4–21
Revising Workfile Transactions for Revenue Recognition 4–25
Workfile Revisions and Sequence Numbers 4–26
Adding Existing G/L Transactions for Revenue Recognition 4–28
Changing the Markup for Revenue Recognition 4–30
Entering Ad Hoc Transactions for Revenue Recognition 4–34
Assigning a Hold Status for Revenue Recognition 4–36
Splitting a Workfile Transaction for Revenue Recognition 4–39
Moving a Transaction to History for Revenue Recognition 4–43
Printing Workfile Transactions for Revenue Recognition 4–45

Processing Options for Service Billing Workfile Listing 4–47
Working with the Workfile History for Revenue Recognition 4–47
Reviewing Transaction Revisions for Revenue Recognition 4–48
Moving a Transaction Out of History for Revenue Recognition 4–50
Processing Options for Detail History 4–52
Test Yourself: Work with the Workfile 4–53
Work with G/L Entries for Revenue Recognition 4–55
Working with G/L Entries for Revenue Recognition 4–55
Creating Preliminary G/L Entries for Revenue Recognition 4–56
Journal Reclassification 4–57
Processing Options for Revenue Journal Generation – Service Billing 4–59
Reviewing Journals for Revenue Recognition 4–60
Creating Final G/L Entries for Revenue Recognition 4–66
Reviewing and Posting Journal Entries for Revenue Recognition . . . 4–67
Test Yourself: Work with G/L Entries for Revenue 4–69

Revenue Recognition and Billing

Revenue Recognition and Billing

About Revenue Recognition and Billing 5–1
Using Revenue Reconciliation 5–1
Timing Differences 5–2
Independent Revenue and Invoice Mark Up 5–2
General Ledger Document Types 5–3
Billing for Time and Material (T&M) and Non-T&M 5–4
Test Yourself: About Revenue and Billing 5–7
Work with the Workfile for Revenue and Billing 5–9
Working with the Workfile for Revenue Recognition and Billing . . . 5–9
Accumulating Costs for Revenue Recognition and Billing 5–10
Processing Options for Workfile Generation – Batch Front End 5–14
Reviewing the Workfile for Revenue Recognition and Billing 5–15
Locating Transactions in the Workfile for Revenue Recognition and Billing 5–16
Reviewing Workfile Transactions for Revenue Recognition and Billing 5–17
Reviewing Burden Transactions for Revenue Recognition and Billing 5–22
Reviewing Component Transactions for Revenue Recognition and Billing 5–25
Reviewing Transaction Totals for Revenue Recognition and Billing 5–27
Verifying Contract Information for Revenue Recognition and Billing 5–31
Processing Options for Unbilled Detail Revisions 5–32

Revising Workfile Transactions for Revenue Recognition and Billing 5–33
Workfile Revisions and Sequence Numbers 5–34
Adding Text to a Workfile Transaction for Revenue Recognition and Billing 5–36
Adding Existing G/L Transactions for Revenue Recognition and Billing 5–37
Changing the Markup for Revenue Recognition and Billing 5–39
Entering Ad Hoc Transactions for Revenue Recognition and Billing 5–45
Assigning a Hold Status for Revenue Recognition and Billing 5–47
Overriding a Bill-When-Paid Requirement for Revenue and Billing 5–50
Splitting a Workfile Transaction for Revenue Recognition and Billing 5–51
Moving a Transaction to History for Revenue Recognition and Billing 5–55
Printing Workfile Transactions for Revenue Recognition and Billing 5–58
Processing Options for Service Billing Workfile Listing 5–60
Working with the Workfile History for Revenue and Billing 5–60
Reviewing Transaction Revisions for Revenue Recognition and Billing 5–61
Moving a Transaction Out of History for Revenue Recognition and Billing 5–63
Processing Options for Detail History 5–65
Work with Revenue for Revenue and Billing 5–67
Working with Revenue for Revenue Recognition and Billing 5–67
Creating Preliminary G/L Entries for Revenue and Billing 5–68
Processing Options for Revenue Journal Generation – Service Billing 5–71
Reviewing Journals for Revenue Recognition and Billing 5–72
Creating Final G/L Entries for Revenue Recognition and Billing 5–77
Reviewing and Posting Entries for Revenue Recognition and Billing 5–79
Work with Billing for Revenue and Billing 5–81
Working with Billing for Revenue Recognition and Billing 5–81
Creating Invoices Automatically for Revenue and Billing 5–81
Processing Options for Contract Billing Invoice Generation 5–86
Working with Invoices for Revenue Recognition and Billing 5–87
Reviewing Invoices for Revenue Recognition and Billing 5–88
Decreasing Invoice Amounts for Revenue Recognition and Billing 5–95
Calculating Retainage Manually for Revenue and Billing 5–99
Calculating Fee Lines Manually for Revenue and Billing 5–101
Creating Invoices Manually for Revenue Recognition and Billing . . . 5–103
Creating a Batch Header Manually for Revenue and Billing 5–104
Creating an Invoice Manually for Revenue and Billing 5–104
Adding Transactions to an Invoice for Revenue and Billing 5–109

Revising an Invoice Amount for Non-T&M for Revenue and Billing 5–115
Releasing Retainage for Revenue Recognition and Billing 5–119
Printing Invoices for Revenue Recognition and Billing 5–121
Processing Options for Invoice Print Sequence Derivation 5–125
Work with A/R & G/L Entries for Revenue and Billing 5–127
Working with A/R and G/L Entries for Revenue and Billing 5–127
Creating Preliminary A/R and G/L Entries for Revenue and Billing 5–128
Processing Options for Invoice Journal Generation – Service Billing 5–131
Reviewing Preliminary A/R and G/L Entries for Revenue and Billing 5–131
Creating Final A/R and G/L Entries for Revenue and Billing 5–135
Processing Options for Billing Invoice AR – G/L Journal Generation 5–137
Reviewing and Posting Journal Entries for Revenue and Billing 5–138
Work with Final Invoices for Revenue and Billing 5–139
Working with Final Invoices for Revenue Recognition and Billing 5–139
Reviewing the Billing History for Contracts for Revenue and Billing 5–139
Printing Invoices from History for Revenue and Billing 5–141
Processing Options for Print Invoices From History – For Dream Writer 5–142
Voiding a Final Invoice for Revenue Recognition and Billing 5–142

Setup

System Setup

About System Setup for Contract Billing 6–1
What Do These Setup Features Do? 6–2
Set Up System Constants for Contract Billing 6–3
Setting Up System Constants for Contract Billing 6–3
Define Markup Rules 6–11
Defining Markup Rules 6–11
Major Key 6–13
Generation Types 6–13
Minor Key 6–14
Markup Calculations 6–14
Compound Markup 6–15
Processing Options for Cost Plus Mark Up Information 6–25
Define Component Rules 6–27
Defining Component Rules 6–27
Compound Components 6–28
Define Account Derivation Rules 6–33
Defining Account Derivation Rules 6–33
Table Types 6–35

Key Types and Table Keys 6–35
Types of Account Derivation Rules 6–35
Base Rules 6–35
Reallocation Rules 6–36
Processing Options for Account Derivation Information 6–44
Assign Component Information 6–45
Assigning Component Information 6–45
Adding Component Rules to Markup Rules 6–45
Adding Component Codes to Account Derivation Rules 6–48
Set Up Condition Codes 6–49
Setting Up Condition Codes 6–49
Conditions 6–50
Set Up Automatic Accounting Instructions 6–55
Setting Up Automatic Accounting Instructions 6–55
Set Up User Defined Codes 6–57
Setting Up User Defined Codes 6–57

Invoice Formatting

Invoice Formatting

About Invoice Formatting 7–1
Understand Formats 7–3
About Formats 7–3
Invoice Header 7–5
Detail Formats (Header, Detail, Total) 7–5
Invoice Total Format 7–6
Test Yourself: Invoice Formatting 7–7
Work with Invoice Layouts 7–9
Working with Invoice Layouts 7–9
Defining a Layout Structure 7–10
Adding Invoice Format Data Items 7–18
Assigning Invoice Layouts 7–21
Assigning Layouts Globally 7–22
Assigning Invoice Format Codes to Contracts 7–26
Work with Formats 7–29
Working with Formats 7–29
Reviewing Format Definition Forms 7–30
Copying Formats 7–36
Define New Formats 7–39
Defining New Formats 7–39
Lines, Positions, and Rulers 7–39
Lines 7–40
Positions 7–40
Rulers 7–40
Adding Messages to a Format 7–41
Special Format Considerations 7–41
About Retrieval References 7–43
Types of Variable Information 7–43

Information Related to Data Items 7–43
Calculations 7–44
Totals 7–44
Defining Retrieval References 7–45
Retrieval Codes 7–46
Parameters 7–46
Format Specifications 7–47
Define Custom Retrieval Codes 7–55
Defining Custom Retrieval Codes 7–55

Appendices

Appendix A — Test Yourself Answers A–1
Appendix B — Data Models B–1
Appendix C — Searches for Markup Rules C–1
Major Key Values C–1
Minor Key Values C–2
Payroll Transactions C–2
First-Level Search C–2
Second-Level Search C–3
Non-Payroll Transactions for Equipment C–4
All Other Transactions C–4
Object and Subsidiary Search C–5
T2 Payroll Transactions with Equipment Information C–5
Appendix D — Accounting for the Billing Cycle D–1
Base Rules D–2
Invoicing Only D–4
Revenue Recognition Only D–4
Revenue Recognition and Invoicing without Reconciliation D–5
Revenue Recognition for June D–7
Revenue Recognition for July D–7
Revenue Recognition for August D–9
Invoicing for September D–9
Revenue Recognition Adjustments for September D–10
Revenue Recognition and Invoicing with Reconciliation D–12
Revenue Recognition for June D–13
Invoicing for July D–14
Revenue Recognition and Reconciliation for July D–15
Revenue Recognition D–15
Revenue Reconciliation of the Revenue Amounts D–16
Revenue Reconciliation of the Invoice Amounts D–17
Reallocation Rules D–18
Defining Reallocation Rules D–20
Invoicing Only D–20
Account Derivation Table Rules D–21
Revenue Recognition Only D–22
Account Derivation Table Rules D–23
Invoicing and Revenue Recognition without Revenue Reconciliation D–24

Reverse Entry Control D–28
Account Derivation Table Rules D–29
Invoicing and Revenue Recognition with Revenue Reconciliation D–30
Account Derivation Table Rules D–33
Component Reallocations D–35
Defining Component Reallocation Rules D–36
Conditional Reallocation Rules D–36
Independent Revenue/Invoice Amount Basis D–37
Appendix E — Retrieval Reference Codes E–1
Appendix F — Identifying Format Types F–1
Appendix G— Field Derivations for the F4812 . . . . . G–1
Appendix H — Functional Servers H–1
Example: Voucher Processing Functional Server H–2

Glossary

Index

Exercises

Contract Billing Overview

A contract is a written agreement between two parties — a customer and a provider (contractor). The customer, who is the owner of a job or project, requests a product or service. Your company, as the provider, bills the owner for the product or services that you provide under the contract. The agreement can be changed so you can provide extra services.

Each agreement includes:

- The billing terms of the contract:
    - The type of billing, such as time and material (T&M), lump sum, or unit price
    - The amount to bill on a schedule of values
- Information about the owner you are billing:
    - Who to bill
    - Payment terms
    - Discount terms
- Billing limits
- Special holdbacks, such as retainage

You can use the J.D. Edwards Contract Billing system to:

- Account for the costs related to T&M
- Mark up the costs
- Calculate retainage and fees
- Create warnings when the billing amount or units exceed specified limits
- Bill according to the terms of a contract
- Provide written proof that justifies the billing amounts
- Create accounting entries for the contract billing amounts

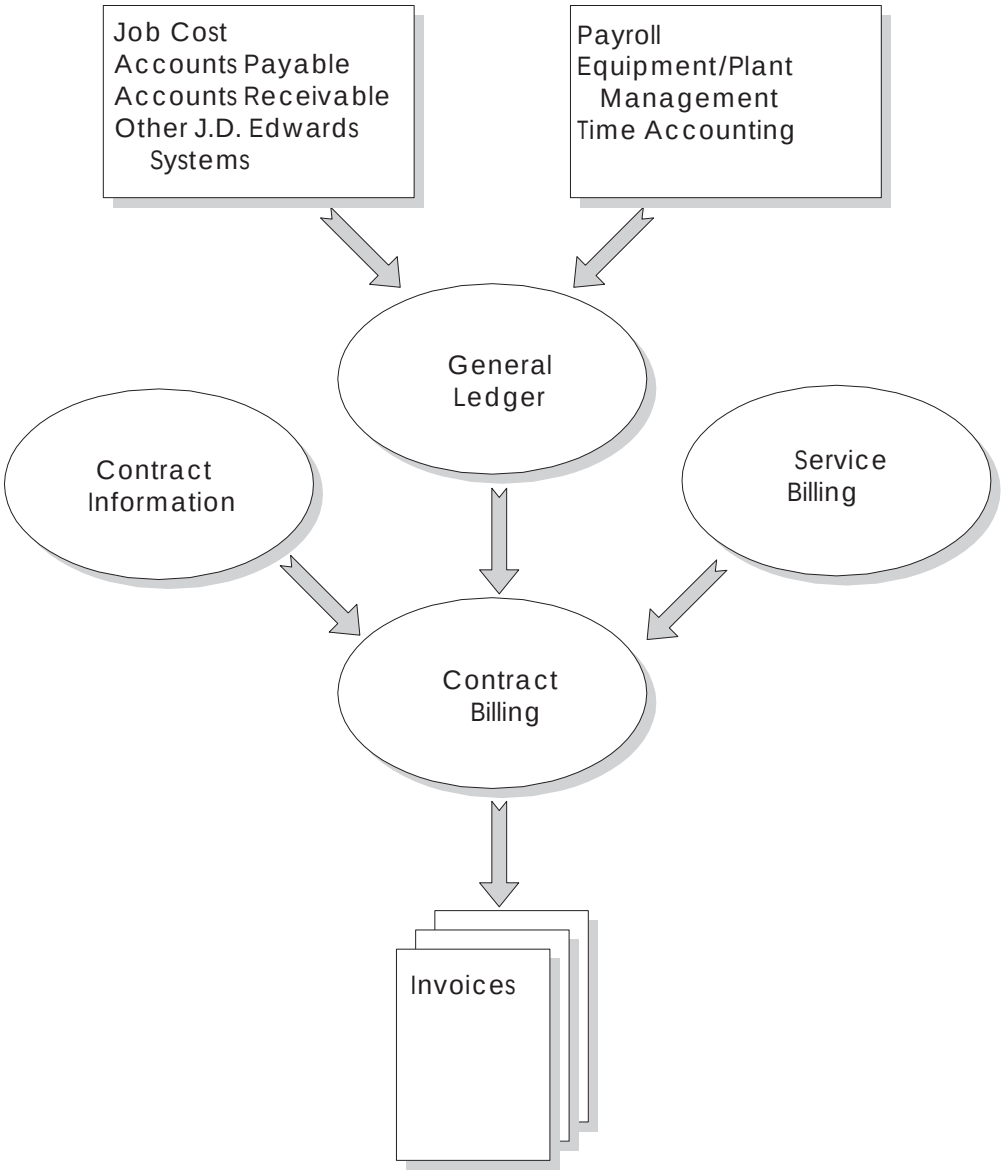
System Integration

The Contract Billing system can retrieve costs from any system that stores information in the Account Ledger table (F0911) within the General Accounting system. You can classify costs as either payroll-based or non-payroll-based. Payroll-based costs are labor-related costs for your employees and equipment. Non-payroll-based costs are costs such as subcontractors, materials, and travel.

The information can include costs for:

- Labor costs and associated burden, such as fringe benefits and payroll taxes, from the Payroll and Time Accounting systems
- Equipment operating and maintenance costs from the Equipment/Plant Management system
- Other costs, such as travel, that you charge directly to jobs from the Accounts Payable system

The following diagram illustrates the system integration between Contract Billing and other J.D. Edwards systems.



Service Billing

The Contract Billing system shares resources with the Service Billing system through:

- Workfile generation
- Revenue recognition
- System constants and rules
- Invoice formatting

General Accounting

The Contract Billing system uses the information in the Account Master table (F0901) and the transactions in the Account Ledger table (F0911) to determine whether a transaction is eligible billable in the Contract Billing system.

Account Master

The Billable Y/N field in the Account Master controls whether you can bill an account through the Contract Billing system.

Account Ledger

The Bill Code field in the Account Ledger identifies whether the Contract Billing system has processed a T&M transaction. The following codes relate to contract billing:

Blank	Available for processing
N	Non-billable because the Billable Y/N field in the Account Master table is set to N or blank
Z	Already processed into the Service Billing Workfile

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the value of the Journal Generation Control that you set up for your system constants.

For example, if the Billable (Y/N) field for an account is Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for a related transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing.

If, in the same example, the Journal Generation Control field is set for billing only, the eligibility code for the transaction is 1. An eligibility code of 1 indicates that the transaction is eligible for billing only.

Payroll and Time Accounting

Payroll-based costs can include the following:

- Actual amount of the employee's pay before deductions and the actual hours worked
- Actual or estimated burden amounts
- The marked-up labor billing distribution amount for the employee and the related hours
- Actual hours that the employee uses the equipment and the billing rate for the equipment
- Account numbers for labor and equipment distribution

You can process payroll information on a daily basis or based on your payroll cycle. The Payroll system updates the following tables:

- Employee Transactions Detail (F06116)
- Payroll Transaction History (F0618)
- Burden Distribution (F0624)
- Account Ledger (F0911)

The Contract Billing system processes the transactions in the Payroll Transaction History table (F0618) and creates corresponding T&M workfile transactions in the Service Billing Workfile (F4812). The system retrieves transactions that are identified by the following document types:

- T2 – Payroll labor distribution
- T3 – Burden distribution
- T4 – Labor billing distribution
- T5 – Equipment distribution

Burden distribution transactions (T3) are always linked to corresponding payroll labor distribution transactions (T2). Burden is the cost over and above wages or salaries that a company incurs as a result of employing people. These costs can include taxes and insurance. Depending on how you set the constants for the Contract Billing system, these burden transactions can be processed in conjunction with the related labor transactions in the Service Billing Workfile.

You can calculate burden in two ways:

- Use the actual burden rate and percentage with the employee's actual hours and pay rate
- Use an estimated burden percentage (flat burden)

During the normal payroll cycle, the system can calculate flat and actual burden amounts. If you process payroll journal entries on a daily basis without completing the payroll cycle, the system calculates only flat burden.

After the Contract Billing system processes the payroll information, the system updates the transactions in the Payroll Transaction History, Employee Transactions Detail, and Account Ledger tables as processed.

Equipment/Plant Management

Jobs often involve equipment, such as a crane to move heavy materials on a job site. The agreement between the contractor and the owner contains a provision to bill an hourly rate for the time that the crane is used for the job.

The Contract Billing system processes transactions with document type TE from the Equipment/Plant Management system. The Equipment/Plant Management system uses the following information to process equipment transactions:

- Equipment item number to identify the equipment for the billing
- Number of hours that the employee used the equipment
- The Billable Y/N field in Equipment Rate Code Definition table (F1390) to determine whether to use the billing rental rate

Work Orders

You use work orders to itemize the costs for jobs. Work order information exists when the transaction contains a subledger number with subledger type W. Information from the work order can affect the markup, tax, and accounting rules for the T&M transactions, when the status of the workorder is billable.

Job Cost

Most costs for a job are not associated with a work order. The Job (Business Unit) Master table (F0006) can be the source of the following default information:

- Owner number
- Contract type
- Tax explanation and rate/area

For lump sum and unit price billings, the system can use the projected final amounts and units from a job in the calculation of the revenue and billing amounts. Other information from the Job Master can affect the markup and accounting rules for T&M transactions.

Change Management

With the Change Management system, you can use one source to control change requests for any additional work that an owner requests for a job. In this way, you enter changes only once for a job. Then, you can update:

- Budgets in the Job Cost system
- Billing information for the owner's contract in the Contract Billing system

For contract billing, you can copy the detail from change requests in the Change Management system to owner pay items in existing contracts. The change request is then immediately available for you to bill.

Accounts Receivable

The Contract Billing system can use the Customer Master table (F0301) to identify:

- Payment terms
- Tax explanation and rate/area
- Accounting rules

After you generate a billing, you post the invoice information to the A/R Account Ledger table (F0311). When you receive the owner's payments, you apply them to the owner's receivable account.

Address Book

The Contract Billing system uses the address book number for the owner in the contract to identify:

- The name of a party in the Address Book Master table (F0101) and Who's Who Information table (F0111), such as a person, company, or branch
- Mailing addresses for the billing in the Address Book Master and Address by Date (F0116) tables

Accounts Payable

The Contract Billing system accumulates cost transactions that you record in the the Accounts Payable system. The system uses the information in the Accounts Payable Ledger table (F0411) to identify:

- Supplier numbers
- Supplier invoice numbers
- Supplier service dates
- Actual amounts
- Responsible business units
- Work order number

System Features

Services can require specific cost-markup rules and precise audit trails. Many services involve work that requires different combinations of time, burden, equipment usage, materials, and recurring billings.

You can use the features of the Contract Billing system to:

- Identify and mark up costs for T&M transactions
- Assign contract information to workfile transactions
- Generate invoices
- Design printed invoices to owner specifications
- Create accounting entries for billings

Workfile Generation

With workfile generation, the system accumulates the billable costs for T&M. During the generation, the system:

- Identifies the specific accounts for billing
- Updates the records in the Account Ledger as billed or non-billed
- Creates workfile transactions in the Service Billing Workfile (F4812)
- Assigns contract information to the workfile transaction
- Marks up the source transactions
- Calculates the applicable tax amounts
- Calculates revenue for lump sum and unit price, if applicable

Journal Processing

The system uses journal generation programs to create:

- G/L journal transactions for revenue recognition
- Revenue calculations for fees, if applicable
- A/R and G/L journal transactions for billing

Billing

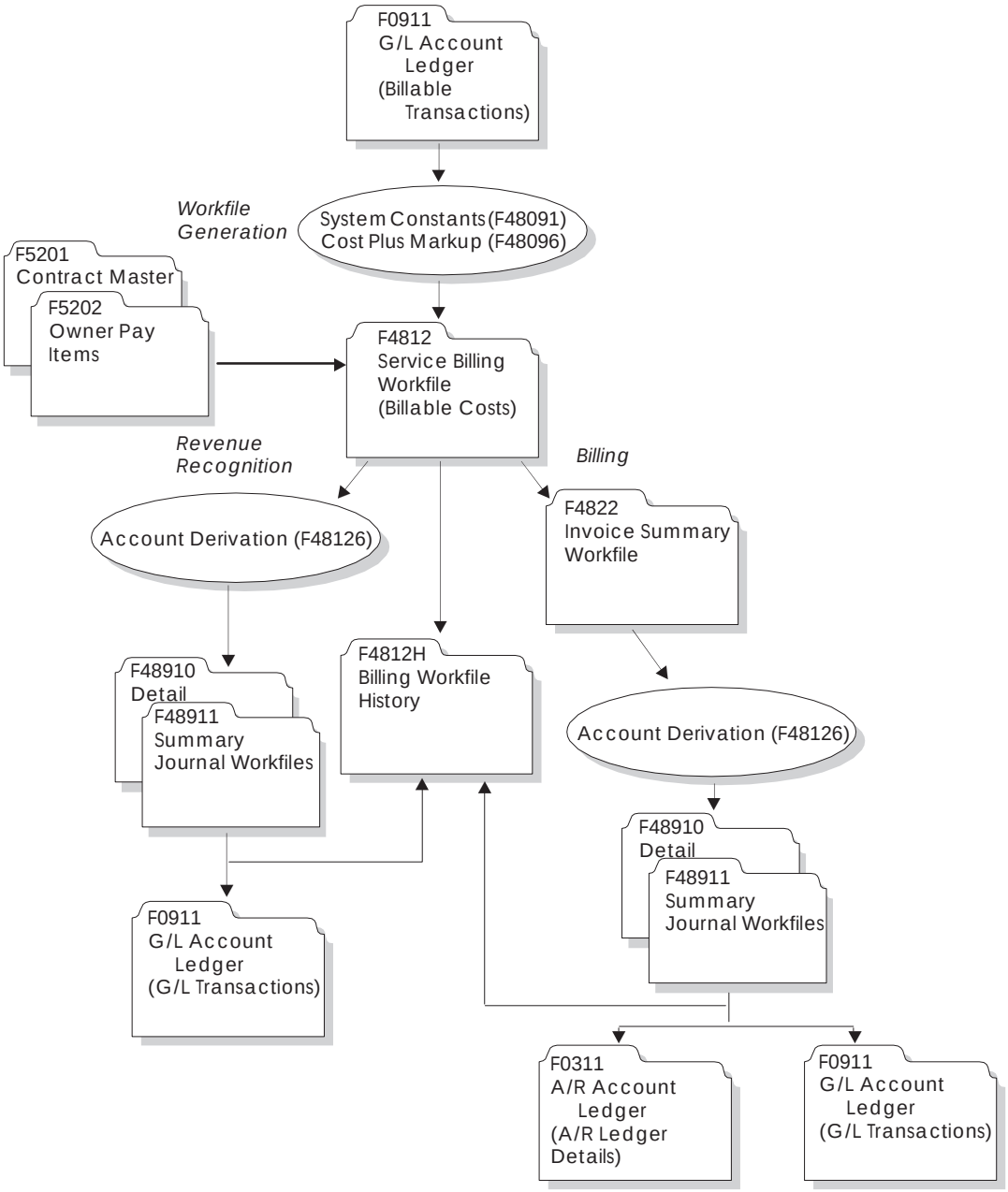
You use the Contract Billing system to identify and invoice the T&M costs for the services and goods you provide. You can also invoice for non-T&M billing terms, such as lump sum and unit price. The billing process includes:

- Generating invoices
- Changing billing transactions on invoices
- Printing the invoices

System Management

The system accumulates billable cost transactions for T&M based on system constants and rules you define. System constants control the global processes for the Contract Billing system, such as the processing of costs, owner information, and dates. The system rules define markup and accounting information. You can also design the layouts that the system uses to print owner invoices.

Contract Billing Tables



Contract Billing Master (F5201)

Stores contract information, including:

- Detail contract information by contract number
- Owner information
- Contract description
- Project, host, and parent contract relationships
- Billed-to-date information

Log Master (F4303)

Stores supplemental information for a contract. The information can include:

- Additional contract details
- Dates
- Status
- Reporting categories

Contract Log Text (F52034)

Stores unlimited free-form text as an extended description of the supplemental information.

Retainage Rules Information (F5204)

Stores retainage rules, which the system uses to calculate retainage amounts for contracts. A rule includes:

- Description
- Retainage percent
- Percent complete

Owner Pay Item Detail (F5202)

Stores the billing terms for the contracts. The information includes:

- Detail by owner pay item by contract
- Schedule of values by pay item
- Quantities
- Multiple pricing types
- Tax information
- Retainage rules

Owner Pay Item Text (F52024)

Stores unlimited free-form text as an extended description of an owner pay item. You can use the information as a reference or print it on the invoices.

T&M Cross-Reference Accounts (F5212)

Stores the information you cross-reference with owner pay items for T&M, lump sum, and unit price. For T&M, the account number and related information associates the billable costs with the contract and owner pay items when the system creates workfile transactions.

For lump sum and unit price, the account number and related information associates the non-billable costs with the contract and owner pay items when the system calculates:

- Workfile transactions for revenue
- Invoice pay item transactions for billing

Pay Item Markup Cross-Reference (F5213)

Stores the information you cross-reference with owner pay items for fees. The information includes:

- Fee rates, which are defined by a percentage or rate code
- Specific owner pay items that establish the basis for the fees

Rate Code Definition Information (F52131)

Stores the user defined information for the rate codes that you can use for fees. The definition for a rate code includes the:

- Description
- Percentage rate
- Effective dates

Service Billing System Constants (F48091)

Controls the global processing of:

- Billable costs
- Dates
- Invoices
- Revenue
- Journals
- Default markup percentage

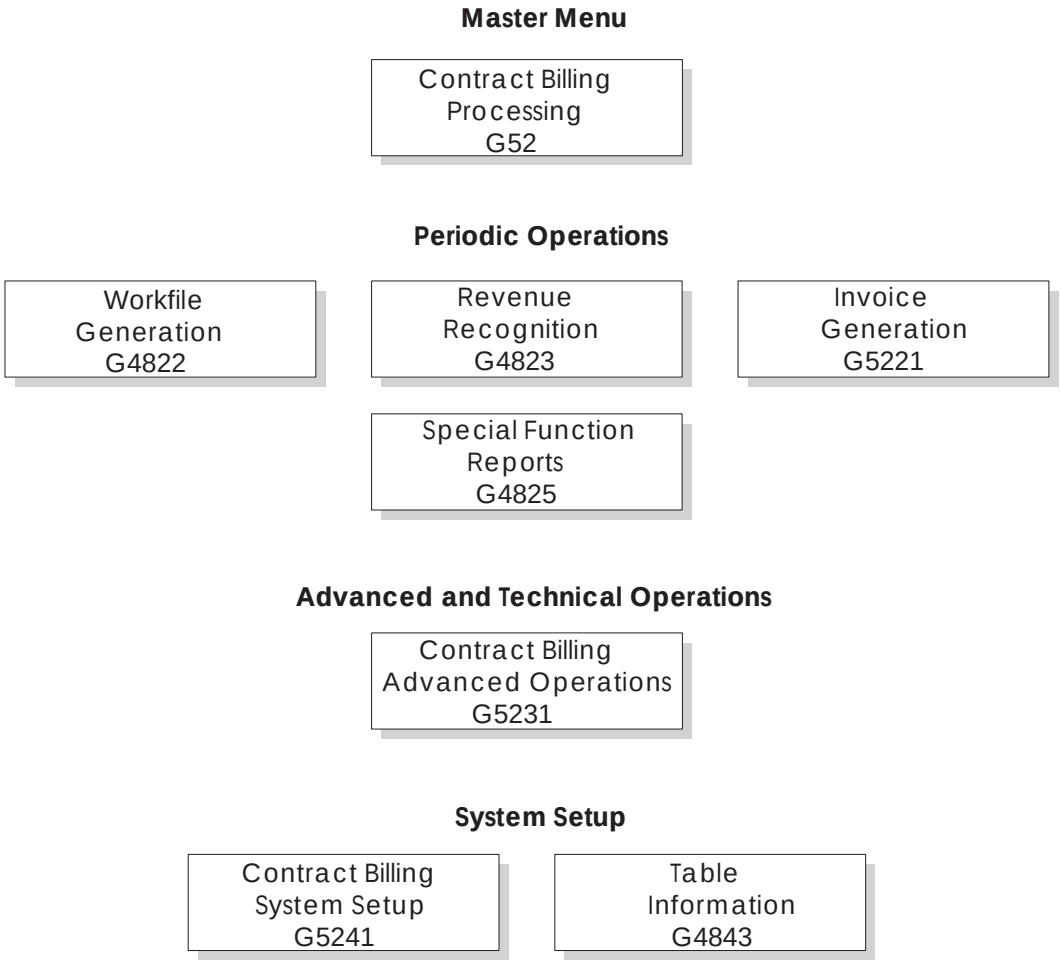
Cost Plus Markup Information (F48096)

Determines the transactions that the system selects to mark up. The system uses one or more of the following markup rules:

- Per unit rate
- Percentage of costs
- Fixed amount added to costs
- No markup added to costs

Service Billing Workfile (F4812)	Stores workfile transactions as an inventory of the billable costs. The workfile transactions correspond to the cost transactions generated in other systems. This information is the starting point for the revenue recognition and billing processes. You can also use the information for printing the detail in an invoice.
Service Billing Workfile – History (F4812H)	Stores historic information for workfile transactions you have processed. The information provides an audit trail of the changes related to individual workfile transactions.
Account Derivation Information (F48126)	Stores accounting rules that control creation of the journal entries for: • Actual or unbilled revenue • Unbilled accounts receivable • Reallocations
Detail Journal Workfile (F48910)	Temporarily stores the information that the system uses prior to creating accounting journal entries.
Compressed Journal Workfile (F48911)	Temporarily stores a summary of the transactions in the Detail Journal Workfile, based on the business unit, object, subsidiary, and subledger, prior to creating the final journal entries.
Invoice Summary Workfile (F4822)	Stores the information that the system uses to: • Print invoices • Create A/R ledger information

Contract Billing Menu Overview



Test Yourself: Contract Billing Overview

1. True or False

   The Contract Billing system uses the information in the Account Master (F0901) and the transaction in the Account Ledger (F0911) to determine whether a transaction is billable.

2. The _____ field in the Account Master table (F0901) controls whether you can bill an account.

3. Match the bill code to the description for an account ledger transaction.

_____	Z	A.	Non-billable
_____	Blank	B.	Processed
_____	N	C.	Available for processing

4. When you process payroll, the system updates the following tables:

   A. Burden Distribution (F0624)
   B. Account Master (F0901)
   C. Account Ledger (F0911)
   D. Employee Transaction History (F0618)
   E. Employee Transaction Detail (F06116)
   F. All of the above

5. True or False

   Payroll burden transactions do not have to link to corresponding payroll labor distribution transactions.

6. Match the following payroll document types.

_____	T2	A.	Labor billing distribution
_____	T3	B.	Equipment distribution
_____	T4	C.	Payroll labor distribution
_____	T5	D.	Burden distribution

7. List the two ways the system calculates burden.

   _____

   _____

8. True or False

   The Contract Billing system processes transactions with the document type TA from the Equipment/Plant Management system.

9. The Contract Billing uses the Address Book number for a customer to identify:

   A. Name of the customer
   B. Mailing address of the customer
   C. Payment terms for a customer
   D. A and B
   E. B and C

10. True or False

    The Contract Billing system uses cost transactions from the Accounts Payable system.

11. Match the feature of the Contract Billing system to the type of feature.

____	Generate invoices	A.	Workfile generation
____	Create transactions for A/R, G/L and revenue	B.	Journal processing
____	Define rules for global processes, markup and accounting	C.	Billing
____	Accumulate billable costs	D.	System management

12. The _____ stores workfile transactions as an inventory of billable costs.

The answers are in *Appendix A*.

Contract Information

Contract Information

Objectives

- To set up the information for the contract terms
- To assign appropriate billing terms to the contract
- To establish monetary limits for the contract and billing terms
- To associate billable costs with the billing terms

About Contract Information

A contract is a written agreement between two parties — a customer and a provider (contractor). The customer, who is the owner of a job or project, requests a product or service. Your company, as the provider, bills the owner for the product or services that you provide under the contract. Contract information includes:

- Contract master information
- Owner pay items
- Base contract
- Change orders

Contract master information

You use the master information for a contract to specify the:

- Identification, such as the contract number, owner (customer), and related job or project
- Payment terms that can affect the contract as a whole, such as when payment is due, discount terms, and whether retainage is applicable
- Billing limits, such as a minimum amount and cap on the total billing
- Whether your company must pay for all goods and services before you can bill the owner
- Additional details, such as the location of the job or project, the architect, and start and completion dates

After you create the contract master record, you can create the owner pay items.

Owner pay items

You use owner pay items to define the billing terms in a contract. Therefore, you must enter them for the contract before you can generate billings for the owner. You can use three methods to create owner pay items:

- Enter them at the time you create a contract master record
- Enter them as a change order to an existing contract
- Copy detail into an owner pay item from a change request in the Change Management system

Base contract

A base contract is the original contract information, which consists of the contract master information and the owner pay items for change order number 000.

Change orders

Change orders include any additional work that the owner requests that is not included in the original contract. One or more owner pay items with the new billing terms make up a change order, which you identify with a change order number, such as 001, 002, or 003.

The billing terms in a contract can include:

- Fixed fees, such as lump sum, milestone billing, and progress billing
- Prepayments, such as direct and rated draws
- Quantity and price per unit
- Time and material (T&M)
- Fees
- Component markups on T&M

Lump sum

Your company agrees to bill the owner for a fixed amount regardless of the actual costs that are incurred.

Milestone billing

Your company agrees to bill the owner only after a milestone (billing event) has been reached. You can define a milestone as either the completion of a specific phase of work or a specific billing date.

Progress billing

Your company agrees to bill the owner only after a billing event has been reached. You define a billing event as the cumulative percentage of completion of work by an estimated date.

Direct draw

A draw against a contract is a prepayment or advance deposit that your company might require from the owner at the time they sign the contract. A direct draw is a dollar-for-dollar reduction that the system applies to the billing amount beginning with the first billing until the entire amount of the prepayment is fully applied to the contract.

Rated draw

A draw against a contract is a prepayment or advance deposit that your company might require from the owner at the time they sign the contract. A rated draw is a percentage reduction that the system applies to all billings based on a percentage of completion. The amount of the prepayment is applied over the life of the contract and is fully applied when the contract is complete.

Unit price

Your company agrees to bill the owner based on a quantity in place and the price per unit.

Time and material (T&M)

Your company agrees to bill the owner for the actual costs of goods and services related to the contract plus specific markup amounts for the work. The actual costs include payroll-based costs, such as labor and burden, and non-payroll-based costs, such as equipment usage and materials required to complete the contract.

Fees

A fee represents an amount you charge the owner in addition to the schedule of values. It can be based on a percent of either the costs incurred or the amounts invoiced for a contract.

Component markups

A component is a markup amount that is linked to a billing for time and material (T&M). The component amount is included in the T&M amount, but when you generate invoices for the contract, the component amounts are billed as a separate pay item.

Contract information consists of the following tasks:

- ❑ Working with contract master information
- ❑ Working with owner pay items
- ❑ Working with lump sum
- ❑ Working with milestone billing
- ❑ Working with progress billing
- ❑ Working with prepayments for contracts
- ❑ Working with unit price
- ❑ Working with time and material (T&M)
- ❑ Working with fee lines
- ❑ Working with components
- ❑ Reviewing billing information

Exercises

See the exercises for this chapter.

Work with Contract Master Information

From the Contract Billing Processing menu (G52), choose Contract Master Revisions.

Working with Contract Master Information

Contract master information includes:

- The master record, which you create to identify a contract and to specify other information that affects the contract as a whole, such as payment terms, retainage rules, and billing limits
- Additional master information, which you enter to include related address information, dates, and reporting categories

As a supplement to the master information, you can enter log information for important events, meetings, conditions, and dates related to the contract.

Complete the following tasks:

- ❑ Create the master record for a contract
- ❑ Enter retainage rules for a contract
- ❑ Enter additional master information
- ❑ Enter log information for a contract

Creating the Master Record for a Contract

You must create a master record for a contract before you can enter other contract information. The master record includes:

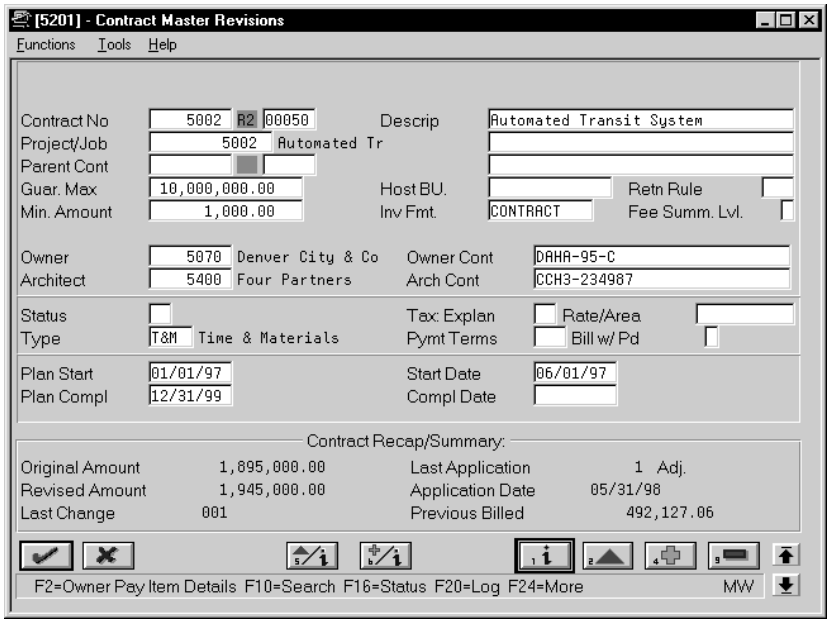
- The identification, such as the contract number, owner (customer) that you bill, and related job or project number
- The payment terms that can affect the contract as a whole, such as when payment is due, discount terms, and whether retainage is applicable
- The billing limits, such as a minimum amount for an invoice and cap on the total billing
- Whether your company must pay for all goods and services before you can bill the owner
- The additional details, such as the location of the job or project, the architect, and start and completion dates

The system stores the master record in the Contract Billing Master table (F5201).

After you create the master record, you can enter the owner pay items, which define the billing terms for the contract. You must enter the owner pay items for the contract before you can generate billings for the owner.

To create the master record for a contract

On Contract Master Revisions



1. Complete the following fields:
   - Contract Number
   - Description (first line)
   - Project/Job Number
2. Complete the following optional fields:
   - Owner
   - Type
   - Parent Contract
   - Invoice Format
   - Bill When Paid
   - Owner Contract
   - Status
   - Tax Explanation
   - Tax Rate/Area
   - Payment Terms

If you leave the Owner field blank, the system supplies the address number for the owner related to the project or job in the Job Business Unit Master table (F0006). If no owner number exists for the project or job, you must complete the Owner field on Contract Master Revisions.

After you enter the contract information, the system displays Owner Pay Item Details for the owner pay items. You can either:

- Enter the information for the owner pay items
- Exit the program and enter the owner pay items at a later time

You must enter the owner pay items before you can generate billings for the owner.

Field	Explanation
Contract Number	A number that uniquely identifies this contract on your system. If you leave this number blank during contract entry, the sytem will use the Next Numbers facility (system 52, index 01) to assign the number.
Project/Job	A number that identifies the project or job associated with this contract. You can set up projects or jobs in the Job Cost system. You can use the project/ job number as a search criterion on the Contract Search form.
Address Number – Owner	The address number to which billing and accounts receivable transactions will be posted. Typically, this is the address number for the owner of the contract. The number comes from the Contract Master table (F5201).
Contract Type	A user defined code (system 51, type CT) that identifies the type of contract.
Parent Contract Number	The parent contract number to which this particular contract is attached.
Invoice Format Code	A code that uniquely identifies a series of formats and determines the overall format of the invoice.
Bill When Paid	A one byte flag that indicates when invoices can be billed through to the owner. The values are: Y Only supplier invoices that have been paid can be billed through to the owner. N Supplier invoices, both paid and unpaid, can be billed through to the owner. If you leave this field blank, the system uses N.

Field	Explanation
Owner Contract #	The contract number as recorded on the owner's books. If you enter this number on the Contract Master Revisions form, you can use it as a search criterion on the Contract Search form. The system updates this number in the reference field (VR01) of the accounts receivable record for billing.
Contract Status	A two-character code that provides status information about a contract. This status is edited against user defined codes (52/CS).
Tax Explanation	A user defined code (00/EX) that controls how a tax is assessed and distributed to the G/L revenue and expense accounts.
Tax Rate/Area	A code that identifies a tax or geographic area that has common tax rates and tax distribution. The tax rate/area must be defined to include the tax authorities (for example, state, county, city, rapid transit district, province) and their rates. To be valid, a code must be set up in the Tax Rate/Area table (F4008). . . . . . *Form-specific information* . . . . . . A processing option allows you to display or suppress this field.
Payment Terms	A code that specifies the terms of payment, including the percentage of discount available if the invoice is paid within a certain amount of time. A blank code usually indicates the most frequently used payment term. You define the specifications for each type of payment term using the Payment Terms Revisions program (P0014). For example: blank Net 15 1 1/10 net 30 2 2/10 net 30 N Net 30 P Prox 25th Z Net 90 This code prints on customer invoices.

What You Should Know About

Locating a contract

You can use any combination of the following information to locate a contract on Contract Search:

- Contract type
- Contract status
- Contract description
- Owner
- Owner contract number
- Project or job number

You can access Contract Search from the following forms:

- Contract Master Revisions
- Contract Log Information
- Owner Pay Item Details
- Owner Pay Item Status
- Contract History
- Cost Plus Markup Table
- Account Derivation Table
- Change Request Revenue Detail

Assigning the owner and contract type

The system uses the information in the related job for the contract to automatically assign the owner address and contract type to a contract. You can manually override this information.

Parent and child relationships

Contracts (children) can be subordinate to a main contract (parent). You complete the Parent Contract field for each child contract to identify its parent. You can then use the parent contract number as:

- A key value for markup information and account derivation
- A basis for generating invoices and revenue recognition

For example, your company is the general contractor for the construction of an airport. The airport project includes the following phases of construction:

- Main terminal
- Access roads
- Automated transit system
- Concourses

The owner has signed separate contracts for each phase of construction. In this case, you can establish parent/child relationships by setting up a parent contract for the airport project and relating the child contract for each phase to the parent contract.

See *Defining Markup Rules* and *Defining Account Derivation Rules* for more information.

Assigning an invoice layout

You assign an invoice layout to a contract with the Invoice Format field. When you print invoices for the contract, the system uses that layout.

See *Assigning Invoice Format Codes to Contracts* for more information.

Guaranteed amounts

You can define guaranteed minimum and maximum amounts for a contract. The minimum amount specifies the lowest amount for which you can create an invoice each time you bill the owner of the contract. You define a minimum amount with the Minimum Amount field on Contract Master Revisions. During invoice generation, the system prevents you from creating an invoice that is less than the minimum amount.

You can define a guaranteed maximum at the following levels:

- Contract, using the Guaranteed Maximum field on Contract Master Revisions
- Change order, using the Not-To-Exceed (Change Order) field on Owner Pay Item Details
- Owner Pay Item, using the Not-To-Exceed (Amount/Units) fields on Owner Pay Item Details

When the amount at any level is greater than the respective maximum amount, the system issues a warning. It does not prevent you from creating the invoice.

See *Creating Invoices Automatically for Billing* or *Creating Invoices Automatically for Revenue Recognition and Billing* for more information about the warnings that the system issues.

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- Owner Pay Item, using the Not-To-Exceed (Amount/Units) fields on Owner Pay Item Details

When the amount at any level is greater than the respective maximum amount, the system issues a warning. It does not prevent you from creating the invoice.

See *Creating Invoices Automatically for Contract Billing* for more information about the warnings that the system issues.

Changing a contract

When a contract is in an active invoice batch, you can change only the description and invoice format name assigned to the contract. To change any other information, you must first do either of the following:

- Remove the contract from the active invoice batch
- Complete the billing process by creating A/R and G/L journal entries

Deleting a contract

You cannot delete a contract if the contract:

- Is a parent contract
- Has been invoiced
- Is in an active invoice batch

See Also

- *Entering Retainage Rules for a Contract (P5204)*
- *Entering Additional Master Information (P5201)*
- *Entering Log Information for a Contract (P5203)*
- *Entering Owner Pay Items (P5202)*

Processing Options for Contract Master Revisions

```
FORMAT CONTROL:
1. Enter a '1' to suppress the Sales/Use
   Tax information fields.
```

Exercises

See the exercises for this chapter.

Entering Retainage Rules for a Contract

Retainage is the amount of the payment withheld to ensure satisfactory contract performance. For example, there can be a 10 percent retainage on the billings to an owner. If you bill the owner for 100 dollars, the owner withholds 10 dollars and pays you 90 dollars. After your company has completed the work satisfactorily, the owner releases the 10 dollars that was retained.

You enter retainage rules for a contract to specify the percent of billing that is retained based on the percent of work that has been completed. During the billing process, the system uses the retainage rules on the contract to calculate the retained amounts.

Entering retainage rules involves locating and defining the rules. You locate a retainage rule to:

- Determine whether a rule exists
- Assign the correct rule to a contract

If the rule does not exist, you must define the rule.

Entering retainage rules for a contract consists of the following:

- Locate a retainage rule
- Define a retainage rule

You can perform these tasks at the following levels:

NOTE: You can perform these tasks at the following levels:

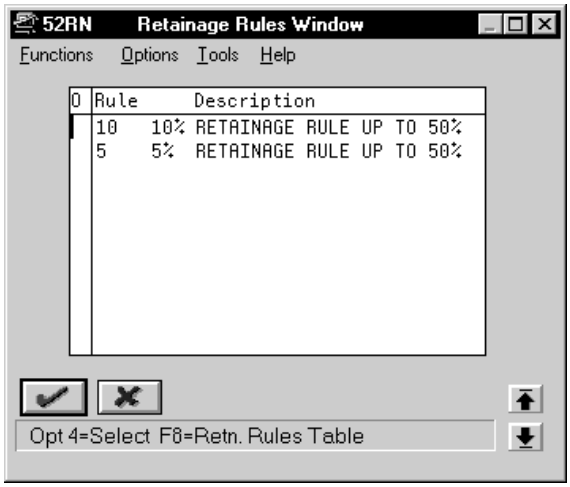
- Contract master
- Change order
- Individual owner pay items

To locate a retainage rule

On Contract Master Revisions

1. To locate a contract, complete the following field and press Enter:
   - Contract Number
2. Place the cursor in the following field:
   - Retainage Rule
3. Choose Field Sensitive Help.

   The system displays Retainage Rules Window.

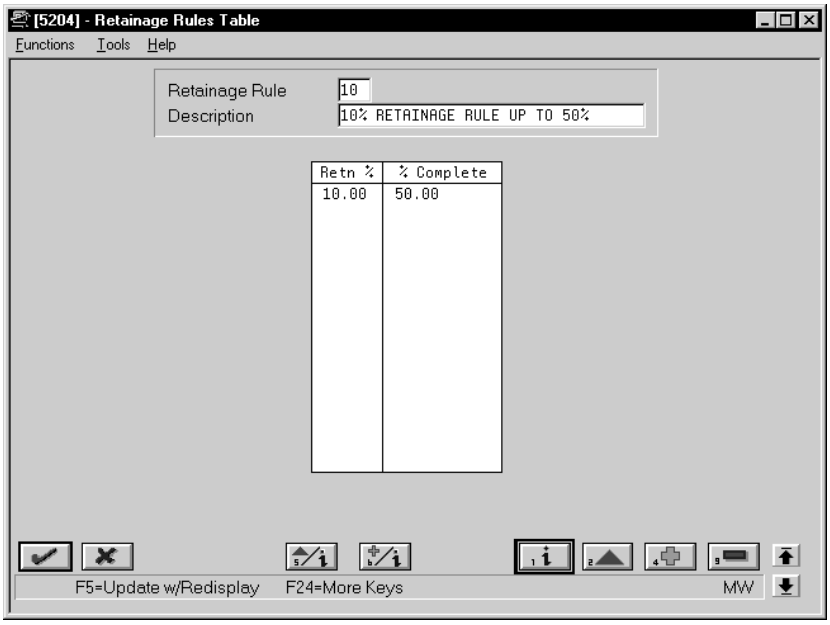


4. On Retainage Rules Window, choose Select for the correct retainage rule.

To define a retainage rule

On Contract Master Revisions

1. To locate a contract, complete the following field and press Enter:
   - Contract Number
2. Place the cursor in the following field:
   - Retainage Rule
3. Choose Field Sensitive Help.
4. On Retainage Rules Window, choose Retainage Rules Table.



5. On Retainage Rules Table, complete the following fields to identify the retainage rule:
   - Retainage Rule
   - Description
6. Complete the following fields for one or more detail lines:
   - Retainage Percent
   - Percent Complete

   If you leave the Percent Complete field blank, the system uses 100 percent as the default value.

Field	Explanation
Retainage Rule	The system uses this rule to calculate retainage on a contract. You define the retainage rule on Retainage Rules Table. For example: Retn % — 10.00; Percent Complete — 50.00 Retn % — 5.00; Percent Complete — 95.00 A rule you set up this way in the table indicates that there is a 10% retainage until 50% of the job is complete and a 5% retainage until 95% of the job is complete. Once 95% of the job is complete, retainage is no longer withheld.
Retainage Percent	The retainage rate for the contract. The rate is a percentage that is expressed as a whole number. For example, you enter a retainage rate of 10.5% as 10.5. Do not enter a retainage percent greater than 99.99% (expressed as 99.99) or less than zero.

Field	Explanation
Percent Complete	This field identifies the percentage of the total job or project that is complete. . . . . . *Form-specific information* . . . . . . The owner of the contract retains a percentage of the total due as shown in the left column. The retained percentage is based on the percentage of completion as shown in the right column.

What You Should Know About

Requirements for retainage rules

As you add change orders to a contract, the billing terms might require different retainage rules. Note the following important information:

- The Retainage Rule field on Contract Master Revisions applies to a specific contract and all the owner pay items in that contract. If you leave this field blank, no retainage rule is in effect for the contract as a whole.
- The Change Order Retainage field on Owner Pay Items Detail applies to a specific change order and related owner pay items. However, change order 000 always uses the retainage rule you enter on Contract Master Revisions
- The Retainage Rule field in the fold area of Owner Pay Item Details applies to a specific owner pay item.

When the system calculates retainage, it first searches for retainage rules in the owner pay items. It then searches the change orders and, finally, the contract master information.

Defining a rule for no retainage

If a change order (other than number 000 for the base contract) or an owner pay item is exempt from the retainage rule for the contract, you must enter a specific rule for no retainage. You define a new retainage rule with the retainage percent as 0 and the percent complete as 100.

In this case, you cannot leave the field for the retainage rule blank for the respective change order or owner pay item. If the field is blank, the system uses the retainage rule for the contract.

Deleting a retainage rule

If you delete a retainage rule, the system does not automatically update the Retainage Rule field wherever you have assigned that rule. You must manually change the retainage rule for the related contracts, change orders, and owner pay items.

Entering Additional Master Information

After you create the master record for a contract, you can enter the following additional information:

- Address information, such as an alternate location. The locations of the project and the corporate office (owner) are often not the same. You might have to send the bills to the project manager for approval before they are sent to the corporate office where the bills are paid.
- Dates, such as:
  - When a penalty, such as liquidated damages, goes into effect for not completing the work on time. As of that date, a daily cost is incurred which the contractor must pay the owner.
  - When the warranty expires. Up to this date, your company guarantees to correct any problems and defects.

  You use these dates for informational purposes only. The system does not edit the fields against the dates in the Job Master table (F0006).

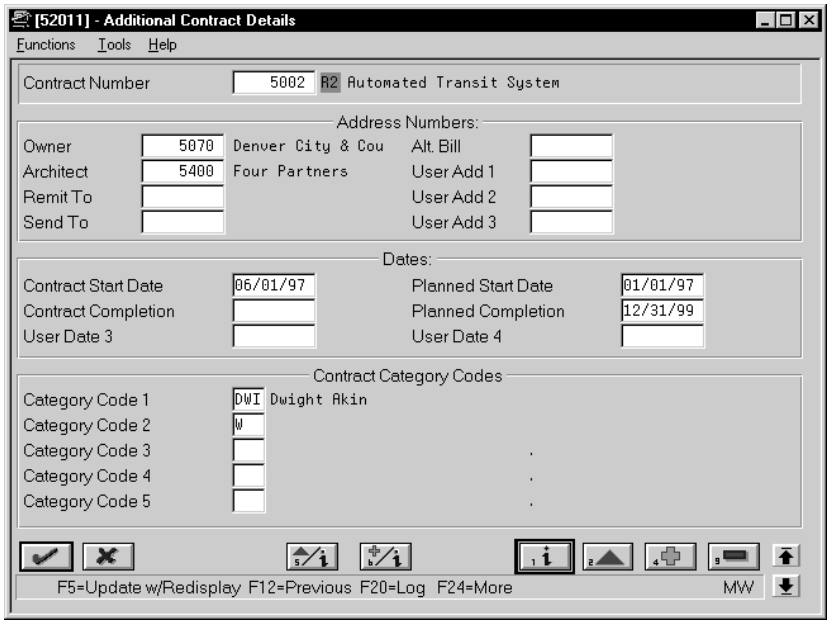
- Categories for reporting purposes, such as if you want to print the contracts related to a specific regional manager.

The system stores the additional master information in the Contract Billing Master table (F5201).

▶ To enter additional master information

On Contract Master Revisions

1. To locate a contract, complete the following field and press Enter:
   - Contract Number
2. Choose Additional Contract Details.



3. On Additional Contract Details, complete the following fields to identify related address numbers:
    - Alternate Billing
    - Remit To
    - Send To
4. Complete the fields for the dates and category codes.

See Also

- *Creating the Master Record for a Contract*

Entering Log Information for a Contract

As a supplement to the master information, you can enter log information for important events, meetings, conditions, and dates related to the contract. For example, you can enter:

- Provisions concerning the penalty and warranty that you might identify as dates in the additional master information
- Information related to a subcontractor

A contract log includes a brief description, remark, dates, and reporting categories. You can also enter free-form text as an extended description of a contract log. The system stores the contract logs in the Log Master table (F4303) and the text in the Contract Log Text table (F52034).

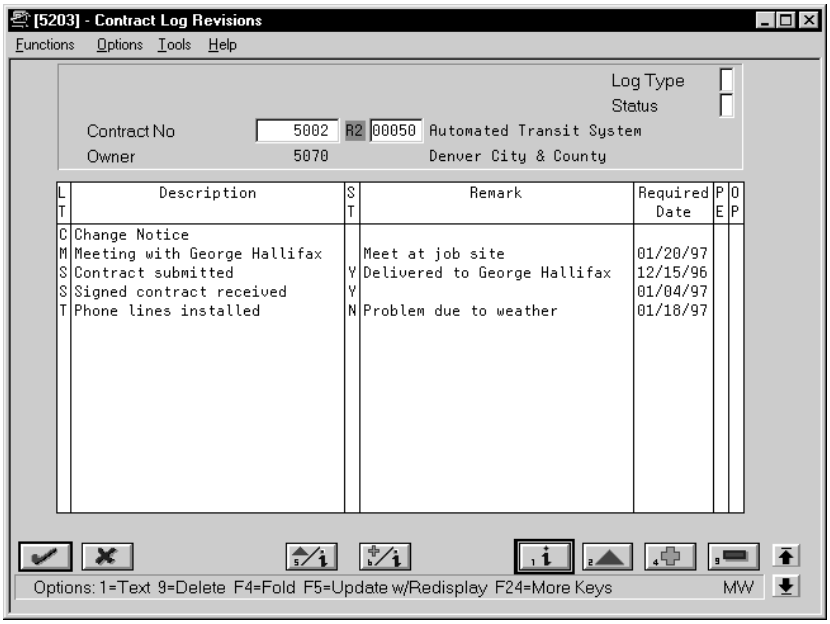
Entering log information for a contract consists of the following:

- Entering a contract log
- Entering text for a contract log

▶ To enter a contract log

On Contract Master Revisions

1. To locate a contract, complete the following field and press Enter:
   - Contract Number
2. Choose Log.



3. On Contract Log Revisions, complete the following field for each log line:
   - Log Type
4. Complete the following optional fields:
   - Description
   - Remark
   - Required Date

   If you leave the Description field blank, the system adds the description from the log type.
5. Choose Fold.

6. Complete the optional fields for additional information.

Field	Explanation
Commitment Log Type	A user defined code (system 00, type LG) that specifies the type of information in a log entry. The log type is used to group similar types of entries.
Name – Remark Explanation	A name or remark that describes an element in the J.D. Edwards systems.
Date – Required	The date that the log entry needs to be received. For example, consider a submittal requirement for an insurance certificate. For such an entry, the date that a copy of the policy or certified proof of coverage document is to be received would be entered in the Required Date field.

What You Should Know About

Adding logs to a standard contract

You can add log information to a standard contract and copy it to many contracts. A standard contract is one you set up with the contract number 00000000. This saves time and decreases the possibility of errors when you add the log information to a contract.

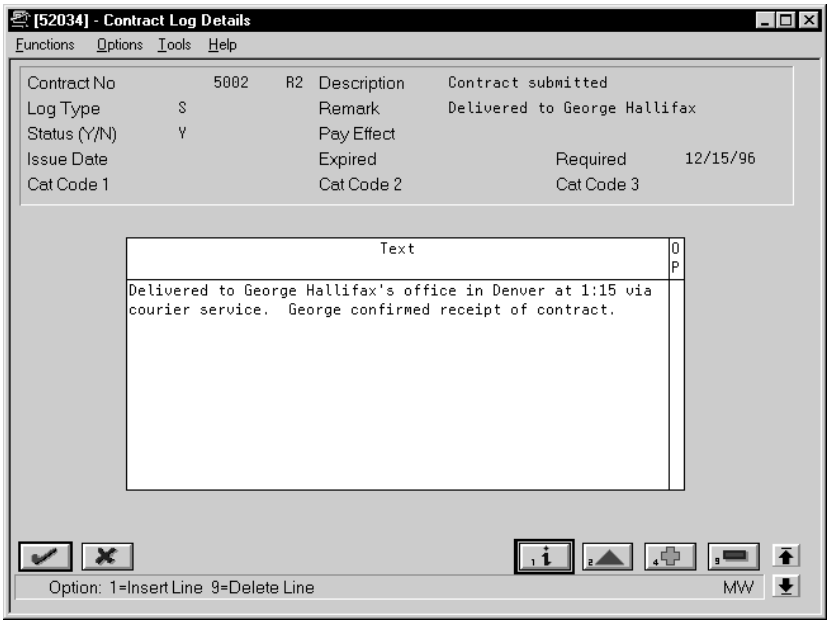
Copying standard log information

To copy standard log information, choose Copy Standards. The system displays the standard logs. Choose the Change action to add the logs to your contract. The system replaces existing log information with the same log type as the standard log and the standard log information.

▶ To enter text for a contract log

On Contract Master Revisions

1. To locate a contract, complete the following field and press Enter:
   - Contract Number
2. Choose Log.
3. On Contract Log Revisions, choose Text for a specific log line.



4. On Contract Log Details, enter the text.

   After you enter the free-form text, the system highlights the Option field for the contract log to indicate that text exists.

What You Should Know About

Formatting text

The system prints any text you enter for a workfile transaction exactly as it appears on the Invoice/Batch Extended Text form.

Inserting a blank line

You can insert a blank line between two existing lines of text to enter new information. The system inserts a line directly below the line on which you choose Insert Line.

Deleting text

You can use two methods to delete text you have entered for a transaction:

- To delete all the text, use the Delete action
- To delete individual lines of text, choose Delete Line for the respective lines

Renumbering lines of text

The system automatically assigns a sequence number to each line of text. The sequence number is not displayed on the form. If the system prevents you from inserting a blank line, choose Renumber Text. The system updates the numbers to prepare the text for additional lines.

Exercises

See the exercises for this chapter.

Work with Owner Pay Items

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Owner Pay Items

You use owner pay items to define the billing terms for a contract. Therefore, you must enter them for the contract before you can generate billings for the owner. You can enter owner pay items in the following ways:

- Enter them at the time you create a contract master record
- Enter them to an existing contract either on the base contract or as a change order
- Copy detail into an owner pay item from the Change Management system

You can also enter free-form text to further clarify the owner pay items, such as descriptions of schedules, resources, and specifications.

Complete the following tasks:

- ❑ Enter owner pay items
- ❑ Copy detail from the Change Management system
- ❑ Enter text for an owner pay item
- ❑ Copy text for an owner pay item

Entering Owner Pay Items

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You must enter the owner pay items for the contract before you can generate billings for the owner.

You use pricing types when defining the billing terms in owner pay items. Pricing types include:

- Fixed fees, such as lump sum, milestone billing, and progress billing
- Prepayments, such as direct and rated draws
- Quantity and price per unit (unit price)
- Time and material (T&M)
- Fees
- Component markups on T&M

The tasks and required fields for defining the billing terms vary according to the pricing type and your company's billing and revenue policies.

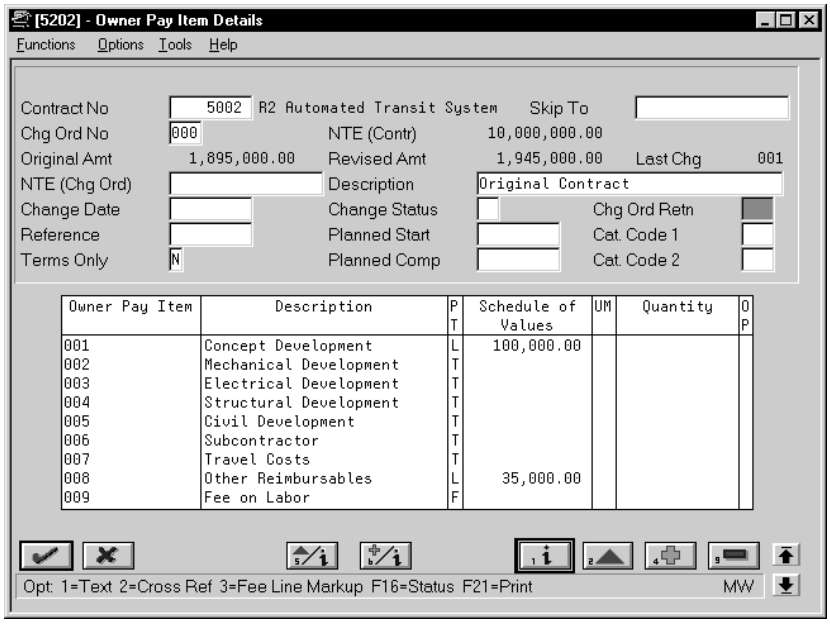
The system stores the owner pay items in the Owner Pay Item Detail table (F5202).

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

To enter owner pay items

On Owner Pay Item Details



1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for each owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
3. Complete the remaining fields that relate to the specific pricing type for each owner pay item.

Field	Explanation
Contract Change Number	The change number of the contract. The change order number of the base contract is always initialized to 000. Each time you enter a change order for a contract, the system automatically increases the change order number by one. For example, the base contract is change number 000, the first change order is 001, the second 002, and so on.

Field	Explanation
Owner Pay Item	The pay item number as defined by the owner. This field is alphanumeric and can be up to 15 characters in length. It is recommended that you use numeric information for this pay item number.
Pricing Type – Contracts	This field indicates the pricing type of the pay item. Valid codes are: T Time and Materials U Unit Price L Lump Sum F Fee Line C Component M Milestone P Progress D Direct Draw R Rated Draw Note: You can use 1 for T, 2 for U, 3 for L, 4 for F, 5 for C, 6 for M, 7 for P, 8 for D, 9 for R.

What You Should Know About

Adding a blank detail line

You can add a blank detail line between two existing owner pay items to enter a new owner pay item. To do this, choose Insert Pay Item Line for the owner pay item that precedes the new information. The Line Number field in the fold area identifies the position of the new line in the sequence of owner pay items.

Verifying the schedule of values

You can set processing options so that the system verifies the schedule of values (amounts) of the owner pay items with the budgets for the respective jobs in the Job Cost system. The system can issue either an error or a warning when the amounts differ. This comparison occurs whenever you make a change to the schedule of values so that you keep the schedule of values and budgets balanced.

However, if you change the budget in the Job Cost system, the Contract Billing system does not inform you of the change. The two amounts are not balanced until you update the schedule of values in the contract.

See *Processing Options for Owner Pay Item Details.*

Changing a base contract

You enter the original contract information as the base contract, which consists of the contract master record and change order number 000. You can set a processing option to prevent changes to the owner pay items in the base contract.

In this case, if an owner requests additional work, you must enter the owner pay items for the new billing terms as a new change order, such as change order number 001, 002, or 003.

Deleting a contract with change orders

To delete a contract with change orders:

- You must delete any subsequent change orders before you delete the base contract. For example, a contract has three change orders, 000, 001, and 002, attached to it. You must first delete change orders 001 and 002 separately before you delete the base contract.
- You can delete only one change order at a time.

You cannot delete a contract with change orders if:

- The change order has been invoiced.
- The contract is in an active invoice batch.
- The contract is a parent contract.

See Also

- *Entering an Owner Pay Item for Lump Sum (P5202)*
- *Entering an Owner Pay Item for Milestone Billing (P5202)*
- *Entering an Owner Pay Item for Progress Billing (P5202)*
- *Entering an Owner Pay Item for a Direct Draw (P5202)*
- *Entering an Owner Pay Item for a Rated Draw (P5202)*
- *Entering an Owner Pay Item for Unit Price (P5202)*
- *Entering an Owner Pay Item for T&M (P5202)*
- *Entering an Owner Pay Item for a Fee Line (P5202)*
- *Entering an Owner Pay Item for a Component (P5202)*

Copying Detail from the Change Management System

With the Change Management system, you can use one source to control change requests for any additional work that an owner requests for a job. In this way, you enter changes only once for a job. From that information, you can update:

- Budgets in the Job Cost system
- Information for the billing terms in the Contract Billing system

You can copy the detail from change requests in the Change Management system to owner pay items in existing contracts. The change request is then immediately available for you to bill.

After you copy information from the Change Management system, verify that:

CAUTION: After you copy information from the Change Management system, verify that:

- Duplicate numbers for the owner pay items do not exist in the contract.
- The pricing type is correct for the resulting owner pay item. The default pricing type from the Change Management system is lump sum.
- You have not added the same information more than once.

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

❑ Enter owner pay items for the contract. See *Entering Owner Pay Items*.

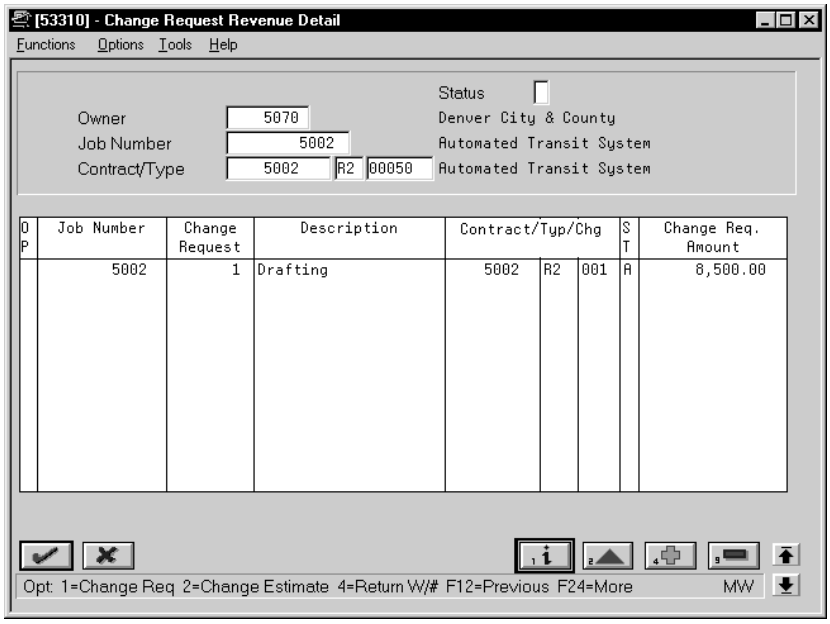
❑ Enter a change request in the Change Management system. See *About Change Requests* in the *Change Management Guide.*

▶ To copy detail from the Change Management system

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Change Management Inquiry.

The system displays Change Request Revenue Detail with any change requests that exist for the contract.



3. On Change Request Revenue Detail, choose Return with Number for the change request.
4. On Owner Pay Item Details, verify and complete the fields that relate to the resulting owner pay items.
5. Do one of the following:
   - Use the Add action if you are copying the information to a new change order
   - Use the Change action if you are copying the information to an existing change order

See Also

- *Copying Information to Contract Billing (P53310)* in the *Change Management Guide*

Entering Text for an Owner Pay Item

Owner pay items define the billing terms for the contract. You can enter free-form text to further clarify the owner pay items, such as:

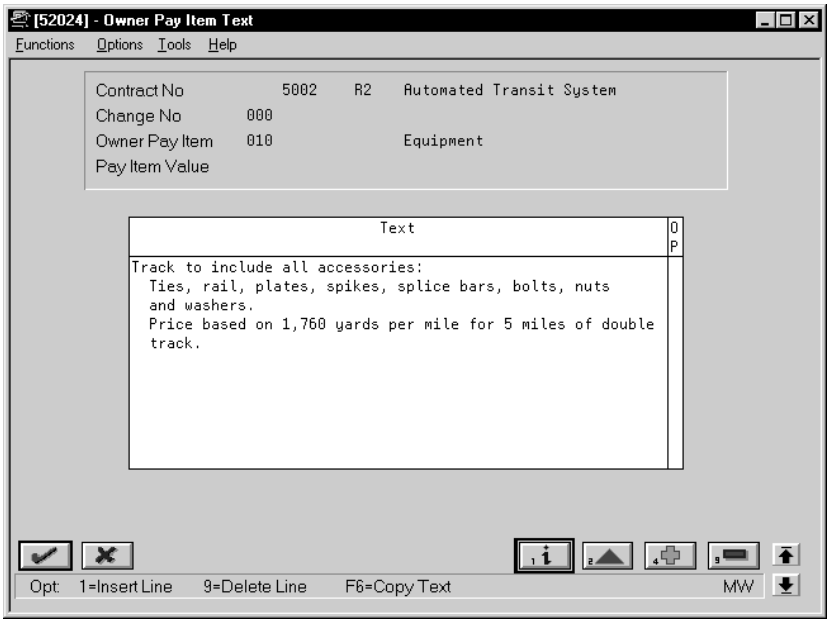
- Estimated schedules and resources
- Specifications for materials
- Reasons for a change order
- Justification of costs
- References to other owner pay items

After you enter text, the system highlights the Option field for the owner pay item to indicate that text exists. The system stores the information in the Owner Pay Item Text table (F52024).

▶ To enter text for an owner pay item

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Text for an owner pay item.



3. On Owner Pay Item Text, enter the text.

   After you enter the free-form text, the system highlights the Option field for the owner pay item to indicate that text exists.

What You Should Know About

Formatting text

The system prints any text you enter for a workfile transaction exactly as it appears on the Invoice/Batch Extended Text form.

Inserting a blank line

You can insert a blank line between two existing lines of text to enter new information. The system inserts a line directly below the line on which you choose Insert Line.

Deleting text

You can use two methods to delete text you have entered for a transaction:

- To delete all the text, use the Delete action
- To delete individual lines of text, choose Delete Line for the respective lines

Renumbering lines of text

The system automatically assigns a sequence number to each line of text. The sequence number is not displayed on the form. If the system prevents you from inserting a blank line, choose Renumber Text. The system updates the numbers to prepare the text for additional lines.

Copying Text for an Owner Pay Item

You can enter descriptive information as free-form text for owner pay items. If the text for an owner pay item is the same as the text for one you have previously defined, you can copy all or part of that text. When you copy text you can:

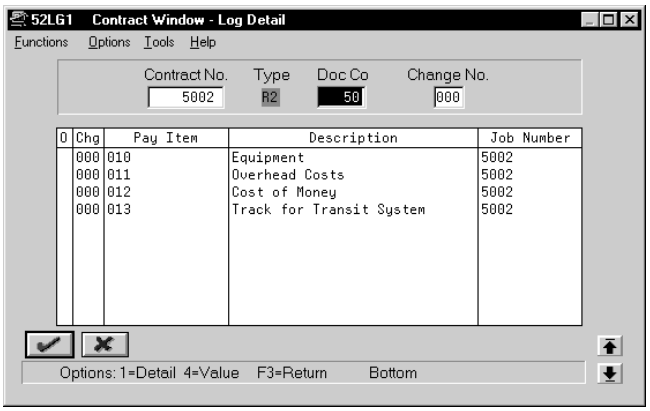
- Save time by eliminating repeated manual entry
- Decrease the possibility of errors
- Promote consistency within similar information

▶ To copy text for an owner pay item

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Text for an owner pay item.
3. On Owner Pay Item Text, choose Copy Text.

   The system displays Contract Window – Log Detail.



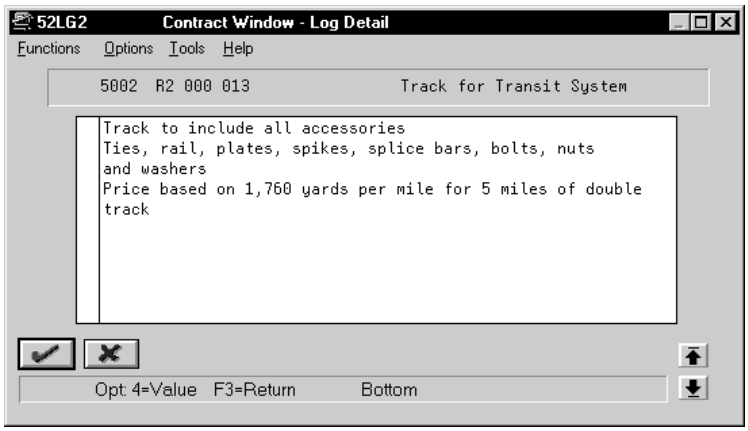
4. On Contract Window – Log Detail, complete the following field to identify the contract from which you want to copy text:
   - Contract Number

5. Complete the following optional field and press Enter:

   - Change Number

   The system displays the related owner pay items that contain text.

6. On Contract Window – Log Detail, choose Detail for an owner pay item to display all the lines of text.



7. Choose Value for one or more lines of text to copy specific lines.

   The system automatically updates the Owner Pay Item Text with the lines of text that you have specified.

Processing Options for Owner Pay Item Details

```
OPTIONAL EDITS:
1. Enter '1' to prevent changes to the                    _____________
   base contract (all changes must then
   be entered as change orders).  Leave
   blank (default) to allow changes to
   the base contract.

2. Select one of the following:                           _____________
   '1' = Issue a WARNING if Schedule of
         Values does not equal Budget.
   '2' = Issue an ERROR if Schedule of
         Values does not equal Budget.
   ' ' = No edit (default).

OPTIONAL EDITS Cont'd:
3. Enter the budget ledger type to use                    _____________
   for the budget edits.  Leave blank
   (default) to use the Revised Budget
   Ledger Types (User Defined Codes,
   System 51, Code RB).

FORMAT CONTROL:
4. Enter '1' to display the Unit Price                    _____________
   on the main line and the Schedule of
   Values amount in the fold.  Leave
   blank (default) to display the Unit
   Price in the fold.

FORMAT CONTROL (Cont'd):
5. Enter '1' to use the "Skip to" field                   _____________
   to enter line numbers.  Leave blank
   (default) to enter owner pay items.

6. Enter a '1' to suppress the Sales/Use                  _____________
   tax information fields.

ACCOUNT NUMBER DEFAULT:
7. Enter "1" to derive the account in                     _____________
   the fold based on the new contract in
   the "Add" mode.  Leave blank to use
   the account number on the screen if
   the field is not blank.
```

What You Should Know About

Copying all text for logs You can copy all text for a log without displaying all lines of text. On Contract Window Log Detail, choose Value. The system automatically updates the Owner Pay Item Text. Choose Return to view the text.

Exercises

See the exercises for this chapter.

Work with Lump Sum

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Lump Sum

You use owner pay items in a contract to define the billing information. With lump sum, your company agrees to bill the owner for a fixed amount regardless of the actual costs that are incurred.

For billing, the system can automatically calculate the billing amount. You define a cross-reference to link the owner pay item with the account or range of accounts used in the calculation.

The system can also automatically calculate the revenue amount. You define a cross-reference to link the owner pay item with the account or range of accounts used in the calculation. You must also assign a cost account to retrieve the correct account derivation rules that you defined on Account Derivation Table.

Complete the following tasks:

- ❑ Enter an owner pay item for lump sum
- ❑ Define cross-references for lump sum
- ❑ Assign a cost account to lump sum
- ❑ Define recurring amounts

Entering an Owner Pay Item for Lump Sum

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use owner pay items with a lump sum pricing type to bill the owner for a fixed amount regardless of the actual costs that are incurred.

After you enter an owner pay item for lump sum, the system:

- Automatically supplies some of the information, such as the:
  - Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
  - A/R offset from the owner address
  - Revenue account from the automatic accounting instruction (AAI) for lump sum, which is BC01
- Highlights the Pricing Type field if the system constants are set to generate revenue on non-T&Ms. It remains highlighted until you define the cross-reference for the owner pay item.

Before You Begin

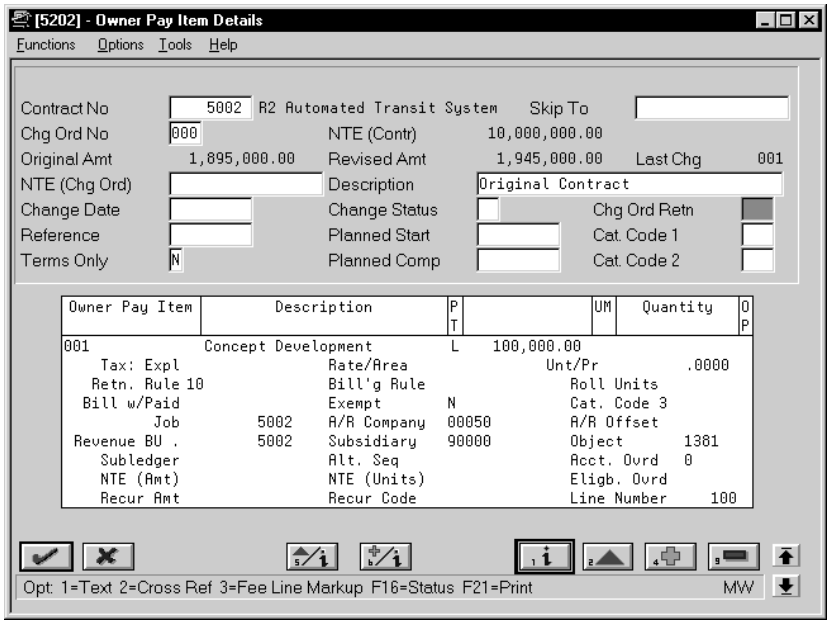
❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

▶ To enter an owner pay item for lump sum

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
   - Schedule of Values

   The pricing type is L or 3 for lump sum.
3. Choose More Details.



4. Complete the following optional fields to override the default information:
    - Tax Explanation
    - Rate/Area
    - Job
    - A/R Company
    - A/R Offset
    - Revenue BU
    - Subsidiary
    - Object
5. Complete the following optional fields:
    - Retainage Rule
    - Category Code 3
    - Subledger
    - Subledger Type
    - Eligibility Override
    - Not-To-Exceed (Amount)

Field	Explanation
Schedule of Values	The expected or budgeted amount assigned to a specific line item of the contract. The system uses this amount in conjunction with the percent of completion to calculate billing and retainage. . . . . . *Form-specific information* . . . . . . Use the Unit/Amount Display Toggle to toggle between the Schedule of Values field and the Unit Price field. Use processing options to: • Select which of these fields displays initially when you first access the form. • Set up a warning or error message when the Schedule of Values field does not equal the Job Cost budget amounts for the accounts cross-referenced to this pay item. • Specify the ledger type to use for the Job Cost budget edits. If you leave the option blank, the system uses the revised budget ledger type (51/RB).
Company	A code that identifies the company managing the contract.
Revenue BU	Identifies a separate entity within a business for which you wish to track costs. For example, a business unit might be a job, project, work center, or branch/plan. Business Unit security can prevent you from locating business units for which you have no authority. . . . . . *Form-specific information* . . . . . . The business unit/object/subsidiary/subledger/subledger type in the fold area of this form defaults from the Automatic Accounting Instructions using system 52, code BC, or you can enter a specific revenue account. All pricing types, with the exception of Time and Materials (T or 1), will use this account information. This account can represent a revenue or cost account, depending on the value entered in the Account Override Field (ACCO) in the fold area for this Owner Pay Item. Note: If the Account Override is set to 1, this account is used as a source (cost) account and is processed similar to a Time and Materials pricing type against the Account Derivation Table during journal generation.
Subsidiary	A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.

Field	Explanation
Object Account	The object account portion of a general ledger account. The terms "object account" and "cost type" are used synonymously. They refer to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). When you are using a flexible chart of accounts, if the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. Here, entering 000456 is not the same as entering 456, because the system adds three blank spaces to fill a 6-digit object.
Subledger – G/L	A code that identifies a detailed auxiliary account within a general ledger account. A subledger can be an equipment item number, an address book number, and so forth. If you enter a subledger, you must also specify the subledger type.
Subledger Type	A user defined code (00/ST) that you use with the Subledger field to identify the category of the subledger.
Control Flag 1	This control flag is used to override the service billing constants eligibility code when work file records (F4812) are created during invoicing. Possible Values Are: 0 Eligible For Invoicing and Revenue Recognition. 1 Eligible for Invoicing only. 2 Eligible for Revenue Recognition only. 3 Non Billable. 4 Eligible for Cost only. blank No override.
Not to Exceed Amount	There are three levels of a contract at which you can enter a not-to-exceed amount: • Contract, which applies to the entire contract and all subsequent change orders • Change order, which applies to the specific change order • Owner pay item, which applies to the specific owner pay item

See Also

- *Defining Cross-References for Lump Sum (P5212)*
- *Assigning a Cost Account to Lump Sum (P5202)*

Defining Cross-References for Lump Sum

You use owner pay items with a lump sum pricing type to bill the owner for a fixed amount regardless of the actual costs that are incurred. If you have the system calculate the billing amounts or if you use revenue recognition, you must cross-reference each owner pay item for lump sum to one or more accounts. The system uses the accounts to determine the actual and projected final costs.

Two methods of calculation are involved:

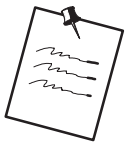
- Percent complete
- Percent of cost

For billing, the system uses the method you specify when you create invoices automatically. For revenue recognition, the system uses the percent complete method.

Percent Complete Method

This method of calculation uses the following sequence:

1. Percent Complete = Actual Cost-to-Date / Projected Final Cost
2. Billable Amount = Percent Complete X Schedule of Values
3. Current Billing Amount = Billable Amount – Prior Billed Amount



Actual Cost-to-Date is located in the AA ledger. Projected Final Cost is located in the HA ledger.

NOTE: Actual Cost-to-Date is located in the AA ledger. Projected Final Cost is located in the HA ledger.

Percent of Cost Method

This method of calculation uses the following sequence:

1. Markup Amount = Schedule of Values – Projected Final Cost
2. Markup Percent of Cost = Markup Amount / Projected Final Cost
3. Current Billing Amount = Markup Percent of Cost X Actual Cost for Current Period

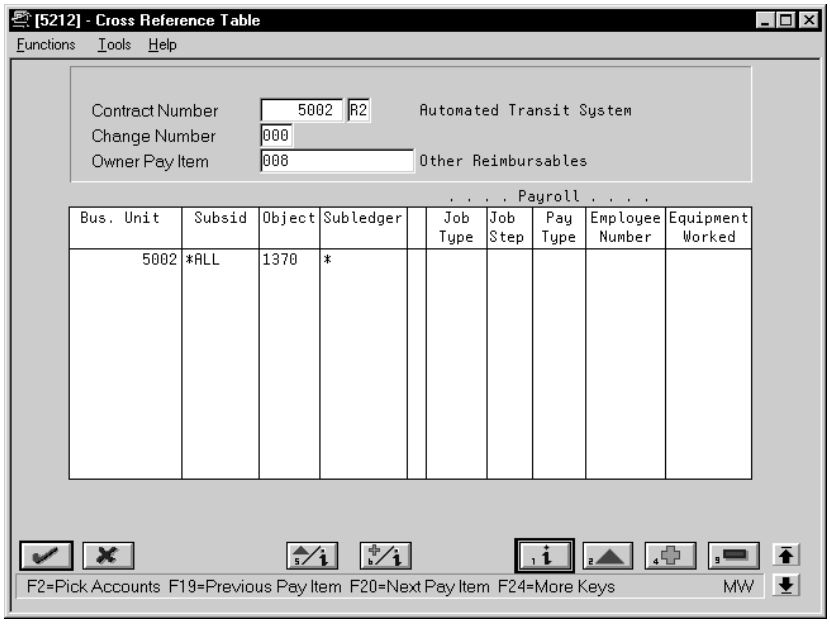
Before You Begin

❑ Enter owner pay items for lump sum. See *Entering an Owner Pay Item for Lump Sum*.

To define cross-references for lump sum

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Cross Reference for an owner pay item with a lump sum pricing type.



3. On Cross Reference Table, complete the following fields for one or more accounts:
   - Business Unit
   - Subsidiary
   - Object
   - Subledger
   - Subledger Type

   Payroll and equipment information are not applicable. If you leave the subledger blank, the system uses only the blank subledger and not all subledgers.

The account numbers you specify in the cross-reference should be specified as non-billable in the Account Master table. If you specify billable accounts, you risk double-billing the owner pay item. The results will be unpredictable.

CAUTION: The account numbers you specify in the cross-reference must be specified as non-billable in the Account Master table. If you specify billable accounts, you risk double-billing the owner pay item. The results will be unpredictable.

Field	Explanation
Business Unit	Identifies a separate entity within a business for which you wish to track costs. For example, a business unit might be a job, project, work center, or branch/plan. Business Unit security can prevent you from locating business units for which you have no authority. . . . . . *Form-specific information* . . . . . . On this form, the Business Unit field identifies the business unit for owner pay item transactions you are referencing. The field is required. If you enter a job number in the Job field on the Owner Pay Item Details form, the system automatically enters this field for you using the business unit of the job.

What You Should Know About

Positional wildcards

You can use positional wildcards in the following fields:

- Object and Subsidiary — an asterisk (*) to indicate a range of accounts. For example, 13** as the object includes all object accounts from 1300 to 1399.
- Subsidiary — *ALL or **** (four asterisks) to indicate all subsidiaries.
- Subledger — an asterisk (*) in the first position of the field to indicate all subledgers.

Verifying job accounts and budgets

When you choose Basic Budget Setup, the system displays Original Budget Entry from the Job Cost system. You can then verify the budget information for a job and determine the correct accounts to cross-reference for projected final costs.

Locating account information	When you choose Pick Accounts, the system displays Cost Code/Type Search. You can then locate and select accounts for the cross-reference. To select accounts, you must use the Change action on Cross Reference Table.
Arranging information by account number	The system displays the accounts for the cross-reference in the order that you entered them. When you choose Toggle–Accounts in Business Unit Sequence, the system displays the cross-reference information in sequence by account number. You can use this toggle only for reviewing information and not for adding or changing.

Assigning a Cost Account to Lump Sum

You use owner pay items with a lump sum pricing type to bill the owner for a fixed amount regardless of the actual costs that are incurred. If you use revenue recognition in your billing processes, you must assign a cost account to each owner pay item for lump sum.

The system uses the cost account to retrieve the correct account derivation rules that you defined on Account Derivation Table. With the rules, the system creates the journal entries for billing and revenue recognition.

Before You Begin

- ❑ Verify that the system constants are set up properly. See *Setting Up System Constants for Contract Billing.*
- ❑ Verify that the account derivation rules are defined properly. See *Defining Account Derivation Rules.*
- ❑ Enter owner pay items for lump sum. See *Entering an Owner Pay Item for Lump Sum*.

▶ To assign a cost account to lump sum

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose More Details.

3. In the fold area for an owner pay item with a lump sum pricing type, complete the following fields:
    - Revenue BU
    - Subsidiary
    - Object
    - Account Override

The system uses the code you enter in the Account Override field to change the Revenue BU field to the Cost Account field.

Field	Explanation
Account Override Flag	A code that controls whether the account information in the fold area for an owner pay item identifies a revenue or cost (source) account. The system automatically supplies the account information (business unit, object, subsidiary, subledger, and subledger type) from the automatic accounting instructions (system 52, code BC). You can also enter a specific account. All pricing types, with the exception of T&M, use the account information. NOTE: When this flag is set to 1, the account information in the fold area identifies a cost account. The system processes the owner pay item against the Account Derivation table during journal generation. This is similar to how the system processes a T&M pricing type.

Defining Recurring Amounts

You use recurring amounts to bill for a total fixed amount in smaller increments at a recurring frequency, such as weekly or monthly. For example, your company rents a trailer for the job site. The total cost is 3,600 dollars. The owner of the job agrees to reimburse your company at a rate of 300 dollars per month.

When you create invoices, you can specify the recurring frequencies you want to include in the invoice batch.

▶ To define recurring amounts

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose More Details.
3. In the fold area for an owner pay item with a lump sum pricing type, complete the following fields:
   - Recurring Amount
   - Recurring Code

   The recurring code is user defined, such as M, MO, and MON for monthly or W, WK, and WKL for weekly.

Field	Explanation
Recurring Billing Amount	A fixed amount you want to bill with each recurring frequency.
Recurring Billing Code	A code that defines the frequency of recurring billing for the owner pay item. A processing option associated with invoice generation lets you select specific recurring billing frequencies to be included in the invoice batch.

See Also

- *Creating Invoices Automatically for Billing* or *Creating Invoices Automatically for Revenue Recognition and Billing*
- *Creating Invoices Manually for Billing* or *Creating Invoices Manually for Revenue Recognition and Billing*

- *Creating Invoices Automatically for Contract Billing*
- *Creating Invoices Manually for Contract Billing*

Exercises

See the exercises for this chapter.

Work with Milestone Billing

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Milestone Billing

You use owner pay items in a contract to define the billing information. With milestone billing, your company agrees to bill the owner only after a milestone (billing event) has been reached. You can define a milestone as either the completion of a specific phase of work or a specific billing date.

Complete the following tasks:

- ❑ Enter an owner pay item for milestone billing
- ❑ Define billing events for milestone billing

Entering an Owner Pay Item for Milestone Billing

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use owner pay items with a milestone billing pricing type to bill the owner only after a milestone (billing event) has been reached. You can define a milestone as either the completion of a specific phase of work or a specific billing date.

The schedule of values for the milestone billing is the amount of the overall billing. You cross-reference each milestone with a specific date and the percentage that can be billed for that milestone. The system calculates the billing amount for a completed milestone with the following formula:

Schedule of Values X Percentage for the Milestone

After you enter an owner pay item for milestone billing, the system:

- Automatically supplies some of the information, such as the:
  - Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
  - A/R offset from the owner address
  - Revenue account from the automatic accounting instruction (AAI) for milestone billing, which is BC04
- Highlights the Pricing Type field. It remains highlighted until you define the events for milestone billing.

Before You Begin

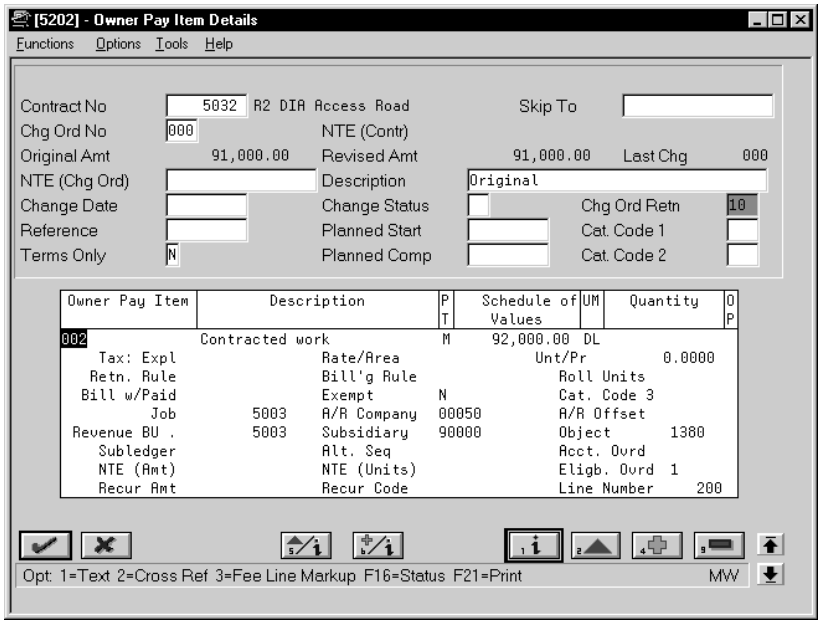
❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

▶ To enter an owner pay item for milestone billing

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
   - Schedule of Values

   The pricing type for milestone billing is M or 6.
3. Choose More Details.



4. Complete the following optional fields to override the default information:
    - Tax Explanation
    - Rate/Area
    - Job
    - A/R Company
    - A/R Offset
    - Revenue BU
    - Subsidiary
    - Object
5. Complete the following optional fields:
    - Retainage Rule
    - Category Code 3
    - Subledger
    - Subledger Type

After you enter the information, the system automatically assigns 1 to the Eligibility Override field in the fold area. The system does not let you change this code because you use the milestone billing pricing type for billing only. It is not applicable to revenue recognition.

See Also

- *Defining Billing Events for Milestone Billing*

Defining Billing Events for Milestone Billing

You use owner pay items with a milestone billing pricing type to bill the owner only after a milestone (billing event) has been reached. You define a milestone as either the completion of a specific phase of work or a specific billing date. When you define milestones for billing:

- The total of all the percentages to bill for the billing events must be 100 percent.
- You can cross-reference only one prepayment (draw) with an owner pay item for milestone billing.

Before You Begin

❑ Enter owner pay items for milestone billing. See *Entering an Owner Pay Item for Milestone Billing*.

❑ Enter owner pay items for the direct draw or rated draw that you cross-reference. See *Entering an Owner Pay Item for a Direct Draw* and *Entering an Owner Pay Item for a Rated Draw.*

See Also

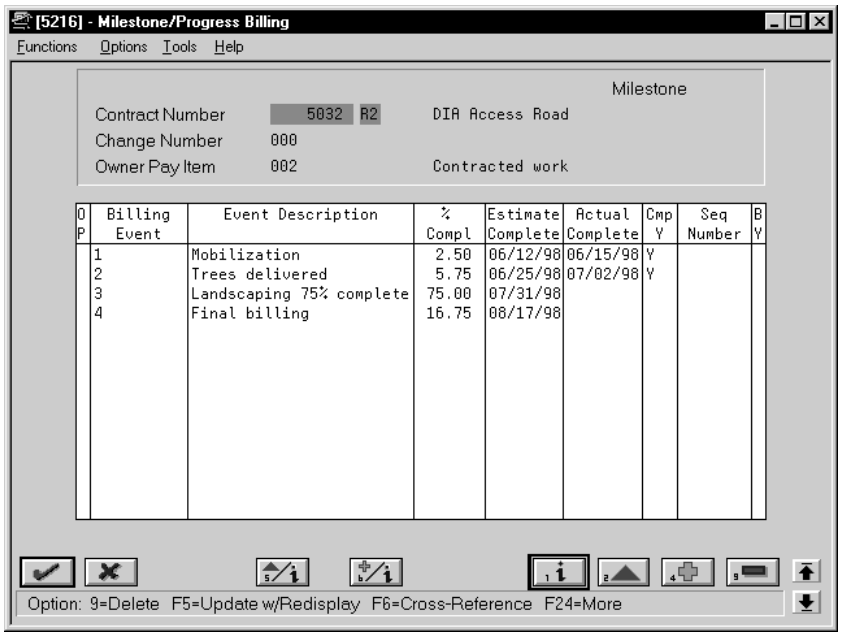
- *Working with Prepayments for Contracts* to cross-reference a draw to an owner pay item

▶ To define billing events for milestone billing

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Cross Reference for an owner pay item with a milestone billing pricing type.

   The system displays Milestone/Progress Billing.



3. On Milestone/Progress Billing, complete the following fields for each billing event:
   - Billing Event
   - Event Description
   - Percent Complete
   - Estimate Complete
4. Complete the following optional field:
   - Sequence Number

Field	Explanation
Billing Event	The name, number or other identifier of the event for the milestone/progress billing percentage.
Percent Complete	This field identifies the percentage of the total job or project that is complete. . . . . . *Form-specific information* . . . . . . This field specifies the percentage to bill as compared to the schedule of values. Enter the percentage as a whole number. For example, you enter 25% as 25. In Milestone Billings, the percentage multiplied by the schedule of values equals the amount to invoice. In Progress Billings, the percentage multiplied by the schedule of values less prior billings equals the amount to invoice.

Field	Explanation
Date – Estimated Completion (Julian)	The estimated date for completion of this milestone or progress event.
Sequence Number	A number that the system uses to sequence information.

What You Should Know About

Billing a completed milestone

Once you complete a milestone, you must enter the date in the Actual Complete field for the billing event. At this time, the system updates the Complete Yes field to Y. The milestone is then available for billing at the percentage you have specified.

When you generate invoices, the system compares the cutoff date for the generation with the actual completion date. If the generation date is the same or later, the system processes the billing event.

After the system bills for an event, it updates the Billed Yes field to Y. The billing event is then protected, and you can no longer change the information for the event.

See *Creating Invoices Automatically for Billing* or *Creating Invoices Automatically for Revenue Recognition and Billing* and *Creating Invoices Manually for Billing* or *Creating Invoices Manually for Revenue Recognition and Billing* for more information about cutoff dates.

Billing a completed milestone

Once you complete a milestone, you must enter the date in the Actual Complete field for the billing event. At this time, the system updates the Complete Yes field to Y. The milestone is then available for billing at the percentage you have specified.

When you generate invoices, the system compares the cutoff date for the generation with the actual completion date. If the generation date is the same or later, the system processes the billing event.

After the system bills for an event, it updates the Billed Yes field to Y. The billing event is then protected, and you can no longer change the information for the event.

See *Creating Invoices Automatically for Contract Billing* and *Creating Invoices Manually for Contract Billing* for more information about cutoff dates.

Exercises

See the exercises for this chapter.

Work with Progress Billing

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Progress Billing

You use owner pay items in a contract to define the billing information. With progress billing, your company agrees to bill the owner only after a billing event has been reached. You define a billing event as the cumulative percentage of completion of work by an estimated date.

Complete the following tasks:

- ❑ Enter an owner pay item for progress billing
- ❑ Define billing events for progress billing

Entering an Owner Pay Item for Progress Billing

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use owner pay items with a progress billing pricing type to bill the owner only after a billing event has been reached. You define a billing event as the cumulative percentage of completion of work by an estimated date.

The schedule of values for the progress billing is the amount of the overall billing, which you cross-reference with a schedule of billing events. The system calculates the billing amount for a completed event with the following formula:

Schedule of Values X Cumulative Percentage of Completion – Total of Previously Billed Amounts

When you enter an owner pay item for progress billing, the system:

- Automatically supplies some of the information, such as the:
  - Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
  - A/R offset from the owner address
  - Revenue account from the automatic accounting instruction (AAI) for progress billing, which is BC05
- Highlights the Pricing Type field. It remains highlighted until you define the events for progress billing.

Before You Begin

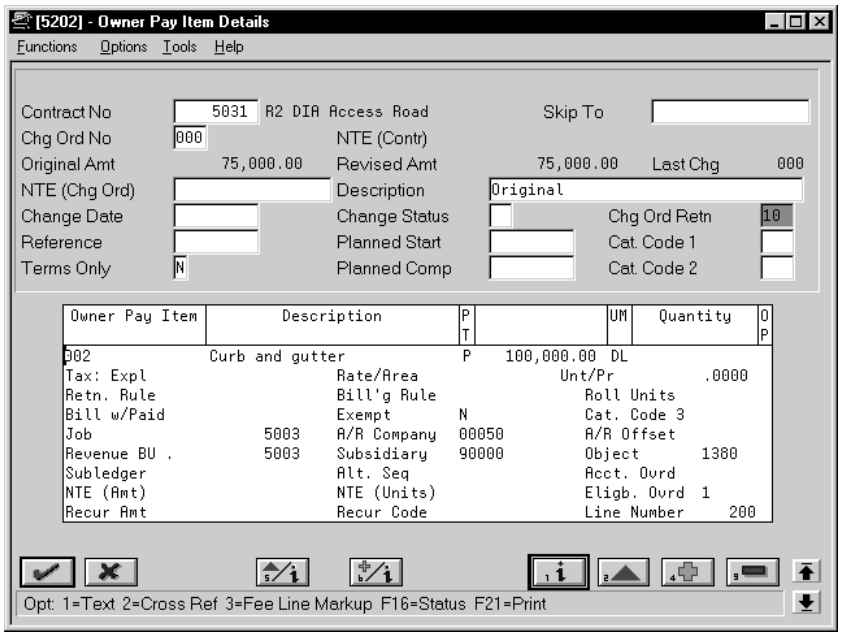
❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

▶ To enter an owner pay item for progress billing

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
   - Schedule of Values

   The pricing type for progress billing is P or 7.
3. Choose More Details.



4. Complete the following optional fields to override the default information:
    - Tax Explanation
    - Rate/Area
    - Job
    - A/R Company
    - A/R Offset
    - Revenue BU
    - Subsidiary
    - Object
5. Complete the following optional fields:
    - Retainage Rule
    - Category Code 3
    - Subledger
    - Subledger Type

After you enter the information, the system automatically assigns 1 to the Eligibility Override field in the fold area. The system does not let you change this code because you use the progress billing pricing type for billing only. It is not applicable to revenue recognition.

See Also

- *Defining Events for Progress Billing (P5216)*

Defining Billing Events for Progress Billing

You use owner pay items with a progress billing pricing type to bill the owner only after a billing event has been reached. You define a billing event as the cumulative percentage of completion of work by an estimated date. When you define the schedule of percent complete for billing:

- Each billing event is a cumulative percentage of completion.
- The final billing event must be 100 percent in order to bill the entire schedule of values amount for the owner pay item.
- You can cross-reference only one prepayment (draw) with an owner pay item for progress billing.
- You can cross-reference a progress billing to another progress billing.

  To be eligible for a cross-reference, the position of the progress billing must either precede the owner pay item in the same change order or occur in a previous change order.

Before You Begin

❑ Enter owner pay items for progress billing. See *Entering an Owner Pay Item for Progress Billing*.

❑ Enter owner pay items for the direct and rated draws that you cross-reference. See *Entering an Owner Pay Item for a Direct Draw* and *Entering an Owner Pay Item for a Rated Draw*.

See Also

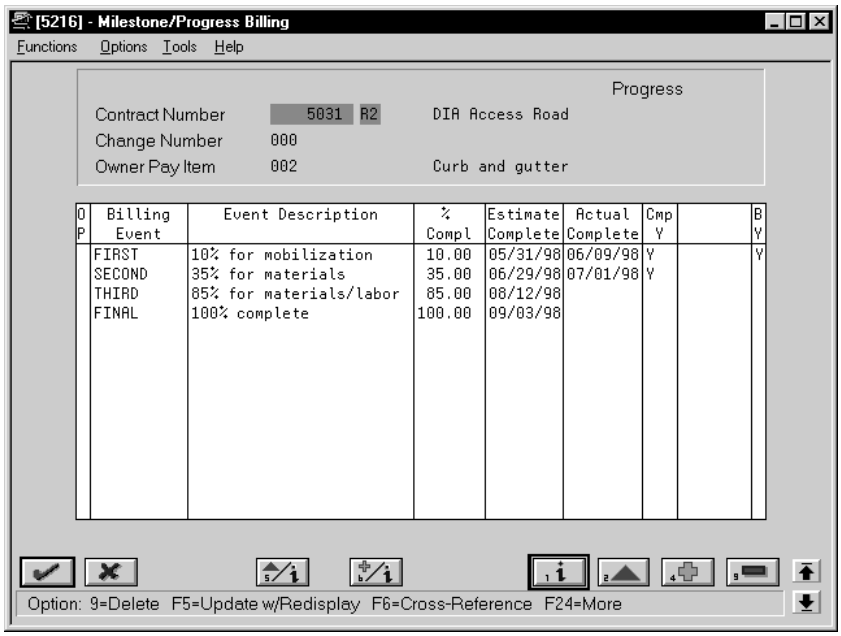
- *Working with Prepayments for Contracts* to cross-reference a draw to an owner pay item

To define billing events for progress billing

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Cross Reference for an owner pay item with a progress billing pricing type.

   The system displays Milestone/Progress Billing.



3. On Milestone/Progress Billing, complete the following fields for each billing event:
   - Billing Event
   - Event Description
   - Percent Complete
   - Estimate Complete

What You Should Know About

Completing a billing event

After you reach the specified percentage of completion for the job, you can bill the owner for the billing event. You must first do one of the following:

- Enter the date in the Actual Complete field for the billing event. The system then updates the Complete Yes field to Y.
- Enter Y in the Complete Yes field. The system then updates the Actual Complete field with the system date.

The contract is then available for billing at the percentage you have specified. When you generate invoices, the system compares the cutoff date for the generation with the actual completion date. If the generation date is the same or later, the system processes the billing event.

After the system bills for an event, it updates the Billed Yes field to Y. The billing event is then protected, and you can no longer change the information for the event.

See *Creating Invoices Automatically for Billing* or *Creating Invoices Automatically for Revenue Recognition and Billing* and *Creating Invoices Manually for Billing* or *Creating Invoices Manually for Revenue Recognition and Billing* for more information about cutoff dates.

Completing a billing event

Once you reach the specified percentage of completion for the job, you can bill the owner for the billing event. You must first do one of the following:

- Enter the date in the Actual Complete field for the billing event. The system then updates the Complete Yes field to Y.
- Enter Y in the Complete Yes field. The system then updates the Actual Complete field with the system date.

The contract is then available for billing at the percentage you have specified. When you generate invoices, the system compares the cutoff date for the generation with the actual completion date. If the generation date is the same or later, the system processes the billing event.

After the system bills for an event, it updates the Billed Yes field to Y. The billing event is then protected, and you can no longer change the information for the event.

See *Creating Invoices Automatically for Contract Billing* and *Creating Invoices Manually for Contract Billing* for more information about cutoff dates.

Exercises

See the exercises for this chapter.

Work with Prepayments for Contracts

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Prepayments for Contracts

You use owner pay items in a contract to define the billing information. A draw against a contract is a prepayment or advance deposit that your company might require from the owner at the time they sign the contract. You determine how the system reconciles the prepayment with the type of draw:

- Direct draw – a dollar-for-dollar reduction
- Rated draw – a percentage reduction

Complete the following tasks:

❑ Enter an owner pay item for a direct draw

❑ Enter an owner pay item for a rated draw

Entering an Owner Pay Item for a Direct Draw

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use an owner pay item with a direct draw pricing type to represent a prepayment or advance deposit that your company might require from the owner at the time they sign the contract.

The schedule of values for the draw is the amount of the prepayment. A direct draw is a dollar-for-dollar reduction that the system applies to the billing amount beginning with the first billing until the entire schedule of values is fully applied to the contract.

For example, a direct draw is for 22,000 dollars and the first three billings are for 10,000 dollars each. The calculations for the billings consist of the following sequence:

1. 10,000 Billing – 10,000 Direct Draw reduction = 0 Billing Amount
2. 10,000 Billing – 10,000 Direct Draw reduction = 0 Billing Amount
3. 10,000 Billing – 2,000 Direct Draw reduction = 8,000 Billing Amount

After you enter an owner pay item for a direct draw, the system automatically supplies some of the information, such as the:

- Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
- A/R offset from the owner address
- Revenue account from the automatic accounting instruction (AAI) for direct draw, which is BC06

For a direct draw to be effective, you must cross-reference the draw with an owner pay item for one of the other seven pricing types. To be eligible for the cross-reference, the position of the draw must either precede the owner pay item in the same change order or occur in a previous change order.

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

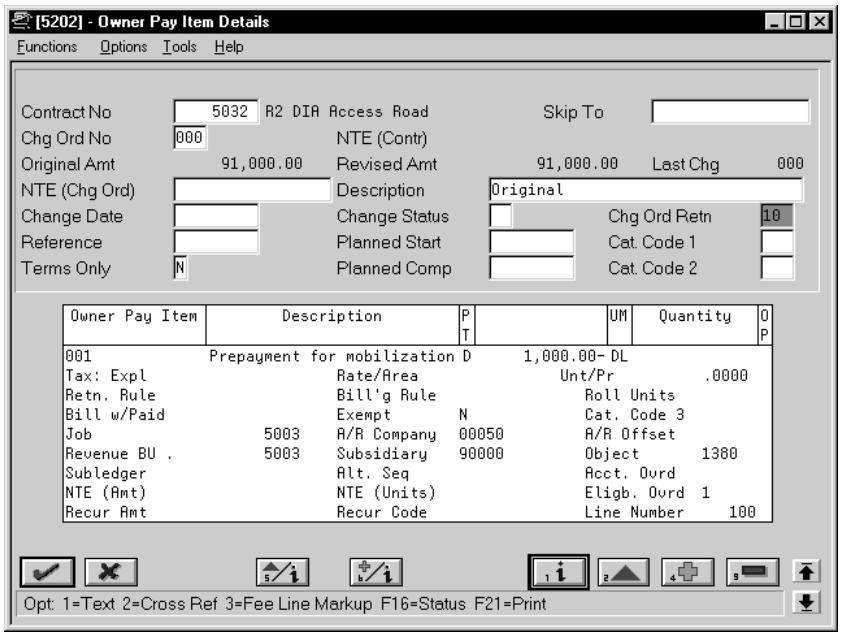
▶ To enter an owner pay item for a direct draw

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
   - Schedule of Values

The pricing type is D or 8 for a direct draw. The schedule of values for a draw is always a negative amount because it reduces the overall value of the contract.

3. Choose More Details.



4. Complete the following optional fields to override the default information:

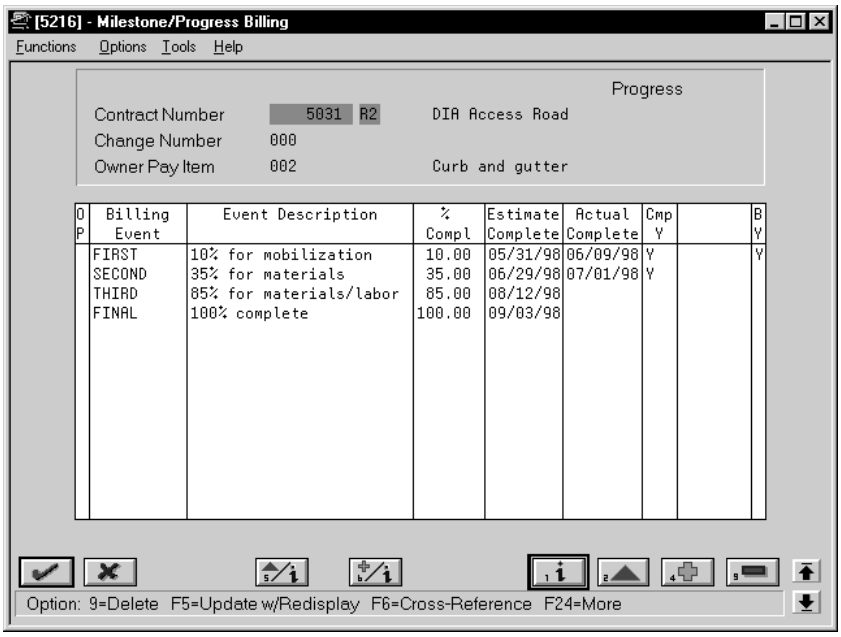
   - Job
   - A/R Company
   - Revenue BU
   - Subsidiary
   - Object

5. Complete the following optional fields:

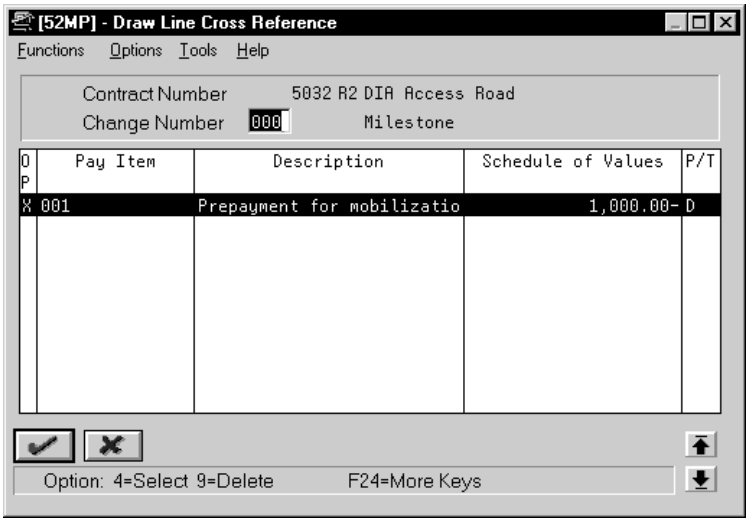
   - Subledger
   - Subledger Type

   After you enter the information, the system automatically assigns 1 to the Eligibility Override field in the fold area. The system does not let you change this code because you use the direct draw pricing type for billing only. It is not applicable to revenue recognition.

6. Choose Cross-Reference for the owner pay item for the milestone billing.



7. On Milestone/Progress Billing, choose Cross-Reference.



8. On Draw Line Cross Reference, choose Select for one draw-related owner pay item that you want to cross-reference to the milestone billing.

   To be eligible, the position of the draw must either precede the owner pay item for milestone billing in the same change order or occur in a previous change order.

See Also

- *Defining Billing Events for Milestone Billing (P5216)* and *Defining Billing Events for Progress Billing (P5216)* for information about cross-referencing an owner pay item for a draw

Entering an Owner Pay Item for a Rated Draw

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use an owner pay item with a rated draw pricing type to represent a prepayment or advance deposit that your company might require from the owner at the time they sign the contract.

A rated draw is a percentage reduction that the system applies to all billings based on a percentage of completion. The schedule of values for the draw, which is the amount of the prepayment, is applied over the life of the contract and is fully applied when the contract is complete.

Rated draws typically relate to progress billing. After your company completes a specific percent of the job or project, the system calculates the reduction with the following formula:

Schedule of Values X Percentage of Completion

For example, a rated draw is for 5,000 dollars and the related progress billing is for 100,000 dollars. When you complete the first billing event, which is for 10 percent complete, the system applies the percentage of completion to both the schedules of values for the progress billing and rated draw. The calculation for the progress billing consists of the following sequence:

1. 100,000 X .10 = 10,000 (initial billing amount)
2. 5,000 X .10 = 500 (prepayment reduction)
3. 10,000 – 500 = 9,500 (billing amount after reduction)

When you enter an owner pay item for a rated draw, the system automatically supplies some of the information, such as the:

- Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
- A/R offset from the owner address
- Revenue account from the automatic accounting instruction (AAI) for rated draw, which is BC07

For a draw to be effective, you must cross-reference the draw with an owner pay item with either a milestone billing or progress billing pricing type. To be eligible for the cross-reference, the position of the rated draw must either precede the owner pay item in the same change order or occur in a previous change order.

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

▶ To enter an owner pay item for a rated draw

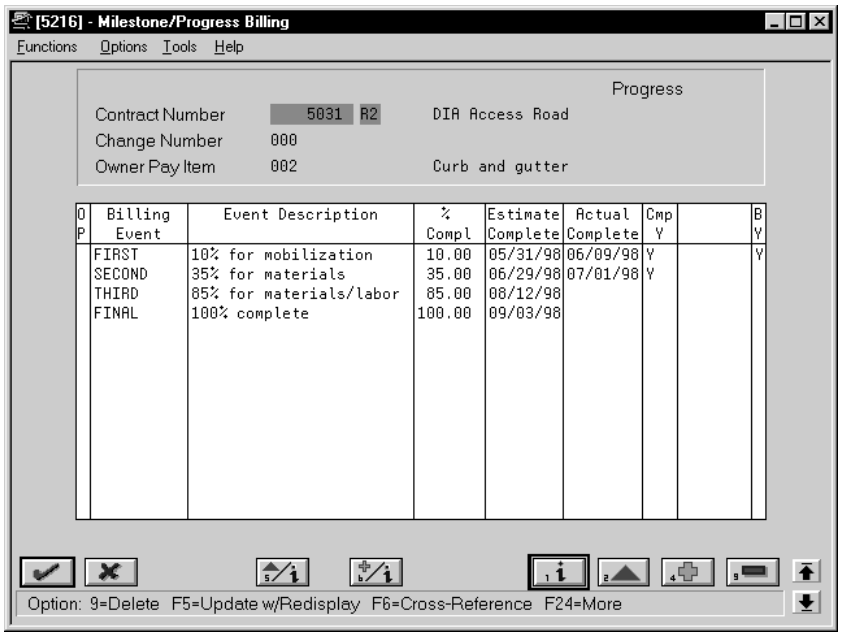
On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
   - Schedule of Values

   The pricing type is R or 9 for a rated draw. The schedule of values for a draw is always a negative amount because it reduces the overall value of the contract.
3. Choose More Details.
4. Complete the following optional fields to override the default information:
   - Job
   - A/R Company
   - Revenue BU
   - Subsidiary
   - Object
5. Complete the following optional fields:
   - Subledger
   - Subledger Type

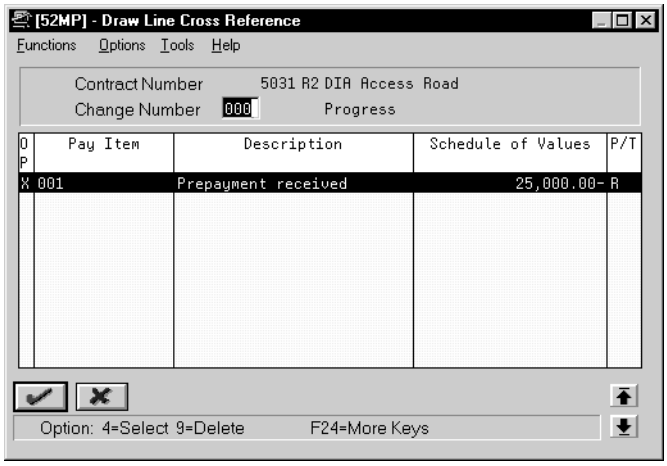
After you enter the information, the system automatically assigns 1 to the Eligibility Override field in the fold area. The system does not let you change this code because you use the rated draw pricing type for billing only. It is not applicable to revenue recognition.

6. Choose Cross-Reference for the Owner Pay Item for the Progress Billing.



7. On Milestone/Progress Billing, choose Cross Reference to locate eligible owner pay items that relate to direct and rated draws.

   The system displays Draw Line Cross Reference.



8. On Draw Line Cross Reference, choose Select for one draw-related owner pay item that you want to cross-reference to the progress billing.

To be eligible for a cross-reference, the position of the draw must either precede the owner pay item for progress billing in the same change order or occur in a previous change order.

What You Should Know About

Change order for progress billing

When you add a change order for progress billing, you can use the schedule of percent complete for the owner pay item to override a previously defined owner pay item for progress billing in the same contract. To do this, you must:

- Define the owner pay item for progress billing on a subsequent change order for the contract
- Define the schedule of percent complete for billing for the new owner pay item
- Cross-reference the progress billing to the previously defined owner pay item for progress billing

The system automatically assigns I (Inactive) to the Billed Yes field of the remaining unbilled percentages on the schedule of percent complete for the cross-referenced owner pay item. The system uses the schedule of percent complete from the subsequent change order to bill the related owner pay items for the progress billing.

See Also

- *Defining Billing Events for Milestone Billing (P5216)* and *Defining Billing Events for Progress Billing (P5216)* for information about cross-referencing an owner pay item for a draw

Exercises

See the exercises for this chapter.

Work with Unit Price

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Unit Price

You use owner pay items in a contract to define the billing information. With unit price, your company agrees to bill the owner based on a quantity in place and the price per unit.

For billing, the system can automatically calculate the billing amount. You define a cross-reference to link the owner pay item with the account used in the calculation.

The system can also automatically calculate the revenue amount. You define a cross-reference to link the owner pay item with the account used in the calculation. You must also assign a cost account to retrieve the correct account derivation rules that you defined on Account Derivation Table.

Complete the following tasks:

- ❑ Enter an owner pay item for unit price
- ❑ Define a cross-reference for unit price
- ❑ Assign a cost account to unit price

Entering an Owner Pay Item for Unit Price

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use owner pay items with a unit price pricing type to bill the owner based on a quantity in place and the price per unit.

After you enter an owner pay item for unit price, the system:

- Automatically supplies some of the information, such as the:
  - Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
  - A/R offset from the owner address
  - Revenue account from the automatic accounting instruction (AAI) for unit price, which is BC02
- Highlights the Pricing Type field if the system constants are set to generate revenue on non-T&Ms. It remains highlighted until you define the cross-reference for the owner pay item.

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

▶ To enter an owner pay item for unit price

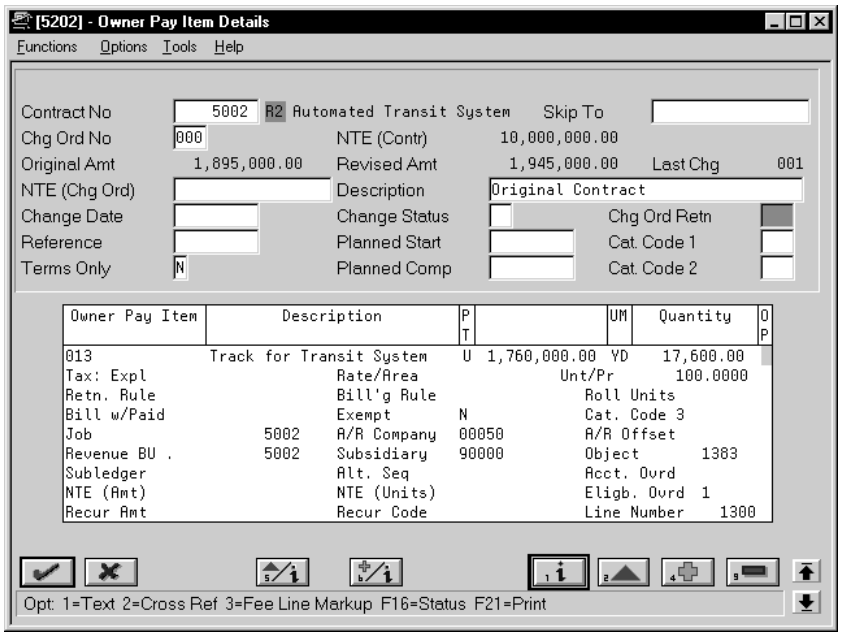
On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type
   - Unit of Measure

   The pricing type is U or 2 for unit price.
3. Complete two of the following fields for the owner pay item:
   - Schedule of Values
   - Quantity
   - Unit/Price

You set a processing option to control whether the system displays the Schedule of Values field or the Unit/Price field in the fold area. You can also choose Unit/Amount Display Toggle to switch the location of those two fields.

4. Choose More Details.



5. Complete the following optional fields to override the default information:

   - Tax Explanation
   - Rate/Area
   - Job
   - A/R Company
   - A/R Offset
   - Revenue BU
   - Subsidiary
   - Object

6. Complete the following optional fields:
    - Retainage Rule
    - Category Code 3
    - Subledger
    - Subledger Type
    - Eligibility Override
    - Not-To-Exceed (Units)

After you enter the information, the system automatically calculates the amount for the field you leave blank in step 3.

Field	Explanation
Unit of Measure	A user defined code (system 00/type UM) that identifies the unit of measurement for an amount or quantity. For example, it can represent a barrel, box, cubic yard, gallon, an hour, and so on. . . . . . *Form-specific information* . . . . . . The field applies to unit price lines. It identifies the unit of measure in which this line item is priced.
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on. . . . . . *Form-specific information* . . . . . . The field applies to unit price lines. It identifies the number of units required for this line item.
Amount – Price per Unit	The list or base price you charge for one primary or pricing unit of this item. . . . . . *Form-specific information* . . . . . . You can use the Unit/Amount Display Toggle to toggle between the Schedule of Values field and the Unit Price field. Processing options let you: • Select which of these fields displays initially when you first access the form. • Set up a warning or error message when the Schedule of Values does not equal the Job Cost budget amounts for the account cross-referenced to this pay item. • Specify the ledger type to use for the Job Cost budget edits. If you leave the option blank, the system uses the Revised Budget Ledger Type, system 51, code RB.

Field	Explanation
Not to Exceed Units	This field specifies the unit limit for a contract at the owner pay item level.

See Also

- *Defining a Cross-Reference for Unit Price*
- *Assigning a Cost Account to Unit Price*

Defining a Cross-Reference for Unit Price

You use owner pay items with a unit price pricing type to bill the owner based on a quantity in place and the price per unit. If you have the system calculate the billing amounts or if you use revenue recognition, you must cross-reference each owner pay item for unit price to the account containing the quantities in place.

The system uses the account to determine the actual quantity in place to date from the AU (actual units) ledger. The system uses the following sequence to calculate the amount in billing and revenue recognition:

1. Earned Units-to-Date = Actual Quantity-in-Place-to-Date
2. Current Units = Earned Units-to-Date – Previously Billed Units
3. Unit Price = Schedule of Values / Scheduled Units
4. Current Billing Amount = Current Units X Unit Price

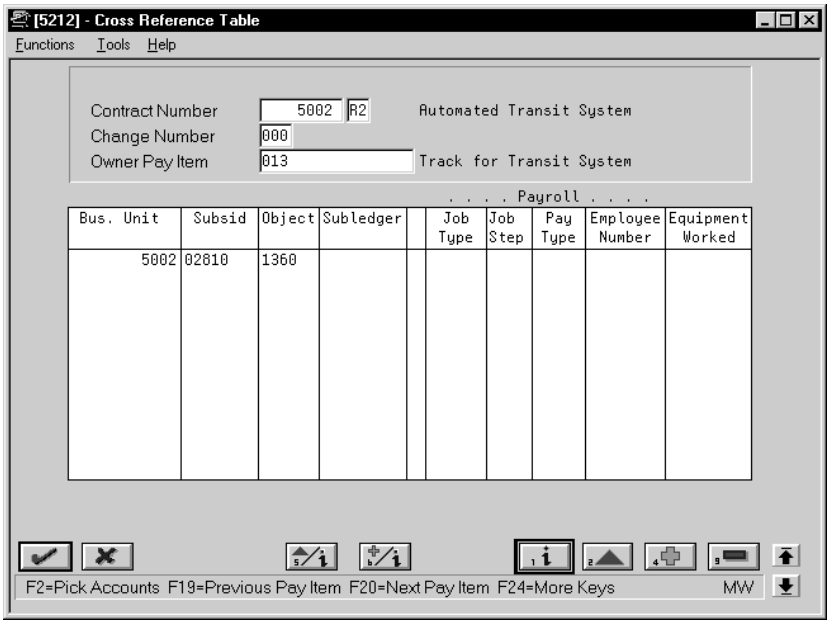
Before You Begin

❑ Enter owner pay items for unit price. See *Entering an Owner Pay Item for Unit Price*.

▶ To define a cross-reference for unit price

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Cross Reference for an owner pay item with a unit price pricing type.



3. On Cross Reference Table, complete the following fields for only one billable cost account:

   - Business Unit
   - Subsidiary
   - Object
   - Subledger
   - Subledger Type

The account number you specify in the cross-reference should be specified as non-billable in the Account Master table. If you specify a billable account, you risk double-billing the owner pay item. The results will be unpredictable.

CAUTION: The account number you specify in the cross-reference must be specified as non-billable in the Account Master table. If you specify a billable account, you risk double-billing the owner pay item. The results will be unpredictable.

What You Should Know About

Cross-reference information

For cross-reference information:

- The system uses only the account on the first line of the cross-reference table to calculate the billing.
- You *cannot* use positional wildcards when you enter the account.
- Payroll and equipment information is not applicable.

Verifying job accounts and budgets

When you choose Basic Budget Setup, the system displays Original Budget Entry from the Job Cost system. You can then verify the budget information for a job and determine the correct account to cross-reference for the quantity in place.

Locating account information

When you choose Pick Accounts, the system displays Cost Code/Type Search. You can then locate and select the account for the cross-reference. To select an account, you must use the Change action on Cross Reference Table.

Assigning a Cost Account to Unit Price

You use owner pay items with a unit price pricing type to bill the owner based on a quantity in place and the price per unit. If you use revenue recognition in your billing processes, you must assign a cost account to each owner pay item for unit price.

The system uses the cost account to retrieve the correct account derivation rules that you defined on Account Derivation Table. With the rules, the system creates the journal entries for billing and revenue recognition.

Before You Begin

❑ Verify that the system constants are set up properly. See *Setting Up System Constants for Contract Billing.*

❑ Verify that the account derivation rules are defined properly. See *Defining Account Derivation Rules.*

❑ Enter owner pay items for unit price. See *Entering an Owner Pay Item for Unit Price*.

To assign a cost account to unit price

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose More Details.
3. In the fold area for an owner pay item with a unit price pricing type, complete the following fields:
   - Revenue BU
   - Subsidiary
   - Object
   - Account Override

The system uses the code you enter in the Account Override field to change the Revenue BU field to the Cost Account field.

Exercises

See the exercises for this chapter.

Work with Time and Material (T&M)

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Time and Material (T&M)

You use owner pay items in a contract to define the billing information. With T&M, your company agrees to bill the owner for the actual costs of goods and services related to the contract plus specific markup amounts for the work.

You must cross-reference the owner pay items to the accounts in the general ledger that contain the related costs. The system uses the cross-referenced accounts when you accumulate costs and create journal entries for revenue and invoices.

Complete the following tasks:

- ❑ Enter an owner pay item for T&M
- ❑ Define a cross-reference for T&M

Entering an Owner Pay Item for T&M

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. You use owner pay items with a T&M pricing type to bill the owner for the actual costs of goods and services related to the contract plus specific markup amounts for the work.

The actual costs include payroll-based costs, such as labor and burden, and non-payroll-based costs, such as equipment usage and materials required to complete the contract.

When you enter an owner pay item for T&M, the system:

- Automatically supplies some of the information, such as the:
  - Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
  - A/R offset from the owner address
- Highlights the Pricing Type field. It remains highlighted until you define the cross-reference for the owner pay item.

Before You Begin

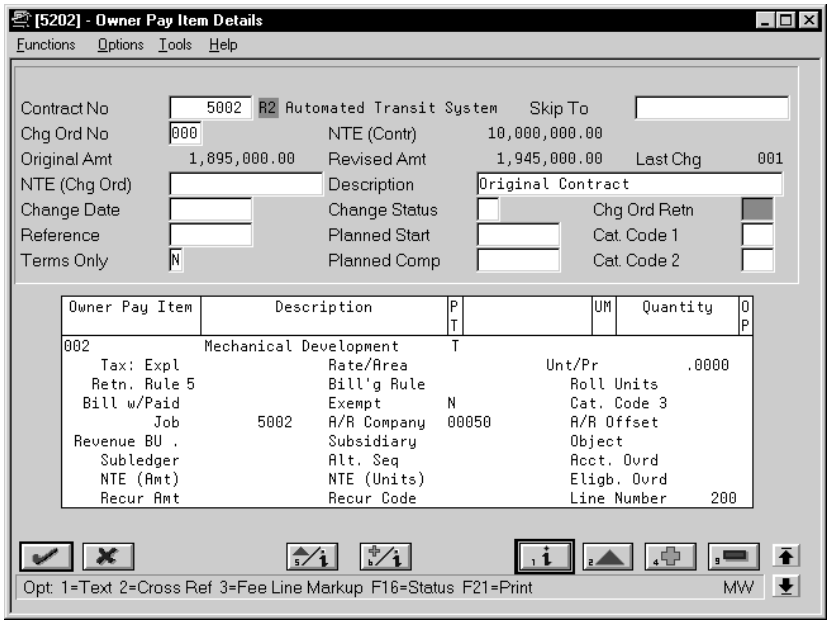
❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

▶ To enter an owner pay item for T&M

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type

   The pricing type for T&M is T or 1.
3. Complete the following optional field:
   - Schedule of Values
4. Choose More Details.



5. Complete the following optional fields to override the default information:
    - Tax Explanation
    - Rate/Area
    - Job
    - A/R Company
    - A/R Offset
6. Complete the following optional fields:
    - Retainage Rule
    - Category Code 3
    - Eligibility Override
    - Bill When Paid

See Also

- *Defining a Cross-Reference for T&M*

Defining a Cross-Reference for T&M

You use owner pay items with a T&M pricing type to bill the owner for the actual costs of goods and services related to the contract plus specific markup amounts for the work. The actual costs include payroll-based costs, such as labor and burden, and non-payroll-based costs, such as equipment usage and materials required to complete the contract.

Typically, you enter the payroll-based costs through the Payroll and Time Accounting systems. You enter the non-payroll-based costs through the Equipment/Plant Management and Accounts Payable systems. These transactions, which are posted to the Account Ledger table (F0911) in the General Accounting system, are the source for the T&M costs.

You must cross-reference each owner pay item for T&M to one or more billable cost accounts. The system uses the cross-referenced accounts to:

- Create the workfile transactions when you accumulate costs
- Retrieve the correct account derivation rules that you defined on Account Derivation Table to create the journal entries for billing and revenue recognition

When you define the cross-reference for T&M:

- Each billable cost account and its related cross-reference information must be unique in the cross-reference for the T&M lines that relate to a specific contract and change order.

  You can use the same account number in different change orders for the same contract. In this case, the system bills all future costs related to the previously defined owner pay items for T&M with the same cross-reference information on the last defined owner pay item for T&M.

- You use the fields other than the account information to further define the search criteria that the system uses when you accumulate costs. At that time, the system locates the related cost accounts and markup rules.

Before You Begin

- ❑ Verify that the system constants are set up properly. See *Setting Up System Constants for Contract Billing.*
- ❑ Verify that the markup information is defined properly. See *Defining Markup Rules.*
- ❑ Verify that the account derivation information is defined properly. See *Defining Account Derivation Rules.*
- ❑ Enter owner pay items for T&M. See *Entering an Owner Pay Item for T&M*.

▶ To define a cross-reference for T&M

On Owner Pay Item Details

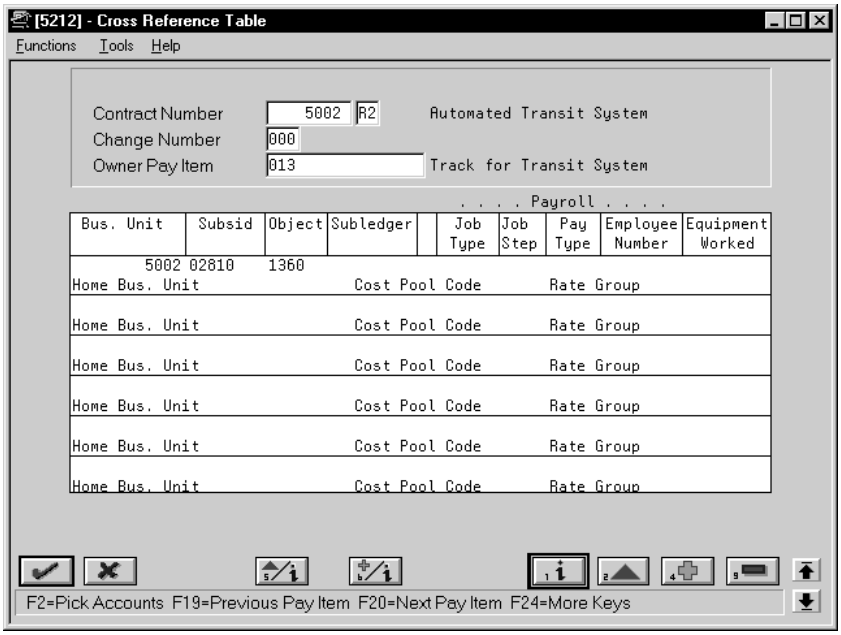
1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Cross-Reference for an owner pay item with a T&M pricing type.
3. On Cross Reference Table, complete the following fields for one or more billable cost accounts:
   - Business Unit
   - Subsidiary
   - Object
   - Subledger
   - Subledger Type

   If you leave the Subledger field blank, the system uses only the blank subledger and not all subledgers.

4. Complete one or more of the following optional fields for payroll information:
   - Job Type
   - Job Step
   - Pay Type
   - Employee Number

   You can enter *either* payroll or equipment information for a cross-reference. The system does not allow you to enter both.

5. Complete the following optional field for equipment information:
   - Equipment Worked
6. Choose More Details.



7. Complete one or more of the following optional fields for payroll information:
   - Home Business Unit
   - Cost Pool Code
8. Complete the following optional field for equipment information:
   - Rate Group

What You Should Know About

Positional wildcards

You can use positional wildcards in the following fields:

- Object and Subsidiary — an asterisk (*) to indicate a range of accounts. For example, 13** as the object includes all object accounts from 1300 to 1399.
- Subsidiary — *ALL or **** (four asterisks) to indicate all subsidiaries.
- Subledger — an asterisk (*) in the first position of the field to indicate all subledgers.

Verifying job accounts and budgets

When you choose Basic Budget Setup, the system displays Original Budget Entry from the Job Cost system. You can then verify the budget information for a job and determine the correct accounts to cross-reference.

Locating account information

When you choose Pick Accounts, the system displays Cost Code/Type Search. You can then locate and select accounts for the cross-reference. To select accounts, you must use the Change action on Cross Reference Table.

Arranging information by account number

The system displays the accounts for the cross-reference in the order that you entered them. When you choose Toggle–Accounts in Business Unit Sequence, the system displays the cross-reference information in sequence by account number. You can use this toggle only for reviewing information and not for adding or changing.

See Also

- *Accumulating Costs for Billing (P48120)*

Exercises

See the exercises for this chapter.

Work with Fee Lines

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Fee Lines

You use owner pay items in a contract to define the billing information. A fee line is an owner pay item that represents an amount you charge the owner in addition to the schedule of values. You can base a fee line on a percent of either the costs incurred or the amounts invoiced for a contract. After you enter an owner pay item for a fee, you cross-reference it to other owner pay items within the contract and assign a fee percent or rate code.

The system can automatically calculate the revenue amount for the fee line when you generate revenue journals. You assign a cost account so the system can retrieve the correct account derivation rules that you defined on Account Derivation Table.

Complete the following tasks:

- ❑ Enter an owner pay item for a fee line
- ❑ Define rate codes for a fee line
- ❑ Define a cross-reference for a fee line
- ❑ Assign a cost account to a fee line

Entering an Owner Pay Item for a Fee Line

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. A fee line is an owner pay item that represents an amount you charge the owner in addition to the schedule of values.

You can base a fee line on a percent of either the costs incurred or the amounts invoiced for a contract. For example, the schedule of values for labor represents the cost and the fee line represents the profit or margin.

When you enter an owner pay item for a fee line, the system:

- Automatically supplies some of the information, such as the:
  - Retainage, tax explanation and rate/area, job, and A/R company from the contract master information
  - A/R offset from the owner address
  - Revenue account from the automatic accounting instruction (AAI) for fees, which is BC03
- Highlights the Pricing Type field. It remains highlighted until you define the cross-reference for the owner pay item.

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

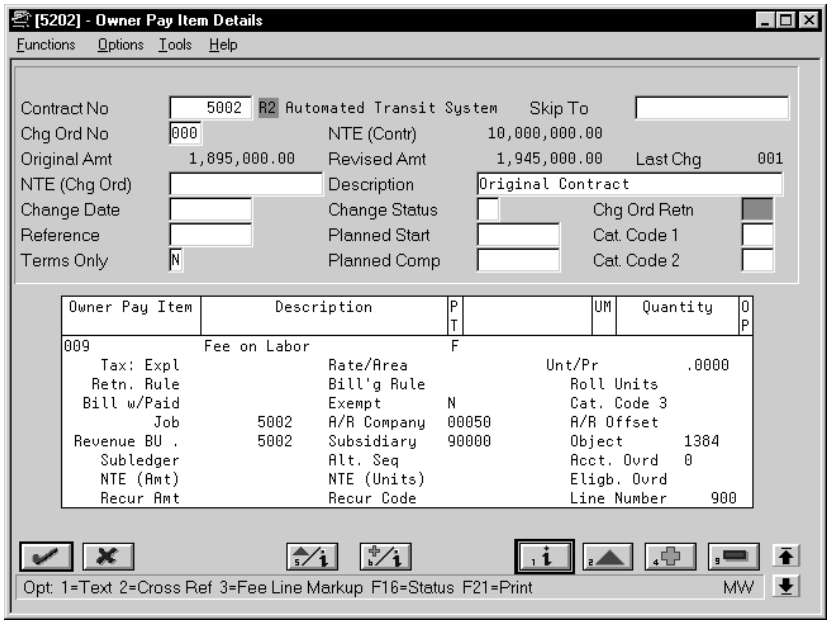
▶ To enter an owner pay item for a fee line

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type

   The pricing type for a fee line is F or 4.

3. Complete the following optional field:
    - Schedule of Values
4. Choose More Details.



5. Complete the following optional fields to override the default information:
    - Tax Explanation
    - Rate/Area
    - Job
    - A/R Company
    - A/R Offset
    - Revenue BU
    - Subsidiary
    - Object
6. Complete the following optional fields:
    - Retainage Rule
    - Category Code 3
    - Subledger
    - Subledger Type
    - Eligibility Override

See Also

- *Defining a Cross-Reference for a Fee Line*
- *Defining Rate Codes for a Fee Line*
- *Assigning a Cost Account to a Fee Line*

Defining Rate Codes for a Fee Line

You use an owner pay item with a fee line pricing type to represent an amount you charge the owner in addition to the schedule of values. After you enter an owner pay item for a fee, you cross-reference it to other owner pay items within the contract and assign either a fee percent or rate code.

A rate code specifies the fee percentage that the system uses for a fee line based on an effective date range. You can define a rate code before or at the time you define a cross-reference for a fee line.

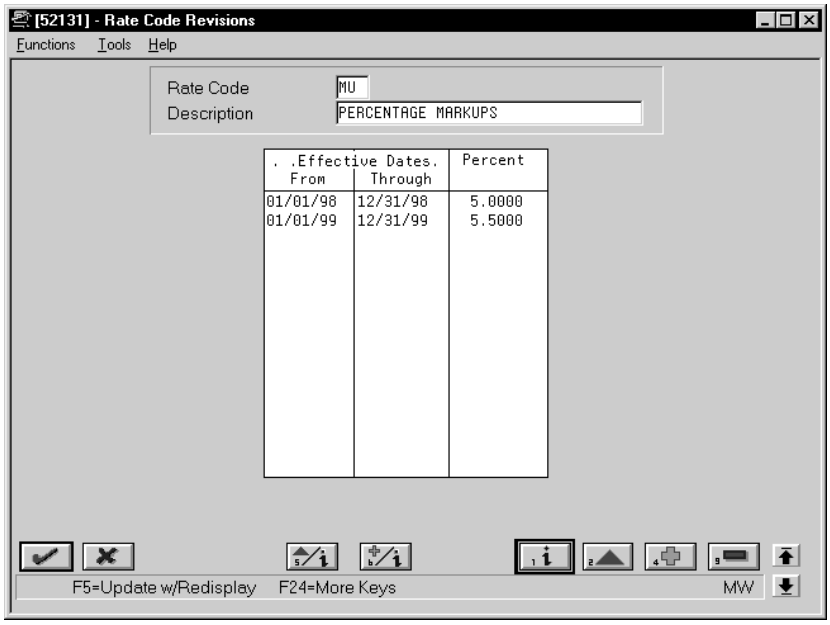
▶ To define rate codes for a fee line

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Fee Line Markup for an owner pay item with a fee line pricing type.

   The system displays Fee Line Cross Reference.

3. On Fee Line Cross Reference, choose Rate Code Revisions.



4. On Rate Code Revisions, complete the following fields to identify the rate code:
   - Rate Code
   - Description
5. Complete the following fields:
   - Effective Date From
   - Effective Date Through
   - Percent

Field	Explanation
Description 01	A user defined name or remark that describes a field. . . . . . *Form-specific information* . . . . . . A brief description of the rate code. This description appears on the Valid Rate Codes Selection window.
Date From	The beginning date for which the transaction or code is applicable.
Date Thru	The ending date for which the transaction or code is applicable.

What You Should Know About

Effective dates for fee percentages

When a contract specifies different fee percentages over a period of time, you can define a rate code that is specific to the contract. You identify the effective period for each fee percentage with from and through dates.

The system compares the effective date range for a rate code with the following dates and respective programs to determine the applicable fee percentage.

- Cutoff date — Revenue Journal Generation
- Application date — Invoice Generation
- Application date — Invoice Adjustment Window

See *Creating Preliminary G/L Entries for Billing*, *Creating Invoices Automatically for Billing*, and *Creating an Invoice Manually for Billing*.

Defining a Cross-Reference for a Fee Line

You use an owner pay item with a fee line pricing type to represent an amount you charge the owner in addition to the schedule of values. After you enter an owner pay item for a fee line, you cross-reference it to other owner pay items against which you want to apply the fee.

When you define a cross-reference for fee line, you:

- Assign either a fee percent or rate code.
- Cross-reference one or more owner pay items that have been previously defined in the same contract. You can also cross-reference the same owner pay item to more than one fee line.

When you create invoices, the system uses either the invoice amount or the cost amount to calculate the fee amount. For example:

Fee Amount = Fee Percent X Total Invoice Amount for the Owner Pay Items

When you create revenue journals, the system uses either the revenue amount or the cost amount to calculate the fee amount. For example:

Fee Amount = Fee Percent X Total Revenue Amount for the Owner Pay Items

Before You Begin

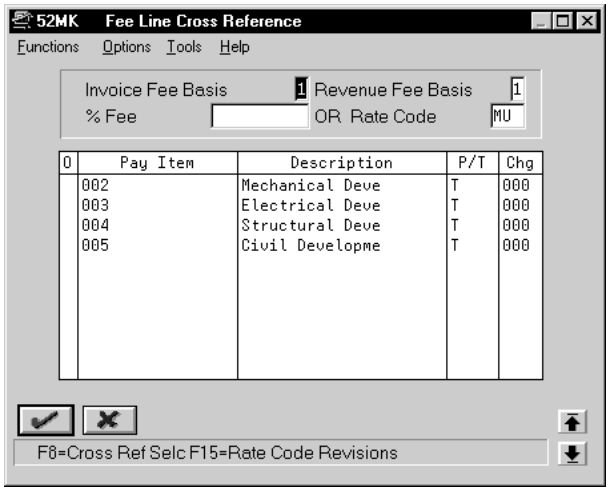
- ❑ Enter an owner pay item for a fee line. See *Entering an Owner Pay Item for a Fee Line*.
- ❑ Enter the owner pay items that you cross-reference. See *Entering Owner Pay Items*.
- ❑ Define the rate codes for a fee line

▶ To define a cross-reference for a fee line

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Fee Line Markup for an owner pay item with a fee line pricing type.

   The system displays Fee Line Cross Reference. Initially, the detail portion is blank because you have not yet defined a cross-reference with any owner pay items.



3. On Fee Line Cross Reference, complete the following fields that are applicable to your system setup:

   - Invoice Fee Basis
   - Revenue Fee Basis

   You set the system constants to control whether the values you specify for these fields can be different.

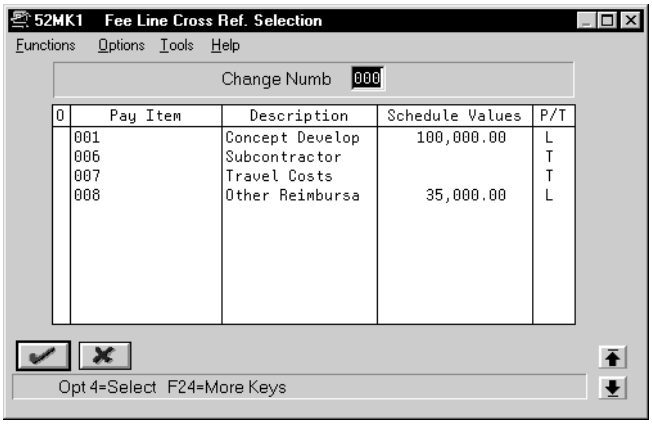
   See *Setting Up System Constants for Contract Billing*

4. Complete one of the following fields:

   - Percent Fee
   - Rate Code

5. Choose Cross Reference Selection to locate the eligible owner pay items.

   To be eligible for a cross-reference with a fee line, the position of the owner pay item must either precede the owner pay item for a fee in the same change order or occur in a previous change order.



6. On Fee Line Cross Reference Selection, choose Select for one or more owner pay items that you want to add to the cross-reference.

   The system removes the owner pay items from the list and adds them to the the cross-reference.

7. Choose Exit Program.
8. On Fee Line Cross Reference, verify the cross-reference information and press Enter.

Field	Explanation
Invoice Fee Basis	The fee basis the system will use when it derives the billing amount for the fee line. Valid values: 1 Use Invoice Amount. 2 Use Cost Amount.
Revenue Fee Basis	The fee basis the system will use when it derives the revenue amount for the fee line. 1 Use Revenue Amount 2 Use Cost Amount If you leave this field blank, the system automatically selects the revenue amount.
% Fee	Percent of markup you want the system to use when it calculates the billing amounts for fee lines for owner pay items. You enter either a percent in this field or a rate code in the Rate Code field. Enter the percentage as a whole number. For example, you enter 10% as 10.

What You Should Know About

Deleting a cross-reference

On Fee Line Cross Reference, choose Delete for an owner pay item you do not want contained in the cross-reference. After you enter the information, the system:

- Removes the owner pay item from Fee Line Cross Reference
- Displays the owner pay item on Fee Line Cross Reference Selection

See Also

- See *Defining Rate Codes for a Fee Line*

Assigning a Cost Account to a Fee Line

You use an owner pay item with a fee line pricing type to represent an amount you charge the owner in addition to the schedule of values. If you use revenue recognition in your billing processes:

- You must assign a cost account to each owner pay item for a fee line.
- The system uses the cost account to retrieve the correct account derivation rules from the Account Derivation Information table (F48126).
- The system uses the rules to create the journal entries for billing and revenue recognition. The revenue fee amount is calculated only when you generate journals for revenue recognition.

Before You Begin

❑ Verify that the system constants are set up properly. See *Setting Up System Constants for Contract Billing*.

❑ Verify that the accounting rules are defined properly. See *Defining Account Derivation Rules for Contract Billing*.

❑ Enter an owner pay item for a fee line. See *Entering an Owner Pay Item for a Fee Line*.

▶ To assign a cost account to a fee

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose More Details.
3. In the fold area for an owner pay item with a fee line pricing type, complete the following fields:
   - Revenue BU
   - Subsidiary
   - Object
   - Account Override

The system uses the code you enter in the Account Override field to change the Revenue BU field to the Cost Account field.

What You Should Know About

Calculating revenue for fee lines

You can base a fee line on the cost amount, revenue amount, or invoice amount for the owner pay items in the cross-reference for that fee line. The system does not calculate the revenue related to owner pay items for fee lines until you create:

- Invoices
- Journals for revenue recognition

However, for owner pay items for lump sum and unit price, the system can calculate the revenue fee amount when you accumulate costs for billing. You set the system constants to control this.

See also:

- *Setting Up System Constants for Contract Billing*
- *Working with Lump Sum*
- *Working with Unit Price*
- *Accumulating Costs for Billing*

Exercises

See the exercises for this chapter.

Work with Components

From the Contract Billing Processing menu (G52), choose Owner Pay Item Details.

Working with Components

You use owner pay items in a contract to define the billing information. A component is a markup amount that is linked to a billing for time and material (T&M). The component amount is included in the T&M owner pay item. You can use an owner pay item with a component pricing type to separate the component amounts from the T&M owner pay items. When you generate invoices for the contract, the component amounts are billed as a separate pay item.

Complete the following tasks:

- ❑ Enter an owner pay item for a component
- ❑ Define a cross-reference for a component

Entering an Owner Pay Item for a Component

After you create the master record for a contract, you can enter the owner pay items, which contain the billing terms for the contract. A component is a markup amount that is linked to a billing for T&M. The component amount is included in the T&M owner pay item.

You use an owner pay item with a component pricing type to separate the component markup amount from the actual billing amount for a T&M pay item on an invoice.

For example, when you calculate the T&M amount for payroll costs, the amount includes a component markup of 10 percent for overhead. You have agreed to bill the owner for the overhead separately from the payroll costs. Therefore, you enter an owner pay item for a component to separate the two amounts and cross-reference it to the related T&M owner pay item.

When you enter an owner pay item for a component, the system:

- Automatically supplies the information for the job and A/R company from the contract master information.
- Highlights the Pricing Type field. It remains highlighted until you define the cross-reference for the owner pay item.

Before You Begin

❑ Create the master record for a contract. See *Creating the Master Record for a Contract.*

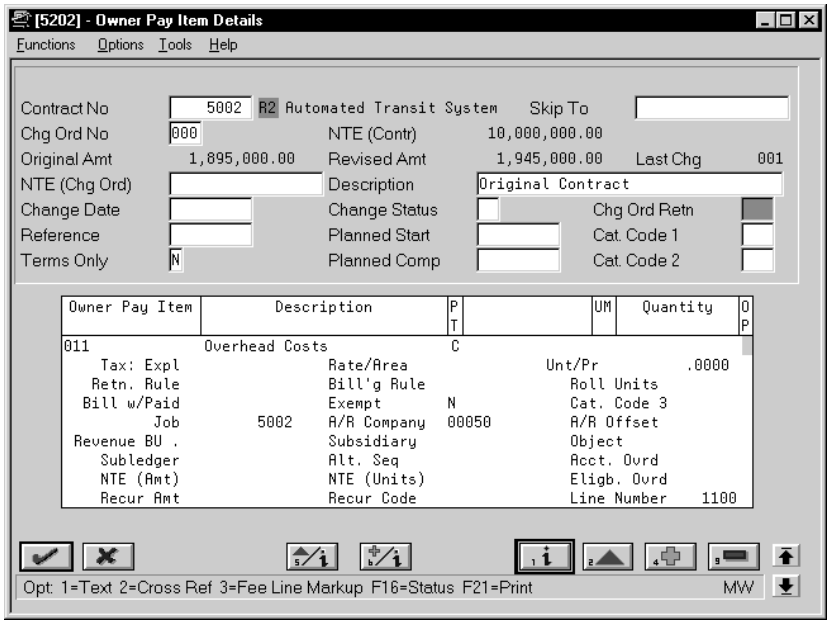
❑ Create the owner pay items for the T&M billing for the contract. See *Working with Time and Materials*.

▶ To enter an owner pay item for a component

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Complete the following fields for the owner pay item:
   - Owner Pay Item
   - Description
   - Pricing Type

   The pricing type for components is C or 5.
3. Choose More Details.



4. Complete the following optional fields to override the default information:
    - Job
    - A/R Company

See Also

- *Defining a Cross-Reference for a Component*

Defining a Cross-Reference for a Component

A component is a markup amount that is linked to a billing for T&M. The component amount is included in the T&M owner pay item. You use an owner pay item with a component pricing type to separate the component markup amount from the actual billing amount for a T&M pay item on an invoice.

After you enter an owner pay item for a component, you must:

- Cross-reference the owner pay item to a component code, which contains the rules for the markup calculation.
- Cross-reference the component code to owner pay items for T&M that you have previously entered in the same contract.

The system uses this information to separate the component markup from the T&M owner pay item when you create invoices or generate revenue recognition.

If you do not cross-reference the correct previously defined owner pay item for T&M to the owner pay item for a component, the system does not separate the component and T&M amounts when you generate invoices.

CAUTION: If you do not cross-reference the correct previously defined owner pay item for T&M to the owner pay item for a component, the system does not separate the component and T&M amounts when you generate invoices.

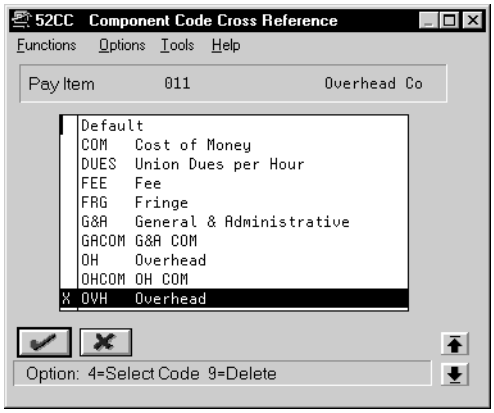
Before You Begin

- ❑ Define the component markup rules for the component code. See *Defining Component Rules for Contract Billing*.
- ❑ Enter the owner pay items that you cross-reference. See *Entering Owner Pay Items*.
- ❑ Enter an owner pay item for a component. See *Entering an Owner Pay Item for a Component*.

▶ To define a cross-reference for a component

On Owner Pay Item Details

1. To locate the related contract and change order, complete the following fields and press Enter:
   - Contract Number
   - Change Order Number
2. Choose Component Cross Reference for an owner pay item with a component pricing type.

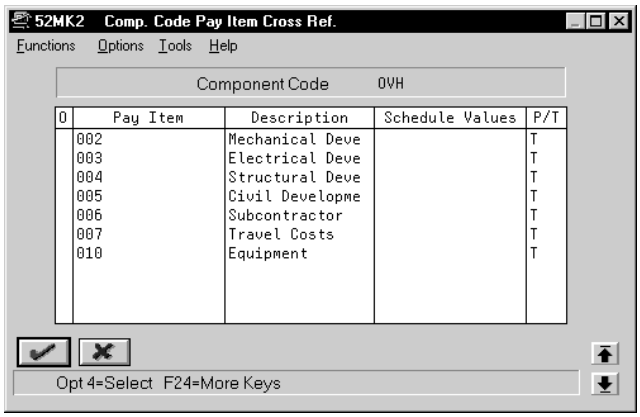


3. On Component Code Cross Reference, choose Select Component Code for the applicable component codes.

   The system displays X in the Option field for each code that you selected.

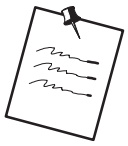
4. Choose Set Up Pay Item Cross-Reference for each component code displaying an X to specify the previously defined owner pay items for T&M.

   The system displays Component Code Pay Item Cross Reference with only owner pay items for T&M. The owner pay items must either precede the owner pay item for a component in the same change order or occur in a previous change order.



5. On Component Code Pay Item Cross Reference, choose Select for one or more owner pay items that you want to add to the cross-reference.

   The system displays X in the Option field for each owner pay item that you selected.



If you do not select any owner pay items and use the Enter function, the system automatically selects all the owner pay items that are displayed.

NOTE: If you do not select any owner pay items and use the Enter function, the system automatically selects all the owner pay items that are displayed.

What You Should Know About

Component codes for T&M

When you define a cross-reference for a component, the component codes and owner pay items for T&M must be applicable to one another. To determine this, you compare the information on the following forms:

- Component Table
- Cost Plus Markup Table
- Cross Reference Table

On Component Table, you identify the table that contains the component codes.

On Cost Plus Markup Table, you identify the markup rules for which the component table has been assigned in the fold area.

The account range for the cross-reference rules must be the same as the account range on the Cost Plus Markup Table for the T&M owner pay item.

See Also

- *Defining Component Rules for Contract Billing (P5201)*
- *Adding Component Rules to Cost Plus Markup Rules*
- *Defining Markup Rules for Contract Billing (P48096)*
- *Defining a Cross-Reference for T&M (P5202)*

Exercises

See the exercises for this chapter.

Processing Options

You can set the following processing options to control the format and processing for Owner Pay Item Details.

Processing Options for Owner Pay Item Details

OPTIONAL EDITS:
1. Enter '1' to prevent changes to the base contract (all changes must then be entered as change orders). Leave blank (default) to allow changes to the base contract. _____

2. Select one of the following: _____
   '1' = Issue a WARNING if Schedule of Values does not equal Budget.
   '2' = Issue an ERROR if Schedule of Values does not equal Budget.
   ' ' = No edit (default).

OPTIONAL EDITS Cont'd:
3. Enter the budget ledger type to use for the budget edits. Leave blank (default) to use the Revised Budget Ledger Types (User Defined Codes, System 51, Code RB). _____

FORMAT CONTROL:
4. Enter '1' to display the Unit Price on the main line and the Schedule of Values amount in the fold. Leave blank (default) to display the Unit Price in the fold. _____

FORMAT CONTROL (Cont'd):
5. Enter '1' to use the "Skip to" field to enter line numbers. Leave blank (default) to enter owner pay items. _____

6. Enter a '1' to suppress the Sales/Use tax information fields. _____

ACCOUNT NUMBER DEFAULT:
7. Enter "1" to derive the account in the fold based on the new contract in the "Add" mode. Leave blank to use the account number on the screen if the field is not blank. _____

Review Billing Information

From the Contract Billing Processing menu (G52), choose Owner Pay Item Status.

Reviewing Billing Information

After you have created the contract and billings for the contract, you can review the current status of the billing information. The information includes amounts and units that you have:

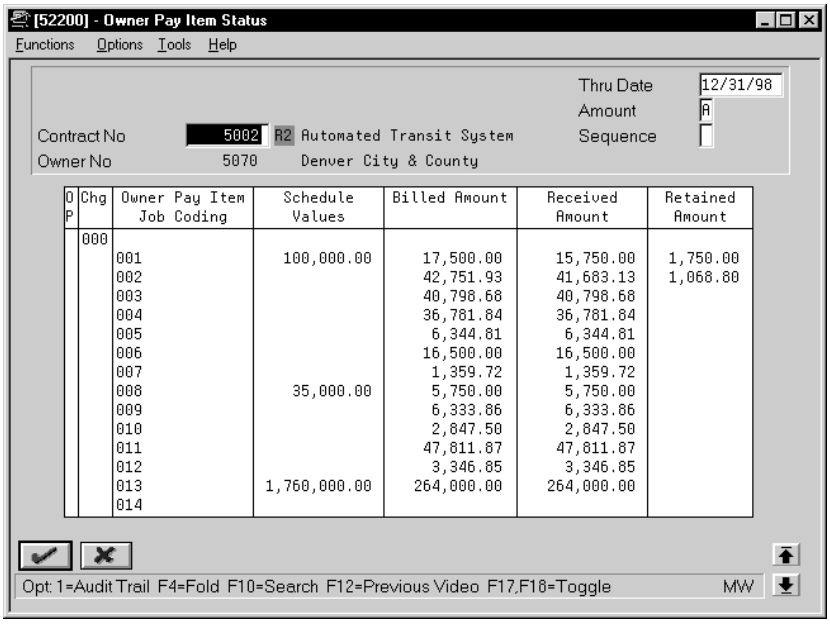
- Scheduled for billing
- Billed
- Received
- Retained
- Earned
- Not yet billed

Before You Begin

- ❑ Create a base contract
- ❑ Generate billings
- ❑ Apply cash receipts to the invoices

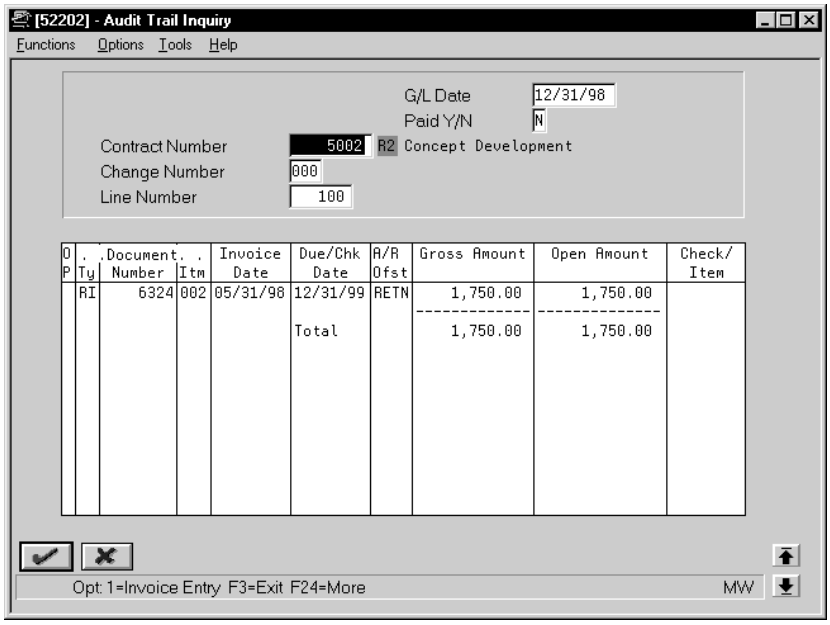
To review billing information

On Owner Pay Item Status



1. Complete the following field to locate the related contract:
   - Contract Number
2. To limit the billing information and define the type of information to review, complete the following optional fields and press Enter:
   - Thru Date
   - Amount
   - Sequence

   The system displays the related owner pay items and balance amounts.
3. Choose Pay Item/Description Toggle to display the pay item description.
4. Choose Billed/Earned/Unbilled Amount Toggle to review additional balance amounts.
5. Choose Audit Trail for an owner pay item to review the related billing detail, such as the paid and unpaid amounts.



6. On Audit Trail Inquiry, complete the following fields to limit the information you have displayed or to review the information for a different owner pay item:
   - G/L Date
   - Paid Y/N
   - Contract Number
   - Change Number
   - Line Number

Field	Explanation
Display Amounts, Units, Unit Rates	A code that controls how contract amounts, units, and unit rates are displayed. The information can appear on the primary line or in the fold area. Valid codes are: A Amounts appear on the primary line and units appear in the fold area. Q Units appear on the primary line and amounts appear in the fold area. U Unit rates appear on the primary line and units appear in the fold area. Note: You can enter 1 for A, 2 for Q, and 3 for U.

Field	Explanation
Sequence Code	A code that controls the sequence in which the system displays the records. Valid codes are: Blank Change order number and owner pay item number with subtotals by change order 1 Change order number and owner pay item number with subtotals by owner pay item 2 Change order number and owner pay item number without subtotals
Line Number	A number that identifies multiple occurrences (such as line numbers on a contract). In Contract Billing, the system assigns a line number to each pay item. You cannot change the line numbers. . . . . . *Form-specific information* . . . . . . A location number that identifies the location of the information on the contract.

Billing

Billing

Objectives

- To understand the Service Billing Workfile and origination of T&M costs
- To apply markups to T&M costs
- To create, print, and void invoices
- To create and record accounting journal entries

About Billing

The typical billing process includes many steps, such as accumulating costs, creating and printing invoices, and recording journal entries for income and receivables. When you perform the billing process using the Contract Billing system, you can:

- Accumulate billable costs from multiple systems, such as Accounts Payable, Equipment/Plant Management, and Payroll, without having to re-enter the cost information into the Contract Billing system
- Calculate markup amounts and taxes based on a hierarchy of multiple user defined rules
- Revise the workfile transactions for T&M costs, including components
- Calculate the billing amounts at the time you create invoices
- Facilitate immediate billing upon entering the costs into the system
- Print invoices to customer specifications
- Automatically create and record the journal entries for the Accounts Receivable system and the General Accounting system that result from billing

Billing for Time and Material (T&M) and Non-T&M

The tasks you perform for billing depend on the owner pay items, which define the billing terms in a contract, and whether they are for T&M or non-T&M.

T&M	The portion of a contract that you bill for the actual costs of goods and services plus specific markup amounts for the work. The actual costs include payroll-based costs, such as labor and burden, and non-payroll-based costs, such as the equipment and material required to complete the contract.
Non-T&M	The portion of the contract that is not related to T&M, such as fixed fees, prepayments, and quantities. Non-T&M includes owner pay items for: • Lump sum • Milestone and progress billing • Direct and rated draws • Unit price • Fees Owner pay items for components directly relate to T&M. However, the system processes them in a way that is similar to non-T&M owner pay items.

If the contracts for your company include T&M, you begin the billing process by accumulating costs. This task results in the creation of workfile transactions from which you create invoices automatically.

If your company does not bill for T&M, you do not need to accumulate costs. In this case, you begin the billing process by creating invoices automatically. At this time, the system calculates the billing amounts.

For both T&M and non-T&M, you can also create invoices manually.

Billing consists of the following tasks:

- ❑ Accumulating costs
- ❑ Reviewing the workfile
- ❑ Revising workfile transactions
- ❑ Working with the workfile history
- ❑ Creating invoices automatically
- ❑ Working with invoices

- ❑ Creating invoices manually
- ❑ Printing invoices
- ❑ Working with A/R and G/L entries
- ❑ Working with final invoices

Before You Begin

- ❑ Set the journal generation control in system constants to invoicing only
- ❑ Create the master records for contracts
- ❑ Enter owner pay items

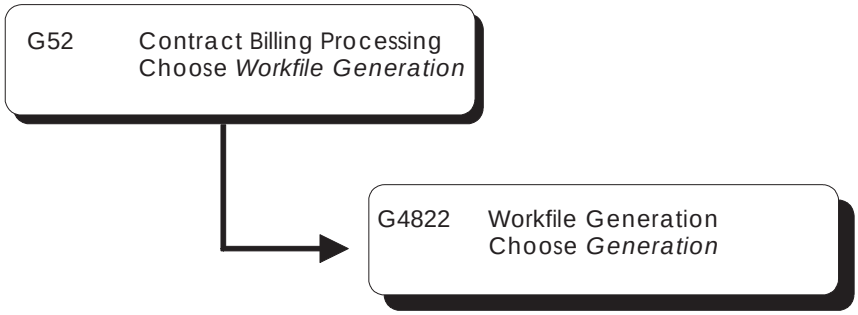
What You Should Know About

Alternate displays and system constants

Many of the forms you use in Contract Billing change in functionality and appearance, depending on the way you have set up your system constants. For example, if you set your system constants for billing (*invoicing*) only, the forms and functionality apply only to the billing process.

See *Setting Up System Constants* for more information.

Accumulate Costs for Billing

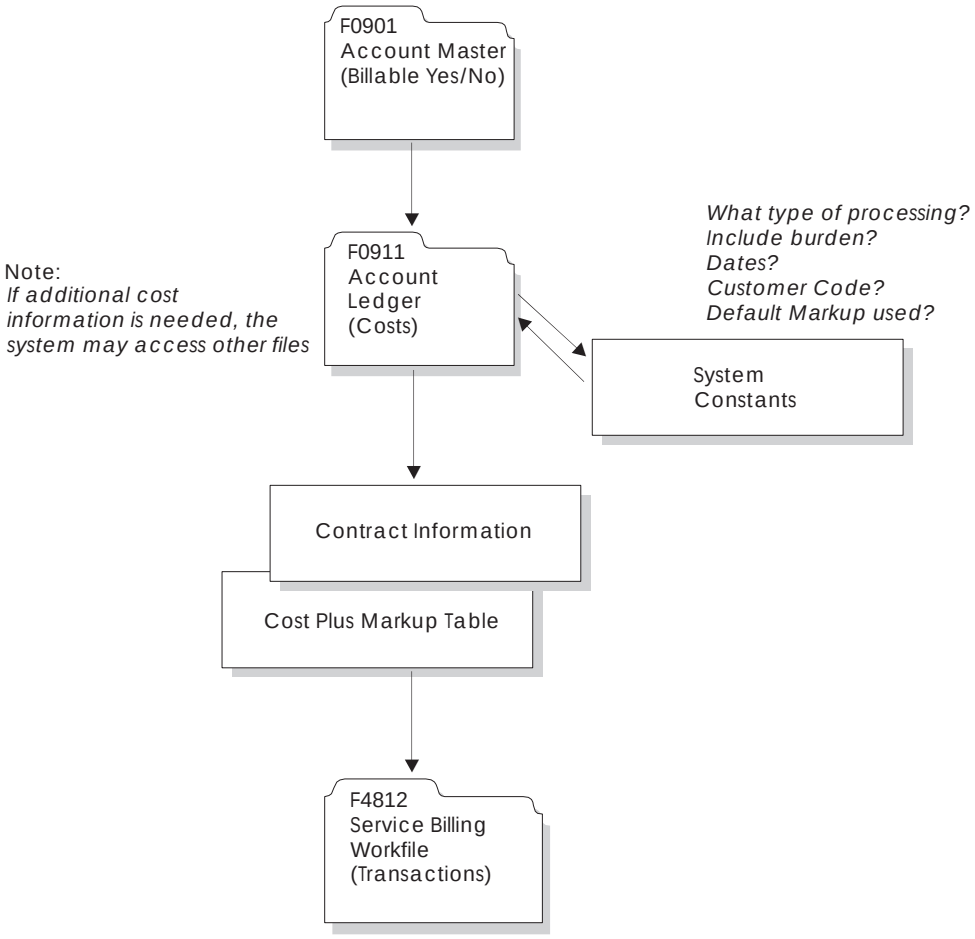


Accumulating Costs for Billing

Accumulating Costs for Billing in Contract Billing

The tasks you perform for billing depend on the owner pay items, which define the billing terms in a contract, and whether the costs relate to time and material (T&M). With T&M, your company agrees to bill the customer for the actual costs of goods and services required to complete the contract, such as labor, payroll burden, equipment, and material.

The first step in the billing process for T&M is to accumulate billable costs. Billable costs are represented by source transactions that the system stores in the Account Ledger table (F0911). Source transactions originate from multiple systems, such as Accounts Payable, Equipment/Plant Management, and Payroll. You run the Generation program to accumulate the cost information from these sources.



When you run the Generation program, the system:

- Identifies all the unbilled source transactions in the system
- Determines whether the account for each source transaction is billable, based on the Billable (Y/N) field in the Account Master table (F0901)
- Uses related tables when constants and source transactions indicate the need for additional information, such as when burden is associated with payroll transactions
- Updates the source transactions in the Account Ledger table as billed or non-billable
- Updates the payroll transaction history and employee transaction details for all payroll-related transactions
- Calculates markup and tax amounts

- Creates copies of source transactions in the Service Billing Workfile
- Assigns appropriate eligibility codes to the copied transactions based on the Journal Generation Control field in the system constants and the Billable (Y/N) field in the Account Master table
- Assigns each transaction in the Service Billing Workfile an owner (customer) number

To maintain the integrity of the original source transactions, the Contract Billing system creates copies of the source transactions. The copied transactions are referred to as workfile transactions and are stored in the Service Billing Workfile (F4812). Workfile transactions include costs with any applicable markup, taxable amounts and other key billing information. You base the rest of the billing process for T&M, including components, on the information stored in workfile transactions.

After you accumulate costs to generate workfile information, the system marks the source transactions in the Account Ledger table with N (non-billable) or Z (billed) to indicate that the transactions have been included in the billing process. The next time you accumulate costs, the system generates workfile transactions for only the source transactions that have not been previously included in the workfile generation.

NOTE: After you accumulate costs to generate workfile information, the system marks the source transactions in the Account Ledger table with N (non-billable) or Z (billed) to indicate that the transactions have been included in the billing process. The next time you accumulate costs, the system generates workfile transactions for only the source transactions that have not been previously included in the workfile generation.

If your company does not bill for T&M, you do not need to accumulate costs. In this case, you begin the billing process by creating invoices automatically or manually. At this time, the system calculates the billing amounts for the portion of the contract that is not related to T&M, such as fixed fees, prepayments, quantities and price per unit, and markups.

Before You Begin

- ❑ Define all billable accounts in the chart of accounts
- ❑ Define the system constants to identify the costs you want to accumulate
- ❑ Define the following applicable Contract Billing rules:
  - Cost Plus Markup
  - Component

  See *Defining Markup Rules* and *Defining Component Rules*.

❑ Enter owner pay items for T&M

What You Should Know About

Eligibility codes

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the Journal Generation Control field you set up for your system constants.

For example, if the Billable (Y/N) field for a transaction is a Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for the transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing. If the same account with a Y in the Billable (Y/N) field is processed through the Service Billing system and the Journal Generation Control field is set for billing only, the eligibility code for the transaction is 1. An eligibility code of 1 indicates that the transaction is eligible for billing only.

Changing source and payroll transactions

The system might need additional information from the Payroll Transaction History (F0618) or the Employee Transactions Detail (F06116) tables to process certain source transactions.

After the system creates payroll and source transaction tables, do not change or delete any of the following transaction information:

- Account number
- Dates
- Subledger information
- Employee address book number

In order for the system to create workfile transactions from payroll transactions, all information must be identical in the Payroll or Employee tables and Account Ledger tables.

Burden transactions

The eligibility code for burden transactions must be compatible with the eligibility code for the associated workfile transaction. Specifically, the system prevents the eligibility code for a workfile transaction from being more restrictive than the eligibility code of its burden transactions. If, for example, the burden transaction for a workfile transaction is eligible for both revenue and billing, but the workfile transaction is eligible only for billing, the system assigns the burden transaction the same eligibility code as the workfile transaction.

See Also

- *Defining Markup Rules (P48506)*
- *Appendix C — Searches for Markup Rules* for more information about calculating markup
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version
- *Setting Up System Constants for Contract Billing (P48091)* for more information about Journal Generation Control

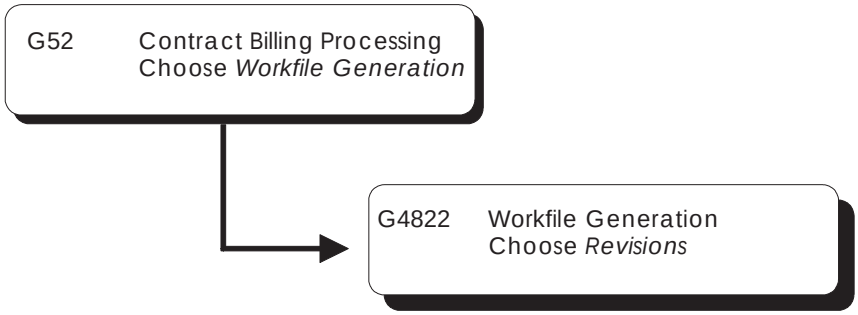
Processing Options for Workfile Generation – Batch Front End

```
CONTRACT REVENUE GENERATION OPTIONS:
1. To generate revenue for Contract non-          _____________
   T&M lines, enter the Contract Revenue
   Workfile Generation (P52801) DREAM
   Writer version to run.

2. If you entered a version number
   above, you must also enter the
   following dates:
   a. Enter the beginning date for
      revenue generation:                         _____________
   b. Enter the ending date for revenue           _____________
      generation:

HOME BUSINESS UNIT SELECTION:
3. Enter a '1' (default) to use the Item          _____________
   Master file as the source of the Home
   Business Unit for payroll equipment
   records.  Enter a '2' to use the
   Payroll Master file as the source.
```

Exercises

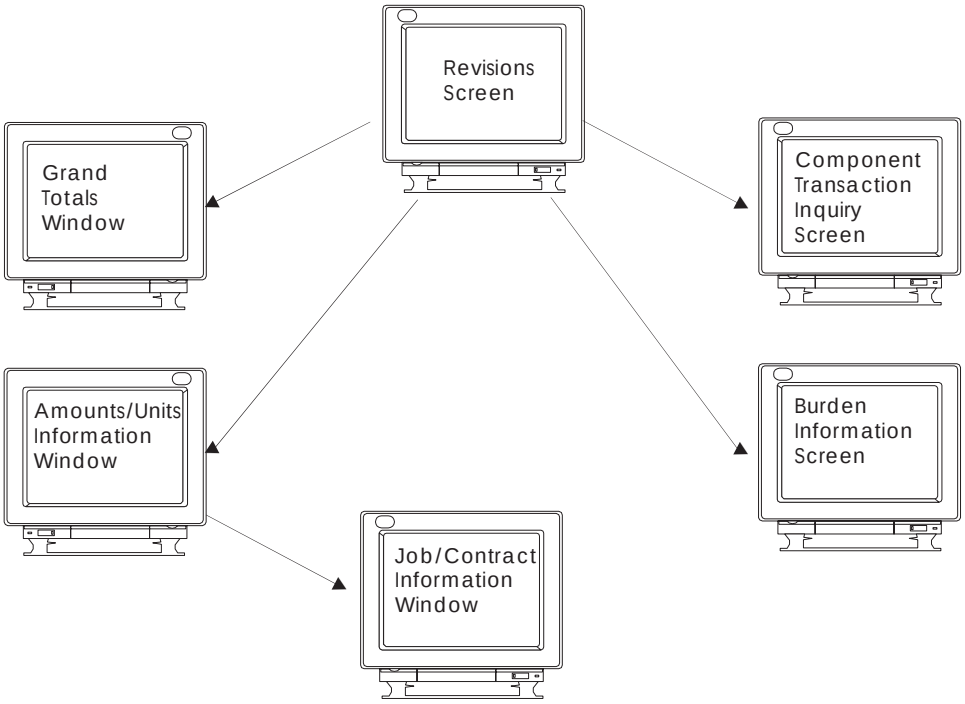
See the exercises for this chapter.

Review the Workfile for Billing



Reviewing the Workfile for Billing

After you accumulate billable cost information for time and material (T&M), you can review the related workfile transactions to verify that the information the system retrieved from the source transactions is correct. Source transactions come from the Account Ledger table (F0911). The system might also require other information from the originating systems to process some source transactions.



When you review workfile transactions, you should look for potential errors, such as:

- Payroll transactions charged to the incorrect job
- Incorrect markup amounts (if changes are made to your markup tables since the creation of your workfile transactions)

Reviewing the workfile for billing consists of the following tasks:

- ❑ Locating transactions in the workfile
- ❑ Reviewing transaction totals
- ❑ Verifying the contract information

Locating Transactions in the Workfile for Billing

To review the transactions in the Service Billing Workfile (F4812), you must first locate them. Enter search criteria to control the workfile transactions that the system displays. If you specify more values in your search criteria, the system displays more specific transaction information.

You can review the following transactions in the workfile:

Workfile transactions

Workfile transactions for T&M are copies of source transactions that represent the billable costs for your company. When you accumulate costs, the system copies source transactions to create workfile transactions. The system also calculates workfile transactions for lump sum and unit price from non-billable source transactions.

Burden transactions

Burden transactions represent the cost over and above the direct labor wages or salaries that a company incurs as a result of employing people. Burden transactions might include:

- Company-paid payroll taxes
- Insurance
- Fringe benefits, such as union pensions

The Contract Billing system always processes burden transactions in conjunction with the associated workfile transactions for labor.

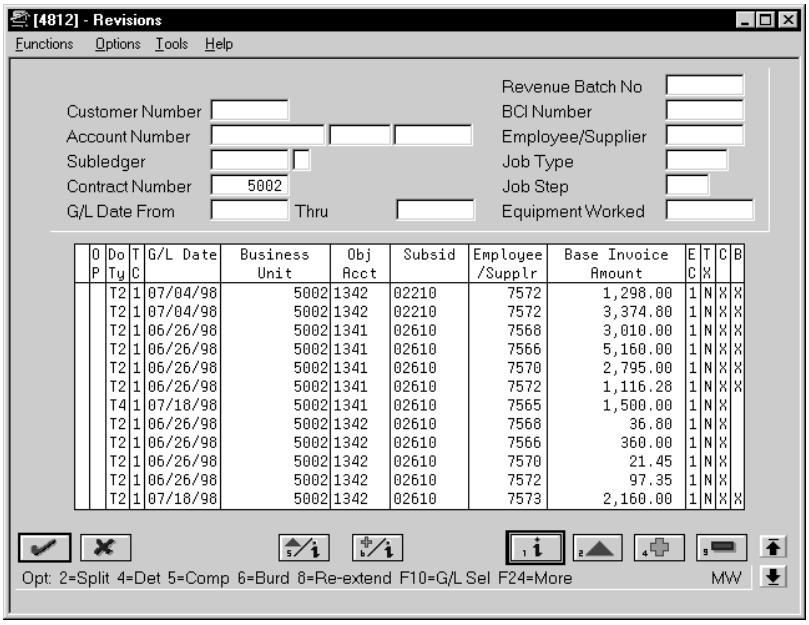
Component transactions

Component transactions represent additional costs that you add to the original cost of T&M when you bill an owner. For example, component transactions might be used to offset the cost of borrowing money.

The Contract Billing system always processes component transactions in conjunction with associated workfile transactions.

Locating transactions in the workfile for billing consists of the following tasks:

- ❑ Reviewing workfile transactions
- ❑ Reviewing burden transactions
- ❑ Reviewing component transactions



O P	Do Ty	T C	G/L Date	Business Unit	Obj Acct	Subsid	Employee /Supplr	Base Invoice Amount	E C	T X	C	B
	T2	1	07/04/98	5002	1342	02210	7572	1,298.00	1	N	X	X
	T2	1	07/04/98	5002	1342	02210	7572	3,374.80	1	N	X	X
	T2	1	06/26/98	5002	1341	02610	7568	3,010.00	1	N	X	X
	T2	1	06/26/98	5002	1341	02610	7566	5,160.00	1	N	X	X
	T2	1	06/26/98	5002	1341	02610	7570	2,795.00	1	N	X	X
	T2	1	06/26/98	5002	1341	02610	7572	1,116.28	1	N	X	X
	T4	1	07/18/98	5002	1341	02610	7565	1,500.00	1	N	X	
	T2	1	06/26/98	5002	1342	02610	7568	36.80	1	N	X	
	T2	1	06/26/98	5002	1342	02610	7566	360.00	1	N	X	
	T2	1	06/26/98	5002	1342	02610	7570	21.45	1	N	X	
	T2	1	06/26/98	5002	1342	02610	7572	97.35	1	N	X	
	T2	1	07/18/98	5002	1342	02610	7573	2,160.00	1	N	X	X

Reviewing Workfile Transactions for Billing

Reviewing Workfile Transactions for Contract Billing

You can review specific workfile transactions to verify accounting and billing information, such as the document type, classification, account number, amount, and eligibility for processing. You can also determine whether a workfile transaction is taxable and whether it includes associated burden or component transactions.

▶ To review workfile transactions

On Revisions

1. Complete one or more of the following fields to locate workfile transactions:
   - Customer Number
   - BCI Number
   - Account Number
   - Employee/Supplier
   - Contract Number
   - Equipment Worked

2. To locate specific workfile transactions, complete the following optional fields and press Enter:
    - Subledger
    - Subledger Type
    - Job Type
    - Job Step
    - G/L Date From
    - G/L Date Thru
3. Review the following fields:
    - Type Code
    - Eligibility Code
    - Taxable
    - Components
    - Burden

Field	Explanation
Customer Number	The address book number to which the system posts billing and accounts receivable transactions. . . . . . *Form-specific information* . . . . . . Enter a customer's address book number in this field to search for transactions associated with that customer.
Billing Control ID	A unique number that identifies a detail transaction for the billing of customer information. The system uses the number, which is automatically assigned through the Next Numbers facility (system 48, index 2), to create an audit trail for tracking transactions through the billing process. A component record has the same billing control ID as the billing transaction on which it is based. . . . . . *Form-specific information* . . . . . . Enter the billing control ID of the billing transaction you want the system to display.
Business Unit	Identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a job, project, work center, or branch/plant. Business unit security can prevent you from locating business units for which you have no authority. . . . . . *Form-specific information* . . . . . . Enter a business unit in this field to search for transactions associated with that business unit.

Field	Explanation
Object Account	The object account portion of a general ledger account. The terms "object account" and "cost type" are used synonymously. They refer to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). When you are using a flexible chart of accounts, if the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. Here, entering 000456 is not the same as entering 456, because the system adds three blank spaces to fill a 6-digit object.
Subsidiary	A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.
Employee/Supplier	A number that identifies an entry in the Address Book system. Use this number to identify employees, applicants, participants, customers, suppliers, tenants, special mailing addresses, and so on.
Equipment Worked	Enter an equipment number to search for transactions associated with a particular piece of equipment. The system can use a default value for this field from the Account Ledger file (F0911) or the Time Entry History file (F0618).
Subledger – G/L	A number that identifies a work order in the Service and Contract Billing systems. In general, if you specify a work order, you must also specify W as the subledger type for the work order. . . . . . *Form-specific information* . . . . . . Enter a work order number in this field to search for transactions associated with that work order.
Subledger Type	A user defined code (00/ST) that you use with the Work Order (Subledger) field. For a work order, the subledger type must be W. NOTE: If you use A/P speed code entry, the field can be blank.
Job Type (Craft) Code	A user defined code (system 06, type G) that specifies job classifications established for an organization. This field is used to determine pay rates and benefit plans for employees linked to these classifications.
Job Step	A user defined code (system 06, type GS) that designates a specific step, grade, or salary level within a particular job type. The system uses this field in conjunction with job type to determine pay rates by job.

Field	Explanation
G/L Date	The date that identifies the financial period to which the source transaction was posted. Based on the company's fiscal year and current accounting period, the system edits the date for PBCO (posted before cutoff), PYEB (prior year ending balance), PACO (post after cutoff), and WACO (post way after cutoff).
Effective Date Through	The date on which the item, transaction, or table becomes inactive or the date through which you want transactions to display.
Transaction Class	A code that identifies the classification of a Service Billing transaction. Valid codes are: blank Ad hoc entry in the Service Billing Workfile 0 System-generated basis record of overage for components 1 Labor 2 Payroll burden 3 Equipment 4 Inventory (future use) 5 Purchasing 6 Journal 7 Ad hoc entry in an existing invoice batch 8 System-generated control record 9 System-generated limiting offset for a contract (future use) A System-generated revenue record for a contract
Eligibility Code – Service Billing	A code that identifies the type of processing for which a transaction in the Service Billing Workfile (F4812) is eligible. This code controls the operation at the single transaction level. The values are: 0 Eligible for both invoicing and revenue recognition 1 Eligible for invoicing only 2 Eligible for revenue recognition only 3 Non billable 4 Eligible for cost only Note: If the transaction belongs to a billable account, the system generates the eligibility code using the information in the Journal Generation field on the Service Billing Constants form.
Taxable (Y/N)	A code that indicates whether the item, by itself, is subject to sales tax.
Data Item Description	A brief description of a code or abbreviation. . . . . . *Form-specific information* . . . . . . An "X" in the C column denotes that components exist for this workfile transaction. An "X" in the B column denotes that there is burden associated with this workfile transaction.

What You Should Know About

Eligibility codes

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the Journal Generation Control field you set up for your system constants.

For example, if the Billable (Y/N) field for a transaction is a Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for the transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing. If the same account with a Y in the Billable (Y/N) field is processed through the Service Billing system and the Journal Generation Control field is set for billing only, the eligibility code for the transaction is 1. An eligibility code of 1 indicates that the transaction is eligible for billing only.

See Also

- *Reviewing Burden Transactions for Billing*
- *Reviewing Component Transactions for Billing*

Exercises

See the exercises for this chapter.

Reviewing Burden Transactions for Billing

Reviewing Burden Transactions for Contract Billing

Burden is the cost that a company incurs as a result of employing people. Burden can include:

- Company-paid payroll taxes
- Insurance
- Fringe benefits, such as union pensions
- Direct labor costs, such as small tools

You use a system constant to control whether burden transactions are processed for the workfile. The system calculates burden transactions when you create payroll journal entries. The only way you can process burden within the Contract Billing system is in conjunction with its associated workfile transaction.

The eligibility code for burden transactions must be compatible with the eligibility code for the associated workfile transaction. Specifically, the system prevents the eligibility code for a workfile transaction from being more restrictive than the eligibility code of its burden transactions. If, for example, the burden transaction for a workfile transaction is eligible for revenue and billing, but the workfile transaction is eligible only for billing, the system assigns the burden transaction the same eligibility code as the workfile transaction.

The Payroll system calculates the following types of burden:

Actual burden	The actual cost of payroll taxes, insurance, and fringe benefits. The system calculates the burden for the actual costs that are associated with each employee's timecard.
Flat burden	An estimated burden amount that the system derives from the direct labor costs. The system calculates the burden on a timecard-by-timecard basis as a percentage of the labor costs.

When burden is associated with a workfile transaction, the system displays an X in the Burden (B) field for that transaction. The system also updates the Burden Pending field to indicate the type of burden that was processed for the workfile transaction.

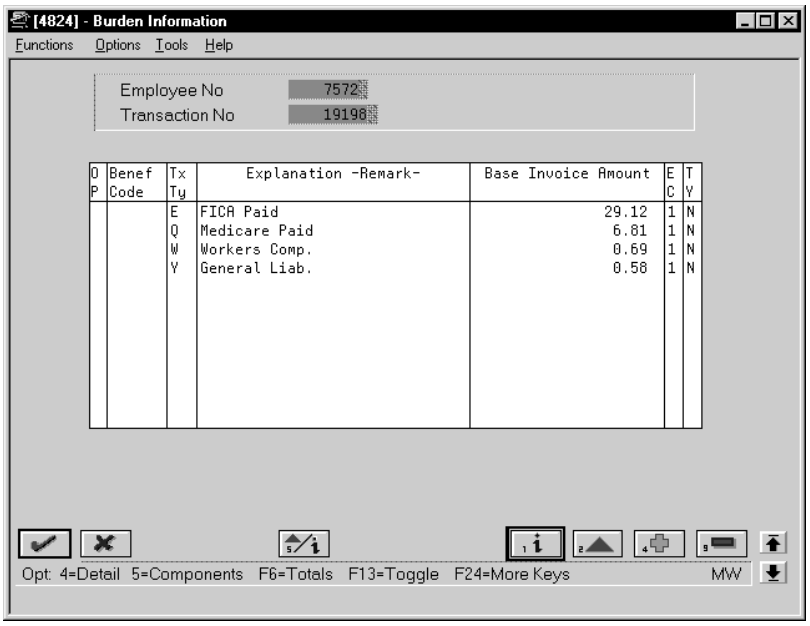
To review burden transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Verify the following field to identify the transactions with burden:
   - Burden (B)
3. Choose Burden for the transaction you want to review.



4. On Burden Information, verify the information in the following fields:
   - Transaction Number
   - Benefit Code
   - Tax Type
   - Explanation – Remark

Field	Explanation
Transaction Number – Payroll	The unique number that the system assigns to a transaction in payroll. The system uses this field to tie a payroll transaction to each audit record for actual burden created during the Actual Burden Journaling process.

Field	Explanation
PDBA Code	A code to define the type of pay, deduction, benefit, or accrual. Pay types are numbered from 1 to 999. Deductions and benefits are numbered from 1000 to 9999. Sick and vacation accruals must have a specific numbering order. You must assign a higher number for the time available code when you are also assigning a time accrued code. For example, if vacation accrued is 8001, vacation available must be 8002 or greater.
Tax Type – Payroll	A code that identifies the type of payroll tax associated with this billing detail transaction.
Remark	A description, remark, explanation, name, or address retrieved from the following cost (source) transactions: • Journal entry (Explanation 2 field) • A/P voucher entry (Explanation field) • Payroll (pay type description — regular, overtime, and so on)

What You Should Know About

Daily payroll processing and burden

When you use daily time entry, the only type of burden that you can associate with a workfile transaction is flat burden. After you process the daily payroll transactions and accumulate their costs in the workfile, the system marks the original payroll transactions as billed.

Once the original payroll transactions have been processed, the system does not retrieve any new burden transactions calculated for the transactions. For example, if you reverse the flat burden amount and calculate the actual burden amount for the original payroll transactions, the system does not retrieve the new burden transactions.

See *Entering Timecards by Day* in the *Payroll Guide Volume 1* for more information.

Exercises

See the exercises for this chapter.

Reviewing Component Transactions for Billing

Reviewing Components for Billing in Contract Billing

A component is a type of markup. The Contract Billing system calculates component transactions based on amounts or units from source transactions or burden transactions. For example, you might include a component transaction to offset the cost of borrowing money.

You can use component transactions based on the invoice amount to apply charges in addition to the markup amount for the workfile transaction. Use a compounded component to include additional markup added to the source transaction plus additional charges added to the marked up amount for the billing.

When a component transaction is associated with a workfile transaction, the system displays an X in the Component (C) field for that transaction.

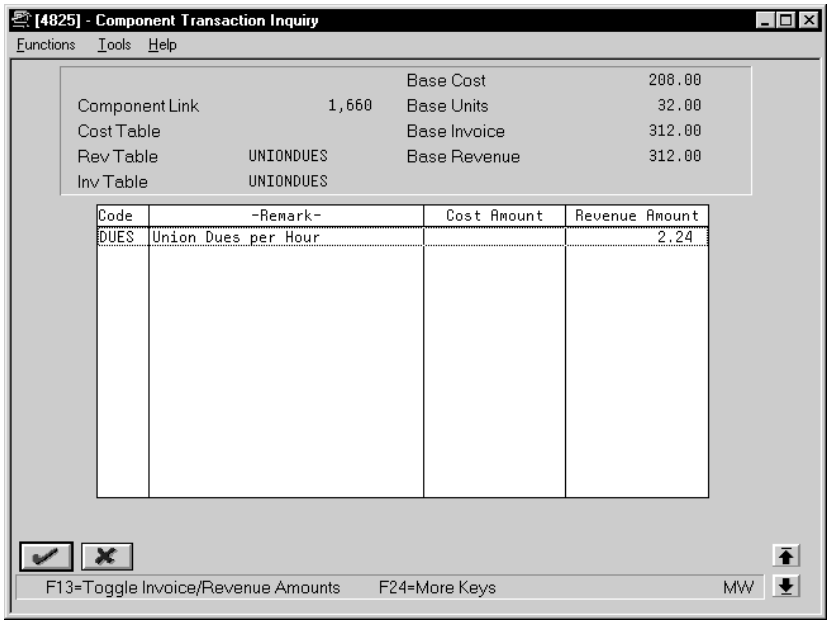
▶ To review component transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Verify the following field to identify the transactions with components:
   - Component (C)
3. Choose Component for the transaction you want to review.



4. On Component Transaction Inquiry, verify the information in the following fields:
    - Component Link
    - Cost Table
    - Invoice Table
    - Base Cost
    - Base Units
    - Base Invoice
    - Code (Component Code)
    - Cost Amount
    - Invoice Amount

Field	Explanation
Component Link	The component link field attaches the component record to its base work file record.
Component Cost Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup Table entry. The component table identifies the components and their calculation rules. These component amounts are applied as overhead to the original cost. You set up component tables on the Component Table Definition form.

Field	Explanation
Component Invoice Rate	A code that identifies a component bill table to use for this Cost Plus Markup table entry. The component table identifies the components and their calculation rules. These component amounts are billed in addition to any invoice markups. You set up component tables on the Component Table Definition screen.
Cost Amount	The cost (source) amount for a billing detail transaction.
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on.
Total Invoiced Amount	The invoice amount for a billing detail transaction.
Component Code	A component code identifies a provisional burden that is accounted for at the billing detail transaction level.

Exercises

See the exercises for this chapter.

Reviewing Transaction Totals for Billing

Reviewing Transaction Totals for Billing in Contract Billing

You can review the total amounts for one or more transactions. Review transaction totals so you can:

- Make projections relating to the invoice and cost totals
- Verify the accuracy between the invoice information that the system stores in the workfile and the invoice information that you print for the owners
- Verify totals with burden and component amounts

If you find a discrepancy with the transaction totals, you should make any necessary revisions before you continue with the billing process.

Reviewing transaction totals consists of the following:

- Reviewing totals for a specific transaction
- Reviewing totals for a group of selected transactions

To review totals for a specific transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Toggle Amounts to display totals in the following field:

   - Amount

   The system displays only billing amounts when the system constants are set to invoicing only.

What You Should Know About

Alternate formats

You can review six different total formats in the Amount field for workfile transactions. Toggle to review the following amounts:

- Base revenue – Does not apply, the system does not display an amount
- Base invoice – Invoice total without components or burden
- Total revenue – Does not apply, the system does not display an amount
- Total invoice – Invoice total with components and burden
- Base cost – Cost without components or burden
- Total cost – Cost with components and burden

You can set a processing option to control which amount the system displays when you initially access the Revisions form.

Exercises

See the exercises for this chapter.

To review totals for a group of selected transactions

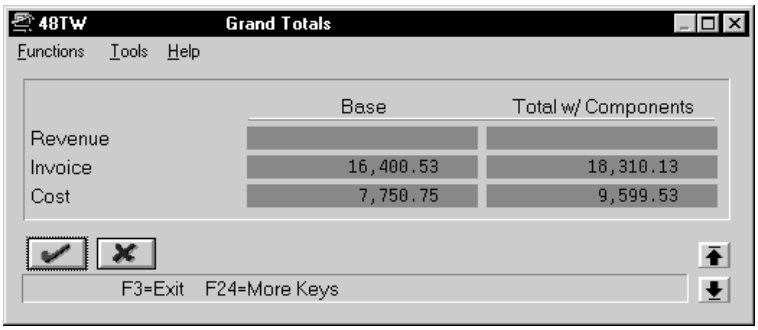
On Revisions

1. Complete the steps for reviewing workfile transactions.

See *Reviewing Workfile Transactions for Billing*.

2. Choose Total Amounts for All Records to access the Grand Totals form.

   Grand Totals includes only the transactions that appear on Revisions. To include all transactions that meet the search criteria you specified on Revisions, you must scroll to the end of the subfile in the detail portion of Revisions before you choose Total Amounts.



3. On Grand Totals, review the following fields:
   - Invoice
   - Cost

Field	Explanation
Total Invoiced Amount	The invoice amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . The total of the invoice amounts for the billing detail transactions that are displayed. The total appears in two formats: base invoice amount and total invoice amount. • Base invoice = source cost + invoice markup + sales tax For example, the invoice markup is 10% and the sales tax is 1.5%. A source cost of 1000 then results in a base invoice amount of 1115. 1115 = 1000 + 100 + 15 • Total invoice = base invoice + components + burden For example, components consist of 50 for administration and 100 for overhead. Burden consists of 100 for payroll taxes. A base invoice of 1115 then results in a total revenue amount of 1365. 1365 = 1115 + 150 + 100

Field	Explanation
Total Cost Amount	The cost (source) amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . The total of the cost (source) amounts for the billing detail transactions that are displayed. The total appears in two formats: base cost amount and total cost amount • Base cost = source cost For example, a source cost of $1000 results in a base cost amount of $1000. • Total cost = base cost + components For example, components consist of $50 for administration and $100 for overhead. A base cost of $1000 then results in a total cost amount of $1150. 1150 = 1000 + 150

What You Should Know About

Totals for components The system does not calculate the total for components. You must manually compute this amount.

Totals for burden You can review totals for burden. On the Revisions form, choose Burden Information. Choose Total Amounts for All Records to review the burden totals.

Exercises

See the exercises for this chapter.

Verifying Contract Information for Billing

Verifying Contract Information for Contract Billing

You can review specific workfile transactions to verify information for the related contract and job. The contract information includes the numbers for the contract, change order, and customer (owner). The job information includes the job and account numbers.

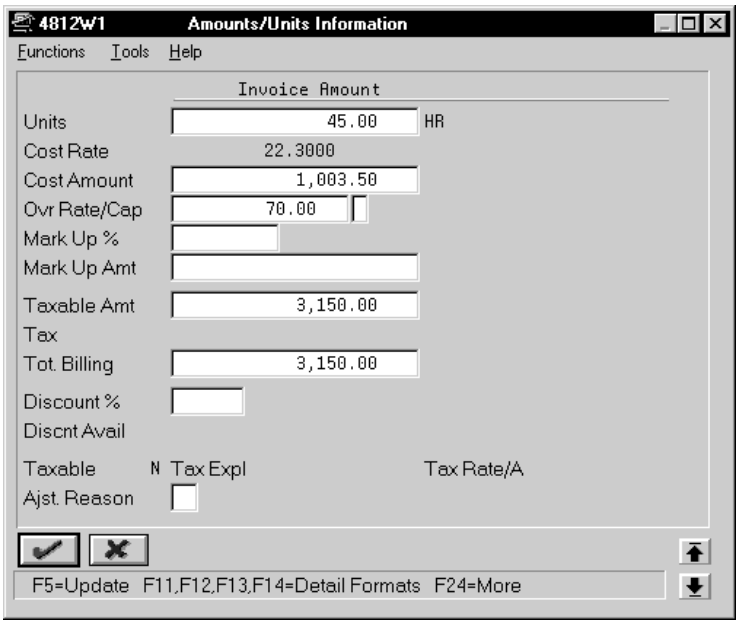
▶ To verify contract information

On Revisions

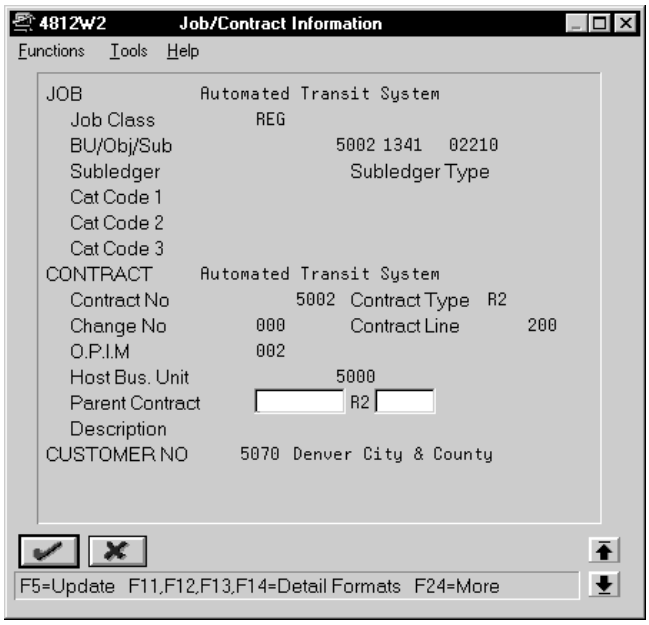
1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Detailed Transaction for a specific transaction.



3. On Amounts/Units information, choose Job/Contract Information.



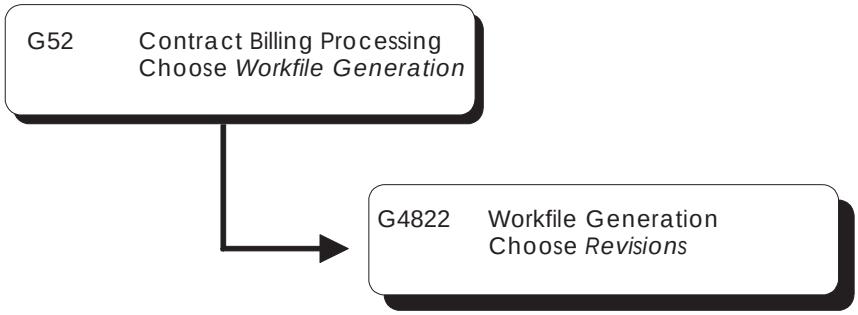
Processing Options for Unbilled Detail Revisions

```
UPDATE OPTIONS:
1. Enter a '1' to allow updating all                    _____
   workfile record information (except
   G/L Date, Cost, and Units).  Leave
   blank (default) to secure certain
   fields from being updated except
   when adding improvised transactions.

DISPLAY OPTIONS:
2. Enter a '1' to load all records that                 _____
   meet the search criteria.  Leave
   blank (default) to load two pages at
   a time (this improves performance).

3. Enter the amount to initially display                _____
   on the screen.  All amounts can be
   accessed using the toggle function.
   '1' = Base Revenue (default)
   '2' = Base Invoice
   '3' = Total Revenue
   '4' = Total Invoice
   '5' = Base Cost
   '6' = Total Cost

4. Enter a '1' to display records that                  _____
   are included in a revenue batch.
   Leave blank to display only records
   which have not been included in a
   revenue batch.
```

Exercises

See the exercises for this chapter.

Revise Workfile Transactions for Billing



Revising Workfile Transactions for Billing

Workfile transactions are the basis for the rest of the billing process. You should make any necessary additions and revisions to the transactions before you continue. For example, you can:

- Add informational text that you want to print on an invoice.
- Add any G/L transactions that were omitted from the workfile without running the Generation program again.
- Change the markup for a transaction.
- Add transactions directly to the workfile without entering them into the G/L first, such as transactions for expense reports that have not yet been processed in the Accounts Payable system.
- Assign a hold status to a transaction. For example, you can assign a hold status with a release date to prevent a transaction from being included on an invoice until that date.
- Split a transaction into two new transactions. You can then revise the billing status for the new transactions.

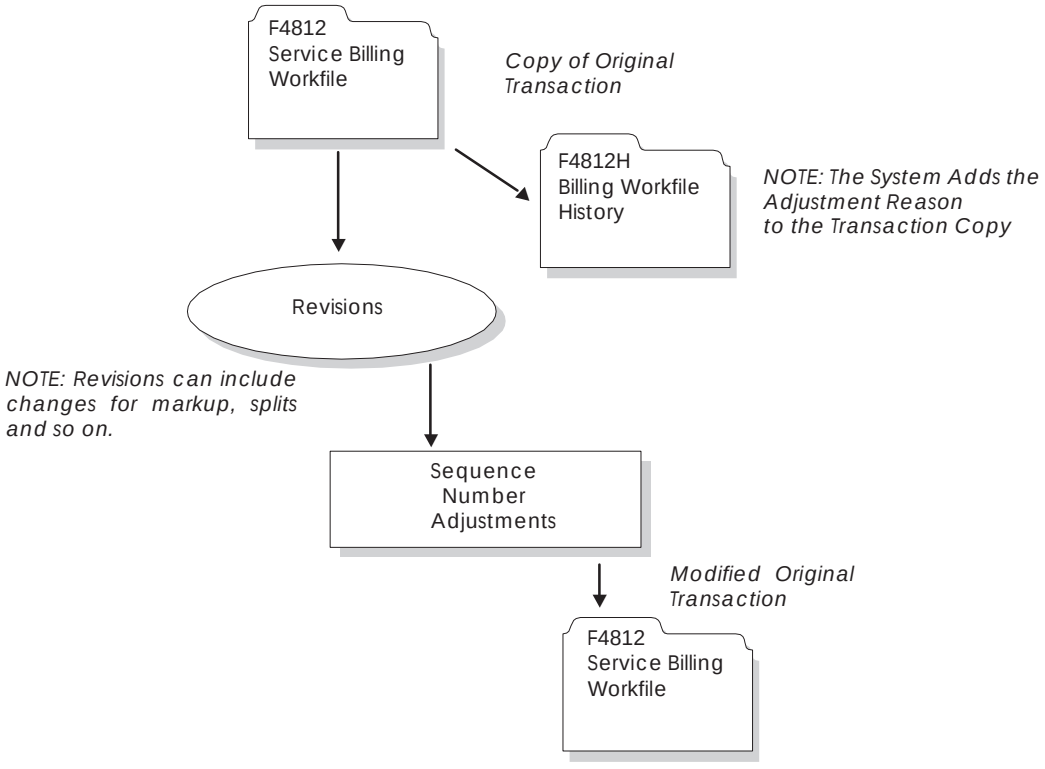
You can also remove a transaction from the active workfile to the history table so that it is not included on an invoice.

Revising workfile transactions for billing consists the following tasks:

- ❑ Adding text to a workfile transaction
- ❑ Adding existing G/L transactions
- ❑ Changing the markup
- ❑ Entering ad hoc workfile transactions
- ❑ Assigning a hold status
- ❑ Splitting a workfile transaction
- ❑ Moving a transaction to history
- ❑ Printing workfile transactions

Workfile Revisions and Sequence Numbers

When you revise workfile transactions, the system assigns the transactions and each new revision a series of sequence numbers.



You can use these numbers to track the progression of revisions to original workfile transactions. The system assigns each workfile transaction the following sequence numbers:

Sequence number

The sequence number of the original workfile transaction is always 1. If you split the original transaction, the system assigns the next available sequence numbers to the resulting transactions.

Parent sequence number

The parent sequence number for an original workfile transaction is always blank. The system assigns a parent number to transactions that result from a split. The parent number for resulting transactions is always the *sequence number* of the transaction that you split. For example, if you split an original workfile transaction with a sequence number of 1 and a blank parent sequence number, the system assigns the resulting transactions a parent number of 1.

Secondary sequence number

The secondary sequence number tracks the number of revisions you make to a workfile transaction. For example, you might revise a transaction three times. The secondary sequence number of the transaction you revise is 1. After the revision, the secondary sequence number for the transaction is 2. When you change the transaction again, the secondary sequence number is 3.

What You Should Know About

Cost transactions in the G/L

Any changes you make to a workfile transaction affect only the information in the workfile. The changes do not affect the cost (source) transactions in the Account Ledger table.

Revised transactions

Revised transactions remain in the workfile. The system retains a copy of the transaction prior to any changes in the Service Billing Workfile – History (F4812H) for audit purposes.

Adding transactions directly to the workfile

CAUTION: If you add transactions directly to the workfile and then process the original transaction through the normal accounting and billing cycles, the system creates a duplicate transaction.

See *Entering Ad Hoc Transactions for Billing* for more information.

Adding Text to a Workfile Transaction for Billing

You can enter text to associate additional information with a workfile transaction. For example, you might further describe the work for which you bill the owner. You can enter text for a transaction at any point in the billing process. You can also print this text on an invoice. The system uses the billing control ID (BCI) number to attach text to workfile transactions.

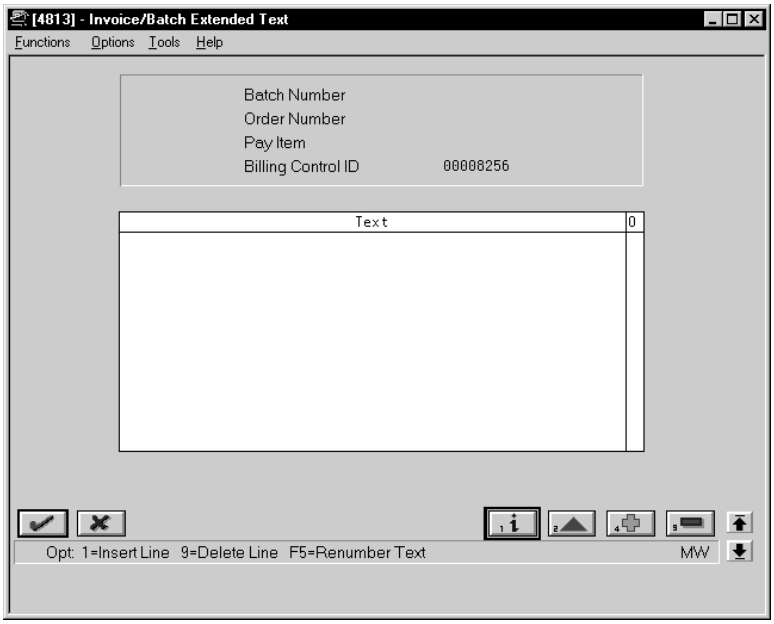
▶ To add text to a workfile transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Text for a specific transaction.



3. On Invoice/Batch Extended Text, enter free-form text.

   If you need to enter more text, you can scroll to display additional lines. After you enter text, the system highlights the Option field on the Revisions form to indicate that the text exists for the transaction.

What You Should Know About

Formatting text	The system prints any text you enter for a workfile transaction exactly as it appears on the Invoice/Batch Extended Text form.
Inserting a blank line	You can insert a blank line between two existing lines of text to enter new information. The system inserts a line directly below the line on which you choose Insert Line.
Deleting text	You can use two methods to delete text you have entered for a transaction: • To delete all the text, use the Delete action • To delete individual lines of text, choose Delete Line for the respective lines
Renumbering lines of text	The system automatically assigns a sequence number to each line of text. The sequence number is not displayed on the form. If the system prevents you from inserting a blank line, choose Renumber Text. The system updates the numbers to prepare the text for additional lines.

Exercises

See the exercises for this chapter.

Adding Existing G/L Transactions for Billing

Adding Existing G/L Transactions for Contract Billing

You can add transactions from the Account Ledger table (F0911) to the Service Billing Workfile without running the Generation program. This lets you include costs in the workfile for processing that were entered in the General Accounting system after you accumulated billable costs related to T&M.

You can add transactions to the workfile using one of the following amounts:

- The cost without markup
- The cost plus markup, based on the markup rules you define or the default markup percentage you specify in the system constants

When you add a source transaction to the workfile, the system marks the transaction as billed in the Account Ledger table and, if applicable, in the Payroll Transaction History (F0618) or Employee Transactions Detail (F06116) tables.

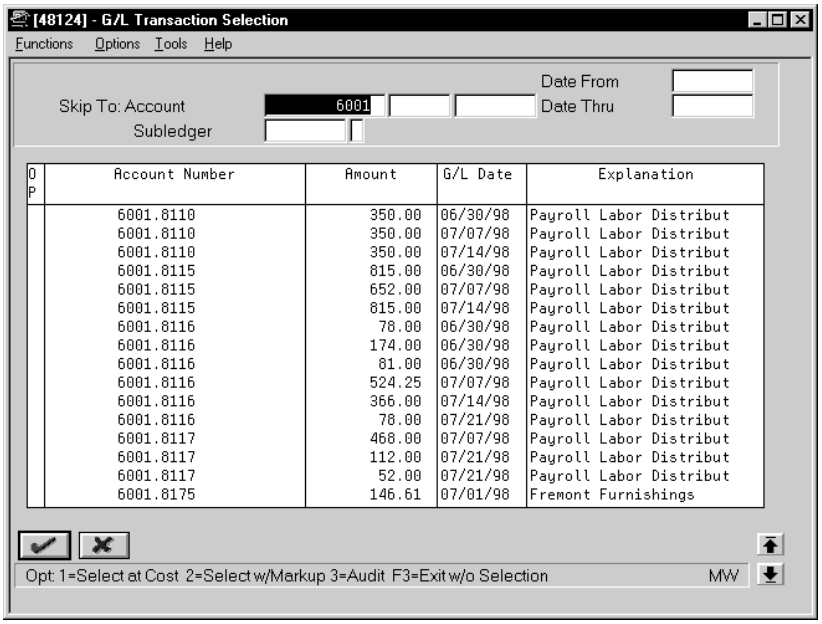
▶ To add existing G/L transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose G/L Selection.



O P	Account Number	Amount	G/L Date	Explanation
	6001.8110	350.00	06/30/98	Payroll Labor Distribut
	6001.8110	350.00	07/07/98	Payroll Labor Distribut
	6001.8110	350.00	07/14/98	Payroll Labor Distribut
	6001.8115	815.00	06/30/98	Payroll Labor Distribut
	6001.8115	652.00	07/07/98	Payroll Labor Distribut
	6001.8115	815.00	07/14/98	Payroll Labor Distribut
	6001.8116	78.00	06/30/98	Payroll Labor Distribut
	6001.8116	174.00	06/30/98	Payroll Labor Distribut
	6001.8116	81.00	06/30/98	Payroll Labor Distribut
	6001.8116	524.25	07/07/98	Payroll Labor Distribut
	6001.8116	366.00	07/14/98	Payroll Labor Distribut
	6001.8116	78.00	07/21/98	Payroll Labor Distribut
	6001.8117	468.00	07/07/98	Payroll Labor Distribut
	6001.8117	112.00	07/21/98	Payroll Labor Distribut
	6001.8117	52.00	07/21/98	Payroll Labor Distribut
	6001.8175	146.61	07/01/98	Fremont Furnishings

3. On G/L Transaction Selection, complete the following field to display the existing G/L transactions:
   - Business Unit
4. To limit the list of transactions, complete one or more of the following fields and press Enter:
   - Date From
   - Date Thru
   - Object
   - Subsidiary
   - Subledger

- Subledger Type

The system automatically supplies the information for these fields if you completed them on the Revisions form.

5. Choose one of the following for a specific transaction:
   - Select at Cost
   - Select with Markup

Field	Explanation
Date – Beginning Effective	The date on which an address, item, transaction, or table becomes active or the date from which you want transactions to display. The system uses this field depending on the program. For example, the date you enter in this field might indicate when a change of address becomes effective, or it could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, and so on.

What You Should Know About

G/L audit trail

If you do not know how a transaction originated, you can choose Audit for the transaction. The system displays the audit trail from the Account Ledger table.

Exercises

See the exercises for this chapter.

Changing the Markup for Billing

Changing the Markup for Billing in Contract Billing

The markup for a transaction is the increase in costs to account for overhead and profit. You define markup rules when you set up your system. You can also change markup information after you accumulate costs.

After you make changes to the markup, you can apply the revised markup information to the transaction, or you can reapply the markup rules you originally defined for your system on the Cost Plus Markup Table.

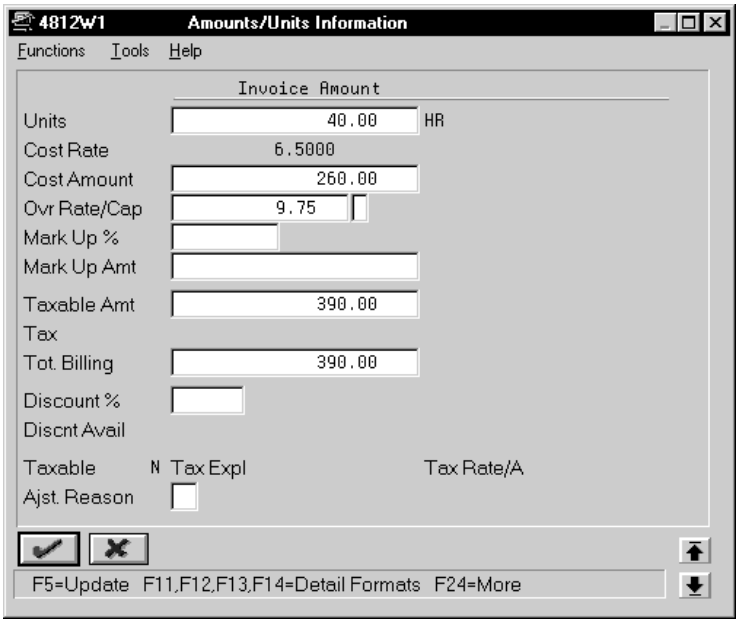
▶ To change the markup

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Detailed Transaction Window for a specific transaction.



3. On Amounts/Units Information, complete any combination of the following applicable fields:
   - Override Rate
   - Cap or Rate

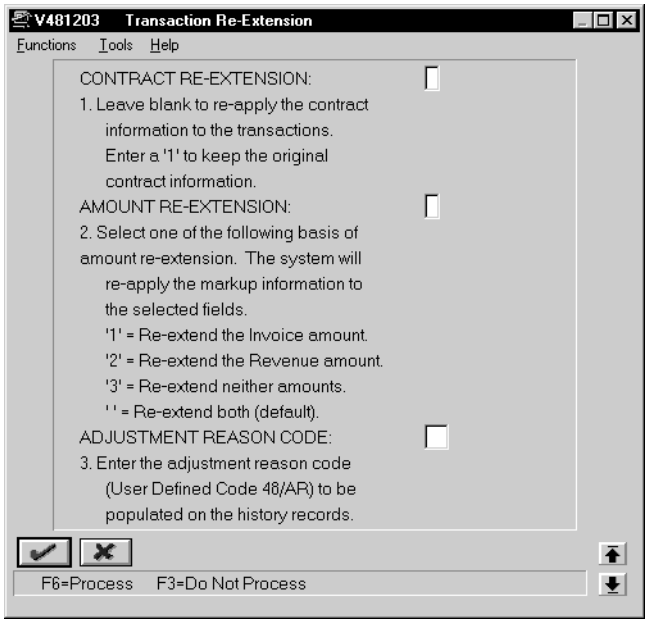
- Mark Up Percent
- Mark Up Amount

4. Choose Update.

   The system calculates the markup and displays the changes.

5. Choose Exit Program.

   The system displays Transaction Re-Extension.



6. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

   Revenue amount does not apply. If you choose 2 for the Amount Re-Extension, the system does not re-extend the invoice information.

7. Choose Process.

   The system retains the information you entered on the form and displays it the next time you access the Transaction Re-Extension form.

Field	Explanation
Invoice Rate – Service Billing	The rate used to mark up the invoice amount reflected in the billing of professional services such as draftsmen, engineers, or consultants fees. This rate will not affect the employee's paycheck. You can use this markup rate as an override rate or as a maximum rate. The Override Rate Calculation for the Total Invoice Markup is: (Override Rate * Unit) * (1 + Markup %) + Markup Amount When a Maximum or Cap Rate is Specified: Compare override rate with rate from cost transaction. Use the lower rate as the override rate. This override/maximum unit rate is set up in the Cost Plus Markup Table, using generation type 1 to specify a table for invoice markup rates. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function.
Cap or Override Rate – Invoice	This flag indicates whether the associated amount is the override rate or the cap of the rate. Valid codes are: blank Override Rate. 1 Cap of the Rate. If the cost rate is less than the cap rate, the cost rate will be used; if the cost rate is greater than the cap rate, the Cap Rate will be used.
Percentage – Invoice Markup	The percentage you use to mark up the invoice amount reflected in the billing of professional services, such as draftsmen, engineers, or consultants fees. This percentage rate will not affect the employee's paycheck. This percentage rate is set up in the Cost Plus Markup Table using generation type 1 to specify a table for invoice markup percentage rates. With the new Service Billing /Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function. Enter percentages as whole numbers. For example, 50.275% would be entered as 50.275.

Field	Explanation
Amount – Invoice Markup	An amount used to mark up the invoice amount reflected in the billing of professional services such as draftsmen, engineers, or consultants fees. This amount will not affect the employee's paycheck. This amount is set up in the Cost Plus Markup Table using generation type 1 to specify a table for invoice markup amounts. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function.
Re–Extend Option	This option allows for one of the following four scenarios: 1 Reapply the established invoice markup rates from the Cost Plus Markup Table. The revenue amount is not changed. 2 Reapply the established revenue markup rates from the Cost Plus Markup Table. The invoice amount is not changed. 3 Use the rates/amounts entered in the Amounts/Units Information window or on the Revisions form. Do not apply the established invoice/revenue markup rates from the Cost Plus Markup Table. blank Reapply both the invoice and revenue markup rates using the established rates from the Cost Plus Markup Tables. NOTE: Options 1 and 2 are not allowed when the Independent Invoice flag in the system constants specifies that the invoice and revenue amounts must be the same.
Adjustment Reason Code	The adjustment reason code allows you to specify the reason for a revision to a single or a group of billing detail transactions in the Service Billing Workfile (F4812). It is a user defined code, table 48/AR. The system updates the historical billing detail transactionwith this reason for audit purposes.

What You Should Know About

Updating a workfile transaction

You can update individual workfile transactions to reflect the most current rules you have set up to calculate discounts, taxes, and markups. Choose Transaction Re-Extension next to the transaction you want to update on the Revisions form.

Updating workfile transactions globally

You can update multiple workfile transactions to reflect the most current rules you have set up to calculate discounts, taxes, and markups. Choose Re-Extension from the Workfile Generation menu to access the DREAM Writer. The processing options are identical to the Transaction Re-Extension form.

Identifying taxable transactions

The system determines whether a workfile transaction is taxable by the tax information for the related owner pay item. Therefore, you cannot change the tax information for a transaction in the following fields:

- Taxable Y/N
- Tax Explanation
- Tax Rate/Area

Changing amounts for a workfile transaction

To change the amounts for a workfile transaction, you can change the markup information or complete one of the following fields on Amounts/Units Information:

- Taxable Amount
- Total Billing

If you change an amount for a transaction, the system automatically recalculates and updates all the related amounts, including the Markup % field.

Changing the discount

To change the discount for a workfile transaction, complete the Discount Percent field on Amounts/Units Information. You can change the discount percent only if the payment terms you define for the transaction allow for a discount.

See Also

- *Defining Markup Rules (F48096)* for more information about setting up markup rules on the Cost Plus Markup Table

Exercises

See the exercises for this chapter.

Entering Ad Hoc Transactions for Billing

Entering Ad Hoc Transactions for Contract Billing

If you do not enter some costs for T&M during an accounting cycle, the transactions are not available when you accumulate costs. For this information, you can manually add transactions to the workfile on an as-needed basis. Transactions that you add manually are referred to as ad hoc transactions.

For example, an accounting department processes expense reports on the 15th of each month. The supervisor's expenses contain a billable cost that must be in the Service Billing Workfile by the 5th of the month. In this case, you enter the cost as an ad hoc transaction to the workfile. The ad hoc transaction is created to represent cost information that is not in the Account Ledger table and is independent of the regular accounting cycle. After you enter the ad hoc transaction into the workfile, you can mark up the cost, enter a remark, and complete the billing process.

When you enter an ad hoc transaction into the workfile:

- You cannot record a reason why the transaction was created.
- No source document exists to backup the transaction.
- The detail information for the costs in the general ledger and the workfile is inconsistent.

If you enter an ad hoc transaction and then process the related source transaction through the normal accounting and billing cycles, the system creates a duplicate transaction in the workfile. To prevent this, you must manually change the eligibility code for the duplicate workfile transaction to nonbillable and remove it from the workfile.

CAUTION: If you enter an ad hoc transaction and then process the related source transaction through the normal accounting and billing cycles, the system creates a duplicate transaction in the workfile. To prevent this, you must manually change the eligibility code for the duplicate workfile transaction to nonbillable and remove it from the workfile.

If you do not remove the duplicate workfile transaction from the workfile, the system continues to display the transaction on the Revisions form. You might bill for the transaction in error if the eligibility code for the transaction is changed.

▶ To enter ad hoc transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Complete the following fields on a blank detail line:
   - G/L Date
   - Business Unit
   - Object
   - Subsidiary

   For ad hoc transactions, you use an account that you have included in the cross-references for T&M. If you do not use an account that is cross-referenced, the system does not update the ad hoc transaction with the contract information.

   See *Defining Cross-References for T&M*

3. Complete the following optional fields for the new transaction:
   - Employee/Supplier
   - Amount
   - Eligibility Code
4. Choose More Details.
5. Complete the following optional fields:
   - Subledger
   - Subledger Type
6. Use the Add action.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
8. Choose Process.

See Also

- *Moving a Transaction to History for Billing* for more information about changing the status of a transaction to nonbillable.

Assigning a Hold Status for Billing

Assigning a Hold Status for Contract Billing

You can put a workfile transaction on hold so the system can process it at a later date. You can hold a transaction indefinitely, or you can specify a release date. When you put a workfile transaction on hold, the transaction remains in the Service Billing Workfile, but the system does not process it until the release date. The system stores the release date as part of the audit trail for the transaction.

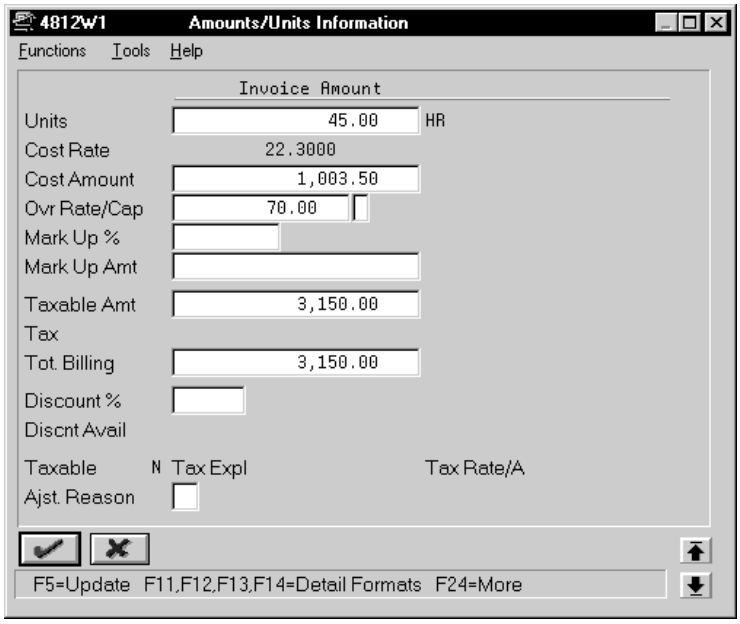
▶ To assign a hold status

On Revisions

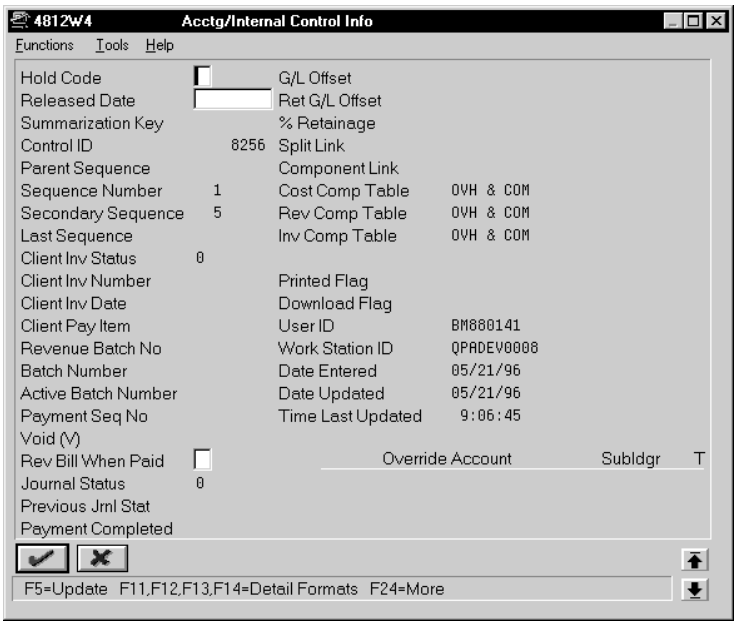
1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Detailed Transaction for a specific transaction.



3. On Amounts/Units Information, choose Accounting/Internal Control Information.



4. On Accounting/Internal Control Information, complete the following fields:

   - Hold Code
   - Released Date (optional)

   Revenue Hold does not apply. If you choose R or 4 for the Hold Code, the system does not hold the workfile transaction. If you leave the Released Date field blank, the system holds the transaction indefinitely.

5. Choose Update.
6. Choose Exit Program.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:

   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

8. Choose Process.

Field	Explanation
Hold Code – Service Billing Transaction	This code identifies the type of 'HOLD' status applied to a billing detail transaction. Valid values are: blank Not on hold. A On hold for invoicing, revenue recognition, and cost transfers. B On hold for invoicing and revenue recognition. Cost transfers are allowed. I On hold for invoicing only. Revenue Recognition and cost transfers are allowed. R On hold for revenue recognition. This value applies only when the Journal Generation Control flag in the constants is set to process revenue only. Note: You can use 1 for A, 2 for B, 3 for I, and 4 for R.
Date — Released (Julian)	The release date. This billing detail transaction will not be eligible for processing until this date is greater than or equal to the "billed-through" date specified in Service Billing or the "cut-off" date specified in Contract Billing.

What You Should Know About

Holding workfile transactions with related transactions

If you assign a hold status to a workfile transaction with associated burden transactions, component transactions, or both, the system automatically assigns the hold to all the related transactions.

Exercises

See the exercises for this chapter.

Overriding a Bill-When-Paid Requirement for Billing

Overriding a Bill-When-Paid Requirement for Contract Billing

In a contract, your company might have agreed to not bill the owner for costs related to T&M until the supplier has first been paid. You can define this requirement as bill-when-paid for either the entire contract or a specific owner pay item within the contract.

With bill-when-paid, the related workfile transactions are not available for billing until your company has paid the supplier's voucher. However, you can override a bill-when-paid requirement for a specific workfile transaction so it is available for billing before the supplier is paid. In this case, the system includes the transaction the next time you create invoices automatically or manually.

▶ To override a bill-when-paid requirement

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Detailed Transaction for a specific transaction.
3. On Amounts/Units Information, choose Accounting/Internal Control Information.
4. On Accounting/Internal Control Information, complete the following field:

   - Reverse Bill When Paid

   You specify N (No) in the field to override a bill-when-paid requirement.

5. Choose Update.
6. Choose Exit Program.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:

   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

8. Choose Process.

Field	Explanation
Reverse Bill When Paid	A code that lets you override the bill-when-paid rule for the billing detail transaction. You specify the bill-when-paid rule for a contract or an owner pay item in a contract.

See Also

- *Creating the Master Record for a Contract*

Splitting a Workfile Transaction for Billing

Splitting a Transaction for Billing in Contract Billing

After you accumulate costs, you can split a workfile transaction into two new transactions. You can split a transaction by a specific currency amount, unit amount, or a percent.

You might want to split a transaction so that you can process one of the new transactions for billing, but not the other. For example, an employee works overtime and is paid at twice the regular hourly rate. If you need to bill the employee's time at the regular rate, you can split the workfile transaction into two equal portions. One portion can be billable and the other ineligible for processing.

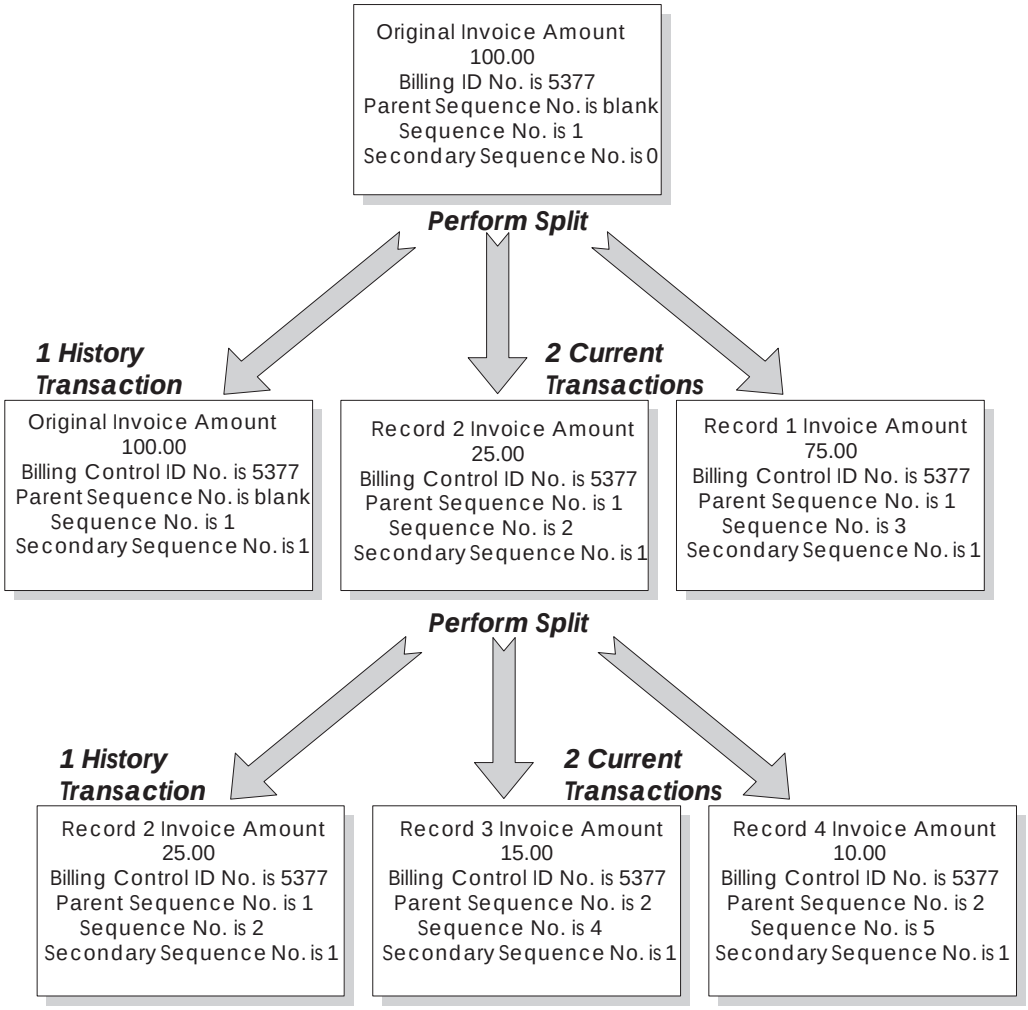
You cannot split payroll transactions with burden. You cannot split a burden transaction.

When you split a workfile transaction, the system:

- Displays two new transactions. The amounts and units for the new transactions equal that of the transaction prior to the modification.
- Moves a copy of the workfile transaction prior to the modification to the Service Billing Workfile – History.
- Assigns sequence numbers to all the related transactions. The control ID remains the same for the workfile transactions. You can review the sequence numbers and control ID in the accounting and internal control information.
- Splits associated component transactions.

The following graphic illustrates how the Contract Billing system processes and assigns sequence numbers to transactions when you split a workfile transaction.

NOTE: You cannot split payroll transactions with burden. You cannot split a burden transaction.



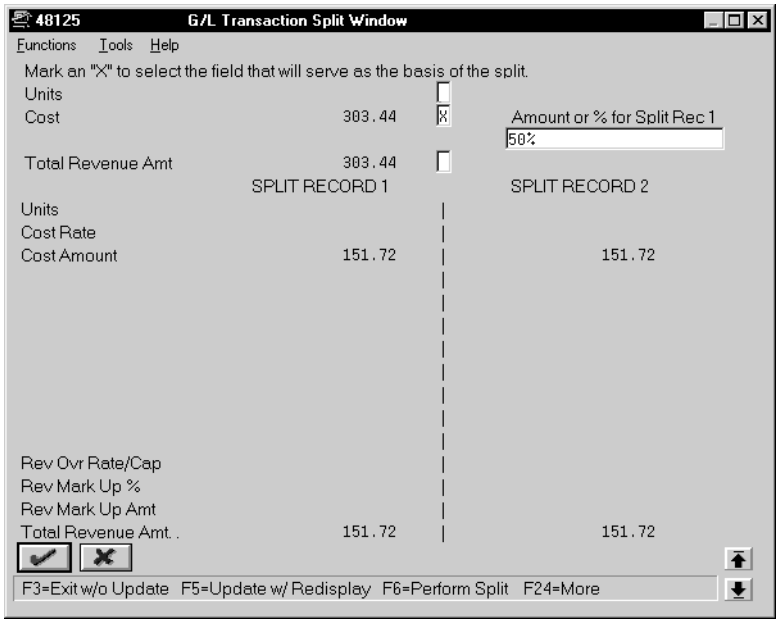
▶ To split a workfile transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose Split for a specific transaction.



3. On G/L Transaction Split Window, complete one of the following fields:
   - Units
   - Cost
   - Invoice Amount
4. Complete the following field:
   - Amount or % for Split Record 1
5. Choose Update with Redisplay to update the displayed information.
6. Verify that the information is correct.
7. Choose Perform Split to update the workfile transactions.

Field	Explanation
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the units of the billing detail transaction.
Cost	The cost (source) amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the cost (source) amount of the billing detail transaction.

Field	Explanation
Amount – Invoice taxable	The portion of the invoice amount that is subject to tax. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the taxable portion of the invoice amount of the billing detail transaction.
Split Amount/Percent	The split amount or percent. You can split the taxable amount, the revenue total, the cost, or the units. If you enter an amount, it must be less than the amount of the field you are using as the basis of the split. If you enter a percentage (for example, 25% or %25,), the percentage must be less than 100%. The system automatically calculates the amount or percentage for the second split record.

What You Should Know About

Splitting a transaction with a markup amount

When you split a transaction with a markup amount based on cost, the system allocates the entire markup amount to Split Record 1. If you split a transaction with a markup amount based on the invoice amount, the system allocates the markup amount to both split records.

Splitting a transaction with a hold code

When you split a transaction with a hold code, the system assigns the hold code and released date information to the resulting new transactions.

See *Assigning a Hold Status for Billing* for more information about hold codes.

Exercises

See the exercises for this chapter.

Moving a Transaction to History for Billing

Moving a Transaction to History for Billing in Contract Billing

You can move a transaction out of the active Service Billing Workfile if the transaction does not belong in the workfile. Before you can move a transaction out of the workfile, the status for the transaction must be nonbillable. For example, if you do not want to bill for a portion of a split transaction, you would move the nonbillable portion to history.

If burden is associated with the transaction, you first change the eligibility code for the burden to nonbillable. Then, change the eligibility code for the workfile transaction to nonbillable.

When you move a transaction to history, the system:

- Copies the transaction to the Service Billing Workfile – History (F4812H) for audit purposes
- Removes the transaction from the active Service Billing Workfile (F4812)

Transactions that you move to history do *not* appear on the Revisions form.

The system does not remove the original transaction from the Account Ledger table.

NOTE: The system does not remove the original transaction from the Account Ledger.

Moving a transaction to history consists of the following:

- Moving a transaction without burden to history
- Moving a transaction with burden to history

▶ To move a transaction without burden to history

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Complete the following field for a specific transaction to make it nonbillable:

- Eligibility Code

3. Use the Change action.

   The system displays Transaction Re-Extension.

4. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
5. Choose Process.

   The system displays Revisions.

6. On Revisions, choose Delete for the workfile transaction.
7. Use the Change action.

▶ To move a transaction with burden to history

On Revisions

1. Complete the steps for reviewing burden transactions for a specific workfile transaction.

   See *Reviewing Workfile Transactions for Billing*.

2. On Burden Information, complete the following field for all burden transactions to make them nonbillable:
   - Eligibility Code

   You must make all the burden transactions related to the workfile transaction nonbillable. If you do not, the system prevents you from moving the workfile transaction to history.

3. Use the Change action.
4. Choose Exit Program.
5. On Revisions, complete the following field for the workfile transaction to make it nonbillable:
   - Eligibility Code
6. Use the Change action.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:

- Contract Re-Extension
- Amount Re-Extension
- Adjustment Reason Code

8. Choose Process.

   The system displays Revisions.

9. On Revisions, choose Delete for the workfile transaction.
10. Use the Change action.

What You Should Know About

Changing the billing status of burden transactions

You can make burden transactions nonbillable without moving the related workfile transaction to history. You can do this if you need to change the billing status of a burden transaction without changing the billing status of the related workfile transaction.

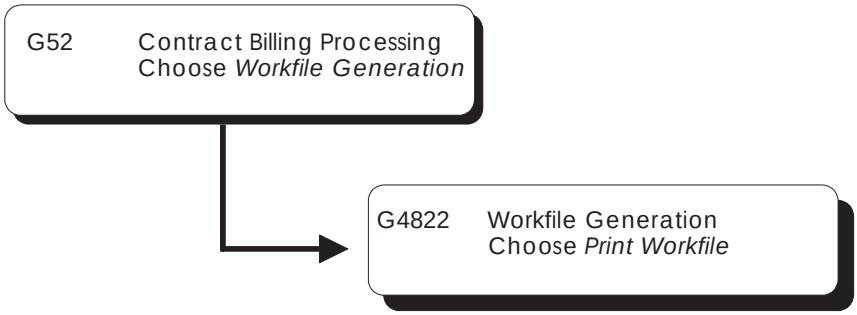
For example, you might want to do this if an account in the chart of accounts has been incorrectly designated as billable. You can change the resulting burden transactions for that account to nonbillable without changing the billing status of the workfile transaction.

Exercises

See the exercises for this chapter.

Printing Workfile Transactions for Billing

Printing Workfile Transactions for Contract Billing



You can review workfile transactions online. You can also generate a report that prints a list of selected transactions. You might want to use this report for a number of reasons, including:

- As an exception report, for example, to print all of the transactions that are on hold
- As a comparison with the detail in the general ledger

To compare the workfile transactions to the detail in the general ledger, you can review the general ledger online using Account Ledger Inquiry, or you can print the G/L by Object Account report.

If you find a discrepancy, you should make the necessary revisions before you continue with the billing process.

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Service Billing Workfile Listing

48405 J.D. Edwards & Company Page No. . . 2
Service Billing Workfile Listing Date - . . . 5/20/96

G/L Date	Cost	Units	Rate	Billed Amount	Account Number	Sub-ledger	S T	Contract	Job Type	Job Step	PDBA Code	Employee /Supplr	Equipment	Journal Batch	Invoice Batch	Invoice	Pay Itm	Pay Pha
06/30/98	27.54			27.54	5002			5002										
					Explanation Other Reimbursables			W/O Class		J. Class	REG	Equip Class		Home B.U.			PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link													
06/05/98	1,003.50	45.00	22.3000	3,150.00	5002.1341.02210			5002 64		JR	1	7568	00001361					
					Explanation McGrew, Nancy			W/O Class		J. Class	REG	Equip Class		Home B.U.			DENVER PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,482										
06/05/98	1,260.00	45.00	28.0000	5,400.00	5002.1341.02210			5002 64		SR	1	7566	00001361					
					Explanation Meikle, Chris			W/O Class		J. Class	REG	Equip Class		Home B.U.			DENVER PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,485										
06/05/98	1,170.00	45.00	26.0000	2,925.00	5002.1341.02210			5002 64-1			1	7570	00001361					
					Explanation Manderfield, Jake			W/O Class		J. Class	REG	Equip Class		Home B.U.			NEWYORK PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,488										
06/05/98	1,062.00	45.00	23.6000	1,168.20	5002.1341.02210			5002 65			1	7572	00001370					
					Explanation Miller, Michael			W/O Class		J. Class	REG	Equip Class		Home B.U.			NEWYORK PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,491										
07/04/98	750.00	15.00	50.0000	2,250.00	5002.1341.02210			5002 64		PR	1	7565						
					Explanation Marshall, Lynn V.			W/O Class		J. Class	REG	Equip Class		Home B.U.			50 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,494										
06/06/98	1,000.00				5002.1341.02210			5002										
					Explanation misc. cost			W/O Class		J. Class	REG	Equip Class		Home B.U.			5000 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,707										
06/30/98	1,000.00				5002.1341.02210			5002										
					Explanation misc. cost			W/O Class		J. Class	REG	Equip Class		Home B.U.			5000 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code Component Link			1,928										
07/04/98	15.00		50.0000	45.00	5002.1341.02210			5002 64		PR	1	7565						012
					Explanation Overhead and Cost of Money			W/O Class		J. Class	REG	Equip Class		Home B.U.			50 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt			Sequence Number	1
					Component Code COM Component Link													

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Service Billing Workfile Listing

```
PRINT OPTION:
1. Choose one of the following to print:                    _____________
   '0' = All detail (default).
   '1' = Only one line of detail.
```

Work with the Workfile History for Billing

Working with the Workfile History for Billing

For every revision of a transaction that you create as you process workfile transactions, the system stores a copy of the previous transaction. You can review this audit trail to see all the changes you have made to a transaction. For example, if you change a markup and include a reason for the change, you can access the workfile history to review the markup change reason.

As you review the workfile history, you can reactivate eligible transactions. When you reactive a transaction, you move it from history back to the active workfile. For example, if you move a transaction to history in error, the transaction is eligible to be moved back to the workfile. After you move the transaction back to the workfile, you can include the transaction on an invoice.

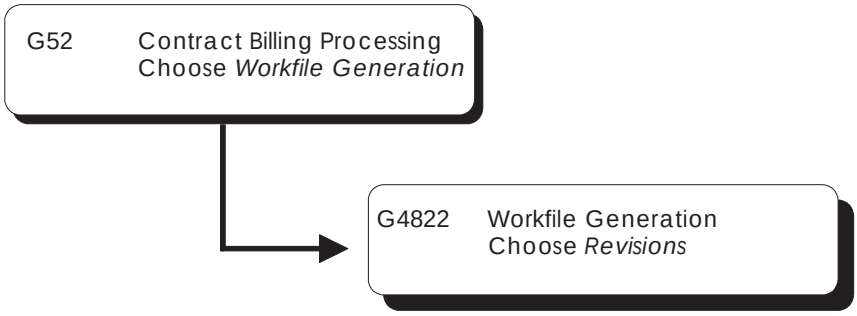
To maintain the integrity of the workfile, the system determines whether a transaction is eligible for reactivation based on the Billing Control ID Number and a combination of other factors. The following transactions are not eligible for reactivation:

- Invoiced transactions
- Voided transactions
- Transactions copied to history during the split process
- Transactions copied to history during the modification process

Working with the workfile history includes the following tasks:

- ❑ Reviewing transaction revisions
- ❑ Moving a transaction out of history

Reviewing Transaction Revisions for Billing



For every revision of a transaction you create as you process workfile transactions, the system stores a copy of the previous transaction. You can review this audit trail to see all the changes you have made to a transaction. The system displays the revision history of a transaction starting with the most recent revision to the original transaction.

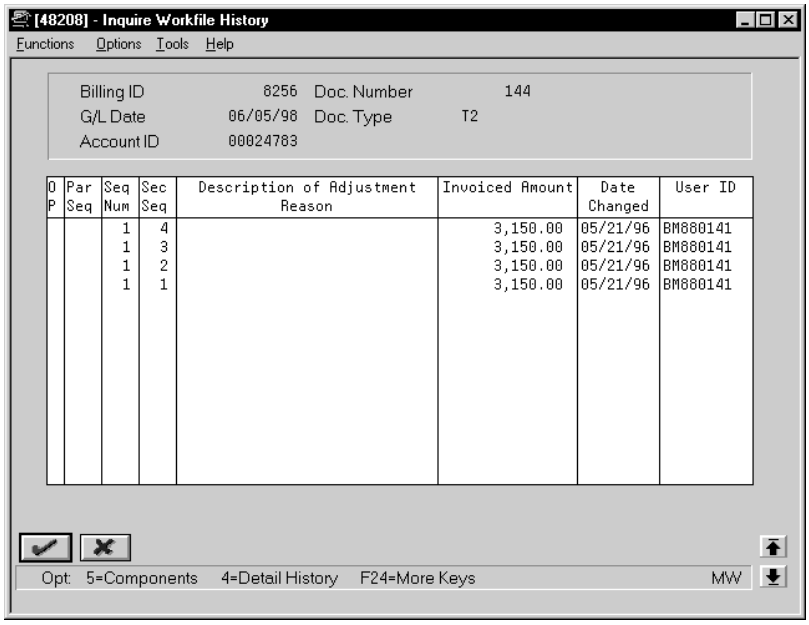
▶ To review transaction revisions

On Revisions

1. Complete the steps for locating the workfile transactions.

   See *Locating Transactions in the Workfile for Billing*.

2. Choose Transaction History Inquiry for a specific transaction.



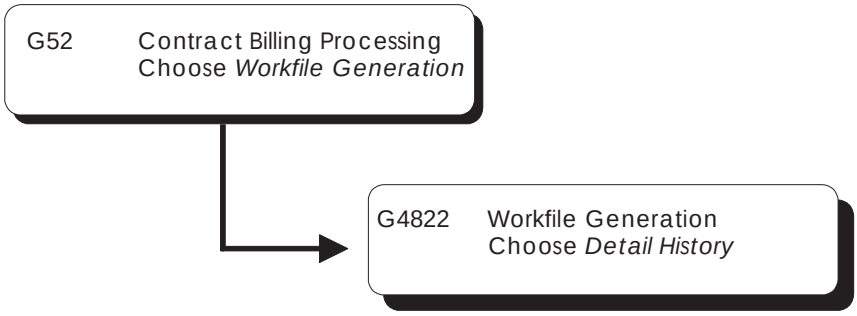
3. On Inquire Workfile History, review the revision history for the transaction.

   If text, components, or burden are associated with the transaction, the Option field for the transaction is highlighted on the form.

Exercises

See the exercises for this chapter.

Moving a Transaction Out of History for Billing

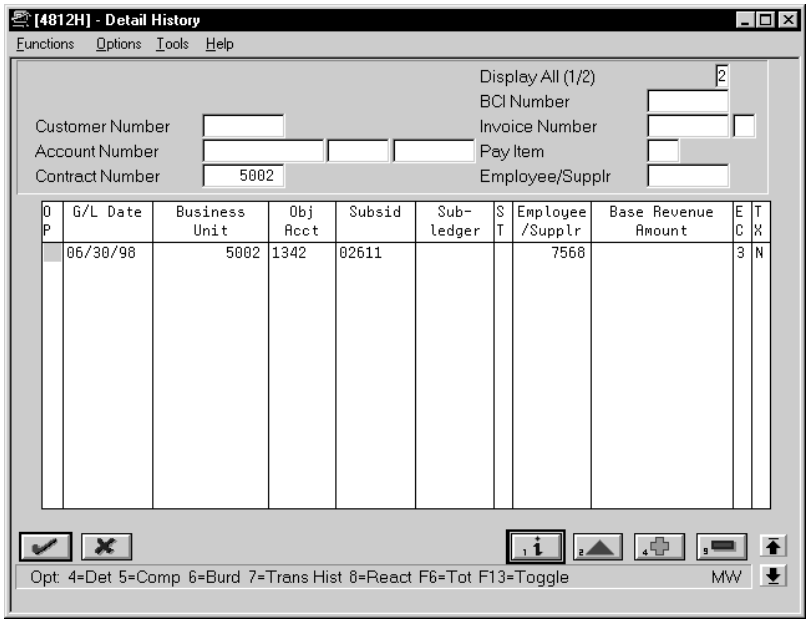


As you review the workfile history, you can move transactions that you previously assigned as nonbillable out of history. When you move a transaction out of history, you reactivate the transaction. When you reactivate a transaction, the system:

- Makes the transaction and all its associated components, burden, tax, and text eligible for processing
- Marks the historical transaction as reactivated
- Moves a copy of the historical transaction from the Service Billing Workfile – History table (F4812H) to the Service Billing Workfile table

To move a transaction out of history

On Detail History



1. To locate a transaction, complete any of the following fields and press Enter:
   - Customer Number
   - Account Number
   - BCI Number
   - Contract Number
   - Employee/Supplier
2. Choose Reactivate for the transaction.

   After you reactivate a transaction, the system continues to display the transaction on Detail History until you reinquire on the form.

What You Should Know About

Limiting the records that display	You can use the Display All field to display all the transactions in the Service Billing Workfile – History. If you use this field, the number of records to display often exceeds the maximum number allowed. J.D. Edwards recommends that you enter additional criteria to narrow your search when you review the history for workfile transactions.
Displaying eligible transactions	You can use a processing option to control whether the system initially displays all transactions or only those eligible for reactivation.
Billing status for reactivated transactions	Reactivated transactions are nonbillable when they return to the active workfile. You must manually update the billing status before you can complete the billing process for the transaction.

See Also

- *Moving a Transaction to History for Billing*

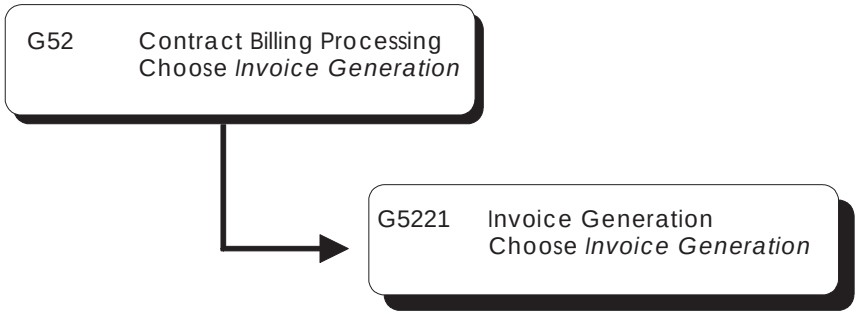
Processing Options for Detail History

```
DISPLAY OPTIONS:
1. Enter a '1' to display all history                    _____________
   records (default).  Enter a '2' to
   display only the records that are
   eligible for re-activation.

2. Enter a '1' to load all records that                  _____________
   meet the search criteria.  Leave
   blank (default) to load two pages at
   a time (this improves performance).

3. Enter the amount to initially display                 _____________
   on the screen.  All amounts can be
   accessed using the toggle function.
   '1' = Base Revenue (default)
   '2' = Base Invoice
   '3' = Total Revenue
   '4' = Total Invoice
   '5' = Base Cost
   '6' = Total Cost
```

Exercises

See the exercises for this chapter.

Create Invoices Automatically for Billing



Creating Invoices Automatically for Billing

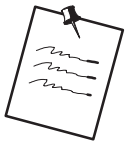
Creating Invoices Automatically for Contract Billing

When you accumulate costs, the system creates the workfile transactions for T&M and components that contain the information for creating invoices. The next step is to generate invoices.

The term *invoice* has two meanings in the Contract Billing system:

- Invoice information that the system generates from the workfile transactions in the Service Billing Workfile (F4812). The system stores the summarized invoice information in the Invoice Summary Workfile (F4822).
- A copy of the invoice that you print for owners. The system prints invoices based on the invoice layouts that you define using Invoice Formatting.

When you generate invoices, the system assigns invoice numbers and summarizes active workfile transactions to create pay items. Pay items represent the individual owner pay items for a contract. Pay items contain either a summary of one or more workfile transactions related to T&M or the amount of a billing for costs related to non-T&M. The pay items for a specific invoice make up the total amount of the invoice for a contract. The system stores pay item information in the Invoice Summary Workfile (F4822).



The Contract Billing system stores the current invoice information in the active transaction to prevent workfile transactions from being assigned to more than one invoice at a time.

NOTE: The Contract Billing system stores the current invoice information in the active transaction to prevent workfile transactions from being assigned to more than one invoice at a time.

You can run the Invoice Generation program to generate invoices automatically, or you can create invoices manually. When you run the Invoice Generation program to create invoices automatically, the system:

- Creates a batch of invoices
- Assigns contract and invoice numbers to individual invoices
- Summarizes workfile transactions for T&M, including components, to create the pay items for invoices
- Calculates billing amounts for owner pay items related to non-T&M
- Calculates applicable fees and retainage amounts
- Prints the Contract Billing Invoice Generation report

What You Should Know About

Creating preliminary invoices

If you set the system constants to renumber invoices, the system assigns preliminary numbers to the invoices during invoice generation. When you create the G/L and A/R entries for the final invoices, the system reassigns the numbers and document type.

See *Setting Up System Constants for Contract Billing*.

Calculating invoice amounts for non-T&M

When you create invoices automatically, the system processes workfile transactions related to T&M, including components. At this time, the system can also calculate the invoice, fee, and retainage amounts for owner pay items related to non-T&M, such as lump sum or unit price, if you have defined cross-references for the respective owner pay items.

See *Defining Cross-References for Lump Sum* and *Defining a Cross-Reference for Unit Price*

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must manually revise the pay item amount for both the fee line and retainage.

See *Calculating Fee Lines Manually for a Contract* and *Calculating Retainage Manually for a Contract*.

Recurring invoices

You can define recurring invoices for an owner pay item for lump sum. When you generate invoice amounts, the system calculates the recurring amount if:

- You have specified from one to five recurring codes in the processing options.
- You have not initialized the invoice amount to zero.

See *Defining Recurring Amounts*.

Limits on invoice amounts

As limits to invoice amounts, you can define the following amounts:

- Minimum amount at the level of a contract
- Maximum amounts at the levels of a contract, change order, and owner pay item

If the current invoice amount for a contract is less than the minimum amount, the system does not create an invoice for the contract.

If the invoice amount for a contract, change order, or owner pay item exceeds the respective maximum amount, the system warns you by:

- Displaying O in the Limit Exceeded field on Invoice Entry Review for the contract
- Displaying O in the Limit Exceeded field on Pay Item Billing Inquiry for the owner pay items
- Listing the contract, change order, and owner pay item numbers on the invoice generation exception report

The system does not prevent you from creating the invoices and billing transactions.

See *Creating the Master Record for a Contract* for more information about guaranteed amounts.

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version
- *Creating Invoices Manually for Contract Billing*
- *Calculating Fee Lines Manually for a Contract* for information about calculating fee amounts for lump sum and unit price

Contract Billing Invoice Generation

52800 J.D. Edwards & Company Page No. . . 1
Contract Billing Invoice Generation Date – . . . 5/21/96

Batch Number . . 06067548 S U P P L I E R

Number	Description	Document	Ty	Inv. Num	Inv Date	Due Date	Invoice Amount	Open Amount	Contract	Ty	Chg	Pay Item	Current Earned	Not To Exceed	Message
4431	Dynamic Works I	8319	PV	2392	06/22/98	07/22/98	1,359.27	1,359.27	5002	R2	000	006			Bill When Paid (Voucher Open)
4431	Dynamic Works I	8323	PV	5932–A	06/30/98	07/30/98	1,850.00	1,850.00	5002	R2	000	006			Bill When Paid (Voucher Open)
4431	Dynamic Works I	8319	PV	2392	06/22/98	07/22/98	1,359.27	1,359.27	5002	R2	000	006			Bill When Paid (Voucher Open)

What You Should Know About

Creating preliminary invoices

If you set the system constants to renumber invoices, the system assigns preliminary numbers to the invoices during invoice generation. When you create the G/L and A/R entries for the final invoices, the system reassigns the numbers and document type.

See *Setting Up System Constants for Contract Billing.*

Calculating invoice amounts for non-T&M

When you create invoices automatically, the system processes workfile transactions related to T&M, including components. At this time, the system can also calculate the invoice, fee, and retainage amounts for owner pay items related to non-T&M, such as lump sum or unit price, if you have defined cross-references for the respective owner pay items.

See *Defining Cross-References for Lump Sum* and *Defining a Cross-Reference for Unit Price*

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must manually revise the pay item amount for both the fee line and retainage.

See *Calculating Fee Lines Manually for a Contract* and *Calculating Retainage Manually for a Contract*.

Recurring invoices

You can define recurring invoices for an owner pay item for lump sum. When you generate invoice amounts, the system calculates the recurring amount if:

- You have specified from one to five recurring codes in the processing options.
- You have not initialized the invoice amount to zero.

See *Defining Recurring Amounts*.

Limits on invoice amounts

As limits to invoice amounts, you can define the following amounts:

- Minimum amount at the level of a contract
- Maximum amounts at the levels of a contract, change order, and owner pay item

If the current invoice amount for a contract is less than the minimum amount, the system does not create an invoice for the contract.

If the invoice amount for a contract, change order, or owner pay item exceeds the respective maximum amount, the system warns you by:

- Displaying O in the Limit Exceeded field on Invoice Entry Review for the contract
- Displaying O in the Limit Exceeded field on Pay Item Billing Inquiry for the owner pay items
- Listing the contract, change order, and owner pay item numbers on the invoice generation exception report

The system does not prevent you from creating the invoices and billing transactions.

See *Creating the Master Record for a Contract* for more information about guaranteed amounts.

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version
- *Creating Invoices Manually for Billing*
- *Calculating Fee Lines Manually for a Contract* for information about calculating fee amounts for lump sum and unit price

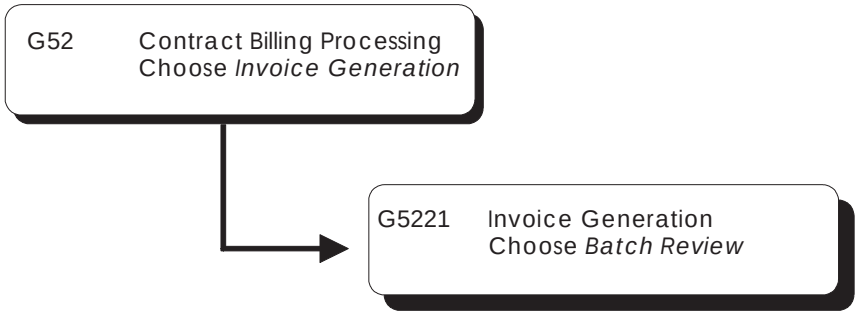
Processing Options for Contract Billing Invoice Generation

```
DATE SELECTIONS:
1. Enter the cut-off date for selecting                    _____________
   the work file records for invoicing.
   Leave blank (default) to use the
   system date.

2. Enter the G/L date to assign to the                     _____________
   summary billing work file records.
   Leave blank (default) to use the
   system date.

3. Enter the Application date to assign                    _____________
   to the summary billing work file
   records.  Leave blank (default) to
   use the system date.

RECURRING BILLING FREQUENCY:
4. Enter up to five recurring          >                   _____________
   billing frequency codes for         >                   _____________
   lump sum pay item lines.            >                   _____________
                                       >                   _____________
                                       >                   _____________

ZERO INVOICE SUPPRESSION:
5. Enter a '1' to suppress the creation                    _____________
   of invoices with zero billing
   amounts.

FIXED PRICE CALCULATION METHOD:
6. Select the method for calculating                       _____________
   lumpsum billing amounts:
   '1'   = Percent Complete method.
   '2'   = Markup Percent of Cost
           method.
   blank = Use the greater of the two
           methods (default).

INVOICE OVERRIDE OPTIONS:
7. Enter the Invoice Document Type.                        _____________
   Leave blank (default) to use the
   Invoice Document Type specified
   in the Service Billing Constants.

INVOICE OVERRIDE OPTIONS (Cont'd):
8. Enter values in the following to
   override the Contract/Pay Item
   defaults:
   a. Tax Rate/Area                                        _____________
   b. Tax Explanation Code                                 _____________
   c. Payment Terms Code                                   _____________

   NOTE:  If any of the above are
   invalid or left blank, the values
   will default from the Contract Master
   or the Contract Pay Item.
```

Exercises

See the exercises for this chapter.

Work with Invoices for Billing



Working with Invoices for Billing

When you run the Invoice Generation program, the system:

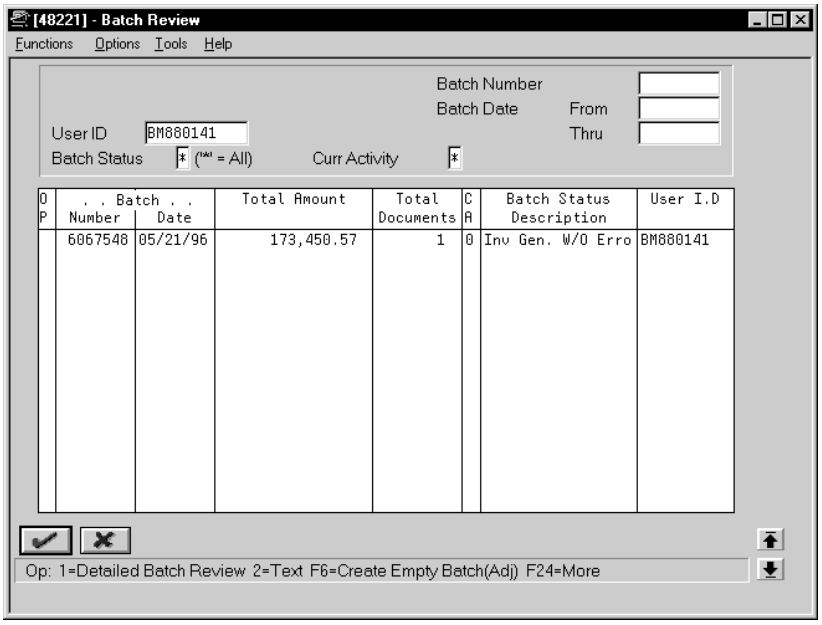
- Creates a batch of invoices
- Assigns contract and invoice numbers to individual invoices
- Summarizes workfile transactions for T&M, including components, to create the pay items for invoices
- Calculates billing amounts for owner pay items related to non-T&M
- Calculates applicable fees and retainage amounts
- Stores the information in the Invoice Summary Workfile (F4812)

To prepare the batch for further processing, you can use the batch review process to:

- Review and revise the invoice transactions
- Calculate retainage amounts manually
- Release retainage
- Calculate fee lines manually

Working with invoices consists of the following tasks:

- ❑ Reviewing invoices
- ❑ Decreasing invoice amounts
- ❑ Calculating retainage manually for a contract
- ❑ Calculating fee lines manually for a contract



See Also

- *Adding T &M Transactions to an Invoice for Billing* to increase the amount on an invoice

Reviewing Invoices for Billing

Reviewing Invoices for Contract Billing

When you generate invoices, the system creates a batch of invoice transactions. It also updates the workfile transaction with the following information:

- Invoice number
- Invoice date
- Pay item number

- Batch number
- Journal status

To verify the invoice information, you can review it at the following levels:

- Batch header information, including the batch status description and current activity
- Invoices for contracts in a selected batch
- Pay items for selected contracts
- Individual workfile transactions for selected pay items related to T&M, including components
- Billing information for selected owner pay items in a contract

As you review the different levels of an invoice, you can revise specific information. For example, you can decrease an invoice amount or add transactions to an invoice.

▶ To review invoices

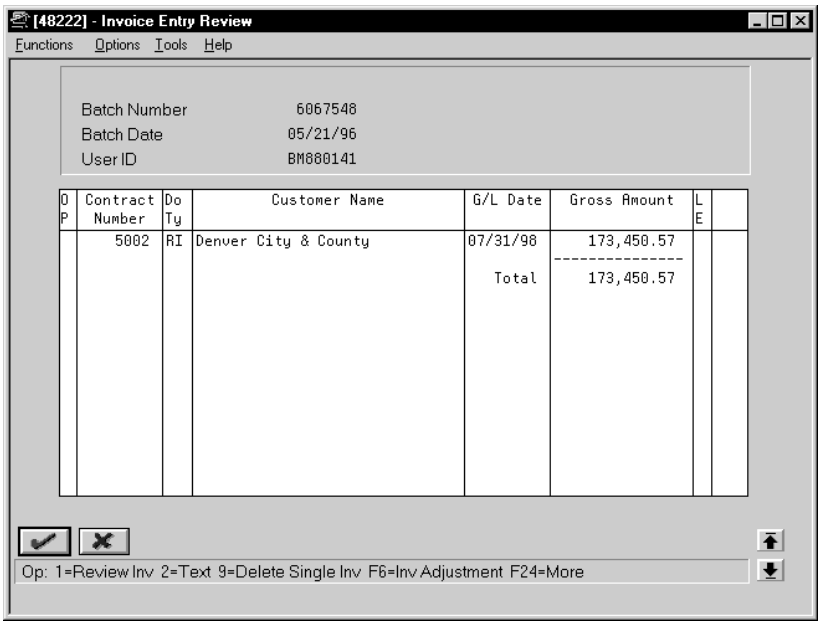
On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

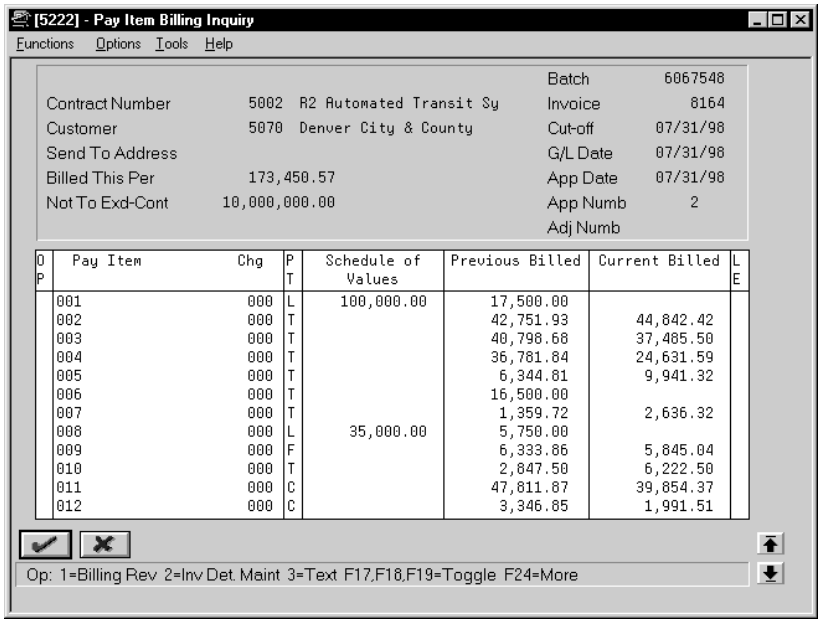
   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Review the following fields for a batch:
   - Batch Number
   - Current Activity
   - Batch Status Description

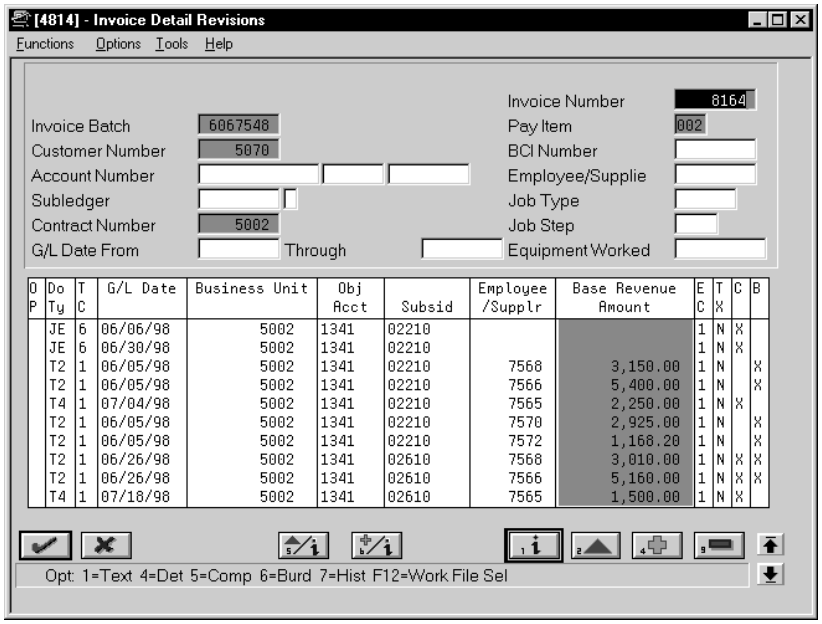
4. Choose Detailed Batch Review to review the invoice information for a specific batch.



5. On Invoice Entry Review, review the following fields:
   - Contract Number
   - Customer Name
   - G/L Date
   - LE
6. Choose Review Invoice to review the details for a contract.

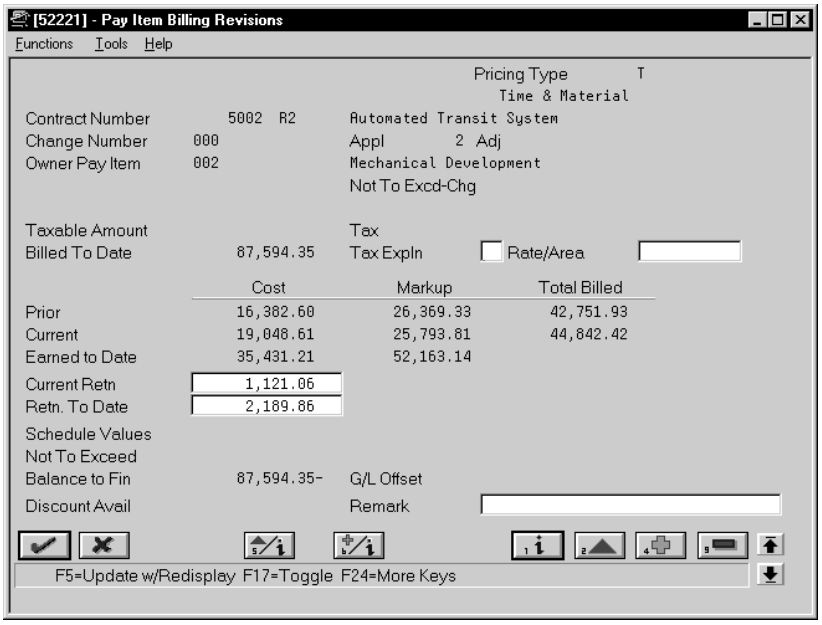


7. On Pay Item Billing Inquiry, review the following fields:
   - Pay Item
   - Current Billed
   - Limit Exceeded (LE)
8. Choose Invoice Detail Maintenance for a pay item with a pricing type of T&M, including Component, to review the related transactions.



9. On Invoice Detail Revisions, review the workfile transactions that make up the pay item.

10. Choose Exit Program to return to Pay Item Billing Inquiry.
11. Choose Billing Revisions for a specific pay item to review the billing information for the owner pay item.



12. Change the columns on the form by choosing the respective function:
    - Pay Item/Description Toggle
    - Previous Billed/Balance To Finish
    - Current Billed/Billed To Date
13. Choose Exit Program to return to Pay Item Billing Inquiry.

Field	Explanation
Batch Number	A number that associates a group of transactions with an invoice batch. . . . . . *Form-specific information* . . . . . . The header field identifies the number of a particular batch that you want to display. The detail field indicates the numbers of the individual batches that display. NOTE: If the OP (Option) field to the left of a batch number is highlighted, has extended text attached to it.

Field	Explanation
Date – Batch (Julian)	The date of the batch. If you leave this field blank, the system date is used. . . . . . *Form-specific information* . . . . . . The Batch Date From/Thru fields let you select batches that were created within a specified date range. The Batch Date field indicates the date that the individual batches were created.
Date Through	The ending date of the range for the batches you want to display. If you specify a From date and leave the Thru date blank, the system displays all batches with that batch date and future batch dates.
Batch Status Description	A control function in the Service Billing and Contract Billing systems. The system verifies the following values prior to executing various jobs to ensure the functions are performed in the proper sequence. Valid codes are: blank Invoices have not been created 0 Manual adjustment in Contract Billing 1 Invoices generated without errors 2 Invoices generated with errors 3 Revenue journals created without errors 4 Revenue journals created with errors 5 Invoice journals created without errors 6 Invoice journals created with errors 7 Batch changed – rerun journals 8 Active revenue batch found The batch status description is a user defined code (48/BS).

Field	Explanation
Current Activity	Identifies the processing cycle step that is currently active. This field maintains the integrity of the batch member throughout the Service Billing and Contract Billing systems. The Batch Validation form uses this field to ensure that the Batch Number selected is qualified for a particular function. Valid values are: 0 Available 1 Generation in process 2 Maintenance in process 3 Journal generation in process 4 Batch delete in process 5 Invoice printing in process 6 Batch posting 7 Selection in progress * Display all batches . . . . . *Form-specific information* . . . . . . There are two Current Activity fields on this form. • Header Field – lets you display batches that are in a particular step of the invoice cycle. • Detail Field (CA) – indicates the current step of the invoice cycle for the individual batches that display.
Status Description	A brief description of a code or abbreviation. . . . . . *Form-specific information* . . . . . . A description that identifies the status of the batch.
Limit Exceeded Flag	This flag identifies any not-to-exceed (NTE) limit that has been exceeded. The system displays O for overbilled if the limit is exceeded. You can set the NTE amount limitations at the owner pay item level, the change order level, or the contract level.

What You Should Know About

Reviewing the batch number for contracts

When a contract is in an active invoice batch, the system displays the batch number for the invoices on Contract Master Revisions and Owner Pay Item Details.

Deleting a batch

Use Batch Delete to delete any batches with or without invoice information that you do not want. When you delete a batch:

- You can set the processing option to print a report to retain an audit trail of the invoice information you delete.
- The system does not keep an audit trail for the batch number, which comes from the Foundation Environment (system 00).

Revising a batch header

Use Batch Header Revisions to revise the status and current activity of a batch. You might need to do this, for example, if the generation program does not complete normally due to power failure. In this case, the current activity status would prevent you from accessing the batch for further processing.

Decreasing Invoice Amounts for Billing

Decreasing Invoice Amounts for Contract Billing

As you review invoice information in a contract, you might need to decrease the invoice amount. You can do this by decreasing the pay item amount or deleting the invoice.

Decreasing invoice amounts consists of the following:

- Decreasing a pay item amount for T&M
- Decreasing a pay item amount for non-T&M
- Deleting an invoice

See Also

- *Adding T&M Transactions to an Invoice* to increase the amount on an invoice
- *Revising Invoice Amounts for Non-T&M*

▶ To decrease a pay item amount for T&M

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:

- Batch Number
- Batch Date From
- Batch Date Thru
- User ID

If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, choose Remove Transaction From Invoice to delete transactions from pay items.

▶ To decrease a pay item amount for non-T&M

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity

3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Billing Revisions.
6. On Pay Item Billing Revisions, complete one of the following fields:
   - Current
   - Earned to Date
7. Choose the Change action.

What You Should Know About

Working with percentages

You can choose Toggle to review and enter percentages rather than amounts or units. Then, if you know the percentage to bill or to have retained, you can enter the percent, and the system automatically calculates the respective amount for the owner pay item.

Recalculating fee amounts

If you have cross-referenced owner pay items for milestone billing, progress billing, and T&M, including components, to an owner pay item for fees, the system calculates the fee amounts automatically.

The system does not calculate the fee amounts for lump sum and unit price when you manually enter the billing amounts. In this case, you must recalculate the fee lines as a separate task.

See *Calculating Fee Lines Manually for a Contract*.

Calculating draw amounts

If you have cross-referenced owner pay items for direct and rated draws to T&M lump sum or unit price pay items, the system does not automatically calculate the draw amount.

In this case, you must calculate the draw amount manually. To do this, choose Recalculate Fee Amounts during the review process.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items when you run Invoice Generation.

In some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must recalculate both the fee line amount and the retainage on the fee line amount as separate tasks.

See *Entering Retainage Rules for a Contract* and *Calculating Retainage Manually for a Contract*.

Recalculating retainage for a contract

When you change the current billing amount for an owner pay item related to a non-T&M, such as lump sum, the system does not automatically recalculate the retainage amount. To recalculate the retainage, choose Recalculate Retention on Pay Item Billing Inquiry during the review process. You can also change the retainage information on Pay Item Billing Revisions.

▶ To delete an invoice

When you delete an invoice, the system updates the following information:

- Retainage amounts
- Batch header information
- Invoice information in the Invoice Summary Workfile (F4822)
- Invoice information in the Service Billing Workfile (F4812)
- Invoice information in the Contract Summary table (F5280)
- Accounting and internal control information that is related to the invoice, batch, sequences, and so on

If you delete the only remaining invoice in the batch, the system automatically deletes the batch header information without leaving an audit trail for the invoice number that you delete.

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
    - Batch Number

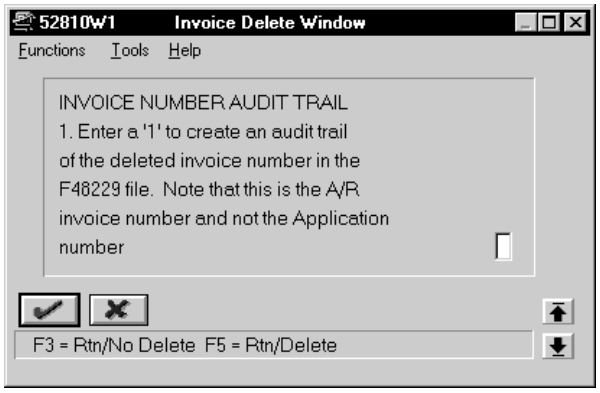
- Batch Date From
- Batch Date Thru
- User ID

If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.

   See *Reviewing Invoices for Contract Billing*.

4. On Invoice Entry Review, choose Delete Single Invoice for the contract.



5. On Invoice Delete Window, complete the one-character field to create an audit trail for the invoice number that you delete.
6. Choose Return and Delete.

Calculating Retainage Manually for a Contract for Billing

Calculating Retainage Manually for Contract Billing

Retainage is the amount of the payment withheld to ensure satisfactory contract performance. For example, there can be a 10 percent retainage on the billings to an owner. If you bill the owner for 100 dollars, the owner withholds 10 dollars and pays you 90 dollars. After your company has completed the work satisfactorily, the owner authorizes the release of the 10 dollars that was retained.

The system automatically calculates the retainage amount for each applicable owner pay item when you run Invoice Generation. You can calculate retainage amounts manually as a separate task if:

- You manually change the billing amount for an owner pay item.
- You manually enter an invoice amount for either lump sum or unit price.

In either case, the system does not automatically recalculate retainage.

▶ To calculate retainage manually for a contract

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.

4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Recalculate Retention.

What You Should Know About

Working with percentages

You can choose Toggle to review and enter percentages rather than amounts or units. Then, if you know the percentage to bill or to have retained, you can enter the percent, and the system automatically calculates the respective amount for the owner pay item.

Revising retainage for a pay item

You can revise the retainage amount for an individual pay item when you review the billing information for an owner pay item. On Pay Item Billing Revisions, change the amount in either the Current Retainage or Retainage To Date field. Depending on the format, you can also change the percentage in those two fields.

CAUTION: After you update the retainage amount for a pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Retention. If you do, the system overrides the retainage amount you entered on Pay Item Billing Revisions.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fees for those two owner pay items if you enter the billing amounts manually.

Therefore, you must manually revise the pay item amount for both the fee line and retainage. See *Calculating Fee Lines Manually for a Contract*.

See Also

- *Entering Retainage Rules for a Contract* for more information about retainage
- *Releasing Retainage*

Calculating Fee Lines Manually for a Contract for Billing

Calculating Fee Lines Manually for Contract Billing

A fee line is an owner pay item that represents an amount you charge the owner in addition to the schedule of values. You can base a fee line on a percent of either the costs incurred or the amounts invoiced for a contract. For example, the schedule of values for labor represents the cost and the fee line represents the profit or margin.

For fee lines related to owner pay items for milestone billing, progress billing, and T&M, including components, the system calculates the fee amounts automatically when you run Invoice Generation.

You can also calculate fee amounts manually as a separate task if:

- You manually change the billing amount for an owner pay item.
- You manually enter an invoice amount for either lump sum or unit price.

In either case, the system does not automatically recalculate fee amounts.

▶ To calculate fee lines manually for a contract

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.

4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Recalculate Fee Line.

What You Should Know About

Revising a fee line pay item

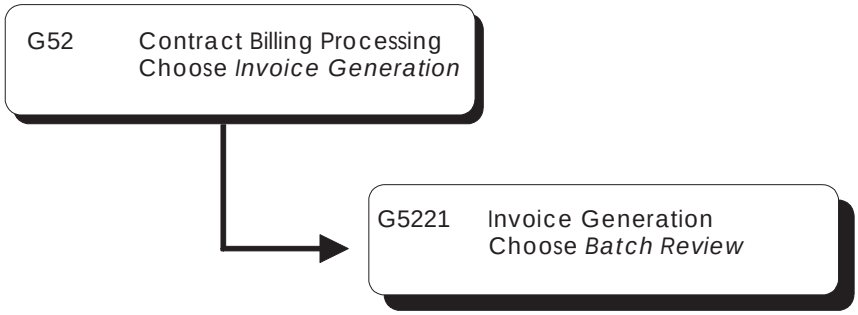
You can revise the amount for a fee line when you review the billing information for the owner pay item. On Pay Item Billing Revisions, change the amount in either the Current field or the Earned To Date field. Depending on the format, you can also change the percentage in those two fields.

CAUTION: After you revise the amount for a fee line pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Fee Line. If you do, the system overrides the amount you entered on Pay Item Billing Revisions.

Exercises

See the exercises for this chapter.

Create Invoices Manually for Billing



Creating Invoices Manually for Billing

About Creating Invoices Manually for Contract Billing

You can manually generate invoices without running the Invoice Generation program. When you generate invoices manually, you can:

- Create a new batch header or add the invoices to an existing batch
- Add invoices to an existing batch
- Add transactions to the invoices

For example, you might have an existing batch which includes invoices that you have already reviewed and revised. You can add another invoice to the batch manually without having to delete and regenerate the entire batch.

Creating manually for billing consists of the following tasks:

- ❑ Creating a batch header manually
- ❑ Creating an invoice manually
- ❑ Adding transactions to an invoice
- ❑ Revising an invoice amount for non-T&M
- ❑ Releasing retainage

See Also

- *Creating Invoices Automatically for Billing*

Creating a Batch Header Manually for Billing

Creating a Batch Header Manually for Contract Billing

You can manually create a new batch header for invoices. When you create a new batch header, you can create a new batch. Creating a new batch is optional because you can add invoices to an existing batch. If you do not want to create a new batch, you do not need to create a batch header.

▶ To create a batch header manually

On Batch Review

1. Complete the following field and press Enter:
   - User ID

   You do not have to specify a user ID. You can also create a batch header with an asterisk (*) in the User ID field. In either case, the system uses only the current user ID for the batch header.

2. Choose Create Empty Batch.

The system displays the new batch on Batch Review. You can then add invoices to the batch on Invoice Entry Review.

Creating an Invoice Manually for Billing

Creating an Invoice Manually for Contract Billing

You can manually create a new invoice. You can add the invoice to an existing batch or to a new batch header. Creating a new invoice is optional. You can also add transactions to an existing invoice.

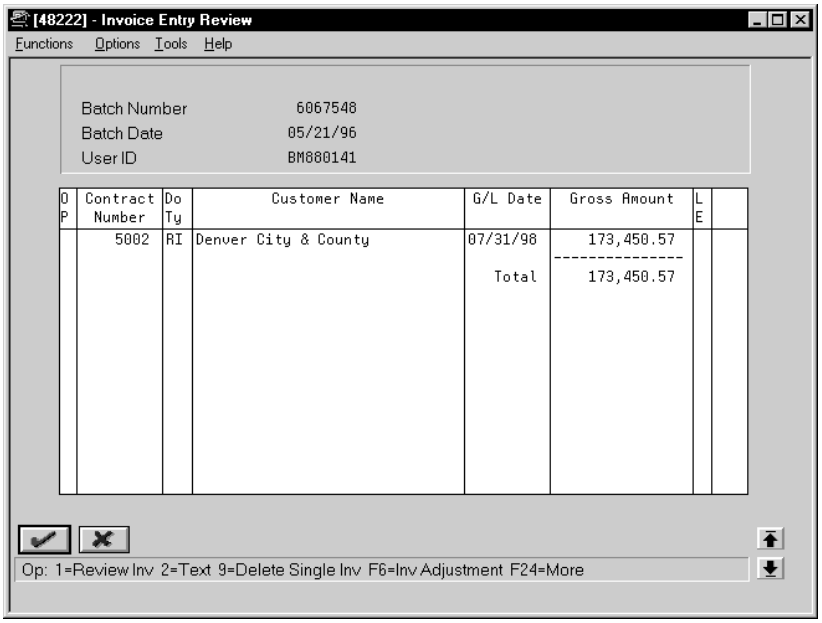
▶ To create an invoice manually

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

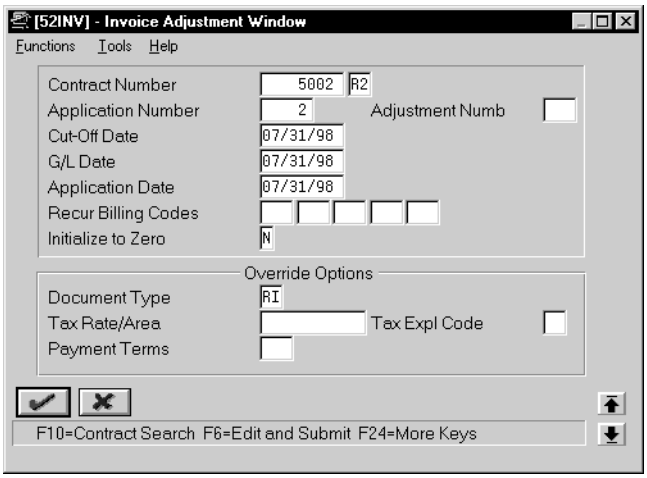
   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.



See *Reviewing Invoices for Contract Billing*.

4. On Invoice Entry Review, choose Invoice Adjustment.



5. On Invoice Adjustment Window, complete the following fields:
   - Contract Number
   - Cut-Off Date
   - G/L Date
   - Application Date

6. Complete the following optional fields:
    - Application Number
    - Adjustment Number
    - Recurring Billing Codes
    - Initialize to Zero
7. Complete the following optional fields to override the information from the system constants and contract master information:
    - Document Type
    - Tax Rate/Area
    - Tax Explanation Code
    - Payment Terms
8. Choose Edit and Submit.

    The system prompts you to verify the submission.

9. Choose Submit Job.

The system displays the new invoice on Invoice Entry Review. You can then:

- Add workfile transactions to the invoice
- Add billing amounts for non-T&M
- Release retainage

Field	Explanation
G/L Date	A date that identifies the financial period to which the transaction is to be posted. The company constants table for general accounting specifies the date range for each financial period. You can have up to 14 periods. Generally, period 14 is for audit adjustments. . . . . . *Form-specific information* . . . . . . The system assigns the G/L date during the invoice generation process. You can override that date, however, when you select an invoice batch for invoice journal generation. You control this override function with the system constants for Service Billing.

Field	Explanation
Date – Invoice	The date of the last or current application. (An application is assigned each time an invoice is issued for the contract.) . . . . . *Form-specific information* . . . . . . The date that the system assigns to the invoice. This date is updated during the invoice generation process, but you can override it when you select an invoice batch for invoice journal generation. This override function is controlled by the Service Billing System Constants.
Application Number	The last or current application number for the specified contract. (The system assigns a new application number each time an invoice is issued for the contract.)
Adjustment Number	A number used to control changes to closed applications. Closed applications represent invoices that have been sent. This number is always zero unless you reopen a previous application.
Initialize to Zero	This field creates a new application or adjustment with zero current billing amounts. If you do not select this option, a copy of the previous invoice or adjustment is created. Valid codes are: Y Create empty invoices with no billing amounts N Do not create empty invoices

What You Should Know About

Reviewing the batch number for contracts

When a contract is in an active invoice batch, the system displays the batch number for the invoices on Contract Master Revisions and Owner Pay Item Details.

Calculating invoice amounts for non-T&M

When you create invoices automatically, the system processes workfile transactions related to T&M, including components. At this time, the system can also calculate the invoice, fee, and retainage amounts for owner pay items related to non-T&M, such as lump sum or unit price, if you have defined cross-references for the respective owner pay items.

See *Defining Cross-References for Lump Sum* and *Defining a Cross-Reference for Unit Price*.

Recurring invoices

You can define recurring invoices for an owner pay item for lump sum. When you generate invoice amounts, the system calculates the recurring amount if:

- You have specified from one to five recurring codes in the processing options.
- You have not initialized the invoice amount to zero.

See *Defining Recurring Amounts*.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fees for those two owner pay items if you enter the billing amounts manually. You must manually revise the pay item amount for both the fee line and retainage.

See *Calculating Fee Lines Manually for a Contract* and *Calculating Retainage Manually for a Contract*.

Adjusting a previous application for payment

A previously billed invoice or application might need a revision after you have applied cash to the invoice. Instead of voiding the invoice and cash receipt, you can create an adjustment to the previous application.

To do this, follow the steps for creating an invoice manually and enter the application number for the invoice that needs adjusting. The system automatically assigns the adjustment number and creates a new invoice number for the adjusted application.

See Also

- *Calculating Fee Lines Manually for a Contract*
- *Calculating Retainage Manually for a Contract*

Adding T&M Transactions to an Invoice for Billing

Adding T&M Transactions to an Invoice for Contract Billing

The Invoice Summary Workfile might not contain all the billable amounts for T&M that you have entered during the accounting cycle. To account for this, you need to:

- Review the existing T&M transactions in the Service Billing Workfile that are not currently in an invoice batch
- Manually add T&M transactions that exist in the Service Billing Workfile
- Manually add T&M costs that exist in the Account Ledger table and are not currently in the Service Billing Workfile, if necessary

You can add workfile transactions for T&M to:

- A new invoice for a contract
- An existing pay item for a contract
- A new pay item

Adding transactions to an invoice consists of the following:

- Adding transactions for T&M from the workfile
- Adding existing G/L transactions for T&M
- Adding ad hoc transactions to a T&M owner pay item

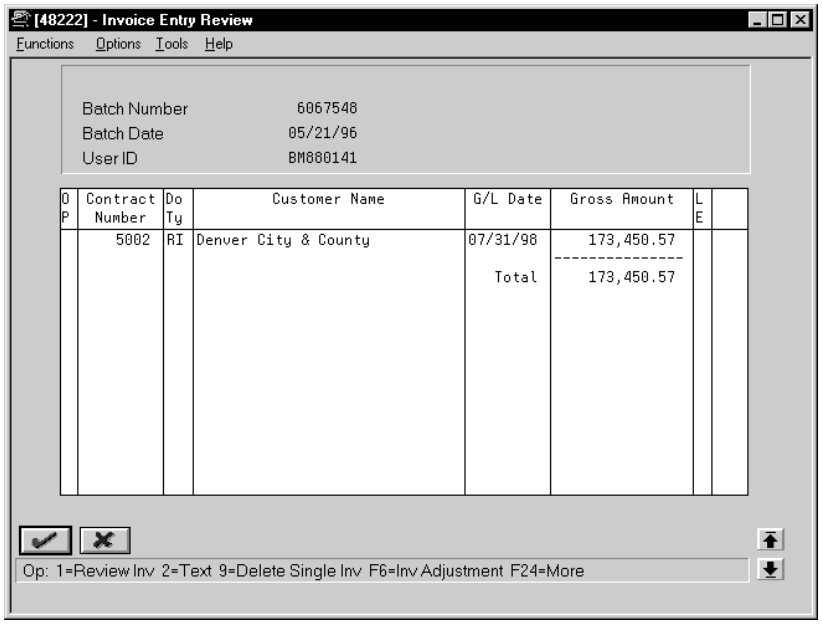
▶ To add transactions for T&M from the workfile

On Batch Review

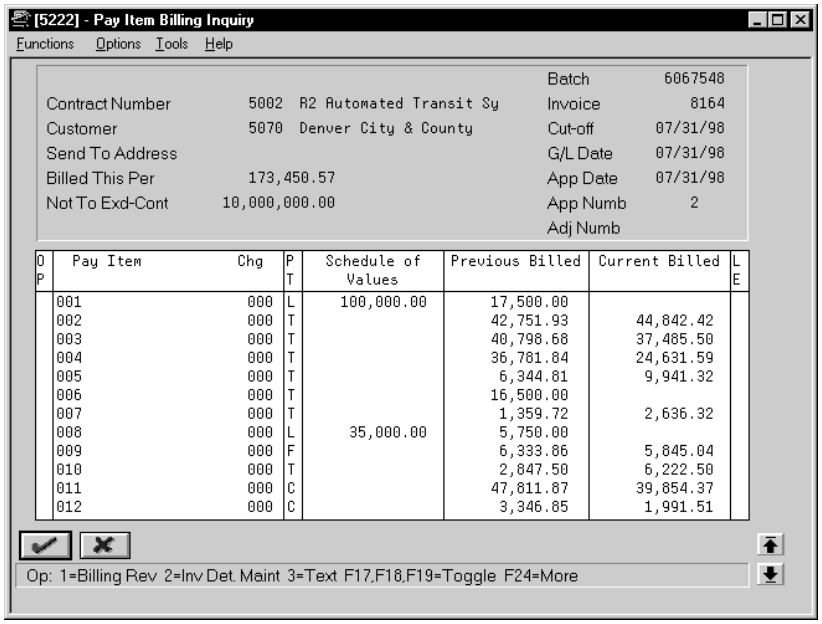
1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.

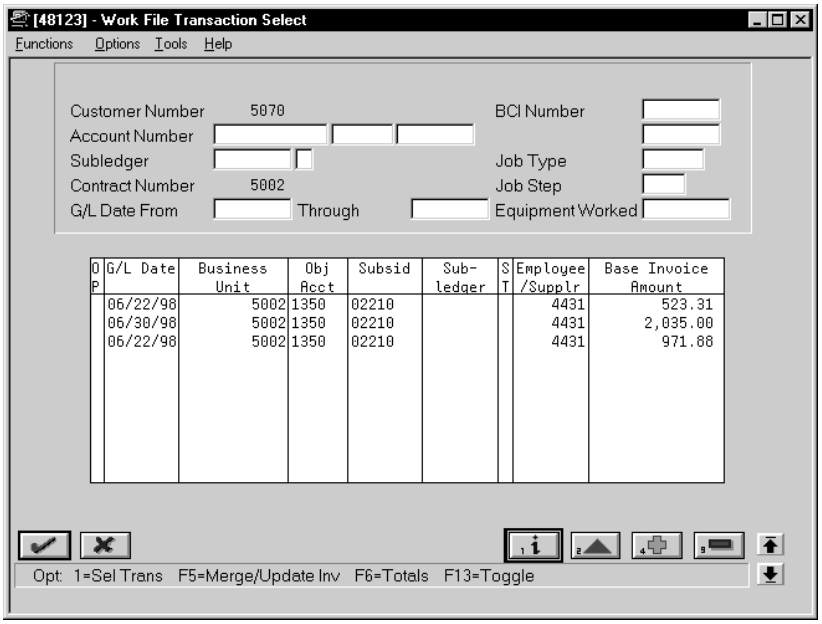


4. Choose Review Invoice to review the details for a contract.



See *Reviewing Invoices for Contract Billing*.

5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, choose Workfile Selection.



7. On Work File Transaction Select, choose Select Transaction for one or more available transactions.
8. Choose Merge/Update Invoice.

   The system moves the workfile transaction to the invoice pay item.

   CAUTION: The system prevents you from merging taxable and nontaxable transactions into the same pay item. If you merge taxable transactions into the same pay item, the transactions must have the same tax rate area and tax explanation. A blank in the Tax Rate/Area field is a valid tax code indicating that the pay item is nontaxable.

   The system prevents you from merging taxable and nontaxable transactions into the same pay item. If you merge taxable transactions into the same pay item, the transactions must have the same tax rate area and tax explanation. A blank in the Tax Rate/Area field is a valid tax code indicating that the pay item is nontaxable.

9. Choose Exit Program.
10. On Invoice Detail Revisions, review the transactions.

▶ To add existing G/L transactions for T&M

See *Reviewing Invoices for Contract Billing*.

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, choose Workfile Selection.
7. On Work File Transaction Select, choose G/L Selection.
8. On G/L Transaction Selection, complete the following field:
   - Business Unit
9. To limit the list of transactions, complete one or more of the following fields and press Enter:
   - Date From
   - Date Thru
   - Object
   - Subsidiary
   - Subledger
   - Subledger Type

10. Choose one of the following for a specific transaction or a group of transactions:
    - Select at Cost
    - Select with Markup

    The system processes the source transactions.
11. Choose Exit Program.
12. On Work File Transaction Select, use the Inquire action to review the available transactions.
13. For the G/L transaction you added, complete the steps for adding transactions for T&M from the workfile.

Exercises

See the exercises for this chapter.

▶ To add ad hoc transactions to a T&M owner pay item

You can add transactions to a T&M owner pay item on an as-needed basis. For example, you might want to add a transaction to an invoice to create a credit memo.

See *Reviewing Invoices for Contract Billing*.

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
    - Batch Number
    - Batch Date From
    - Batch Date Thru
    - User ID

    If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
    - Batch Status
    - Current Activity

3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, complete the following fields:
    - G/L Date
    - Business Unit
    - Object
    - Subsidiary
    - Employee/Supplier (optional)
    - Eligibility Code
7. Choose More Details.
8. Complete the following optional fields:
    - Subledger
    - Subledger Type
9. Choose Transaction Detail.
10. On Amounts/Units Information, complete the following field:
    - Total Billing
11. Choose Transaction Update with Redisplay.
12. Choose Exit Program.
13. On Invoice Detail Revisions, choose Update and Redisplay.
14. Choose Exit Program to review the detail for the contract on Pay Item Billing Inquiry.

What You Should Know About

Removing ad hoc transactions from an invoice

CAUTION: Ad hoc transactions that you add to an invoice are not represented in the Account Ledger table. After you void the invoice, the system returns the ad hoc transactions to the workfile. Ad hoc transactions in the workfile are eligible for processing. You must change the status of the ad hoc transactions and remove them from the workfile to prevent billing for the transactions in error.

See *Entering Ad Hoc Transactions for Billing* for more information.

Revising an Invoice Amount for Non-T&M for Billing

Revising an Invoice Amount for Non-T&M in Contract Billing

You can enter an amount to an existing invoice that already contains pay items. In this case, you can manually:

- Enter the non-T&M billing amount
- Revise a related retainage amount
- Revise a related fee line amount

You can update only certain fields, depending on the pricing type of the owner pay item. You cannot update any field for direct and rated draw pricing types. After you enter the information, the system updates the Invoice Summary Workfile (F4822).

▶ To revise an invoice amount for non-T&M

On Batch Review

See *Reviewing Invoices for Contract Billing*.

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.

5. On Pay Item Billing Inquiry, choose Billing Revisions for a specific pay item.
6. On Pay Item Billing Revisions, complete the following fields in the appropriate column:
    - Current
    - Earned to Date

    The column names vary according to the pricing type. The first column is:

    - *Work In Place* for lump sum, fees, milestone billing, progress billing, direct draw, and rated draw
    - *In Place - Quantity* for unit price

    The second column is:

    - *Stored Material* for lump sum
    - *Unit Price* for unit price
    - Not applicable for fees, milestone billing, progress billing, direct draw, and rated draw

    The Total Billed column is applicable only to lump sum and unit price.
7. Complete one of the following fields to revise the retainage:
    - Current Retainage
    - Retainage To Date

    The system automatically calculates the other amount.

After you update the retainage amount for a pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Retention. If you do, the system overrides the retainage amount you entered on Pay Item Billing Revisions.

CAUTION: After you update the retainage amount for a pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Retention. If you do, the system overrides the retainage amount you entered on Pay Item Billing Revisions.

8. Choose Update with Redisplay.

Field	Explanation
This Period	The amount that is being billed for this contract pay item. . . . . . *Form-specific information* . . . . . . You can enter this amount using the following three methods • Dollar Amount. Enter the dollar amount to be billed for this pay item. If this pay item is taxable, this amount will be the gross amount of the pay item. The taxable amount and tax will equal this amount. • Percent Complete. Enter a percent sign % before or after the percent complete amount. For example, you can enter 10% complete as %10 or 10%. The system computes the billing amount by multiplying this percent by the Schedule of Values minus any previous billings. • Number of Units. Enter a forward slash / before or after the number of units. For example, you can enter 10 units as /10 or 10/. The system calculates this amount as the number of units multiplied by the unit rate. You must have a unit rate payment type and a valid unit price for the contract pay item in order to use this entry method. NOTE: Use the Toggle Key to switch between the dollar format and percent format on this screen.
Stored Materials	Use this field to accrue or defer additional costs to a job. A deferred cost can be the value of stored materials which have been received but have not been used on a job. A positive amount in this field is a deferred cost that decreases the job–to–date actual costs. A negative amount in this field is an accrued cost that increases the job–to–date actual costs.
Earned – Total to Date	The total amount earned to date.
Stored Material – Total to Date	The total amount of stored material to date.

What You Should Know About

Working with percentages

You can choose Toggle to review and enter percentages rather than amounts or units. Then, if you know the percentage to bill or to have retained, you can enter the percent, and the system automatically calculates the respective amount for the owner pay item.

Stored materials

You can bill for an inventory of materials on the job in addition to the work in place for lump sum. To do this:

- Enter the billing amount for stored material in the Current or Earned to Date field in the Stored Material column on Pay Item Billing Revisions.
- Enter the applicable retainage in the Earned Retainage or Retainage To Date field. If you don't enter retainage at this time, you can calculate the retainage manually on Pay Item Billing Inquiry.

Alternate format for T&M and Component

On Pay Item Billing Revisions, the column names are different for the T&M and component pricing types. The first column is *Cost* and the second column is *Markup*. The Total Billed column is also applicable to these pricing types.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items when you run Invoice Generation.

In some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must recalculate both the fee line amount and the retainage on the fee line amount as separate tasks.

See *Entering Retainage Rules for a Contract*.

See Also

- *Calculating Retainage Manually for a Contract for Contract Billing*
- *Calculating Fee Lines Manually for a Contract for Contract Billing*
- *Calculating Retainage Manually for a Contract for Billing*
- *Calculating Fee Lines Manually for a Contract for Billing*

Releasing Retainage for Billing

Releasing Retainage for Contract Billing

You release retainage (retention) when a job has been completed and the owner authorizes the reduction of the retained amounts. The Contract Billing system decreases the retained amount for each owner pay item. You can release partial retained amounts at the levels of a contract, change order, or owner pay item.

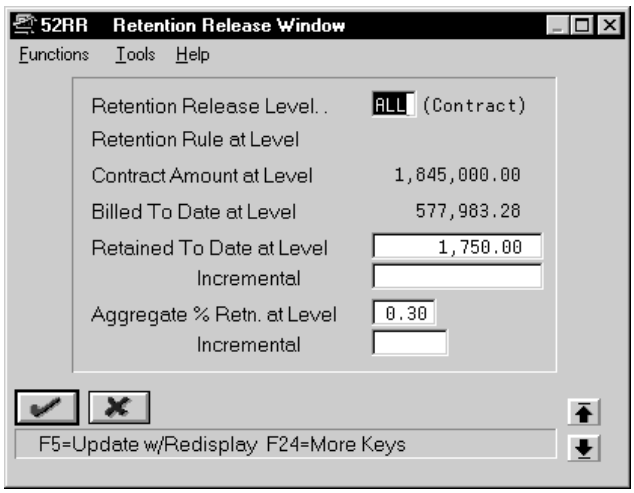
▶ To release retainage

On Batch Review

See *Reviewing Invoices for Contract Billing*.

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. Choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Retention Release Window.



6. On Retention Release Window, complete one of the following fields:
   - Retained to Date at Level
   - Incremental (Retained to Date)
   - Aggregate Percent Retained at Level
   - Incremental (Aggregate Percent Retained)
7. Choose Update with Redisplay.

What You Should Know About

Releasing retainage for a change order

The system automatically releases retainage for all change orders related to a contract. To release retainage for a specific change order, specify the number of the change order in the Retention Release Level field.

Distributing retainage

You can increase or decrease the retainage amounts for a contract by specifying an amount or percent on Retention Release Window. The system distributes the new retainage amounts to all the pay items for a contract by using the following calculations:

(Amount of Pay Item in Invoice / Total Amount of Invoice) X Retainage Amount

See Also

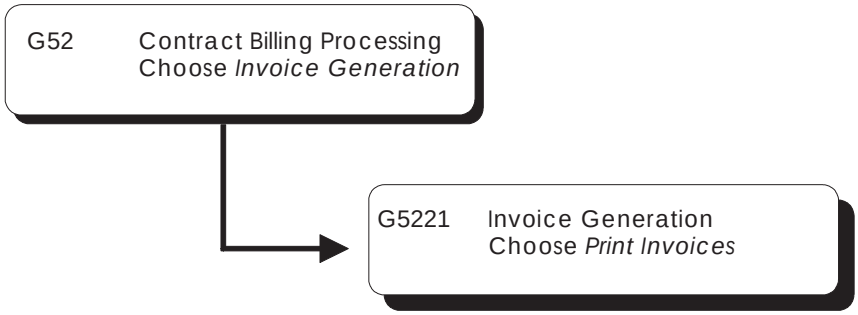
- *Entering Retainage Rules for a Contract for Billing*
- *Calculating Retainage Manually for a Contract for Billing*
- *Entering Retainage Rules for a Contract for Contract Billing*

- *Calculating Retainage Manually for a Contract for Contract Billing*

Exercises

See the exercises for this chapter.

Print Invoices for Billing



Printing Invoices for Billing

Printing Invoices for Contract Billing

After you create an invoice batch, you can print the invoices. You use the following methods to control the layouts that the system uses to print invoices:

- Key Type and Table Key fields on Format Cross Reference to specify a default layout
- Invoice Format field on Contract Master Revisions to override the default layout for a specific contract

If you have not specified an invoice layout for a contract, the system uses the key type and table key combination that you have defined on Format Cross-Reference to determine the invoice layout to print. The system uses the following hierarchy to search for layouts:

- Work order
- Work order class
- Contract number
- Parent contract number
- Customer
- Job number

- Job class
- Company number

Before You Begin

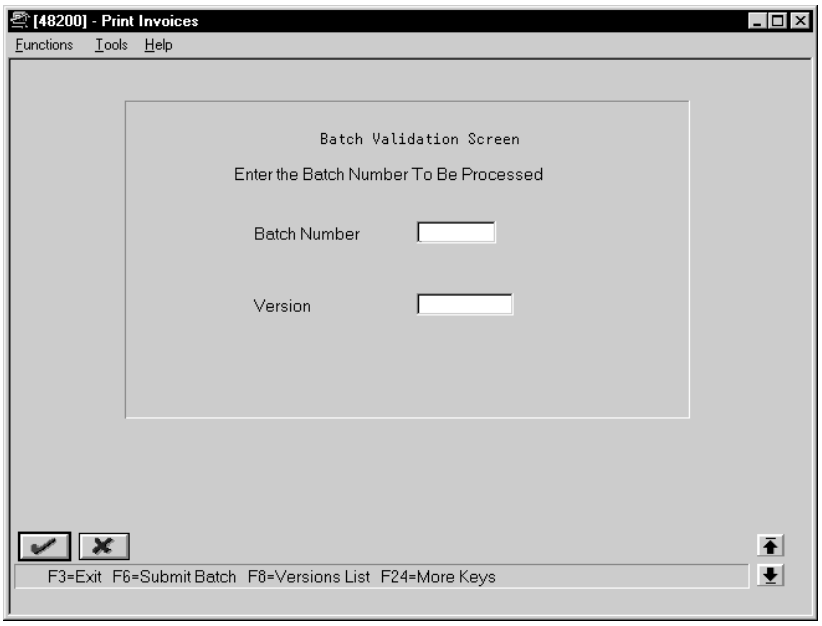
❑ Define invoice layouts

❑ Assign a key type and table key combination to an invoice layout on Format Cross-Reference or assign an invoice format code to a contract on Contract Master Revisions

❑ Create invoices automatically or manually

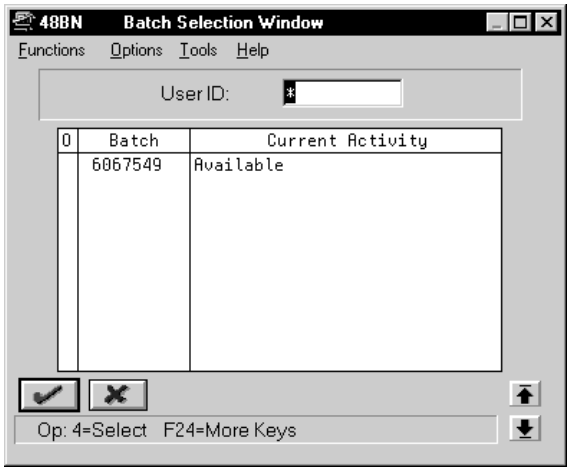
▶ To print invoices

On Print Invoices



1. Place the cursor in the following field:
   - Batch Number
2. Choose Field Sensitive Help.

   The system displays Batch Selection Window.



3. On Batch Selection Window, complete the following field and press Enter:

   - User ID

   If you enter an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

4. Choose Select for a specific batch of invoices.

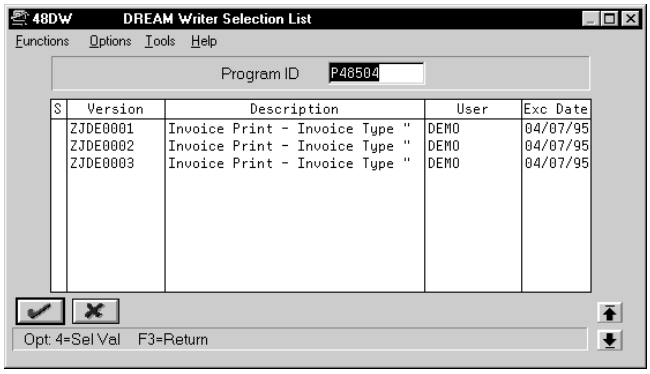
   The system displays the batch number you selected in the Batch Number field on Print Invoices.

5. Place the cursor in the following field:

   - Version

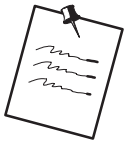
6. Choose Field Sensitive Help.

   The system displays DREAM Writer Selection List.



7. On DREAM Writer Selection List, choose Select Value for a specific program version.

After you enter the information, the system displays the version number you selected in the Version field on Print Invoices. If you do not specify a version in the Version field on Print Invoices, the system runs version ZJDE0001.



The value for the invoice type in the processing option for the ZJDE0001 program might not correspond to the value indicated in the DREAM Writer title. If you need to change the invoice type for the print program, you can access this processing option when you select Print Invoices.

NOTE: The value for the invoice type in the processing option for the ZJDE0001 program might not correspond to the value indicated in the DREAM Writer title. If you need to change the invoice type for the print program, you can access this processing option when you select Print Invoices.

8. Choose Submit Batch.

   The system displays the message *Verify Invoice Print Submission*.

9. Choose Submit Batch again.

What You Should Know About

Invoice types

The invoice type in the processing option for Print Invoices must correspond to:

- The invoice type for the layout design you assign to the invoices
- The invoice type for the DREAM Writer version that you specify on Print Invoices

If the invoice types do not match, the system cannot print the invoices. You can access the processing option for Print Invoices from the Invoice Generation menu if you need to change the invoice type.

Printing selected invoices in a batch

You can print selected invoices rather than an entire batch. To do this, use the data selection for the DREAM Writer version that you specify on Print Invoices. For example, you can limit the print selection to a business unit or an invoice number.

Printing invoices from multiple batches

You can use the Restricted Global Invoice Print program on the Contract Billing Advanced Operations menu to print selected invoices or all invoices from multiple batches.

See Also

- *About Invoice Formatting* for more information about designing invoice layouts

Processing Options for Invoice Print Sequence Derivation

```
PRINT SELECTION:
1. Enter the Invoice Type to print.                    _____________
```

Exercises

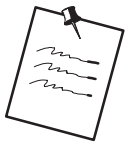
See the exercises for this chapter.

Work with A/R and G/L Entries for Billing

Working with A/R and G/L Entries for Billing

You complete the billing process by creating the following journal entries related to a batch of invoices:

- The credit for the account you specify in the account derivation rules you define for your system. The system stores the credit entry *temporarily* in the Detail Journal Workfile (F48910).
- The debit for the account you specify in the G/L offset and retainage rules you define for your system. The system stores the debit entry in the Invoice Summary Workfile (F4822).



J.D. Edwards strongly recommends that you create and carefully review preliminary G/L entries *before* you create the final entries that post to the general ledger. If you post out-of-balance records to the general ledger, the only way to correct these balances is to void and regenerate the invoice.

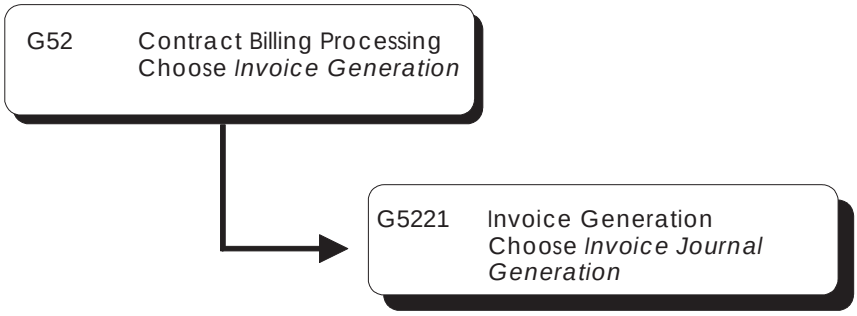
Working with A/R and G/L entries consists of the following tasks:

- ❑ Creating preliminary A/R and G/L entries
- ❑ Reviewing preliminary A/R and G/L entries
- ❑ Creating final A/R and G/L entries
- ❑ Reviewing and posting journal entries

Before You Begin

- ❑ Generate invoices
- ❑ Set up the Account Derivation rules

Creating Preliminary A/R and G/L Entries for Billing



You complete the billing process by creating journal entries. You first create preliminary A/R and G/L entries. When you create the entries, the system prints the Invoice Journal Generation report. You can also set a processing option to print the Service Billing Journal Register. You should carefully review these reports to ensure that you do not create final journal entries that create out-of-balance records in the general ledger.

When you run Invoice Journal Generation, the system:

- Creates preliminary journal entries from the transactions in the Service Billing Workfile. The account derivation rules that you define on the Account Derivation form determine which accounts the system assigns to the credit side of the journal entries.
- Updates the batch status description for the batch.
- Temporarily stores the details for the preliminary G/L entries in the Detail Journal Workfile (F48910).
- Prints the Invoice Journal Generation report with accounting rule information and journal entry detail.
- Compresses the detail journal workfile information and stores it temporarily in the Compressed Journal Workfile (F48911).
- Prints the Service Billing Journal Register with the compressed information as a summary of the journal entry detail.

Creating preliminary A/R and G/L entries consists of the following:

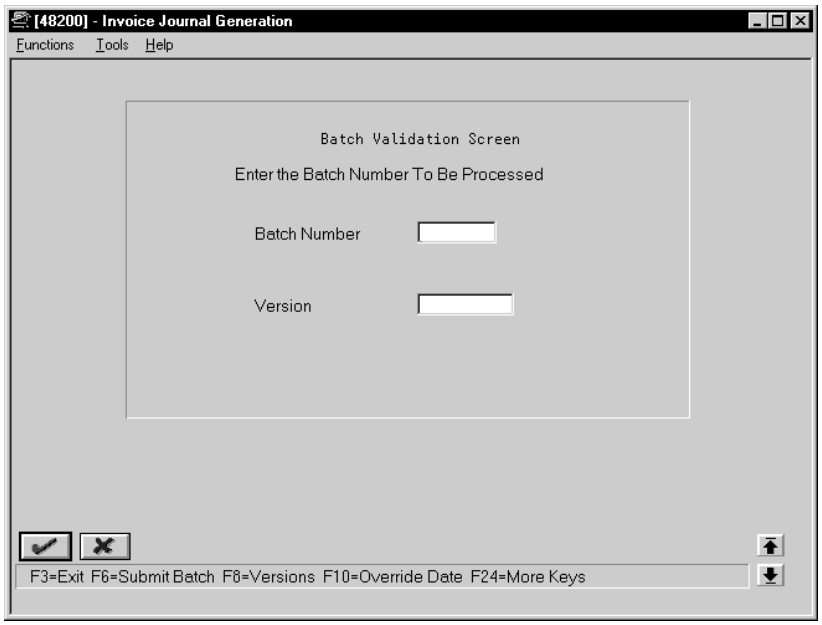
- Creating preliminary A/R and G/L entries
- Revising override dates

See Also

- *Printing Invoices Manually (P48504)* for information about locating a batch of invoices
- *Defining Account Derivation Rules (P48126)*
- *Appendix D — Accounting for the Billing Cycle* for more information about how the Service Billing system uses account derivation rules

▶ To create preliminary A/R and G/L entries

On Invoice Journal Generation



1. Complete the following fields and press Enter:
   - Batch Number
   - Version (optional)

   If you leave the Version field blank, when you choose Enter, the system automatically uses the ZJDE0001 version.

2. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

3. Choose Submit Job.

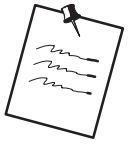
Exercises

See the exercises for this chapter.

▶ To revise override dates

You use a system constant to control when the system displays the Date Override Window on Invoice Journal Generation. You can set the constant so that the system:

- Always displays the window
- Only displays the window when you choose Override Date
- Never displays the window



The date that the system displays in the Date Override Window is always the current system date.

On Invoice Journal Generation

1. Complete the following fields:
   - Batch
   - Version
2. Choose Override Date.
3. On Date Override Window, complete the following fields and press Enter:
   - Enter G/L Date
   - Enter Invoice Date
4. Choose Process.
5. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

6. Choose Submit Job.

Processing Options for Invoice Journal Generation – Service Billing

```
JOURNAL DESCRIPTION SELECTION:
1. Choose one of the following for the                    _____________
   journal entry description:
   '1' = Use the description from the
         Vocabulary Overrides based on
         the Table Type.
   '2' = Use the description associated
         with the subledger value.
   ' ' = Use the description from the
         Account Master for the Account
         being used (default).

PRINT REPORT SELECTION:
2. Enter a '1' to print the Billing                       _____________
   Edit/Register (P48300).

REVENUE JOURNAL VERSION SELECTION:
3. Enter the version number of the                        _____________
   Revenue Journal Generation program
   (P48132) for processing any
   adjustments.  Leave blank (default)
   to use version 'XJDE0001'.

SUPPRESS WARNING MESSAGES:
4. Choose one of the following to                         _____________
   control the printing of the exception
   report:
   ' ' = Print all records (default).
   '1' = Print warnings and errors.
   '2' = Print errors only.
   '3' = Do not print the report.
```

Reviewing Preliminary A/R and G/L Entries for Billing

When the system creates preliminary A/R and G/L entries, you can review the batch status on Batch Review to determine whether the entries were generated with errors. To verify the information for the general ledger journal before you create the final A/R and G/L entries, you can review the following reports:

- Service Billing Journal Register to review journal entry details summarized by business unit, object, subsidiary, and subledger
- Invoice Journal Generation to review the detail of all cost transactions that make up the pay items for your invoices, and the accounting rules for the transactions

Depending on how you set your processing options, the reports can include error messages and warnings related to the journal information.

Review the Service Billing Journal Register first for errors and warnings. Use the Invoice Journal Generation Report to locate errors resulting from the account derivation rules.

Invoice Journal Generation

48131 J.D. Edwards & Company Page – . . . 3
Invoice Journal Generation Date – . . . 5/21/96

Batch Number 6067549

Customer Number	Customer Name	Transaction Type/Key Value	T	Comp Code	G/L Date	WO Cls	Job Cls	Job Type	Job Step	LT	Original Account ID. / Resulting Account ID.	Subldgr Subldgr	L T	Batch Number	Cost Amount / Resulting Amount	Invoice Number
5070	Denver City & County		C		07/31/98		REG			AA				6067549		8165
											5002.1384.90000				5,845.04–	
	Contract Revenue Account Used.															
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1341.02210			6067549	1,000.00	8165
											50.1215					
5070	Denver City & County	7 REG	3	COM	07/31/98		REG			AA	5002.1341.02210			6067549	20.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3	OVH	07/31/98		REG			AA	5002.1341.02210			6067549	408.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1341.02210			6067549	1,000.00	8165
											50.1215					
5070	Denver City & County	7 REG	3	COM	07/31/98		REG			AA	5002.1341.02210			6067549	20.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3	OVH	07/31/98		REG			AA	5002.1341.02210			6067549	408.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1369.02210			6067549	527.31	8165
											50.1215				527.31–	
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1366.02210			6067549	418.08	8165
											50.1215				418.08–	
5070	Denver City & County	7 REG	3		07/31/98		REG	6G–2		AA	5002.1341.02213			6067549	552.55	8165
											50.1215				607.81–	
5070	Denver City & County	7 REG	3	COM	07/31/98		REG	6G–2		AA	5002.1341.02213			6067549	11.05	8165
											50.1215				12.16–	
	Account override has been entered.															
5070	Denver City & County	7 REG	3	OVH	07/31/98		REG	6G–2		AA	5002.1341.02213			6067549	221.02	8165
											50.1215				243.12–	

Journal Register Listing

48300 J.D. Edwards & Company Page No. . . 2
Journal Register Listing Date - . . . 5/21/96

Batch Number 6067549 Generation Type 1 Invoice Batch

Key CO	CO	FY	PN	DT	Account Description	Account Number	Subldgr/Ty	Amounts . . . Debit	Credit	Offsets	LT	Document Number
00050	00050	98	07	RI	Unbilled A/R	50.1215			167,605.53-		AA	8165
00050	00050	98	07	RI	Other Reimbursables	5002.1384.90000			5,845.04-		AA	8165
							Doc/Period/LT Total . . .		173,450.57-			
							Company Total		173,450.57-			
							Generation Type Total. .		173,450.57-			

48300 J.D. Edwards & Company Page No. . . 3
Journal Register Listing Date - . . . 5/21/96

Batch Number 6067549 Generation Type 1 Invoice Batch

Key CO	CO	FY	PN	DT	Account Description	Account Number	Subldgr/Ty	Amounts . . . Debit	Credit	Offsets	LT	Document Number
00050	00050	98	07	RI	Trade Accounts Receivable	50.1210		172,329.51			AA	8165
00050	00050	98	07	RI	Retainages Receivable	50.1225		1,121.06			AA	8165
							Doc/Period/LT Total . . .	173,450.57				
							Company Total	173,450.57				
							Generation Type Total. .	173,450.57				
							Grand Total	173,450.57	173,450.57-			

What You Should Know About

Additional copies of the journal register

You can run Service Billing Invoice Journal Register to print additional copies of the journal register after you have created the preliminary A/R and G/L entries.

Reconciling errors

If you find errors on the reports, you do not always need to delete the batch and regenerate the invoices. Once you identify the errors, you can correct them and run Invoice Journal Generation again. Common errors include:

- Incorrect dates or invalid accounts related to the general ledger
- Incorrect table types or invalid accounts related to the account derivation rules you define on the Account Derivation form

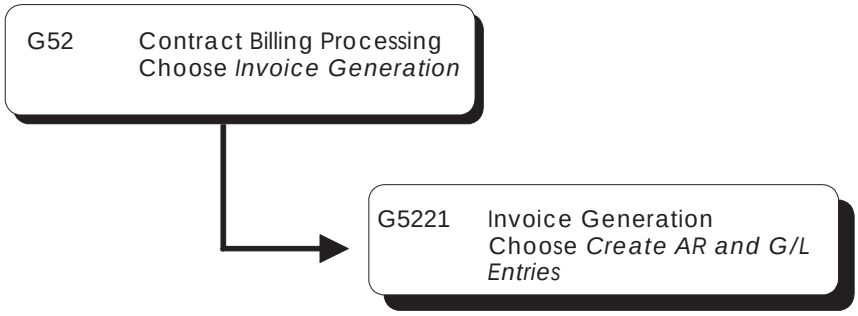
Deleting a batch

To delete a batch, use the Batch Delete program on the Invoice Generation menu.

Exercises

See the exercises for this chapter.

Creating Final A/R and G/L Entries for Billing



You complete the billing process within the Contract Billing system when you create the final A/R and G/L entries. To complete the overall invoice process, you then post the journal entries to accounts receivable and the general ledger.

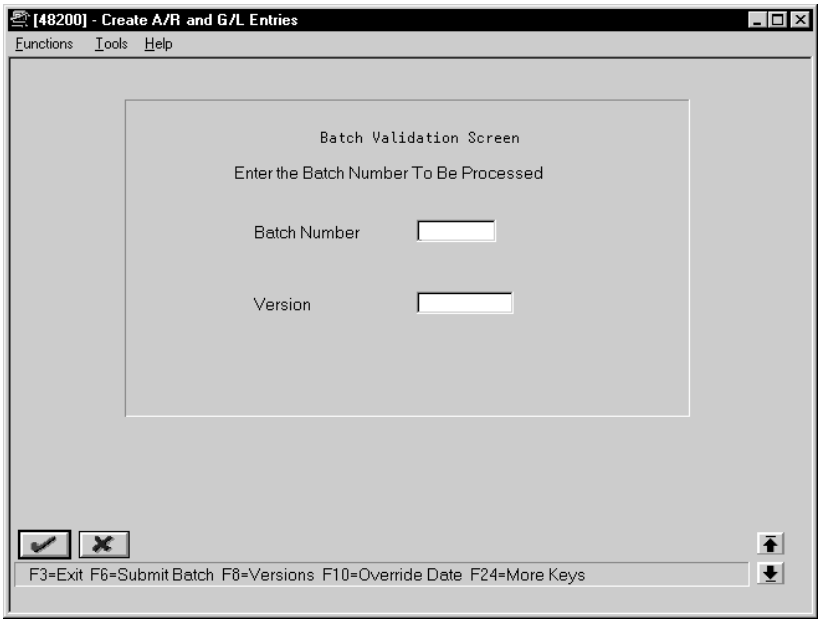
When you create final A/R and G/L entries for a batch of invoices, the system:

- Changes the journal status for the related workfile transactions
- Moves the transactions out of the active Service Billing Workfile table (F4812) and into the Service Billing Workfile – History table (F4812H)
- Removes the batch header number for the invoice journals from the Contract Billing system
- Deletes the records in the Detail Journal Workfile and Compressed Journal Workfile
- Prints the Create A/R – G/L Entries report

Prior to creating A/R and G/L entries, ensure that the invoice amounts and journal transactions are correct. To make any changes after you create A/R and G/L entries, you must either void the invoices or create an adjusting invoice batch.

To create final A/R and G/L entries

On Create A/R and G/L Entries



1. Complete the following fields and press Enter:
   - Batch Number
   - Version
2. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

3. Choose Submit Job.

48199 J.D. Edwards & Company Page No. . . . 2
Create A/R – G/L Entries Date 5/21/96
Invoice Date . 07/31/98

Contract Number. . . 5002 R2 Owner Address. . . 5070
Application Number . 2 Adjustment Number.
G/L Date . . . . . 07/31/98 Application Date . 07/31/98

Owner Pay Item	Description	Chg Ord	Job Number	Co	A/R Ofst	Work in Place	Earned to date	Stored Mat. to date	Retainage to date
001	Concept Development	000		50					
002	Mechanical Developme	000		50		44,842.42			1,121.06
003	Electrical Developme	000		50		37,485.50			
004	Structural Developme	000		50		24,631.59			
005	Civil Development	000		50		9,941.32			
006	Subcontractor	000		50					
007	Travel Costs	000		50		2,636.32			
008	Other Reimbursables	000		50					
009	Fee on Labor	000		50		5,845.04			
010	Equipment	000		50		6,222.50			
011	Overhead Costs	000		50		39,854.37			
012	Cost of Money	000		50		1,991.51			
013	Track for Transit Sy	000		50					
014	component pricing ty	000		50					
001	"As Builts"	001		50					

See Also

- *Voiding a Final Invoices for Billing*
- *Creating Invoices Manually for Billing*
- *Defining Account Derivation Rules (P48126)*
- *Appendix D — Accounting for the Billing Cycle* for more information about how the Contract Billing system uses account derivation rules

Processing Options for Billing Invoice AR – G/L Journal Generation

RETAINAGE DEFAULT OPTION:
1. Enter a Pay Status to default for Retainage records. Leave blank to default Pay Status "H" (Held). _____

INVOICE JOURNAL DW SELECTION:
2. Enter the Invoice Journal Generation (P48131) DREAM Writer version to run. Leave blank (default) to run version 'ZJDE0001'. _____

Exercises

See the exercises for this chapter.

Reviewing and Posting Journal Entries for Billing

After you create the final A/R and G/L entries, you complete the overall billing process by reviewing, approving, and posting the journal entries.

The journal review and post programs are the same programs you use in the Accounts Receivable and General Accounting systems.

See Also

- *Working with Final Invoices for Billing*
- *Reviewing and Approving Invoices (P03201)* in the *Accounts Receivable* guide
- *Posting Invoices (P09800)* in the *Accounts Receivable* guide

Work with Final Invoices for Billing

Working with Final Invoices for Billing

After you create the A/R and G/L entries for your billings, the system moves the workfile transactions that have completed the billing process into the Service Billing Workfile – History table. You can work with final invoices to access these transactions.

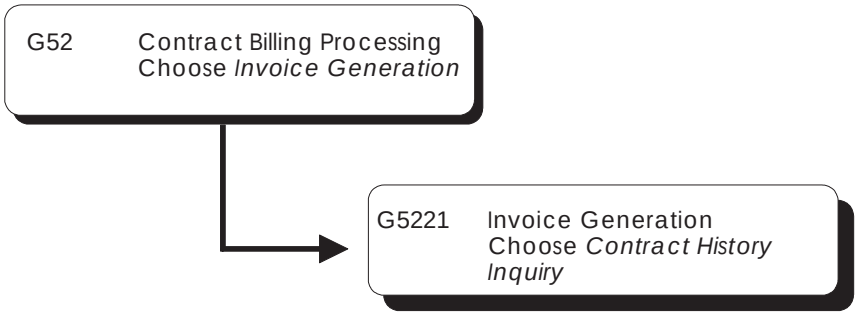
When you work with final invoices, you can review the invoices on an as-needed basis. You can reprint invoices using the transactions in the Service Billing Workfile – History table. You can also void final invoices. When you void a final invoice, the billing transactions that were included on the invoice return to the Service Billing Workfile with a status of not billed. You can then reprocess these transactions or change them to a nonbillable status.

Working with final invoices includes the following tasks:

- ❑ Reviewing the billing history for contracts
- ❑ Printing invoices from history
- ❑ Voiding a final invoice

Reviewing the Billing History for Contracts for Billing

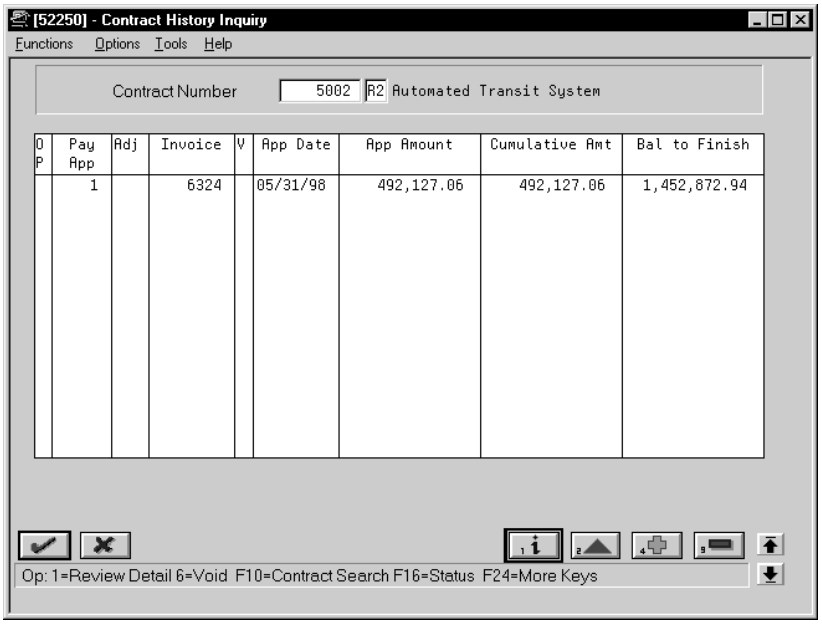
Reviewing the Billing History for Contract Billing



You can review the billing history for contracts. The system displays information specific to a contract by pay application number and invoice number. You can also view the pay items by contract and invoice number.

▶ To review the billing history for contracts

On Contract History Inquiry



1. To display the invoice history for a contract, complete the following field and press Enter:

- Contract Number

2. Choose Review Detail for an invoice to review the individual pay items.
3. On Pay Item Billing Inquiry, choose one of the following options for a specific pay item:
   - Billing Revisions
   - Invoice Detail Maintenance

   You can choose Invoice Detail Maintenance only for T&M.

What You Should Know About

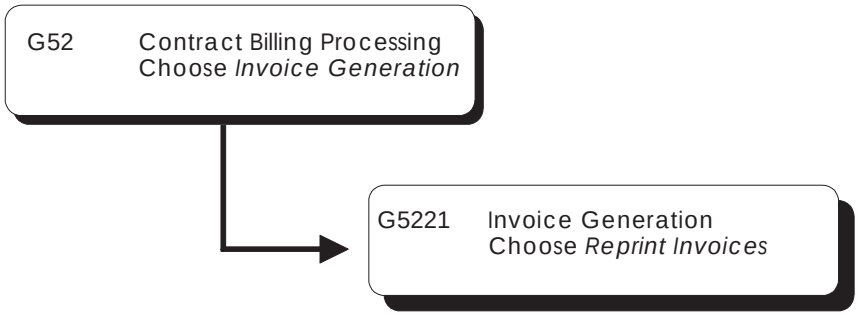
Reviewing cumulative contract amounts	On Contract History Inquiry, you can choose Owner Pay Item Status to review the contract-to-date details by the owner pay items for a contract.

See Also

- *Voiding a Final Invoice for Billing* for more information about billed transactions

Printing Invoices from History for Billing

Printing Invoices from History for Contract Billing



The system moves the workfile transactions for T&M, including components, that have completed the billing process into the Service Billing Workfile – History. You can access these transactions from history and reprint invoices using the Reprint Invoices program. For example, if an invoice gets lost in the mail, but you've already completed the billing process, you can print the invoice from history.

For the transactions related to an invoice, the value in the Printed Flag field in the accounting and internal control information identifies:

- Whether the transaction has been printed
- The invoice type you used to print the last copy of the invoice

The system does not store a copy of the printed invoice. If you change the layout associated with the invoice type, the reprinted invoice will not look the same as the invoice you previously printed.

CAUTION: The system does not store a copy of the printed invoice. If you change the layout associated with the invoice type, the reprinted invoice will not look the same as the invoice you previously printed.

See Also

- *Reviewing the Billing History for Contracts*
- *Invoice Formatting*
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Print Invoices From History – For Dream Writer

```
PRINT SELECTION:
1. Enter the Invoice Type to print.                    _____________
```

Voiding a Final Invoice for Billing

Voiding a Final Invoice for Contract Billing

After you create A/R and G/L entries, you can void invoices. When you void an invoice, the system:

- Returns to the Service Billing Workfile the transactions related to T&M and components that were included on the invoice.
- Assigns a status to the workfile transactions related to T&M and components that indicates that they are not billed. You can then reprocess the transactions or change them to a nonbillable status.
- Zeros out the billing amounts related to any other pricing type.

If you have applied unposted cash receipts against a posted invoice, you must void or reverse the receipts *before* you void the posted invoice. If you have applied posted cash receipts against a posted invoice, you must void the cash receipts and post them to the general ledger *before* you void the posted invoice.

CAUTION: If you have applied unposted cash receipts against a posted invoice, you must void or reverse the receipts *before* you void the posted invoice. If you have applied posted cash receipts against a posted invoice, you must void the cash receipts and post them to the general ledger *before* you void the posted invoice.

When you void an invoice, the system updates the following information:

- Line number for the journal entry in the Account Ledger table
- Retainage amounts
- Detail for the invoice in the A/R Account Ledger table
- Batch header information
- Invoice information in the Invoice Summary Workfile
- Invoice information in the Service Billing Workfile and Service Billing Workfile – History
- Accounting and internal control information that is related to the invoice, batch, sequences, and so on

You must use the void process in the Contract Billing system if you created the invoice in that system. If you void the invoice in the Accounts Receivable system, the system does not update the applicable contract billing and service billing records.

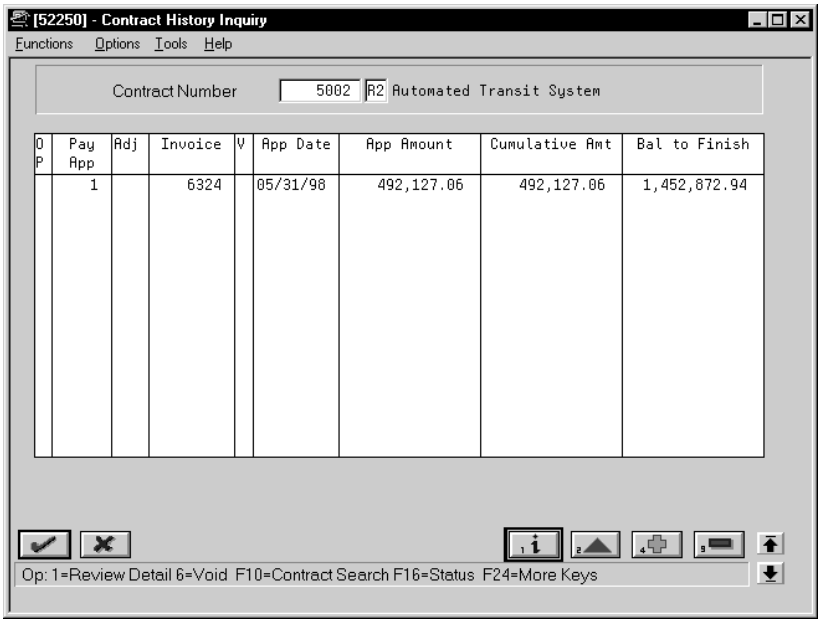
CAUTION: You must use the void process in the Service Billing system if you created the invoice in that system. If you void the invoice in the Accounts Receivable system, the system does not update the applicable contract billing and service billing records.

If you void an unposted invoice, the system deletes the A/R and G/L records without creating an audit trail for the A/R and G/L transactions and the invoice number. The system does not delete the batch header. You must run the G/L Integrity program to delete the empty header.

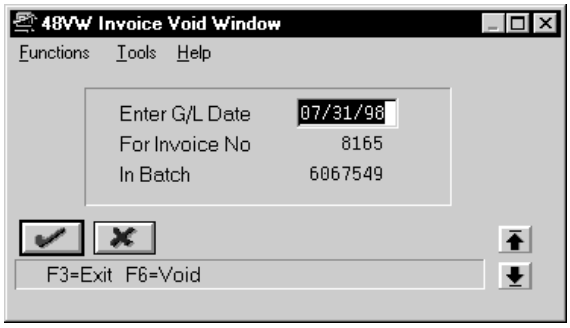
NOTE: If you void an unposted invoice, the system deletes the A/R and G/L records without creating an audit trail for the A/R and G/L transactions and the invoice number. The system does not delete the batch header. You must run the G/L Integrity program to delete the empty header.

To void a final invoice

On Contract History Inquiry



1. To display the invoice history for a contract, complete the following field and press Enter:
   - Contract Number
2. Choose Void for an invoice.



3. On Invoice Void Window, complete the following optional field:
   - G/L Date
4. Choose Void.

   The system places V in the Void field for the invoice on Contract History Inquiry.

Field	Explanation
Void	A code that indicates whether the billing detail transactions associated with the invoice have been voided. Valid codes are: V Voided blank Not voided

What You Should Know About

Voiding posted invoices When you void a posted invoice, the system creates adjusting A/R and G/L entries to reverse the original entries and changes the G/L batch status to Pending or Approved. You must post these adjusting entries for the batch number that the system displays in Invoice Void Window.

Voided invoices You cannot void an invoice that has already been voided. Voided invoices display with V in the Void field.

See Also

- *Working with Batch Headers* in the *General Accounting II* guide for more information about deleting batch headers

Exercises

See the exercises for this chapter.

Revenue Recognition

Revenue Recognition

Objectives

- To understand the Service Billing Workfile and origination of costs
- To apply markups to costs for T&M and component pricing types
- To understand and create revenue recognition transactions for lump sum, unit price, and fee line pricing types
- To create and record accounting journal entries

About Revenue Recognition

You can use revenue recognition to create G/L journal entries for income without generating invoices. For example, use revenue recognition to track the phases of an intercompany project so you can reallocate internal costs.

Generally, you can use revenue recognition when:

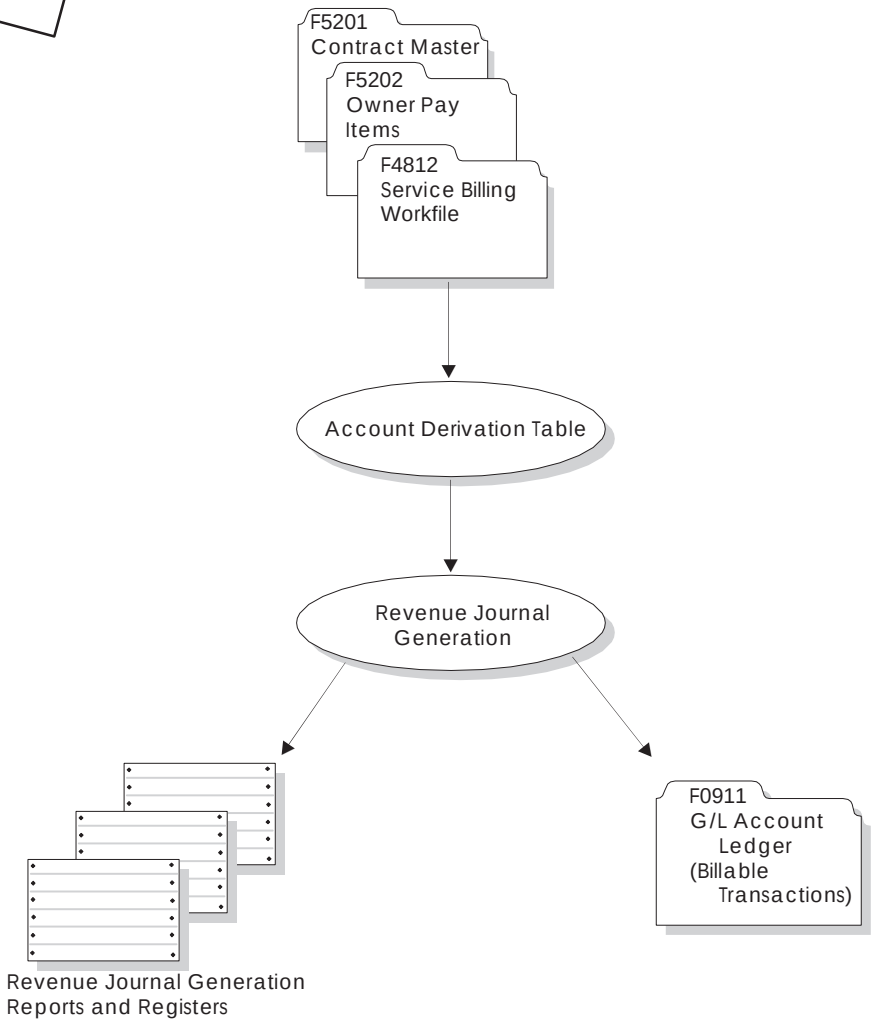
- Work is finished and you have earned the income, but you do not need to bill a customer.
- You want income statements and balance sheets to reflect the amounts earned for a realistic picture of the company's financial status.
- You need to reallocate internal costs.

A company might use revenue recognition to track the charges for its departments and record them in the general ledger using an interdepartment receivables account. Although the company does not actually bill them, the charges represent assets and income for one department and liabilities and expenses for another department.

For example, Western Office uses 3 hours of computer time at Central Office at a rate of 50 dollars per hour. Central Office charges 150 dollars to Western Office for the use of the computer. Western Office incurs an expense of 150 dollars because it owes Central Office for the computer time. Central Office recognizes 150 dollars of income and records a receivable for the portion it charges to Western Office.

You begin revenue recognition by accumulating costs in the Service Billing Workfile (F4812). These transactions are the basis for the revenue recognition process. To calculate the income for the current period, you must create the necessary journal entries. The amounts related to these entries appear on your income statements and balance sheets when you complete the revenue recognition process.

The system creates revenue transactions for the fee pricing type when you run the Revenue Journal Generation program.



Revenue recognition consists of the following tasks:

- ❑ Working with workfile transactions
- ❑ Working with G/L entries

Before You Begin

- ❑ Set the journal generation control in system constants to revenue recognition only.
- ❑ Set the Contract Billing Revenue on Non-T&Ms field in the system constants to generate revenue transactions for non-T&Ms
- ❑ Define markup rules
- ❑ Define account derivation rules for revenue recognition

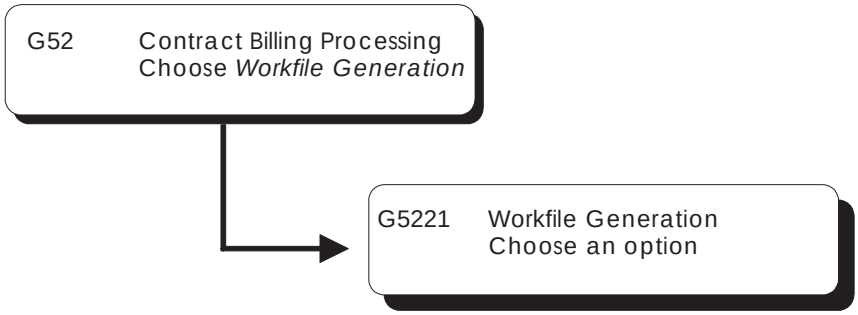
What You Should Know About

Alternate displays and system constants

Many of the forms you use in Contract Billing change in functionality and appearance, depending on the way you have set up your system constants. For example, if you set up your system constants for revenue recognition only, the forms and functionality apply only to the revenue recognition process.

See *Setting Up System Constants for Contract Billing* for more information.

Work with Workfile Transactions for Revenue



Working with Workfile Transactions for Revenue Recognition

The first step in the revenue recognition process is to work with workfile transactions. When you work with workfile transactions, you must accumulate cost information, verify the resulting transactions in the workfile, and make any necessary revisions to the transactions.

The tasks for revenue recognition that involve workfile transactions are similar to the tasks that you complete for billing.

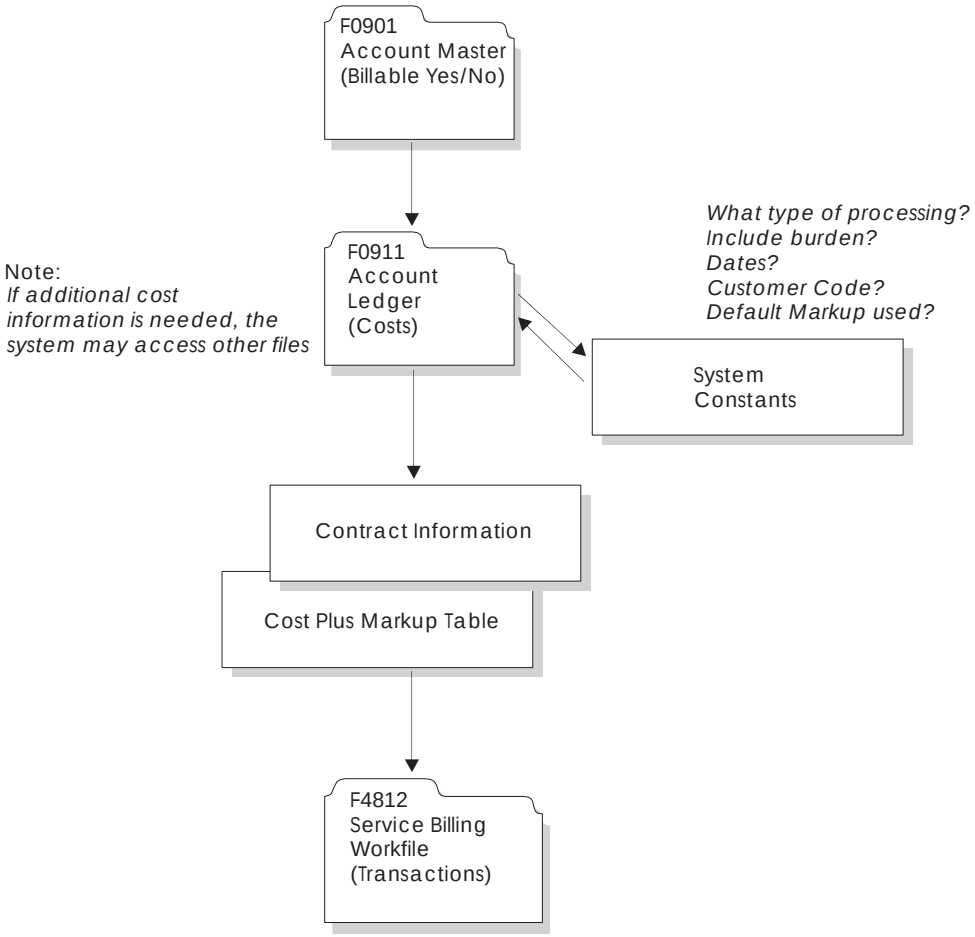
Working with workfile transactions consists of the following tasks:

- ❑ Accumulating costs
- ❑ Reviewing the workfile
- ❑ Revising workfile transactions
- ❑ Working with the workfile history

Accumulating Costs for Revenue Recognition

Accumulating Costs for Revenue in Contract Billing

The first step in the revenue recognition process for T&M pricing types is to accumulate billable costs. Billable costs are represented by source transactions that the system stores in the Account Ledger table (F0911). Source transactions originate from multiple systems, such as Accounts Payable, Equipment/Plant Management, and Payroll. You run the Generation program to accumulate the cost information from these sources.

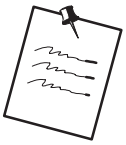


When you run the Generation program, the system:

- Identifies all the unbilled source transactions for T&M in the system
- Determines whether the account for each source transaction is billable, based on the Billable (Y/N) field in the Account Master table (F0901).
- Uses related files when constants and source transactions indicate the need for additional information, such as when burden is associated with payroll transactions

- Updates the source transactions in the Account Ledger table as billed or nonbillable
- Updates the payroll transaction history and employee transaction details for all payroll-related transactions
- Calculates markup amounts
- Creates copies of source transactions in the Service Billing Workfile
- Assigns eligibility codes to the copied transactions, based on the Journal Generation Control field in the system constants and the Billable (Y/N) field in the Account Master table
- Assigns each transaction in the Service Billing Workfile the applicable contract information
- Creates revenue workfile transactions for unit price and lump sum pricing types based on Account Ledger records

To maintain the integrity of the original source transactions, the Contract Billing system creates copies of the source transactions for T&M. The copied transactions are referred to as workfile transactions and are stored in the Service Billing Workfile (F4812). Workfile transactions include costs with any applicable markup, taxable amounts, and other key billing information. You base the rest of the revenue recognition process on the information stored in workfile transactions for T&M and component pricing types.



After you accumulate costs to generate workfile information, the system marks the source transactions in the Account Ledger table with N (non-billable) or Z (billed) to indicate that the transactions have been included in the workfile generation. The next time you accumulate costs, the system generates workfile transactions for only the source transactions that have not been previously included in the workfile generation.

NOTE: After you accumulate costs to generate workfile information, the system marks the source transactions in the Account Ledger table with N (non-billable) or Z (billed) to indicate that the transactions have been included in the workfile generation. The next time you accumulate costs, the system generates workfile transactions for only the source transactions that have not been previously included in the workfile generation.

Before You Begin

- ❑ Define accounts in the chart of accounts as eligible for revenue processing
- ❑ Define the system constants to identify the costs you want to accumulate and the revenue you want to recognize
- ❑ Define markup and component rules for T&M and component pricing types

❑ Set up contract information

What You Should Know About

Eligibility codes

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the Journal Generation Control field you set up for your system constants.

For example, if the Billable (Y/N) field for a transaction is a Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for the transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing. If the same account with a Y in the Billable (Y/N) field is processed through the Service Billing system and the Journal Generation Control field is set for revenue only, the eligibility code for the transaction is 2. An eligibility code of 2 indicates that the transaction is eligible for revenue recognition only.

Changing source and payroll transactions

The system might need additional information from the Payroll Transaction History table (F0618) or the Employee Transactions Detail (F06116) table to process certain source transactions.

After the system creates payroll and source transaction tables, do not change or delete any of the following transaction information:

- Account number
- Dates
- Subledger information
- Employee address book number

In order for the system to create workfile transactions from payroll transactions, all information must be identical in the Payroll or Employee tables and Account Ledger tables.

Burden transactions

The eligibility code for burden transactions must be compatible with the eligibility code for the associated workfile transaction. Specifically, the system prevents the eligibility code for a workfile transaction from being more restrictive than the eligibility code of its burden transactions.

If, for example, the burden transaction for a workfile transaction is eligible for both revenue and billing, but the workfile transaction is eligible only for revenue, the system assigns the burden transaction the same eligibility code as the workfile transaction.

See Also

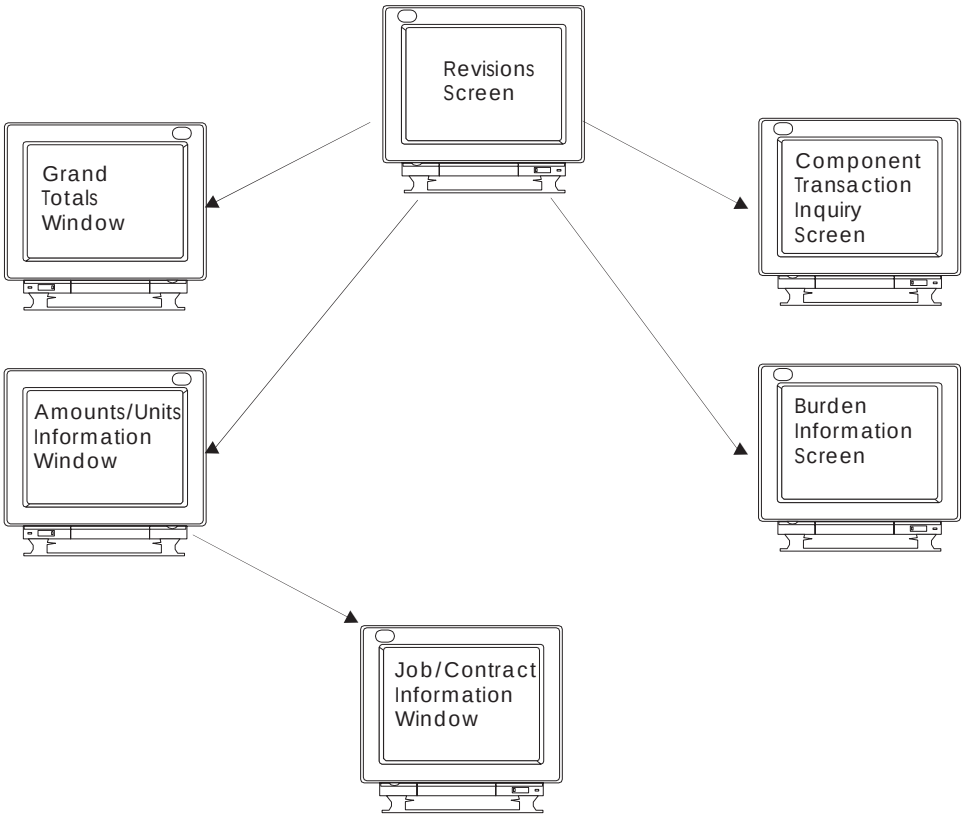
- *Working with Lump Sum* for more information about how the system processes revenue for the lump sum pricing type
- *Working with Unit Price* for more information about how the system processes revenue for the unit sum pricing type
- *Defining Markup Rules* for more information about calculating markup
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version
- Setting Up System Constants for Contract Billing (P48091) for more information about Journal Generation Control

Processing Options for Workfile Generation – Batch Front End

```
CONTRACT REVENUE GENERATION OPTIONS:
1. To generate revenue for Contract non-          _____________
   T&M lines, enter the Contract Revenue
   Workfile Generation (P52801) DREAM
   Writer version to run.

2. If you entered a version number
   above, you must also enter the
   following dates:
   a. Enter the beginning date for
      revenue generation:                         _____________
   b. Enter the ending date for revenue           _____________
      generation:

HOME BUSINESS UNIT SELECTION:
3. Enter a '1' (default) to use the Item          _____________
   Master file as the source of the Home
   Business Unit for payroll equipment
   records.  Enter a '2' to use the
   Payroll Master file as the source.
```

Reviewing the Workfile for Revenue Recognition

After you accumulate billable cost information for time and material (T&M), you can review the related workfile transactions to verify that the information the system retrieved from the source transactions is correct. Source transactions come from the Account Ledger table (F0911). The system might also require other information from the originating systems to process some source transactions.



When you review workfile transactions, you should look for potential errors, such as:

- Payroll transactions charged to the incorrect job
- Incorrect markup amounts (if changes are made to your markup tables since the creation of your workfile transactions)

Reviewing workfile transactions consists of the following tasks:

- ❑ Locating transactions in the workfile
- ❑ Reviewing transaction totals

Locating Transactions in the Workfile for Revenue Recognition

To review the transactions in the Service Billing Workfile, you must first locate them. Enter search criteria to control the workfile transactions that the system displays. If you specify more values in your search criteria, the system displays more specific transaction information.

You can review the following transactions in the workfile:

Workfile transactions

Workfile transactions for T&M are copies of billable source transactions that represent the billable costs for your company. When you accumulate costs, the system copies source transactions to create workfile transactions with any applicable markup amounts. The system calculates workfile transactions for lump sum and unit price pricing types from nonbillable source transactions.

Burden transactions

Burden transactions represent the cost over and above the direct labor wages or salaries that a company incurs as a result of employing people. Burden transactions might include:

- Company-paid payroll taxes
- Insurance
- Fringe benefits, such as union pensions

The Contract Billing system always processes burden transactions in conjunction with associated workfile transactions for labor.

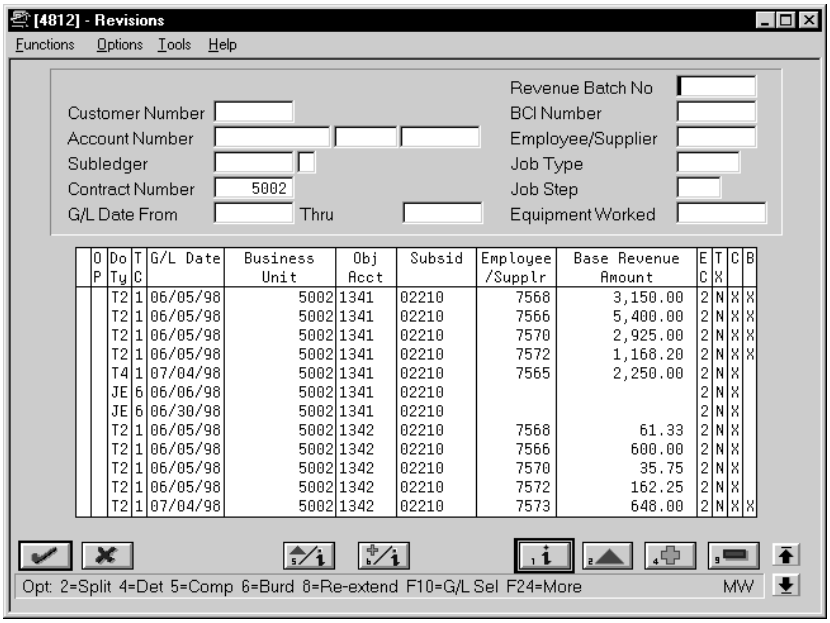
Component transactions

Component transactions represent additional costs that you add to the original cost of a service. For example, component transactions might be used to offset the cost of borrowing money.

The Contract Billing system always processes component transactions in conjunction with associated workfile transactions.

Locating transactions in the workfile consists of the following tasks:

- ❑ Reviewing workfile transactions
- ❑ Reviewing burden transactions
- ❑ Reviewing component transactions



Reviewing Workfile Transactions for Revenue Recognition

You can review specific workfile transactions to verify accounting and billing information, such as the document type, classification, account number, amount, and eligibility for processing. You can also determine whether a workfile transaction is taxable and whether it includes associated burden or component transactions.

▶ To review workfile transactions

On Revisions

1. Complete one or more of the following fields to locate workfile transactions:
   - Customer Number
   - BCI Number
   - Account Number
   - Employee/Supplier
   - Contract Number
   - Equipment Worked

2. To locate specific workfile transactions, complete the following optional fields and press Enter:
    - Subledger
    - Subledger Type
    - Job Type
    - Job Step
    - G/L Date From
    - G/L Date Thru
3. Review the following fields:
    - Type Code
    - Eligibility Code
    - Taxable
    - Components
    - Burden

Field	Explanation
Customer Number	The address book number to which the system posts billing and accounts receivable transactions. . . . . . *Form-specific information* . . . . . . Enter a customer's address book number in this field to search for transactions associated with that customer.
Billing Control ID	A unique number that identifies a detail transaction for the billing of customer information. The system uses the number, which is automatically assigned through the Next Numbers facility (system 48, index 2), to create an audit trail for tracking transactions through the billing process. A component record has the same billing control ID as the billing transaction on which it is based. . . . . . *Form-specific information* . . . . . . Enter the billing control ID of the billing transaction you want the system to display.
Business Unit	Identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a job, project, work center, or branch/plant. Business unit security can prevent you from locating business units for which you have no authority. . . . . . *Form-specific information* . . . . . . Enter a business unit in this field to search for transactions associated with that business unit.

Field	Explanation
Object Account	The object account portion of a general ledger account. The terms "object account" and "cost type" are used synonymously. They refer to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). When you are using a flexible chart of accounts, if the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. Here, entering 000456 is not the same as entering 456, because the system adds three blank spaces to fill a 6-digit object.
Subsidiary	A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.
Employee/Supplier	A number that identifies an entry in the Address Book system. Use this number to identify employees, applicants, participants, customers, suppliers, tenants, special mailing addresses, and so on.
Equipment Worked	Enter an equipment number to search for transactions associated with a particular piece of equipment. The system can use a default value for this field from the Account Ledger file (F0911) or the Time Entry History file (F0618).
Subledger – G/L	A number that identifies a work order in the Service and Contract Billing systems. In general, if you specify a work order, you must also specify W as the subledger type for the work order. . . . . . *Form-specific information* . . . . . . Enter a work order number in this field to search for transactions associated with that work order.
Subledger Type	A user defined code (00/ST) that you use with the Work Order (Subledger) field. For a work order, the subledger type must be W. NOTE: If you use A/P speed code entry, the field can be blank.
Job Type (Craft) Code	A user defined code (system 06, type G) that specifies job classifications established for an organization. This field is used to determine pay rates and benefit plans for employees linked to these classifications.
Job Step	A user defined code (system 06, type GS) that designates a specific step, grade, or salary level within a particular job type. The system uses this field in conjunction with job type to determine pay rates by job.

Field	Explanation
G/L Date	The date that identifies the financial period to which the source transaction was posted. Based on the company's fiscal year and current accounting period, the system edits the date for PBCO (posted before cutoff), PYEB (prior year ending balance), PACO (post after cutoff), and WACO (post way after cutoff).
Effective Date Through	The date on which the item, transaction, or table becomes inactive or the date through which you want transactions to display.
Transaction Class	A code that identifies the classification of a Service Billing transaction. Valid codes are: blank Ad hoc entry in the Service Billing Workfile 0 System-generated basis record of overage for components 1 Labor 2 Payroll burden 3 Equipment 4 Inventory (future use) 5 Purchasing 6 Journal 7 Ad hoc entry in an existing invoice batch 8 System-generated control record 9 System-generated limiting offset for a contract (future use) A System-generated revenue record for a contract
Eligibility Code – Service Billing	A code that identifies the type of processing for which a transaction in the Service Billing Workfile (F4812) is eligible. This code controls the operation at the single transaction level. The values are: 0 Eligible for both invoicing and revenue recognition 1 Eligible for invoicing only 2 Eligible for revenue recognition only 3 Non billable 4 Eligible for cost only Note: If the transaction belongs to a billable account, the system generates the eligibility code using the information in the Journal Generation field on the Service Billing Constants form.
Data Item Description	A brief description of a code or abbreviation. . . . . . *Form-specific information* . . . . . . An "X" in the C column denotes that components exist for this workfile transaction. An "X" in the B column denotes that there is burden associated with this workfile transaction.

What You Should Know About

Eligibility codes

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the Journal Generation Control field you set up for your system constants.

For example, if the Billable (Y/N) field for a transaction is a Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for the transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing. If the same account with a Y in the Billable (Y/N) field is processed through the Service Billing system and the Journal Generation Control field is set for revenue only, the eligibility code for the transaction is 2. An eligibility code of 2 indicates that the transaction is eligible for revenue recognition only.

Reviewing Burden Transactions for Revenue Recognition

Burden is the cost that a company incurs as a result of employing people. Burden can include:

- Company-paid payroll taxes
- Insurance
- Fringe benefits, such as union pensions
- Direct labor costs, such as small tools

You use a system constant to control whether burden transactions are processed for the workfile. The system calculates burden transactions when you create payroll journal entries. The only way you can process burden within the Contract Billing system is in conjunction with its associated workfile transaction for labor.

The eligibility code for burden transactions must be compatible with the eligibility code for the associated workfile transaction. Specifically, the system prevents the eligibility code for a workfile transaction from being more restrictive than the eligibility code of its burden transactions. If, for example, the burden transaction for a workfile transaction is eligible for revenue and billing, but the workfile transaction is eligible only for revenue recognition, the system assigns the burden transaction the same eligibility code as the workfile transaction.

The Payroll system calculates the following types of burden:

Actual burden	The actual cost of payroll taxes, insurance, and fringe benefits. The system calculates the burden for the actual costs that are associated with each employee's timecard.
Flat burden	An estimated burden amount that the system derives from the direct labor costs. The system calculates the burden on a timecard-by-timecard basis as a percentage of the labor costs.

When burden is associated with a workfile transaction, the system displays an X in the Burden (B) field for that transaction. The system also updates the Burden Pending field to indicate the type of burden that was processed for the workfile transaction.

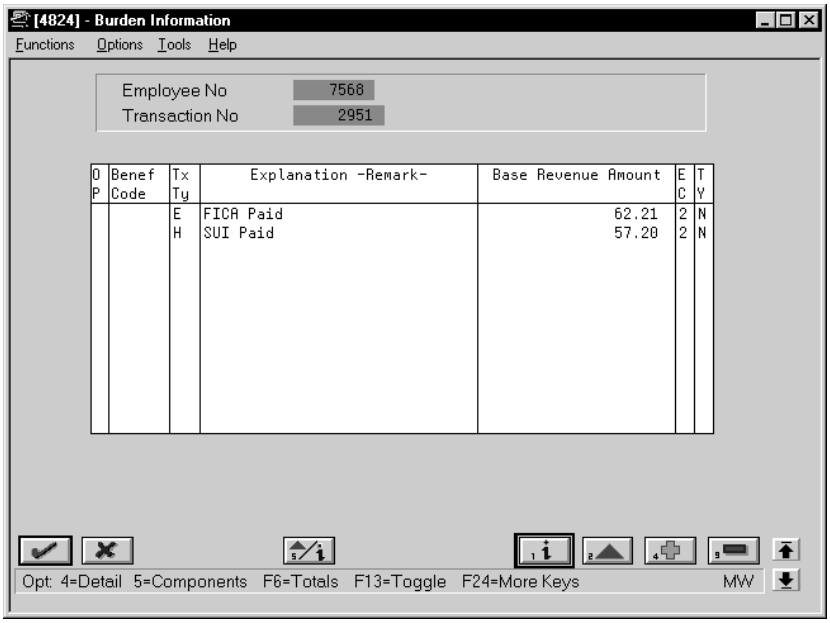
▶ To review burden transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition*.

2. Verify the following field to identify the transactions with burden:
   - Burden (B)
3. Choose Burden for the transaction you want to review.



4. On Burden Information, verify the information in the following fields:
   - Transaction Number
   - Benefit Code
   - Tax Type
   - Explanation – Remark

Field	Explanation
Transaction Number – Payroll	The unique number that the system assigns to a transaction in payroll. The system uses this field to tie a payroll transaction to each audit record for actual burden created during the Actual Burden Journaling process.
PDBA Code	A code to define the type of pay, deduction, benefit, or accrual. Pay types are numbered from 1 to 999. Deductions and benefits are numbered from 1000 to 9999. Sick and vacation accruals must have a specific numbering order. You must assign a higher number for the time available code when you are also assigning a time accrued code. For example, if vacation accrued is 8001, vacation available must be 8002 or greater.
Tax Type – Payroll	A code that identifies the type of payroll tax associated with this billing detail transaction.

Field	Explanation
Remark	A description, remark, explanation, name, or address retrieved from the following cost (source) transactions: • Journal entry (Explanation 2 field) • A/P voucher entry (Explanation field) • Payroll (pay type description — regular, overtime, and so on)

What You Should Know About

Daily payroll processing and burden

When you use daily time entry, the only type of burden that you can associate with a workfile transaction for labor is flat burden. After you process the daily payroll transactions and accumulate their costs in the workfile, the system marks the original payroll transactions as billed.

the original payroll transactions have been processed, the system does not retrieve any new burden transactions calculated for the transactions. For example, if you reverse the flat burden amount and calculate the actual burden amount for the original payroll transactions, the system does not retrieve the new burden transactions.

After *Entering Timecards by Day* in the *Payroll Guide Volume 1* for more information.

Reviewing Component Transactions for Revenue Recognition

Reviewing Components for Revenue in Contract Billing

A component is a type of markup. The system calculates component transactions based on amounts or units from source transactions or burden transactions. For example, when you recognize revenue for T&M, you might include a component transaction to offset the cost of borrowing money.

You can use component transactions based on the revenue amount to apply charges in addition to the markup amount for the T&M workfile transaction. Use a compounded component to include additional markup added to the source transaction plus additional charges added to the marked-up amount for the revenue.

When a component transaction is associated with a workfile transaction, the system displays an X in the Component (C) field for that transaction.

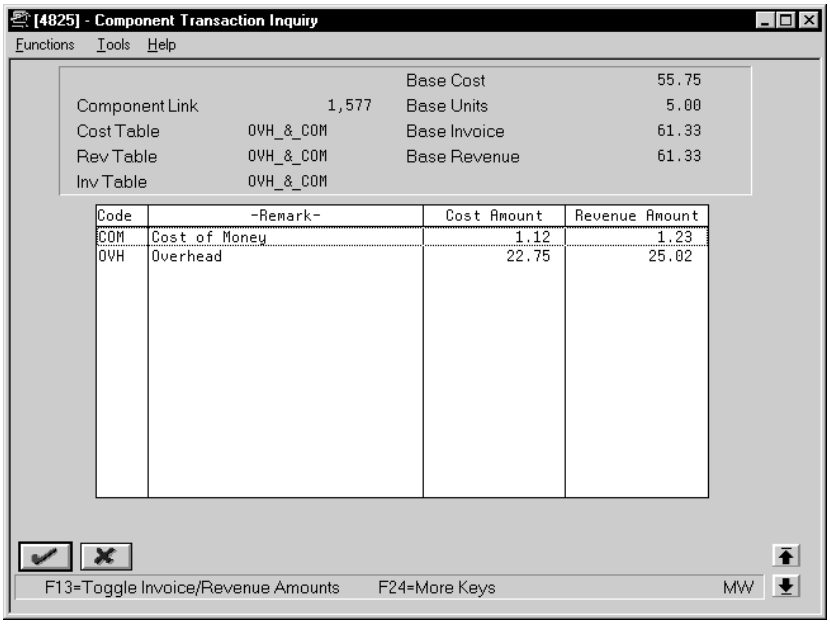
To review component transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition*.

2. Verify the following field to identify the transactions with components:
   - Component (C)
3. Choose Component for the transaction you want to review.



4. On Component Transaction Inquiry, verify the information in the following fields:
   - Component Link
   - Cost Table
   - Revenue Table
   - Base Cost
   - Base Units
   - Base Revenue
   - Code (Component Code)
   - Cost Amount
   - Revenue Amount

Field	Explanation
Component Link	The component link field attaches the component record to its base work file record.
Component Cost Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup Table entry. The component table identifies the components and their calculation rules. These component amounts are applied as overhead to the original cost. You set up component tables on the Component Table Definition form.
Component Revenue Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup table entry. The component table identifies the components and their calculation rules. These component amounts are recognized as revenue in addition to any revenue markups. You set up component tables on the Component Table Definition screen.
Amount	A number that identifies the actual amount. Type debits with no sign or a plus sign (+). Type credits with a minus sign (-) either before or after the amount. You can use decimals, dollar signs, and commas. The system ignores non-significant symbols.
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on.
Total Billed Amount	The revenue amount for a billing detail transaction.
Component Code	A component code identifies a provisional burden that is accounted for at the billing detail transaction level.

Reviewing Transaction Totals for Revenue Recognition

Reviewing Transaction Totals for Revenue in Contract Billing

You can review the total amounts for one or more transactions. Review transaction totals so you can:

- Make projections relating to the revenue and cost totals
- Verify the accuracy of the revenue journal totals with the information that the system stores in the workfile
- Verify totals with component amounts

If you find a discrepancy with the transaction totals, you should make any necessary revisions before you continue with the revenue recognition process.

Reviewing transaction totals consists of the following:

- Reviewing totals for a specific transaction
- Reviewing totals for a group of selected transactions

▶ To review totals for a specific transaction

On Revisions

1. Complete the steps for locating workfile transactions.

   See *Locating Workfile Transactions for Revenue Recognition*.

2. Choose Toggle Amounts to display totals in the following field:
   - Amount

   The system displays only revenue amounts.

What You Should Know About

Alternate formats

You can review six different total formats in the Amount field for workfile transactions. Toggle to review the following amounts:

- Base revenue – Revenue total without components or burden
- Base invoice – Does not apply, the system does not display an amount
- Total revenue – Revenue total with components and burden
- Total invoice – Does not apply, the system does not display an amount
- Base cost – Cost without components or burden
- Total cost – Cost with components and burden

You can set a processing option to control which amount the system displays when you initially access the Revisions form.

▶ To review totals for a group of selected transactions

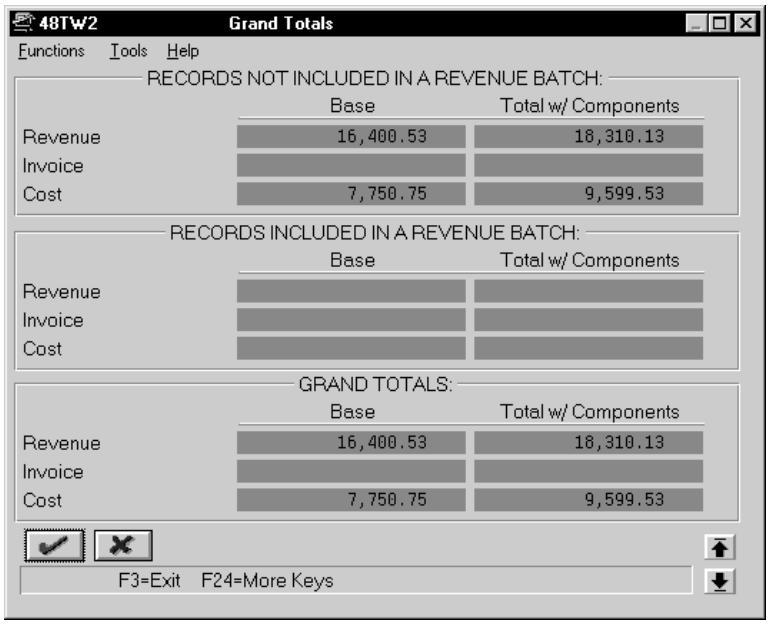
On Revisions

1. Complete the steps for locating workfile transactions.

See *Locating Workfile Transactions for Revenue Recognition*.

2. Choose Total Amounts for All Records to access the Grand Totals form.

   Grand Totals includes only the transactions that appear on Revisions. To include all transactions that meet the search criteria you specified on Revisions, you must scroll to the end of the subfile in the detail portion of Revisions before you choose Total Amounts.



3. On Grand Totals, review the following fields:
   - Revenue
   - Cost

Field	Explanation
Total Billed Amount	The revenue amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . The total of the revenue amounts for the billing detail transactions that are displayed. The total appears in two columns: base revenue amount and total revenue amount. • Base revenue = source cost + revenue markup For example, revenue markup is 10%. A source cost of 1000 then results in a base revenue amount of 1100. 1100 = 1000 + 100 • Total revenue = base revenue + components + burden For example, components consist of 50 for administration and 100 for overhead. Burden consists of 100 for payroll taxes. A base revenue of 1100 then results in a total revenue amount of 1350. 1350 = 1100 + 150 + 100
Total Cost Amount	The cost (source) amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . The total of the cost (source) amounts for the billing detail transactions that are displayed. The total appears in two formats: base cost amount and total cost amount • Base cost = source cost For example, a source cost of $1000 results in a base cost amount of $1000. • Total cost = base cost + components For example, components consist of $50 for administration and $100 for overhead. A base cost of $1000 then results in a total cost amount of $1150. 1150 = 1000 + 150

What You Should Know About

Totals for components	The system does not calculate the total for components. You must manually compute this amount.
Totals for burden	You can review totals for burden. On the Revisions form, choose Burden Information. Choose Total Amounts for All Records to review the burden totals.

Revising Workfile Transactions for Revenue Recognition

Workfile transactions are the basis for the revenue recognition process. You should make any necessary revisions to the transactions before you continue. For example, you can:

- Add any G/L transactions that were omitted from the workfile without running the Generation program again.
- Change the markup for a transaction.
- Add transactions directly to the workfile without entering them into the G/L first, such as transactions for expense reports that have not yet been processed in the Accounts Payable system.
- Assign a hold status to a transaction. For example, you can assign a hold status with a release date to prevent a transaction from being included in a revenue batch until the specified release date
- Split a transaction into two new transactions. You can then revise the processing status for the new transactions.

You can also remove a transaction from the active workfile to the history table so that it is not included in a revenue batch.

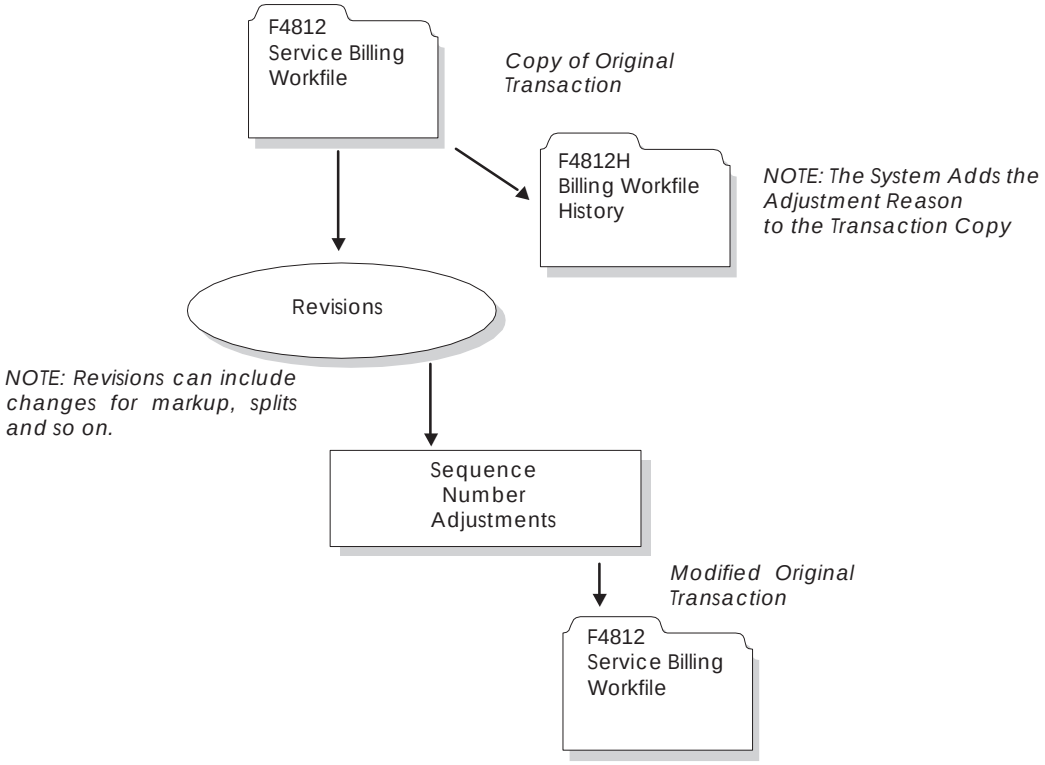
Workfile transactions for lump sum and unit price pricing types are system-generated based on an algorithm. You cannot modify or remove these transactions from the workfile.

Revising workfile transactions consists the following tasks:

- ❑ Adding existing G/L transactions
- ❑ Changing the markup
- ❑ Entering ad hoc transactions
- ❑ Assigning a hold status
- ❑ Splitting a workfile transaction
- ❑ Moving a transaction to history
- ❑ Printing workfile transactions

Workfile Revisions and Sequence Numbers

When you revise workfile transactions, the system assigns the transactions and each new revision a series of sequence numbers.



You can use these numbers to track the progression of revisions to original workfile transactions. The system assigns each workfile transaction the following sequence numbers:

Sequence number

The sequence number of the original workfile transaction is always 1. If you split the original transaction, the system assigns the next available sequence numbers to the resulting transactions.

Parent sequence number

The parent sequence number for an original workfile transaction is always blank. The system assigns a parent number to transactions that result from a split. The parent number for resulting transactions is always the *sequence number* of the transaction that you split. For example, if you split an original workfile transaction with a sequence number of 1 and a blank parent sequence number, the system assigns the resulting transactions a parent number of 1.

Secondary sequence number

The secondary sequence number tracks the number of revisions you make to a workfile transaction. For example, you might revise a transaction three times. The secondary sequence number of the transaction you revise is 1. After the revision, the secondary sequence number for the transaction is 2. When you change the transaction again, the secondary sequence number is 3.

What You Should Know About

Cost transactions in the G/L

Any changes you make to a workfile transaction affect only the information in the workfile. The changes do not affect the original cost (source) transactions in the Account Ledger table.

Revised transactions

Revised transactions remain in the workfile. The system retains a copy of the transaction prior to any changes in the Service Billing Workfile – History table (F4812H) for audit purposes.

You can set up your system constants to allow journal reclassification. The system creates correcting entries for the revised workfile transactions in the Account Ledger (F0911) during journal creation.

See *Creating Preliminary G/L Entries for Revenue Recognition* for more information about journal reclassification.

Adding transactions directly to the workfile

CAUTION: If you add transactions directly to the workfile and then process the original transaction through the normal accounting cycle, the system creates a duplicate transaction.

See *Entering Ad Hoc Transactions for Revenue Recognition* for more information.

See Also

- *Working with Lump Sum* for more information about how the system processes revenue for the lump sum pricing type
- *Working with Unit Price* for more information about how the system processes revenue for the unit sum pricing type

Adding Existing G/L Transactions for Revenue Recognition

You can add transactions for T&M from the Account Ledger table to the Service Billing Workfile without running the Generation program. When you add transactions from the Account Ledger table, you can include costs to the workfile for processing that were entered in the accounting system after you first accumulated your costs.

You can add transactions to the workfile using one of the following amounts:

- The cost without markup
- The cost plus markup, based on the markup rules you define or the default markup percentage you specify in system constants

When you add a G/L transaction to the workfile, the system marks the transaction as processed in the Account Ledger table and, if applicable, in the Payroll Transaction History (F0618) or Employee Transactions Detail (F06116) tables.

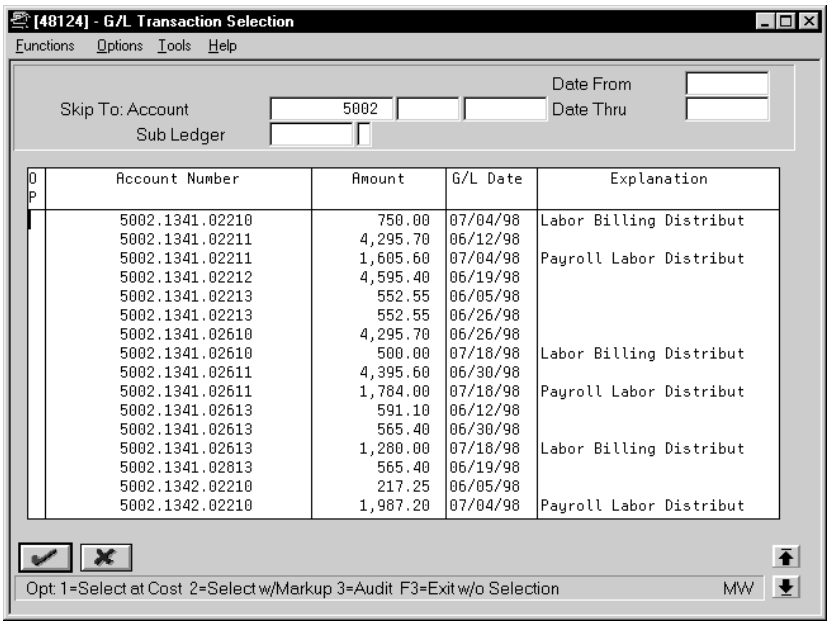
▶ To add existing G/L transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose G/L Selection.



3. On G/L Transaction Selection, complete the following field to display the existing G/L transactions:
    - Business Unit
4. To limit the list of transactions, complete one or more of the following fields and press Enter:
    - Date From
    - Date Thru
    - Object
    - Subsidiary
    - Subledger
    - Subledger Type

    The system automatically supplies the information for these fields if you completed them on the Revisions form.
5. Choose one of the following for a specific transaction:
    - Select at Cost
    - Select with Markup

What You Should Know About

G/L audit trail	If you do not know how a transaction originated, you can choose Audit for the transaction. The system displays the audit trail from the Account Ledger table.

Changing the Markup for Revenue Recognition

Changing the Markup for Revenue in Contract Billing

The markup for a transaction is the increase in costs to account for overhead and profit. You define markup rules when you set up your system. You can also change markup information after you accumulate costs.

After you make changes to the markup, you can apply the revised markup information to the transaction, or you can reapply the markup rules you originally defined for your system on the Cost Plus Markup Table.

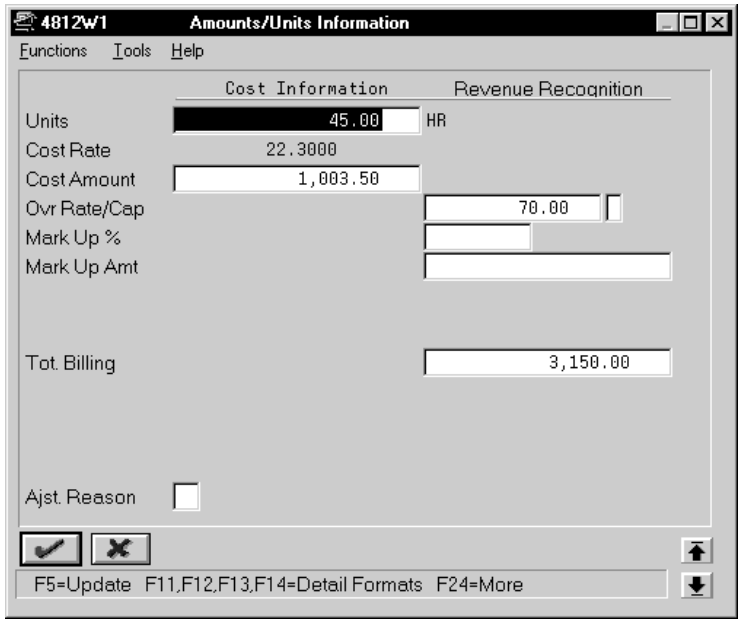
▶ To change the markup

On Revisions

1. Complete the steps for locating the workfile transactions.

   See *Locating Workfile Transactions for Revenue Recognition*.

2. Choose Detailed Transaction Window for a specific transaction.



3. On Amounts/Units Information, complete any combination of the following applicable fields:
   - Override Rate
   - Cap or Rate

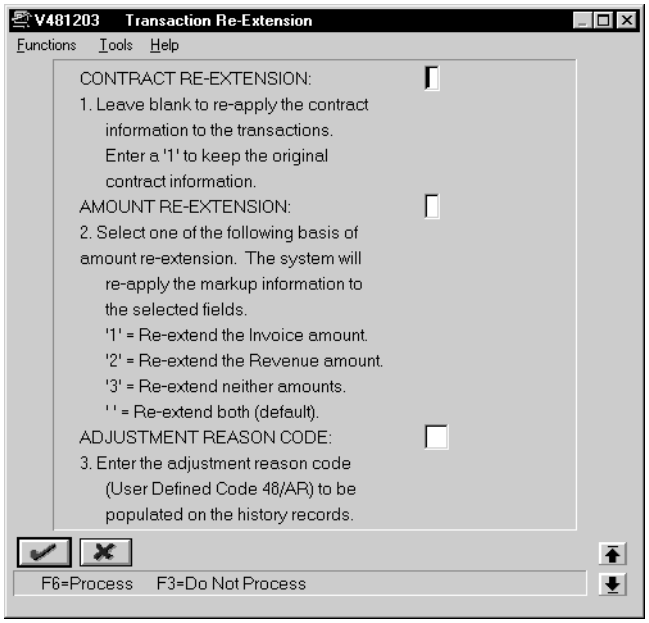
- Mark Up Percent
- Mark Up Amount

4. Choose Update.

   The system calculates the markup and displays the changes.

5. Choose Exit Program.

   The system displays Transaction Re-Extension.



6. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

   Invoice amount does not apply. If you choose 1 for the Amount Re-Extension, the system does not re-extend the revenue information.

7. Choose Process.

   The system retains the information you entered on the form and displays it the next time you access the Transaction Re-Extension form.

Field	Explanation
Invoice Rate – Service Billing	The rate used to mark up the invoice amount reflected in the billing of professional services such as draftsmen, engineers, or consultants fees. This rate will not affect the employee's paycheck. You can use this markup rate as an override rate or as a maximum rate. The Override Rate Calculation for the Total Invoice Markup is: (Override Rate * Unit) * (1 + Markup %) + Markup Amount When a Maximum or Cap Rate is Specified: Compare override rate with rate from cost transaction. Use the lower rate as the override rate. This override/maximum unit rate is set up in the Cost Plus Markup Table, using generation type 1 to specify a table for invoice markup rates. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function.
Cap or Override Rate – Invoice	This flag indicates whether the associated amount is the override rate or the cap of the rate. Valid codes are: blank Override Rate. 1 Cap of the Rate. If the cost rate is less than the cap rate, the cost rate will be used; if the cost rate is greater than the cap rate, the Cap Rate will be used.
Percentage – Invoice Markup	The percentage you use to mark up the invoice amount reflected in the billing of professional services, such as draftsmen, engineers, or consultants fees. This percentage rate will not affect the employee's paycheck. This percentage rate is set up in the Cost Plus Markup Table using generation type 1 to specify a table for invoice markup percentage rates. With the new Service Billing /Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function. Enter percentages as whole numbers. For example, 50.275% would be entered as 50.275.

Field	Explanation
Amount – Invoice Markup	An amount used to mark up the invoice amount reflected in the billing of professional services such as draftsmen, engineers, or consultants fees. This amount will not affect the employee's paycheck. This amount is set up in the Cost Plus Markup Table using generation type 1 to specify a table for invoice markup amounts. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function.
Re–Extend Option	This option allows for one of the following four scenarios: 1 Reapply the established invoice markup rates from the Cost Plus Markup Table. The revenue amount is not changed. 2 Reapply the established revenue markup rates from the Cost Plus Markup Table. The invoice amount is not changed. 3 Use the rates/amounts entered in the Amounts/Units Information window or on the Revisions form. Do not apply the established invoice/revenue markup rates from the Cost Plus Markup Table. blank Reapply both the invoice and revenue markup rates using the established rates from the Cost Plus Markup Tables. NOTE: Options 1 and 2 are not allowed when the Independent Invoice flag in the system constants specifies that the invoice and revenue amounts must be the same.
Adjustment Reason Code	The adjustment reason code allows you to specify the reason for a revision to a single or a group of billing detail transactions in the Service Billing Workfile (F4812). It is a user defined code, table 48/AR. The system updates the historical billing detail transactionwith this reason for audit purposes.

What You Should Know About

Updating a workfile transaction	You can update individual workfile transactions to reflect the most current rules you have set up to calculate markup. Choose Transaction Re-Extension next to the transaction you want to update on the Revisions form.
Updating workfile transactions globally	You can update multiple workfile transactions to reflect the most current rules you have set up to calculate discounts, taxes, and markups. Choose Re-Extension from the Workfile Generation menu to access the DREAM Writer. The processing options are identical to the Transaction Re-Extension form.

See Also

- *Defining Markup Rules (F48096)* for more information about setting up markup rules on the Cost Plus Markup Table

Entering Ad Hoc Transactions for Revenue Recognition

If you do not enter cost information for T&M and component pricing types during an accounting cycle, the transactions are not available when you accumulate costs. You can manually add transactions to the workfile on an as-needed basis for costs that are not processed during the accounting cycle. Transactions you enter into the workfile manually are referred to as ad hoc transactions.

For example, an accounting department processes expense reports on the 15th of each month. The supervisor's expenses contain a billable cost that must be in the Service Billing Workfile by the 5th of the month. In this case, you enter the cost as an ad hoc transaction to the workfile. The ad hoc transaction is created to represent cost information that is not in the Account Ledger table and is independent of the regular accounting cycle. After you enter the ad hoc transaction into the workfile, you can mark up the cost, and complete the revenue recognition process.

When you enter an ad hoc transaction into the workfile:

- You cannot record a reason why the transaction was created.
- No source document exists to backup the transaction.
- The detail information for the costs in the general ledger and the workfile is inconsistent.

If you enter an ad hoc transaction and then process the related source transaction through the normal accounting cycle, the system creates a duplicate transaction in the workfile. To prevent this, you must manually change the eligibility code for the duplicate workfile transaction to nonbillable and remove it from the workfile.

If you do not remove the duplicate workfile transaction from the workfile, the system continues to display the transaction on the Revisions form. You might bill for the transaction in error if the eligibility code for the transaction is changed.

▶ To enter ad hoc transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition*.

2. Complete the following fields on a blank detail line:
   - G/L Date
   - Business Unit
   - Object
   - Subsidiary

   For ad hoc transactions, you use an account that you have included in the cross-references for T&M. If you do not use an account that is cross-referenced, the system does not update the ad hoc transaction with the contract information.

   See *Defining Cross-References for T&M*.

3. Complete the following optional fields for the new transaction:
   - Employee/Supplier
   - Amount
   - Eligibility Code
4. Choose More Details.
5. Complete the following optional fields:
   - Subledger
   - Subledger Type

6. Choose the Add action.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
8. Choose Process.

See Also

- *Moving a Transaction to History for Revenue Recognition* for more information about changing the status of a transaction to nonbillable.

Assigning a Hold Status for Revenue Recognition

You can put a workfile transaction on hold so the system can process it at a later date. Although the transaction remains in the Service Billing Workfile, the system cannot process it until the release date you specify. The system stores the release date as part of the audit trail for the transaction.

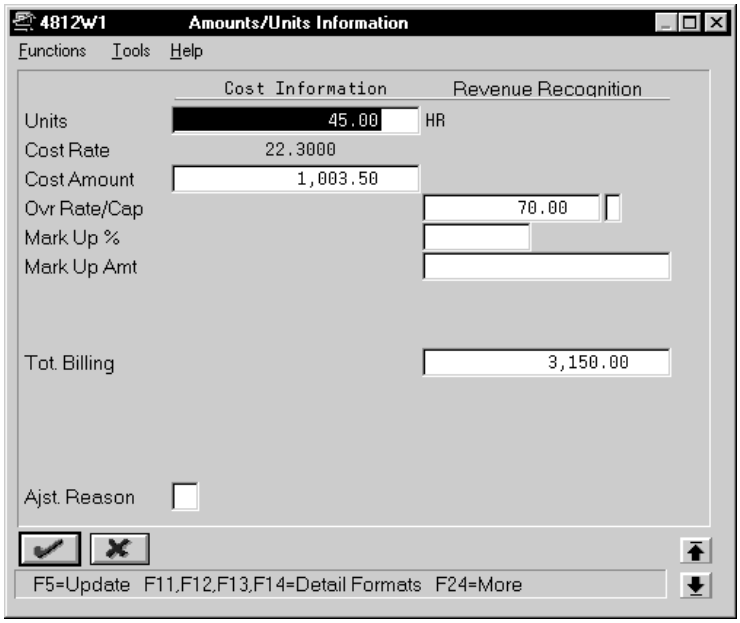
▶ To assign a hold status

On Revisions

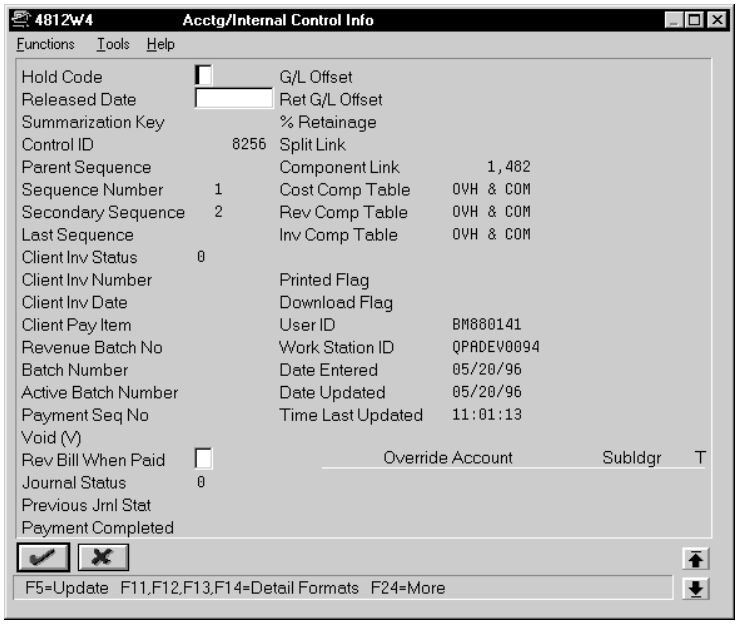
1. Complete the steps for locating a workfile transaction.

   See *Locating Transactions in the Workfile for Revenue Recognition*.

2. Choose Detailed Transaction for a specific transaction.



3. On Amounts/Units Information, choose Accounting/Internal Control Information.



4. On Accounting/Internal Control Information, complete the following fields:

   - Hold Code
   - Released Date (optional)

   Invoice Hold does not apply. If you choose I or 3 for the Hold Code, the system does not hold the workfile transaction. If you leave the Released Date field blank, the system holds the transaction indefinitely.

5. Choose Update.
6. Choose Exit Program.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:

   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

8. Choose Process.

Field	Explanation
Hold Code – Service Billing Transaction	This code identifies the type of 'HOLD' status applied to a billing detail transaction. Valid values are: blank Not on hold. A On hold for invoicing, revenue recognition, and cost transfers. B On hold for invoicing and revenue recognition. Cost transfers are allowed. I On hold for invoicing only. Revenue Recognition and cost transfers are allowed. R On hold for revenue recognition. This value applies only when the Journal Generation Control flag in the constants is set to process revenue only. Note: You can use 1 for A, 2 for B, 3 for I, and 4 for R.
Date — Released (Julian)	The release date. This billing detail transaction will not be eligible for processing until this date is greater than or equal to the "billed-through" date specified in Service Billing or the "cut-off" date specified in Contract Billing.

What You Should Know About

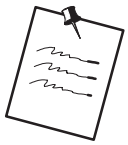
Holding workfile transactions with related transactions	If you assign a hold status to a workfile transaction with associated burden transactions, component transactions, or both, the system automatically assigns the hold to all the related transactions.

Splitting a Workfile Transaction for Revenue Recognition

Splitting a Transaction for Revenue in Contract Billing

After you accumulate costs, you can split a workfile transaction into two new transactions. You can split a transaction by a specific currency amount, unit amount, or a percent.

You might want to split a transaction so that you can process one of the new transactions for revenue, but not the other. For example, an employee works overtime and is paid at twice the regular hourly rate. If you need to calculate revenue for the employee's time at the regular rate, you can split the workfile transaction into two equal portions. One portion can be processed for revenue recognition and the other ineligible for processing.



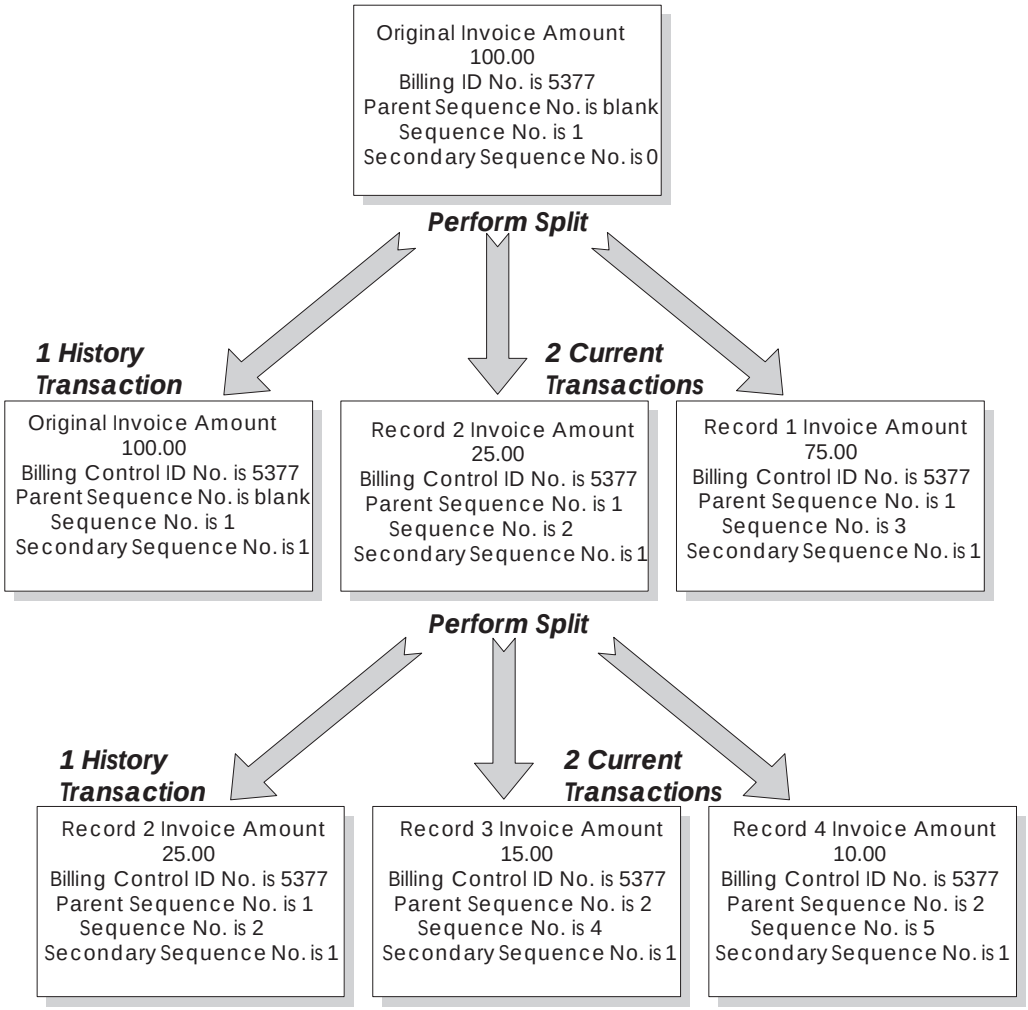
You cannot split payroll transactions with burden. You cannot split a burden transaction.

When you split a workfile transaction, the system:

- Displays two new transactions. The amounts and units for the new transactions equal that of the transaction prior to the modification.
- Moves a copy of the workfile transaction prior to the modification to the Service Billing Workfile – History.
- Assigns sequence numbers to all the related transactions. The control ID remains the same for the workfile transactions. You can review the sequence numbers and control ID in the accounting and internal control information.
- Splits associated component transactions.

NOTE: You cannot split payroll transactions with burden. You cannot split a burden transaction.

The following graphic illustrates how the Contract Billing system processes and assigns sequence numbers to transactions when you split a workfile transaction.



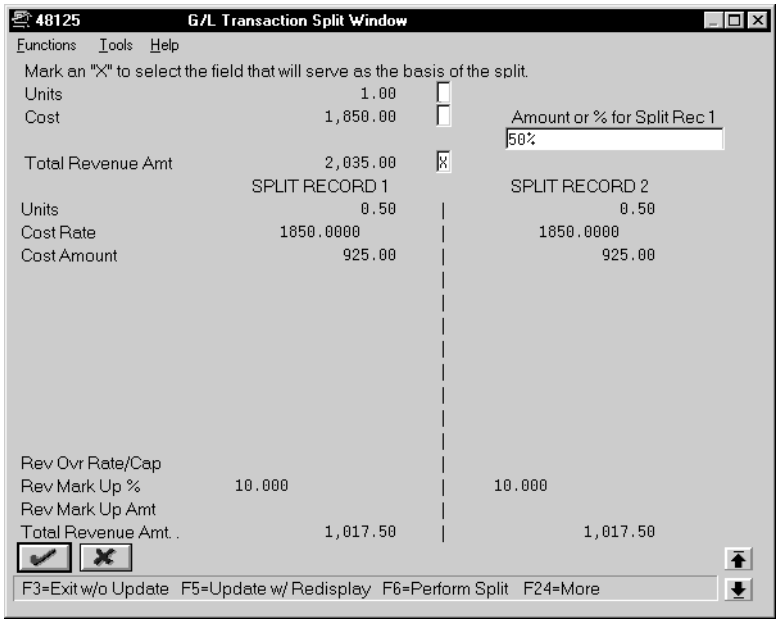
▶ To split a workfile transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition*.

2. Choose Split for a specific transaction.



3. On G/L Transaction Split Window, complete one of the following fields:
    - Units
    - Cost
    - Total Revenue Amount
4. Complete the following field:
    - Amount or % for Split Record 1
5. Choose Update with Redisplay to update the displayed information.
6. Verify that the information is correct.
7. Choose Perform Split to update the workfile transactions.

Field	Explanation
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the units of the billing detail transaction.
Cost	The cost (source) amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the cost (source) amount of the billing detail transaction.

Field	Explanation
Total Billed Amount	The revenue amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the revenue amount of the billing detail transaction.
Split Amount/Percent	The split amount or percent. You can split the taxable amount, the revenue total, the cost, or the units. If you enter an amount, it must be less than the amount of the field you are using as the basis of the split. If you enter a percentage (for example, 25% or %25,), the percentage must be less than 100%. The system automatically calculates the amount or percentage for the second split record.

What You Should Know About

Splitting a transaction with a markup amount

When you split a transaction with a markup amount based on cost, the system allocates the entire markup amount to Split Record 1. If you split a transaction with a markup amount based on the total revenue amount, the system allocates the markup amount to both split records.

Splitting a transaction with a hold code

When you split a transaction with a hold code, the system assigns the hold code and released date information to the resulting new transactions.

See *Assigning a Hold Status for Billing* for more information about hold codes.

Moving a Transaction to History for Revenue Recognition

Moving a Transaction to History for Revenue in Contract Billing

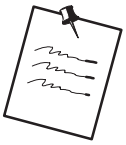
You can move a transaction out of the active Service Billing Workfile if the transaction does not belong in the workfile. Before you can move a transaction out of the workfile, the status for the transaction must be nonbillable. For example, if you do not want to process the revenue for a portion of a split transaction, you would move the nonbillable portion to history.

If burden is associated with the transaction, you first change the eligibility code for the burden to nonbillable. Then, change the eligibility code for the workfile transaction to nonbillable.

When you move a transaction to history, the system:

- Copies the transaction to the Service Billing Workfile – History for audit purposes
- Removes the transaction from the active Service Billing Workfile

Transactions that you move to history do *not* appear on the Revisions form.



The system does not remove the original transaction from the Account Ledger table.

NOTE: The system does not remove the original transaction from the Account Ledger table.

Moving a transaction to history consists of the following:

- Moving a transaction without burden to history
- Moving a transaction with burden to history

▶ To move a transaction without burden to history

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition*.

2. Complete the following field for a specific transaction to make it nonbillable:
   - Eligibility Code
3. Choose the Change action.

The system displays Transaction Re-Extension.

4. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
5. Choose Process.

   The system displays Revisions.

6. On Revisions, choose Delete for the workfile transaction.
7. Choose the Change action.

▶ To move a transaction with burden to history

On Revisions

1. Complete the steps for reviewing burden transactions for a specific workfile transaction.

   See *Reviewing Burden Transactions for Revenue Recognition*.

2. On Burden Information, complete the following field for all burden transactions to make them nonbillable:
   - Eligibility Code

   You must make all the burden transactions related to the workfile transaction nonbillable. If you do not, the system prevents you from moving the workfile transaction to history.

3. Choose the Change action.
4. Choose Exit Program.
5. On Revisions, complete the following field for the workfile transaction to make it nonbillable:
   - Eligibility Code
6. Choose the Change action.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension

- Adjustment Reason Code

8. Choose Process.

   The system displays Revisions.

9. On Revisions, choose Delete for the workfile transaction.
10. Choose the Change action.

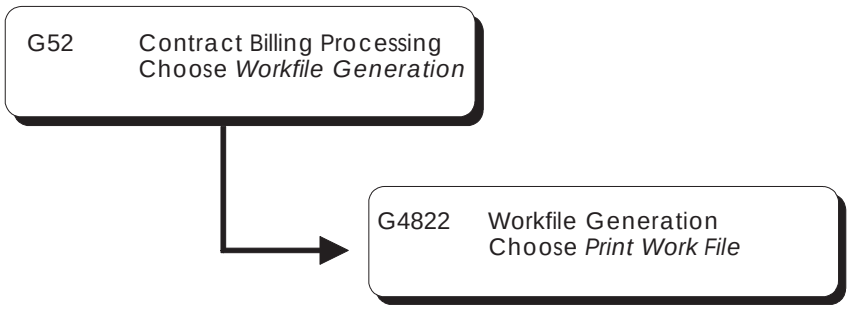
What You Should Know About

Changing the billing status of burden transactions

You can make burden transactions nonbillable without moving the related workfile transaction to history. You can do this if you need to change the billing status of a burden transaction without changing the billing status of the related workfile transaction.

You might want to do this if an account in the chart of accounts has been incorrectly designated as billable. You can change the resulting burden transactions for the account to nonbillable without changing the billing status of the workfile transaction.

Printing Workfile Transactions for Revenue Recognition



You can review workfile transactions online. You can also generate a report that prints a list of selected transactions. You might want to use this report for a number of reasons, including:

- As an exception report, for example, to print all of the transactions that are on hold
- As a comparison with the detail in the general ledger

To compare the workfile transactions to the detail in the general ledger, you can review the general ledger online using Account Ledger Inquiry, or you can print

the G/L by Object Account report. If you find a discrepancy, you should make the necessary revisions before you continue with the revenue recognition process.

Service Billing Workfile Listing

```
48405                                J.D. Edwards & Company                          Page No. . .    2
                                  Service Billing Workfile Listing                   Date - . . .  5/20/96
G/L                                          Billed                                  Sub-   S          Job   Job  PDBA  Employee          Journal  Invoice          Pay
Date        Cost          Units          Rate          Amount          Account Number  ledger  T Contract  Type  Step Code  /Supplr  Equipment  Batch    Invoice   Invoice  Itm Pha
--------  ------------  ------------  ------------  ------------  ----------------------------  --------  - --------  ------ ---- -----  --------  ---------  --------  --------  --------  --- ----
06/30/98         27.54                                    27.54          5002                                    5002
                                                                 Explanation Other Reimbursables              W/O Class     J. Class REG Equip Class     Home B.U.              PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link
06/05/98      1,003.50          45.00         22.3000        3,150.00          5002.1341.02210                    5002 64     JR       1     7568  00001361
                                                                 Explanation McGrew, Nancy                    W/O Class     J. Class REG Equip Class     Home B.U.       DENVER PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,482
06/05/98      1,260.00          45.00         28.0000        5,400.00          5002.1341.02210                    5002 64     SR       1     7566  00001361
                                                                 Explanation Meikle, Chris                    W/O Class     J. Class REG Equip Class     Home B.U.       DENVER PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,485
06/05/98      1,170.00          45.00         26.0000        2,925.00          5002.1341.02210                    5002 64-1           1     7570  00001361
                                                                 Explanation Manderfield, Jake                W/O Class     J. Class REG Equip Class     Home B.U.      NEWYORK PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,488
06/05/98      1,062.00          45.00         23.6000        1,168.20          5002.1341.02210                    5002 65             1     7572  00001370
                                                                 Explanation Miller, Michael                  W/O Class     J. Class REG Equip Class     Home B.U.      NEWYORK PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,491
07/04/98        750.00          15.00         50.0000        2,250.00          5002.1341.02210                    5002 64     PR       1     7565
                                                                 Explanation Marshall, Lynn V.                W/O Class     J. Class REG Equip Class     Home B.U.           50 PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,494
06/06/98      1,000.00                                                   5002.1341.02210                    5002
                                                                 Explanation misc. cost                       W/O Class     J. Class REG Equip Class     Home B.U.         5000 PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,707
06/30/98      1,000.00                                                   5002.1341.02210                    5002
                                                                 Explanation misc. cost                       W/O Class     J. Class REG Equip Class     Home B.U.         5000 PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code          Component Link           1,928
07/04/98         15.00                        50.0000           45.00          5002.1341.02210                    5002 64     PR       1     7565                                  012
                                                                 Explanation Overhead and Cost of Money       W/O Class     J. Class REG Equip Class     Home B.U.           50 PO No.
                                                                 Company    50                                             Jrnl Status 0 Printed Flg   A/R Exmpt   Sequence Number    1
                                                                 Component Code COM      Component Link
```

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Service Billing Workfile Listing

```
PRINT OPTION:
1. Choose one of the following to print:
   '0' = All detail (default).
   '1' = Only one line of detail.
```

Working with the Workfile History for Revenue Recognition

For every revision of a transaction that you create as you process workfile transactions, the system stores a copy of the previous transaction. You can review this audit trail to see all the changes you have made to a transaction. For example, if you change a markup and include a reason for the change, you can access the workfile history to review the markup change reason.

As you review the workfile history, you can reactivate eligible transactions. When you reactive a transaction, you move it from history back to the active workfile. For example, if you move a transaction to history in error, the transaction is eligible to be moved back to the workfile. After you move the transaction back to the workfile, you can include the transaction in the revenue recognition process.

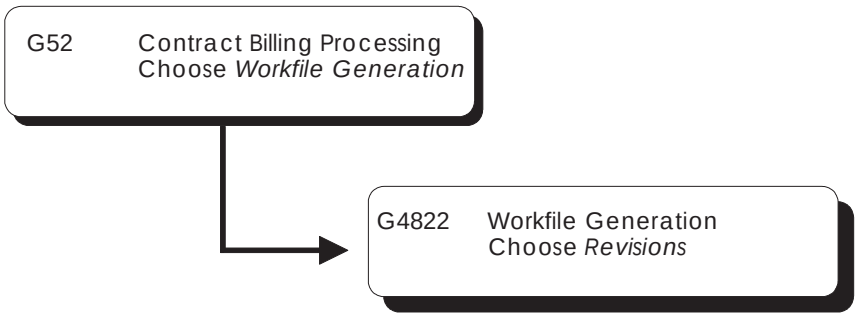
To maintain the integrity of the workfile, the system determines whether a transaction is eligible for reactivation based on the billing control ID number and a combination of other factors. The following transactions are not eligible for reactivation:

- Transactions copied to history during the split process
- Transactions copied to history during the modification process

Working with the workfile history includes the following tasks:

- ❑ Reviewing transaction revisions
- ❑ Moving a transaction out of history

Reviewing Transaction Revisions for Revenue Recognition



For every revision of a transaction you create as you process workfile transactions, the system stores a copy of the previous transaction. You can review this audit trail to see all the changes you have made to a transaction. The system displays the revision history of a transaction starting with the most recent revision to the original transaction.

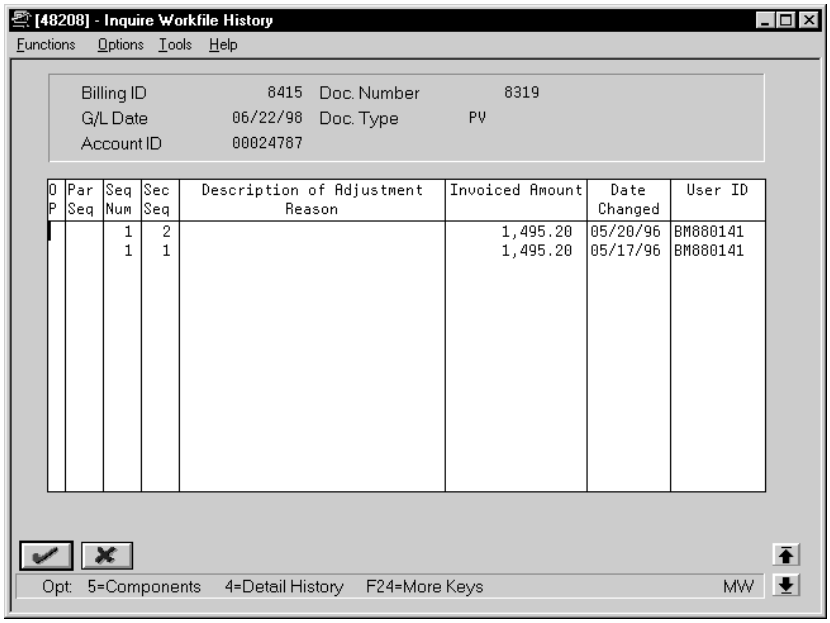
▶ To review transaction revisions

On Revisions

1. Complete the steps for locating the workfile transactions.

   See *Locating Transactions in the Workfile for Revenue Recognition*.

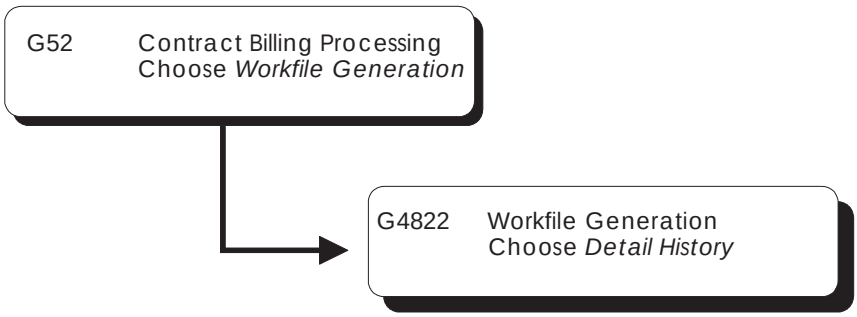
2. Choose Transaction History Inquiry for a specific transaction.



3. On Inquire Workfile History, review the revision history for the transaction.

   If text, components, or burden are associated with the transaction, the Option field for the transaction is highlighted on the form.

Moving a Transaction Out of History for Revenue Recognition

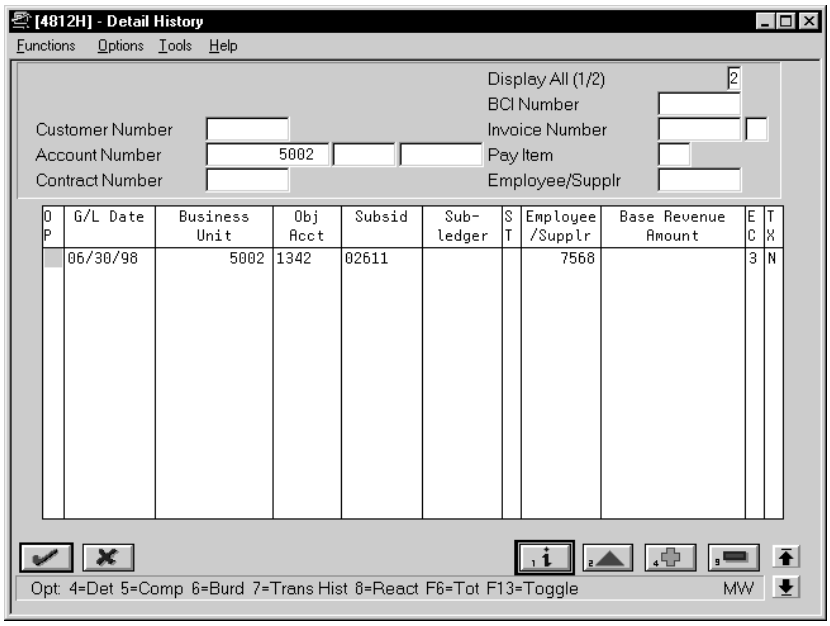


As you review the workfile history, you can move transactions that you previously assigned as nonbillable out of history. When you move a transaction out of history, you reactivate the transaction. When you reactivate a transaction, the system:

- Makes the transaction and all its associated components, burden, and text eligible for processing
- Marks the historical transaction as reactivated
- Moves a copy of the historical transaction from the Service Billing Workfile – History table to the Service Billing Workfile table

To move a transaction out of history

On Detail History



1. To locate a transaction, complete any of the following fields and press Enter:
   - Customer Number
   - Account Number
   - BCI Number
   - Contract Number
   - Employee/Supplier
2. Choose Reactivate for the transaction.

   After you reactivate a transaction, the system continues to display the transaction on Detail History until you reinquire on the form.

What You Should Know About

Limiting the records that display	You can use the Display All field to display all the transactions in the Service Billing Workfile – History. If you use this field, the number of records to display often exceeds the maximum number allowed. J.D. Edwards recommends that you enter additional criteria to narrow your search when you review the history for workfile transactions.
Displaying eligible transactions	You can use a processing option to control whether the system initially displays all transactions or only those eligible for reactivation.
Billing status for reactivated transactions	Reactivated transactions are not eligible for processing when they return to the active workfile. You must manually update the processing status before you can complete the revenue recognition process for the transaction.

See Also

- *Moving a Transaction to History*

Processing Options for Detail History

```
DISPLAY OPTIONS:
1. Enter a '1' to display all history                    _____________
   records (default).  Enter a '2' to
   display only the records that are
   eligible for re-activation.

2. Enter a '1' to load all records that                  _____________
   meet the search criteria.  Leave
   blank (default) to load two pages at
   a time (this improves performance).

3. Enter the amount to initially display                 _____________
   on the screen.  All amounts can be
   accessed using the toggle function.
   '1' = Base Revenue (default)
   '2' = Base Invoice
   '3' = Total Revenue
   '4' = Total Invoice
   '5' = Base Cost
   '6' = Total Cost
```

Test Yourself: Work with the Workfile

1. True or False

   When you accumulate costs, the Service Billing system determines whether an account for a source transaction is billable based on the Billable (Y/N) field in the Account Master table.

2. True or False

   The Service Billing system moves the source transaction from the Account Ledger table into the Service Billing Workfile when a transaction is billable.

3. The Service Billing system marks each source transaction with _____ for non-billable or _____ for billable to indicate that transaction has been included in the workfile generation.

4. If the eligibility code for a burden transaction is incompatible with the eligibility code for the associated workfile transaction, the system assigns:

   A. The same eligibility code to the workfile transaction as the burden transaction

   B. The same eligibility code to the burden transaction as the workfile transaction

   C. An eligibility code to each respective transaction based on the Billable (Y/N) field in the Account Ledger table and the Journal Generation Control field

5. Burden transactions and component transactions are associated with a workfile transaction when the system displays _____ in the Burden and Component fields.

6. To review totals for the entire group of transactions, you must _____ before you choose Total Amounts.

7. A transaction without a source document that is added directly to the workfile is referred to as a(n) _____ transaction.

8. True or False

   You add a transaction directly to the workfile. When you process the source transaction through the normal accounting and revenue recognition cycles, the system creates a duplicate transaction in the Service Billing Workfile.

9. True or False

   If you do not specify a released date when you hold a transaction, the system releases the transaction at the end of the fiscal year.

10. True or False

    When you split a transaction with burden, the system assigns the associated burden to each new transaction equally.

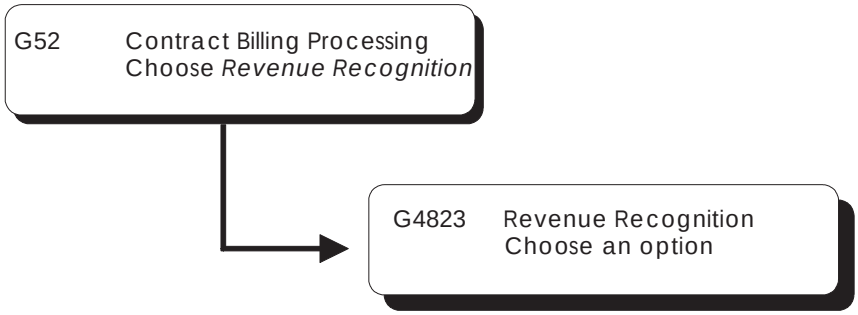
11. The parent sequence number of an original transaction is always _____. The first time you split the original transaction with a sequence number of 1, the system assigns _____ as the parent number of the resulting transaction.

12. True or False

    When you move a non-billable transaction with billable burden to history, you must change the status of the burden to non-billable before you can move the transaction to history.

The answers are in *Appendix A*.

Work with G/L Entries for Revenue Recognition



Working with G/L Entries for Revenue Recognition

To recognize revenue for the current period, you must create journal entries. You can use the recognized revenue amounts for projections and to review the profitability or liability of specific departments in your company.

J.D. Edwards strongly recommends that you create and carefully review preliminary G/L entries before you create the final entries that post to the general ledger. If you post out-of-balance records to the general ledger, you must manually correct these balances.

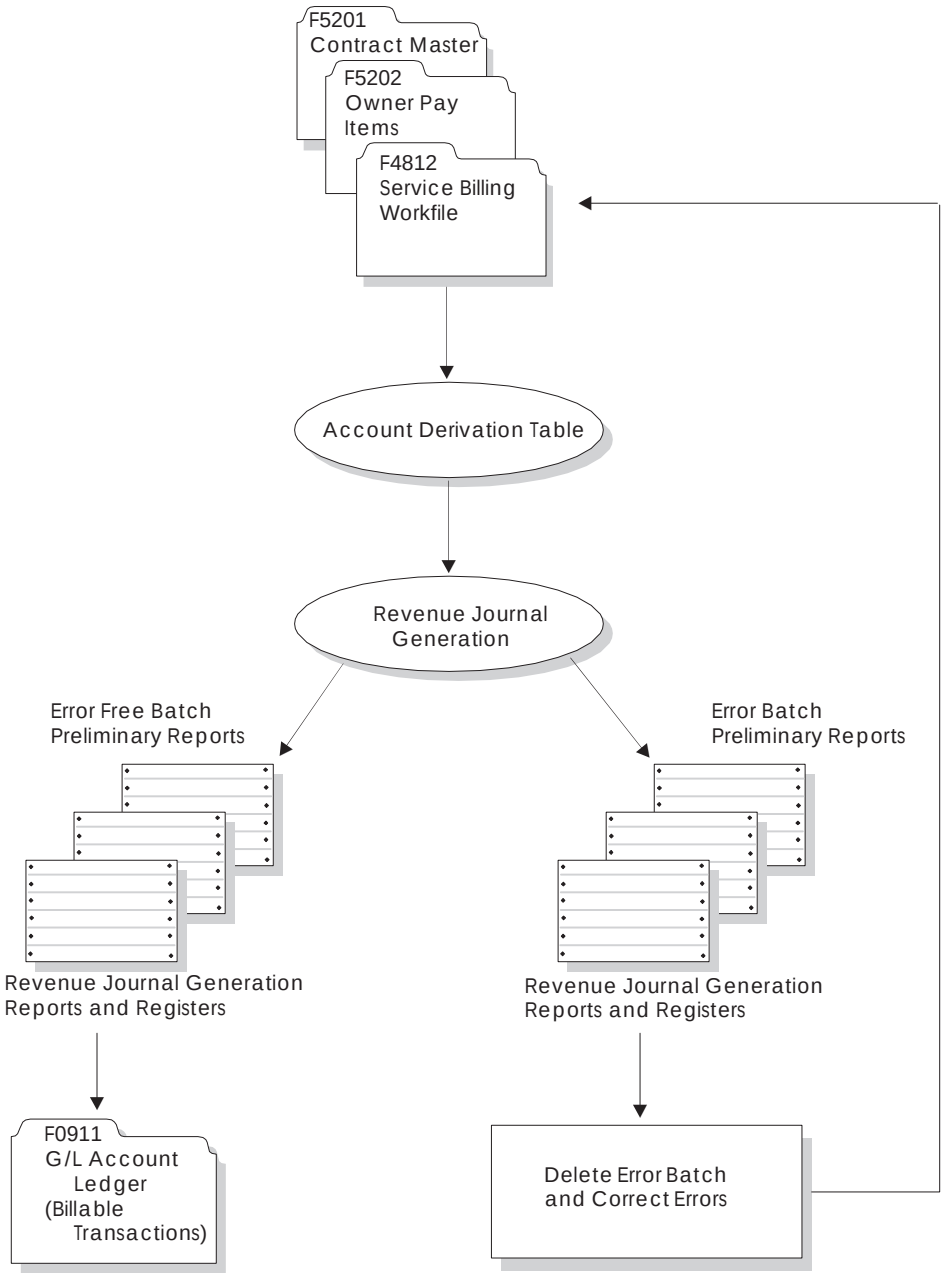
Working with G/L entries consists of the following tasks:

- ❑ Creating preliminary G/L entries
- ❑ Reviewing journals
- ❑ Creating final G/L entries
- ❑ Reviewing and posting journal entries

Creating Preliminary G/L Entries for Revenue Recognition

Creating Preliminary G/L Entries for Revenue in Contract Billing

You complete the revenue recognition process by creating journal entries. You first create preliminary G/L entries. When you create the entries, the system calculates revenue amounts for fee line pricing types and prints the Revenue Journal Generation report. You can also set processing options to print the Service Billing Journal Register and to segregate error journals in an error batch.



You must run the Journal Generation program to calculate revenue for fees and create preliminary G/L entries for T&M, component, unit, lump and fee line pricing types. You should carefully review the Revenue Journal Generation and Service Billing Journal Register reports to ensure that the preliminary entries are correct so that you do not create final journal entries that create out-of-balance records in the general ledger.

When you run Journal Generation, the system:

- Calculates revenue amounts for fee line pricing types and creates transactions in the Service Billing Workfile for the fees.
- Creates preliminary G/L journal entries with a different document type from the transactions in the Service Billing Workfile. The account derivation rules for revenue recognition that you define for the system determine which accounts the system assigns to the resulting journal entries.
- Temporarily stores the details for the preliminary G/L entries in the Detail Journal Workfile (F48910).
- Prints the Revenue Journal Generation report with journal entry detail.
- Compresses the detail journal workfile information and temporarily stores it in the Compressed Journal Workfile (F48911).
- Prints the Service Billing Journal Register with the compressed information as a summary of the journal entry detail.

Journal Reclassification

You can reclassify an original journal entry to a different account. For example, an employee might charge time to two different work orders during a pay period. When entering time for the pay period, the employee makes an error. After the accounting department processes payroll transactions, the manager reviews the costs and discovers the employee's error. The manager corrects the error by changing the work order numbers on the transactions in the Service Billing Workfile. With journal reclassification, when the manager runs Journal Generation, the system creates the correcting journal entries along with the preliminary G/L entries.

Depending on how you set the processing options for the Revisions form, you can change the account information for a workfile transaction. When you set up your system constants to allow journal reclassification, the system creates the correcting entries in the Account Ledger table (F0911) during journal creation. The system creates general ledger entries and adjusting entries in the Payroll Transaction History table (F0618) for the journal reclassification entries related to the payroll transactions. You can identify the correcting journal entries by their document type. The system also uses the same pay type (PDBA code) of the workfile transaction for journal reclassification, such as 101 for regular pay, unless you use the PDBA code override in the system constants.

What You Should Know About

G/L document types

The system can create seven different types of G/L entries. You can use the following document type codes to determine the origination of your journal entries:

- EU (Revenue) – Journal entry created during revenue recognition
- AJ (Adjustment) – Correction to a journal entry for revenue recognition
- BA (Billing Adjustment) – Reclassification of a billable source journal entry that originated from accounts payable or general accounting
- T2 (Payroll Labor Distribution) – Reclassification journal entry for payroll labor
- T4 (Labor Billing Distribution) – Reclassification journal entry for labor billing
- T5 (Equipment Distribution) – Reclassification journal entry for equipment billing

Error batch segregation

If you have an error in a batch of journal entries, you do not have to stop processing the journal entries until it is corrected. If you set the processing option for error batch segregation, the system places any journal entries with errors in a separate batch. Then, you can continue processing the batch of journal entries without errors and correct the batch with errors at a later time.

The error batch segregation processing option works as follows:

- If two transactions are related, such as a base and its component, or a payroll transaction with burden, and one transaction is in error, the system places both transactions in an error batch with a separate batch number.
- The system prints a separate journal register for the error batch.

NOTE: If you select error batch segregation, the Revenue Journal Generation program requires additional processing time.

See Also

- *Defining Account Derivation Rules (P48126)*
- *Appendix D — Accounting for the Billing Cycle* for more information about how the Contract Billing system uses account derivation rules
- *Setting Up System Constants for Contract Billing (P48091)* for more information about using journal reclassification
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Revenue Journal Generation – Service Billing

```
DATE SELECTIONS:
1. Enter the cut-off date for retrieving          _____________
   work file records.  Records with a
   G/L date after this date will not be
   processed.  Leave blank (default) to
   use the system date as the cut-off
   date.

2. Enter the G/L date to assign to the            _____________
   revenue journal entries created.
   Leave blank (default) to use the
   G/L date of the source transaction.

PRINT OPTIONS:
3. Choose one of the following to                 _____________
   control the printing of the
   exception report:
   blank = Print all records (default).
   '1'   = Print warnings and errors
           only.
   '2'   = Print errors only.
   '3'   = Do not print the report.

4. Enter a '1' to print the Billing               _____________
   Edit/Register report (P48300).

JOURNAL DESCRIPTION SELECTION:
5. Choose one of the following for the            _____________
   journal entry description:
   '1'   = Use the description from the
           Vocabulary Overrides based
           on Table Type.
   '2'   = Use the description
           associated with the
           subledger value.
   blank = Use the description from the
           Account Master (default).

ERROR BATCH SEGREGATION:
6. Enter '1' to perform the Error Batch           _____________
   Segregation function.
```

Reviewing Journals for Revenue Recognition

Reviewing Journals for Revenue in Contract Billing

After you generate preliminary G/L entries you can verify that the information is correct before you create final entries. You can review the following:

- Header information and status of the batch
- Journal entry detail on the Revenue Journal Generation report
- Preliminary journal entries on the Service Billing Journal Register report
- Individual workfile transactions in a revenue batch

Reviewing journals consists of the following:

- Reviewing preliminary G/L entries
- Reviewing the batch header and status
- Reviewing revenue journal details

What You Should Know About

Additional copies of the journal register

You can run Service Billing Journal Register to print additional copies of the journal register after you have created the preliminary G/L entries.

Reconciling errors

If you find errors on the reports, you must delete the batch and regenerate the revenue journals. Once you identify the errors, you can correct them and run Revenue Journal Generation again. Common errors include:

- Incorrect dates or invalid accounts related to the general ledger
- Incorrect table types or invalid accounts related to the account derivation rules you define

Deleting a batch

To delete a batch, use the Batch Delete program on the Revenue Generation menu.

See Also

- *Creating Preliminary G/L Entries (P48132)* for information about choosing batch segregation for errors

To review preliminary G/L entries

Review the following journal reports for any errors and warnings related to the journal information:

- Revenue Journal Generation, for the detail on each journal entry
- Service Billing Journal Register, for a summary of the journal entry detail

To review the batch header and status

On Batch Review

1. Complete the following field:
   - User ID
2. Complete the following optional fields to limit the list of batches:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - Batch Status
   - Current Activity
3. Review the following fields for a batch:
   - Batch Number
   - Total Amount
   - Current Activity
   - Batch Status Description

To review revenue journal details

To review the workfile transaction details for a batch of revenue journals, you must use the Revisions form. When you enter the revenue batch number on the Revisions form, the system displays all transaction information. The system marks transactions in an active revenue batch with an R. You cannot revise workfile transaction in a revenue batch.

On Revisions

1. Complete the following field to locate transactions in a revenue batch:

- Revenue Batch Number

2. Complete a combination of the following fields to limit the display of transactions:
   - Customer Number
   - BCI Number
   - Account Number
   - Employee/Supplier
   - Equipment Worked
   - Subledger
   - Subledger Type
   - Job Type
   - Job Step
   - G/L Date From
   - G/L Date Thru
3. Choose Total Amounts For All Records.

Revenue Journal Generation – Job

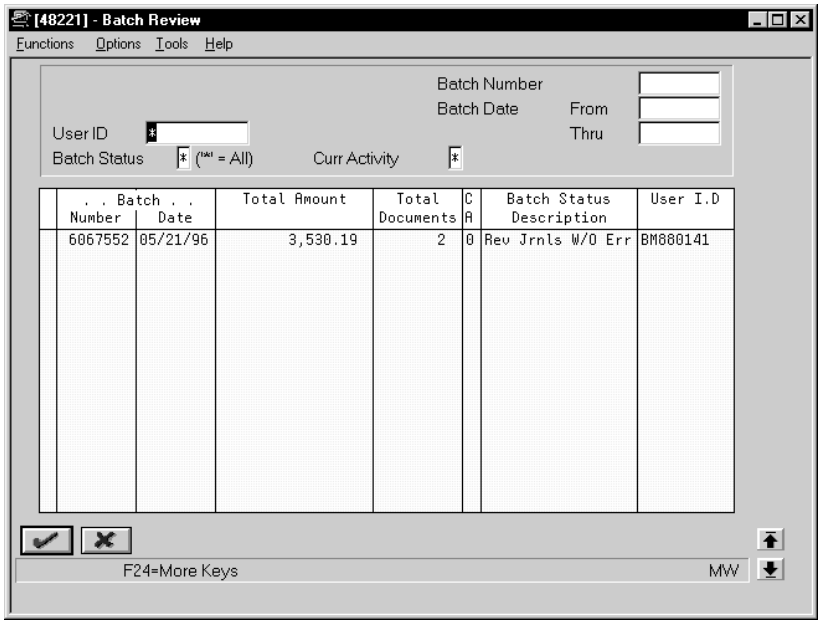
```
 48132                                    J.D. Edwards & Company                              Page – . . .    3
                                      Revenue Journal Generation – Job                        Date – . . .  5/20/96
Batch Number . . . .  6067535
 Transaction   T Customer Employee Contract Comp    Equip   WO  Job  Job   Job    Document   Jrnl    G/L        Original Account No. /        Sub   L  Batch    Cost Amount /  Invoice  Billing
Type/Key Value T  Number   Number   Number  Code    Worked  Cls Cls  Type  Step Type/Number Number   Date   LT  Resulting Account No.         Ledger T  Number   Result Amount   Number  Control
-------------- - -------- -------- -------- ----- --------- --- --- ------ ---- ----------- ------ -------- -- ----------------------------  --------- -------- --------------- -------- --------
7 REG          1     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                475.74              8415
                                                                                                 07/31/98 AA         5002.1382.90000                                523.31-
7 REG          3     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                475.74              8415
                                                                                                 07/31/98 AA           50.1215                                      523.31
7 REG          1     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                883.53              8415
                                                                                                 07/31/98 AA         5002.1382.90000                                971.88-
7 REG          3     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                883.53              8415
                                                                                                 07/31/98 AA           50.1215                                      971.88
7 REG          1     5070     4431     5002                    REG             PV     8323    1.0 06/30/98 AA         5002.1350.02210                              1,850.00              8416
                                                                                                 07/31/98 AA         5002.1382.90000                              2,035.00-
7 REG          3     5070     4431     5002                    REG             PV     8323    1.0 06/30/98 AA         5002.1350.02210                              1,850.00              8416
                                                                                                 07/31/98 AA           50.1215                                    2,035.00
```

Journal Register Listing

```
 48300                                    J.D. Edwards & Company                              Page No. . .    2
                                        Journal Register Listing                              Date – . . .  5/20/96
Batch Number  6067535 Generation Type 2 Revenue Batch
 Key                                                                                                  . . . . . Amounts . . . . . .      Document
 CO    CO   FY PN DT      Account Description            Account Number          Subldgr/Ty     Debit          Credit          Offsets   LT  Number
----- ----- -- -- -- ------------------------------ ------------------------- ---------- -------------- -------------- -------------- -- --------
00050 00050 98 07 EU Unbilled A/R                          50.1215                          3,530.19                                    AA    17274
00050 00050 98 07 EU Outside Subcontractors               5002.1382.90000                                   3,530.19-                    AA    17274
                                                                                          -------------- -------------- --------------
                                                                 Doc/Period/LT Total . . .    3,530.19       3,530.19-
                                                                                          -------------- -------------- --------------
                                                                 Company Total . . . . . .    3,530.19       3,530.19-
                                                                                          -------------- -------------- --------------
                                                               Generation Type Total. .       3,530.19       3,530.19-
                                                                                          -------------- -------------- --------------
                                                                 Grand Total . . . . . . .    3,530.19       3,530.19-
```

To review the batch header and status

On Batch Review



1. Complete the following field:

   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status.

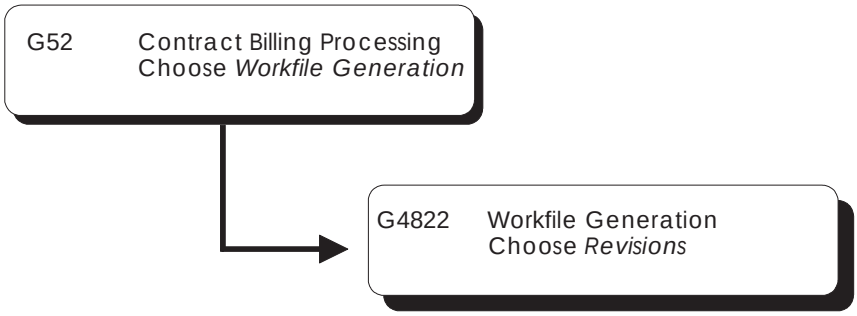
2. To limit the list of batches, complete the following optional fields and press Enter:

   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - Batch Status
   - Current Activity

3. Review the following fields for a batch:

   - Batch Number
   - Total Amount
   - Current Activity
   - Batch Status Description

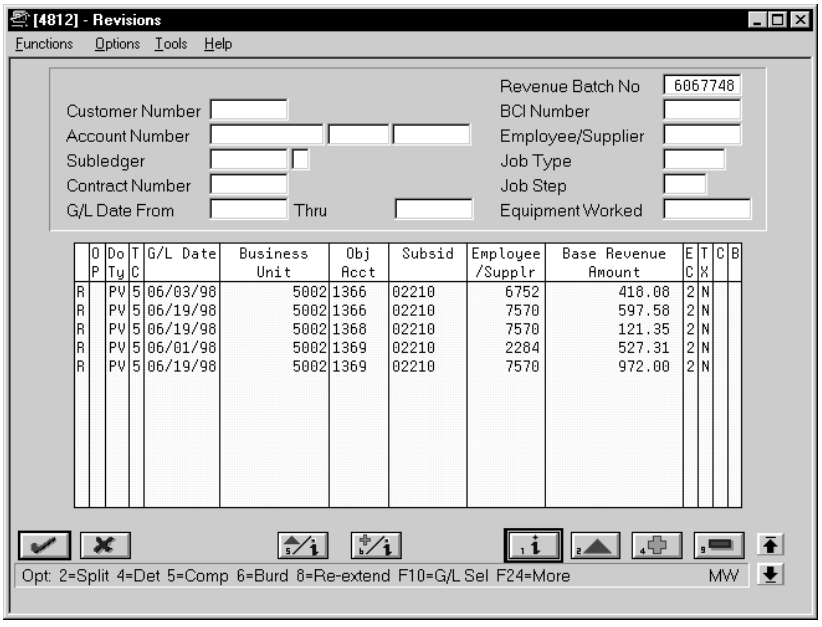
To review revenue journal details



If you want to review the workfile transaction details for a batch of revenue journals, you must use the Revisions form. You use a processing option to control whether the system displays the Revenue Batch Number field in the upper portion of the form.

When you enter the revenue batch number on the Revisions form, the system displays all transaction information. The system marks transactions in an active revenue batch with an R and displays the revenue batch number in the lower portion of the form. You cannot revise workfile transactions in a revenue batch.

On Revisions



1. Complete the following field to locate transactions in a revenue batch:
    - Revenue Batch Number
2. To limit the display of transactions, complete a combination of the following fields and press Enter:
    - Customer Number
    - BCI Number
    - Account Number
    - Employee/Supplier
    - Equipment Worked
    - Subledger
    - Subledger Type
    - Job Type
    - Contract Number
    - Job Step
    - G/L Date From
    - G/L Date Thru
3. Choose Total Amounts For All Records.

Creating Final G/L Entries for Revenue Recognition

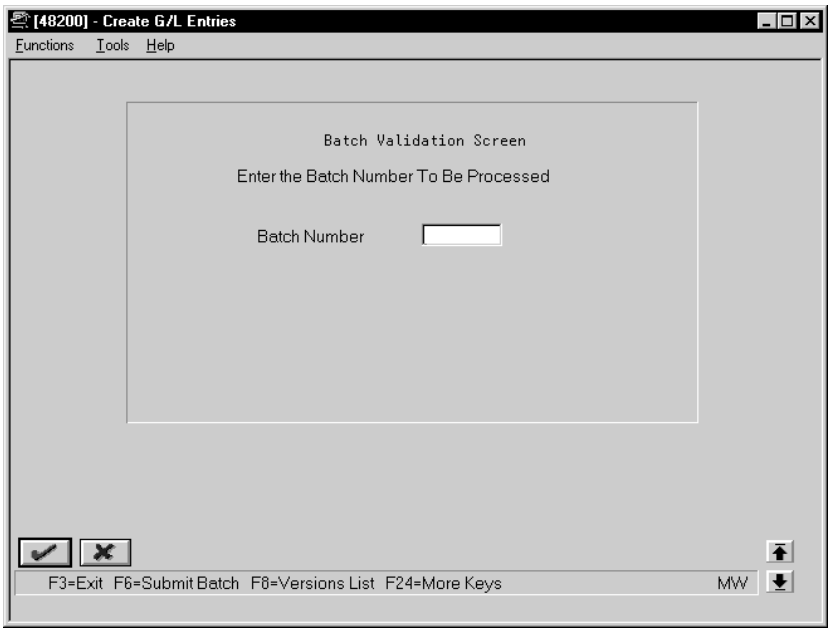
Creating Final G/L Entries for Revenue in Contract Billing

You complete the revenue recognition process by creating and posting journal entries that relate to the transactions. The system stores the final G/L entries in the Account Ledger table.

After you create the final G/L entries, you cannot change or delete the batch of journal information. The system changes both the journal status and last sequence in the accounting and internal control information for the related workfile transactions. The system also removes the batch header number for the revenue journals from the system.

▶ To create final G/L entries

On Create G/L Entries



1. Complete the following field and press Enter:
   - Batch Number
2. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

3. Choose Submit Job.

Reviewing and Posting Journal Entries for Revenue Recognition

After you create the final G/L entries, you complete the revenue recognition process by reviewing, approving, and posting the journal entries.

The journal review and post programs are the same programs you use in the Accounts Receivable and General Accounting systems.

See Also

- *Reviewing and Approving Journal Entries (P00201)* in the *General Accounting I* guide
- *Posting Journal Entries (P09800)* in the *General Accounting I* guide

Test Yourself: Work with G/L Entries for Revenue

1. True or False

   When you reclassify an original journal entry and run Revenue Journal Generation, the Service Billing system corrects the transactions in the Service Billing Workfile and creates correcting journal entries along with the preliminary G/L entries.

2. True or False

   With error batch segregation, if two transactions are related and one transaction is in error, the Service Billing system places both transactions in an error batch.

3. True or False

   If you want to review workfile transaction details for a batch of revenue journals, you must use the Revisions form.

4. True or False

   When you complete the revenue recognition process, you create final A/R and G/L transactions.

5. True or False

   You can change a final revenue recognition journal by voiding the invoices associated with the journal.

The answers are in *Appendix A*.

Revenue Recognition and Billing

Revenue Recognition and Billing

Objectives

- To understand the Service Billing Workfile and origination of T&M costs
- To apply markups to costs for T&M and component pricing types
- To understand and create revenue recognition transactions for lump sum, unit price, and fee line pricing types
- To create and record accounting journal entries
- To create, print, and void invoices

About Revenue Recognition and Billing

You can complete the revenue recognition and billing processes separately or together as a combined process. When you combine the processes, you can process revenue recognition prior to or during the billing process, depending on the needs of your company.

Combining the revenue recognition and billing processes consists of the following tasks:

- ❑ Working with the workfile
- ❑ Working with revenue
- ❑ Working with billing
- ❑ Working with A/R and G/L entries
- ❑ Working with final invoices

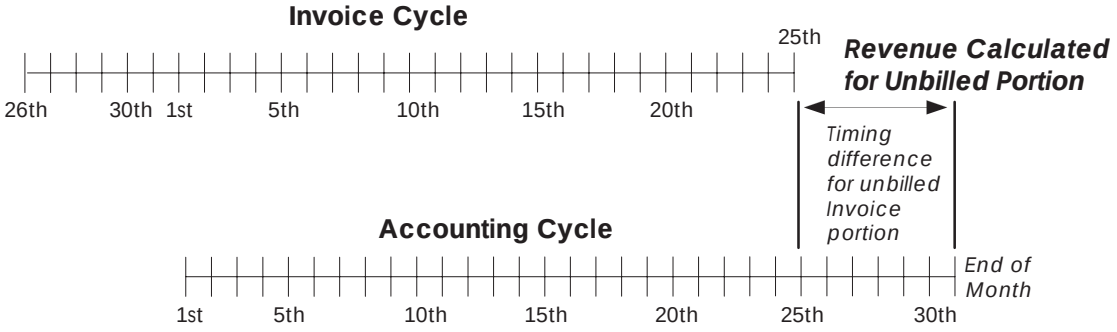
Using Revenue Reconciliation

You can process revenue recognition and invoices with or without revenue reconciliation. You use revenue reconciliation to ensure that variances do not exist between recognized revenue and billing amounts. Variances between recognized revenue and billing amounts can exist when:

- You recognize revenue and generate invoices at different times
- You mark up revenue and billing amounts independently

Timing Differences

If you do not recognize revenue and generate invoices at the same time, the timing difference creates a variance in unbilled accounts receivable.



For example, you plan to invoice a project only after the customer approves and accepts the completed project. The project takes three months to complete and you recognize revenue for the project each month. Because of the timing difference between when you recognize revenue (each month) and generate invoices (after completion) for the project, an unreconciled balance exists in unbilled accounts receivable.

Three months later, when you bill the project:

- Trade accounts receivable and total revenue amounts for the project are the same
- The variance in unbilled accounts receivable nets to zero

In the case of a timing difference, over time, all variances are reconciled and net to zero for unbilled accounts receivable.

Independent Revenue and Invoice Mark Up

If you use the same markup rules for revenue and billing, generally no variance exists between the recognized revenue and billing amounts. However, if you mark up revenue and invoice amounts independently, a permanent variance between recognized revenue and billing amounts can exist.

If you do not want variance balances to exist when you mark up revenue and invoice amounts independently, you can use revenue reconciliation to ensure that:

- Variances do not exist between recognized revenue and billing amounts
- Balances for unbilled accounts receivable and unbilled revenue are zero

For example, your company might renegotiate an hourly rate for rental equipment. Although the new rate is 75 dollars an hour, your company continues to bill 70 dollars an hour until the negotiations are complete.

For 2 hours of equipment use, the invoiced amount is 140 dollars. If revenue is recognized at the new rate, the revenue amount is 150 dollars. Without reconciliation, a 10-dollar variance remains in unbilled accounts receivable.

Without revenue reconciliation, the system creates debits and credits respectively for the following journal entries:

- Revenue Recognition – 150 dollars for unbilled accounts receivable and unbilled revenue
- Billing – 140 dollars for actual accounts receivable and unbilled accounts receivable

With revenue reconciliation, the system records, reverses, and reconciles recognized and actual revenue amounts. In the previous example, the system would create debits and credits respectively for the following journal entries:

- Revenue Recognition – 140 dollars for unbilled accounts receivable and unbilled revenue
- Revenue Reconciliation – 140 dollars for unbilled revenue and accounts receivable and 150 dollars for unbilled accounts receivable and actual revenue
- Billing – 150 dollars for actual accounts receivable and unbilled accounts receivable

General Ledger Document Types

With both the billing and revenue recognition processes, the system can create seven different types of G/L entries. You can identify the origination of journal entries using the following document types:

EU (Revenue)	Journal entry created during revenue recognition
AJ (Adjustment)	Adjusting journal entry created during revenue recognition for journal entries previously recognized for revenue
BA (Billing Adjustment)	Reclassification of a billable source journal entry that originated from accounts payable or general accounting
RI (Invoice Default)	Journal entry created during billing

T2 (Payroll Labor Distribution)	Reclassification of a journal entry that originated from payroll labor
T4 (Labor Billing Distribution)	Reclassification of a journal entry that originated from labor billing
T5 (Equipment Distribution)	Reclassification of a journal entry that originate from equipment billing

Billing for Time and Material (T&M) and Non-T&M

The tasks you complete for revenue recognition and billing depend on the owner pay items, which define the billing terms in a contract, and whether they are for T&M or non-T&M.

T&M	The portion of a contract that you bill for the actual costs of goods and services plus specific markup amounts for the work. The actual costs include payroll-based costs, such as labor and burden, and non-payroll-based costs, such as the equipment and material required to complete the contract.
Non-T&M	The portion of the contract that is not related to T&M, such as fixed fees, prepayments, and quantities. Non-T&M includes owner pay items for: • Lump sum • Milestone and progress billing • Direct and rated draws • Unit price • Fee lines Owner pay items for components directly relate to T&M. However, the system processes them in a way that is similar to non-T&M owner pay items.

If the contracts for your company include T&M, you begin the billing process by accumulating costs. This task results in the creation of workfile transactions from which you create invoices automatically.

If your company does not bill for T&M, you do not need to accumulate costs. In this case, you begin the billing process by creating invoices automatically. At this time, the system calculates the billing amounts.

For both T&M and non-T&M, you can also create invoices manually.

Before You Begin

- ❑ Set the independent revenue/invoice control in the system constants
- ❑ Set the journal generation control in system constants to revenue recognition and invoice processes with or without revenue reconciliation
- ❑ Set the Contract Billing Revenue on Non-T&Ms field in the system constants to generate revenue transactions for non-T&Ms
- ❑ Define account derivation rules for revenue recognition
- ❑ Define markup rules

What You Should Know About

Alternate displays and system constants

Many of the forms you use in Contract Billing change in functionality and appearance, depending on the way you set up your system constants. For example, if you set up your system constants for revenue recognition and billing (*invoicing*), the forms and functionality apply to both processes.

See *Setting Up System Constants for Contract Billing* for more information.

See Also

- *Defining Account Derivation Rules (P48126)*
- *Appendix D — Accounting for the Billing Cycle* for more information about how the Contract Billing system uses account derivation rules and creates journal entries

Exercises

See the exercises for this chapter.

Test Yourself: About Revenue and Billing

1. True or False

   Variance can exist between recognized revenue and billing amounts due to a timing difference.

2. True or False

   You can markup revenue and invoice amounts independently. If you do and you process revenue recognition without reconciliation, a variance permanently exists between revenue and billing amounts.

3. When you use revenue reconciliation with revenue recognition, the system creates debit and credit journal entries for:

   A. Unbilled Revenue
   B. Actual Accounts Receivable
   C. Unbilled Accounts Receivable
   D. Actual Revenue
   E. All of the above

4. Match the document types for journal entries and their descriptions.

_____	RI	A.	Journal entry created during revenue recognition
_____	T5	B.	Correction to a journal entry for revenue recognition
_____	EU	C.	Reclassification of a billable source journal entry that originated from Accounts Payable or General Accounting systems
_____	T4	D.	Journal entry created during billing
_____	AJ	E.	Reclassification journal entry for payroll labor
_____	T2	F.	Reclassification journal entry for labor billing
_____	BA	G.	Reclassification journal entry for equipment billing

The answers are in *Appendix A*.

Work with the Workfile for Revenue and Billing

Working with the Workfile for Revenue Recognition and Billing

The first step in the revenue recognition and billing process for time and material (T&M) is to accumulate billable costs in the Service Billing Workfile. Billable costs are represented by source transactions that the system stores in the Account Ledger table (F0911). When you accumulate costs, the system also calculates lump sum and unit price amounts for revenue recognition and stores the information in the workfile.

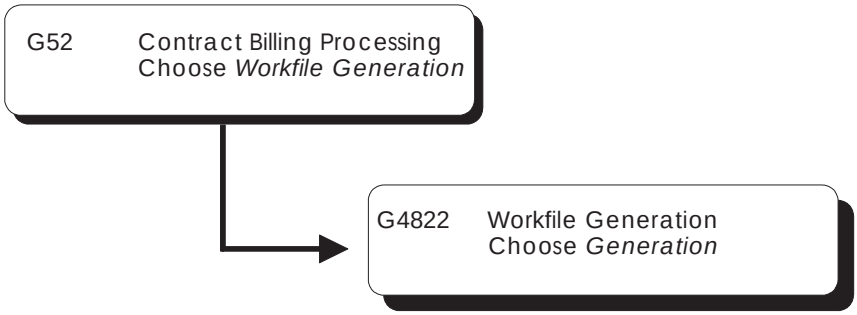
The accumulated cost transactions in the workfile are the basis of the revenue recognition and billing process for T&M. You can review them in the workfile to verify that the information the system retrieved from the source transactions is correct. You can also make any necessary revisions to the transactions before you continue.

Working with the workfile for revenue recognition and billing consists of the following tasks:

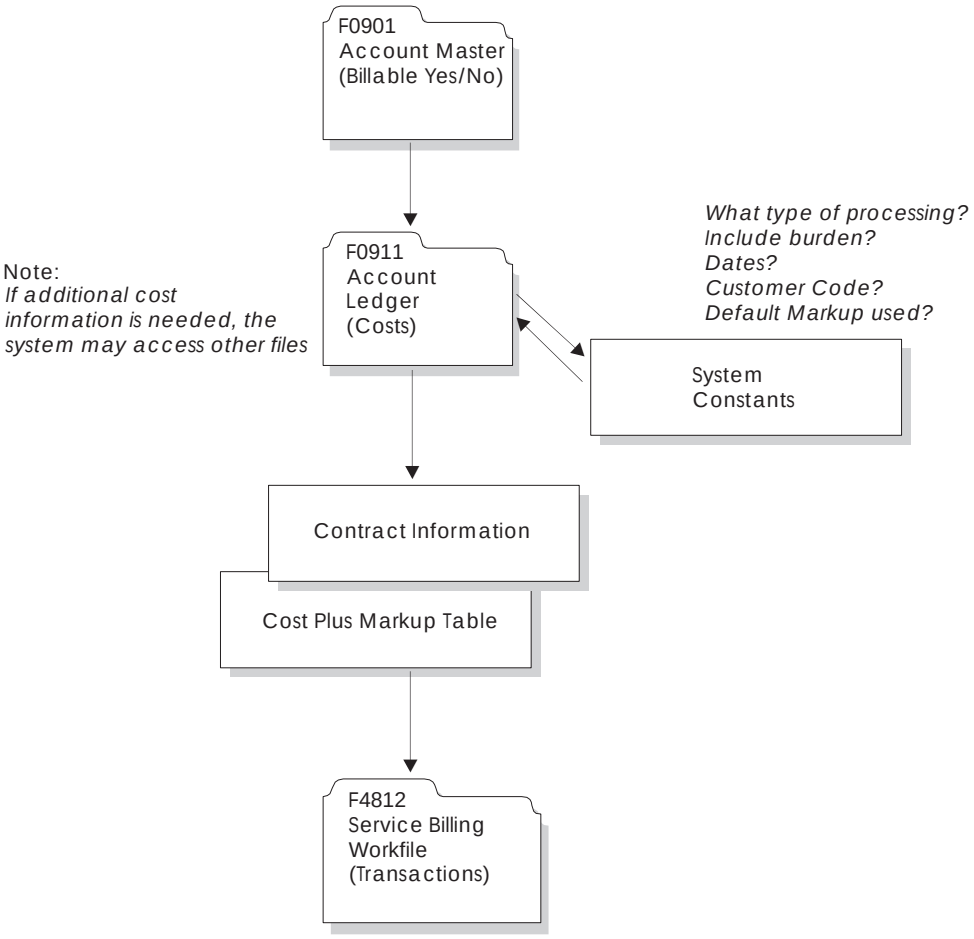
- ❑ Accumulating costs
- ❑ Reviewing the workfile
- ❑ Revising workfile transactions
- ❑ Working with the workfile history

Accumulating Costs for Revenue Recognition and Billing

Accumulating Costs for Revenue and Billing in Contract Billing



The first step in the revenue recognition and billing process is to accumulate billable costs. Billable costs are represented by source transactions that the system stores in the Account Ledger table (F0911). Source transactions originate from multiple systems, such as Accounts Payable, Equipment/Plant Management, and Payroll. You run the Generation program to accumulate the cost information from these sources.

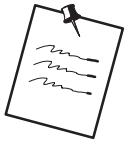


When you run the Generation program, the system:

- Identifies all the unbilled source transactions for T&M in the system
- Determines whether the account for each source transaction is billable, based on the Billable (Y/N) field in the Account Master table
- Uses related files when constants and source transactions indicate the need for additional information, such as when burden is associated with payroll transactions
- Updates the source transactions in the Account Ledger table as billed or nonbillable
- Updates the payroll transaction history and employee transaction details for all payroll related transactions
- Calculates markup and tax amounts
- Creates copies of source transactions in the Service Billing Workfile
- Assigns eligibility codes to the copied transactions based on the Journal Generation Control field in the system constants and the Billable (Y/N) field in the Account Master table

- Assigns each transaction in the Service Billing Workfile an owner (customer) number
- Creates revenue workfile transactions for unit price and lump sum pricing types based on Account Ledger records

To maintain the integrity of the original source transactions, the Contract Billing system creates copies of the source transactions for T&M. The copied transactions are referred to as workfile transactions and are stored in the Service Billing Workfile (F4812). Workfile transactions include costs with any applicable markup, taxable amounts, and other key billing information. You base the rest of the revenue recognition and billing process for T&M, including components, on the information stored in workfile transactions.



After you accumulate costs to generate workfile information, the system marks the source transactions in the Account Ledger table with N (non-billable) or Z (billed) to indicate that the transactions have been included in the workfile generation. The next time you accumulate costs, the system generates workfile transactions for only the source transactions that have not been previously included in the workfile generation.

NOTE: After you accumulate costs to generate workfile information, the system marks the source transactions in the Account Ledger table with N (non-billable) or Z (billed) to indicate that the transactions have been included in the workfile generation. The next time you accumulate costs, the system generates workfile transactions for only the source transactions that have not been previously included in the workfile generation.

Before You Begin

- ❑ Define all billable accounts in the chart of accounts
- ❑ Define the system constants to identify the costs you want to accumulate and the revenue you want to recognize
- ❑ Define the following applicable Contract Billing rules:
  - Cost Plus Markup
  - Component

  See *Defining Markup Rules* and *Defining Component Rules*.
- ❑ Set up contract information

What You Should Know About

Eligibility codes

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the Journal Generation Control field you set up for your system constants.

For example, if the Billable (Y/N) field for a transaction is a Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for the transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing. If the same account with a Y in the Billable (Y/N) field is processed through the Contract Billing system and the Journal Generation Control field is set for billing only, the eligibility code for the transaction is 1. An eligibility code of 1 indicates that the transaction is eligible for billing only.

Changing source and payroll transactions

The system might need additional information from the Payroll Transaction History (F0618) or the Employee Transactions Detail (F06116) tables to process certain source transactions.

After the system creates payroll and source transaction tables, do not change or delete any of the following transaction information:

- Account number
- Dates
- Subledger information
- Employee address book number

In order for the system to create workfile transactions from payroll transactions, all information must be identical in the Payroll or Employee tables and Account Ledger tables.

Burden transactions

The eligibility code for burden transactions must be compatible with the eligibility code for the associated workfile transaction. Specifically, the system prevents the eligibility code for a workfile transaction from being more restrictive than the eligibility code of its burden transactions. If, for example, the burden transaction for a workfile transaction is eligible for both revenue and billing, but the workfile transaction is eligible only for billing, the system assigns the burden transaction the same eligibility code as the workfile transaction.

See Also

- *Defining Markup Rules (P48506)*
- *Appendix C — Searches for Markup Rules* for more information about calculating markup
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version
- *Setting Up System Constants for Contract Billing (P48091)* for more information about Journal Generation Control

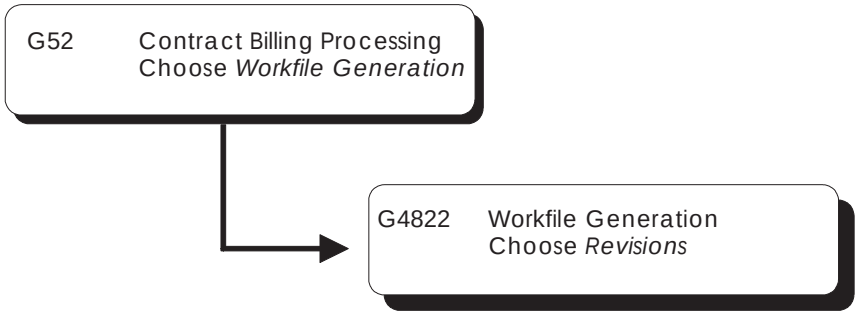
Exercises

See the exercises for this chapter.

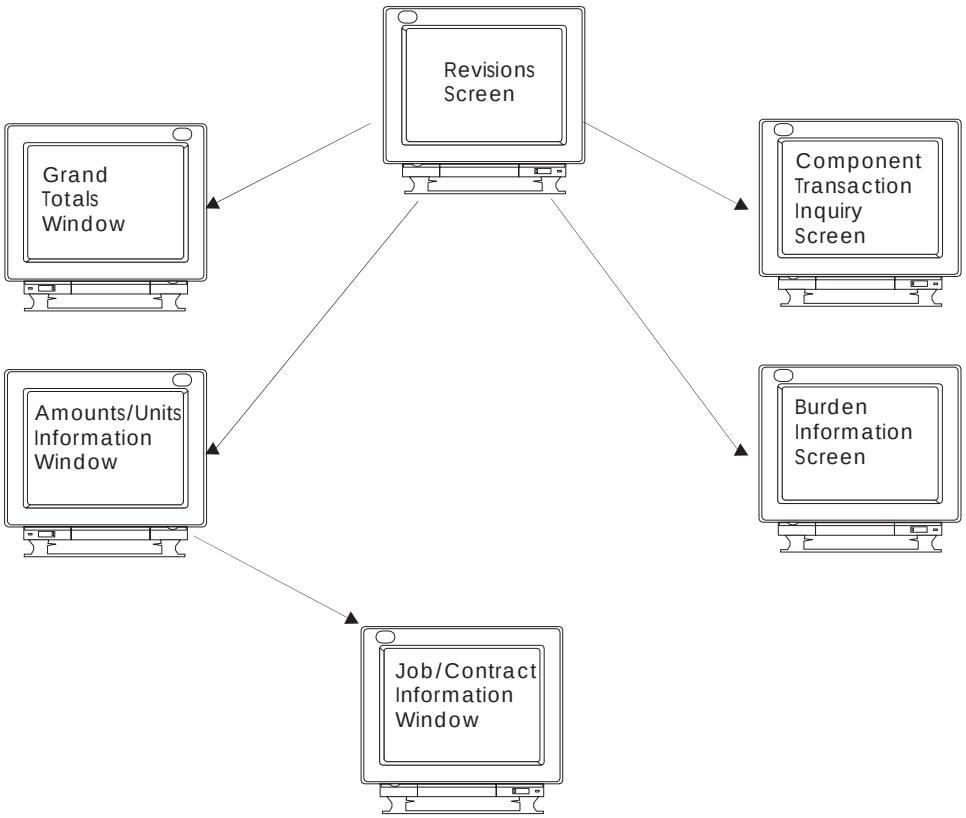
Processing Options for Workfile Generation – Batch Front End

```
CONTRACT REVENUE GENERATION OPTIONS:
1. To generate revenue for Contract non-          _____________
   T&M lines, enter the Contract Revenue
   Workfile Generation (P52801) DREAM
   Writer version to run.

2. If you entered a version number
   above, you must also enter the
   following dates:
   a. Enter the beginning date for
      revenue generation:                         _____________
   b. Enter the ending date for revenue           _____________
      generation:

HOME BUSINESS UNIT SELECTION:
3. Enter a '1' (default) to use the Item          _____________
   Master file as the source of the Home
   Business Unit for payroll equipment
   records.  Enter a '2' to use the
   Payroll Master file as the source.
```

Reviewing the Workfile for Revenue Recognition and Billing



After you accumulate billable cost information for time and material (T&M), you can review the related workfile transactions to verify that the information the system retrieved from the source transactions is correct. Source transactions come from the Account Ledger table (F0911). The system might also require other information from the originating systems to process some source transactions.



When you review workfile transactions, you should look for potential errors, such as:

- Payroll transactions charged to the incorrect job
- Incorrect markup amounts (if changes are made to your markup tables since the creation of your workfile transactions)

Reviewing the workfile for revenue recognition and billing consists of the following tasks:

- ❑ Locating transactions in the workfile
- ❑ Reviewing transaction totals
- ❑ Verifying contract information

Locating Transactions in the Workfile for Revenue Recognition and Billing

To review the transactions in the Service Billing Workfile, you must first locate them. Enter search criteria to control the workfile transactions that the system displays. If you specify more values in your search criteria, the system displays more specific transaction information.

You can review the following transactions in the workfile:

Workfile transactions

Workfile transactions for T&M are copies of source transactions that represent the billable costs for your company. When you accumulate costs, the system copies source transactions to create workfile transactions with any applicable markup amounts. The system also calculates workfile transactions for lump sum and unit price from nonbillable source transactions.

Workfile transactions are stored in the Service Billing Workfile (F4812).

Burden transactions

Burden transactions represent the cost over and above the direct labor wages or salaries that a company incurs as a result of employing people. Burden transactions might include:

- Company-paid payroll taxes
- Insurance
- Fringe benefits, such as union pensions

The Contract Billing system always processes burden transactions in conjunction with associated workfile transactions.

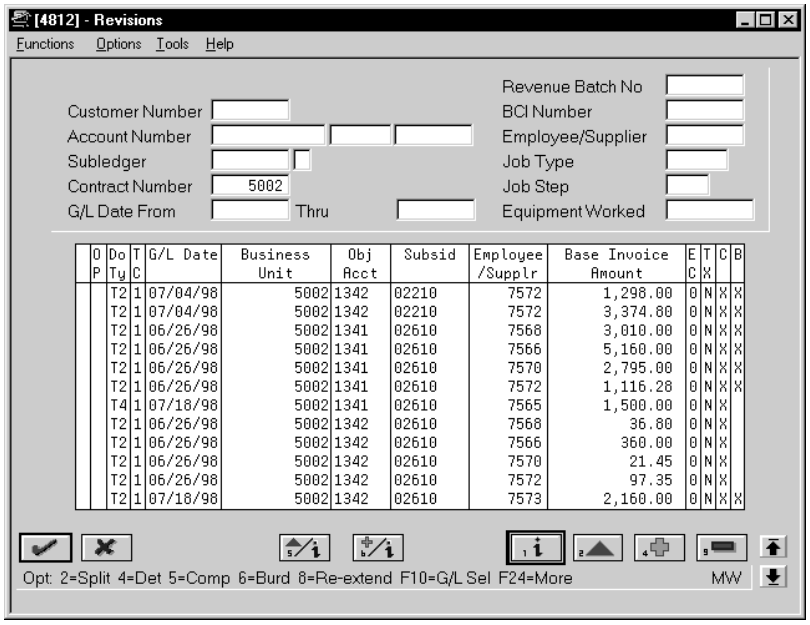
Component transactions

Component transactions represent additional costs that you add to the original cost of T&M when you bill an owner. For example, component transactions might be used to offset the cost of borrowing money.

The Contract Billing system always processes component transactions in conjunction with associated workfile transactions.

Locating transactions in the workfile for revenue recognition and billing consists of the following tasks:

- ❑ Reviewing workfile transactions
- ❑ Reviewing burden transactions
- ❑ Reviewing component transactions



Reviewing Workfile Transactions for Revenue Recognition and Billing

You can review specific workfile transactions to verify accounting and billing information, such as the document type, classification, account number, amount, and eligibility for processing. You can also determine whether a workfile transaction is taxable and whether it includes associated burden or component transactions.

▶ To review workfile transactions

On Revisions

1. Complete one or more of the following fields to locate workfile transactions:
   - Customer Number
   - BCI Number
   - Account Number
   - Employee/Supplier
   - Contract Number
   - Equipment Worked
2. To locate specific workfile transactions, complete the following optional fields and press Enter:
   - Subledger
   - Subledger Type
   - Job Type
   - Job Step
   - G/L Date From
   - G/L Date Thru
3. Review the following fields:
   - Type Code
   - Eligibility Code
   - Taxable
   - Components
   - Burden

Field	Explanation
Customer Number	The address book number to which the system posts billing and accounts receivable transactions. . . . . . *Form-specific information* . . . . . . Enter a customer's address book number in this field to search for transactions associated with that customer.

Field	Explanation
Billing Control ID	A unique number that identifies a detail transaction for the billing of customer information. The system uses the number, which is automatically assigned through the Next Numbers facility (system 48, index 2), to create an audit trail for tracking transactions through the billing process. A component record has the same billing control ID as the billing transaction on which it is based. . . . . . *Form-specific information* . . . . . . Enter the billing control ID of the billing transaction you want the system to display.
Business Unit	Identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a job, project, work center, or branch/plant. Business unit security can prevent you from locating business units for which you have no authority. . . . . . *Form-specific information* . . . . . . Enter a business unit in this field to search for transactions associated with that business unit.
Object Account	The object account portion of a general ledger account. The terms "object account" and "cost type" are used synonymously. They refer to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). When you are using a flexible chart of accounts, if the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. Here, entering 000456 is not the same as entering 456, because the system adds three blank spaces to fill a 6-digit object.
Subsidiary	A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.
Employee/Supplier	A number that identifies an entry in the Address Book system. Use this number to identify employees, applicants, participants, customers, suppliers, tenants, special mailing addresses, and so on.
Equipment Worked	Enter an equipment number to search for transactions associated with a particular piece of equipment. The system can use a default value for this field from the Account Ledger file (F0911) or the Time Entry History file (F0618).

Field	Explanation
Subledger – G/L	A number that identifies a work order in the Service and Contract Billing systems. In general, if you specify a work order, you must also specify W as the subledger type for the work order. . . . . . *Form-specific information* . . . . . . Enter a work order number in this field to search for transactions associated with that work order.
Subledger Type	A user defined code (00/ST) that you use with the Work Order (Subledger) field. For a work order, the subledger type must be W. NOTE: If you use A/P speed code entry, the field can be blank.
Job Type (Craft) Code	A user defined code (system 06, type G) that specifies job classifications established for an organization. This field is used to determine pay rates and benefit plans for employees linked to these classifications.
Job Step	A user defined code (system 06, type GS) that designates a specific step, grade, or salary level within a particular job type. The system uses this field in conjunction with job type to determine pay rates by job.
G/L Date	The date that identifies the financial period to which the source transaction was posted. Based on the company's fiscal year and current accounting period, the system edits the date for PBCO (posted before cutoff), PYEB (prior year ending balance), PACO (post after cutoff), and WACO (post way after cutoff).
Effective Date Through	The date on which the item, transaction, or table becomes inactive or the date through which you want transactions to display.
Transaction Class	A code that identifies the classification of a Service Billing transaction. Valid codes are: blank Ad hoc entry in the Service Billing Workfile 0 System-generated basis record of overage for components 1 Labor 2 Payroll burden 3 Equipment 4 Inventory (future use) 5 Purchasing 6 Journal 7 Ad hoc entry in an existing invoice batch 8 System-generated control record 9 System-generated limiting offset for a contract (future use) A System-generated revenue record for a contract

Field	Explanation
Eligibility Code – Service Billing	A code that identifies the type of processing for which a transaction in the Service Billing Workfile (F4812) is eligible. This code controls the operation at the single transaction level. The values are: 0 Eligible for both invoicing and revenue recognition 1 Eligible for invoicing only 2 Eligible for revenue recognition only 3 Non billable 4 Eligible for cost only Note: If the transaction belongs to a billable account, the system generates the eligibility code using the information in the Journal Generation field on the Service Billing Constants form.
Taxable (Y/N)	A code that indicates whether the item, by itself, is subject to sales tax.
Data Item Description	A brief description of a code or abbreviation. . . . . . *Form-specific information* . . . . . . An "X" in the C column denotes that components exist for this workfile transaction. An "X" in the B column denotes that there is burden associated with this workfile transaction.

What You Should Know About

Eligibility codes

The system assigns eligibility codes to workfile transactions based on the Billable (Y/N) field in the Account Master table and the Journal Generation Control field you set up for your system constants.

For example, if the Billable (Y/N) field for a transaction is a Y and the Journal Generation Control field is set for both revenue recognition and billing, the eligibility code for the transaction is 0. An eligibility code of 0 indicates that the transaction is eligible for both revenue recognition and billing. If the same account with a Y in the Billable (Y/N) field is processed through the Service Billing system and the Journal Generation Control field is set for billing only, the eligibility code for the transaction is 1. An eligibility code of 1 indicates that the transaction is eligible for billing only.

Exercises

See the exercises for this chapter.

Reviewing Burden Transactions for Revenue Recognition and Billing

Burden is the cost that a company incurs as a result of employing people. Burden can include:

- Company-paid payroll taxes
- Insurance
- Fringe benefits, such as union pensions
- Direct labor costs, such as small tools

You use a system constant to control whether burden transactions are processed for the workfile. The system calculates burden transactions when you create payroll journal entries. The only way you can process burden within the Contract Billing system is in conjunction with its associated workfile transaction.

The eligibility code for burden transactions must be compatible with the eligibility code for the associated workfile transaction. Specifically, the system prevents the eligibility code for a workfile transaction from being more restrictive than the eligibility code of its burden transactions. If, for example, the burden transaction for a workfile transaction is eligible for revenue and billing, but the workfile transaction is eligible only for billing, the system assigns the burden transaction the same eligibility code as the workfile transaction.

The Payroll system calculates the following types of burden:

Actual burden	The actual cost of payroll taxes, insurance, and fringe benefits. The system calculates the burden for the actual costs that are associated with each employee's timecard.
Flat burden	An estimated burden amount that the system derives from the direct labor costs. The system calculates the burden on a timecard-by-timecard basis as a percentage of the labor costs.

When burden is associated with a workfile transaction, the system displays an X in the Burden (B) field for that transaction. The system also updates the Burden Pending field to indicate the type of burden that was processed for the workfile transaction.

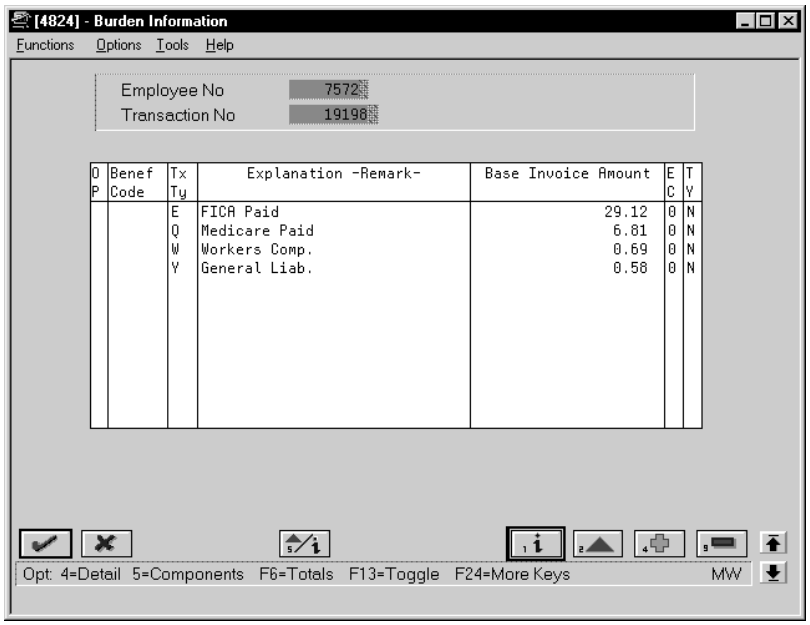
To review burden transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Verify the following field to identify the transactions with burden:
   - Burden (B)
3. Choose Burden for the transaction you want to review.



4. On Burden Information, verify the information in the following fields:
   - Transaction Number
   - Benefit Code
   - Tax Type
   - Explanation – Remark

Field	Explanation
Transaction Number – Payroll	The unique number that the system assigns to a transaction in payroll. The system uses this field to tie a payroll transaction to each audit record for actual burden created during the Actual Burden Journaling process.

Field	Explanation
PDBA Code	A code to define the type of pay, deduction, benefit, or accrual. Pay types are numbered from 1 to 999. Deductions and benefits are numbered from 1000 to 9999. Sick and vacation accruals must have a specific numbering order. You must assign a higher number for the time available code when you are also assigning a time accrued code. For example, if vacation accrued is 8001, vacation available must be 8002 or greater.
Tax Type – Payroll	A code that identifies the type of payroll tax associated with this billing detail transaction.
Remark	A description, remark, explanation, name, or address retrieved from the following cost (source) transactions: • Journal entry (Explanation 2 field) • A/P voucher entry (Explanation field) • Payroll (pay type description — regular, overtime, and so on)

What You Should Know About

Daily payroll processing and burden

When you use daily time entry, the only type of burden that you can associate with a workfile transaction is flat burden. After you process the daily payroll transactions and accumulate their costs in the workfile, the system marks the original payroll transactions as billed.

Once the original payroll transactions have been processed, the system does not retrieve any new burden transactions calculated for the transactions. For example, if you reverse the flat burden amount and calculate the actual burden amount for the original payroll transactions, the system does not retrieve the new burden transactions.

See *Entering Timecards by Day* in the *Payroll Guide Volume 1* for more information.

Exercises

See the exercises for this chapter.

Reviewing Component Transactions for Revenue Recognition and Billing

Reviewing Components for Revenue and Billing in Contract Billing

A component is a type of markup. The system calculates component transactions based on amounts or units from source transactions or burden transactions. For example, you might include a component transaction to offset the cost of borrowing money.

You can use component transactions based on the invoice amount or revenue amount to apply charges in addition to the markup amount for the workfile transaction. Use a compounded component to include additional markup added to the source transaction plus additional charges added to the marked-up amount for the billing.

When a component transaction is associated with a workfile transaction, the system displays an X in the Component (C) field for that transaction.

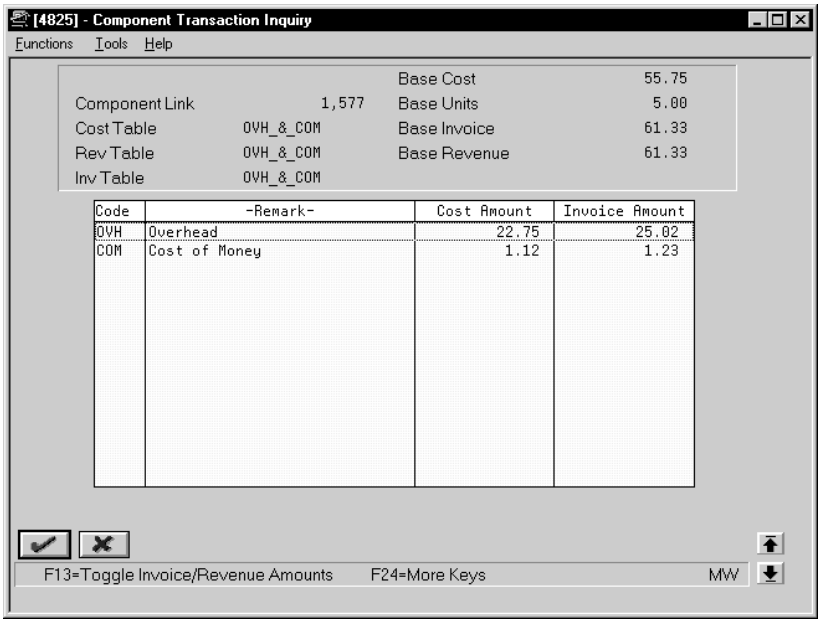
▶ To review component transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing*.

2. Verify the following field to identify the transactions with components:
   - Component (C)
3. Choose Component for the transaction you want to review.



4. On Component Transaction Inquiry, verify the information in the following fields:
   - Component Link
   - Cost Table
   - Invoice Table
   - Revenue Table
   - Base Cost
   - Base Units
   - Base Invoice
   - Base Revenue
   - Code (Component Code)
   - Cost Amount
   - Invoice Amount

Field	Explanation
Component Link	The component link field attaches the component record to its base work file record.

Field	Explanation
Component Cost Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup Table entry. The component table identifies the components and their calculation rules. These component amounts are applied as overhead to the original cost. You set up component tables on the Component Table Definition form.
Component Invoice Rate	A code that identifies a component bill table to use for this Cost Plus Markup table entry. The component table identifies the components and their calculation rules. These component amounts are billed in addition to any invoice markups. You set up component tables on the Component Table Definition screen.
Component Revenue Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup table entry. The component table identifies the components and their calculation rules. These component amounts are recognized as revenue in addition to any revenue markups. You set up component tables on the Component Table Definition screen.
Cost Amount	The cost (source) amount for a billing detail transaction.
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on.
Total Invoiced Amount	The invoice amount for a billing detail transaction.
Total Billed Amount	The revenue amount for a billing detail transaction.
Component Code	A component code identifies a provisional burden that is accounted for at the billing detail transaction level.

Exercises

See the exercises for this chapter.

Reviewing Transaction Totals for Revenue Recognition and Billing

Reviewing Transaction Totals for Revenue and Billing in Contract Billing

You can review the total amounts for one or more transactions. Review transaction totals so you can:

- Make projections relating to revenue, invoices and cost totals
- Verify the accuracy of the revenue and invoice information that the system stores in the workfile and the invoice information you print for the owners

- Verify totals with burden and component amounts

If you find a discrepancy with the transaction totals, you should make any necessary revisions before you continue with the revenue recognition and billing process.

Reviewing transaction totals for revenue recognition and billing consists of the following:

- Reviewing totals for a specific transaction
- Reviewing totals for a group of selected transactions

▶ To review totals for a specific transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Choose Toggle Amounts to display totals in the following field:
   - Amount

What You Should Know About

Alternate formats

You can review six different total formats in the Amount field for workfile transactions. Toggle to review the following amounts:

- Base revenue – Revenue total without components or burden
- Base invoice – Invoice total without components or burden
- Total revenue – Revenue total with components and burden
- Total invoice – Invoice total with components and burden
- Base cost – Cost without components or burden
- Total cost – Cost with components and burden

You can set a processing option to control which amount the system displays when you initially access the Revisions form.

To review totals for a group of selected transactions

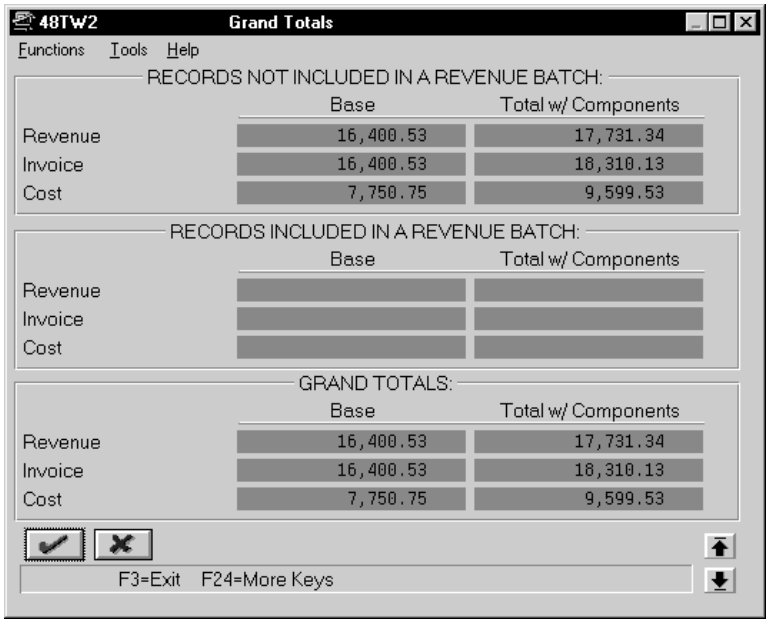
On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Choose Total Amounts for All Records to access the Grand Totals form.

   Grand Totals includes only the transactions that appear on Revisions. To include all transactions that meet the search criteria you specified on Revisions, you must scroll to the end of the subfile in the detail portion of Revisions before you choose Total Amounts.



3. On Grand Totals, review the following fields:
   - Revenue
   - Invoice
   - Cost

Field	Explanation
Total Invoiced Amount	The invoice amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . The total of the invoice amounts for the billing detail transactions that are displayed. The total appears in two formats: base invoice amount and total invoice amount. • Base invoice = source cost + invoice markup + sales tax For example, the invoice markup is 10% and the sales tax is 1.5%. A source cost of 1000 then results in a base invoice amount of 1115. 1115 = 1000 + 100 + 15 • Total invoice = base invoice + components + burden For example, components consist of 50 for administration and 100 for overhead. Burden consists of 100 for payroll taxes. A base invoice of 1115 then results in a total revenue amount of 1365. 1365 = 1115 + 150 + 100
Total Cost Amount	The cost (source) amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . The total of the cost (source) amounts for the billing detail transactions that are displayed. The total appears in two formats: base cost amount and total cost amount • Base cost = source cost For example, a source cost of $1000 results in a base cost amount of $1000. • Total cost = base cost + components For example, components consist of $50 for administration and $100 for overhead. A base cost of $1000 then results in a total cost amount of $1150. 1150 = 1000 + 150
Total Billed Amount	The revenue amount for a billing detail transaction.

What You Should Know About

Totals for components	The system does not calculate the total for components. You must manually compute this amount.
Totals for burden	You can review totals for burden. On the Revisions form, choose Burden Information. Choose Total Amounts for All Records to review the burden totals.

Exercises

See the exercises for this chapter.

Verifying Contract Information for Revenue Recognition and Billing

You can review specific workfile transactions to verify information for the related contract and job. The contract information includes the numbers for the contract, change order, and customer (owner). The job information includes the job and account numbers.

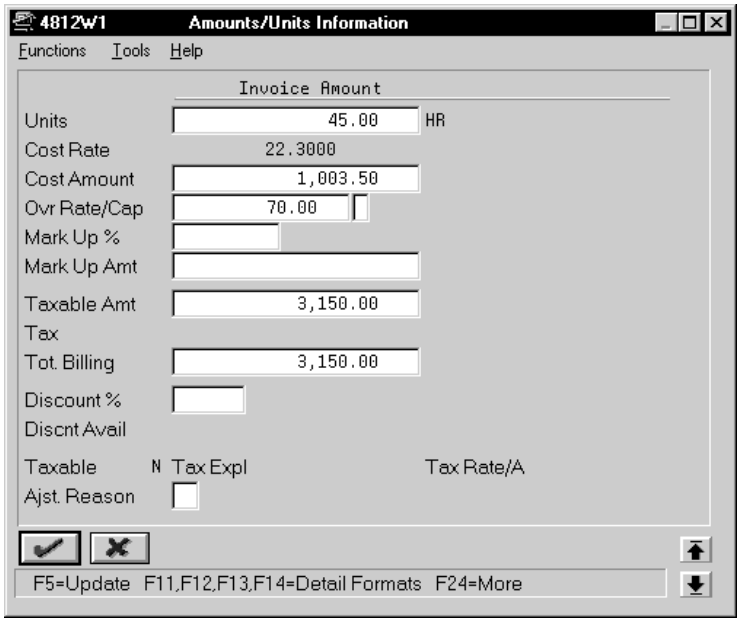
▶ To verify contract information

On Revisions

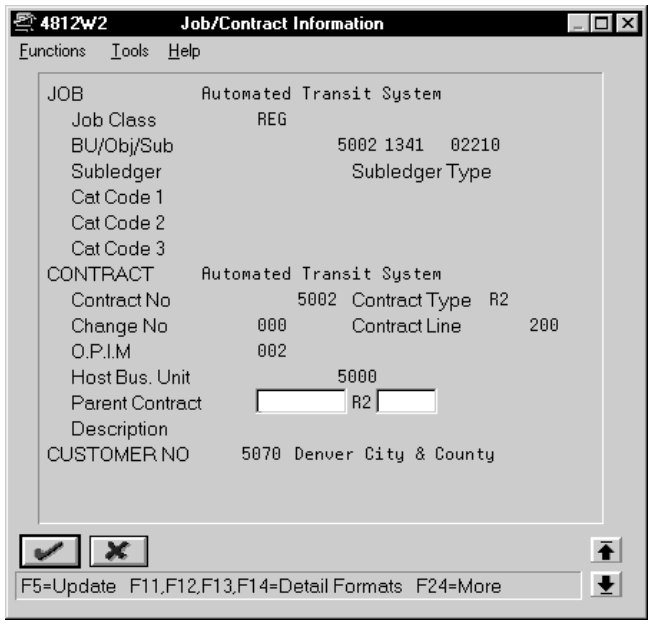
1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions.*

2. Choose Detailed Transaction for a specific transaction.



3. On Amounts/Units information, choose Job/Contract Information.



Processing Options for Unbilled Detail Revisions

UPDATE OPTIONS:

1. Enter a '1' to allow updating all workfile record information (except G/L Date, Cost, and Units). Leave blank (default) to secure certain fields from being updated except when adding improvised transactions. _____

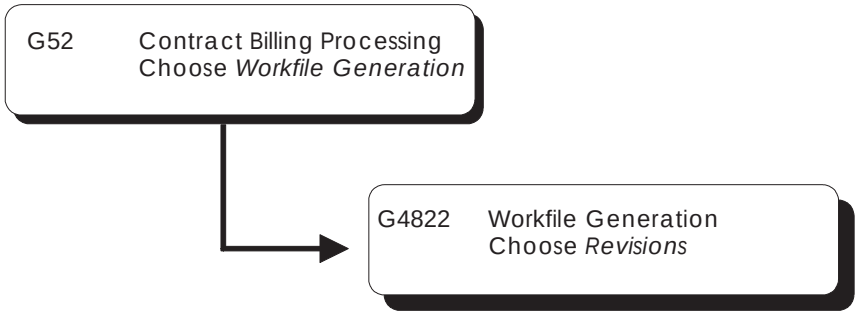
DISPLAY OPTIONS:

2. Enter a '1' to load all records that meet the search criteria. Leave blank (default) to load two pages at a time (this improves performance). _____

3. Enter the amount to initially display on the screen. All amounts can be accessed using the toggle function. _____
   '1' = Base Revenue (default)
   '2' = Base Invoice
   '3' = Total Revenue
   '4' = Total Invoice
   '5' = Base Cost
   '6' = Total Cost

4. Enter a '1' to display records that are included in a revenue batch. Leave blank to display only records which have not been included in a revenue batch. _____

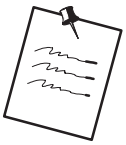
Revising Workfile Transactions for Revenue Recognition and Billing



Workfile transactions are the basis for the rest of the revenue recognition and billing process for the applicable pricing types. You should make any necessary revisions to the transactions before you continue. For example, you can:

- Add informational text that you want to print on an invoice.
- Add any G/L transactions that were omitted from the workfile without running the Generation program again.
- Change the markup for a transaction.
- Add transactions directly to the workfile without entering them into the general ledger first, such as transactions for expense reports that have not yet been processed in the Accounts Payable system
- Assign a hold status to a transaction. For example, you can assign a hold status with a release date to prevent a transaction from being included on an invoice until that date.
- Split a transaction into two new transactions. You can then revise the billing status for the new transactions.

You can also remove a transaction from the active workfile to history so that it is not included in revenue recognition, an invoice, or both.



Workfile transactions for lump sum and unit price pricing types are system-generated based on an algorithm. You cannot modify or remove these transactions from the workfile.

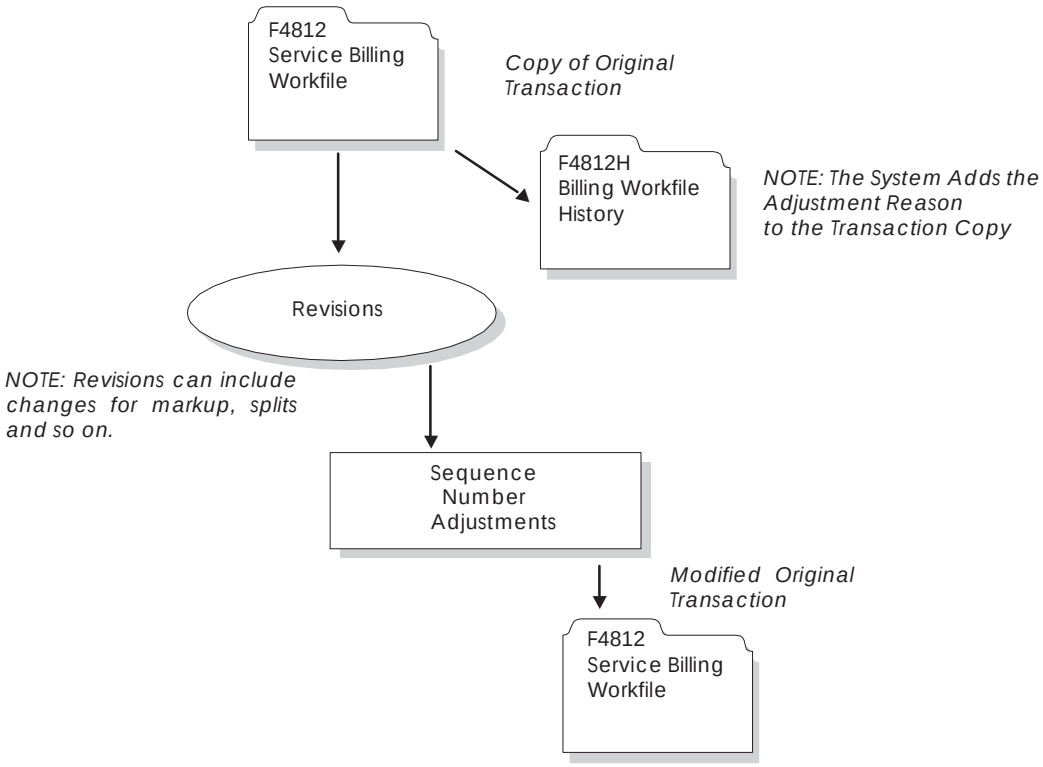
Revising workfile transactions for revenue recognition and billing consists the following tasks:

- ❑ Adding text to a workfile transaction
- ❑ Adding existing G/L transactions
- ❑ Changing the markup

- ❑ Entering ad hoc transactions
- ❑ Assigning a hold status
- ❑ Overriding a bill-when-paid requirement
- ❑ Splitting a workfile transaction
- ❑ Moving a transaction to history
- ❑ Printing workfile transactions

Workfile Revisions and Sequence Numbers

When you revise workfile transactions, the system assigns the transactions and each new revision a series of sequence numbers.



You can use these numbers to track the progression of revisions to original workfile transactions. The system assigns each workfile transaction the following sequence numbers:

Sequence number — The sequence number of the original workfile transaction is always 1. If you split the original transaction, the system assigns the next available sequence numbers to the resulting transactions.

Parent sequence number

The parent sequence number for an original workfile transaction is always blank. The system assigns a parent number to transactions that result from a split. The parent number for resulting transactions is always the *sequence number* of the transaction that you split. For example, if you split an original workfile transaction with a sequence number of 1 and a blank parent sequence number, the system assigns the resulting transactions a parent number of 1.

Secondary sequence number

The secondary sequence number tracks the number of revisions you make to a workfile transaction. For example, you might revise a transaction three times. The secondary sequence number of the transaction you revise is 1. After the revision, the secondary sequence number for the transaction is 2. When you change the transaction again, the secondary sequence number is 3.

What You Should Know About

Cost transactions in the G/L

Any changes you make to a workfile transaction affect only the information in the workfile. The changes do not affect the cost (source) transactions in the Account Ledger table.

Revised transactions

Revised transactions remain in the workfile. The system retains a copy of the transaction prior to any changes in the Service Billing Workfile–History table (F4812H) for audit purposes.

When you set up your system constants to allow journal reclassification. The system creates correcting entries for the revised workfile transactions in the Account Ledger table (F0911) during journal creation.

See *Creating Preliminary A/R and G/L Entries for Revenue and Billing* for more information about journal reclassification.

Adding transactions directly to the workfile

CAUTION: If you add transactions directly to the workfile and then process the original transaction through the normal accounting and billing cycles, the system creates a duplicate transaction.

See *Entering Ad Hoc Transactions for Revenue Recognition and Billing* for more information.

Adding Text to a Workfile Transaction for Revenue Recognition and Billing

You can enter text to associate additional information to a workfile transaction. For example, the text might be a further description of the work for which you bill the owner. You can enter text for a transaction at any time during the revenue recognition and billing process. You can also print this text on an invoice. The system uses the billing control ID (BCI) number to attach text to workfile transactions.

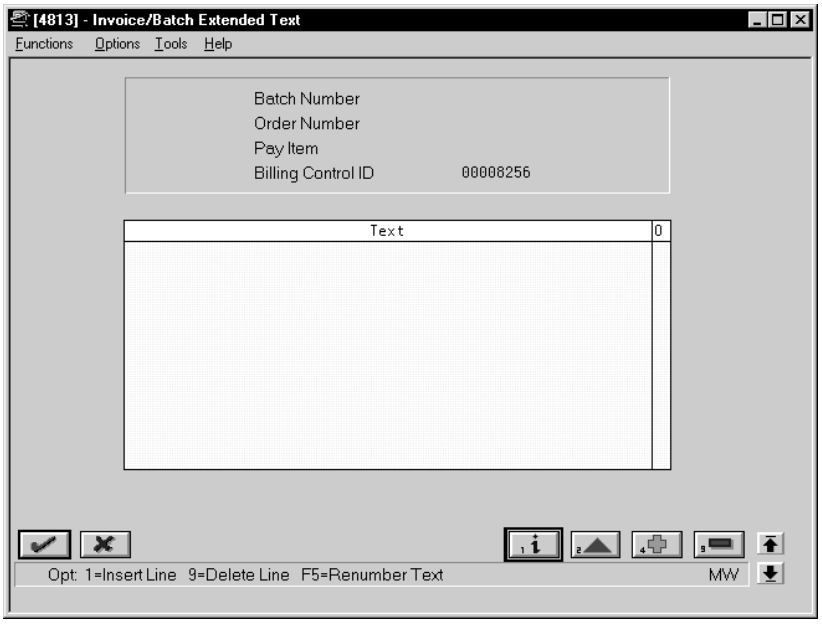
▶ To add text to a workfile transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions.*

2. Choose Text for a specific transaction.



3. On Invoice/Batch Extended Text, enter free-form text.

   If you need to enter more text, you can scroll to display additional lines. After you enter text, the system highlights the Option field on the Revisions form to indicate that the text exists for the transaction.

What You Should Know About

Formatting text	The system prints any text you enter for a workfile transaction exactly as it appears on the Invoice/Batch Extended Text form.
Inserting a blank line	You can insert a blank line between two existing lines of text to enter new information. The system inserts a line directly below the line on which you choose Insert Line.
Deleting text	You can use two methods to delete text you have entered for a transaction: • To delete all the text, use the Delete action • To delete individual lines of text, choose Delete Line for the respective lines
Renumbering lines of text	The system automatically assigns a sequence number to each line of text. The sequence number is not displayed on the form. After you insert or delete lines of text, choose Renumber Text. The system updates the numbers to prepare the text for additional lines.

Adding Existing G/L Transactions for Revenue Recognition and Billing

You can add transactions for T&M from the Account Ledger table (F0911) to the Service Billing Workfile without running the Generation program. For example, you can include costs for workfile processing that you did not include in the workfile generation. You can also include costs to the workfile for processing that were entered in the accounting system after you first accumulated your costs.

You can add transactions to the workfile using one of the following amounts:

- The cost without markup
- The cost plus markup, based on the markup rules that you define or the default markup percentage that you specify in the system constants

When you add a source transaction to the workfile, the system marks the transaction as billed in the Account Ledger table, and if applicable, in the Payroll Transaction History (F0618) or Employee Transaction Detail (F06116) tables.

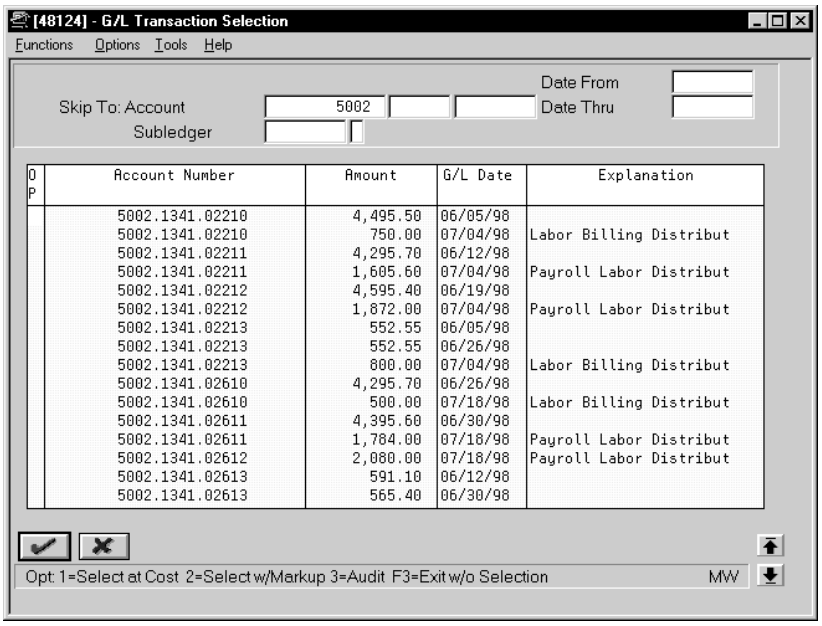
To add existing G/L transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Billing*.

2. Choose G/L Selection.



Op	Account Number	Amount	G/L Date	Explanation
	5002.1341.02210	4,495.50	06/05/98	
	5002.1341.02210	750.00	07/04/98	Labor Billing Distribut
	5002.1341.02211	4,295.70	06/12/98	
	5002.1341.02211	1,605.60	07/04/98	Payroll Labor Distribut
	5002.1341.02212	4,595.40	06/19/98	
	5002.1341.02212	1,872.00	07/04/98	Payroll Labor Distribut
	5002.1341.02213	552.55	06/05/98	
	5002.1341.02213	552.55	06/26/98	
	5002.1341.02213	800.00	07/04/98	Labor Billing Distribut
	5002.1341.02610	4,295.70	06/26/98	
	5002.1341.02610	500.00	07/18/98	Labor Billing Distribut
	5002.1341.02611	4,395.60	06/30/98	
	5002.1341.02611	1,784.00	07/18/98	Payroll Labor Distribut
	5002.1341.02612	2,080.00	07/18/98	Payroll Labor Distribut
	5002.1341.02613	591.10	06/12/98	
	5002.1341.02613	565.40	06/30/98	

3. On G/L Transaction Selection, complete the following field to display the existing source transactions:

   - Business Unit

4. To limit the list of transactions, complete one or more of the following fields and press Enter:

   - Date From
   - Date Thru
   - Object
   - Subsidiary
   - Subledger
   - Subledger Type

   The system automatically supplies the information for these fields if you completed them on the Revisions form.

5. Choose one of the following for a specific transaction:
   - Select at Cost
   - Select with Markup

Field	Explanation
Date – Beginning Effective	The date on which an address, item, transaction, or table becomes active or the date from which you want transactions to display. The system uses this field depending on the program. For example, the date you enter in this field might indicate when a change of address becomes effective, or it could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, and so on.

What You Should Know About

G/L audit trail — If you want to review the origination of a transaction, you can choose Audit for the transaction. The system displays the audit trail for the transaction that is stored in the Account Ledger table.

Changing the Markup for Revenue Recognition and Billing

Changing the Markup for Revenue and Billing in Contract Billing

The markup for a transaction is the increase in costs to account for overhead and profit. You define markup rules when you set up your system. You can also change markup information after you accumulate costs.

After you make changes to the markup, you can apply the revised markup information to the transaction, or you can reapply the markup rules you originally defined for your system on the Cost Plus Markup Table.

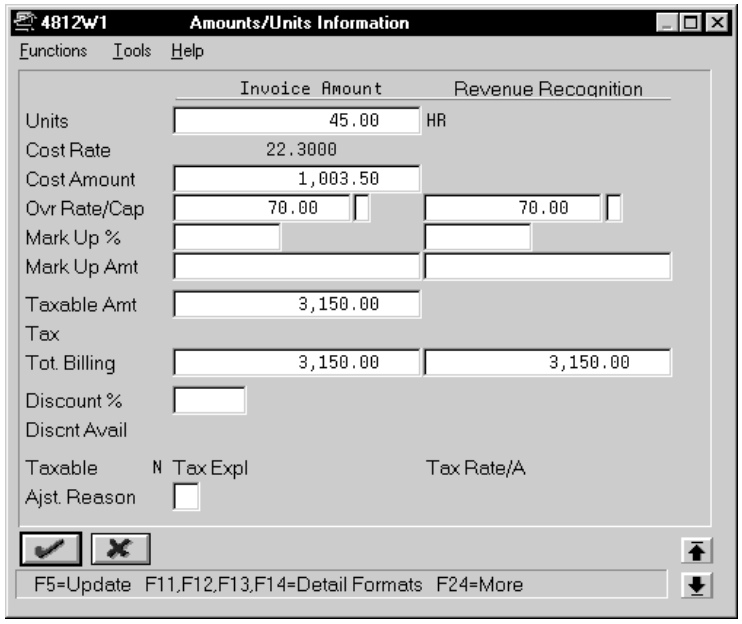
To change the markup

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Choose Detailed Transaction Window for a specific transaction.

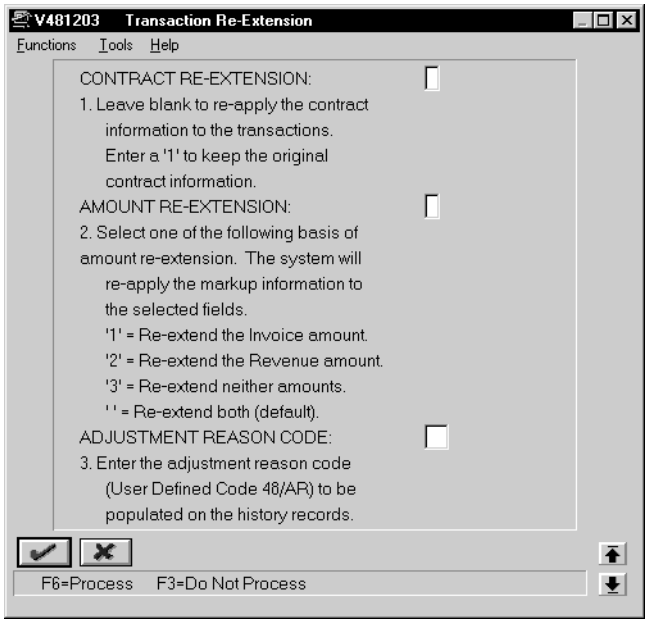


3. On Amounts/Units Information, complete any combination of the following applicable fields:
   - Override Rate
   - Cap or Rate
   - Mark Up Percent
   - Mark Up Amount
4. Choose Update.

   The system calculates the markup and displays the changes.

5. Choose Exit Program.

   The system displays Transaction Re-Extension.



6. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
7. Choose Process.

   The system retains the information you entered on the form and displays it the next time you access the Transaction Re-Extension form.

Field	Explanation
Invoice Rate – Service Billing	The rate used to mark up the invoice amount reflected in the billing of professional services such as draftsmen, engineers, or consultants fees. This rate will not affect the employee's paycheck. You can use this markup rate as an override rate or as a maximum rate. The Override Rate Calculation for the Total Invoice Markup is: (Override Rate * Unit) * (1 + Markup %) + Markup Amount When a Maximum or Cap Rate is Specified: Compare override rate with rate from cost transaction. Use the lower rate as the override rate. This override/maximum unit rate is set up in the Cost Plus Markup Table, using generation type 1 to specify a table for invoice markup rates. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function.
Cap or Override Rate – Invoice	This flag indicates whether the associated amount is the override rate or the cap of the rate. Valid codes are: blank Override Rate. 1 Cap of the Rate. If the cost rate is less than the cap rate, the cost rate will be used; if the cost rate is greater than the cap rate, the Cap Rate will be used.
Percentage – Invoice Markup	The percentage you use to mark up the invoice amount reflected in the billing of professional services, such as draftsmen, engineers, or consultants fees. This percentage rate will not affect the employee's paycheck. This percentage rate is set up in the Cost Plus Markup Table using generation type 1 to specify a table for invoice markup percentage rates. With the new Service Billing /Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function. Enter percentages as whole numbers. For example, 50.275% would be entered as 50.275.

Field	Explanation
Amount – Invoice Markup	An amount used to mark up the invoice amount reflected in the billing of professional services such as draftsmen, engineers, or consultants fees. This amount will not affect the employee's paycheck. This amount is set up in the Cost Plus Markup Table using generation type 1 to specify a table for invoice markup amounts. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function.
Re–Extend Option	This option allows for one of the following four scenarios: 1 Reapply the established invoice markup rates from the Cost Plus Markup Table. The revenue amount is not changed. 2 Reapply the established revenue markup rates from the Cost Plus Markup Table. The invoice amount is not changed. 3 Use the rates/amounts entered in the Amounts/Units Information window or on the Revisions form. Do not apply the established invoice/revenue markup rates from the Cost Plus Markup Table. blank Reapply both the invoice and revenue markup rates using the established rates from the Cost Plus Markup Tables. NOTE: Options 1 and 2 are not allowed when the Independent Invoice flag in the system constants specifies that the invoice and revenue amounts must be the same.
Adjustment Reason Code	The adjustment reason code allows you to specify the reason for a revision to a single or a group of billing detail transactions in the Service Billing Workfile (F4812). It is a user defined code, table 48/AR. The system updates the historical billing detail transactionwith this reason for audit purposes.

What You Should Know About

Updating a workfile transaction

You can update individual workfile transactions to reflect the most current rules you have set up to calculate discounts, taxes, and markups. Choose Transaction Re-Extension next to the transaction you want to update on the Revisions form.

Updating workfile transactions globally

You can update multiple workfile transactions to reflect the most current rules you have set up to calculate discounts, taxes and markup. Choose Re-Extension from the Workfile Generation menu to access the DREAM Writer. The processing options are identical to the Transaction Re-Extension form.

Identifying taxable transactions

The system determines whether a workfile transaction is taxable by the tax information for the related owner pay item. Therefore, you cannot change the tax information for a transaction in the following fields:

- Taxable Y/N
- Tax Explanation
- Tax Rate/Area

Changing amounts for a workfile transaction

To change the amounts for a workfile transaction, you can change the markup information or complete one of the following fields on Amounts/Units Information:

- Taxable Amount
- Total Billing

If you change an amount for a transaction, the system automatically recalculates and updates all the related amounts, including the Markup % field.

Changing the discount

To change the discount for a workfile transaction, complete the Discount Percent field on Amounts/Units Information. You can change the discount percent only if the payment terms you define for the transaction allow for a discount.

See Also

- *Defining Markup Rules (F48096)* for more information about setting up markup rules on the Cost Plus Markup Table

Exercises

See the exercises for this chapter.

Entering Ad Hoc Transactions for Revenue Recognition and Billing

If you do not enter some costs for T&M during an accounting cycle, the transactions are not available when you accumulate costs. For this information, you can manually add transactions to the workfile on an as-needed basis. Transactions that you add manually are referred to as ad hoc transactions.

For example, an accounting department processes expense reports on the 15th of each month. The supervisor's expenses contain a billable cost that must be in the Service Billing Workfile by the 5th of the month. In this case, you enter the cost as an ad hoc transaction to the workfile. The ad hoc transaction is created to represent cost information that is not in the Account Ledger table and is independent of the regular accounting cycle. After you enter the ad hoc transaction into the workfile, you can mark up the cost, enter a remark, and complete the billing process.

When you enter an ad hoc transaction into the workfile:

- You cannot record a reason why the transaction was created.
- No source document exists to backup the transaction.
- The detail information for the costs in the general ledger and the workfile is inconsistent.

If you enter an ad hoc transaction and then process the related source transaction through the normal accounting, revenue recognition, and billing cycles, the system creates a duplicate transaction in the workfile. To prevent this, you must manually change the eligibility code for the duplicate workfile transaction to nonbillable and remove it from the workfile.

If you do not remove the duplicate workfile transaction from the workfile, the system continues to display the transaction on the Revisions form. You might bill for the transaction in error if the eligibility code for the transaction is changed.

▶ To enter ad hoc transactions

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Complete the following fields on a blank detail line:
   - G/L Date
   - Business Unit
   - Object
   - Subsidiary

   For ad hoc transactions, you use an account that you have included in the cross-references for T&M. If you do not use an account that is cross-referenced, the system does not update the ad hoc transaction with the contract information.

   See *Defining a Cross-Reference for T&M.*

3. Complete the following optional fields for the new transaction:
   - Employee/Supplier
   - Amount
   - Eligibility Code
4. Choose More Details.
5. Complete the following optional fields:
   - Subledger
   - Subledger Type
6. Choose the Add action.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
8. Choose Process.

See Also

- *Moving a Transaction to History* for more information about changing the status of a transaction to nonbillable

Assigning a Hold Status for Revenue Recognition and Billing

You can put a workfile transaction on hold so the system can process it at a later date. You can hold a transaction indefinitely, or you can specify a release date. When you put a workfile transaction on hold, the transaction remains in the Service Billing Workfile, but the system does not process it until the release date. The system stores the release date as part of the audit trail for the transaction.

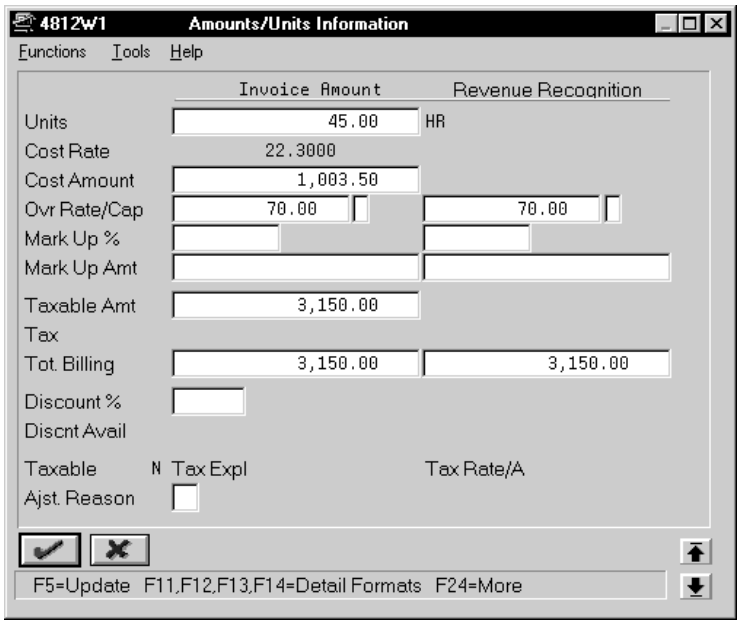
▶ To assign a hold status to a transaction

On Revisions

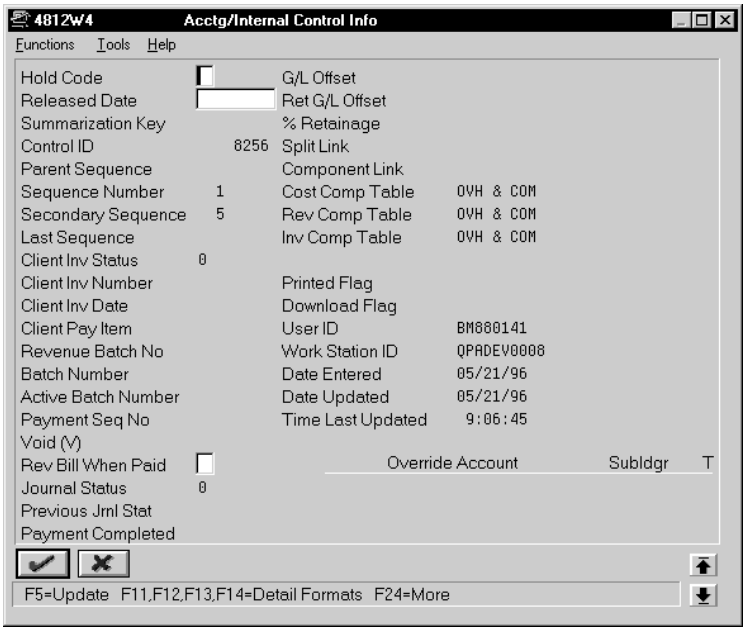
1. Complete the steps for locating a workfile transaction.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing*.

2. Choose Detailed Transaction for a specific transaction.



3. On Amounts/Units Information, choose Accounting/Internal Control Information.



4. On Accounting/Internal Control Information, complete the following fields:

   - Hold Code
   - Released Date (optional)

   If you leave the Released Date field blank, the system holds the transaction indefinitely.

5. Choose Update.
6. Choose Exit Program.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:

   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

8. Choose Process.

Field	Explanation
Hold Code – Service Billing Transaction	This code identifies the type of 'HOLD' status applied to a billing detail transaction. Valid values are: blank Not on hold. A On hold for invoicing, revenue recognition, and cost transfers. B On hold for invoicing and revenue recognition. Cost transfers are allowed. I On hold for invoicing only. Revenue Recognition and cost transfers are allowed. R On hold for revenue recognition. This value applies only when the Journal Generation Control flag in the constants is set to process revenue only. Note: You can use 1 for A, 2 for B, 3 for I, and 4 for R.
Date — Released (Julian)	The release date. This billing detail transaction will not be eligible for processing until this date is greater than or equal to the "billed-through" date specified in Service Billing or the "cut-off" date specified in Contract Billing.

What You Should Know About

Holding workfile transactions with related transactions

If you assign a hold status to a workfile transaction with associated burden transactions, component transactions, or both, the system automatically assigns the hold to all the related transactions.

Exercises

See the exercises for this chapter.

Overriding a Bill-When-Paid Requirement for Revenue and Billing

In a contract, your company might have agreed to not bill the owner for costs related to T&M until the supplier has first been paid. You can define this requirement as bill-when-paid for either the entire contract or a specific owner pay item within the contract.

With bill-when-paid, the related workfile transactions are not available for billing until the your company has paid the supplier's voucher. However, you can override a bill-when-paid requirement for a specific workfile transaction so it is available for billing before the supplier is paid. In this case, the system includes the transaction the next time you create invoices.

▶ To override a bill-when-paid requirement

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Choose Detailed Transaction for a specific transaction.
3. On Amounts/Units Information, choose Accounting/Internal Control Information.
4. On Accounting/Internal Control Information, complete the following field:

   - Reverse Bill When Paid

   You specify N (No) in the field to override a bill-when-paid requirement.

5. Choose Update.
6. Choose Exit Program.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:

   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code

8. Choose Process.

Field	Explanation
Reverse Bill When Paid	A code that lets you override the bill-when-paid rule for the billing detail transaction. You specify the bill-when-paid rule for a contract or an owner pay item in a contract.

Splitting a Workfile Transaction for Revenue Recognition and Billing

Splitting a Transaction for Revenue and Billing in Contract Billing

After you accumulate costs for T&M, you can split a workfile transaction into two related transactions. One of the new transactions might be billable and the other might be nonbillable.

For example, an employee works overtime and is paid at twice the regular hourly rate. If you need to bill the employee's time at the regular rate, you can split the workfile transaction into two equal portions. One portion can be billable and the other nonbillable. You can split a transaction by a specific currency amount, unit amount, revenue amount, or a percent.

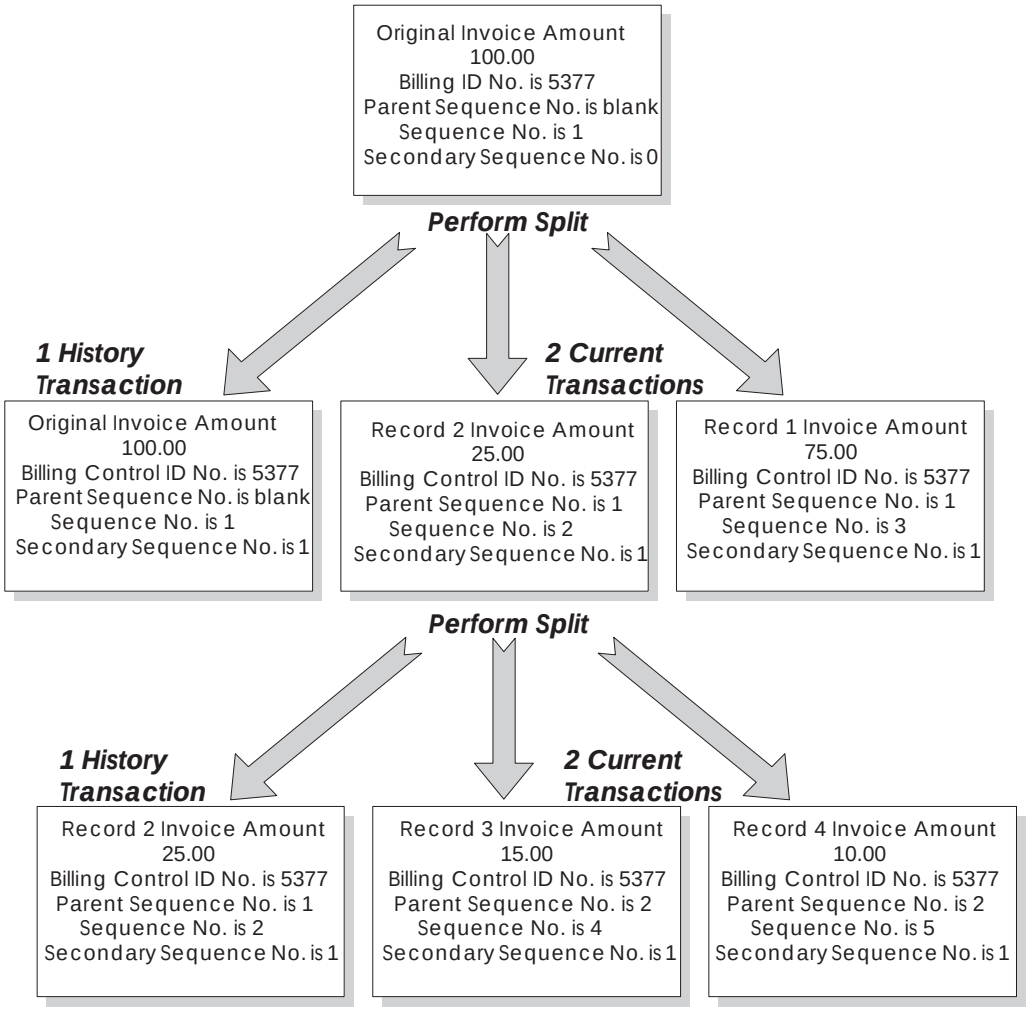
You cannot split payroll transactions with burden. You cannot split a burden transaction.

When you split a workfile transaction, the system:

- Displays two new transactions. The amounts and units for the new transactions equal that of the transaction prior to the modification.
- Moves a copy of the workfile transaction prior to the modification to the Service Billing Workfile – History table.
- Assigns sequence numbers to all the related transactions. The control ID remains the same for the workfile transactions. You can review the sequence numbers and control ID in the accounting and internal control information.
- Splits associated component transactions.

NOTE: You cannot split payroll transactions with burden. You cannot split a burden transaction.

The following graphic illustrates how the Contract Billing system processes and assigns sequence numbers to transactions when you split a workfile transaction.



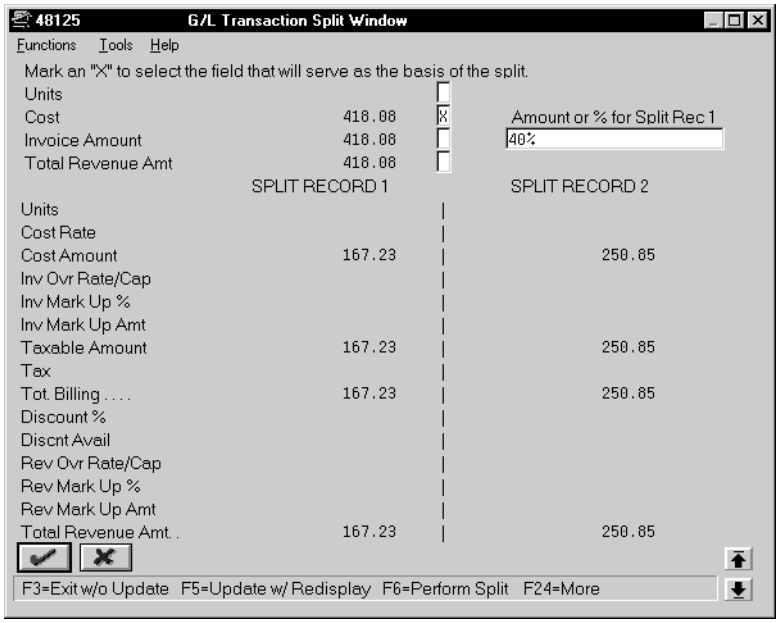
▶ To split a workfile transaction

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Choose Split for a specific transaction.



3. On G/L Transaction Split Window, complete one of the following fields:
   - Units
   - Cost
   - Invoice Amount
   - Total Revenue Amount
4. Complete the following field:
   - Amount or % for Split Record 1
5. Choose Update with Redisplay to update the displayed information.
6. Verify that the information is correct.
7. Choose Perform Split to update the workfile transactions.

Field	Explanation
Units	The quantity of something that is identified by a unit of measure. For example, it can be the number of barrels, boxes, cubic yards, gallons, hours, and so on. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the units of the billing detail transaction.

Field	Explanation
Cost	The cost (source) amount for a billing detail transaction. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the cost (source) amount of the billing detail transaction.
Amount – Invoice taxable	The portion of the invoice amount that is subject to tax. . . . . . *Form-specific information* . . . . . . If you enter X in this field, the system performs the split based on the taxable portion of the invoice amount of the billing detail transaction.
Split Amount/Percent	The split amount or percent. You can split the taxable amount, the revenue total, the cost, or the units. If you enter an amount, it must be less than the amount of the field you are using as the basis of the split. If you enter a percentage (for example, 25% or %25,), the percentage must be less than 100%. The system automatically calculates the amount or percentage for the second split record.

What You Should Know About

Splitting a transaction with a markup amount

When you split a transaction with a markup amount based on cost, the system allocates the entire markup amount to Split Record 1. If you split a transaction with a markup amount based on the invoice amount, the system allocates the markup amount to both split records.

Splitting a transaction with a hold code

When you split a transaction with a hold code, the system assigns the hold code and released date information to the resulting new transactions.

See *Assigning a Hold Status for Revenue Recognition and Billing* for more information about hold codes.

Exercises

See the exercises for this chapter.

Moving a Transaction to History for Revenue Recognition and Billing

Moving a Transaction to History for Revenue and Billing in Contract Billing

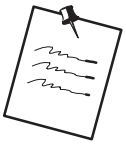
You can move a transaction out of the active Service Billing Workfile if the transaction does not belong in the workfile. Before you can move a transaction out of the workfile, the status for the transaction must be nonbillable. For example, if you do not want to bill for a portion of a split transaction, you would move the nonbillable portion to history.

If burden is associated with the transaction, you first change the eligibility code for the burden to nonbillable. Then, change the eligibility code for the workfile transaction to nonbillable.

When you move a transaction to history, the system:

- Copies the transaction to the Service Billing Workfile – History table for audit purposes
- Removes the transaction from the active Service Billing Workfile

Transactions that you move to history do *not* appear on the Revisions form.



The system does not remove the original transaction from the Account Ledger table.

NOTE: The system does not remove the original transaction from the Account Ledger table.

Moving a transaction to history consists of the following:

- Moving a transaction without burden to history
- Moving a transaction with burden to history

▶ To move a transaction without burden to history

On Revisions

1. Complete the steps for reviewing workfile transactions.

   See *Reviewing Workfile Transactions for Revenue Recognition and Billing.*

2. Complete the following field for a specific transaction to make it nonbillable:
   - Eligibility Code
3. Use the Change action.

The system displays Transaction Re-Extension.

4. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension
   - Adjustment Reason Code
5. Choose Process.

   The system displays Revisions.

6. On Revisions, choose Delete for the workfile transaction.
7. Use the Change action.

▶ To move a transaction with burden to history

On Revisions

1. Complete the steps for reviewing burden transactions for a specific workfile transaction.

   See *Reviewing Burden Transactions for Revenue Recognition and Billing.*

2. On Burden Information, complete the following field for all burden transactions to make them nonbillable:
   - Eligibility Code

   You must make all the burden transactions related to the workfile transaction nonbillable. If you do not, the system prevents you from moving the workfile transaction to history.

3. Use the Change action.
4. Choose Exit Program.
5. On Revisions, complete the following field for the workfile transaction to make it nonbillable:
   - Eligibility Code
6. Use the Change action.

   The system displays Transaction Re-Extension.

7. On Transaction Re-Extension, complete the following fields:
   - Contract Re-Extension
   - Amount Re-Extension

- Adjustment Reason Code

8. Choose Process.

   The system displays Revisions.

9. On Revisions, choose Delete for the workfile transaction.
10. Choose the Change action.

What You Should Know About

Revenue transactions

After a transaction has been processed for revenue, the system prevents you from moving the transaction to history until the transaction has been processed for billing.

Changing the billing status of burden transactions

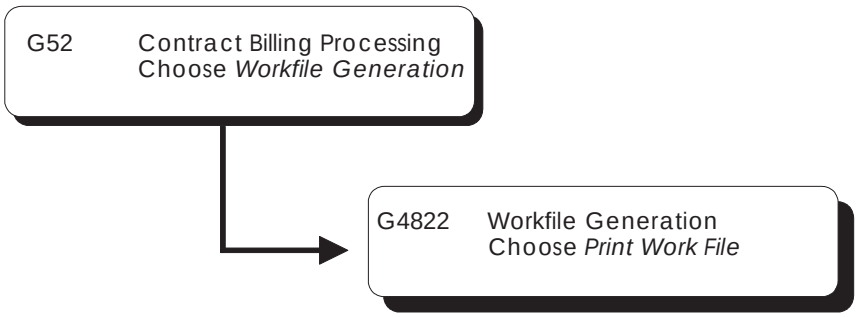
You can make burden transactions nonbillable without moving the related workfile transaction to history. You can do this if you need to change the billing status of a burden transaction without changing the billing status of the related workfile transaction.

For example, you might want to do this if an account in the chart of accounts has been incorrectly designated as billable. You can change the resulting burden transactions for that account to nonbillable without changing the billing status of the workfile transaction.

Exercises

See the exercises for this chapter.

Printing Workfile Transactions for Revenue Recognition and Billing



You can review workfile transactions online. You can also generate a report that prints a list of selected transactions. You might want to use this report for a number of reasons, including:

- As an exception report, for example, to print all of the transactions that are on hold
- As a comparison with the detail in the general ledger

To compare the workfile transactions to the detail in the general ledger, you can review the general ledger online using Account Ledger Inquiry, or you can print the G/L by Object Account report.

If you find a discrepancy, you should make the necessary revisions before you continue with the revenue recognition and billing process.

Service Billing Workfile Listing

48405 J.D. Edwards & Company Page No. . . 2
Service Billing Workfile Listing Date – . . . 5/20/96

G/L Date	Cost	Units	Rate	Billed Amount	Account Number	Sub-ledger	S T	Contract	Job Type	Job Step	PDBA Code	Employee /Supplr	Equipment	Journal Batch	Invoice Batch	Invoice	Pay Itm	Pay Pha
06/30/98	27.54			27.54	5002			5002										
					Explanation Other Reimbursables			W/O Class		J. Class	REG	Equip Class		Home B.U.			PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link													
06/05/98	1,003.50	45.00	22.3000	3,150.00	5002.1341.02210			5002 64		JR	1	7568	00001361					
					Explanation McGrew, Nancy			W/O Class		J. Class	REG	Equip Class		Home B.U.			DENVER PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,482										
06/05/98	1,260.00	45.00	28.0000	5,400.00	5002.1341.02210			5002 64		SR	1	7566	00001361					
					Explanation Meikle, Chris			W/O Class		J. Class	REG	Equip Class		Home B.U.			DENVER PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,485										
06/05/98	1,170.00	45.00	26.0000	2,925.00	5002.1341.02210			5002 64–1			1	7570	00001361					
					Explanation Manderfield, Jake			W/O Class		J. Class	REG	Equip Class		Home B.U.			NEWYORK PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,488										
06/05/98	1,062.00	45.00	23.6000	1,168.20	5002.1341.02210			5002 65			1	7572	00001370					
					Explanation Miller, Michael			W/O Class		J. Class	REG	Equip Class		Home B.U.			NEWYORK PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,491										
07/04/98	750.00	15.00	50.0000	2,250.00	5002.1341.02210			5002 64		PR	1	7565						
					Explanation Marshall, Lynn V.			W/O Class		J. Class	REG	Equip Class		Home B.U.			50 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,494										
06/06/98	1,000.00				5002.1341.02210			5002										
					Explanation misc. cost			W/O Class		J. Class	REG	Equip Class		Home B.U.			5000 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,707										
06/30/98	1,000.00				5002.1341.02210			5002										
					Explanation misc. cost			W/O Class		J. Class	REG	Equip Class		Home B.U.			5000 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code Component Link			1,928										
07/04/98	15.00		50.0000	45.00	5002.1341.02210			5002 64		PR	1	7565						012
					Explanation Overhead and Cost of Money			W/O Class		J. Class	REG	Equip Class		Home B.U.			50 PO No.	
					Company 50					Jrnl Status	0	Printed Flg		A/R Exmpt		Sequence Number	1	
					Component Code COM Component Link													

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Service Billing Workfile Listing

```
PRINT OPTION:
1. Choose one of the following to print:
   '0' = All detail (default).
   '1' = Only one line of detail.
```

Working with the Workfile History for Revenue and Billing

For every revision of a transaction that you create as you process workfile transactions, the system stores a copy of the previous transaction. You can review this audit trail to see all the changes you have made to a transaction. For example, if you change a markup and include a reason for the change, you can access the workfile history to review the markup change reason.

As you review the workfile history, you can reactivate eligible transactions. When you reactive a transaction, you move it from history back to the active workfile. For example, if you move a transaction to history in error, the transaction is eligible to be moved back to the workfile. After you move the transaction back to the workfile, you can include the transaction in revenue recognition, on an invoice, or both.

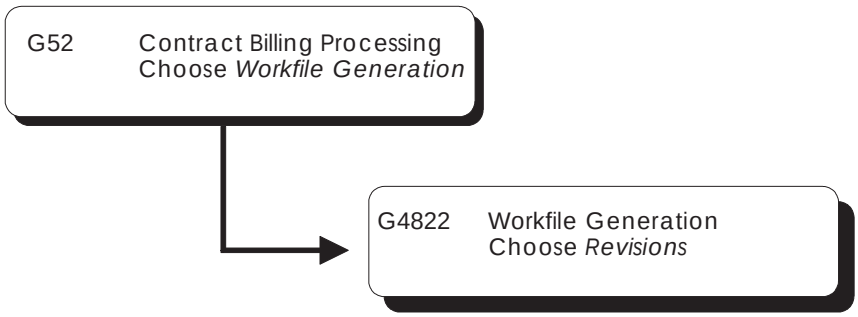
To maintain the integrity of the workfile, the system determines whether a transaction is eligible for reactivation based on the billing control ID number and a combination of other factors. The following transactions are not eligible for reactivation:

- Invoiced transactions
- Voided transactions
- Transactions copied to history during the split process
- Transactions copied to history during the modification process

Working with the workfile history for revenue recognition and billing includes the following tasks:

- ❑ Reviewing transaction revisions
- ❑ Moving a transaction out of history

Reviewing Transaction Revisions for Revenue Recognition and Billing



For every revision of a transaction you create as you process workfile transactions, the system stores a copy of the previous transaction. You can review this audit trail to see all the changes you have made to a transaction. The system displays the revision history of a transaction starting with the most recent revision to the original transaction.

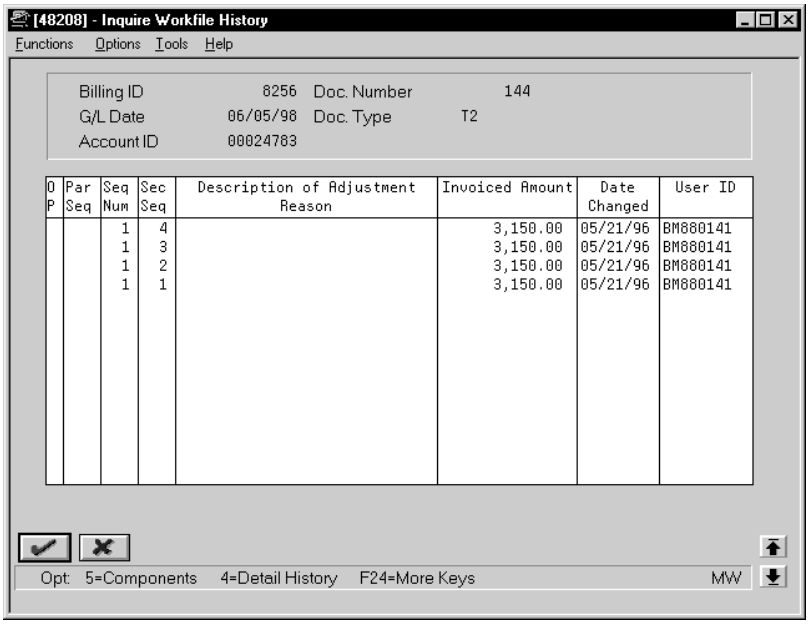
▶ To review transaction revisions

On Revisions

1. Complete the steps for locating workfile transactions.

   See *Locating Transactions in the Workfile for Revenue Recognition Billing*.

2. Choose Transaction History Inquiry for a specific transaction.



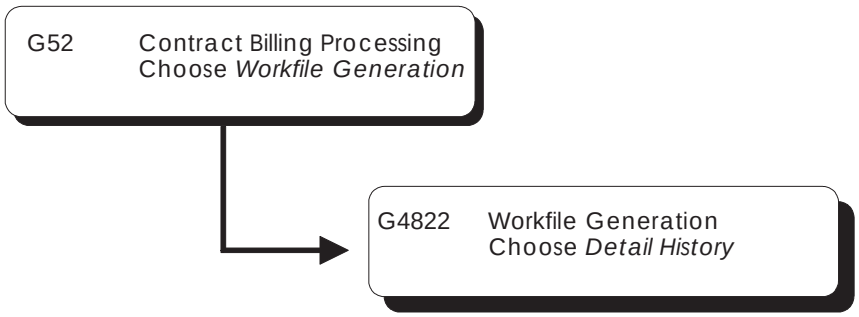
3. On Inquire Workfile History, review the revision history for the transaction.

   If text, components, tax, or burden are associated with the transaction, the Option field for the transaction is highlighted on the form.

Exercises

See the exercises for this chapter.

Moving a Transaction Out of History for Revenue Recognition and Billing

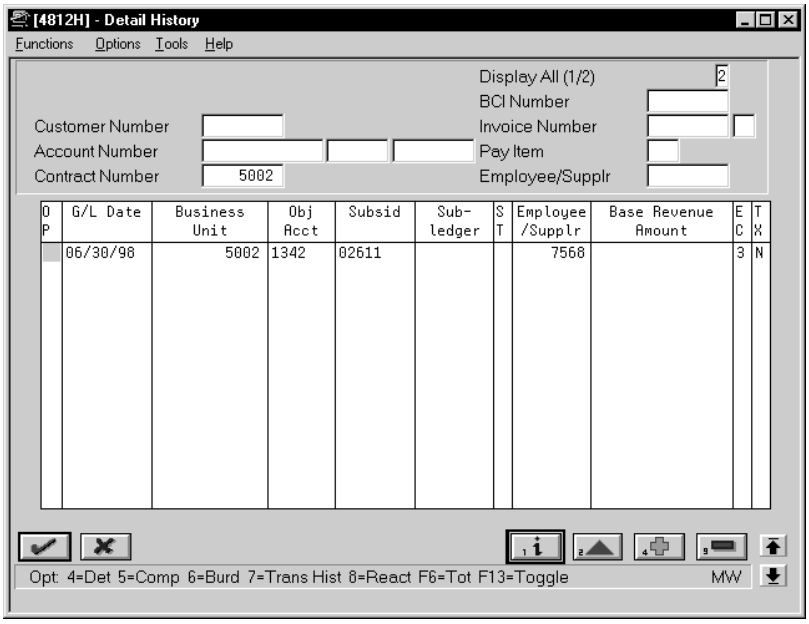


As you review the workfile history, you can move transactions that you previously assigned as nonbillable out of history. When you move a transaction out of history, you reactivate the transaction. When you reactivate a transaction, the system:

- Makes the transaction and all its associated components, burden, tax, and text eligible for processing
- Marks the historical transaction as reactivated
- Moves a copy of the historical transaction from the Service Billing Workfile – History table to the Service Billing Workfile table

To move a transaction out of history

On Detail History



1. To locate a transaction, complete any of the following fields and press Enter:
   - BCI Number
   - Customer Number
   - Account Number
   - Contract Number
   - Employee/Supplier
2. Choose Reactivate for the transaction.

   After you reactivate a transaction, the system continues to display the transaction on Detail History until you reinquire on the form.

What You Should Know About

Limiting the records that display	You can use the Display All field to display all the transactions in the Service Billing Workfile – History. If you use this field, the number of records to display often exceeds the maximum number allowed. J.D. Edwards recommends that you enter additional criteria to narrow your search when you review the history for workfile transactions.
Displaying eligible transactions	You can use a processing option to control whether the system initially displays all transactions or only those eligible for reactivation.
Billing status for reactivated transactions	Reactivated transactions are nonbillable when they return to the active workfile. You must manually update the billing status before you can complete the billing process for the transaction.

See Also

- *Moving a Transaction to History for Revenue Recognition and Billing*

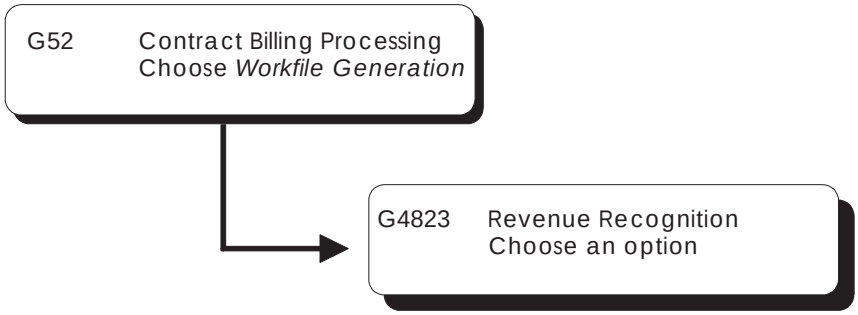
Processing Options for Detail History

```
DISPLAY OPTIONS:
1. Enter a '1' to display all history                    _____
   records (default).  Enter a '2' to
   display only the records that are
   eligible for re-activation.

2. Enter a '1' to load all records that                  _____
   meet the search criteria.  Leave
   blank (default) to load two pages at
   a time (this improves performance).

3. Enter the amount to initially display                 _____
   on the screen.  All amounts can be
   accessed using the toggle function.
   '1' = Base Revenue (default)
   '2' = Base Invoice
   '3' = Total Revenue
   '4' = Total Invoice
   '5' = Base Cost
   '6' = Total Cost
```

Exercises

See the exercises for this chapter.

Work with Revenue for Revenue and Billing



Working with Revenue for Revenue Recognition and Billing

To calculate the unbilled revenue for the current period, you must create journal entries. The amounts related to these entries appear on your income statements and balance sheets when you complete the revenue recognition process.

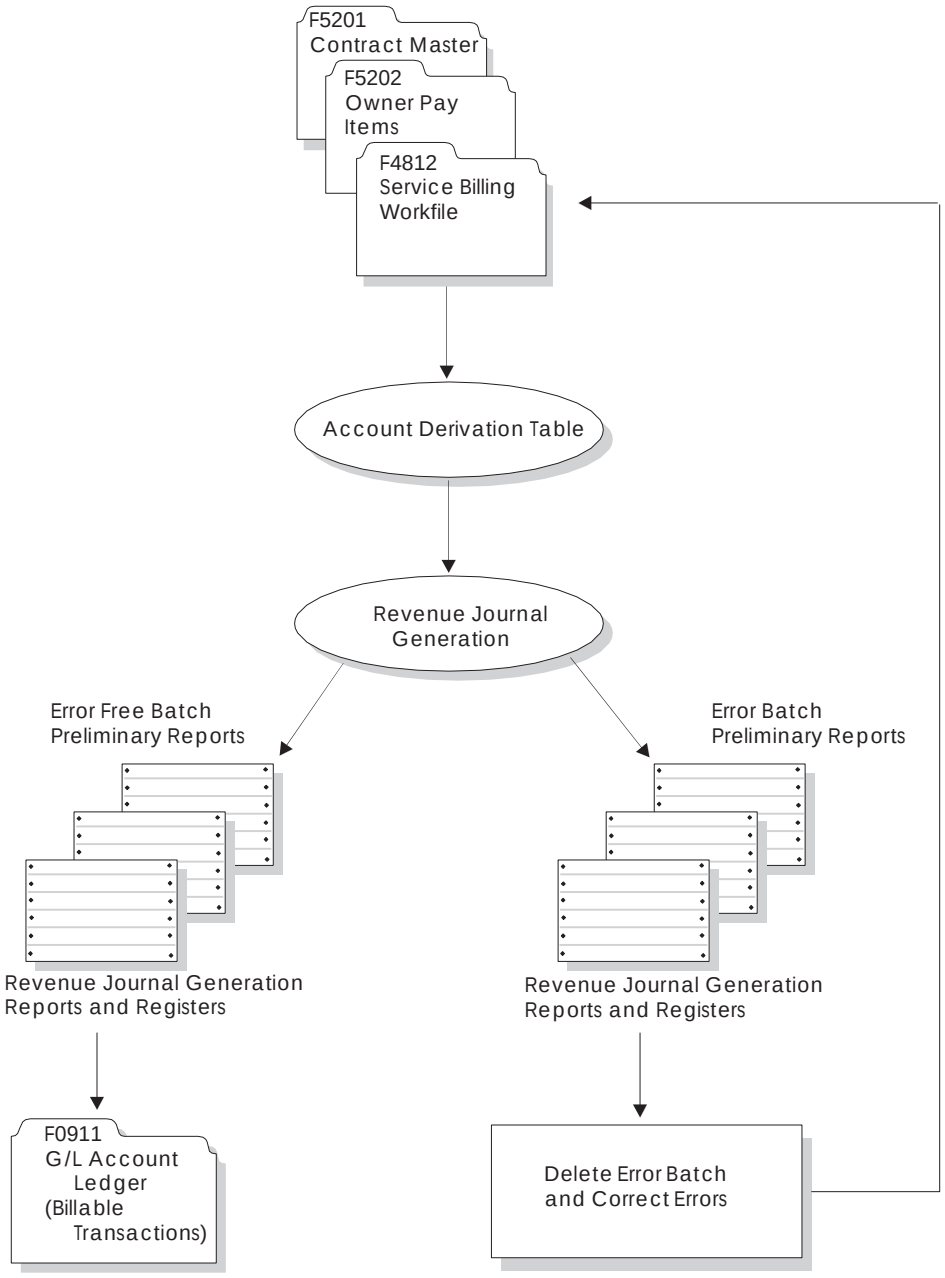
J.D. Edwards strongly recommends that you create and carefully review preliminary G/L entries before you create the final entries that post to the general ledger. If you post out-of-balance records to the general ledger, you must manually correct these balances.

Working with revenue consists of the following tasks:

- ❑ Creating preliminary G/L entries
- ❑ Reviewing journals
- ❑ Creating final G/L entries
- ❑ Reviewing and posting journal entries

Creating Preliminary G/L Entries for Revenue and Billing

You complete the revenue recognition process by creating journal entries. You first create preliminary G/L entries. When you create the entries, the system prints the Revenue Journal Generation report. You can also set processing options to print the Service Billing Journal Register and to segregate error journals in an error batch.



You must run the Journal Generation program to calculate revenue for fees and create preliminary G/L entries for T&M, Component, Unit, Lump and Fee pricing types. You should carefully review the Revenue Journal Generation and Service Billing Journal Register reports to make sure that the preliminary entries are correct so that you do not create final journal entries that create out of balance records in the general ledger.

When you run Journal Generation, the system:

- Calculates revenue amounts for Fee pricing types and creates transactions in the Service Billing Workfile for the fees
- Creates preliminary G/L journal entries with a different document type from the transactions in the Service Billing Workfile. The account derivation rules for revenue recognition that you define for the system determine what accounts the system assigns to the resulting journal entires.
- Temporarily stores the preliminary details for the G/L entries in the Detail Journal Workfile.
- Prints the Revenue Journal Generation report with journal entry detail.
- Compresses the detail journal workfile information and temporarily stores it in the Compressed Journal Workfile.
- Prints the Service Billing Journal Register with the compressed information as a summary of the journal entry detail.

Journal Reclassification

You can reclassify an original journal entry to a different account. For example, an employee might charge time to two different work orders during a pay period. When entering time for the pay period, the employee makes an error. After the accounting department processes payroll transactions, the manager reviews the costs and discovers the employee's error. The manager corrects the error by changing the work order numbers on the transactions in the Service Billing Workfile. With journal reclassification, when the manager runs Journal Generation, the system creates the correcting journal entries along with the preliminary G/L entries.

Depending on how you set the processing options for the Revisions form, you can change the account information for a workfile transaction. When you set up your system constants to allow journal reclassification, the system creates the correcting entries in the Account Ledger table (F0911) during journal creation. The system creates general ledger entries and adjusting entries in the Payroll Transaction History table (F0618) for the journal reclassification entries related to the payroll transactions. You can identify the correcting journal entries by their document type. The system also uses the same pay type (PDBA code) of the workfile transaction for journal reclassification, such as 101 for regular pay, unless you use the PDBA code override in the system constants.

What You Should Know About

G/L document types

The system can create seven different types of G/L entries. You can use the following document type codes to determine the origination of your journal entries:

- EU (Revenue) – Journal entry created during revenue recognition
- AJ (Adjustment) – Correction to a journal entry for revenue recognition
- BA (Billing Adjustment) – Reclassification of a billable source journal entry that originated from accounts payable or general accounting
- RI (Invoice Default) – Journal entry created during billing
- T2 (Payroll Labor Distribution) – Reclassification journal entry for payroll labor
- T4 (Labor Billing Distribution) – Reclassification journal entry for labor billing
- T5 (Equipment Distribution) – Reclassification journal entry for equipment billing

Error batch segregation

If you have an error in a batch of journal entries, you do not have to stop processing the journal entries until it is corrected. If you set the processing option for error batch segregation, the system places any journal entries with errors in a separate batch. Then, you can continue processing the batch of journal entries without errors and correct the batch with errors at a later time.

The error batch segregation processing option works as follows:

- If two transactions are related, such as a base and its component, or a payroll transaction with burden, and one transaction is in error, the system places both transactions in an error batch with a separate batch number.
- The system prints a separate journal register for the error batch.

NOTE: If you select error batch segregation, the Revenue Journal Generation program requires additional processing time.

See Also

- *Defining Account Derivation Rules (P48126)*
- *Appendix D — Accounting for the Billing Cycle* for more information about how the Contract Billing system uses account derivation rules
- *Setting Up System Constants for Contract Billing (P48091)* for more information about using journal reclassification
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Revenue Journal Generation – Service Billing

```
DATE SELECTIONS:
1. Enter the cut-off date for retrieving          _____________
   work file records.  Records with a
   G/L date after this date will not be
   processed.  Leave blank (default) to
   use the system date as the cut-off
   date.

2. Enter the G/L date to assign to the            _____________
   revenue journal entries created.
   Leave blank (default) to use the
   G/L date of the source transaction.

PRINT OPTIONS:
3. Choose one of the following to                 _____________
   control the printing of the
   exception report:
   blank = Print all records (default).
   '1'   = Print warnings and errors
           only.
   '2'   = Print errors only.
   '3'   = Do not print the report.

4. Enter a '1' to print the Billing               _____________
   Edit/Register report (P48300).

JOURNAL DESCRIPTION SELECTION:
5. Choose one of the following for the            _____________
   journal entry description:
   '1'   = Use the description from the
           Vocabulary Overrides based
           on Table Type.
   '2'   = Use the description
           associated with the
           subledger value.
   blank = Use the description from the
           Account Master (default).

ERROR BATCH SEGREGATION:
6. Enter '1' to perform the Error Batch           _____________
   Segregation function.
```

Exercises

See the exercises for this chapter.

Reviewing Journals for Revenue Recognition and Billing

After you generate preliminary G/L entries you can verify that the information is correct before you create final entries. You can review the following:

- Header information and status of the batch
- Journal entry detail on the Revenue Journal Generation report
- Preliminary journal entries on the Service Billing Journal Register report
- Individual workfile transaction in a revenue batch

Reviewing journals consists of the following:

- Reviewing preliminary G/L entries
- Reviewing the batch header and status
- Reviewing revenue journal details

What You Should Know About

Additional copies of the journal register	You can run Service Billing Journal Register to print additional copies of the journal register after you have created the preliminary G/L entries.
Reconciling errors	If you find errors on the reports, you must delete the batch. After you identify and correct the errors, you can regenerate the revenue journals. Common errors include: • Incorrect dates or invalid accounts related to the general ledger • Incorrect table types or invalid accounts related to the account derivation rules you define
Deleting a batch	To delete a batch, use the Batch Delete program on the Revenue Generation menu.

See Also

- *Creating Preliminary G/L Entries for Revenue and Billing (P48132)* for information about choosing batch segregation for errors

▶ To review preliminary G/L entries

Review the following journal reports for any errors and warnings related to the journal information:

- Revenue Journal Generation, for the detail on each journal entry
- Service Billing Journal Register, for a summary of the journal entry detail

Revenue Journal Generation – Job

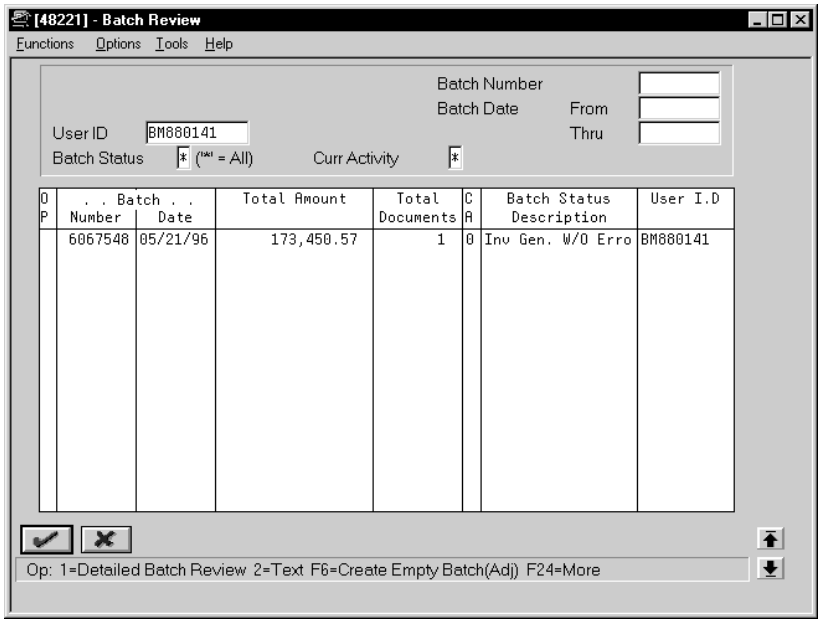
```
 48132                                    J.D. Edwards & Company                                  Page – . . .    3
                                      Revenue Journal Generation – Job                            Date – . . .  5/20/96

Batch Number . . . .  6067535
 Transaction   T Customer Employee Contract Comp    Equip   WO  Job  Job   Job    Document   Jrnl    G/L        Original Account No. /        Sub   L  Batch    Cost Amount /  Invoice  Billing
Type/Key Value T  Number   Number   Number  Code    Worked  Cls Cls  Type  Step Type/Number Number   Date   LT  Resulting Account No.        Ledger T  Number   Result Amount   Number  Control
-------------- - -------- -------- -------- ----- --------- --- --- ------ ---- ----------- ------ -------- -- ----------------------------  --------- -------- --------------- -------- --------
7 REG          1     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                475.74              8415
                                                                                                 07/31/98 AA         5002.1382.90000                                523.31-
7 REG          3     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                475.74              8415
                                                                                                 07/31/98 AA           50.1215                                      523.31
7 REG          1     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                883.53              8415
                                                                                                 07/31/98 AA         5002.1382.90000                                971.88-
7 REG          3     5070     4431     5002                    REG             PV     8319    1.0 06/22/98 AA         5002.1350.02210                                883.53              8415
                                                                                                 07/31/98 AA           50.1215                                      971.88
7 REG          1     5070     4431     5002                    REG             PV     8323    1.0 06/30/98 AA         5002.1350.02210                              1,850.00              8416
                                                                                                 07/31/98 AA         5002.1382.90000                              2,035.00-
7 REG          3     5070     4431     5002                    REG             PV     8323    1.0 06/30/98 AA         5002.1350.02210                              1,850.00              8416
                                                                                                 07/31/98 AA           50.1215                                    2,035.00
```

Journal Register Listing

```
 48300                                    J.D. Edwards & Company                                  Page No. . .    2
                                        Journal Register Listing                                  Date – . . .  5/20/96

Batch Number  6067535 Generation Type 2 Revenue Batch
 Key                                                                                                                                  . . . . . Amounts . . . . . .                Document
 CO    CO   FY PN DT      Account Description             Account Number          Subldgr/Ty     Debit          Credit          Offsets   LT  Number
----- ----- -- -- -- ------------------------------ ------------------------- ---------- -------------- -------------- -------------- -- --------
00050 00050 98 07 EU Unbilled A/R                          50.1215                          3,530.19                                    AA    17274
00050 00050 98 07 EU Outside Subcontractors               5002.1382.90000                                   3,530.19-                    AA    17274
                                                                                                        -------------- -------------- --------------
                                                                    Doc/Period/LT Total . . .           3,530.19       3,530.19-
                                                                                                        -------------- -------------- --------------
                                                                    Company Total . . . . . .           3,530.19       3,530.19-
                                                                                                        -------------- -------------- --------------
                                                                  Generation Type Total. .              3,530.19       3,530.19-
                                                                                                        -------------- -------------- --------------
                                                                    Grand Total . . . . . .             3,530.19       3,530.19-
```

To review the batch header and status

On Batch Review

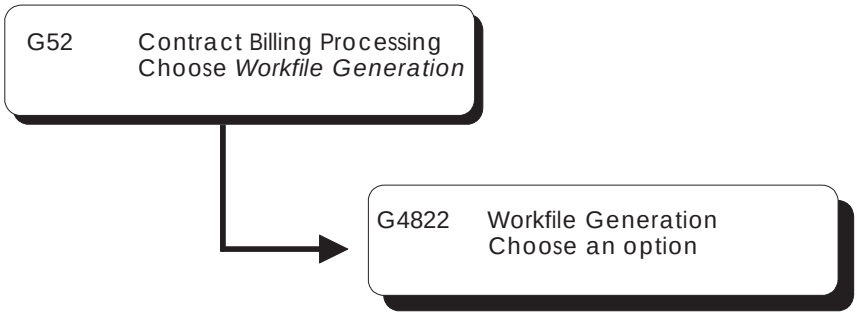


1. Complete the following field:
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status.

2. Complete the following optional fields to limit the list of batches:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - Batch Status
   - Current Activity
3. Review the following fields for a batch:
   - Batch Number
   - Total Amount
   - Current Activity
   - Batch Status Description

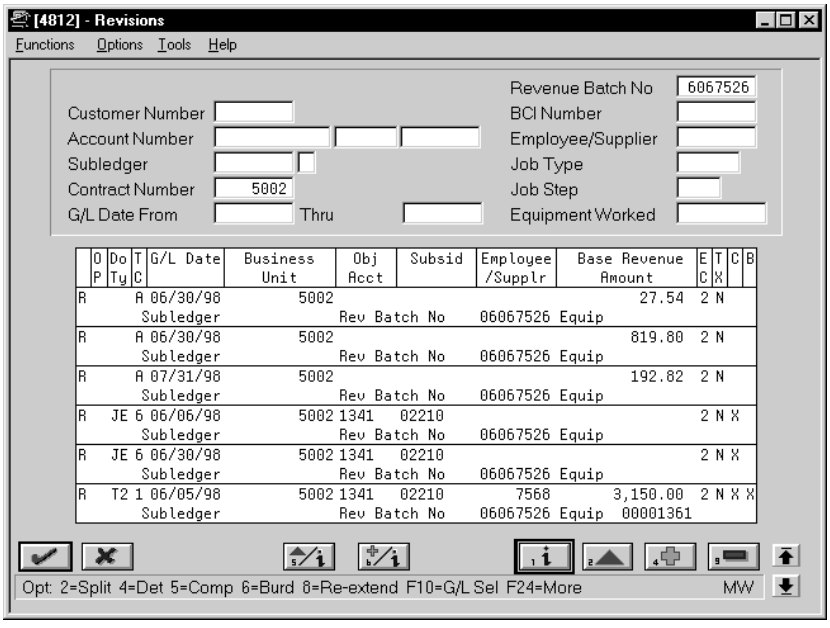
To review revenue journal details



If you want to review the workfile transaction details for a batch of revenue journals, you must use the Revisions form. You use a processing option to control whether the system displays the Revenue Batch Number field in the upper portion of the form.

When you enter the revenue batch number on the Revisions form, the system displays all transaction information. The system marks transactions in an active revenue batch with an R and displays the revenue batch number in the lower portion of the form. You cannot revise workfile transactions in a revenue batch.

On Revisions



1. Complete the following field to locate transactions in a revenue batch:
   - Revenue Batch Number

2. To limit the display of transactions, complete a combination of the following fields and press Enter:
    - Customer Number
    - BCI Number
    - Account Number
    - Employee/Supplier
    - Equipment Worked
    - Subledger
    - Subledger Type
    - Job Type
    - Contract Number
    - Job Step
    - G/L Date From
    - G/L Date Thru
3. Choose Total Amounts For All Records.

Creating Final G/L Entries for Revenue Recognition and Billing

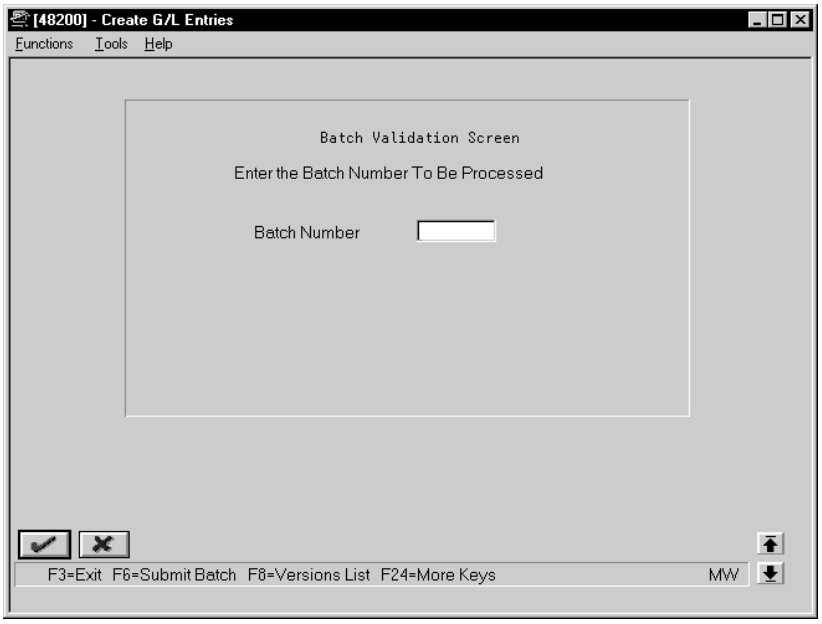
You complete the revenue recognition process by creating and posting journal entries that relate to the transactions. The system stores the final G/L entries in the Account Ledger table.

After you create the final G/L entries, you cannot change or delete the batch of journal information. The system changes the journal status for the related workfile transactions. The system also removes the batch header number for the revenue journals from the system.

The transactions remain in the Service Billing Workfile until you complete the billing process.

To create final G/L entries

On Create G/L Entries



1. Complete the following field and press Enter:
   - Batch Number
2. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

3. Choose Submit Job.

Reviewing and Posting Entries for Revenue Recognition and Billing

After you create the final G/L entries, you complete the revenue recognition process by reviewing, approving, and posting the journal entries.

The journal review and post programs are the same programs you use in the Accounts Receivable and General Accounting systems.

See Also

- *Reviewing and Approving Journal Entries (P00201)* in the *General Accounting I* guide
- *Posting Journal Entries (P09800)* in the *General Accounting I* guide

Exercises

See the exercises for this chapter.

Work with Billing for Revenue and Billing

Working with Billing for Revenue Recognition and Billing

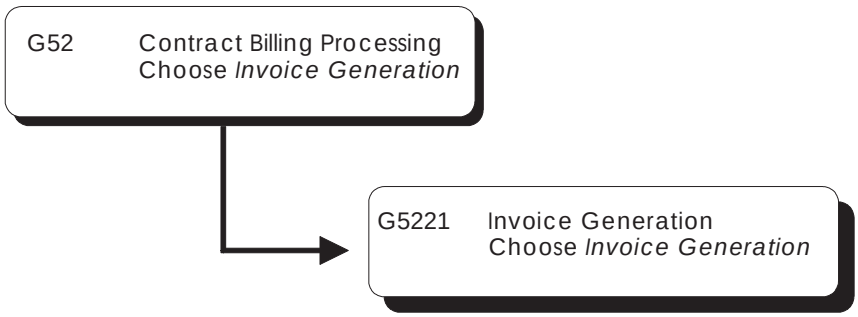
When you accumulate costs, the system creates the workfile transactions for T&M and components that contain the information for recognizing revenue and generating invoices. After you review and revise the transactions and complete the revenue recognition process, the next step is to generate invoices.

When you generate invoices, the system assigns invoice numbers and summarizes the active workfile transactions that make up the pay items you want to include on the invoices. The system creates a batch of invoice transactions that you can review and revise before you print final invoices.

Working with billing consists of the following tasks:

- ❑ Creating invoices automatically
- ❑ Working with invoices
- ❑ Creating invoices manually
- ❑ Printing invoices

Creating Invoices Automatically for Revenue and Billing



When you accumulate costs, the system creates the workfile transactions for T&M and components that contain the information for creating invoices. The next step is to generate invoices.

The term *invoice* has two meanings in the Contract Billing system:

- Invoice information that the system generates from the workfile transactions in the Service Billing Workfile (F4812). The system stores the summarized invoice information in the Invoice Summary Workfile (F4822).
- A copy of the invoice that you print for owners. The system prints invoices based on the invoice layouts that you define using Invoice Formatting.

When you generate invoices, the system assigns invoice numbers and summarizes active workfile transactions to create pay items. Pay items represent the individual owner pay items for a contract. Pay items contain either a summary of one or more workfile transactions related to T&M or the amount of a billing for costs related to non-T&M. The pay items for a specific invoice make up the total amount of the invoice for a contract. The system stores pay item information in the Invoice Summary Workfile (F4822).

You can run the Invoice Generation program to generate invoices automatically or you can create invoices manually. When you run the Invoice Generation program to create invoices automatically, the system:

- Creates a batch of invoices
- Assigns contract and invoice numbers to individual invoices
- Summarizes workfile transactions for T&M, including components, to create the pay items for invoices
- Calculates billing amounts for owner pay items related to non-T&M
- Calculates applicable fees and retainage amounts
- Prints the Contract Billing Invoice Generation report

Contract Billing Invoice Generation

52800 J.D. Edwards & Company Page No. . . 1
Contract Billing Invoice Generation Date – . . . 5/21/96

Batch Number . . 06067548 S U P P L I E R

Number	Description	Document Ty	Inv. Num	Inv Date	Due Date	Invoice Amount	Open Amount	Contract Ty	Chg	Pay Item	Current Earned	Not To Exceed	Message
4431	Dynamic Works I	8319 PV	2392	06/22/98	07/22/98	1,359.27	1,359.27	5002 R2	000	006			Bill When Paid (Voucher Open)
4431	Dynamic Works I	8323 PV	5932-A	06/30/98	07/30/98	1,850.00	1,850.00	5002 R2	000	006			Bill When Paid (Voucher Open)
4431	Dynamic Works I	8319 PV	2392	06/22/98	07/22/98	1,359.27	1,359.27	5002 R2	000	006			Bill When Paid (Voucher Open)

What You Should Know About

Creating preliminary invoices

If you set the system constants to renumber invoices, the system assigns preliminary numbers to the invoices during invoice generation. When you create the G/L and A/R entries for the final invoices, the system reassigns the numbers and document type.

See *Setting Up System Constants for Contract Billing*.

Calculating invoice amounts for non-T&M

When you create invoices automatically, the system processes workfile transactions related to T&M, including components. At this time, the system can also calculate the invoice, fee, and retainage amounts for owner pay items related to non-T&M, such as lump sum or unit price, if you have defined cross-references for the respective owner pay items.

See *Defining Cross-References for Lump Sum* and *Defining a Cross-Reference for Unit Price*.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must manually revise the pay item amount for both the fee line and retainage.

See *Calculating Fee Lines Manually for a Contract* and *Calculating Retainage Manually for a Contract*.

Recurring invoices

You can define recurring invoices for an owner pay item for lump sum. When you generate invoice amounts, the system calculates the recurring amount if:

- You have specified from one to five recurring codes in the processing options.
- You have not initialized the invoice amount to zero.

See *Defining Recurring Amounts*.

Limits on invoice amounts

As limits to invoice amounts, you can define the following amounts:

- Minimum amount at the level of a contract
- Maximum amounts at the levels of a contract, change order, and owner pay item

If the current invoice amount for a contract is less than the minimum amount, the system does not create an invoice for the contract.

If the invoice amount for a contract, change order, or owner pay item exceeds the respective maximum amount, the system warns you by:

- Displaying O in the Limit Exceeded field on Invoice Entry Review for the contract
- Displaying O in the Limit Exceeded field on Pay Item Billing Inquiry for the owner pay items
- Listing the contract, change order, and owner pay item numbers on the invoice generation exception report

The system does not prevent you from creating the invoices and billing transactions.

See *Creating the Master Record for a Contract* for more information about guaranteed amounts.

See Also

- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version
- *Creating Invoices Manually for Revenue Recognition and Billing*
- *Calculating Fee Lines Manually for a Contract* for information about calculating fee amounts for lump sum and unit price

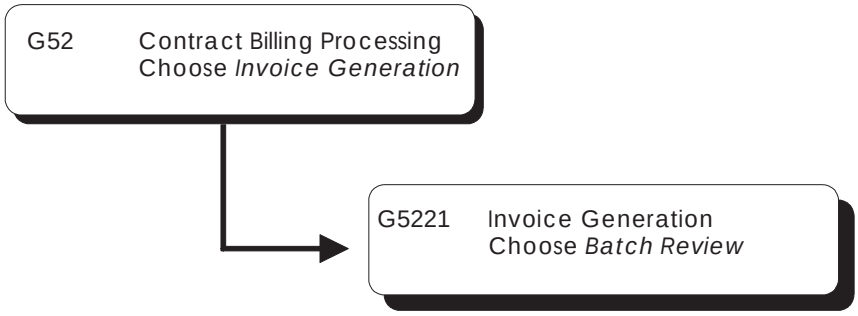
Processing Options for Contract Billing Invoice Generation

```
DATE SELECTIONS:
1. Enter the cut-off date for selecting                    _____________
   the work file records for invoicing.
   Leave blank (default) to use the
   system date.

2. Enter the G/L date to assign to the                     _____________
   summary billing work file records.
   Leave blank (default) to use the
   system date.

3. Enter the Application date to assign                    _____________
   to the summary billing work file
   records.  Leave blank (default) to
   use the system date.

RECURRING BILLING FREQUENCY:
4. Enter up to five recurring          >                   _____________
   billing frequency codes for         >                   _____________
   lump sum pay item lines.            >                   _____________
                                       >                   _____________
                                       >                   _____________

ZERO INVOICE SUPPRESSION:
5. Enter a '1' to suppress the creation                    _____________
   of invoices with zero billing
   amounts.

FIXED PRICE CALCULATION METHOD:
6. Select the method for calculating                       _____________
   lumpsum billing amounts:
   '1'   = Percent Complete method.
   '2'   = Markup Percent of Cost
           method.
   blank = Use the greater of the two
           methods (default).

INVOICE OVERRIDE OPTIONS:
7. Enter the Invoice Document Type.                        _____________
   Leave blank (default) to use the
   Invoice Document Type specified
   in the Service Billing Constants.

INVOICE OVERRIDE OPTIONS (Cont'd):
8. Enter values in the following to
   override the Contract/Pay Item
   defaults:
   a. Tax Rate/Area                                        _____________
   b. Tax Explanation Code                                 _____________
   c. Payment Terms Code                                   _____________

   NOTE:  If any of the above are
   invalid or left blank, the values
   will default from the Contract Master
   or the Contract Pay Item.
```

Exercises

See the exercises for this chapter.

Working with Invoices for Revenue Recognition and Billing



When you run the Invoice Generation program, the system:

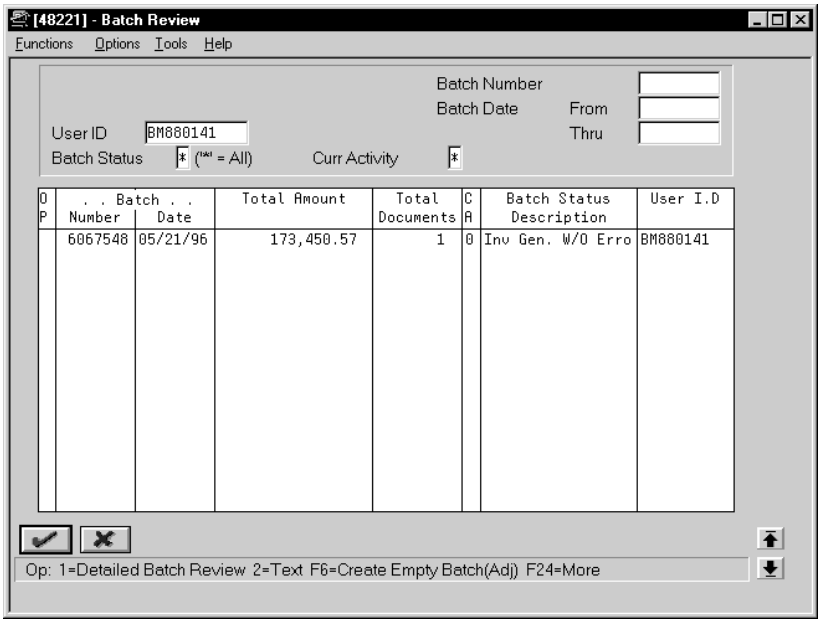
- Creates a batch of invoices
- Assigns contract and invoice numbers to individual invoices
- Summarizes workfile transactions for T&M, including components, to create the pay items for invoices
- Calculates billing amounts for owner pay items related to non-T&M
- Calculates applicable fees and retainage amounts
- Stores the information in the Invoice Summary Workfile (F4822)

To prepare the batch for further processing, you can use the batch review process to:

- Review and revise the invoice transactions
- Calculate retainage amounts manually
- Release retainage
- Calculate fee lines manually

Working with invoices for revenue recognition and billing consists of the following tasks:

- ❑ Reviewing invoices
- ❑ Decreasing invoice amounts
- ❑ Calculating retainage manually
- ❑ Calculating fee lines manually



See Also

- *Adding Transactions to an Invoice for Revenue Recognition and Billing* to increase the amount on an invoice

Reviewing Invoices for Revenue Recognition and Billing

When you generate invoices, the system creates a batch of invoice transactions. It also updates the workfile transaction with the following information:

- Invoice number
- Invoice date
- Pay item number
- Batch number
- Journal status

To verify the invoice information, you can review it at the following levels:

- Batch header information, including the batch status description and current activity
- Invoices for contracts in a selected batch
- Pay items for selected contracts
- Individual workfile transactions for selected pay items related to T&M, including components
- Billing information for selected owner pay items in a contract

As you review the different levels of an invoice, you can revise specific information. For example, you can decrease an invoice amount or add transactions to an invoice.

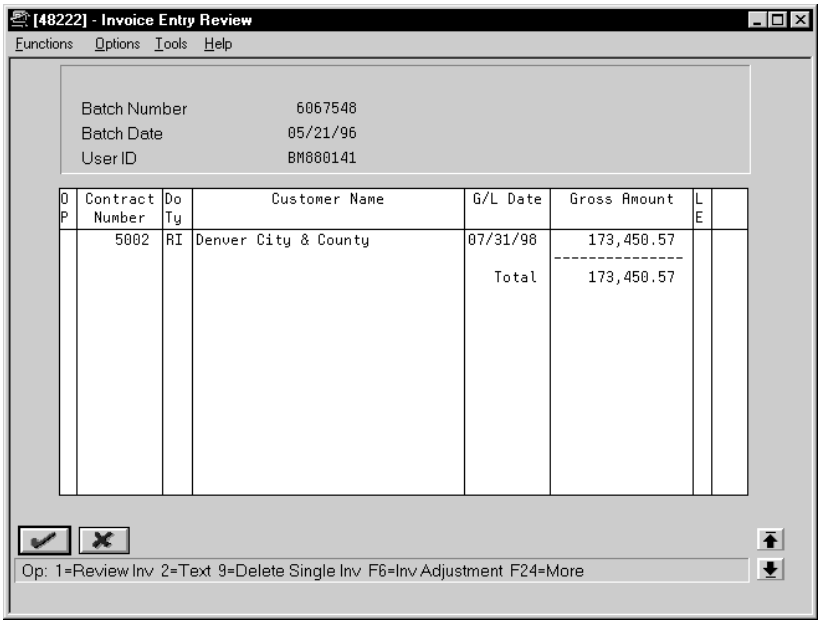
▶ To review invoices

On Batch Review

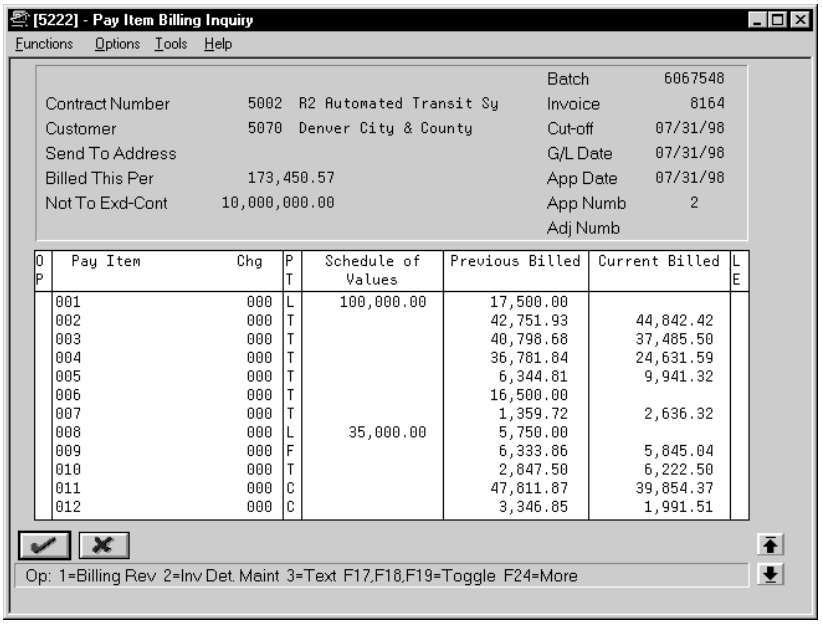
1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

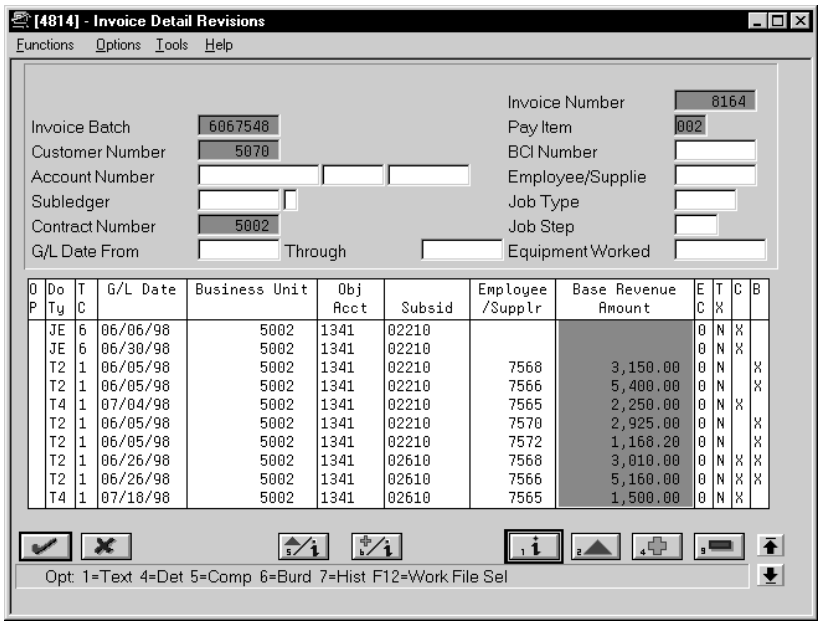
2. To further limit the list of batches, complete the following fields and press Enter:
   - Batch Status
   - Current Activity
3. Review the following fields for a batch:
   - Batch Number
   - Current Activity
   - Batch Status Description
4. Choose Detailed Batch Review to review the invoice information for a specific batch.



5. On Invoice Entry Review, review the following fields:
   - Contract Number
   - Customer Name
   - G/L Date
   - LE
6. Choose Review Invoice to review the details for an invoice.

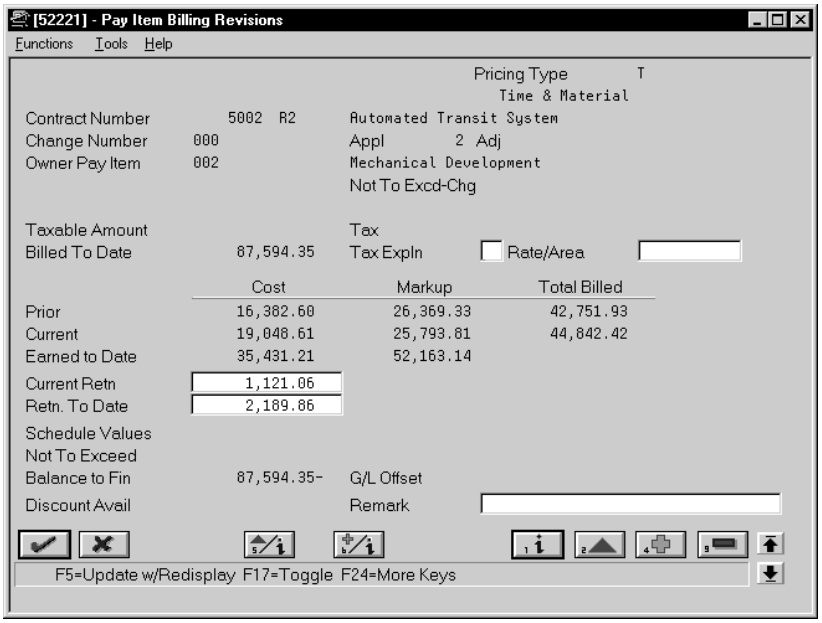


7. On Pay Item Billing Inquiry, review the following fields:
   - Pay Item
   - Current Billed
   - Limit Exceeded (LE)
8. Choose Invoice Detail Maintenance for a pay item with a pricing type of T&M, including Component, to review the related transactions.



OP	Do Ty	TC	G/L Date	Business Unit	Obj Acct	Subsid	Employee /Supplr	Base Revenue Amount	EC	TX	C	B
	JE	6	06/06/98	5002	1341	02210			0	N	X	
	JE	6	06/30/98	5002	1341	02210			0	N	X	
	T2	1	06/05/98	5002	1341	02210	7568	3,150.00	0	N		X
	T2	1	06/05/98	5002	1341	02210	7566	5,400.00	0	N		X
	T4	1	07/04/98	5002	1341	02210	7565	2,250.00	0	N	X	
	T2	1	06/05/98	5002	1341	02210	7570	2,925.00	0	N		X
	T2	1	06/05/98	5002	1341	02210	7572	1,168.20	0	N		X
	T2	1	06/26/98	5002	1341	02610	7568	3,010.00	0	N	X	X
	T2	1	06/26/98	5002	1341	02610	7566	5,160.00	0	N	X	X
	T4	1	07/18/98	5002	1341	02610	7565	1,500.00	0	N	X	

9. On Invoice Detail Revisions, review the workfile transactions that make up the pay item.
10. Choose Exit Program to return to Pay Item Billing Inquiry.
11. Choose Billing Revisions for a specific pay item to review the billing information for the owner pay item.



12. Change the columns on the form by choosing the respective function:
    - Pay Item/Description Toggle
    - Previous Billed/Balance To Finish
    - Current Billed/Billed To Date
13. Choose Exit Program to return to Pay Item Billing Inquiry.

Field	Explanation
Batch Number	A number that associates a group of transactions with an invoice batch. . . . . . *Form-specific information* . . . . . . The header field identifies the number of a particular batch that you want to display. The detail field indicates the numbers of the individual batches that display. NOTE: If the OP (Option) field to the left of a batch number is highlighted, has extended text attached to it.
Date – Batch (Julian)	The date of the batch. If you leave this field blank, the system date is used. . . . . . *Form-specific information* . . . . . . The Batch Date From/Thru fields let you select batches that were created within a specified date range. The Batch Date field indicates the date that the individual batches were created.

Field	Explanation
Date Through	The ending date of the range for the batches you want to display. If you specify a From date and leave the Thru date blank, the system displays all batches with that batch date and future batch dates.
Batch Status Description	A control function in the Service Billing and Contract Billing systems. The system verifies the following values prior to executing various jobs to ensure the functions are performed in the proper sequence. Valid codes are: blank Invoices have not been created 0 Manual adjustment in Contract Billing 1 Invoices generated without errors 2 Invoices generated with errors 3 Revenue journals created without errors 4 Revenue journals created with errors 5 Invoice journals created without errors 6 Invoice journals created with errors 7 Batch changed – rerun journals 8 Active revenue batch found The batch status description is a user defined code (48/BS).
Current Activity	Identifies the processing cycle step that is currently active. This field maintains the integrity of the batch member throughout the Service Billing and Contract Billing systems. The Batch Validation form uses this field to ensure that the Batch Number selected is qualified for a particular function. Valid values are: 0 Available 1 Generation in process 2 Maintenance in process 3 Journal generation in process 4 Batch delete in process 5 Invoice printing in process 6 Batch posting 7 Selection in progress * Display all batches . . . . . *Form-specific information* . . . . . There are two Current Activity fields on this form. • Header Field – lets you display batches that are in a particular step of the invoice cycle. • Detail Field (CA) – indicates the current step of the invoice cycle for the individual batches that display.
Status Description	A brief description of a code or abbreviation. . . . . . *Form-specific information* . . . . . A description that identifies the status of the batch.

Field	Explanation
Limit Exceeded Flag	This flag identifies any not-to-exceed (NTE) limit that has been exceeded. The system displays O for overbilled if the limit is exceeded. You can set the NTE amount limitations at the owner pay item level, the change order level, or the contract level.

What You Should Know About

Reviewing the batch number for contracts

When a contract is in an active invoice batch, the system displays the batch number for the invoices on Contract Master Revisions and Owner Pay Item Details.

Deleting a batch

Use Batch Delete to delete any batches with or without invoice information that you do not want. When you delete a batch:

- You can set the processing option to print a report to retain an audit trail of the invoice information you delete.
- The system does not keep an audit trail for the batch number, which comes from the Foundation Environment (system 00).

Revising a batch header

Use Batch Header Revisions to revise the status and current activity of a batch. You might need to do this, for example, if the generation program does not complete normally due to power failure. In this case, the current activity status would prevent you from accessing the batch for further processing.

Decreasing Invoice Amounts for Revenue Recognition and Billing

As you review invoice information in a contract, you might need to decrease the invoice amount. You can do this by decreasing the pay item amount or deleting the invoice.

Decreasing invoice amounts consists of the following:

- Decreasing a pay item amount for T&M
- Decreasing a pay item amount for non-T&M
- Deleting an invoice

See Also

- *Adding Transactions to an Invoice* if you want to increase the amount on an invoice
- *Revising Invoice Amounts for Non-T&M*

▶ To decrease a pay item amount for T&M

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.

6. On Invoice Detail Revisions, choose Remove Transaction From Invoice to delete transactions from pay items.

▶ To decrease a pay item amount for non-T&M

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Billing Revisions.
6. On Pay Item Billing Revisions, complete one of the following fields:
   - Current
   - Earned to Date
7. Choose the Change action.

What You Should Know About

Working with percentages

You can choose Toggle to review and enter percentages rather than amounts or units. Then, if you know the percentage to bill or to have retained, you can enter the percent, and the system automatically calculates the respective amount for the owner pay item.

Recalculating fee amounts

If you have cross-referenced owner pay items for milestone billing, progress billing, and T&M, including components, to an owner pay item for fees, the system calculates the fee amounts automatically.

The system does not calculate the fee amounts for lump sum and unit price when you manually enter the billing amounts. In this case, you must recalculate the fee lines as a separate task.

See *Calculating Fee Lines Manually for a Contract*.

Calculating draw amounts

If you have cross-referenced owner pay items for direct and rated draws to T&M lump sum or unit price pay items, the system does not automatically calculate the draw amount.

In this case, you must calculate the draw amount manually. To do this, choose Recalculate Fee Amounts during the review process.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items when you run Invoice Generation.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must recalculate both the fee line amount and the retainage on the fee line amount as separate tasks.

See *Entering Retainage Rules for a Contract* and *Calculating Retainage Manually for a Contract*.

Recalculating retainage for a contract

When you change the current billing amount for an owner pay item related to a non-T&M, such as lump sum, the system does not automatically recalculate the retainage amount. To recalculate the retainage, choose Recalculate Retention on Pay Item Billing Inquiry during the review process. You can also change the retainage information on Pay Item Billing Revisions.

▶ To delete an invoice

When you delete an invoice, the system updates the following information:

- Retainage amounts
- Batch header information
- Invoice information in the Invoice Summary Workfile
- Invoice information in the Service Billing Workfile
- Accounting and internal control information that is related to the invoice, batch, sequences, and so on

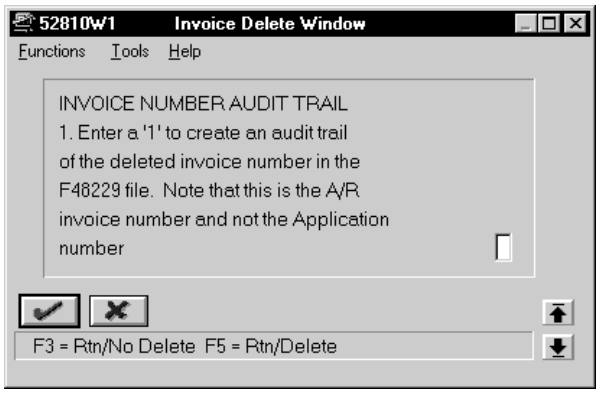
If you delete the only remaining invoice in the batch, the system automatically deletes the batch header information without leaving an audit trail for the invoice number that you delete.

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Delete Single Invoice for the contract.



5. On Invoice Delete Window, complete the one-character field to create an audit trail for the invoice number that you delete.
6. Choose Return and Delete.

Calculating Retainage Manually for Revenue and Billing

Retainage is the amount of the payment withheld to ensure satisfactory contract performance. For example, there can be a 10 percent retainage on the billings to an owner. If you bill the owner for 100 dollars, the owner withholds 10 dollars and pays you 90 dollars. After your company has completed the work satisfactorily, the owner authorizes the release of the 10 dollars that was retained.

The system automatically calculates the retainage amount for each applicable owner pay item when you run Invoice Generation. You can calculate retainage amounts manually as a separate task if:

- You manually change the billing amount for an owner pay item.
- You manually enter an invoice amount for either lump sum or unit price.

In either case, the system does not automatically recalculate retainage.

▶ To calculate retainage manually

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
    - Batch Number
    - Batch Date From
    - Batch Date Thru
    - User ID

If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Recalculate Retention.

What You Should Know About

Working with percentages

You can choose Toggle to review and enter percentages rather than amounts or units. Then, if you know the percentage to bill or to have retained, you can enter the percent, and the system automatically calculates the respective amount for the owner pay item.

Revising retainage for a pay item

You can revise the retainage amount for an individual pay item when you review the billing information for an owner pay item. On Pay Item Billing Revisions, change the amount in either the Current Retainage field or the Retainage To Date field. Depending on the format, you can also change the percentage in those two fields.

CAUTION: After you update the retainage amount for a pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Retention. If you do, the system overrides the retainage amount you entered on Pay Item Billing Revisions.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fees for those two owner pay items if you enter the billing amounts manually. You must manually revise the pay item amount for both the fee line and retainage.

See *Calculating Fee Lines Manually for a Contract for Revenue and Billing*.

See Also

- *Entering Retainage Rules for a Contract*
- *Releasing Retainage*

Calculating Fee Lines Manually for Revenue and Billing

A fee line is an owner pay item that represents an amount you charge the owner in addition to the schedule of values. You can base a fee line on a percent of either the costs incurred or the amounts invoiced for a contract. For example, the schedule of values for labor represents the cost and the fee line represents the profit or margin.

For fee lines related to owner pay items for milestone billing, progress billing, and T&M, including components, the system calculates the fee amounts automatically when you run Invoice Generation.

You can also calculate fee amounts manually as a separate task if:

- You manually change the billing amount for an owner pay item.
- You manually enter an invoice amount for either lump sum or unit price.

In either case, the system does not automatically recalculate fee amounts.

▶ To calculate fee lines manually for a contract

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Recalculate Fee Line.

What You Should Know About

Revising a fee line pay item

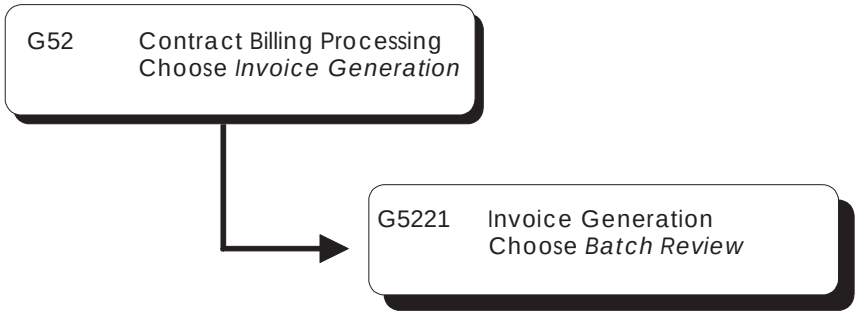
You can revise the amount for a fee line when you review the billing information for the owner pay item. On Pay Item Billing Revisions, change the amount in either the Current field or the Earned To Date field. Depending on the format, you can also change the percentage in those two fields.

CAUTION: After you revise the amount for a fee line pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Fee Line. If you do, the system overrides the amount you entered on Pay Item Billing Revisions.

Exercises

See the exercises for this chapter.

Creating Invoices Manually for Revenue Recognition and Billing



You can manually generate invoices without running the Invoice Generation program. When you generate invoices manually, you can:

- Create a new batch header or add the invoices to an existing batch
- Add invoices to an existing batch
- Add transactions to the invoices

For example, you might have an existing batch which includes invoices that you have already reviewed and revised. You can add another invoice to the batch manually without having to delete and regenerate the entire batch.

Creating invoices manually for revenue recognition and billing consists of the following tasks:

- ❑ Creating a batch header manually
- ❑ Creating an invoice manually
- ❑ Adding transactions to an invoice
- ❑ Revising an invoice amount for non-T&M
- ❑ Releasing retainage

See Also

- *Creating Invoices Automatically for Revenue Recognition and Billing*

Creating a Batch Header Manually for Revenue and Billing

You can manually create a new batch header for invoices. When you create a new batch header, you can create a new batch. Creating a new batch is optional because you can add invoices to an existing batch. If you do not want to create a new batch, you do not need to create a batch header.

▶ To create a batch header manually

On Batch Review

1. Complete the following field:
   - User ID

   You do not have to specify a user ID. You can also create a batch header with an asterisk (*) in the User ID field. In either case, the system uses only the current user ID for the batch header.

2. Choose Create Empty Batch.

The system displays the new batch on Batch Review. You can then add invoices to the batch on Invoice Entry Review.

Creating an Invoice Manually for Revenue and Billing

You can manually create a new invoice. You can add the invoice to an existing batch or to a new batch header. Creating a new invoice is optional. You can also add transactions to an existing invoice.

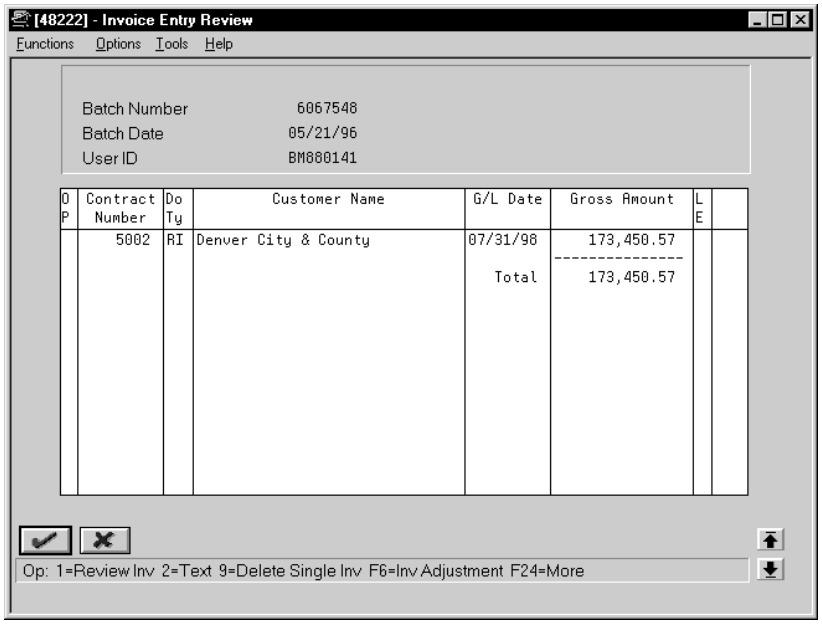
▶ To create an invoice manually

On Batch Review

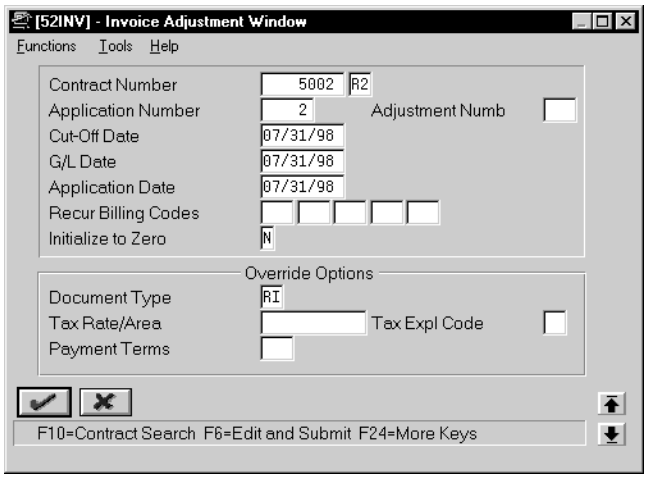
1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.



4. On Invoice Entry Review, choose Invoice Adjustment.



5. On Invoice Adjustment Window, complete the following fields:
    - Contract Number
    - Cut-Off Date
    - G/L Date
    - Application Date
6. Complete the following optional fields:
    - Application Number
    - Adjustment Number
    - Recurring Billing Codes
    - Initialize to Zero
7. Complete the following optional fields to override the information from the system constants and contract master information:
    - Document Type
    - Tax Rate/Area
    - Tax Explanation Code
    - Payment Terms
8. Choose Edit and Submit.

    The system prompts you to verify the submission.

9. Choose Submit Job.

The system displays the new invoice on Invoice Entry Review. You can then:

- Add workfile transactions to the invoice
- Add billing amounts for non-T&M
- Release retainage

Field	Explanation
G/L Date	A date that identifies the financial period to which the transaction is to be posted. The company constants table for general accounting specifies the date range for each financial period. You can have up to 14 periods. Generally, period 14 is for audit adjustments. . . . . . *Form-specific information* . . . . . . The system assigns the G/L date during the invoice generation process. You can override that date, however, when you select an invoice batch for invoice journal generation. You control this override function with the system constants for Service Billing.
Date – Invoice	The date of the last or current application. (An application is assigned each time an invoice is issued for the contract.) . . . . . *Form-specific information* . . . . . . The date that the system assigns to the invoice. This date is updated during the invoice generation process, but you can override it when you select an invoice batch for invoice journal generation. This override function is controlled by the Service Billing System Constants.
Application Number	The last or current application number for the specified contract. (The system assigns a new application number each time an invoice is issued for the contract.)
Adjustment Number	A number used to control changes to closed applications. Closed applications represent invoices that have been sent. This number is always zero unless you reopen a previous application.
Initialize to Zero	This field creates a new application or adjustment with zero current billing amounts. If you do not select this option, a copy of the previous invoice or adjustment is created. Valid codes are: Y Create empty invoices with no billing amounts N Do not create empty invoices

What You Should Know About

Reviewing the batch number for contracts

When a contract is in an active invoice batch, the system displays the batch number for the invoices on Contract Master Revisions and Owner Pay Item Details.

Calculating invoice amounts for non-T&M

When you create invoices automatically, the system processes workfile transactions related to T&M, including components. At this time, the system can also calculate the invoice, fee, and retainage amounts for owner pay items related to non-T&M, such as lump sum or unit price, if you have defined cross-references for the respective owner pay items.

See *Defining Cross-References for Lump Sum* and *Defining a Cross-Reference for Unit Price*.

Recurring invoices

You can define recurring invoices for an owner pay item for lump sum. When you generate invoice amounts, the system calculates the recurring amount if:

- You have specified from one to five recurring codes in the processing options.
- You have not initialized the invoice amount to zero.

See *Defining Recurring Amounts*.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fees for those two owner pay items if you enter the billing amounts manually. You must manually revise the pay item amount for both the fee line and retainage.

See *Calculating Fee Lines Manually for a Contract for Revenue and Billing* and *Calculating Retainage Manually for a Contract for Revenue and Billing*.

Adjusting a previous application for payment

A previously billed invoice or application might need a revision after you have applied cash to the invoice. Instead of voiding the invoice and cash receipt, you can create an adjustment to the previous application.

To do this, follow the steps for creating an invoice manually and enter the application number for the invoice that needs adjusting. The system automatically assigns the adjustment number and creates a new invoice number for the adjusted application.

See Also

- *Calculating Fee Lines Manually for a Contract for Revenue and Billing*
- *Calculating Retainage Manually for a Contract for Revenue and Billing*

Adding Transactions to an Invoice for Revenue and Billing

The Invoice Summary Workfile might not contain all the billable amounts for T&M that you have entered during the accounting cycle. To account for this, you need to:

- Review the existing T&M transactions in the Service Billing Workfile that are not currently in an invoice batch
- Manually add T&M transactions that exist in the Service Billing Workfile
- Manually add T&M costs that exist in the Account Ledger table and are not currently in the Service Billing Workfile, if necessary

You can add workfile transactions for T&M to:

- A new invoice for a contract
- An existing pay item for a contract
- A new pay item

Adding transactions to an invoice consists of the following:

- Adding transactions for T&M from the workfile
- Adding existing G/L transactions for T&M
- Adding ad hoc transactions to a T&M owner pay item

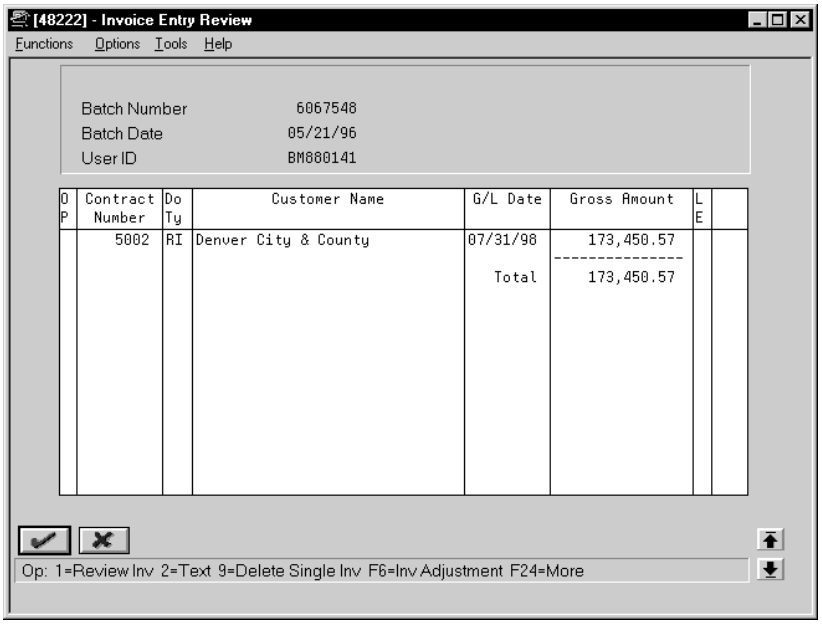
To add transactions for T&M from the workfile

On Batch Review

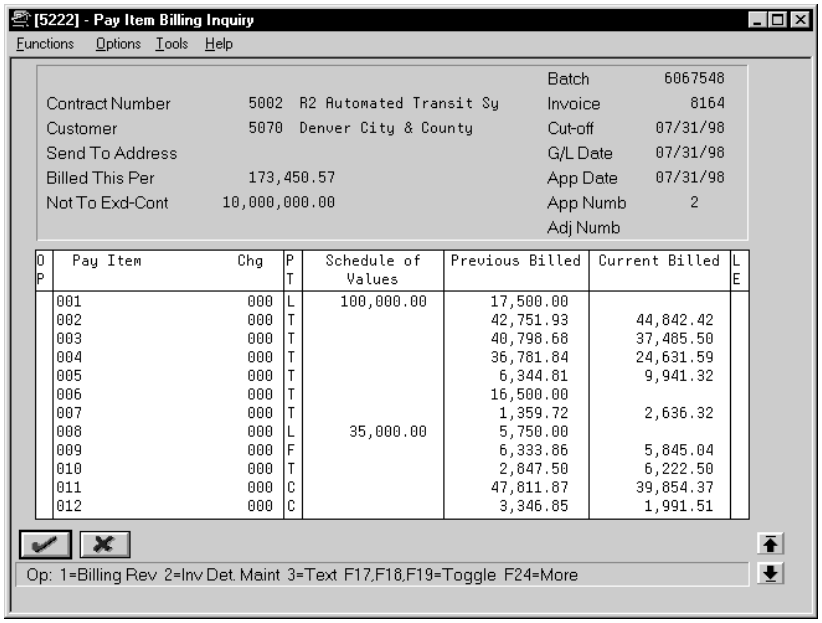
1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

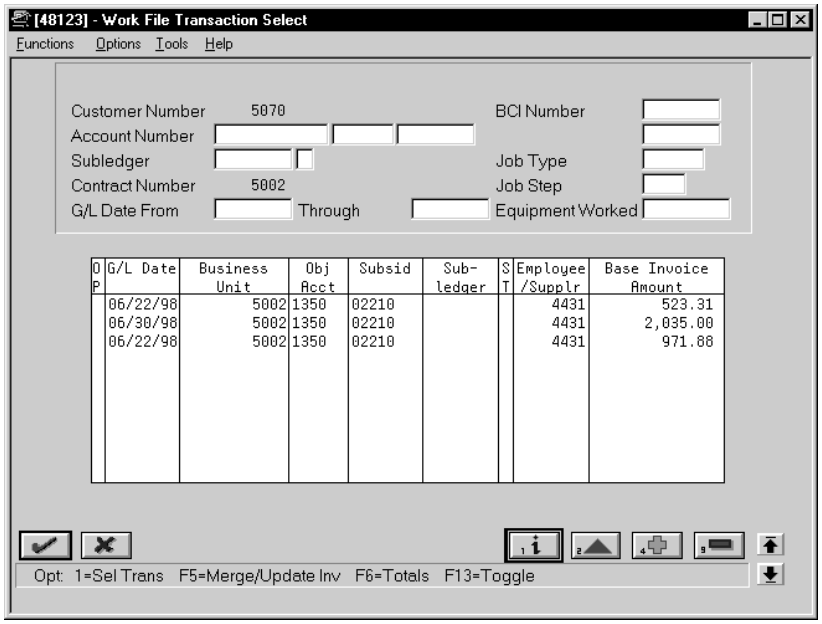
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.



4. On Invoice Entry Reveiw, choose Review Invoice to review the details for a contract.



5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, choose Workfile Selection.



7. On Work File Transaction Select, choose Select Transaction for one or more available transactions.
8. Choose Merge/Update Invoice.

   The system moves the workfile transaction to the invoice pay item.

The system prevents you from merging taxable and nontaxable transactions into the same pay item. If you merge taxable transactions into the same pay item, the transactions must have the same tax rate area and tax explanation. A blank in the Tax Rate/Area field is a valid tax code indicating that the pay item is nontaxable.

9. Choose Exit Program.

   On Invoice Detail Revisions, review the transactions.

▶ To add existing G/L transactions for T&M

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, choose Workfile Selection.
7. On Work File Transaction Select, choose G/L Selection.
8. On G/L Transaction Selection, complete the following field:
   - Business Unit

9. To limit the list of transactions, complete one or more of the following fields and press Enter:
    - Date From
    - Date Thru
    - Object
    - Subsidiary
    - Subledger
    - Subledger Type
10. Choose one of the following for a specific transaction or a group of transactions:
    - Select at Cost
    - Select with Markup

    The system processes the source transaction.
11. Choose Exit Program.
12. On Work File Transaction Select, use the Inquire action to review the available transactions.
13. For the G/L transaction you added, complete the steps for adding transactions for T&M from the workfile.

▶ To add ad hoc transactions to a T&M owner pay item

You can add transactions to a T&M owner pay item on an as-needed basis. For example, you might want to add a transaction to an invoice to create a credit memo.

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
    - Batch Number
    - Batch Date From
    - Batch Date Thru
    - User ID

    If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
    - Batch Status
    - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Invoice Detail Maintenance for a pay item with a pricing type of T&M.
6. On Invoice Detail Revisions, complete the following fields:
    - G/L Date
    - Business Unit
    - Object
    - Subsidiary
    - Employee/Supplier (optional)
    - Eligibility Code
7. On Invoice Detail Revisions, complete the following fields:
    - Employee/Supplier
    - Eligibility Code
8. Choose More Details.
9. Complete the following optional fields:
    - Subledger
    - Subledger Type
10. Choose Transaction Detail.
11. On Amount/Units Information, complete the following field:
    - Total Billing
12. Choose Transaction Update with Redisplay.
13. Choose Exit Program.
14. On Invoice Detail Revisions, choose Update and Redisplay.
15. Choose Exit Program to review the detail for the contract on Pay Item Billing Inquiry.

What You Should Know About

Removing ad hoc transactions from an invoice

CAUTION: Ad hoc transactions that you add to an invoice are not represented in the Account Ledger table. After you void the invoice, the system returns the ad hoc transactions to the workfile. Ad hoc transactions in the workfile are eligible for processing. You must change the status of the ad hoc transactions and remove them from the workfile to prevent billing for the transactions in error.

See *Entering Ad Hoc Transactions for Revenue Recognition and Billing* for more information.

Revising an Invoice Amount for Non-T&M for Revenue and Billing

You can enter an amount to an existing invoice that already contains pay items. In this case, you can manually:

- Enter the non-T&M billing amount
- Revise a related retainage amount
- Revise a related fee line amount

You can update only certain fields depending on the pricing type of the owner pay item. You cannot update any field for Direct and Rated Draw pricing types. After you enter the information, the system updates the Invoice Summary Workfile (F4822).

▶ To revise an invoice amount for non-T&M

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Billing Revisions for a specific pay item.
6. On Pay Item Billing Revisions, complete the following fields in the appropriate column:
   - Current
   - Earned to Date

   The column names vary according to the pricing type. The first column is:

   - *Work In Place* for lump sum, fees, milestone billing, progress billing, direct draw, and rated draw
   - *In Place - Quantity* for unit price

   The second column is:

   - *Stored Material* for lump sum
   - *Unit Price* for unit price
   - Not applicable for fees, milestone billing, progress billing, direct draw, and rated draw

   The Total Billed column is applicable only to lump sum and unit price.
7. Complete one of the following fields to revise the retainage:
   - Current Retainage
   - Retainage To Date

   The system automatically calculates the other amount.

After you update the retainage amount for a pay item and return to Pay Item Billing Inquiry, the system warns you that the billing amount has been changed. *Do not* choose Recalculate Retention. If you do, the system overrides the retainage amount you entered on Pay Item Billing Revisions.

8. Choose Update with Redisplay.

Field	Explanation
This Period	The amount that is being billed for this contract pay item. . . . . . *Form-specific information* . . . . . . You can enter this amount using the following three methods • Dollar Amount. Enter the dollar amount to be billed for this pay item. If this pay item is taxable, this amount will be the gross amount of the pay item. The taxable amount and tax will equal this amount. • Percent Complete. Enter a percent sign % before or after the percent complete amount. For example, you can enter 10% complete as %10 or 10%. The system computes the billing amount by multiplying this percent by the Schedule of Values minus any previous billings. • Number of Units. Enter a forward slash / before or after the number of units. For example, you can enter 10 units as /10 or 10/. The system calculates this amount as the number of units multiplied by the unit rate. You must have a unit rate payment type and a valid unit price for the contract pay item in order to use this entry method. NOTE: Use the Toggle Key to switch between the dollar format and percent format on this screen.
Stored Materials	Use this field to accrue or defer additional costs to a job. A deferred cost can be the value of stored materials which have been received but have not been used on a job. A positive amount in this field is a deferred cost that decreases the job–to–date actual costs. A negative amount in this field is an accrued cost that increases the job–to–date actual costs.
Earned – Total to Date	The total amount earned to date.
Stored Material – Total to Date	The total amount of stored material to date.

What You Should Know About

Working with percentages

You can choose Toggle to review and enter percentages rather than amounts or units. Then, if you know the percentage to bill or to have retained, you can enter the percent, and the system automatically calculates the respective amount for the owner pay item.

Stored materials

You can bill for an inventory of materials on the job in addition to the work in place for lump sum. To do this:

- Enter the billing amount for stored material in the Current or Earned to Date field in the Stored Material column on Pay Item Billing Revisions.
- Enter the applicable retainage in the Earned Retainage or Retainage To Date field. If you don't enter retainage at this time, you can calculate the retainage manually on Pay Item Billing Inquiry.

Alternate format for T&M and Component

On Pay Item Billing Revisions, the column names are different for the T&M and component pricing types. The first column is *Cost* and the second column is *Markup*. The Total Billed column is also applicable to these pricing types.

Retainage on fee lines

The system automatically calculates the retainage on invoice amounts for all applicable owner pay items when you run Invoice Generation.

However, in some cases, the invoice amount for a fee line either might not exist or be incomplete. This occurs for fee lines with cross-references that include lump sum or unit price. The system does not automatically calculate fee lines for those two owner pay items if you enter the billing amounts manually. You must recalculate both the fee line amount and the retainage on the fee line amount as separate tasks.

See *Entering Retainage Rules for a Contract*.

See Also

- *Calculating Retainage Manually for a Contract for Revenue Recognition and Billing*
- *Calculating Fee Lines Manually for a Contract for Revenue Recognition and Billing*

Releasing Retainage for Revenue Recognition and Billing

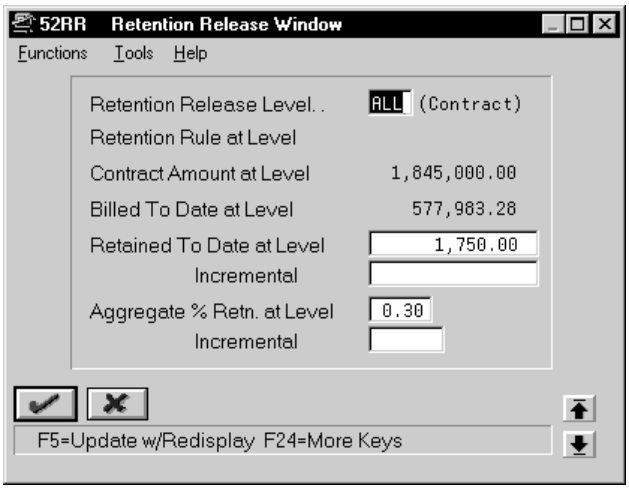
You release retainage (retention) when a job has been completed and the owner authorizes the reduction of the retained amounts. The Contract Billing system decreases the retained amount for each owner pay item. You can release partial retained amounts at the levels of a contract, change order, or owner pay item.

▶ To release retainage

On Batch Review

1. Complete any of the following fields to locate a batch of invoices:
   - Batch Number
   - Batch Date From
   - Batch Date Thru
   - User ID

   If you place an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.
2. To further limit the list of batches, complete the following optional fields and press Enter:
   - Batch Status
   - Current Activity
3. Choose Detailed Batch Review to review the invoice information for a specific batch.
4. On Invoice Entry Review, choose Review Invoice to review the details for a contract.
5. On Pay Item Billing Inquiry, choose Retention Release Window.



6. On Retention Release Window, complete one of the following fields:
   - Retained to Date at Level
   - Incremental (Retained to Date)
   - Aggregate Percent Retained at Level
   - Incremental (Aggregate Percent Retained)
7. Choose Update with Redisplay.

What You Should Know About

Releasing retainage for a change order

The system automatically releases retainage for all change orders related to a contract. To release retainage for a specific change order, specify the number of the change order in the Retention Release Level field.

Distributing retainage

You can increase or decrease the retainage amounts for a contract by specifying an amount or percent on Retention Release Window. The system distributes the new retainage amounts to all the pay items for a contract by using the following calculations:

(Amount of Pay Item in Invoice / Total Amount of Invoice) X Retainage Amount

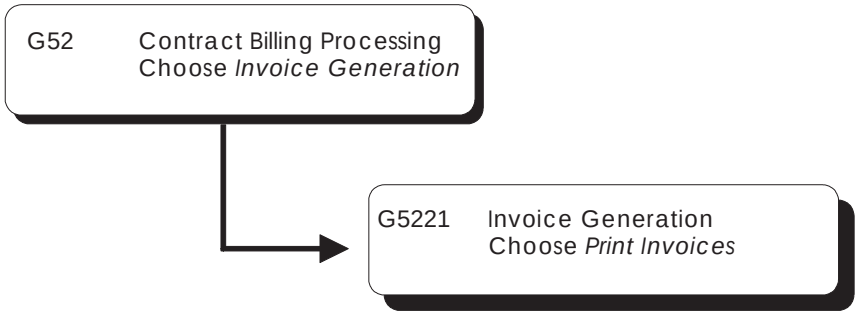
See Also

- *Entering Retainage Rules for a Contract for Revenue Recognition and Billing*
- *Calculating Retainage Manually for a Contract for Revenue Recognition and Billing*

Exercises

See the exercises for this chapter.

Printing Invoices for Revenue Recognition and Billing



After you create an invoice batch automatically or manually, you can print the invoices. You can use the following methods to control the invoice layouts that the system uses to print the invoices:

- Key Type and Table Key fields on Format Cross Reference to specify a default layout
- Invoice Format field on Contract Master Revisions to override the default layout for a specific contract

If you have not specified an invoice layout for a contract, the system uses the key type and table key combination that you have defined on Format Cross-Reference to determine the invoice layout to print. The system uses the following hierarchy to search for layouts:

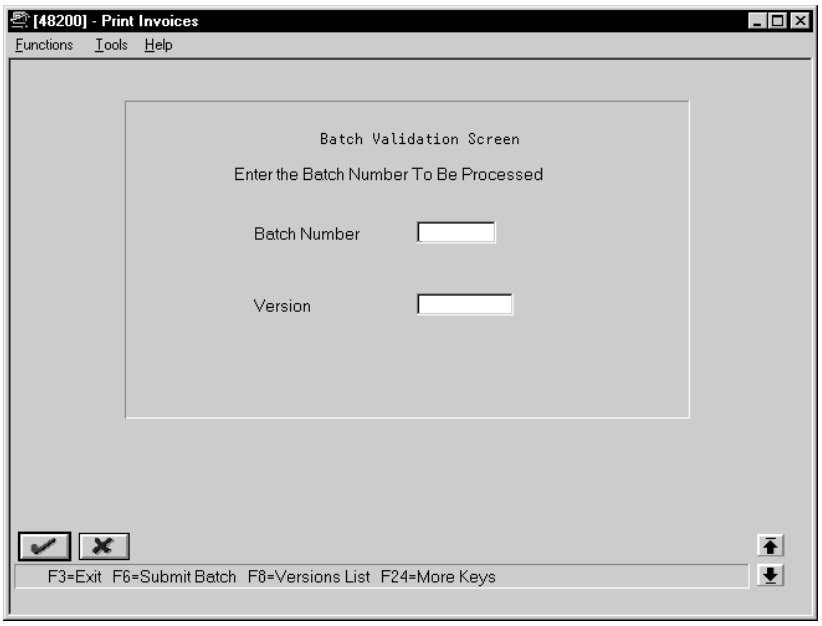
- Work order
- Work order class
- Contract number
- Parent contract number
- Customer
- Job number
- Job class
- Company number

Before You Begin

- ❑ Define invoice layouts
- ❑ Assign a key type and table key combination to an invoice layout on Format Cross-Reference or assign an invoice format code to a contract on Contract Master Revisions
- ❑ Create invoices automatically or manually

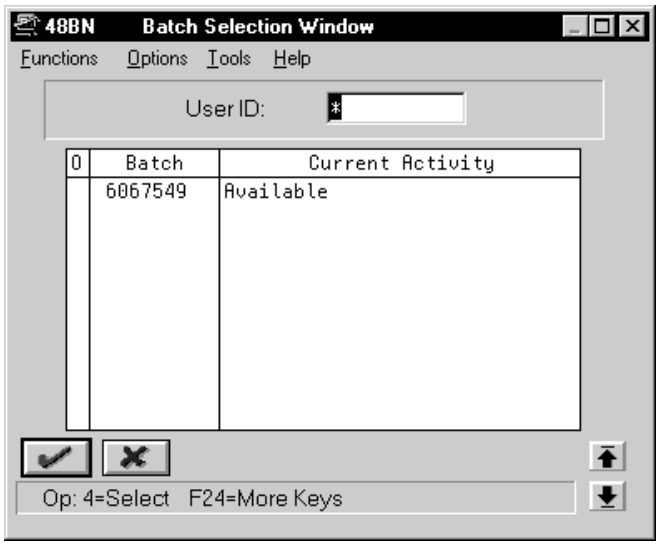
▶ To print invoices

On Print Invoices



1. Place the cursor in the following field:
   - Batch Number
2. Choose Field Sensitive Help.

   The system displays Batch Selection Window.



3. On Batch Selection Window, complete the following field and press Enter:

   - User ID

   If you enter an asterisk in the User ID field, the system displays all batches created by all users regardless of the batch activity status. The system displays the most current batch last.

4. Choose Select for a specific batch of invoices.

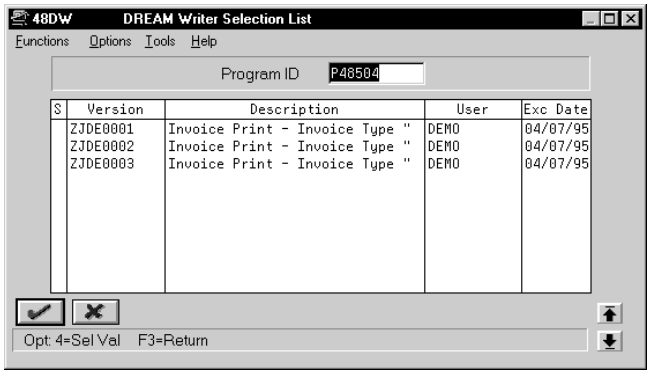
   The system displays the batch number you selected in the Batch Number field on Print Invoices.

5. Place the cursor in the following field:

   - Version

6. Choose Field Sensitive Help.

   The system displays DREAM Writer Selection List.



7. On DREAM Writer Selection List, choose Select Value for a specific program version.

   After you enter the information, the system displays the version number you selected in the Version field on Print Invoices. If you do not specify a version in the Version field on Print Invoices, the system runs version ZJDE0001.

The value for the invoice type in the processing option for the ZJDE0001 program might not correspond to the value indicated in the DREAM Writer title. If you need to change the invoice type for the print program, you can access this processing option when you select Print Invoices.

8. Choose Submit Batch.

   The system displays the message *Verify Invoice Print Submission*.

9. Choose Submit Batch again.

What You Should Know About

Invoice types

The invoice type in the processing option for Print Invoices must correspond to:

- The invoice type for the layout design you assign to the invoices
- The invoice type for the DREAM Writer version that you specify on Print Invoices

If the invoice types do not match, the system cannot print the invoices. You can access the processing option for Print Invoices from the Invoice Generation menu if you need to change the invoice type.

Printing selected invoices in a batch

You can print selected invoices rather than an entire batch. To do this, use the data selection for the DREAM Writer version that you specify on Print Invoices. For example, you can limit the print selection to a business unit or an invoice number.

Printing invoices from multiple batches

You can use the Restricted Global Invoice Print program on the Contract Billing Advanced Operations menu to print selected invoices or all invoices from multiple batches.

See Also

- *About Invoice Formatting* for more information about designing invoice layouts

Processing Options for Invoice Print Sequence Derivation

```
PRINT SELECTION:
1. Enter the Invoice Type to print.                    _____________
```

Exercises

See the exercises for this chapter.

Work with A/R & G/L Entries for Revenue and Billing

Working with A/R and G/L Entries for Revenue and Billing

You complete the billing process by creating the following journal entries related to a batch of invoices:

- The credit for the account you specify in the account derivation rules you define for your system. The system stores the credit entry *temporarily* in the Detail Journal Workfile (F48910).
- The debit for the account you specify in the G/L offset and retainage rules you define for your system. The system stores the debit entry in the Invoice Summary Workfile (F4822).

J.D. Edwards strongly recommends that you create and carefully review preliminary A/R and G/L entries *before* you create the final entries that post to the general ledger. If you post out-of-balance records to the general ledger, the only way to correct these balances is to void and regenerate the invoice.

Working with A/R and G/L entries for revenue recognition and billing consists of the following tasks:

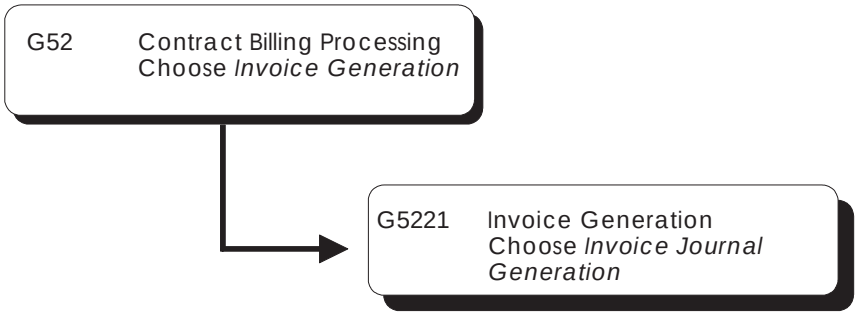
- ❑ Creating preliminary A/R and G/L entries
- ❑ Reviewing preliminary A/R and G/L entries
- ❑ Creating final A/R and G/L entries
- ❑ Reviewing and posting journal entries

Before You Begin

- ❑ Generate and post revenue recognition
- ❑ Generate invoices
- ❑ Define account derivation rules

Creating Preliminary A/R and G/L Entries for Revenue and Billing

Creating Preliminary A/R and G/L Entries for Contract Billing



You complete the billing process by creating journal entries. You first create preliminary A/R and G/L entries. When you create the entries, the system prints the Invoice Journal Generation report. You can also set a processing option to print the Service Billing Journal Register. You should carefully review these reports to ensure that you do not create final journal entries that create out-of-balance records in the general ledger.

When you run Invoice Journal Generation, the system:

- Creates preliminary journal entries from the transactions in the Service Billing Workfile. The account derivation rules that you define on the Account Derivation form determine which accounts the system assigns to the resulting journal entries.
- Updates the batch status description for the batch.
- Temporarily stores the details for the preliminary A/R and G/L entries in the Detail Journal Workfile (F48910).
- Prints two separate reports; one for the Revenue Journal Generation and one for the Invoice Journal Generation. The reports show the accounting rule information and journal entry detail.
- Compresses the detail workfile information from the journals and stores it *temporarily* in the Compressed Journal Workfile (F48911).
- Prints two Service Billing Journal Registers, one for invoice amounts and one for revenue amounts. The reports include the compressed information as a summary of the journal entry detail.
- Runs Revenue Journal Generation to calculate any adjustments to the revenue recognition transactions created since the last revenue journal generation.
- Creates preliminary G/L entries for any revenue adjustments.

The system creates adjusting entries only for the revenue amounts associated with the workfile transactions in the invoice batch.

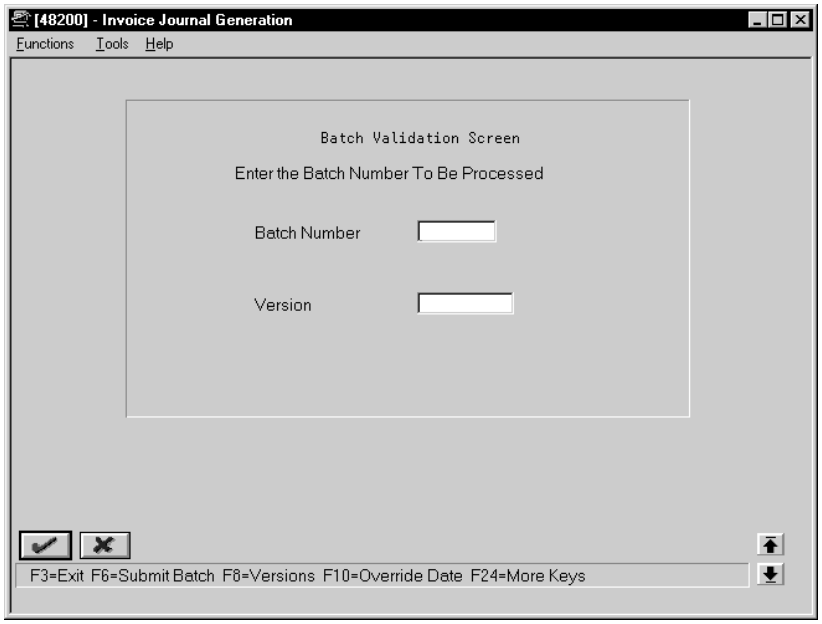
NOTE: The system creates adjusting entries only for the revenue amounts associated with the workfile transactions in the invoice batch.

Creating preliminary A/R and G/L entries consists of the following:

- Creating preliminary A/R and G/L entries
- Revising override dates

▶ To create preliminary A/R and G/L entries

On Invoice Journal Generation



1. Complete the following fields and press Enter:
   - Batch Number
   - Version (optional)

   If you leave the Version field blank, when you choose Enter, the system automatically uses the ZJDE001 version.

2. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

3. Choose Submit Job.

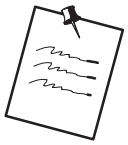
Exercises

See the exercises for this chapter.

To revise override dates

You use a system constant to control when the system displays the Date Override Window on Invoice Journal Generation. You can set the constant so that the system:

- Always displays the window
- Only displays the window when you choose Override Date
- Never displays the window



The date the system displays in the Date Override Window is always the current system date.

NOTE: The date the system displays in the Date Override Window is always the current system date.

On Invoice Journal Generation

1. Complete the following fields:
   - Batch
   - Version
2. Choose Override Date.
3. On Date Override Window, complete the following fields and press Enter:
   - Enter G/L Date
   - Enter Invoice Date
4. Choose Process.
5. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

6. Choose Submit Job.

Processing Options for Invoice Journal Generation – Service Billing

```
JOURNAL DESCRIPTION SELECTION:
1. Choose one of the following for the                    _____________
   journal entry description:
   '1' = Use the description from the
         Vocabulary Overrides based on
         the Table Type.
   '2' = Use the description associated
         with the subledger value.
   ' ' = Use the description from the
         Account Master for the Account
         being used (default).

PRINT REPORT SELECTION:
2. Enter a '1' to print the Billing                       _____________
   Edit/Register (P48300).

REVENUE JOURNAL VERSION SELECTION:
3. Enter the version number of the                        _____________
   Revenue Journal Generation program
   (P48132) for processing any
   adjustments.  Leave blank (default)
   to use version 'XJDE0001'.

SUPPRESS WARNING MESSAGES:
4. Choose one of the following to                         _____________
   control the printing of the exception
   report:
   ' ' = Print all records (default).
   '1' = Print warnings and errors.
   '2' = Print errors only.
   '3' = Do not print the report.
```

Reviewing Preliminary A/R and G/L Entries for Revenue and Billing

Reviewing Preliminary A/R and G/L Entries for Contract Billing

When the system creates preliminary A/R and G/L entries, you can review the batch status on Batch Review to determine whether the entries were generated with errors. To verify the information for the general ledger journal before you create the final A/R and G/L entries, you can review the following reports:

- Revenue and Invoice Journal Generation Reports to review the detail of transactions and the accounting rules for the transactions
- Service Billing Journal Register for revenue and billing amounts, to review journal entry details summarized by business unit, object, subsidiary, and subledger

Depending on how you set your processing options, the reports can include error messages and warnings related to the journal information.

Review the Service Billing Journal Registers first for errors and warnings. Use the Revenue and Invoice Journal Generation Reports to locate errors resulting from the account derivation rules.

What You Should Know About

Additional copies of the journal register

You can run Service Billing Invoice Journal Register to print additional copies of the journal register after you have created the preliminary G/L entries.

To reprint the revenue recognition journals, you must use the Journal Register Listing program on the Revenue Recognition menu.

See *Working with G/L Entries for Revenue Recognition and Billing* for more information.

Reconciling errors

If you find errors on the reports, you do not always need to delete the batch and regenerate the invoices. Once you identify the errors, you can correct them and run Invoice Generation again. Common errors that you can correct include:

- Incorrect dates or invalid accounts related to the general ledger
- Wrong table types or invalid accounts related to the account derivation rules you define

Deleting a batch

To delete a batch, use the Batch Delete program on the Invoice Generation menu.

Invoice Journal Generation

48131 J.D. Edwards & Company Page – . . . 3
Invoice Journal Generation Date – . . . 5/21/96

Batch Number 6067549

Customer Number	Customer Name	Transaction Type/Key Value	T	Comp Code	G/L Date	WO Cls	Job Cls	Job Type	Job Step	LT	Original Account ID. / Resulting Account ID.	Subldgr Subldgr	L T	Batch Number	Cost Amount / Resulting Amount	Invoice Number
5070	Denver City & County		C		07/31/98		REG			AA				6067549		8165
											5002.1384.90000				5,845.04–	
	Contract Revenue Account Used.															
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1341.02210			6067549	1,000.00	8165
											50.1215					
5070	Denver City & County	7 REG	3	COM	07/31/98		REG			AA	5002.1341.02210			6067549	20.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3	OVH	07/31/98		REG			AA	5002.1341.02210			6067549	408.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1341.02210			6067549	1,000.00	8165
											50.1215					
5070	Denver City & County	7 REG	3	COM	07/31/98		REG			AA	5002.1341.02210			6067549	20.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3	OVH	07/31/98		REG			AA	5002.1341.02210			6067549	408.00	8165
											50.1215					
	Account override has been entered.															
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1369.02210			6067549	527.31	8165
											50.1215				527.31–	
5070	Denver City & County	7 REG	3		07/31/98		REG			AA	5002.1366.02210			6067549	418.08	8165
											50.1215				418.08–	
5070	Denver City & County	7 REG	3		07/31/98		REG	6G–2		AA	5002.1341.02213			6067549	552.55	8165
											50.1215				607.81–	
5070	Denver City & County	7 REG	3	COM	07/31/98		REG	6G–2		AA	5002.1341.02213			6067549	11.05	8165
											50.1215				12.16–	
	Account override has been entered.															
5070	Denver City & County	7 REG	3	OVH	07/31/98		REG	6G–2		AA	5002.1341.02213			6067549	221.02	8165
											50.1215				243.12–	

Journal Register Listing

48300 J.D. Edwards & Company Page No. . . 2
Journal Register Listing Date - . . . 5/21/96

Batch Number 6067549 Generation Type 1 Invoice Batch

Key CO	CO	FY	PN	DT	Account Description	Account Number	Subldgr/Ty	Amounts . . . . . Debit	Credit	Offsets	LT	Document Number
00050	00050	98	07	RI	Unbilled A/R	50.1215			167,605.53-		AA	8165
00050	00050	98	07	RI	Other Reimbursables	5002.1384.90000			5,845.04-		AA	8165
							Doc/Period/LT Total . . .		173,450.57-			
							Company Total		173,450.57-			
							Generation Type Total. .		173,450.57-			

48300 J.D. Edwards & Company Page No. . . 3
Journal Register Listing Date - . . . 5/21/96

Batch Number 6067549 Generation Type 1 Invoice Batch

Key CO	CO	FY	PN	DT	Account Description	Account Number	Subldgr/Ty	Amounts . . . . . Debit	Credit	Offsets	LT	Document Number
00050	00050	98	07	RI	Trade Accounts Receivable	50.1210		172,329.51			AA	8165
00050	00050	98	07	RI	Retainages Receivable	50.1225		1,121.06			AA	8165
							Doc/Period/LT Total . . .	173,450.57				
							Company Total	173,450.57				
							Generation Type Total. .	173,450.57				
							Grand Total	173,450.57	173,450.57-			

What You Should Know About

Additional copies of the journal register

You can run Service Billing Invoice Journal Register to print additional copies of the journal register after you have created the preliminary G/L entries.

To reprint the revenue recognition journals, you must use the Journal Register Listing program on the Revenue Recognition menu.

See *Working with G/L Entries for Revenue Recognition and Billing* for more information.

Reconciling errors

If you find errors on the reports, you do not always need to delete the batch and regenerate the invoices. Once you identify the errors, you can correct them and run Invoice Generation again. Common errors include:

- Incorrect dates or invalid accounts related to the general ledger
- Incorrect table types or invalid accounts related to the account derivation rules you define

Deleting a batch

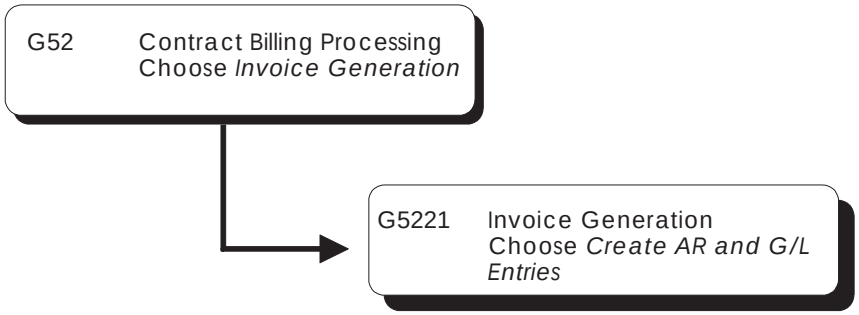
To delete a batch, use the Batch Delete program on the Invoice Generation menu.

Exercises

See the exercises for this chapter.

Creating Final A/R and G/L Entries for Revenue and Billing

Creating Final A/R and G/L Entries for Contract Billing



You complete the billing process within the Contract Billing system when you create the final A/R and G/L entries. To complete the overall invoice process, you then post the journal entries to accounts receivable and the general ledger.

When you create final A/R and G/L entries for a batch of invoices, the system:

- Changes the journal status for the related workfile transactions
- Moves the transactions out of the active Service Billing Workfile table and into the Service Billing Workfile – History table
- Removes the batch number for the invoice journals from the Contract Billing system
- Deletes the records in the Detail Journal Workfile and Compressed Journal Workfile
- Calculates any adjustments to the transactions created since the last revenue journal generation
- Creates final G/L entries for the revenue adjustments

Before you create final A/R and G/L entries, ensure that the invoice amounts and journal transactions are correct. To make any changes after you create A/R and G/L entries, you must void the invoices or create an adjusting invoice batch.

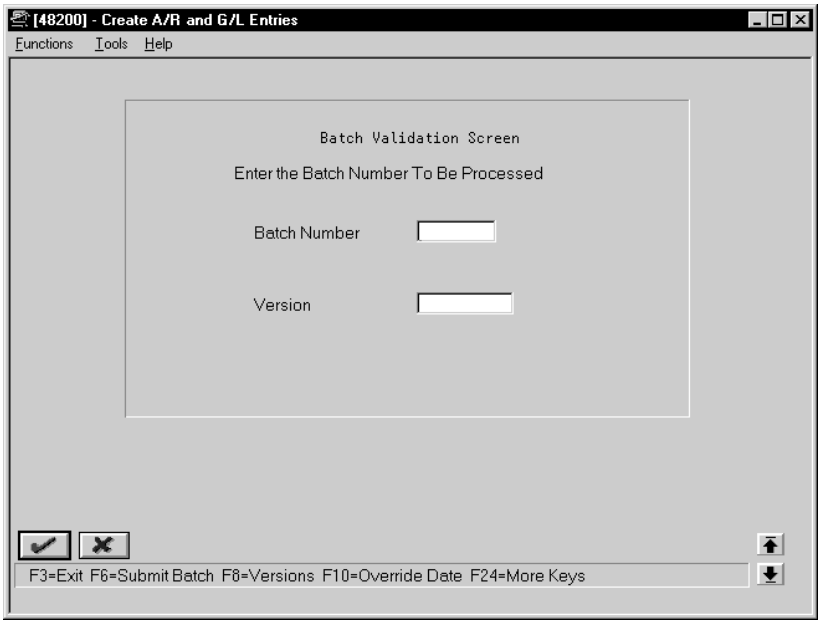
CAUTION: Before you create final A/R and G/L entries, ensure that the invoice amounts and journal transactions are correct. To make any changes after you create A/R and G/L entries, you must void the invoices or create an adjusting invoice batch.

The system creates adjusting G/L entries only for the revenue amounts associated with the workfile transactions in the invoice batch.

NOTE: The system creates adjusting entries only for the revenue amounts associated with the workfile transactions in the invoice batch.

To create final A/R and G/L entries

On A/R and G/L Entries



1. Complete the following fields and press Enter:
   - Batch Number
   - Version
2. Choose Submit Batch.

   The system displays a message prompting you to verify the batch post submission.

3. Choose Submit Job.

After you submit the job, the system prints the Create A/R and G/L Entries report.

48199 J.D. Edwards & Company Page No. . . . 2
Create A/R – G/L Entries Date 5/21/96
Invoice Date . 07/31/98

Contract Number. . . 5002 R2 Owner Address. . . 5070
Application Number . 2 Adjustment Number.
G/L Date . . . . . 07/31/98 Application Date . 07/31/98

Owner Pay Item	Description	Chg Ord	Job Number	Co	A/R Ofst	Work in Place	Earned to date	Stored Mat. to date	Retainage to date
001	Concept Development	000		50					
002	Mechanical Developme	000		50		44,842.42			1,121.06
003	Electrical Developme	000		50		37,485.50			
004	Structural Developme	000		50		24,631.59			
005	Civil Development	000		50		9,941.32			
006	Subcontractor	000		50					
007	Travel Costs	000		50		2,636.32			
008	Other Reimbursables	000		50					
009	Fee on Labor	000		50		5,845.04			
010	Equipment	000		50		6,222.50			
011	Overhead Costs	000		50		39,854.37			
012	Cost of Money	000		50		1,991.51			
013	Track for Transit Sy	000		50					
014	component pricing ty	000		50					
001	”As Builts”	001		50					

Processing Options for Billing Invoice AR – G/L Journal Generation

RETAINAGE DEFAULT OPTION:

1. Enter a Pay Status to default for Retainage records. Leave blank to default Pay Status “H” (Held). _____

INVOICE JOURNAL DW SELECTION:

2. Enter the Invoice Journal Generation (P48131) DREAM Writer version to run. Leave blank (default) to run version ’ZJDE0001’. _____

Reviewing and Posting Journal Entries for Revenue and Billing

After you create the final A/R and G/L entries, you complete the overall billing process by reviewing, approving, and posting the journal entries.

The journal review and post programs are the same programs you use in the Accounts Receivable and General Accounting systems.

Use the Post Invoice to G/L program to post invoice journals. If the system created adjusting entries for revenue recognition, you must use the Post General Journal program to post the resulting revenue journals.

See Also

- *Working with Final Invoices for Revenue and Billing*
- *Reviewing and Approving Invoices (P03201)* in the *Accounts Receivable* guide
- *Posting Invoices (P09800)* in the *Accounts Receivable* guide

Exercises

See the exercises for this chapter.

Work with Final Invoices for Revenue and Billing

Working with Final Invoices for Revenue Recognition and Billing

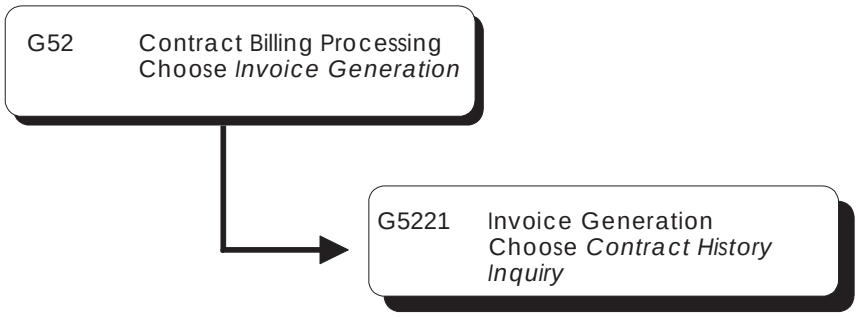
After you create the A/R and G/L entries for your billings, the system moves the workfile transactions that have completed the billing process into the Service Billing Workfile –History table. You can work with final invoices to access these transactions.

When you work with final invoices, you can review the invoices on an as-needed basis. You can reprint invoices using the transactions in the Service Billing Workfile –History table. You can also void final invoices. When you void a final invoice, the billing transactions that were included on the invoice return to the Service Billing Workfile with a status of not billed. You can then reprocess these transactions or change them to a non-billable status.

Working with final invoices includes the following tasks:

- ❑ Reviewing the billing history for contracts
- ❑ Printing invoices from history
- ❑ Voiding a final invoice

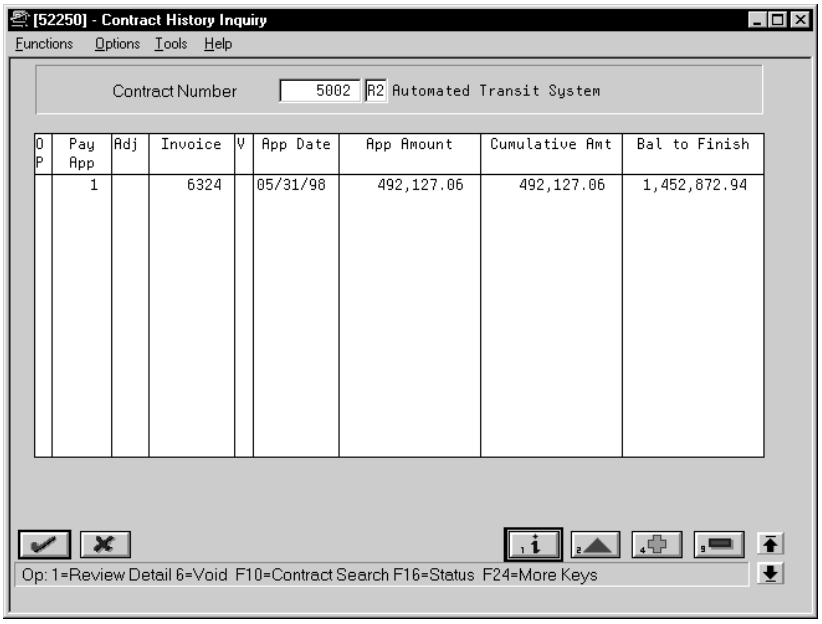
Reviewing the Billing History for Contracts for Revenue and Billing



You can review the billing history for contracts. The system displays information specific to a contract by pay application number and invoice number. You can also view the pay items by contract and invoice number.

To review the billing history for contracts

On Contract History Inquiry



1. To display the invoice history for a contract, complete the following field and press Enter:
   - Contract Number
2. Choose Review Detail for an invoice to review the individual pay items.
3. On Pay Item Billing Inquiry, choose one of the following options for a specific pay item:
   - Billing Revisions
   - Invoice Detail Maintenance

   You can choose Invoice Detail Maintenance only for T&M.

What You Should Know About

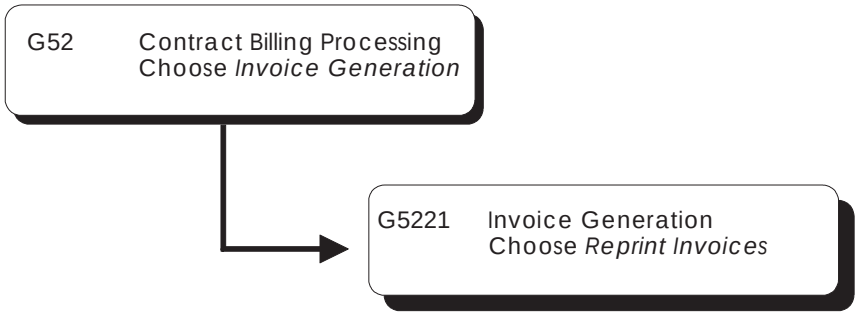
Reviewing cumulative contract amounts

On Contract History Inquiry, you can choose Owner Pay Item Status to review the contract-to-date details by the owner pay items for a contract.

See Also

- *Voiding a Final Invoice for Revenue Recognition and Billing* for more information about billed transactions

Printing Invoices from History for Revenue and Billing



The system moves the workfile transactions for T&M, including components, that have completed the billing process into Service Billing Workfile – History. You can access these transactions from history and reprint invoices using the Reprint Invoices program. For example, if an invoice gets lost in the mail, but you've already completed the billing process, you can print the invoice from history.

For the transactions related to an invoice, the value in the Printed Flag field in the accounting and internal control information identifies:

- Whether the transaction has been printed
- The invoice type you used to print the last copy of the invoice

The system does not store a copy of the printed invoice. If you change the layout associated with the invoice type, the reprinted invoice will not look the same as the invoice you previously printed.

See Also

- *Reviewing the Billing History for Contracts*
- *Invoice Formatting*
- *Technical Foundation Guide* for information about running, copying, and changing a DREAM Writer version

Processing Options for Print Invoices From History – For Dream Writer

```
PRINT SELECTION:
1. Enter the Invoice Type to print.                    _____________
```

Voiding a Final Invoice for Revenue Recognition and Billing

After you create A/R and G/L entries, you can void invoices. When you void an invoice, the system:

- Returns to the Service Billing Workfile the transactions related to T&M and components that were included on the invoice.
- Assigns a status to the workfile transactions related to T&M and components that indicates that they are not billed. You can then reprocess the transactions or change them to a nonbillable status.
- Zeros out the billing amounts related to any other pricing type.

If you have applied unposted cash receipts against a posted invoice, you must void or reverse the receipts *before* you void the posted invoice. If you have applied posted cash receipts against a posted invoice, you must void the cash receipts and post them to the general ledger *before* you void the posted invoice.

When you void an invoice, the system updates the following information:

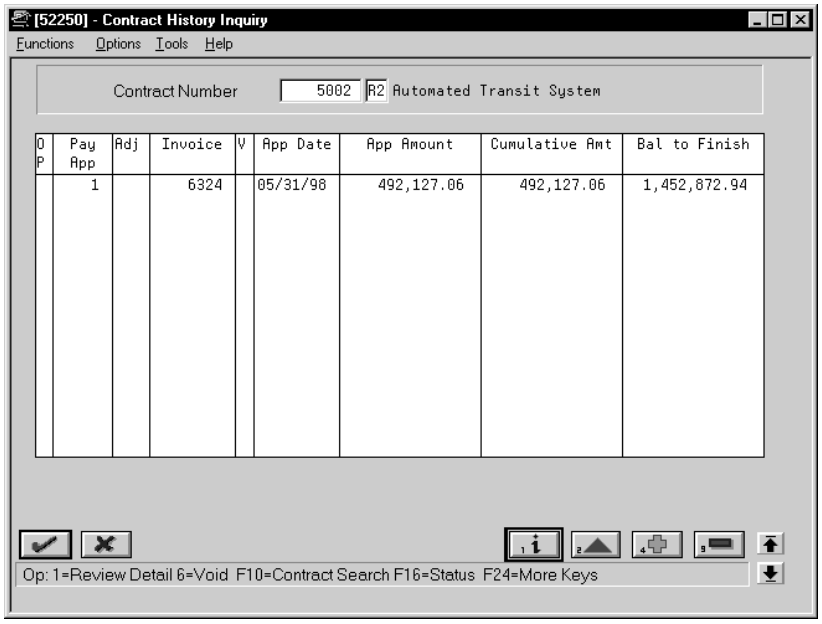
- Line number for the journal entry in the Account Ledger table
- Retainage amounts
- Detail for the invoice in the A/R Account Ledger table
- Batch header information
- Invoice information in the Invoice Summary Workfile
- Invoice information in the Service Billing Workfile and Service Billing Workfile – History table
- Accounting and internal control information that is related to the invoice, batch, sequences, and so on

You must use the void process in the Contract Billing system if you created the invoice in that system. If you void the invoice in the Accounts Receivable system, the system does not update the applicable contract billing and service billing records.

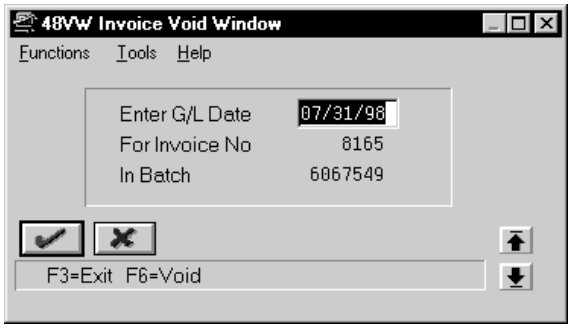
If you void an unposted invoice, the system deletes the A/R and G/L records without creating an audit trail for the A/R and G/L transactions and the invoice number. The system does not delete the batch header. You must run the G/L Integrity program to delete the empty header.

To void a final invoice

On Contract History Inquiry



1. To display the invoice history for a contract, complete the following field and press Enter:
   - Contract Number
2. Choose Void for an invoice.



3. On Invoice Void Window, complete the following optional field:
   - G/L Date
4. Choose Void.

   The system places V in the Void field for the invoice on Contract History Inquiry.

Field	Explanation
Void	A code that indicates whether the billing detail transactions associated with the invoice have been voided. Valid codes are: V Voided blank Not voided

What You Should Know About

Voiding posted invoices When you void a posted invoice, the system creates adjusting G/L and A/R entries to reverse the original entries. You must post these adjusting entries for the batch number that the system displays on Invoice Void Window.

Voided invoices You cannot void an invoice that has already been voided. Voided invoices display with V in the Void field.

See Also

- *Working with Batch Headers* in the *General Accounting II* guide for more information about deleting batch headers

Exercises

See the exercises for this chapter.

Setup

System Setup

Objectives

- To define the rules that the system uses to process billing and revenue transactions
- To understand how the system constants affect the revenue recognition and billing processes

About System Setup for Contract Billing

Before you can use the Contract Billing system, you must define the constants and rules you want the system to use during the revenue recognition and billing processes. The information you set up in the system constants and rules determines:

- How the system uses dates to process source transactions, such as the service/tax date or G/L date, compared to the effective dates for the markup and account derivation rules
- Whether the system creates revenue recognition journal entries for non-T&M pricing types
- How the system uses account derivation rules to create journal entries
- How the system processes payroll transactions

Setting up the Contract Billing system consists of the following tasks:

- ❑ Setting up system constants
- ❑ Defining markup rules
- ❑ Defining component rules
- ❑ Defining account derivation rules
- ❑ Assigning component information
- ❑ Setting up condition codes
- ❑ Setting up automatic accounting instructions
- ❑ Setting up user defined codes

What Do These Setup Features Do?

System constants

Control the global processing of:

- Billable costs
- Dates
- Invoices
- Revenue
- Journals
- Default markup

Markup rules

Define the calculation for the amount that you add to costs to account for overhead and profit.

Component rules

Define a type of markup that is based on amounts and units. The markup and account derivation rules also use this information.

Account derivation rules

Define the accounting rules that the system uses to process journal transactions for billing, revenue recognition, and reallocations.

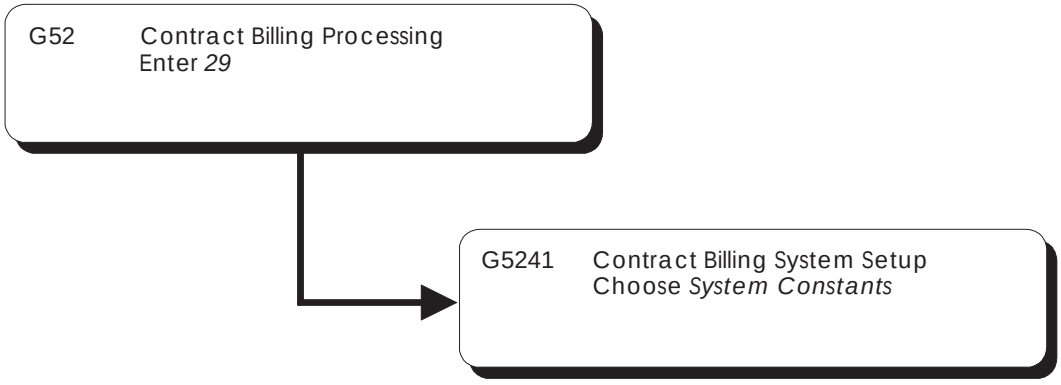
Automatic accounting instructions (AAIs)

Define accounting information and general ledger relationships.

User defined codes

Define custom codes for the system, such as condition codes and adjustment reasons.

Set Up System Constants for Contract Billing



Setting Up System Constants for Contract Billing

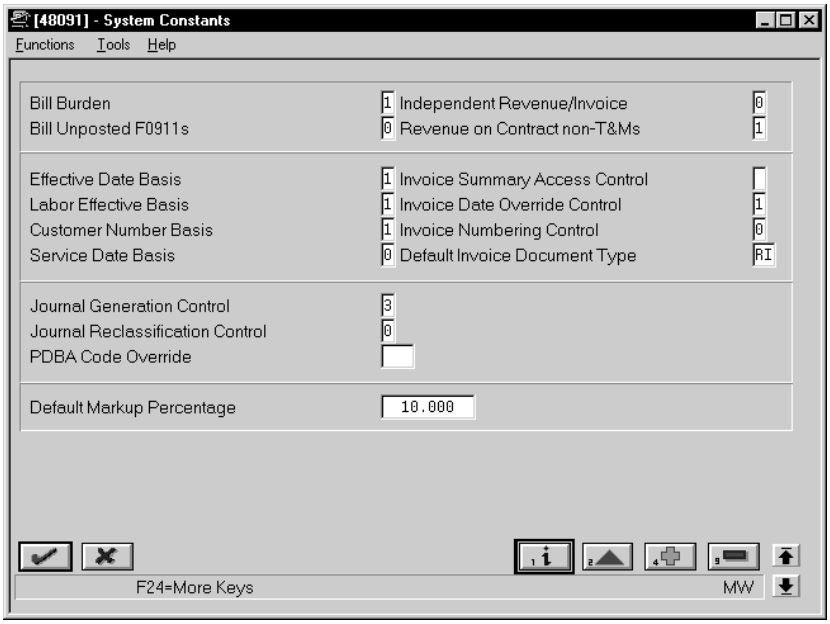
You set up the Contract Billing system constants to represent your company's decisions on how source transactions and related revenue and billing are processed. The constants control how the system processes:

- Billable costs
- Dates
- Invoices
- Revenue
- Journals
- Default markup

After you set up the constants, you should not change them. The system stores the constants in the Service Billing System Constants table (F48091).

To set up system constants for Contract Billing

On System Constants



1. Complete the following fields to specify how you want the system to process billable costs:
   - Bill Burden
   - Bill Unposted F0911s
2. Complete the following fields to specify the dates you want the system to use when processing workfile transactions:
   - Effective Date Basis
   - Labor Effective Basis
3. Complete the following field if you want the system to calculate revenue amounts for non-T&M owner pay items, such as lump sum, unit price, and fee line:
   - Revenue on Contract Non-T&Ms

   See *Defining Cross-References for Lump Sum* and *Defining a Cross-Reference for Unit Price* for information about revenue on non-T&M owner pay items.
4. Complete the following field to specify the default value that you want the system to use when workfile transactions do not meet the criteria for any other markup rules:
   - Default Markup Percentage

5. Complete the following field to specify how you want the system to process revenue:
    - Independent Revenue/Invoice
6. Complete the following fields to specify how you want the system to process journal entries:
    - Journal Generation Control
    - Journal Reclassification Control
    - PDBA Code Override
7. Complete the following field to specify the date you want the system to use when processing accounts receivable transactions:
    - Service Date Basis
8. Complete the following fields to specify how you want the system to process invoices:
    - Invoice Date Override Control
    - Invoice Numbering Control
    - Default Invoice Document Type
9. Complete the following field to build an additional audit table for invoice information:
    - Invoice Summary Access Control

Field	Explanation
Bill Burden	Burden is any cost that a company incurs as a direct consequence of employing labor (for example, company paid taxes, insurance, and fringe benefits). Burden can also include allowances for small tools, consumables, or other overhead costs that are allocated or assessed as a function of direct labor costs. The Bill Burden constant controls whether the system includes burden during workfile generation for the Service Billing and Contract Billing systems. If you do include burden, be aware of the following: • The system processes all the burden associated with billable payroll transactions. • The burden account must be a billable account. Valid codes are: 0 The system does not include burden. 1 The system includes burden.

Field	Explanation
Bill Unposted Entries	A constant that controls whether the system includes unposted billable transactions from the G/L Account Ledger file during workfile generation for the Service Billing and Contract Billing systems. Valid values are: 0 Only posted billable transactions in the Account Ledger will be processed. 1 Both unposted and posted entries in the Account Ledger will be processed. NOTE: Since unposted billable transactions are subject to change or deletion, you do not include them during workfile generation. However, if there is very little time between the entry of costs and the recognition of resulting revenue, you might find it helpful to generate revenue for unposted transactions.
Date – effectivity basis	A constant that determines whether the system uses the G/L date or the Service/Tax date from the billable source (cost) transaction as the basis for comparison with the various table effectivity dates. Valid values are: 1 G/L date from the billable source transaction 2 Service/Tax date from the billable source transaction NOTE: The Service/Contract Billing systems use various tables, such as the Cost Plus Markup Table and the Account Derivation Table, during the billing process. These tables can be controlled by a range of dates during which the table information is valid.
Date – Labor Effectivity Basis	A constant that determines which date, from the billable source transactions originating from payroll, is used as the basis for comparison with the various table effectivity dates. Valid values are: 1 G/L Date from the billable source transaction. 2 Service/Tax Date from the billable source transaction. 3 Work Date from the billable source transaction. 4 Pay Period Ending Date from the billable source transaction. NOTE: The Service/Contract Billing systems use various tables, such as the Cost Plus Markup Table and the Account Derivation Table, during the billing process. These tables canbe controlled by a range of dates during which the table information is valid. If your billing process does not involve payroll, the system ignores this field.

Field	Explanation
Contract Non–T&M Revenue Flag	This flag determines whether to process revenue for Contract non-T&M pricing type lines in the Contract Billing System. Non-T&M lines are classified as Lump Sum, Unit Price, or Fee Lines. 0 Do not process revenue for non-T&M lines. 1 Process revenue for non-T&M lines. NOTE: If you choose to process revenue for non T&M lines, please note the following: • Revenue for lumpsum and unit price lines will be generated at the time of workfile generation. • Revenue for fee lines will be created during revenue generation.
Percentage	The percentage you use to mark up the revenue amount reflected in the billing of professional services, such as draftsmen, engineers, or consultants fees. This percentage rate will not affect the employee's paycheck. This percentage rate is set up in the Cost Plus Markup Table using generation type 1 to specify a table for revenue/invoice markup percentage rates. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function. Enter percentages as whole numbers. For example, 50.275% would be entered as 50.275. . . . . . *Form-specific information* . . . . . . Use this field to enter a markup percentage that the system will use as a default value when a source (cost) transaction has no associated cost plus markup table entry. If the system finds a cost plus markup table entry for the source transaction, the table entry overrides this constant. NOTE: If you leave this constant blank, and the system does not find a cost plus markup table entry for a source transaction, the system will process that transaction at cost (without any markup).
Independent Invoice Flag	A constant that determines whether you can mark up the invoice and revenue amounts in the billing detail transactions independent of each other. Valid values are: 0 The system ensures that the invoice amounts and the revenue amounts in the billing detail transactions are always equal. 1 You can manipulate and process invoice amounts without affecting the associated revenue amounts, and vice versa.

Field	Explanation
Journal Generation Control	A constant that controlsThe Journal Generation process in the Service/Contract Billing systems. Valid values are: 1 Invoicing process only 2 Revenue Recognition process only 3 Revenue Recognition and Invoicing process, without requiring Revenue Reconciliation (Table Type 2) 4 Revenue Recognition and Invoicing process, requiring Revenue Reconciliation (Table Type 2) The following functions are also affected: • The initial value of the Eligibility Code (ELGC) in the billing detail transactions • The Table Type (TBTY) edit when entering Account Derivation Table information
Journal Reclassification Control	A constant that controls whether the system performs journal reclassification as a function within the journal generation process. Valid values are: 0 Do not perform journal reclassification. 1 Perform journal reclassification. NOTE: Journal Reclassification occurs within Service/Contract Billing to allow you to reclassify the original cost entry to a different account and automatically create the correcting entries in the Account Ledger (F0911). If you are correcting a billing entry that originated from payroll, then the system creates an adjusting entry in the Payroll Transaction History file (F0618).
PDBA Code Override	A code that overrides the pay type of the original payroll transaction. During journal reclassification, the system uses this code when creating an adjusting payroll history record. NOTE: Pay types are numbered from 1 to 999.
Date – Service Date Basis	A constant that determines whether the system uses the G/L date or the Invoice date of the A/R transaction as the Service/Tax date. Valid values are: 0 G/L date from the A/R transaction 1 Invoice date from the A/R transaction
Invoice Date Override Control	A constant that determines whether you can override the invoice date and the G/L date when you use the Invoice Journal Generation and Create A/R & G/L programs. Valid values are: 0 You cannot access the Date Override window. 1 The Date Override window is optional. 2 The system automatically displays the Date Override window.

Field	Explanation
Invoice Generation Control	A flag that determines whether the system reassigns invoice numbers using a final invoice document type during the Create A/R & G/L process. Valid values are: 0 Do not reassign invoice numbers 1 Reassign invoice numbers. If you choose this method, it is important to remember to set up the DRAFT invoice document types in User Defined Codes (System 00, Code DI), with the corresponding FINAL invoice document types in the second description of each draft document type. NOTE: This control flag provides you with the ability to assign DRAFT invoice numbers while working with the invoice batches within the billing system. The FINAL invoice number is assigned at the time the Accounts Receivable Detail (F0311) record is created. It is a fiscal requirement of Europe that invoice numbers be assigned sequentially, without gaps in the numbering. You can assign different document types within the same invoice batch.
Document Type – Invoice Only	A user defined (system 00, type DI) document type for invoice entry. Any document type set up for invoice-only entry should begin with the letter R (receivables). The default is RI, RR, or RM. Reserved document types have been defined for vouchers, invoices, receipts, and time sheets. The reserved document types are: P_ Accounts Payable Documents R_ Accounts Receivable Documents T_ Payroll Documents I_ Inventory Documents O_ Order Processing Documents NOTE: For invoice entry, if you are using document type DI, you must also set up document type DT in User Defined Codes.

Field	Explanation
Invoice Summary Access Control	A constant that determines whether the system builds and maintains the Invoice Summary Access (F48520) file. This table contains cumulative billing amounts that are summarized by G/L Date, Employee/Supplier, Cost Account Number, and Contract Owner Pay Item. If you choose to maintain this file, it requires extra disk space. You can use the summarized billing information for various reporting purposes, such as displaying billed-to-date amounts on your Service/Contract Billing invoices. Valid values are: Blank Do not build and maintain the file. 1 Build and maintain the file. The system stores billed-to-date amounts in the Invoice Summary (F4822) file by Owner Pay Item. The Invoice Summary Access (F48520) file stores the billed-to-date amounts in more detail than the Invoice Summary (F4822) file.

What You Should Know About

Billing burden

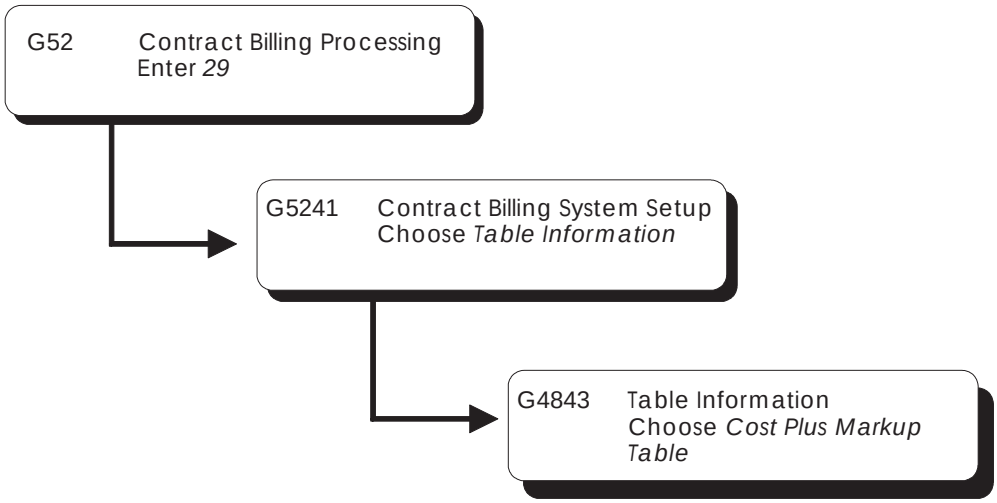
If you want to bill for burden, you must set up the appropriate AAIs in the Payroll system as well as the system constants for the Contract Billing system.

See *Setting Up Burden and Premium Labor Distribution Instructions* in the *Payroll Guide Volume 2*.

Exercises

See the exercises for this chapter.

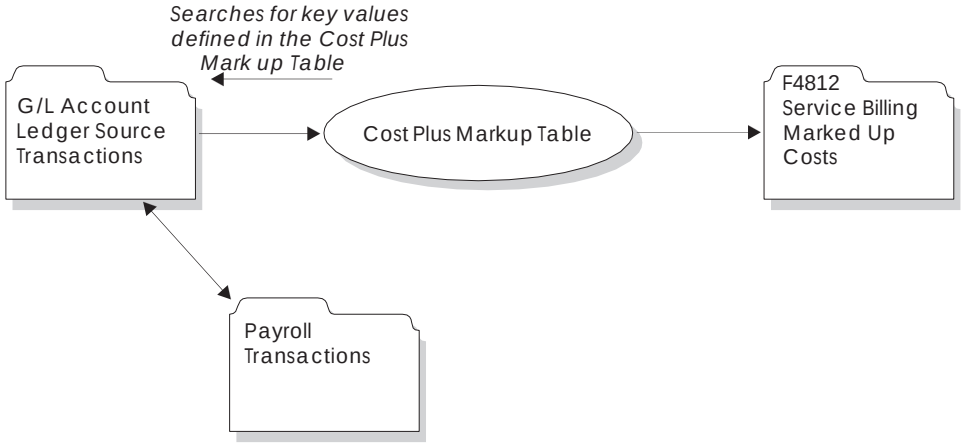
Define Markup Rules



Defining Markup Rules

Defining Markup Rules for Contract Billing

The markup is an amount that you add to costs for overhead and profit. The system calculates markup amounts when you accumulate costs or revise workfile transactions. The markup rules you define when you set up the Contract Billing system apply only to T&M pricing types.



When you accumulate costs or revise workfile transactions, the system marks up costs as follows:

1. Accesses the markup rules
2. Searches and selects specific source transactions that match the values you specified for the major key
3. Continues the search, narrowing the selection of source transactions based on the value you specified for the minor key
4. Calculates the markup amount for individual transactions based on the applicable markup calculation rules
5. Updates the workfile transaction with the applicable markup amount

The system stores markup information in the Cost Plus Markup Information table (F48096).

When you define markup rules, you specify the following information:

- Major key
- Minor key
- Markup calculation rules

You define markup rules by specifying major and minor key values. The system uses these values in combination to identify the specific markup rules that apply to individual source transactions.

When you accumulate costs or revise workfile transactions, the system matches the key values in the markup rules with the same values in the transactions. The system uses the most specific rule it can locate to calculate the markup for a transaction.

Typically, you define general markup rules that apply to most of the source transactions for T&Ms that you process in the Contract Billing system. You can also define additional markup rules for the transactions that are exceptions. For example, you can define rules that specify alternative markup rates for an individual owner (customer) or contract.

See Also

- *Appendix C — Searches for Markup Rules*

Major Key

You must specify a major key for each markup rule you define. A major key must include the following information:

Generation type	Specifies whether the markup rule applies to invoice amounts, revenue amounts, both invoice and revenue amounts, or component amounts. Depending on how you set up your system constants, you might want different markup rules to apply to different amounts.
Key type	One of nine hard-coded values that defines the major key value for the markup rule.
Table key	Further defines the major key value, based on the key type.
Effective dates	Specifies when the markup rule is effective.

The system uses the key type and table key in combination. For example, if the key type is contract number, the table key must be a specific contract number. If you have three contracts that require different markup rules, you must set up three different markup rules, each with contract number as the key type and a specific contract number as the table key.

Generation Types

You can use the following generation types in combination with your system constants to define markup rules:

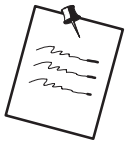
Type 1	When your system constants are set up so that invoice and revenue amounts are always the same, the markup rule applies to revenue, invoice, and component amounts. When your system constants are set up so that invoice and revenue amounts can be different, the markup rule applies to invoice and component amounts. It also applies to revenue amounts if no Type 2 rule exists.

Type 2	When your system constants are set up so that invoice and revenue amounts can be different, the markup rule applies to revenue and component amounts. NOTE: Type 2 is not applicable when the system constants are set up for revenue recognition only.
Type 3	Regardless of how your system constants are set up, the markup rule applies to component amounts.

Minor Key

You must specify one or more minor keys to further define each of the major keys in a markup rule. A minor key must include a range of accounts. You can further define the minor key by specifying the following information:

- Employee information, such as job type, job step, and pay type
- Equipment information, such as number, rate, and group



You can specify a combination of payroll *or* equipment information. Payroll and equipment information are mutually exclusive.

NOTE: You can specify a combination of payroll *or* equipment information. Payroll and equipment information are mutually exclusive.

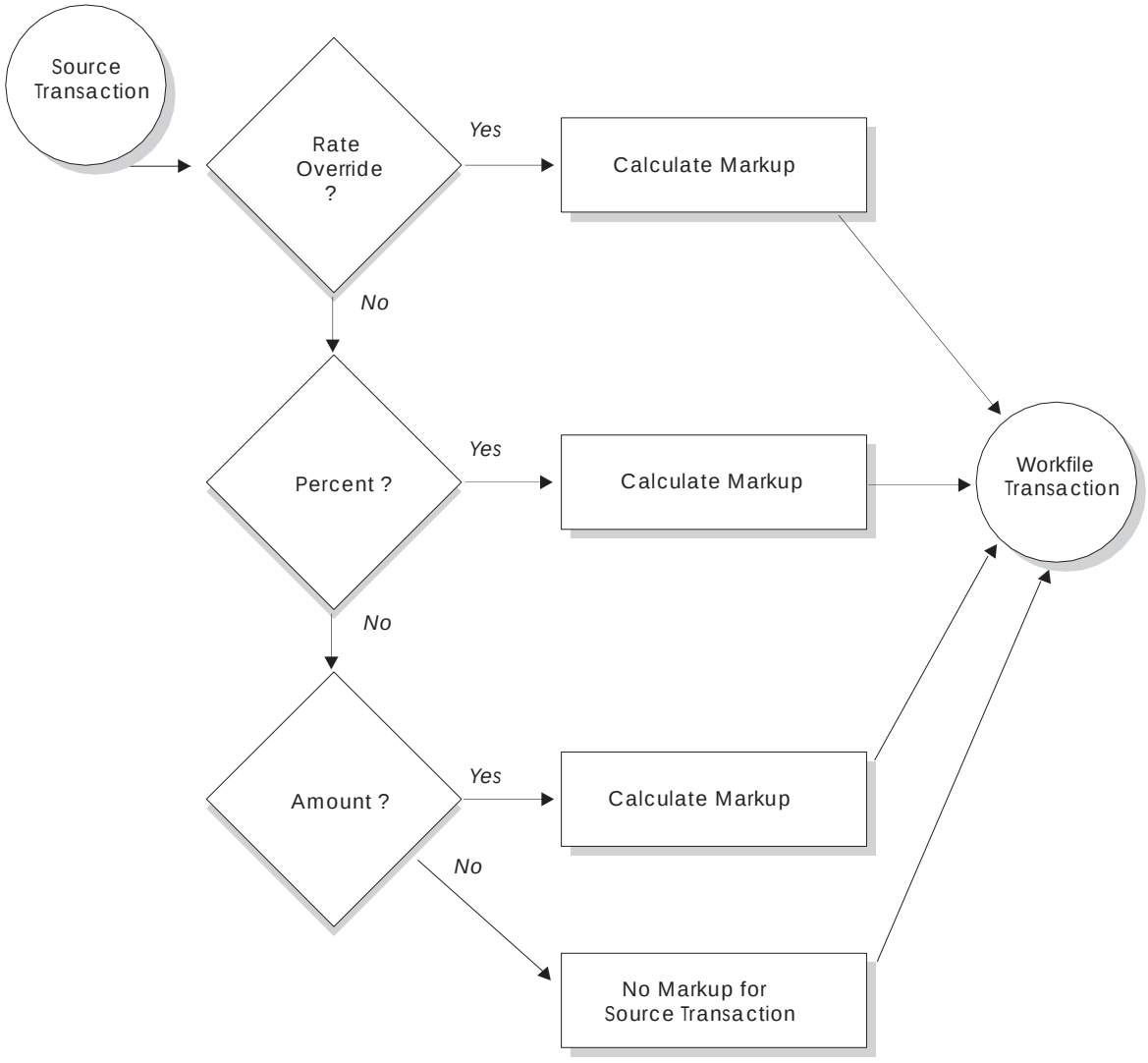
Markup Calculations

You can relate three markup calculations to a minor key. To mark up source or workfile transactions, the system applies the following calculations for a minor key in the order shown:

1. Rate override for the units
2. Percentage markup
3. Amount markup

If you do not specify markup calculations for the minor key, the system processes the transactions at cost. If the transaction does not match the key values for any of the markup rules you have defined, the system uses the default markup percentage in the system constants.

The following graphic illustrates how the Contract Billing system applies calculations for a minor key.



Compound Markup

A compound markup results when you relate more than one markup calculation to a minor key. For example, a source transaction with 10 units might use a minor key with the following markup calculations:

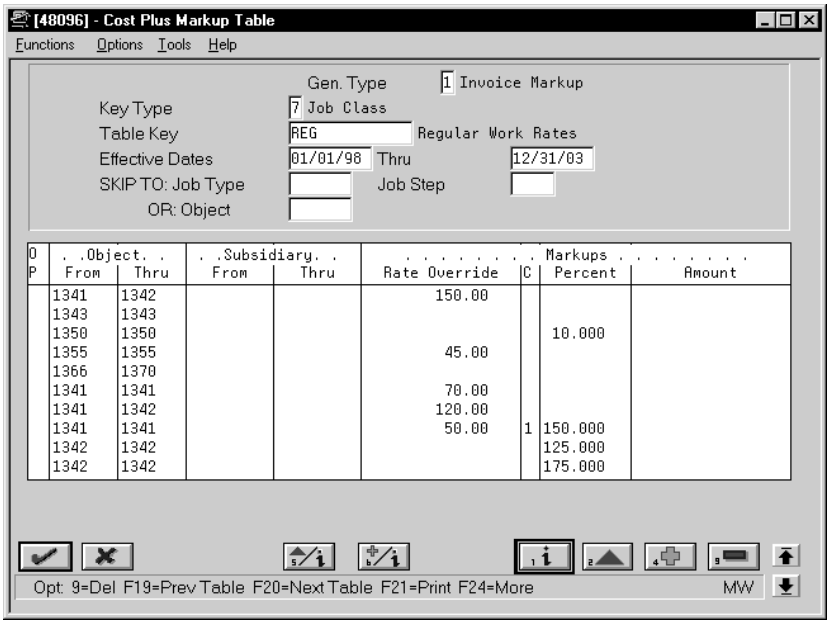
1. Rate override of 50 dollars per unit
2. Percentage markup of 10%
3. Amount markup of 25 dollars

The system calculates the compounded markup amount as follows:

1. 10 units X 50 dollars = 500 dollars
2. (500 dollars X 10%) + 500 dollars = 550 dollars
3. 550 dollars + 25 dollars = 575 dollars

To define markup rules

On Cost Plus Markup Table

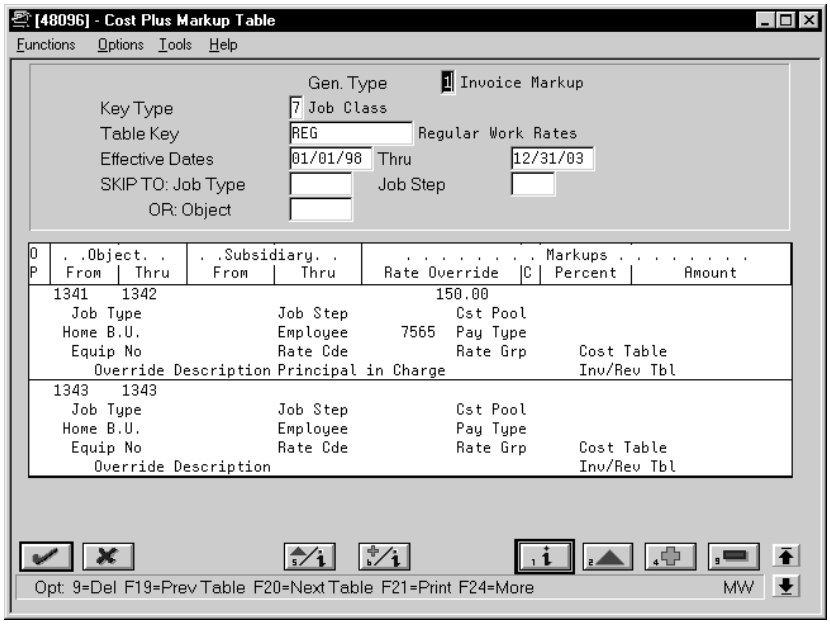


Opt	Object From	Object Thru	Subsidiary From	Subsidiary Thru	Markups Rate Override	C	Markups Percent	Markups Amount
	1341	1342			150.00			
	1343	1343						
	1350	1350					10.000	
	1355	1355			45.00			
	1366	1370						
	1341	1341			70.00			
	1341	1342			120.00			
	1341	1341			50.00	1	150.000	
	1342	1342					125.000	
	1342	1342					175.000	

1. Complete the following fields to identify the major key:
   - Generation Type
   - Key Type
   - Table Key
   - Effective Date From
   - Effective Date Thru
2. Complete the following fields to specify the account range:
   - Object From
   - Object Thru
   - Subsidiary From
   - Subsidiary Thru

   If you leave the account range blank, the system applies the markup rule to all account ranges within the major key.

3. Complete one or more of the following fields for the markup calculation:
    - Rate Override
    - Cap/Override Rate
    - Percent
    - Amount
4. Choose More Details.



5. Complete any of the following fields to specify payroll information for each minor key:
    - Job Type
    - Job Step
    - Cost Pool
    - Home Business Unit
    - Employee
    - Pay Type
6. Complete any of the following fields to specify equipment information for each minor key:
    - Equipment Number
    - Rate Code
    - Rate Group

Payroll and equipment information are mutually exclusive.

NOTE: Payroll and equipment information are mutually exclusive.

7. Complete the following optional field to override the descriptions from the related source transactions:

   - Override Description

Field	Explanation
Generation Type	A code the system uses to determine the applicable Cost Plus Markup table when retrieving markup rates. Valid values are: 1 Invoice, revenue, and component markups are always calculated. 2 Override revenue markup is calculated if the Independent Invoice Constant is set to 1. 3 Default component markup is calculated for billing detail transactions.
Key Type	A code that the system uses in combination with the table key to locate the applicable tables for transactions. Valid codes are: 1 Work order number 2 Work order class 3 Contract number 4 Parent contract number 5 Customer 6 Job or business unit 7 Job class 8 Company 9 Default Be aware of the following: • You cannot use key type 3 or 4 (contract numbers) with Tax Derivation and G/L Offset & Retainage tables. • You cannot use key type 8 (company) with G/L Offset and Retainage tables. • You can use key type 9 (default) only with Account Derivation and Cost Plus Markup tables. The key type controls the search window you access from the Table Key field when you use field sensitive help. With key type 1, for example, you access the Work Order Search window. With key type 2, you access the User Defined Codes window for work order class. . . . . . *Form-specific information* . . . . . . The Key Type field is used with the Table Key to locate the applicable Cost Plus Markup table for each source transaction (F0911).

Field	Explanation
Table Key	The table key is used in combination with the key type to locate and edit the source and/or billing detail transactions against the various tables in the Service Billing and Contract Billing systems. The key type and respective table key validations are as follows: 1 Work order number. — Work Order Master (F4801) 2 Work order class — User Defined Code (00/W7) 3 Contract number — Contract Master (F5201) 4 Parent contract number — Contract Master (F5201) 5 Customer — Address Book Master (F0101) 6 Job or business unit — Business Unit Master (F0006) 7 Job class — User Defined Code (00/11) 8 Company — Company Constants (F0010) 9 Default Be aware of the following: • You cannot use key type 3 or 4 (contract numbers) with Tax Derivation and G/L Offset & Retainage tables. • You cannot use key type 8 (company) with G/L Offset and Retainage tables. • You can use the combination of key type 9 (default) and table key *ALL only with Account Derivation and Cost Plus Markup tables. . . . . . *Form-specific information* . . . . . . The Table Key field is used with the Key Type to locate the applicable Cost Plus Markup table for each source transaction (F0911).
Date – Beginning Effective	The date on which an address, item, transaction, or table becomes active or the date from which you want transactions to display. The system uses this field depending on the program. For example, the date you enter in this field might indicate when a change of address becomes effective, or it could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, and so on. . . . . . *Form-specific information* . . . . . . This field identifies an effective begin date for a Cost Plus Markup Table. NOTE: The effective dates for Cost Plus Markup tables with the same key values cannot overlap.

Field	Explanation
Effective Date Through	The date on which the item, transaction, or table becomes inactive or through which you want transactions to display. This field is used generically throughout the system. It could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate. . . . . . *Form-specific information* . . . . . . This field identifies an effective end date for a Cost Plus Markup table. NOTE: The effective dates for Cost Plus Markup tables with the same key values cannot overlap.
Account Range	A field that identifies an account in the general ledger. You can use one of the following formats for account numbers: • Structured account (business unit.object.subsidiary) • 25-digit unstructured number • 8-digit short account ID number • Speed code The first character of the account indicates the format of the account number. You define the account format in the General Accounting Constants program (P000909). . . . . . *Form-specific information* . . . . . . The From and Thru fields for Object and Subsidiary identify the range of billable source accounts.

Field	Explanation
Rate – Revenue Override Rate Markup	The rate the system uses to markup the revenue amount reflected in the billing of professional services, such as draftsmen, engineers, or consultants fees. This rate does not affect the employee's paycheck. You can use this markup rate as an override rate or as a maximum rate. The Override Rate Calculator for the Total Revenue markup is: (Override Rate * Unit) * (1 + Markup %) + Markup Amount When you specify a Maximum or Cap Rate, the system compares the override rate with the rate from the cost transaction and uses the lower rate as the override rate. You set up the override/maximum unit rate in the Cost Plus Markup Table, using generation type 1 to specify a table for revenue/invoice markup rates. You can markup the revenue amount at a different rate than the invoice amount by using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function. . . . . . *Form-specific information* . . . . . . Enter a markup rate to override an existing rate. For example, if you want a standard consulting fee to be higher than the normal hourly rate, you can type the consulting fee in this field. You can also use the Rate Override to indicate a maximum rate for the entry when you use it in conjunction with the C (Cap) field.
Cap or Override Rate	This flag indicates whether the associated amount is the override rate or the cap of the rate. Values are: blank Override Rate. 1 Cap of the Rate. If the cost rate is less than the cap rate, the cost rate will be used; if the cost rate is greater than the cap rate, the Cap Rate will be used.

Field	Explanation
Percentage – Revenue Recognition	The percentage you use to mark up the revenue amount reflected in the billing of professional services, such as draftsmen, engineers, or consultants fees. This percentage rate will not affect the employee's paycheck. This percentage rate is set up in the Cost Plus Markup Table using generation type 1 to specify a table for revenue/invoice markup percentage rates. With the new Service Billing/Contract Billing modules, you can mark up the revenue amount at a different rate than invoice amount using the Cost Plus Markup Table with a generation type 2. The Independent Invoice flag in the constants controls this function. Enter percentages as whole numbers. For example, 50.275% would be entered as 50.275. . . . . . *Form-specific information* . . . . . . The field lets you include a markup percentage for the amount of revenue recognition. In the Service Billing system, you can set up a Generation Type 2 Cost Plus Markup table that lets you enter and maintain invoice amounts for single cost transactions that are different from the amounts used in revenue recognition. In Generation Type 2 tables, this field lets you apply a markup rate that will be specific to the revenue recognition amount for the table entry.
Cost Amount	The cost (source) amount for a billing detail transaction.
Remark/Explanation	A description, remark, explanation, name, or address retrieved from the following cost (source) transactions: • Journal entry (Explanation 2 field) • A/P voucher entry (Explanation field) • Payroll (pay type description — regular, overtime, and so on) . . . . . *Form-specific information* . . . . . . A description, remark, explanation, name, or address that you want to apply to the billable detail transaction.
Job Type (Craft) Code	A user defined code (system 06, type G) that specifies job classifications established for an organization. This field is used to determine pay rates and benefit plans for employees linked to these classifications.
Job Step	A user defined code (system 06, type GS) that designates a specific step, grade, or salary level within a particular job type. The system uses this field in conjunction with job type to determine pay rates by job.

Field	Explanation
Category Code – Business Unit 12	Category code 12 associated with the Business Unit Master file (F0006). This is a user defined code (system 00, type 12) for use in flex account mapping and in printing selected information on reports.
Business Unit – Home	The number of the business unit in which the employee generally resides.
Address Number	A number that identifies an entry in the Address Book system. Use this number to identify employees, applicants, participants, customers, suppliers, tenants, special mailing addresses, and so on.
PDBA Code	A code to define the type of pay, deduction, benefit, or accrual. Pay types are numbered from 1 to 999. Deductions and benefits are numbered from 1000 to 9999. Sick and vacation accruals must have a specific numbering order. You must assign a higher number for the time available code when you are also assigning a time accrued code. For example, if vacation accrued is 8001, vacation available must be 8002 or greater.
Document (Order No., Invoice, and so on)	The number that identifies an original document. This can be a voucher, an invoice, unapplied cash, a journal entry number, and so on.
Equipment Rate Code	This user defined code (system 00, type RC) indicates a billing rate, such as DY for daily, MO for monthly, and WK for weekly. You can set up multiple billing rates for a piece of equipment. If you leave this field blank, the system searches for a valid billing rate in the following sequence: • Account Ledger Master (F0901) – This table contains the most detailed rate information. You can assign multiple rates for a job. For example, you can set up separate rates for different equipment working conditions. • Job or Business Unit Master (F0006) – This table contains less detailed rate information than the Account Ledger Master. You can only set up a single rate for a job based on this table. • Rental Rules (F1302) – This table contains the least detailed rate code information. The system searches this table according to the criteria you establish when setting up the table.
Category Code – F/A 10 (Rate Group)	A user defined code (system 12, type C0) that groups similar items for billing. If you are an Equipment Management client and you use Equipment Billing, you must use this category code for rate group purposes only.

What You Should Know About

Default markup rules

The system uses default markup rules to calculate the markup amounts for transactions that do not match the key values for any specific markup rules. You can define two types of default markup rules:

- Major key
- Minor key

For a major key default markup rule, specify 9 for a key type and *ALL for the table key. For a minor key default markup rule, leave the account range blank and specify a markup calculation.

Source transactions without markup

If you do not want to mark up a source transaction, the system processes it at cost. To include a source transaction in the Service Billing Workfile at cost, you must include the following for the markup rules:

- An account range that includes the account associated with the transaction
- Blank fields for the markup calculations

Otherwise, the system marks up the transaction using a default markup rule or the default percentage in the system constants.

Markup rate cap

If you want to force a comparison between the rate override and the per unit rate of the source transaction, you can use the Markup Rate Cap field. The system uses the lower of the two rates.

See Also

- *Appendix C — Searches for Markup Rules*
- *Changing the Markup for Billing (P4812)* or *Changing the Markup for Revenue Recognition* or *Changing the Markup for Revenue Recognition and Billing*

Processing Options for Cost Plus Mark Up Information

FORMAT CONTROL OPTIONS:

1. Enter a '1' to use the Job Cost account search window (business unit, cost code, cost type). Leave blank (default) to use the General Ledger account search window (business unit, cost type, cost code). _____

2. Enter a '1' to display the employee number and name on the main line. Leave blank (default) to display the markup amount and percent on the main line. _____

SECURITY OPTIONS:

3. To prevent access to certain table key types, enter '1's below. Leave blank (default) to allow access to the table key types.
   a. Key Type 1 (Work Order No.): _____
   b. Key Type 2 (Work Order Class): _____
   c. Key Type 3 (Contract No.): _____
   d. Key Type 4 (Parent Contract No.): _____
   e. Key Type 5 (Customer No.): _____
   f. Key Type 6 (Job/Business Unit): _____
   g. Key Type 7 (Job Class): _____
   h. Key Type 8 (Company): _____
   i. Key Type 9 (Default for Account Derivation and Markup Tables): _____

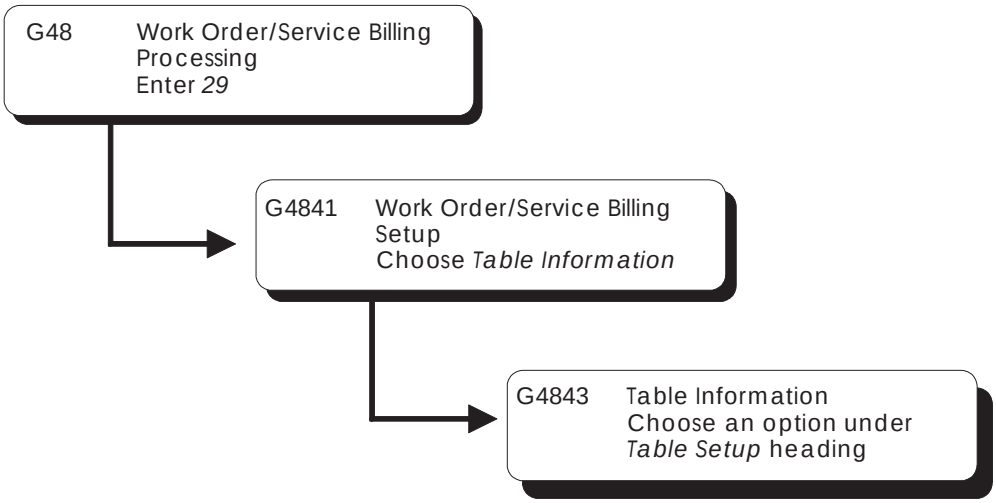
SECURITY OPTIONS (Cont'd):

4. To prevent access to certain table generation types, enter '1's below. Leave blank (default) to allow access to the table generation types.
   a. Generation Type 1 (Invoice amount will be generated): _____
   b. Generation Type 2 (Accounting for unbilled revenue will be created): _____
   c. Generation Type 3 (Component override (special type used for cost plus markup tables)): _____

Exercises

See the exercises for this chapter.

Define Component Rules



Defining Component Rules

Defining Component Rules for Contract Billing

Components are a type of markup that are calculated based on amounts and units. For example, the billing for labor might include a component to partially offset the cost of borrowing money. Component rules work in conjunction with markup rules. After you set up a component rule, you must associate it with a markup rule.

When you accumulate costs, the system calculates the component amount using the component rules you define to create component transactions. Component transactions are always associated with a parent workfile transaction. The system assigns both transaction types the same billing control ID number and a component link number that associates each component calculation with its related workfile transaction.

You define component rules using the following information:

- A name to identify a set of component calculation rules
- An effective date range

- One or more calculation rules based on an amount, a unit rate, or both

Defining component rules consists of the following:

- Setting up component calculation rules
- Setting up compound components

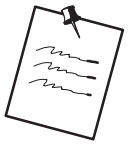
Compound Components

You can cross-reference component calculation rules to define compound components. For example, a 2 percent component rate might be cross-referenced to a 40 percent component rate. The system calculates the component amount for a cost of 1000 as follows:

1. 1000 X 2% = 20
2. 1000 X 40% = 400
3. 400 X 2% = 8

   The total cost plus the component amounts are calculated as follows:

4. 1000 + 20 + 400 + 8 = 1428



You can include unit-based component calculation rules in a cross-reference, but you cannot use them as the basis for your cross-reference information.

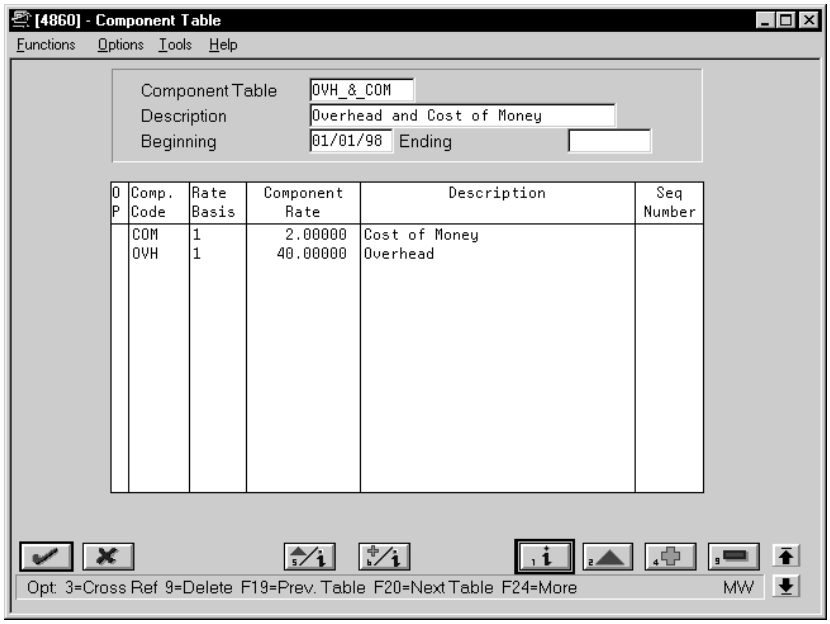
NOTE: You can include unit-based component calculation rules in a cross-reference, but you cannot use them as the basis for your cross-reference information.

See Also

- *Defining a Cross-Reference for a Component*
- *Reviewing Component Transactions for Billing* or *Reviewing Component Transactions for Revenue Recognition*, or *Reviewing Component Transactions for Revenue Recognition and Billing* for more information about components and workfile transactions
- *Adding Component Rules to Cost Plus Markup Rules (P48096)*
- *Adding Component Codes to Account Derivation Rules (P48126)*

Before You Begin

❑ Set up the user defined code table (48/CM) with the codes that you want to use to identify individual component calculation rules on the Component Table form



▶ To define component calculation rules

On Component Table

1. Complete the following fields to identify a specific set of component calculation rules:
   - Component Table
   - Description
2. Complete the following optional fields to specify effective dates for the rules:
   - Beginning
   - Ending
3. Complete the following fields to define one or more component calculation rules:
   - Component Code
   - Rate Basis
   - Component Rate

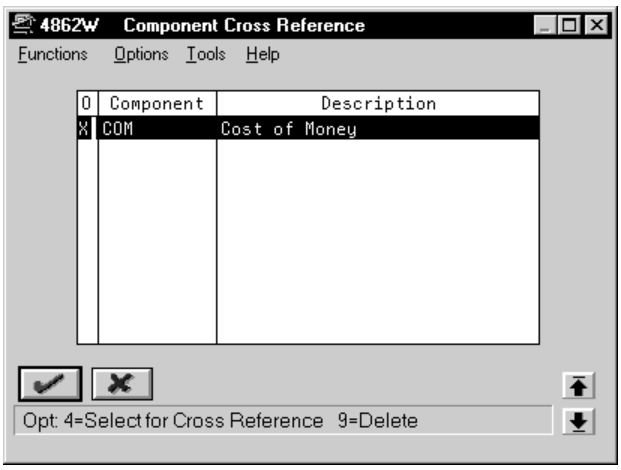
Field	Explanation
Component Table	Component tables allow you to set up provisional burdens which are attached at the billing detail transaction level. You can base the component calculations on the cost, invoice (including taxes), and/or revenue amounts of the base billing detail transaction. For example, components based on the cost amount would allow you to apply additional overhead to costs incurred by the organization. Components based on the invoice amount would allow you to apply charges in addition to the markup amount for billing. You control the amount basis for this calculation in the fold area of the Cost Plus Markup table. When you enter the name of the component table in the Cost Table field, the system bases all calculations on the cost amount. Similarly, when you enter the name of the component table in the Inv/Rev Tbl field, the system bases all calculations on the invoice and/or revenue amounts, depending on the generation type of the Cost Plus Markup table and the Journal Generation Control flag setting in the system constants.
Date – Beginning Effective	The date on which an address, item, transaction, or table becomes active or the date from which you want transactions to display. The system uses this field depending on the program. For example, the date you enter in this field might indicate when a change of address becomes effective, or it could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, and so on.
Date – Ending Effective	The date on which the item, transaction, or table becomes inactive or through which you want transactions to display. This field is used generically throughout the system. It could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate.
Component Code	A component code identifies a provisional burden that is accounted for at the billing detail transaction level.

Field	Explanation
Component Rate Basis	A code that determines whether the calculation of the components is based on the unit(s) or amount(s) of the base billing detail transaction. 1 Amount Basis. The number in the Component Rate field is treated as a percentage. The system calculates the component amount by multiplying the component rate percentage by the cost, invoice or revenue amount from the base billing detail transaction. 2 Unit Basis. The number in the Component Rate field is treated as a flat amount. The system calculates the component amount by multiplying the component rate flat amount by the number of units from the base billing detail transaction. Note: You can enter C for 1 or U for 2.
Component Rate Percent	The rate that the system applies when it creates the individual component records. This field can be either a percentage or a flat amount, depending on the value entered in the "Component Rate Basis" (UORC) field. If the component rate basis is units, then the component rate is a flat amount which is multiplied by the number of units from the base billing detail transaction. If the component rate basis is amount, then the component rate is a percentage which is multiplied by the cost, invoice, or revenue amount from the base billing detail transaction.

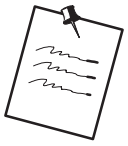
▶ To set up compound components

On Component Table

1. Complete the following field to locate the component table:
   - Component Table
2. Choose Cross Reference for a specific component calculation rule.



3. On Component Cross Reference, choose Select for Cross Reference for each component calculation rule that you want to include in the cross-reference.



You can include only previously defined component calculation rules in your cross-reference information.

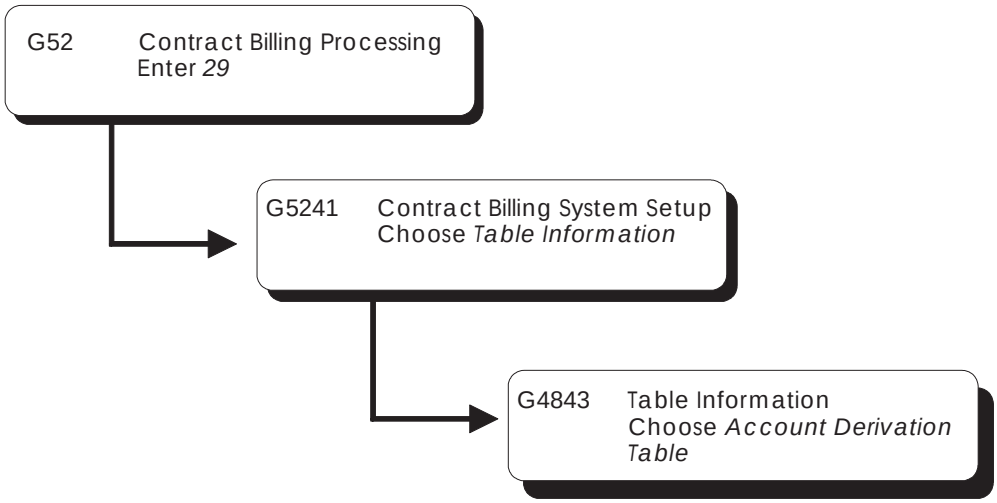
NOTE: You can include only previously defined component calculation rules in your cross-reference information.

The system highlights the Option field on Component Table for component calculation rules that include cross-reference information.

Exercises

See the exercises for this chapter.

Define Account Derivation Rules



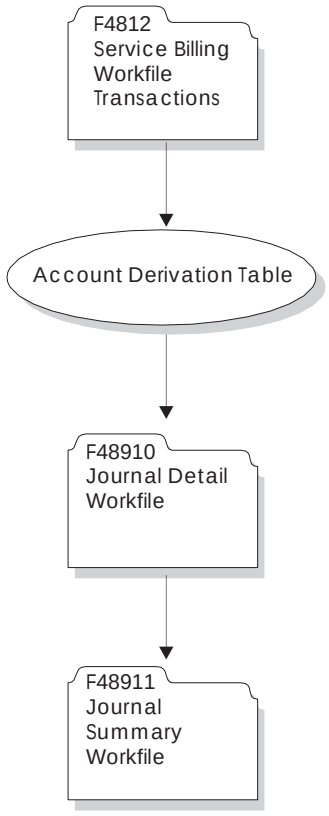
Defining Account Derivation Rules

The Service Billing system accesses account derivation rules when you generate journals. You define account derivation rules to indicate to the Service Billing system:

- Which workfile transactions you are journaling
- How you want specific transactions processed
- Where to direct the resulting journal entries

Defining Account Derivation Rules for Contract Billing

The following graphic illustrates how the Service Billing system processes workfile transactions through the Account Derivation Table during journal generation.



NOTE: You must set up separate rules with a unique combination of key values for each journal process as it relates to billing and revenue recognition.

You must define separate rules with a unique combination of key values for each journal process as it relates to billing and revenue recognition.

You specify the following key values to define account derivation rules:

- Table type
- Key type
- Table key
- Effective dates
- Source object and subsidiary account ranges

Table Types

The system uses table types to create journal entries based on the value you specify for the Journal Generation Control field in the system constants. The table types relate directly to the business needs of your company. When you define account derivation rules, you can specify the following table types, depending on your system constants:

- Invoicing only (1)
- Revenue recognition only (2)
- Revenue recognition and invoicing (3)
- Revenue recognition and invoicing, with revenue reconciliation (4)

Key Types and Table Keys

Key types are hard coded values that you specify in combination with table keys. The system uses the key type and table key to determine whether the account derivation rule applies to a specific transaction.

For example, if the key type is contract number, the table key must be a specific contract number. If you have three contracts that require different account derivation rules, you must set up three different account derivation rules, each with contract number as the key type and a specific contract number as the table key. The system matches the key type and table key with the information in individual transactions and applies the correct account derivation rules.

Types of Account Derivation Rules

You can define the following types of account derivation rules:

- Base
- Reallocation

Base Rules

Base account derivation rules indicate which accounts you want the system to use when creating journal entries for the billing and revenue recognition processes. The value you choose for the Journal Generation Control field in the system constants determines the table types for the account derivation rules and which journal entries the system creates for the base rule.

The system uses the base rule to create journals for the total of the base and component amounts. You must define a base rule for every key value combination you set up on Account Derivation Table form.

Reallocation Rules

You use reallocations to move amounts from one account to another. A reallocation consists of at least two offsetting reallocation rules that must balance. The first reallocation rule is an offset journal entry that represents a reduction to the base amount. The second reallocation rule is a journal entry that represents an increase to the new account.

Your company might have many different reasons for using reallocation rules. For example, you might define reallocation rules when you want to change the costs for a work order from a work-in-process account to a cost-of-sales account. You can also define reallocation rules if the costs for a work order come from several departments within your company and you want the resulting revenue to be split among the departments.

Defining account derivation rules consists of the following tasks:

- Defining a base rule
- Defining a reallocation rule

Before You Begin

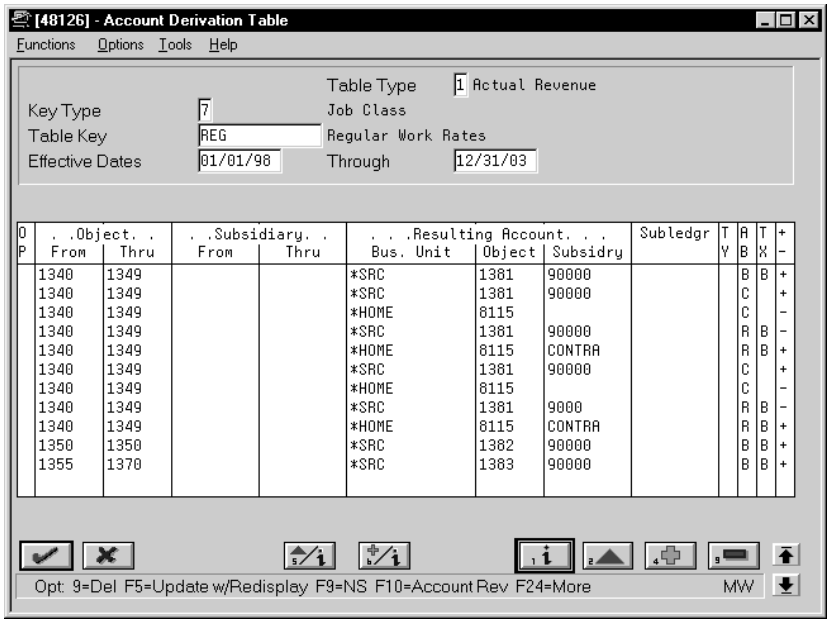
❑ Set the value of the Journal Generation Control in the system constants. See *Setting Up System Constants for Contract Billing (P48091)*.

See Also

- *Appendix D — Accounting for the Billing Cycle*

To define a base rule

On Account Derivation Table

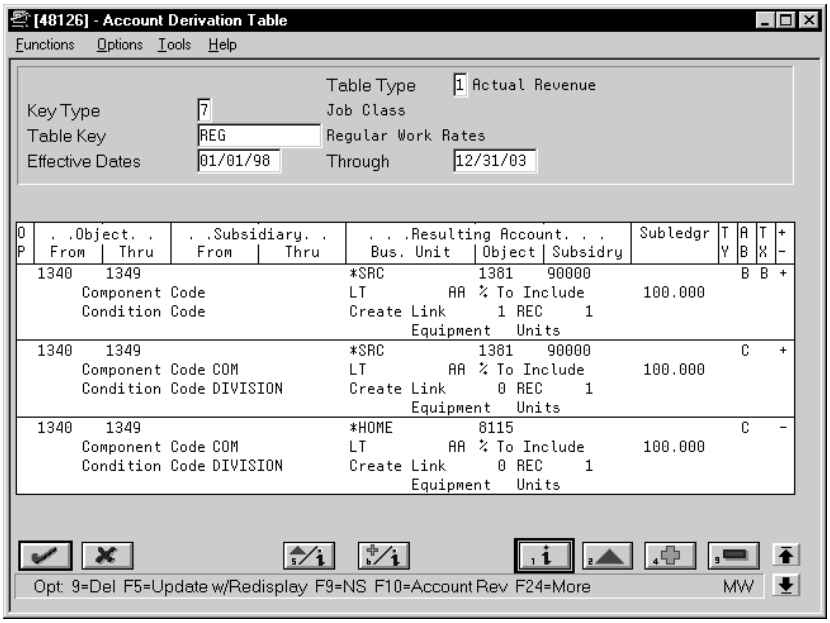


1. Complete the following fields:
   - Table Type
   - Key Type
   - Table Key
   - Object From
   - Object Thru
2. Complete the following optional fields:
   - Effective Date From
   - Effective Date Thru
   - Subsidiary From
   - Subsidiary Thru

   If you leave these optional fields blank, the rule applies to all dates and subsidiaries.

3. Complete any of the following fields to specify the accounts for which you want the system to create journal entries:
   - Business Unit
   - Object
   - Subsidiary
   - Subledger
   - Subledger Type
4. Complete the following fields:
   - Table Amount Basis (AB)
   - Split Amount Basis (TX)
   - Positive/Negative

   Leave these fields blank if you want the system to assign the default values that define a base rule.
5. Choose More Details.



6. Complete any of the following optional fields to further define the base rule:
   - Create Link
   - Equipment
   - Units

Field	Explanation
Table Type – Service Billing	This field tells the system how to process the entries in this table. The Journal Generation Control Flag in the system constants controls the table setup and journal processing.
Resulting Business Unit	This field determines the business unit for the resulting transactions. You can specify a business unit or use one of the following values: blank — The business unit from the default revenue account in the master information for the customer. *SRC — The business unit from the source transaction. *WO — The charge-to business unit from the master information for the work order. *HOME — The home business unit from the source transaction. If no home business unit exists, the system uses the business unit from the source transaction. *PROJ — The project number from the master information for the job. *CO — The company number from the source transaction. *HOST — The host business unit from the master information for the contract. *EHMCU — The responsible business unit from the master information for the equipment.
Resulting Object Account	This field determines the object account for the resulting transactions. You can use one of the following methods: • Specify an object account. • Use an asterisk (*) as a positional wildcard in a definition that relates to the source transaction. For example, the object from the source transaction is 3106. If you define the object account for the resulting transaction as 4***, the resulting object account is 4106. • Use one of the following values: blank – The object account from the default revenue account in the master information for the customer *SRC – The object account from the source transaction

Field	Explanation
Resulting Subsidiary	This field determines the subsidiary for the resulting transactions. You can specify a subsidiary or use one of the following values: blank — The subsidiary from the default revenue account in the master information for the customer. *BLANK — The subsidiary is blank for the resulting transactions. *SRC — The subsidiary from the source transaction. *WO — The cost code (subsidiary) from the master information for the work order.
Resulting Subledger	This field determines the subledger and subledger type for the resulting transactions. You can specify a subledger and subledger type or use one of the following values: *SRC — The subledger and subledger type from the source transaction *WO — The work order number and the subledger type W *CUST — The address number for the customer and the subledger type A *CC — The business unit from the source transaction and the subledger type C
Table Amount Basis	A code that identifies the amount to post to the resulting account. The amount comes from the billing detail transaction in the Service Billing Workfile (F4812). Valid codes are: B Base amount (The base amount represents either the revenue or invoice amount, depending on the type of processing you choose and on the stage of journal processing.) C Cost amount I Invoice amount M Margin amount (Revenue minus Cost) N Net margin (Invoice amount minus Cost) R Revenue amount If you leave this field blank, the system automatically enters B.
Split Amount Basis	This field tells the system how to split the amount identified in the Amount Basis field for the resulting accounts it creates. Blank Used with Cost, Margin, or Net Amount Basis. (These amount fields cannot be logically split into a taxable amount and a tax amount). B Invoice Amount + Tax OR Revenue Amount A Taxable Invoice Amount Only T Tax Only
Positive or Negative	This field designates whether the entries are debits or credits.

Field	Explanation
Ledger Type	A user defined code (09/LT) that specifies the type of ledger, such as AA (Actual Amount), BA (Budget Amount), or FE (Field Estimate). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions. . . . . . *Form-specific information* . . . . . . On this screen, the code tells the system the ledger type to which the resulting transactions should be sent. If you leave this field blank, the system automatically enters AA.

What You Should Know About

Setting up default account derivation rules

On Account Derivation Table, complete the steps for setting up an account derivation rule. Include the following information:

- Key Type of 9.
- Table Key of *ALL.
- Leave the From and Thru fields for the minor key blank. In this case, the system assigns *DFT to the Object From field to indicate that all objects and subsidiaries are eligible for the table.

You should create a default rule for each table type that your billing process requires. The system uses a default table to process the transactions that do not match the key values of other rules.

CAUTION: If you do not define a default table, the system creates journals that do not balance.

Associating equipment numbers with journal entries

When you associate an equipment number with a journal entry, the system uses the responsible business unit of the equipment.

To define reallocation rules

On Account Derivation Table

1. Complete the following fields to locate the base rule from which you want to reallocate:
   - Table Type
   - Key Type
   - Table Key
   - Effective Dates
2. Complete the following fields for the reallocation rule:
   - Object From
   - Object Thru
   - Subsidiary From
   - Subsidiary Thru

The account ranges for the reallocation rule must be identical to the range for the base rule.

NOTE: The account ranges for the reallocation rule must be identical to the range for the base rule.

3. Complete the following fields to define the reallocation rule that reduces the base:
   - Business Unit
   - Object
   - Subsidiary
   - Subledger
   - Subledger Type
   - Table Amount
   - Split Amount Basis
   - Positive/Negative
4. Choose More Details.
5. Complete any of the following fields to further define the reallocation rule:
   - Component Code
   - Condition Code

- Ledger Type

The values you enter in these fields must be identical to the values you use to define the offsetting reallocation rule.

NOTE: The values you enter in these fields must be identical to the values you use to define the offsetting reallocation rule.

6. Complete any of the following optional fields:
   - Percent to Include
   - Create Link
   - Equipment
   - Revenue Entry Control
   - Units
7. On the next blank line, complete steps 2 through 6 to define the offsetting reallocation rule.

You must define at lease one positive and one negative reallocation rule for each amount basis and split basis for a reallocation to balance.

NOTE: You must define at lease one positive and one negative reallocation rule for each amount basis and split basis for a reallocation to balance.

8. Choose the Change action.

What You Should Know About

Percentage reallocations You can reallocate any portion of the base amount, up to 100%, to one or more accounts. For example, you might want to reallocate the tax portion of a base to a different account. To do this, you use the Percent To Include field. The percent by which you reduce the base amount must equal the percent that you reallocate.

Creating journals for base and component amounts

The system uses the base rule to create journal entries for the total of the base and component amounts. If you want the system to create separate journal entries for component amounts, you can assign a component code to a reallocation rule.

See *Adding Component Codes to Account Derivation Rules* for more information.

Conditional reallocation rules

If you want the system to create journal entries only under certain conditions, you can specify conditions for a reallocation rule. For example, if you want to create journal entries only when a workfile transaction's home business unit does not equal its source business unit, you can set up a condition.

Before you can specify a condition for a reallocation rule, you must set up condition codes.

NOTE: If you use conditional reallocation rules, the Journal Generation programs for Revenue Recognition and Billing require additional processing time.

See *Setting Up Condition Codes.*

Processing Options for Account Derivation Information

```
SECURITY OPTION:
1. To prevent access to certain table
   key types, enter '1's below.  Leave
   blank (default) to allow access.
   a. Key Type 1 (Work Order No.):                    _____
   b. Key Type 2 (Work Order Class):                  _____
   c. Key Type 3 (Contract No.):                      _____
   d. Key Type 4 (Parent Contract No.):               _____
   e. Key Type 5 (Customer No.):                      _____
   f. Key Type 6 (Job/Business Unit):                 _____
   g. Key Type 7 (Job Class):                         _____
   h. Key Type 8 (Company):                           _____
   i. Key Type 9 (Default for Account                 _____
      Derivation and Markup Tables):
```

Exercises

See the exercises for this chapter.

Assign Component Information

Assigning Component Information

The system processes the component information as a markup to the amounts in the source transactions. As a part of system setup, you define component rules. You then assign the component rules to the rules on Cost Plus Markup Table or Account Derivation Table.

Assigning component rules consists of the following tasks:

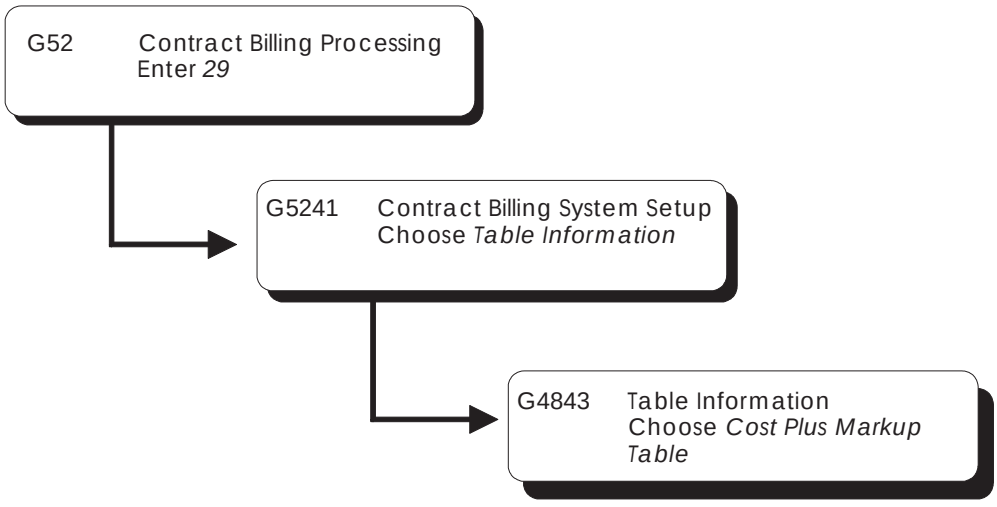
- ❑ Adding component rules to markup rules
- ❑ Adding component codes to account derivation rules

Before You Begin

- ❑ Define component rules. See *Defining Component Rules*.

Adding Component Rules to Markup Rules

Adding Component Rules to Markup Rules for Contract Billing



If you want the system to create separate workfile transactions for cost amounts and markup amounts, you can assign a component rule to a markup rule. Markup rules apply only to the costs related to T&M pricing types.

Before You Begin

❑ Define component rules

▶ To add component rules to markup rules

On Cost Plus Markup Table

1. Enter a 3 in the following field:
   - Generation Type
2. Complete the following fields to add a component rule:
   - Key Type
   - Table Key
   - Effective Dates
   - Object From
   - Object Thru
   - Subsidiary From
   - Subsidiary Thru
3. Choose More Details.
4. Complete the following fields to assign the component rule to the new markup rule:
   - Cost Table
   - Invoice/Revenue Table
5. Choose the Change action.

Field	Explanation
Component Cost Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup Table entry. The component table identifies the components and their calculation rules. These component amounts are applied as overhead to the original cost. You set up component tables on the Component Table Definition form.

Field	Explanation
Component Revenue Rate Table	A code that identifies a component bill table to use for this Cost Plus Markup table entry. The component table identifies the components and their calculation rules. These component amounts are recognized as revenue in addition to any revenue markups. You set up component tables on the Component Table Definition screen.

What You Should Know About

Assigning a component rule to existing markup rules

You can assign a component rule to an existing markup rule with a generation type of 1 or 2. To do this, locate the markup rule on the Cost Plus Markup Table form. You can specify a component rule for one or more lines on the form using the Cost Table field, Invoice/Revenue Table field, or both.

Basis for calculating components

The system calculates the component amounts based on the following:

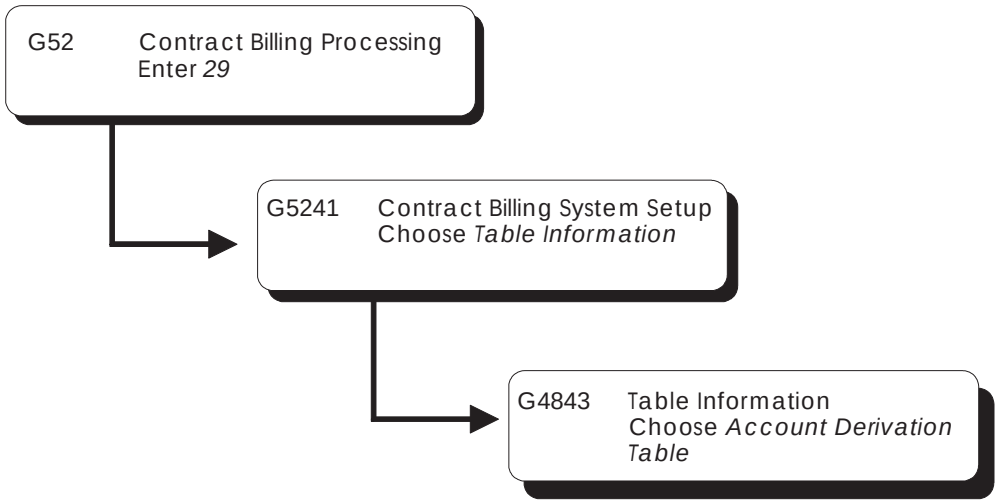
- Cost amount when generation type is 1 or 2 with a cost table. If both types 1 and 2 exist with a cost table, the system uses the information from the table for generation type 2 for the revenue amount.
- Invoice amount when generation type is 1 with an invoice/revenue table.
- Revenue amount when generation type is 2 with an invoice/revenue table.
- When the generation type is 3 with either a cost table or invoice/revenue table, the calculations are based on the default component information.

See Also

- *Defining Markup Rules (P48096)*
- *Defining Markup Rules for Contract Billing (P48096)*

Adding Component Codes to Account Derivation Rules

Adding Component Codes to Derivation Rules for Contract Billing



If you want the system to create separate journal entries for component amounts, you can assign a component code to an account derivation rule.

Before You Begin

❑ Define component rules

▶ To add component codes to account derivation rules

On Account Derivation Table

1. Complete the following fields to locate a specific account derivation rule for reallocation:
   - Table Type
   - Key Type
   - Table Key
   - Effective Date From
2. Choose More Details.
3. Complete the following field to specify the component code for the component calculation rule you want to add:
   - Component Code (Comp)

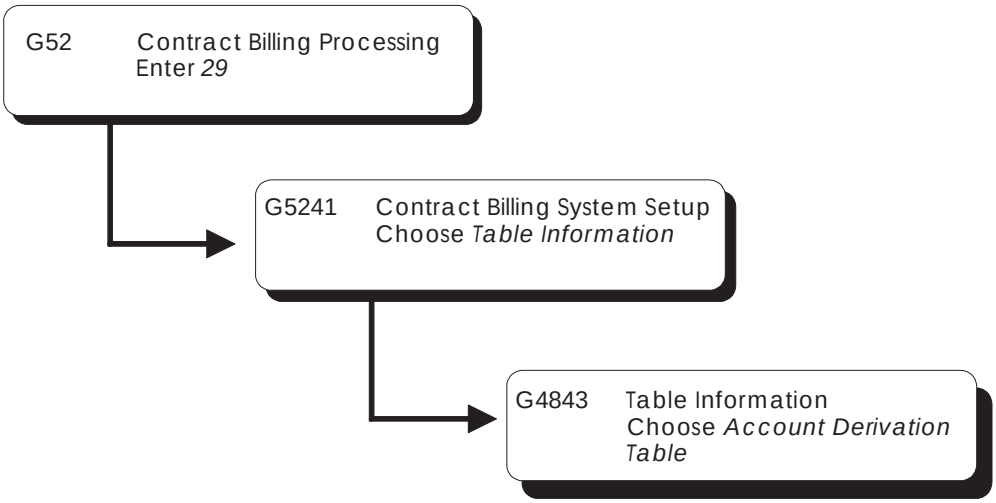
You cannot add a component code to a base rule.

4. Choose the Change action.

Exercises

See the exercises for this chapter.

Set Up Condition Codes



Setting Up Condition Codes

Setting Up Condition Codes for Contract Billing

Whenever you create journals for revenue recognition or billing, the system must follow instructions that you set up in the account derivation rules. If you want the system to create journals only under certain conditions, you can specify condition codes for reallocation rules that you define on Account Derivation Table.

For example, if you want the costs for a job to go to one account and the revenue for the job to go to another account, but *only* when the home business unit for the related workfile transactions do not equal the job, you can set up a condition.

You use the Condition Code Revisions form to set up and revise the codes that you apply to your reallocation rules. These codes define the conditions that transactions must meet before the system can create the resulting journal entries specified by the account derivation rules.

When you use condition codes, the system requires additional processing time to test each condition before creating the resulting journal entries.

Conditions

You use logical operators, retrieval references, and specific values to define the conditions that make up a condition code. Logical operators include *and*, *or*, *equal*, *not equal*, and so on. Retrieval references direct the system to specific variable information stored in system tables, such as data items. If you set up a condition code with multiple conditions, you use an *and/or* statement.

For example, you might define a condition as "Job equal to 5001." *Equal* is the logical operator. The retrieval reference directs the system to the data dictionary item for Job. Finally, *5001* is a specific value that refers the system to a specific job in the system. If you assigned a condition code that included this condition to a reallocation rule, the rule would only apply to transactions that included Job 5001 in the account information.

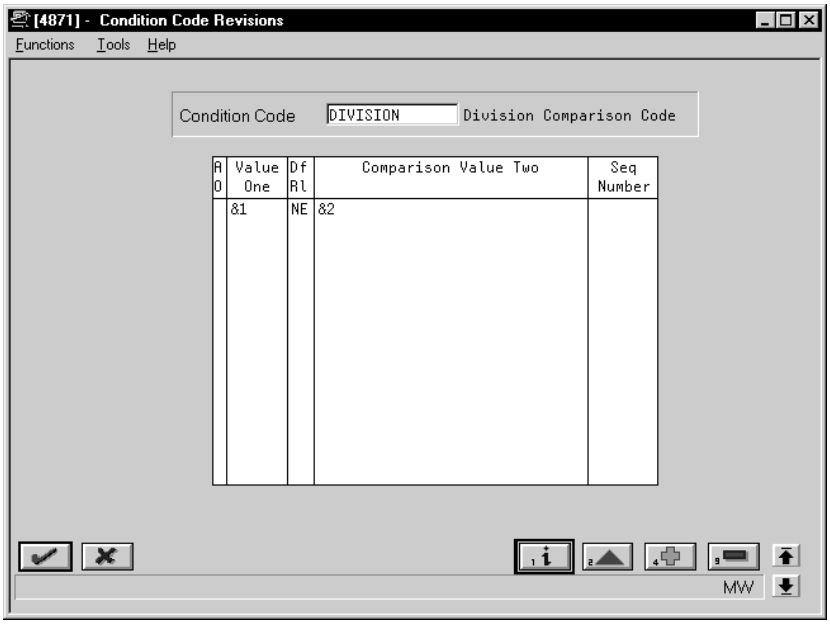
Before You Begin

❑ Set up the names for your condition codes on the user defined codes table 48/CC

▶ To set up condition codes

On Account Derivation Table

1. Complete the following fields to locate a specific reallocation rule:
   - Table Type
   - Key Type
   - Table Key
   - Effective Dates
2. Choose Condition Code Definition.



3. On Condition Code Revisions, complete the following field to locate a condition code:
   - Condition Code
4. Complete the following field to define more than one condition for the code:
   - And/Or Selection (AO)
5. Complete the following fields to define the conditions:
   - Value One
   - Relationship (Df Rl)
   - Comparison Value Two
   - Sequence Number (optional)

Field	Explanation
Condition Code	A descriptive name for a condition code. The code represents a set of logical tests of the relationships between specified values. You enter the values and their relationships to test on the Condition Code Revision form. When you use a condition code, all of the specified relationships for that code must exist before the system will create the resulting transactions for the table entry.
And/Or Selection	A code that determines whether compound data selection logic is based on an A = AND condition or an O = OR condition.

Field	Explanation
Comparison Value 1	The information entered in this field will determine the first value in a comparison of two values. This field must contain a Retrieval Reference Number, preceded by an ampersand (&). The retrieved value will then be compared to the value specified in Comparison Value 2 to determine if the relationship entered in the Relationship field is satisfied.
Operator	You can specify any of the following relationships: EQ Equal to LT Less than LE Less than or equal to GT Greater than GE Greater than or equal to NE Not equal to NL Not less than NG Not greater than
Comparison Value 2	This field represents the second of two values that will be compared. You can enter a specific value to be used in the comparison, or you can enter a Retrieval Reference Number, preceded by an ampersand (&). This value will be compared to the value referenced in the Value One field to determine if the relationship specified in the Relationship field is satisfied.

What You Should Know About

Retrieval references

You must specify a retrieval reference in the Value One field for each condition you define on the Condition Code Revisions form. Use only the retrieval references associated with variable information in system tables. Special retrieval references, such as *Add*, *Total*, and *Page,* do not apply to conditions.

Comparison values

You can specify a retrieval reference or a specific value in the Comparison Value Two field to define a condition.

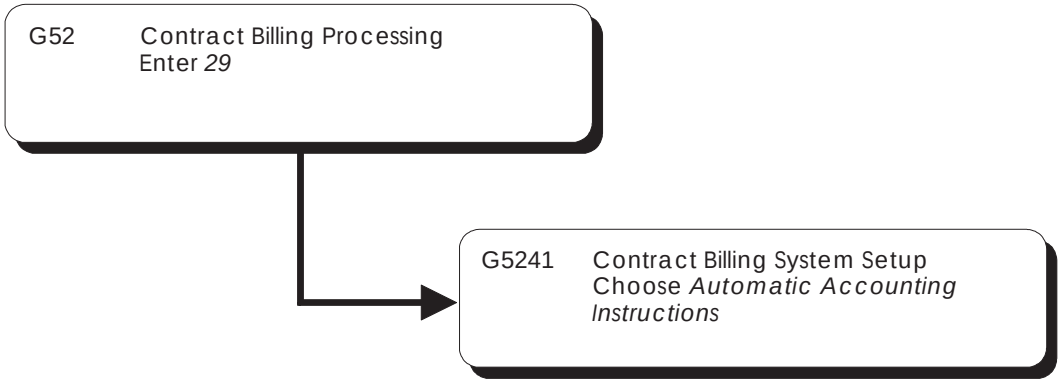
NOTE: If you specify a value in the Comparison Value Two field, you must enter the value using the same format that is used to store the information in the table you specify for the Value One field.

Sequencing conditions The system applies conditions to transactions in the order that the conditions appear on the Condition Code Revisions form. You can use the Sequence Number field to resequence the order in which the conditions apply to transactions. When you resequence conditions, the system redisplays the conditions in the appropriate order. Conditions for which you do not assign a sequence number appear before sequenced conditions in the order that they were entered on the form.

See Also

- *Working with Retrieval References* for more information about defining retrieval reference codes
- *Defining New Formats (P4850)* for more information about retrieval references

Set Up Automatic Accounting Instructions



Setting Up Automatic Accounting Instructions

Setting Up AAIs for Contract Billing

You must set up the RC automatic accounting instruction (AAI) to define the rules by which the Contract Billing and Accounts Receivable systems interact. The Contract Billing system uses the RC AAI (receivables class accounts) to determine the G/L account for the debit side of a journal entry for accounts receivable and retainage.

You must set up the BC AAIs to define the rules by which the Contract Billing and General Accounting systems interact. The Contract Billing system uses the BC AAI for the appropriate owner pay item and pricing type to determine the G/L account for the credit side of a journal entry for revenue.

The system stores the information for AAIs in the Automatic Accounting Instructions table (F0012).

You should be thoroughly familiar with AAIs before you change them.

CAUTION: You should be thoroughly familiar with AAIs before you change them.

The Contract Billing system uses the following AAIs:

RC	Receivables class accounts
RCRETN	Retainage
BC01	Lump sum
BC02	Unit price
BC03	Fee lines
BC04	Milestone billing
BC05	Progress billing
BC06	Direct draw
BC07	Rated draw

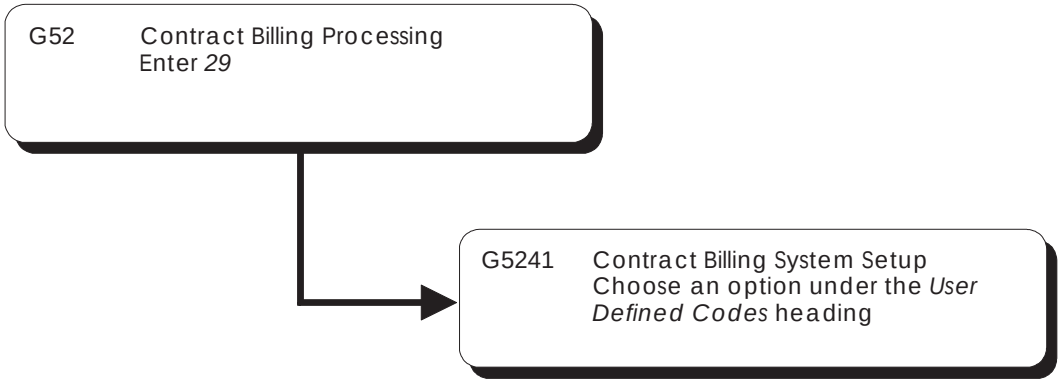
See Also

- *Setting Up AAIs for General Accounting (P00121)* in the *General Accounting I Guide*
- *Setting Up AAIs for A/R (P00121)* in the *Accounts Receivable Guide*

Exercises

See the exercises for this chapter.

Set Up User Defined Codes



Setting Up User Defined Codes

Setting Up User Defined Codes for Contract Billing

To customize J.D. Edwards systems to meet the needs of your business environment, you define the codes that are valid for many of the fields in the programs.

User defined codes exist in tables based on a specific system and code type. If you use a code that is not set up in the table related to a field, the system displays an error. To work with user defined codes, you can access them through a single user defined code form. After you select a user defined code form from a menu, change the values in the System Code field and User Defined Codes field to access another user defined code table.

The system stores the information for user defined codes in the User Defined Codes table (F0005).

You should be thoroughly familiar with user defined codes before you change them.

CAUTION: You should be thoroughly familiar with user defined codes before you change them.

The following user defined codes are the primary codes that affect processing in the Contract Billing system:

- Adjustment Reasons (48/AR)
- Condition Codes (48/CC)
- Component Codes (48/CM)

You can use other user defined codes, such as Contract Status (52/CS) and Category Codes (52/01 – 05) for informational and reporting purposes.

See Also

- *Technical Foundation Guide* for more information about setting up user defined codes
- *Changing the Markup for a Transaction for Billing in Contract Billing*, or *Changing the Markup for a Transaction for Revenue Recognition in Contract Billing*, or *Changing the Markup for a Transaction for Revenue and Billing in Contract Billing*
- *Changing the Markup for a Transaction for Billing*, or *Changing the Markup for a Transaction for Revenue Recognition*, or *Changing the Markup for a Transaction for Revenue and Billing*
- *Setting Up Condition Codes*
- *Defining Component Rules*

Invoice Formatting

Invoice Formatting

Objectives

- To understand invoice layouts and formats
- To create layouts and formats for printed invoices
- To understand retrieval references
- To access variable information for an invoice from multiple sources

About Invoice Formatting

You can use invoice formatting to design printed invoices that meet the specific information requirements of your business and customers. You can design a wide variety of invoices.

For example, an invoice might include only summarized transaction information, such as a single line description for the total for all employee hours. A more complex invoice might also show the total for all employee hours, but present the information in detail to show employee overtime hours, part-time hours, and so on, with a subtotal for each new group of transactions.

The information you choose to print on the invoice can be retrieved from various systems, such as Contract Billing, Address Book, and Work Orders.

Before you design printed invoices, you should have a clear idea about how you want the final invoice to appear. Consider the types of information you want to include on the invoice, the visual appearance of the information on the invoice, and where that information resides in the system. Then, you can design invoice layouts for your customer invoices.

Invoice formatting consists of the following tasks:

- ❑ Understanding formats
- ❑ Working with invoice layouts
- ❑ Working with formats
- ❑ Defining new formats
- ❑ Defining custom retrieval codes

Understand Formats

About Formats

When you use Invoice Formatting to design invoices, you must systematically build your invoice layout in sections. The number of sections depends on the complexity of your invoice. You should design your invoice layout on paper first, so that you can identify the different sections you need to create and where the sections fit into the overall design for your invoice.

The term *layout* refers to the overall design of a printed invoice. The term *format* refers to a section of a printed invoice, such as the header, detail information, and total. You define formats to specify the type of information that prints on an invoice and the visual presentation of the information on the invoice.

An invoice typically includes the following formats:

Header	Appears at the beginning of the first page of the invoice and might include the customer's name and address, remit-to information, the invoice number, and the date.
Alternate header	Appears at the beginning of subsequent pages of the invoice. The alternate header might include the invoice number, the date, the customer's name and address, and invoice page information, such as Page 2 of 4.
Detail information	The itemized charges on an invoice. Detail information can include summarized and detailed charges. A complex invoice might include multiple detail sections with subtotals.
Total	The total amount due and payable. The amount of the total is usually a computed value based on the detail information presented on the invoice.

You define formats to organize each section of information that prints on each customer invoice. A format can include variable information you direct the system to retrieve from system tables and invariable information that you type directly on the format. For example, you might type "To:" on a header format. You might then specify that the system prints the customer's name and address on the following lines of the format. You would not type the customer's name and address on the format, because that information is variable and changes from invoice to invoice. Instead, you define a series of codes to direct the system to the customer's name and address stored in the system tables.

The following diagram is a sample invoice that illustrates the different formats you can define within an invoice. The italicized text represents variable information.

INVOICE HEADER FORMAT

INVOICE *8736* *June 30, 1998*

To: *Toxins Cleanup, Inc.*
666 Geiger Way
Los Alamos, NV 18621

Remit to: *Jim's Backhoe Service*
900 Gold Street
Aurora, IL 60634

DETAIL FORMATS (HEADER, DETAIL, TOTAL)

Work Order *1021 – Dig Waste Dump*

Employee	Date	Hours	Rate	Billing Amount	Totals
Jim Hartung	*06/01/98*	*8*	*25.00*	*200.00*	
Jim Hartung	*06/03/98*	*4*	*25.00*	*100.00*	
Total – *Jim Hartung*					$*300.00*
Bobby Hartung	*06/02/98*	*8*	*16.00*	*128.00*	
Total – *Bobby Hartung*					*$128.00*

INVOICE TOTAL FORMAT

Total Due and Payable $*428.00*

Invoice Header

The invoice header prints on the first page of the invoice. Invoice headers might include:

- Invoice number and date
- Customer's name and address
- Remit-to information, such as the name and address of the company to which payment should be sent

You can also design an alternate header for subsequent pages of an invoice. If you do not design a format for an alternate header, all subsequent pages of your invoice print without a header.

Detail Formats (Header, Detail, Total)

You can define the following detail formats for the major sequence and each of the grouping keys:

- Major sequence header
    - Grouping key detail header
        - Detail sequence header
        - Grouping key detail
        - Detail sequence total
    - Grouping key detail total
- Major sequence total

The following diagram further illustrates the formats you can define within the detail formats (header, detail, total) section of the sample invoice. The italicized text represents variable information.

Major Sequence Header

Work Order *1021 – Dig Waste Dump*

Detail Sequence Header

Employee	Date	Hours	Rate	Billing Amount	Totals

Grouping Key Detail

Jim Hartung	*06/01/98*	*8*	*25.00*	*200.00*	
Jim Hartung	*06/03/98*	*4*	*25.00*	*100.00*	

Detail Sequence Total

Total – *Jim Hartung*	$*300.00*

Grouping Key Detail Total

Employee Total	$*428.00*

Invoice Total Format

The invoice total format prints at the end of the invoice. The invoice total format might include:

- Total invoice amount
- Text, such as Total Due and Payable
- Currency symbols and underscores
- Seasonal greeting or other information

Test Yourself: Invoice Formatting

1. True or False

   The information you include on your invoices can be retrieved only from the Contract Billing system.

2. A layout refers to:

   A. The overall design of a printed invoice
   B. A collection of formats for the printed invoice
   C. The detail for the printed invoice, such as Remit To information
   D. A and C
   E. A and B

3. List and give an example of the two types of information that can be included in a format.

   _____

   _____

4. True or False

   The Invoice Header prints on all pages of the invoice.

5. True or False

   Detail Formats are defined for the Major Sequence and Grouping Keys.

6. True or False

   You can define Detail Formats for headers, details, and totals.

The answers are in *Appendix A*.

Work with Invoice Layouts

Working with Invoice Layouts

The term *layout* refers to the overall design of a printed invoice. A layout consists of multiple formats. You define formats to organize each section of information that prints on each customer invoice. Before you can define the formats that you want the system to apply to the invoices you generate on the system, you must define a layout structure to which you can attach the individual formats. You can then identify a series of formats that make up an entire layout by the associated layout structure name.

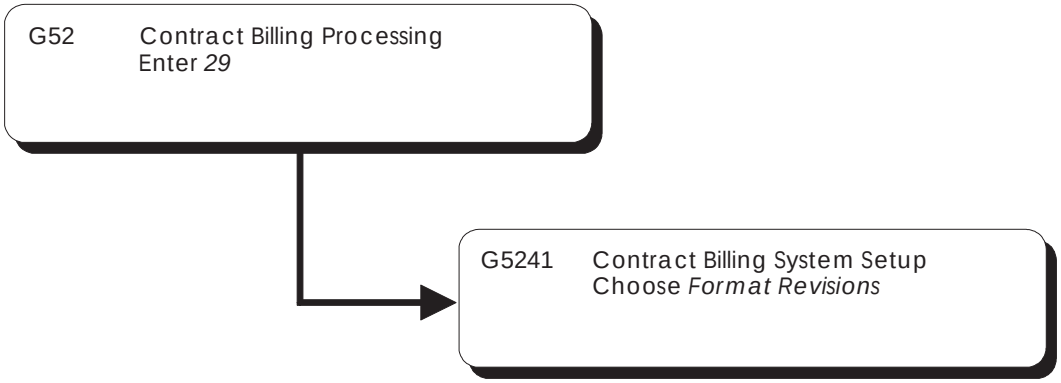
When you define a layout structure, you determine how the system sequences and groups the billing information you want to print on the invoice. Invoice Formatting includes the most frequently used data items that you can use to order the billing information on your invoices. You can further customize how billing information prints on invoices by adding invoice format data items to the data items already listed for the system.

After you define a layout structure for each layout you want to design, you can assign the layouts to the contracts that you generate in the system.

Working with invoice layouts consists of the following tasks:

- ❑ Defining a layout structure
- ❑ Adding invoice format data items
- ❑ Assigning invoice layouts

Defining a Layout Structure



The first step in working with invoice layouts is to define the structure of each layout you want to design for your printed invoices. You use the layout structure to:

- Create the formats that make up a layout
- Sequence and group the billing transactions within the layout
- Determine the layout that you want to print for each invoice you generate in the system

You define a layout structure by first assigning it a user-designated invoice format code and invoice type. You assign invoice format codes and invoice types to layout structures so you can create the related header, detail, and total formats that make up your invoice layout. Typically, you define at least one invoice format code for a general invoice layout that meets the needs of the majority of your customers. You can also define invoice format codes for the customized invoice layouts you design for specific customers.

You also use the layout structure to define how you want the system to sequence and group the billing information on the printed invoice. To do this, you must determine how you want to group and sequence workfile transactions on the invoice. Generally, the grouping and sequencing you use to print differs from the grouping and sequencing you use to generate the pay items that make up each invoice. To sequence and group billing information on a printed invoice, you must define the following:

Major sequence

You must specify at least one data item in the major sequence for every invoice layout you define. The major sequence controls the grouping and sequencing for the overall invoice layout.

The system uses the first data item in the major sequence to determine when one invoice ends and the next begins. Generally, you use the last data item to identify how billing information is grouped on the printed invoice. If you do not specify a data item in the major sequence, you will be unable to use the layout to print invoices.

Grouping key

You define a grouping key to control how the system groups individual billing transactions on a printed invoice. The grouping key is generally the last data item you specify for the major sequence.

Grouping key ranges

You must assign grouping key ranges to control how the system determines the sequence in which to print billing transaction groups on invoices based on your grouping key. For example, if the grouping key for the layout is Object Account, the grouping key ranges you assign for the layout must refer to valid object account numbers you have set up in your chart of accounts.

Detail sequences for the grouping key ranges

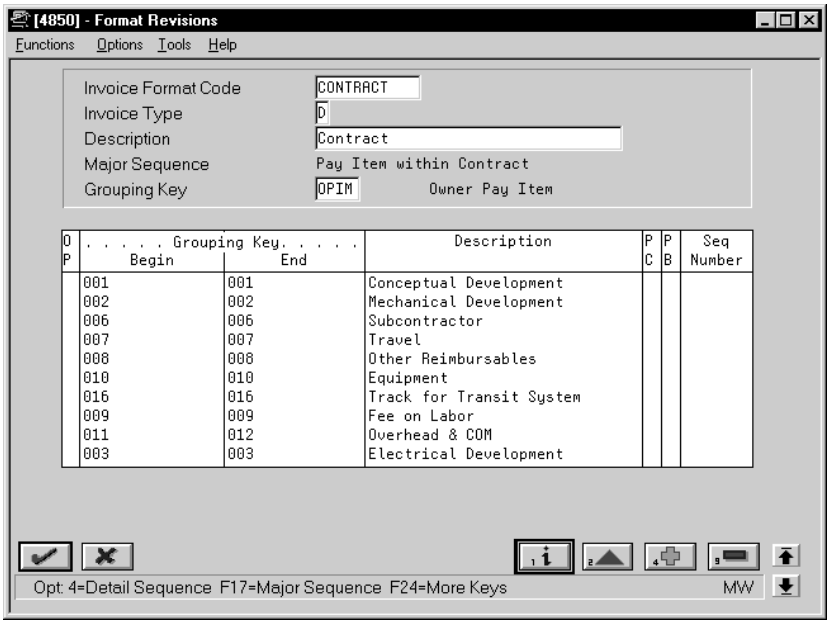
You can define a detail sequence for each of the grouping key ranges that you include in a layout structure. The detail sequence you specify further defines the grouping key range you set up for the invoice layout. Each sequence indicates where you want divisions between groups of transactions and the level of detail you want to print for the transaction groups.

For example, if your layout consists of grouping key ranges for labor and materials, you can assign each range a unique detail sequence. The detail sequence you define for labor might include employee name and date worked. The detail sequence you set up for materials might be grouped by supplier name, invoice number, and date.

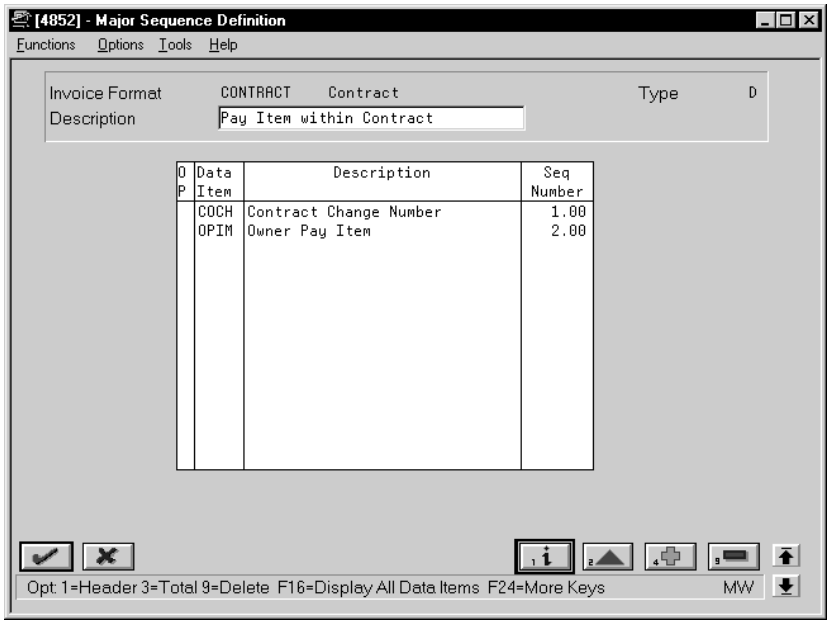
You must assign a sequence number to at least one data item in a detail sequence. If you assign more than one data item to the detail sequence, the system uses the last item of the detail sequence as the indicator to print the billing detail transaction line. For example, to summarize charges on an invoice by supplier, you define the data item for supplier number as the last line in the sequence definition.

To define a layout structure

On Format Revisions



1. Complete the following fields:
   - Invoice Format Code
   - Invoice Type
   - Description
2. Choose Major Sequence.

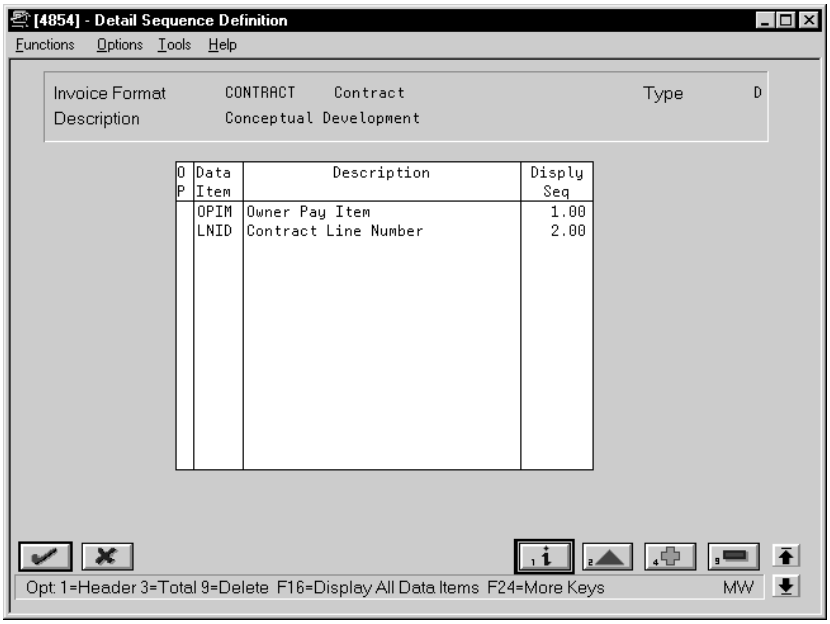


3. On Major Sequence Definition, choose Display All Data Items to see a complete list of the available data items.
4. Complete the following fields to define the major sequence:
   - Sequence Number
5. Use the Add action.
6. Choose Exit Program.
7. On Format Revisions, complete the following fields to assign a grouping key and grouping key ranges to the layout:
   - Grouping Key
   - Grouping Key Begin
   - Grouping Key End
   - Description
8. Complete the following optional fields to print component and burden information on the invoice:
   - Print Component Control
   - Print Burden Control
   - Sequence Number
9. Use the Add action.

   The system clears the form.

10. To locate the layout, complete the following fields:
    - Invoice Format Code
    - Invoice Type
11. Choose the Inquire action.
12. Choose Detail Sequence for the grouping key ranges.

    You must define a detail sequence for each grouping key range of transactions that you want to print on the invoice.



13. On Detail Sequence Definition, choose Display All Data Items.
14. Complete the following field for the data items you want to include in the sequence:
    - Display Sequence
15. Choose the Add action.

    The system clears the form.

16. Choose Exit Program.
17. Complete steps 11 through 15 until you have defined a detail sequence for each grouping key range on the Format Revision form.

Field	Explanation
Invoice Format Code	A code that uniquely identifies a series of formats and determines the overall format of the invoice.

Field	Explanation
Invoice Type	A user defined, alphanumeric code that identifies different versions of the same format series. For example, you might use the code D to distinguish draft invoice formats from final invoice formats with code type F.
Grouping Key	You use this code to indicate the lowest level of detail you want to print on an invoice. The code represents a field in the Service Billing Workfile and controls the selection of information for the detail level of the format layout. The system compares values in the Grouping Key ranges you define with this field value on each Service Billing Work file transaction to determine if the transaction should be included in the format you create for this level of the invoice. For example, OBJ is the field for the object account. If you use OBJ as the Grouping Key for a layout, all billing transaction details are grouped by object account number, depending on the grouping key range you specify for the layout.
Sequence Number	A number that the system uses to sequence information. . . . . . *Form-specific information* . . . . . . A number that defines where, within the major sequence, you want the data item to appear. For example, a sequence number of 1 indicates that the data item appears first on the invoice. Typically, you assign the invoice number to appear first. The last data item in the sequence is usually the grouping key for the invoice layout.
Group Begin	A beginning value for a range within the Grouping Key. The system uses this range to select transactions it assigns to the detail level format for the invoice. If you leave this field blank, the system includes all values less than or equal to the Group End value.
Group End	An ending value for a range within the Grouping Key. The system uses this range to select transactions it assigns to the detail level format for the invoice. If you leave this field blank, the system includes all values greater than or equal to the Group Begin value.

Field	Explanation
Print Component Control	A code that indicates whether or not you want the system to process markup components as independent items. Valid values are: blank Allow independent processing of markup components. When you choose this value, the system processes markup components like other items in the Service Billing Workfile and uses the sequencing and summarization you specify for the format. 1 Do not process components independently. When you choose this value, you can only access information related to components by using the third parameter on the AMOUNT Retrieval Code. This allows you to print component amounts as they relate to their basis records.
Print Burden Control	A code that indicates whether burden transactions print independently or are always included within the amount of the associated labor transaction. Valid values are: blank DO NOT print burden separately. Always roll burden amounts into the amounts of the associated labor transaction. 1 Allow burden transactions to print independently, subject to sequencing and summarization defined for the invoice format.

What You Should Know About

Changing sequence numbers of data items

To change the sequence of data items in a major sequence or detail sequence, you can:

- Enter a new sequence number in place of an existing number
- Clear the existing sequence number

Deleting sequenced data items

To remove all of the data items in a major or detail sequence, choose Delete for any of the data items. Then, choose the Change action. The system removes all the sequence numbers for the data items.

Deleting grouping key ranges

To remove all of the ranges for a grouping key, choose Delete for any of the ranges. Then, choose the Change action. The system removes the ranges.

Defining overlapping or repeating grouping key ranges

To print a summarized billing transaction line followed by details of the transactions, you can define grouping key ranges that include overlapping or repeating values for the grouping keys.

For example, you might print a summary of the labor charges followed by the details of the burden. To do this, you define a range of grouping keys for your labor accounts as the summary of labor expenses. Then, you define another grouping key range using a subset of the labor accounts for the range of the burden expenses. (In this example, you also need to complete the Print Burden field to print burden on the invoice.)

Assigning sequence numbers to grouping key ranges

You cannot change the print sequence for a layout by adding or reassigning sequence numbers after you define a grouping key range. The changes you make to sequence numbers on the Format Revisions form change only the order of the grouping key display on the form.

For example, the original grouping keys and their related detail formats were defined in the following object account order:

- Labor
- Uniforms
- Equipment
- Licenses

If you resequence the grouping key ranges so that they are in alphabetical order, the display becomes:

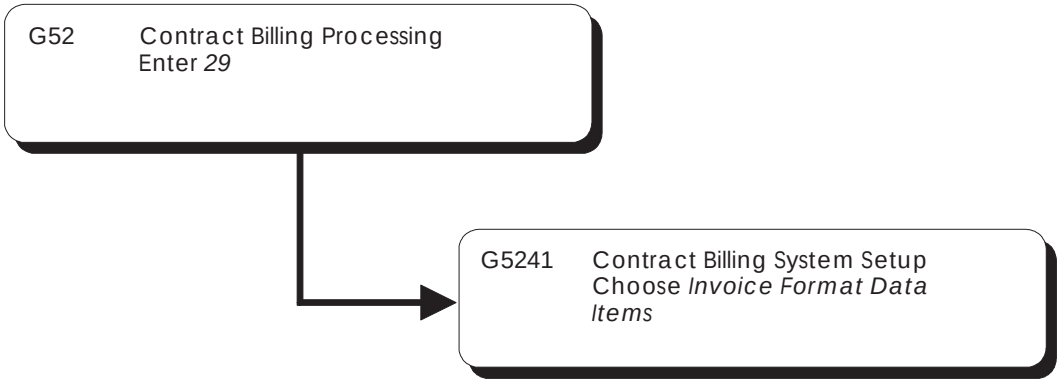
- Equipment
- Labor
- Licenses
- Uniforms

When you print the invoice, the first printed line on the invoice shows the detail formats defined for labor because labor is associated with the first physical line on the form.

Exercises

See the exercises for this chapter.

Adding Invoice Format Data Items



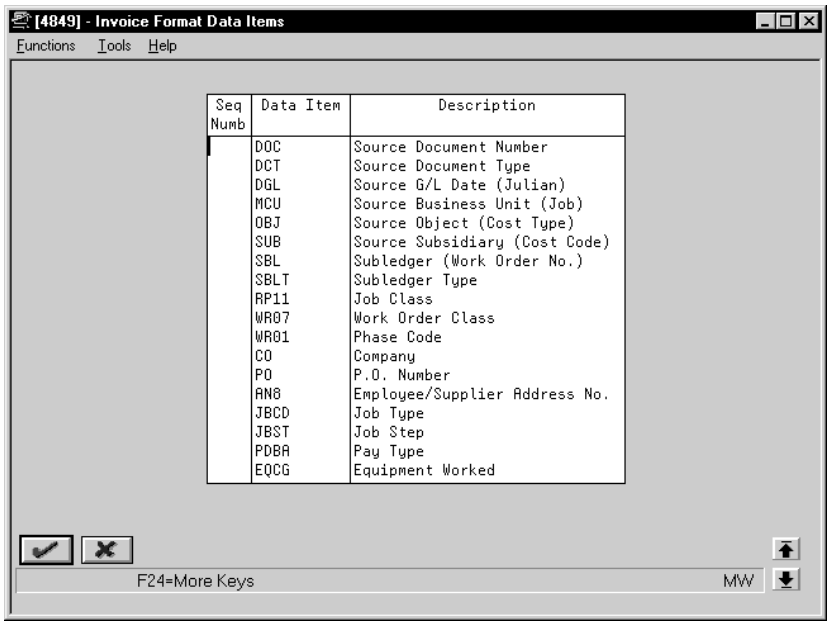
You use data items to sequence and summarize billing information within an invoice. J.D. Edwards includes only the most frequently used invoice format data items in the Available Data Items table (F4849). If you want to sequence your invoices by a data item that is not included in the Available Data Items table, you can add data items from the Service Billing Workfile (F4812) to the table at any time.

For example, the data item for the supplier's invoice number is not a frequently used invoice format data item. On a given date, you might make two separate purchases from the same supplier so that you can complete work for your customer. The supplier issues two different invoices for the purchases.

To print the billing information for each supplier invoice on a separate line of the invoice that you send to your customer, you use the data item that stores the supplier's invoice number. After you add the data item to the Available Data Items table, you can use the data item to define your major or detail sequence, depending on your invoice layout.

To add invoice format data items

On Invoice Format Data Items



1. Locate a blank line.

Do not type over any existing data items on the Invoice Format Data Items form. Typing over an existing data item deletes it from the Available Data Items table and can cause unpredictable results.

2. Complete the following fields:
   - Data Item
   - Description
3. Complete the following optional field:
   - Sequence Number

Field	Explanation
Sequence Number – Service Billing Trans.	A number that provides an audit trail for the billing detail transactions related to the same billing control ID. The system initially assigns 001 as the sequence number (SBSQ) of the original transaction. If you split a transaction, the system increments the number to the next available sequence numbers (SBSQ) for the resulting transactions. . . . . . *Form-specific information* . . . . . . On this screen, the sequence number determines the order in which the data items will appear on the Major Sequence Definition screen and the Detail Sequence Definition screen. (Press F16 on those screens to see the complete data sequence of valid data items.) NOTE: Blank data items will appear before those with sequence numbers. For example, if you enter a sequence number of 1 for DOC, all of the blank data items will be listed with the DOC data item at the end of the list.
Data Item	The key fields that define the invoice sequencing. Specific data item fields in the Service Billing Workfile have been designated as valid data items.

See Also

- *Appendix G — Field Derivations for the F4812* for a list of common data items that you can use when you create invoice layouts.

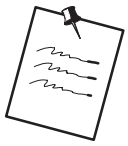
Exercises

See the exercises for this chapter.

Assigning Invoice Layouts

When you assign invoice layouts, you link invoice layouts to invoice information that you generate on the system. The link you establish determines which layouts the system uses to print the invoices. This is especially helpful if you have customers with unique invoice requirements and you create a variety of layouts to accommodate these needs. You can print all of these invoices in the same batch, regardless of differences between invoice layout designs, provided all layouts contain the same value for the invoice type as the value specified in the processing options for the Print Invoices program.

If you create a standard layout, you can set up a cross-reference to globally assign the layout to all of your customers or to customers that meet specific criteria. The cross-reference you set up is the default that the system uses for printing invoices. You can override the default by assigning a specific layout to a contract.



You must assign an invoice layout to every invoice you plan to print. If the invoice you want to print does not meet the criteria you set up for global layout assignments, and you have not assigned a specific invoice format code to a contract, the invoice will not print.

Assigning invoice layouts consists of the following tasks:

- ❑ Assigning layouts globally
- ❑ Assigning invoice format codes to contracts

Before You Begin

- Define an invoice layout

Assigning Layouts Globally

You can globally assign the invoice format code that identifies the layout you want to use when you print invoices for specific customers. Assigning layouts globally is helpful if you want to use the same invoice layout design for:

- All customers
- A specific group of customers

This saves time, especially if you print a large number of invoices.

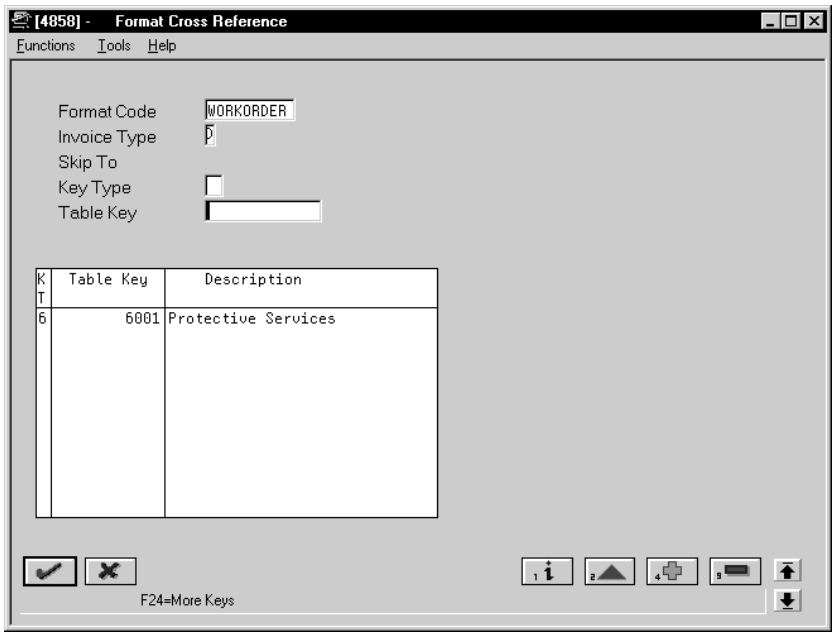
When you print invoices, the system uses the cross-reference information you set up to identify the correct design you want to use for printing each invoice within a batch of generated invoices. The cross-reference information you assign to a layout consists of key type and table key combinations that the system uses to match with the values in the billing transactions that make up individual invoices.

For example, you might assign a key type and table key combination for a layout that indicates a specific customer number. When you print invoices, the system matches the key type and table key combination for the layout to the invoice information that includes the specific customer number.

▶ To assign layouts globally

On Format Revisions

1. To locate the layout you want to assign, complete the following fields:
   - Invoice Format Code
   - Invoice Type
2. Choose the Inquire action.
3. Choose Format Cross Reference.



4. On Format Cross Reference, complete the following fields:

   - Key Type
   - Table Key

   After you enter the information, the system updates the Format Cross Reference table (F4858).

Field	Explanation
Key Type	A code that the system uses in combination with the table key to locate the applicable tables for transactions. Valid codes are: 1 Work order number 2 Work order class 3 Contract number 4 Parent contract number 5 Customer 6 Job or business unit 7 Job class 8 Company 9 Default Be aware of the following: • You cannot use key type 3 or 4 (contract numbers) with Tax Derivation and G/L Offset & Retainage tables. • You cannot use key type 8 (company) with G/L Offset and Retainage tables. • You can use key type 9 (default) only with Account Derivation and Cost Plus Markup tables. The key type controls the search window you access from the Table Key field when you use field sensitive help. With key type 1, for example, you access the Work Order Search window. With key type 2, you access the User Defined Codes window for work order class.

Field	Explanation
Table Key	The table key is used in combination with the key type to locate and edit the source and/or billing detail transactions against the various tables in the Service Billing and Contract Billing systems. The key type and respective table key validations are as follows: 1 Work order number. — Work Order Master (F4801) 2 Work order class — User Defined Code (00/W7) 3 Contract number — Contract Master (F5201) 4 Parent contract number — Contract Master (F5201) 5 Customer — Address Book Master (F0101) 6 Job or business unit — Business Unit Master (F0006) 7 Job class — User Defined Code (00/11) 8 Company — Company Constants (F0010) 9 Default Be aware of the following: • You cannot use key type 3 or 4 (contract numbers) with Tax Derivation and G/L Offset & Retainage tables. • You cannot use key type 8 (company) with G/L Offset and Retainage tables. • You can use the combination of key type 9 (default) and table key *ALL only with Account Derivation and Cost Plus Markup tables.

What You Should Know About

Assigning keys to multiple layouts

You can assign the same key type and table key to multiple layouts if the layouts have the same invoice format code, but different invoice types.

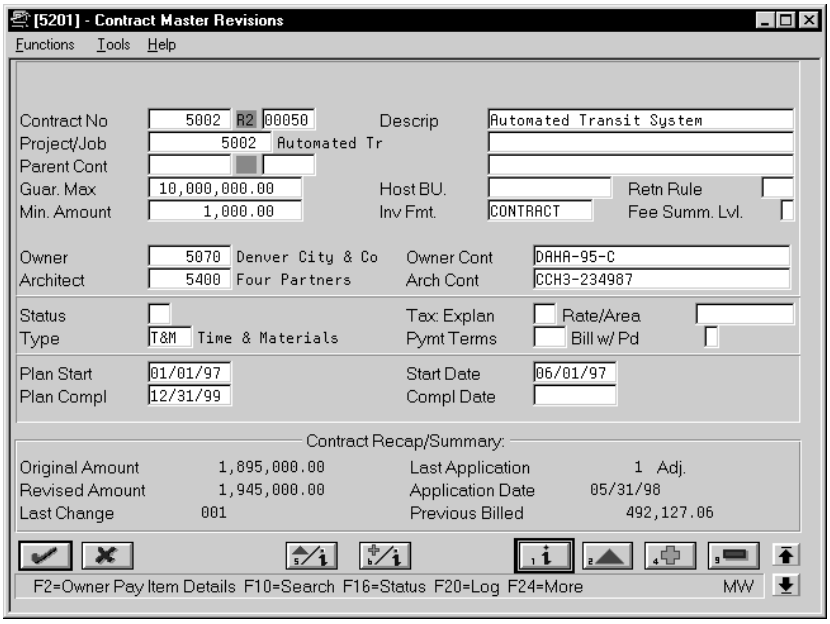
Assigning Invoice Format Codes to Contracts

From the Contract Billing Processing menu (G52), choose Contract Master Revisions.

If you use the Contract Billing system, you can assign an invoice format code for a specific layout directly to your contracts without assigning layouts globally. The layout you assign directly to a contract overrides any cross-reference information you set up on the Format Cross Reference form.

▶ To assign invoice format codes contracts

On Contract Master Revisions

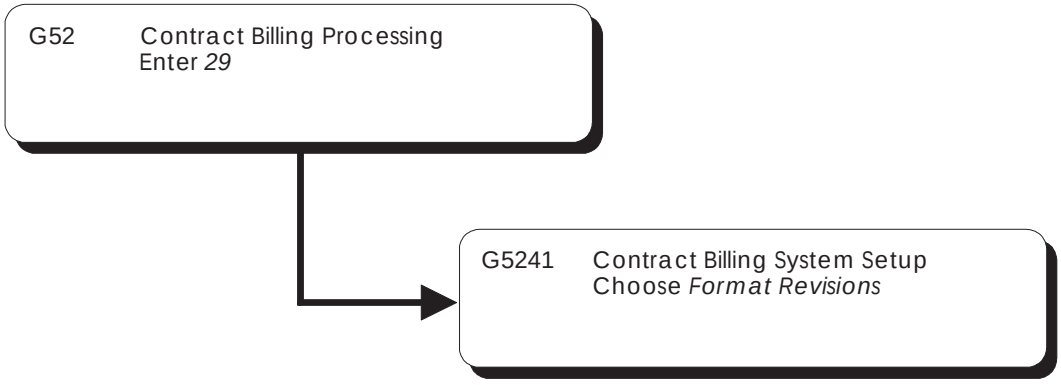


1. To locate a contract master, complete the following field and press Enter:
   - Contract Number
2. Place the cursor in the following field:
   - Invoice Format Code
3. Choose Field Sensitive Help.
4. On Invoice Format Selection, choose Return with Value for the invoice format code of the layout you want to assign to the contract.
5. On Contract Master Revisions, use the Change action.

Exercises

See the exercises for this chapter.

Work with Formats



Working with Formats

When you design the layout for a printed invoice, you must determine the information you want to print on the invoice. You should design your invoice on paper before you begin. For example, you might want to use a preprinted invoice as a model to help you plan:

- The types of headings that print on the invoice
- Where subtotals will be calculated and printed on the invoice
- Billing transaction detail requirements
- How to group billing details on the invoice

After you have determined the appearance for the printed invoice, you can define the specific formats within the layout to accommodate that information. The series of formats that you define for a layout design are grouped in the system by a user-designated invoice format code and invoice type.

You can review the format definitions that already exist on your system. If you want to use an existing format definition, you can copy the definition to a format in your layout. After you copy a format, you can modify it to suit your needs.

Working with formats includes the following tasks:

- ❑ Reviewing format definition forms
- ❑ Copying formats

Reviewing Format Definition Forms

After you define a layout structure, the system assigns each invoice format code and invoice type combination a total of 10 different format types. You can use any of the format types to define formats. You define formats by placing retrieval references and invariable information on format definition forms. Your placement of retrieval references and invariable information within a specific format definition form determines the overall appearance and organization of information on your printed invoices.

You can review the following format definition forms for the format types associated with a layout structure:

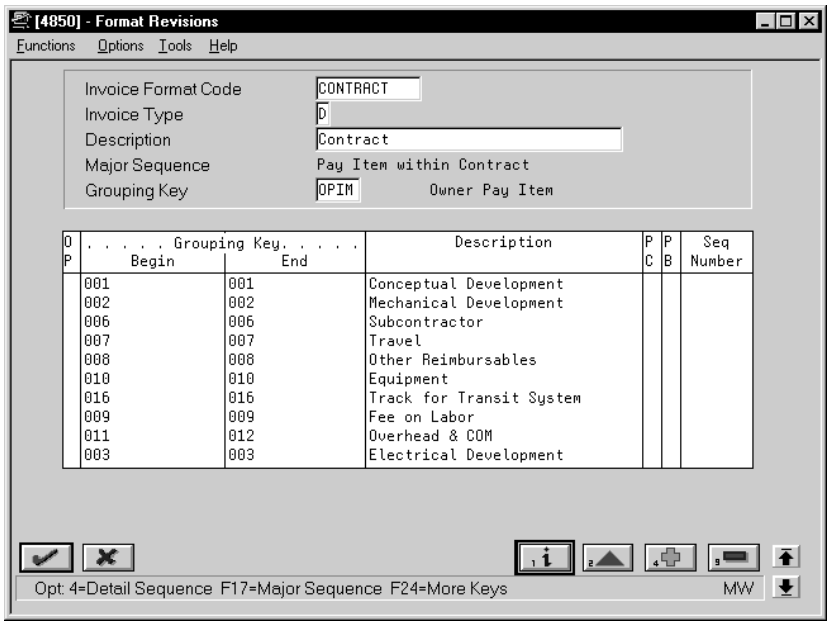
Five heading formats	Overall heading
	Overall alternate heading
	Major sequence heading
	Detail sequence heading
	Detail heading (for grouping key range)
Four totals formats	Overall total
	Total by detail (for grouping key range)
	Major sequence total
	Detail sequence total
One detail format	Detail detail (for grouping key range)

Before You Begin

❑ Define layout structures. See *Defining a Layout Structure.*

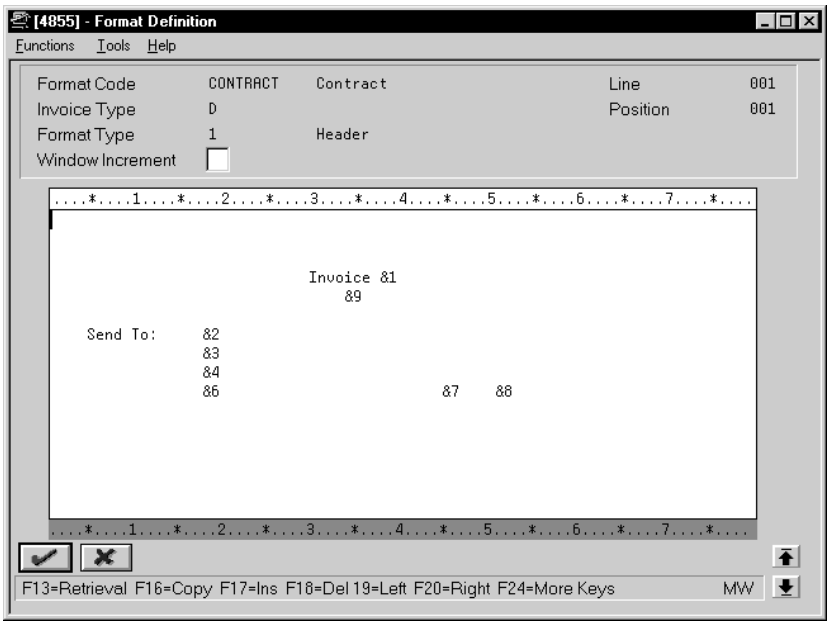
To review format definition forms

On Format Revisions



1. To locate a layout structure, complete the following fields:
   - Invoice Format Code
   - Format Type
2. Choose the Inquire action.
3. Choose any of the following functions to review a specific format definition form for the layout structure:
   - Header Format Definition
   - Alternate Header Format Definition
   - Total Format Definition

The following example shows the Format Definition form for the header of the layout structure.



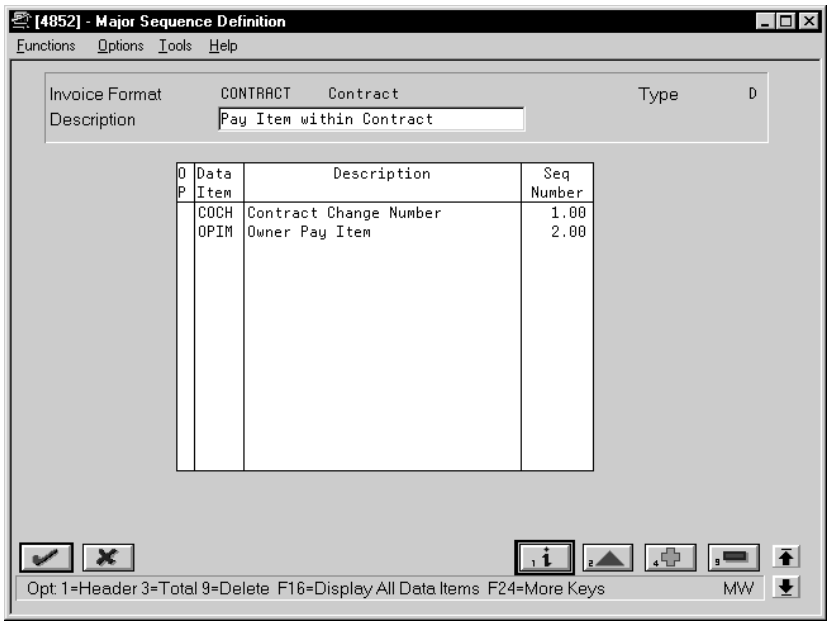
4. Choose Exit Program to return to Format Revisions.

   The system displays a message prompting you to save any changes you made to the Format Definition form.

5. Complete the following field and press Enter:

   - Save Changes (Y/N)

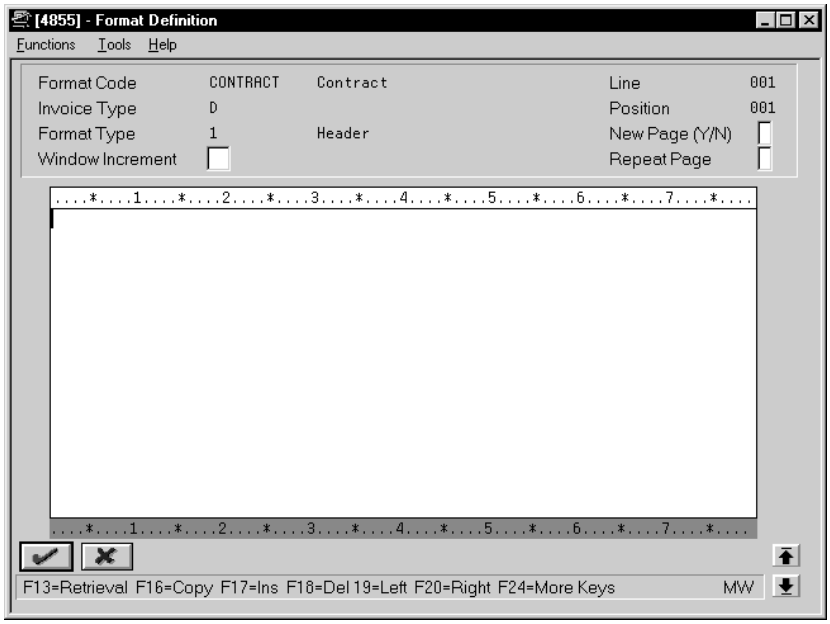
6. On Format Revisions, choose Major Sequence.



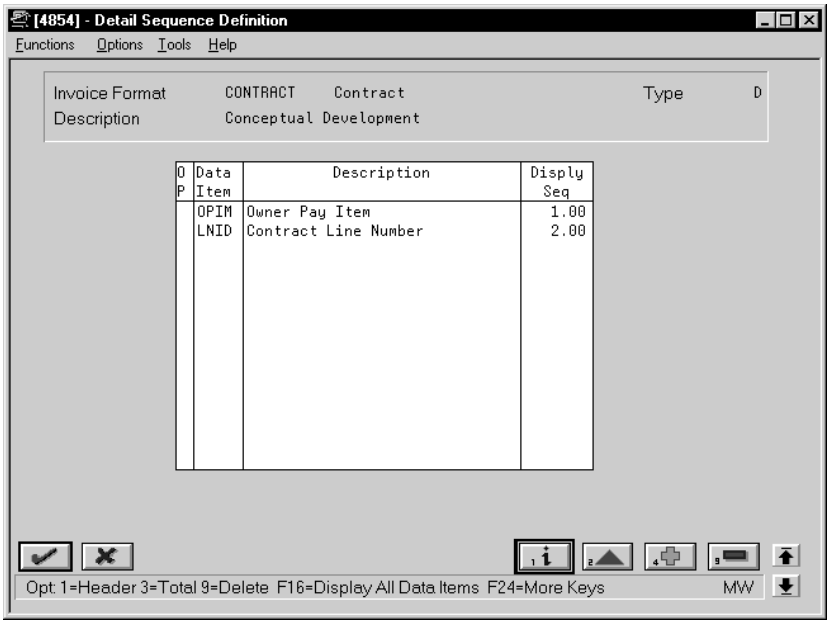
7. On Major Sequence Definition, choose any of the following options to review a specific Format Definition form for a data item in the major sequence:

   - Header
   - Total

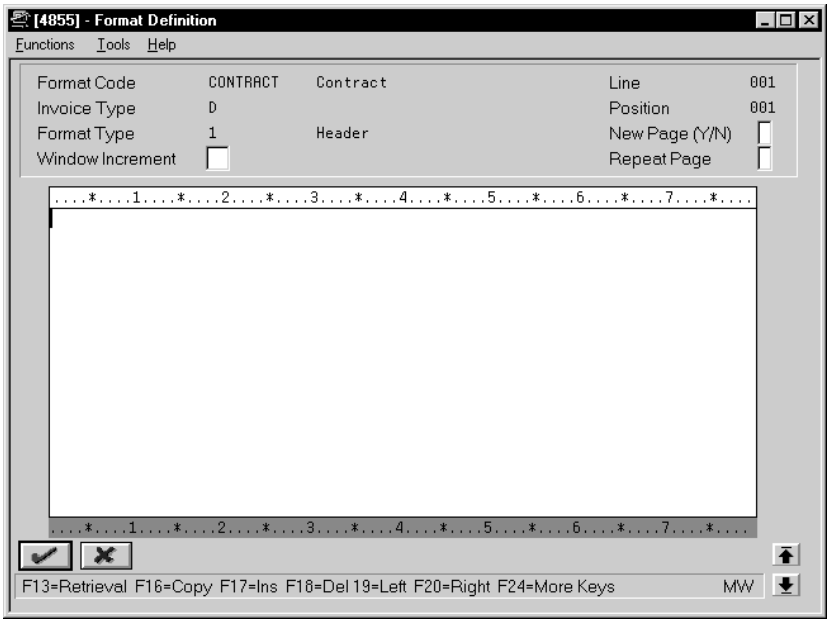
   The following example shows the Format Definition form for the header of a data item in the major sequence.



8. Complete steps 3 and 4 to return to Format Revisions.
9. On Format Revisions, choose Detail Sequence.

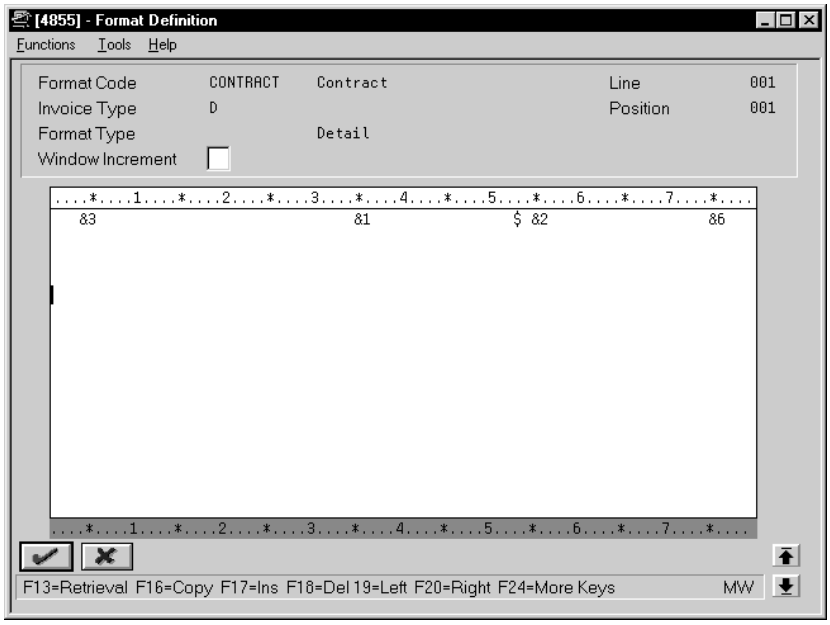


10. On Detail Sequence Definition, choose any of the following options to review a specific Format Definition form for a data item related to a grouping key range:
    - Header
    - Total



11. Complete steps 3 and 4 to return to Format Revisions.
12. On Format Revisions, choose any of the following options to review a specific Format Definition form for a grouping key range:
    - Detail Header Format
    - Detail Detail Format
    - Detail Total Format

    The following example shows the Format Definition form for the Detail Detail Format option for a grouping key range.



13. Complete steps 3 and 4 to return to Format Revisions.

What You Should Know About

Printing headers on a new page

You can use the New Page (Y/N) field to specify that the header formats for data items begin on a new page automatically each time you print the format for your invoices. You might want to do this to prevent billing detail from printing on two separate pages.

Repeating headers on subsequent pages

You can use the Repeat Page field to repeat the header format for data items on subsequent pages. You might want to do this when the billing details exceed one page in length.

Testing format definitions	To test a format definition, verify that invoices exist. Then, choose Print Invoices on Invoice Generation.

See Also

- *Defining New Formats (P4850)* for more information about retrieval references and invariable information

Copying Formats

You can copy the retrieval references and invariable information that make up a format definition to another Format Definition form. Copying formats is much faster than defining a new format. You might want to copy existing formats if you have already defined formats in your system that are the same or similar to new formats that you need when defining a format for a new layout.

For example, one of your customers might request that all invoices be mailed to a centralized accounting office, but they want the invoice to display the name and location of the remote office site. You copy the formats that comprise your standard layout design to a new layout structure. Then, you change the information on the formats to create a custom layout for that customer that displays the name and location of the remote office site.

You can use the Invoice Format Copy Window to locate the specific format definition forms that you want to review or copy. The Invoice Format Copy Window displays a list of all the formats defined in your system. The list is arranged alphabetically by the format code. You can identify each of the format types that are associated with a layout structure by using a combination of the following information:

- Line numbers associated with specific grouping key ranges
- Data item names associated with either a major or detail sequence
- Format types, such as detail, header, or total, identified by the respective codes of blank, 1, or 2

When you use the Invoice Format Copy Window to identify a specific Format Definition form, consider the following questions:

1. What is the format code?
2. What is the invoice type?
3. What is the format type (header, total, detail)?
4. Is the format related to a data item or a grouping key?

5. If the format is related to a data item, is the data item related to a grouping key detail sequence or a major sequence?
6. If the format is related to a grouping key, which grouping key line?

The Invoice Format Copy Window does not display alternate header format definitions.

Copying a format immediately updates and saves the new information in the Format Definition form. When you copy a format definition to another format definition form, the system replaces any invariable information, codes, and definitions for the retrieval references that are already in the Format Definition form with the invariable information, codes and definitions from the format you selected to copy. You cannot retrieve the original information that was on the format. Exiting the program and entering N in the Save Changes (Y/N) field has no effect on the changes that you make to a Format Definition form by copying.

▶ To copy formats

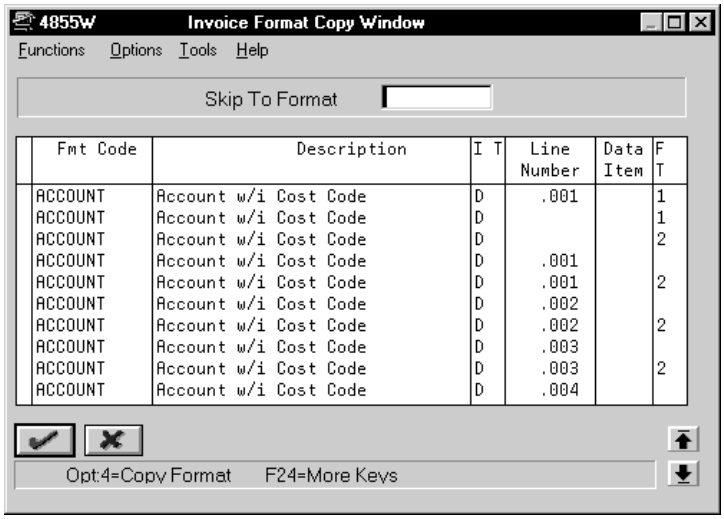
On Format Revisions

1. Complete the steps for locating a layout structure.

   See *Reviewing Format Definition Forms*

2. On Format Definition, choose Copy.

   The system displays Invoice Format Copy Window.



3. To locate the format code you want to copy, complete the following field :
   - Skip To Format
4. Choose the Enter action.
5. Choose Copy Format for the format code.

   The system copies the format information, including all related invariable information, retrieval reference codes, and code definitions, to the Format Definition form currently displayed. The new format replaces any existing invariable information, codes, and code definitions that you previously defined on the Format Definition form.

6. Choose Exit Program.
7. Complete the following field:
   - Save Changes (Y/N)

   Entering a Y or an N in the Save Changes (Y/N) field has no effect on the changes that you make to a format definition form by copying.

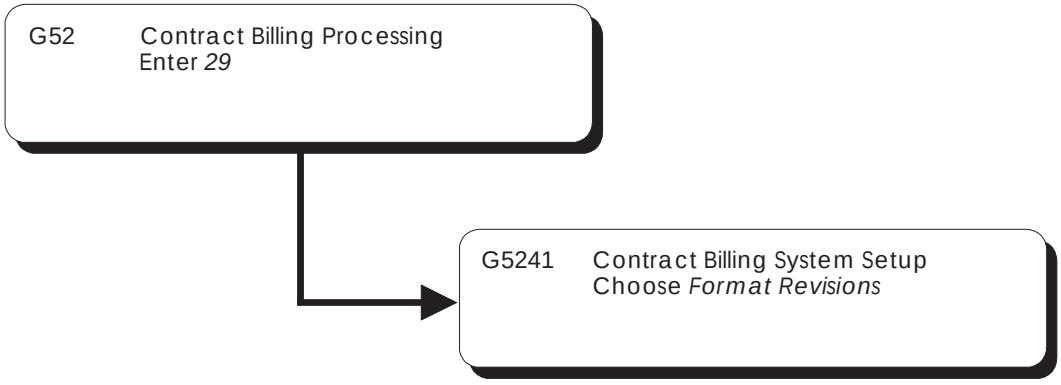
See Also

- *Appendix F — Identify Format Types* to review a listing of the information combinations that you use to identify specific format types

Exercises

See the exercises for this chapter.

Define New Formats



Defining New Formats

You use invariable information and retrieval references to define the formats that make up a layout. Invariable information is a message that represents the static information that prints on an invoice regardless of the customer or billing details, such as currency symbols or remit-to information. Retrieval references direct the system to the variable information you want to include on the invoice, such as totals, a supplier's name, or dates.

Defining new formats consists of the following tasks:

- ❑ Adding messages to a format
- ❑ Defining retrieval references

Lines, Positions, and Rulers

A format definition represents only one section of a layout. A Format Definition form consists of an unlimited number of lines. If you exceed the page length for one format definition, that definition will impact all the definitions for subsequent formats and the entire invoice design.

You enter messages and retrieval references directly onto a line of the Format Definition form. The message or retrieval reference should begin in the position on the Format Definition form that correlates to the actual location where you want the information to print on your invoice.

Lines

When you first access the Format Definition form, the cursor is located in the first position on the first line of the form. The Line field on the form indicates that the location of the cursor is line 001. If your cursor is located within the first 15 lines of the form, the Line field still displays 001 as the line number.

You can page down to view the next 14 available lines. When you do, the Line field displays 15. The first line on the second page is 15, and the last line is 29. The Line field displays the number for the first line within the group of lines currently displayed on the form. You can use the line number to determine approximately how many lines you have defined for a specific format.

Positions

The Format Revisions form displays 70 positions horizontally. You can place the cursor anywhere in the existing form display. If you need to place your cursor outside the form display, you must enter a number in the Window Increment field and choose Window Right.

If you choose Window Right without entering a value in the Window Increment field, the system automatically enters 70 in the Window Increment field, and the cursor moves to the 70th position on the form display. To return, choose Window Left.

Rulers

The Format Revisions form includes a ruler that you can use to reference the position of the cursor within a line. The ruler consists of dots, asterisks, and numbers. Each symbol represents the following space increment:

- Dot 1 space
- Asterisk 5 spaces
- Number 10 spaces

Use the ruler to find an exact position on the Format Definition form. For example, if you place your cursor in the 37th position on a line, you use the ruler to move the cursor to the number 3 position, plus the following asterisk, plus two dots.

Adding Messages to a Format

Messages represent the invariable information that you print on an invoice. The messages you include on a layout can consist of symbols or text. Messages usually do not change from invoice to invoice. For example, you might include text, such as *Please Remit To:* or a symbol, such as a currency sign, on all your printed invoices, regardless of the variable information that appears on the invoice.

You enter messages directly onto a line of the Format Definition form. The message should begin in the position on the Format Definition form that correlates to the actual location where you want the information to print on your invoice. You can enter a message on any line of any format definition that makes up your layout.

Special Format Considerations

You can design invoices so that the formats you define for a layout print across the page rather than down the page. This is especially helpful if you want to print invoices using a multi-columnar format to print continuous lines of billing information.

To print the information from more than one format in columns across the page, you use the special message *&ZICR*. You can enter &ZICR anywhere within a format in the same way that you would enter any other message. When the system finishes printing the information from one format that includes the &ZICR message, it searches for and prints the next format definition that includes the &ZICR message on the same line of the invoice.

▶ To add messages to a format

On Format Revisions

1. Complete the steps for reviewing a Format Definition form.

   See *Reviewing Format Definition Forms*

2. On Format Definition, place the cursor in the position on the line where you want a message to begin.
3. Enter the message.
4. Choose Exit Program to return to Format Revisions.

   The system displays a message prompting you to save any changes you made to the Format Definition form.

5. Complete the following field:
    - Save Changes (Y/N)

What You Should Know About

Changing and removing format messages	You can change a message at any time by entering the new message over the existing message. To enter additional messages, use the Insert key and add the message To remove a portion of the message, enter spaces over the message or use the Delete key. To clear a line that includes a message, choose Delete A Line.
Adding blank lines	Position the cursor and choose Insert A Line. The system inserts a blank line below the cursor.
Boldfacing text	Use the special message &ZICR to boldface text. Enter &ZICR at the end of the line you want to boldface. On the line directly beneath the &ZICR, type &ZICR and repeat the information exactly as it appears on the preceding line.

See Also

- *About Retrieval References* for more information about printing variable information, such as totals, on an invoice

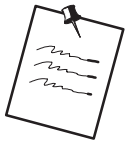
Exercises

See the exercises for this chapter.

About Retrieval References

Invoices typically include information that varies by invoice and customer, depending on the billing transactions. When you design invoices with Invoice Formatting, you use retrieval references to define the variable information that you want to print on invoices. For example, you can use retrieval references to:

- Direct the system to the information stored in various files that you want to include on an invoice
- Perform calculations, such as add, subtract, multiply, and divide
- Store and recall the results of a previous calculation
- Add special information on an invoice that is not contained in a table, such as the page numbers



Not all of the information defined in retrieval references must print on the customer's invoice. You can specify a register to store the information in memory. Later, you can recall the information for use in another format within the layout structure.

Types of Variable Information

You can use retrieval references to direct the system to the following types of variable information:

- Information related to data items
- Calculations
- Totals

Information Related to Data Items

The information that is stored in system tables is directly related to data items. Each data item corresponds to a particular field in a table. To define retrieval references, you need to know the name and specifications of the data items for the information stored in system tables that you want to print on your invoices.

Invoice Formatting includes a list of all the tables from which you can retrieve variable information for your invoices. You can access the File Field Description window to review a list of the names of the data items within a specific table. The File Field Description window also lists the specifications of each data item, such as its size and type.

The size of a data item represents the maximum number of positions you will need to reserve in the line on the Format Definition form to accommodate the variable information. If you know the data item size, you can prevent truncating or overprinting information on an invoice.

The type of a data item refers to whether the information related to the data item is alpha, numeric, alphanumeric, and so on. If you know the data item type, you can determine the exact format specifications for the information stored in the data item. For example, you might want to specify the number of decimal positions and whether commas display for the information that is related to a numeric data item.

Calculations

You can define retrieval references for the mathematical calculations of add, subtract, multiply, and divide. Retrieval references for calculations can include:

- Specific values
- Variable information, based on another retrieval reference
- Combinations of specific values and retrieval references

For example, if payroll details are part of a customer's billing transaction detail, you might define a retrieval reference that performs a calculation such as:

Number of Hours Worked x Hourly Rate

In this example, the number of hours worked might be variable information and the hourly rate might be a specific value, such as 50. In this case, you define a retrieval reference to retrieve the number of hours worked for which you want to bill. The retrieval reference that you define for the calculation specifies to the system to multiply the value retrieved by the retrieval reference for the number of hours worked multiplied by 50.

Totals

You can define a retrieval reference for totals. You can incorporate totals in an invoice as individual subtotals or as totals that are added to make up another total. To add individual totals to create a subtotal on an invoice, you need to use a register.

Registers are storage locations that can be used to:

- Print an amount on an invoice
- Perform calculations
- Accumulate, but not necessarily print, calculated amounts for future calculations

You can define up to 99 unique register locations within a layout structure. You use a retrieval reference to specify whether a register is used to accumulate, store or recall totals.

The number of times you can add previously calculated totals into a new total depends on your placement of registers within a retrieval reference within the formats you define for the layout.

To print multiple subtotals within a layout structure, you must:

- Determine the correct order of the formats on which you want to recall the totals
- Define a retrieval reference for the format
- Know the number of the appropriate register locations to recall within the retrieval reference

The order of the format definitions containing the appropriate register locations are determined based on the most specific total for group of billing transactions to the overall total for the invoice. You use the following hierarchy to determine the correct format on which to define retrieval references containing the appropriate register locations:

- Individual billing transactions are accumulated in a register to equal a detail sequence data item total.
- Detail sequence data item subtotals are accumulated in a register to equal a grouping key total.
- Grouping key subtotals are accumulated in a register to equal a major sequence data item total.
- Major sequence data item subtotals are accumulated in a register to equal the overall invoice total, or grand total.

You do not have to define all four subtotals. For example, if you do not define a major sequence data item total, you can accumulate grouping key totals in a register to equal the overall invoice (grand) total.

Defining Retrieval References

When you access a Format Definition form for the first time, the format display is blank. You must define retrieval references for the format to direct the system to the variable information you want to print for that particular section of the invoice.

You define retrieval references directly on a line of the Format Definition form. The retrieval reference should begin in the position on the form that correlates to the actual location where you want the variable information to print on your invoice. You can enter a retrieval reference on any line of any format definition that makes up your layout.

When you define retrieval references, you must specify how you want the system to use each reference based on the following information:

- Retrieval code
- Parameters
- Format specifications

Retrieval Codes

The retrieval code you specify for a retrieval reference determines the type of reference that you define. You must specify a retrieval code for each retrieval reference. Retrieval codes tell the system what kind of variable information you want the retrieval reference to retrieve and whether you want the system to display the information as is or to use it to perform a calculation. Retrieval codes can also direct the system to a table from which you can retrieve variable information that is related to a specific data item.

Invoice Formatting includes predefined retrieval codes, such as *Add* for calculations, *Account* to specify a table, and *Page* to specify page numbers. If you need a retrieval code that is not already included in the system, you can define custom retrieval codes.

Parameters

You use parameters in combination with retrieval codes to further define a retrieval reference. For example, you might define parameters for a retrieval code to specify:

- Names of data items within a specific table
- Mathematical applications, such as add
- The code for another retrieval reference

You can assign up to five parameters for a retrieval reference. The number of parameters you are required to specify for a retrieval reference depends on the retrieval code for the reference.

Each retrieval code has different parameter requirements. To determine whether a specific retrieval code requires parameters, choose Field Sensitive Help for the first parameter. After you define the first parameter, continue choosing Field Sensitive Help for the subsequent parameters. When you choose Field Sensitive Help for the first parameter that is not required for the retrieval code, the system displays the following message:

> *A generalized 10 character parameter value passed to a called program.*

Format Specifications

After you have determined the retrieval code and parameters for a retrieval reference, you can define further specifications to control exactly how the system prints the retrieved information on the invoice. For example, if you define a retrieval reference for a billing amount, you could define format specifications so that the amount prints right justified with decimals.

You must always specify a size for the retrieval reference, regardless of whether you print the retrieved information.

See Also

- *Defining Custom Retrieval Codes (P4857)*
- *Appendix E — Retrieval Reference Codes* for a listing of retrieval reference codes and their applicable parameters
- *Appendix G — Field Derivations for the F4812* for a listing of the source information for each field in the Service Billing Workfile

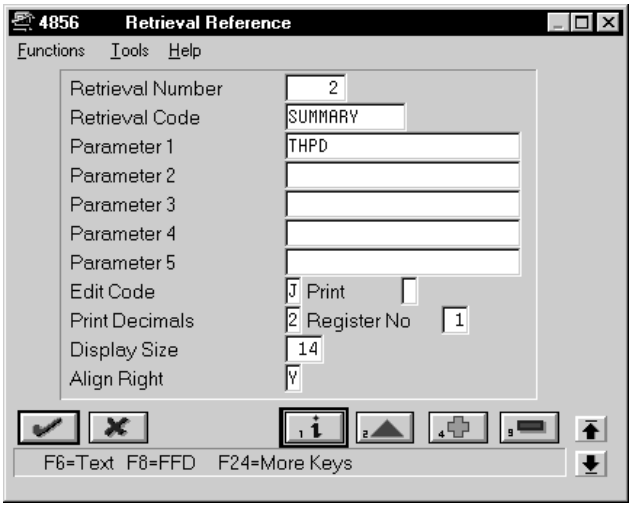
▶ To define retrieval references

On Format Revisions

1. Complete the steps to locate the format definition for a layout structure or data item.

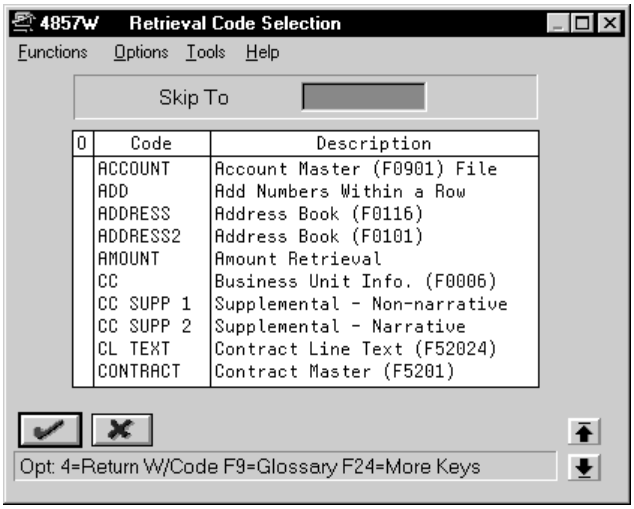
   See *Reviewing Format Definition Forms*

2. On Format Definition, position your cursor where you want the retrieved information to print.
3. Choose Retrieval Reference.



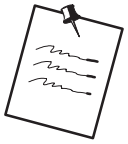
4. On Retrieval Reference, choose Field Sensitive Help for the following field to see a list of the predefined retrieval codes:

    - Retrieval Code



5. On Retrieval Code Selection, choose the code you want to use to define the retrieval reference.
6. On Retrieval Reference, complete the following fields to specify any of the parameters required for the retrieval code:

    - Parameter 1–5



If the retrieval code specifies a table, position your cursor in Parameter 1 and choose File Field Description to determine the correct data item.

7. Complete the following field:

   - Display Size

   You must complete the Display Size field. If you do not specify a display size, the reference will not retrieve the related information.

8. Complete the following field to specify a register to store the retrieved information:

   - Register Number

9. Complete the following fields to control the format specifications for the retrieved information:

   - Edit Code
   - Print
   - Print Decimals
   - Align Right

10. Use the Change action.

    The system clears the window.

11. Choose Exit Program

    The system closes the Retrieval Reference window and displays an ampersand and the number of the retrieval reference (without leading zeros) in the line and position where you last located the cursor.

Field	Explanation
Retrieval Number	Retrieval Codes are numbered consecutively within an Invoice Format. After you have defined a Retrieval Code, the Retrieval Number, preceded by an ampersand (&), is displayed on the Format Definition screen to mark the position where the retrieved data will be printed on the invoice. You can change the location of the retrieved data by moving, or even re-keying, the ampersand/Retrieval Number. You can use the same Retrieval Number more than once within a particular invoice format to retrieve the same information in more than one place on the invoice. NOTE: Each Format Definition display has its own set of retrieval numbers.
Retrieval Code	You can use Retrieval Codes to extract information from the database. The code tells the system what kind of data to extract and whether to display it as is or calculate it. Many retrieval codes require additional parameters to more specifically define the desired information.

Field	Explanation
Display Size	You can specify the amount of space which the retrieved data should occupy on the invoice. If the specified length is shorter than the value being displayed, truncation will occur on the printed invoice. If the selected length is longer than the associated value, blank space will occur on the printed invoice.
Parameter – Program Call 1	A generalized 10 character parameter value passed to a called program.
Data Item to Retrieve	Each piece of information within a file is associated with a unique "field name." The field name consists of a two character file prefix and a four character Data Item. Enter the Data Item which is associated with the information you want to retrieve from the file. You can use cursor-sensitive help or the appropriate function key (F8 on most systems) to review a list of possible values.
Edit Code	Determines how data is printed or displayed. Depending on the code, you can change the appearance of the fields as follows (standard IBM edit codes): • Show commas – 1, 2, A, B, J, K, N, or O • Show decimal point – 1, 2, 3, 4, A, B, C, D, J, K, L, M, N, O, P, Q • Show sign for negative – A, B, C, D ("CR") or J thru Q ("-") • Suppress Leading Zeros – 1 thru 4, A thru D, J thru Q, Y and Z Refer to User Defined Codes (98/EC) for all valid codes, including additional J.D. Edwards edit codes. NOTE: When used in the Data Dictionary revisions program, a value of Y (gregorian date) on an ADD creates month, day and year dictionary items by suffixing the dictionary name with an M, D, and Y. Therefore the dictionary name must be limited to three characters. . . . . . *Form-specific information* . . . . . . A code that you can use to indicate how you want the system to format numbers on the invoice.
Print Data (Y/N)	This value tells the system whether to print retrieved information. You might want to suppress retrieval codes if, for example, you retrieved several cost amounts from different files and added them together. You would use this field to suppress printing of the retrieved cost amounts, but print the code that displayed the total. The valid values are: blank Print the retrieved information at the specified location. 1 Do not print the retrieved information.

Field	Explanation
Print Decimals	A code that tells the system how many decimal positions should be printed. The valid values are 0 to 9.
Align Right	You can use this code to specify that data should be displayed starting at the right side of the available space and moving left, or should be printed starting at the left side of the available space and moving right. The following values are valid: N or 0 Align at the left side of the space. Y or 1 Align at the right side of the space.
Register Number	This field lets you identify a register in which you want to store retrieval code information. You can use any of the 99 user defined registers. You can then set up another retrieval reference to print, or calculate and print, the contents of the register. For example, you could use this field to calculate grand totals. See the Service and Contract Billing Reference Guide for more information.

What You Should Know About

Display sizes for data items

The display size reserves the number of positions for the information retrieved by a retrieval reference. The system does not provide default information for the size of the data items.

NOTE: The number of positions you specify in the Display Size field equals the number of spaces reserved for the retrieved information. The system does not adjust the number of spaces reserved for a data item based on retrieved information.

Numbering retrieval references

The system automatically numbers the retrieval references you define for a Format Definition form sequentially. These reference numbers are unique to each Format Definition form. If you have not defined retrieval references for a particular form, the first retrieval reference you define would be 1. If 6 codes were already defined for the Format Definition form, the Retrieval Number would be 7.

NOTE: The Format Definition form might not display all previously defined retrieval references.

Deleting retrieval references

To delete retrieval references, follow the steps to locate a retrieval reference. After you review the information for the reference you want to delete, remove the information that defines the reference by using the Delete action. When you return to the format definition, clear the code for the retrieval reference from the format by entering spaces in place of the code.

NOTE: After you delete a retrieval reference and its code from the Format Definition form, the system does not reassign that number. You can then assign the number to a new retrieval reference.

Printing page numbers

You can print page numbers anywhere on an invoice. To print page numbers, position the cursor where you want to define the page number within the format and use the retrieval code *PAGE*.

Total page number counts

You can print a running page count on your invoices along with the current invoice page number. First, define a retrieval reference for the format using the code *PAGE*. Next, enter a message to print the static message *of*. Finally, define another retrieval reference with the retrieval code *PAGE OF*.

Printing dates

You can print the system date anywhere on an invoice. To print the date, position the cursor where you want the system date to print within the format. Then, define a retrieval reference with the retrieval code *DATE*.

Printing amounts

You can print the cost amount or the unit amount anywhere on an invoice. The cost amounts can apply to payroll labor and its related burden costs, components, and so on. To print the cost or unit amount, position the cursor where you want to define the amount within a format and use the retrieval code *AMOUNT*.

Printing cumulative totals for contracts

You can print cumulative totals on an invoice using information from the Invoice Summary Access table (F48520). A system constant controls whether the system creates and maintains this table.

Totals within a Format Definition form

Your placement of registers within a Format Definition form is critical to accumulating the correct total on your printed invoices. You must enter the retrieval reference containing the register above and to the left of the retrieval reference that recalls the accumulated register results.

NOTE: You use the *TOTAL* retrieval code and parameters to recall the specific register number.

Clearing registers

Registers continue to accumulate totals until you clear the totals from the registers. When you clear a register, you set the accumulated amount to zero. Then you can reuse the register to accumulate a new total amount.

You clear a register once its accumulated total has been recalled by another retrieval reference within the layout structure. To do this, you must use a 1 in the second parameter of the retrieval reference that recalls the register.

Calculations

You can assign up to four parameters to a retrieval reference that performs a calculation. The system processes the parameters sequentially. You use the parameters in place of parentheses. This is especially helpful if you need to incorporate multiple variables within a single calculation.

Retrieval codes for text

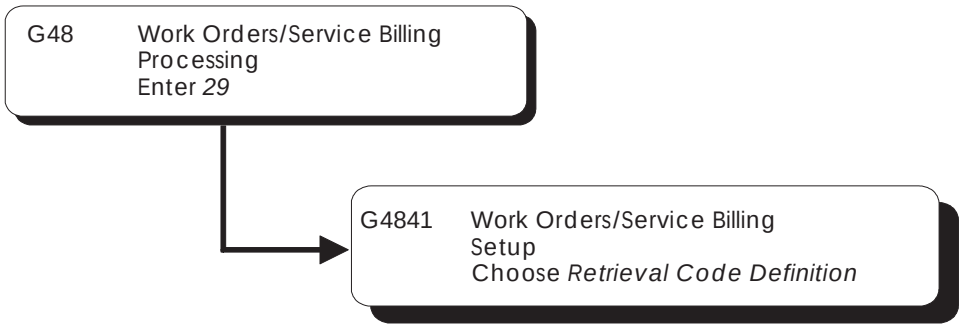
The File Field Description window does not apply when retrieving text using the following retrieval codes:

- CC SUP2
- INV TEXT
- WO TEXT
- NOTES
- CL TEXT

Exercises

See the exercises for this chapter.

Define Custom Retrieval Codes



Defining Custom Retrieval Codes

The predefined retrieval codes included in the Service Billing system represent the most commonly used tables and information you use to print variable information on a customer's invoice. If you need to print special variable information that is stored in an additional system table, such an employee's social security number from the Employee Master table, you must define a custom retrieval code.

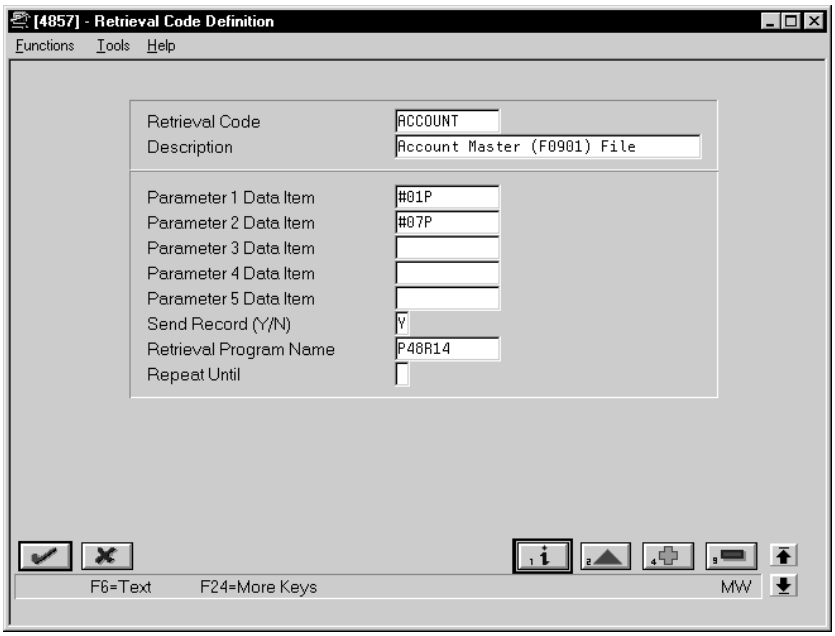
Custom retrieval codes can retrieve text or a value or perform special calculations. To define custom retrieval codes, you can:

- Locate the data items you want to use by defining unique parameters
- Create a custom retrieval program
- Enter narrative text to describe the code
- Associate the new code with the File Field Description window

Do not delete any of the standard codes listed on the Retrieval Code Definition form. Deleting these codes causes unpredictable results.

To define custom retrieval codes

On Retrieval Code Definition



1. Complete the following fields:
   - Retrieval Code
   - Description
   - Parameter 1 Data Item
   - Retrieval Program Name
2. Complete the following optional fields:
   - Parameter 2 Data Item – Parameter 5 Data Item
   - Send Record (Y/N)
   - Repeat Until

Field	Explanation
Parameter 1 Data Item	You must specify a Data Item name if the parameter is used by the specified retrieval code. The Data Item will control the glossary and editing for the parameter at the time the Retrieval Code is being referenced.

Field	Explanation
Send Record (Y/N)	A Retrieval Code is generally processed in conjunction with an individual Service Billing Work File record. Specific Retrieval Codes may require access to all of the information contained on the Work File record. You can use the Send Record code to instruct the system to include the entire Work File record, in one data structure, as one of the parameters passed to the Retrieval Program. You can use this field to determine which parameters from the Service Billing Work file (F4812) will be passed to the Retrieval Program. The values are: Y Yes, send the entire Service Billing Work file. N No, send only the specified parameters.
Retrieval Program Name	The Retrieval Program is the name of the program which will be executed to extract the desired data and return a value. The Retrieval Program must exist as a valid program in the user's library list by the time it is called. The program must conform to the common interface standards used by the system and must accept the correct number and type of parameters.
Repeat Until	You can use this code to control information that is retrieved in a repetitive manner, such as lines of text within a text file. The Invoice Print program continues to use the same Retrieval Code in the same position until the specified condition is achieved. The following values are valid: blank No repetition. Stop after the first line of text. C Conflict. Repeat the Retrieval Code in the same position on subsequent lines until a line is reached that contains information in the same positions that the Retrieval Code would use or until the end of the format is reached. You might use this code if you were using a pre-printed form with a restricted number of lines for the information. D Done. Repeat the Retrieval Code and the associated format line until the Retrieval Program returns an "end of file" value. NOTE: You need to assign the same number of characters per line to the retrieval reference code as the retrieved information requires. The text will not wrap. Each line will be truncated when the characters per line is reached.

What You Should Know About

Adding text to a custom retrieval code

You can attach descriptive text to a custom retrieval code. For example, you might want to add text to explain the specific purpose of the code or to include calculations or other descriptive information.

To add text, locate the code you want and choose Review/Update Text. The system displays a text entry form.

After you add text to a retrieval code, you can display the text for the code or change it at any time. The text you enter is informational only. You cannot print the text you associate with a retrieval code on a printed invoice.

Locating text for a retrieval code

You can locate text for a retrieval code from the Retrieval Code Definition form or the Retrieval Code Selection window on the Format Definition form.

Retrieving programs for a custom retrieval code

You must write a custom program in order to use custom retrieval codes. Use the name of the custom program in the Retrieval Program Name field when you define a custom retrieval code.

Appendices

Appendix A — Test Yourself Answers

Contract Billing Overview

1. True
2. Bill(able) (Yes/No)
3. B

   C

   A
4. A

   C

   D

   E
5. False, burden transactions must always link to their corresponding payroll labor distribution transaction. Burden transactions cannot be processed alone.
6. C

   D

   A

   B
7. Actual method or actual burden rate and percentage with employees' actual hours and pay rates

   Flat method or estimated burden percentages
8. False, the document type is TE.
9. D
10. True

11. C

    B

    D

    A

12. Service Billing Workfile (F4812)

Work with the Workfile for Revenue Recognition

1. True
2. False, the system moves a copy of the source transaction.
3. N

   Z

4. B
5. X
6. Roll through the details of the subfile
7. Ad hoc
8. True
9. False, the transaction remains on hold indefinitely.
10. False, you cannot split a transaction with burden.
11. Blank

    1

12. True

Work with G/L Entries for Revenue Recognition

1. True
2. True
3. True
4. False, you never create the A./R transactions.
5. False, there are no invoices, you you cannot void them.

About Revenue Recognition and Billing

1. True
2. True
3. E
4. D

   G

   A

   F

   B

   E

   C

Invoice Formatting

1. False, other systems, such as Work Orders, Accounts, Payable, and Address Book can also be used.
2. A & B
3. Variable information. Some examples are:

   Customer name

   Address information

   Work order number

   Hours, dates, and rates

   Billing amounts

   Totals

   Invariable information. Some examples are:

   Currency symbols

   Text, such as Remit To:

   Underscores

4. False, it prints on the first page. The Alternate Header prints on the remaining pages if a format has been designed.
5. True
6. True

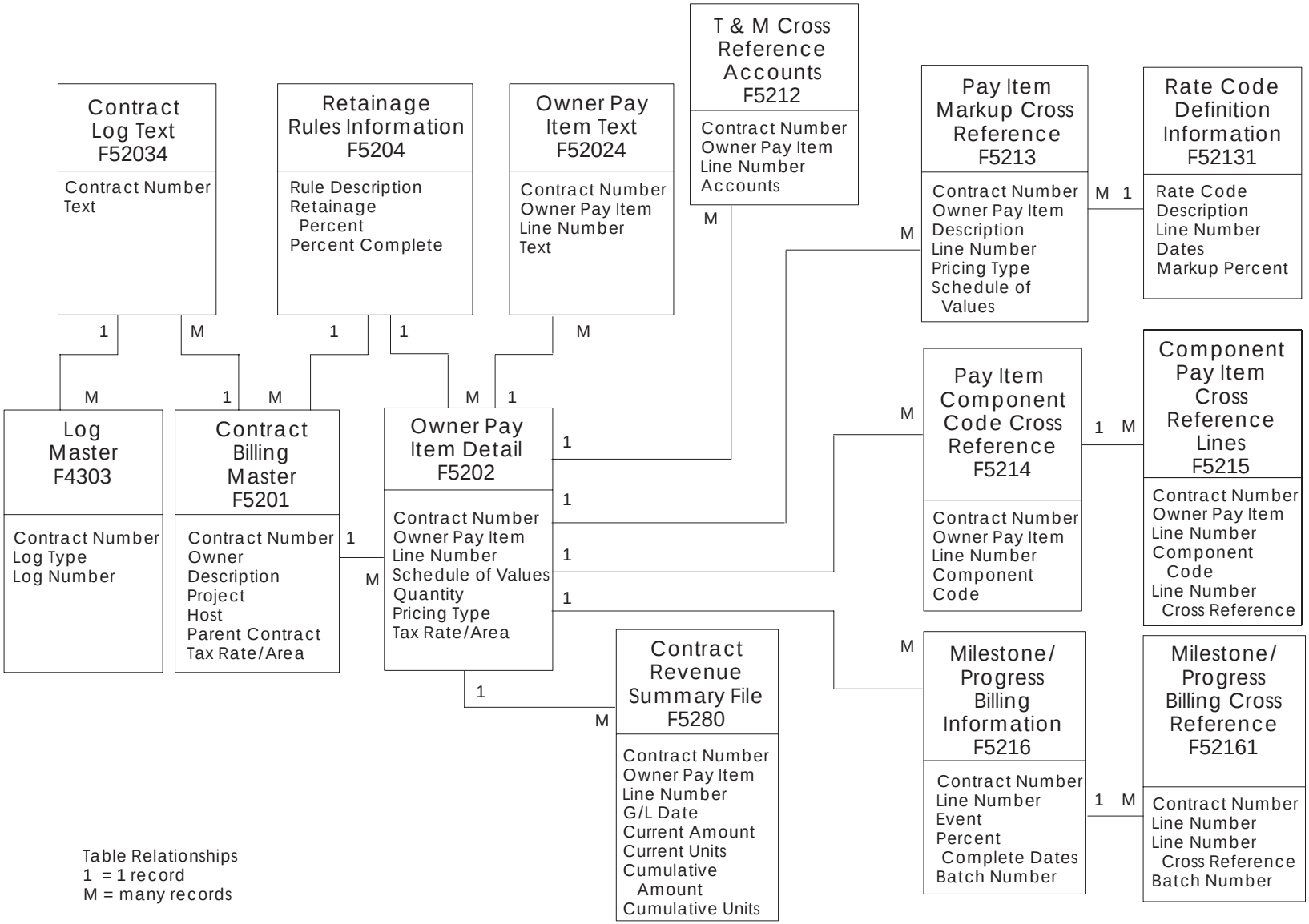
Appendix B — Data Models

The flowcharts on the following pages illustrate the relationships between the principal physical tables for the following aspects of the Contract Billing system:

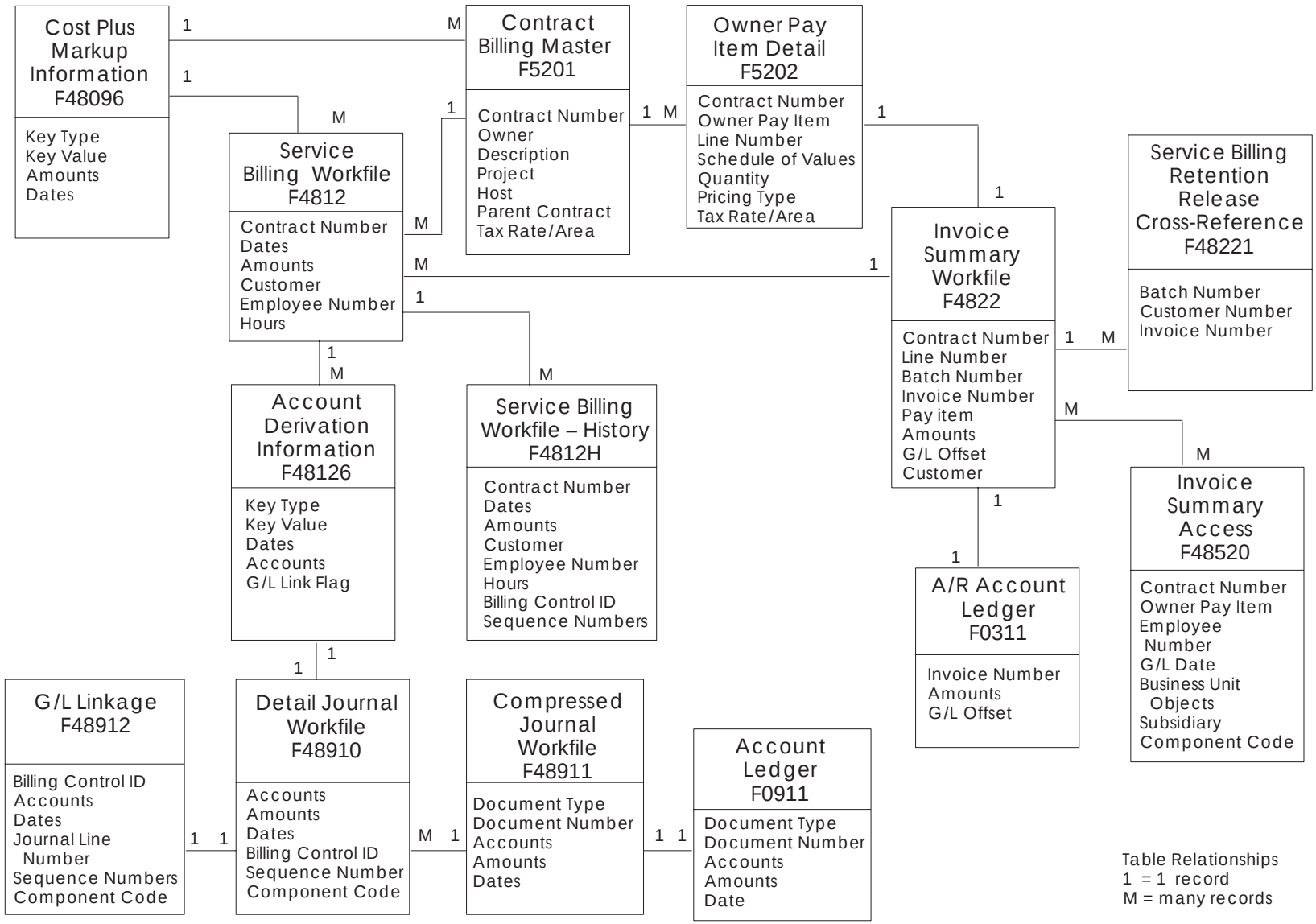
- Contract billing setup
- Base
- Workfile generation
- Revenue recognition
- Invoice format definition

To present the information in an uncluttered format, the lesser control tables, worktables, and tables for seldom-used features have been omitted.

Contract Information Setup



Contract Billing Base



Contract Billing Workfile Generation

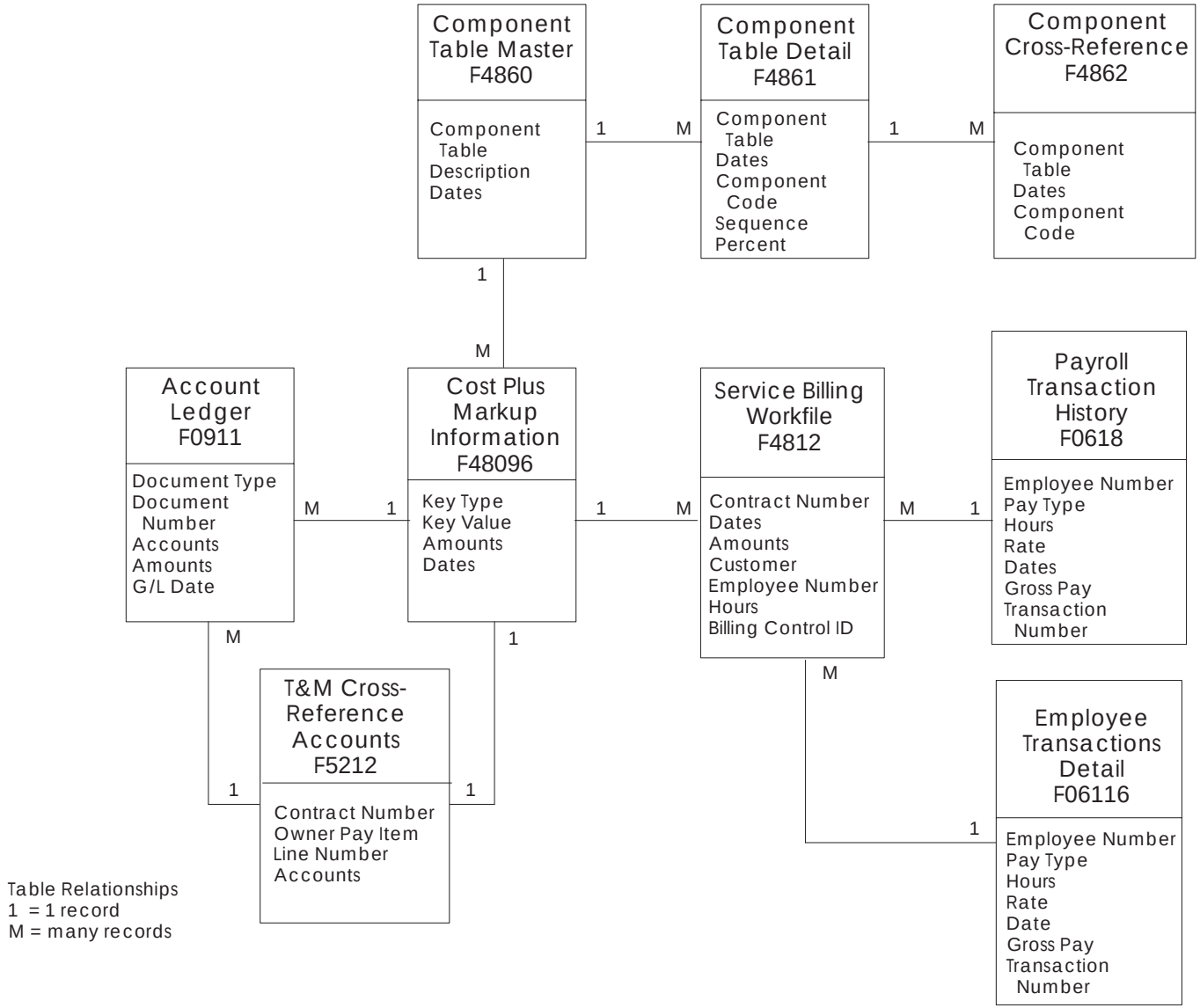
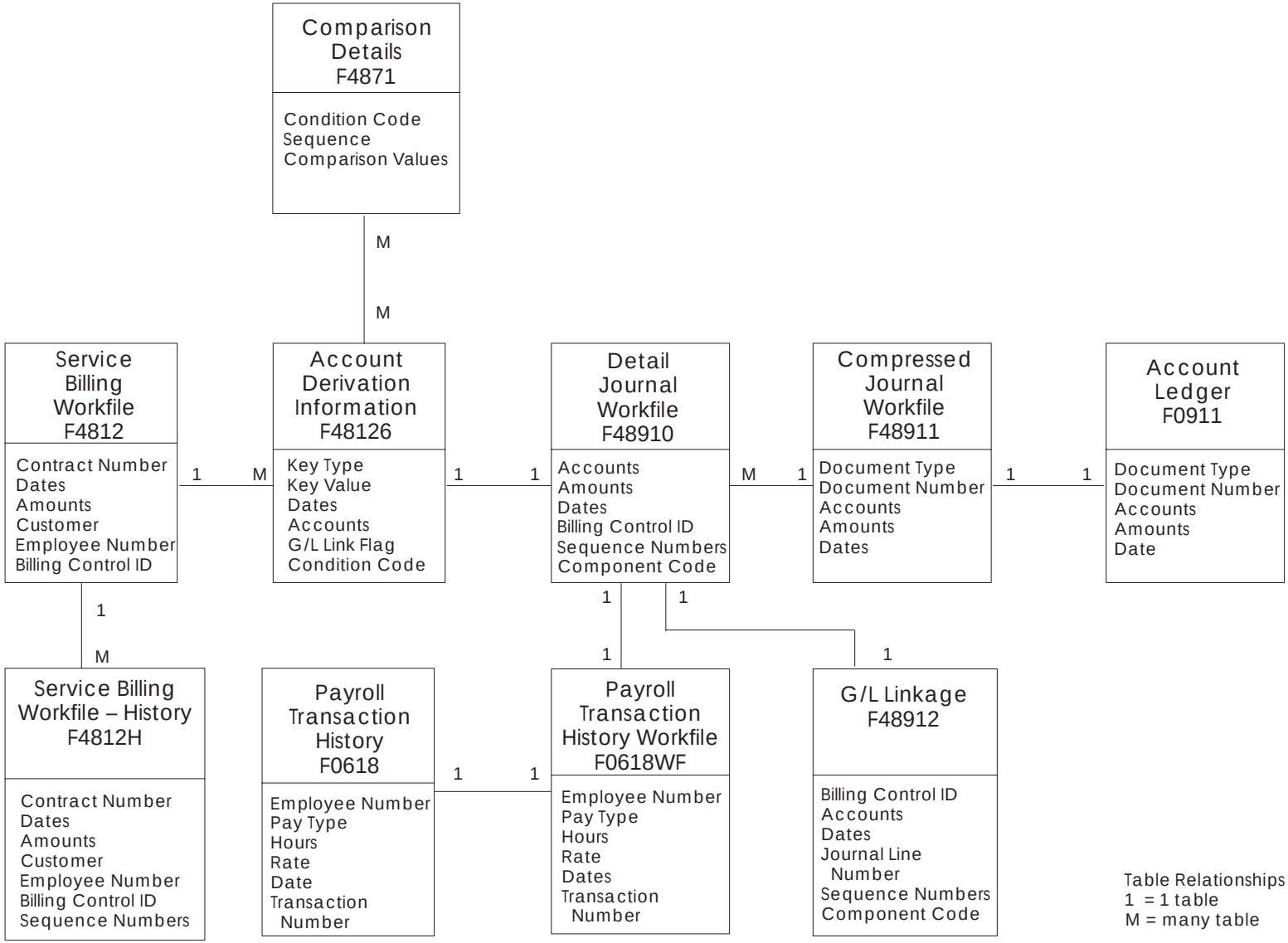
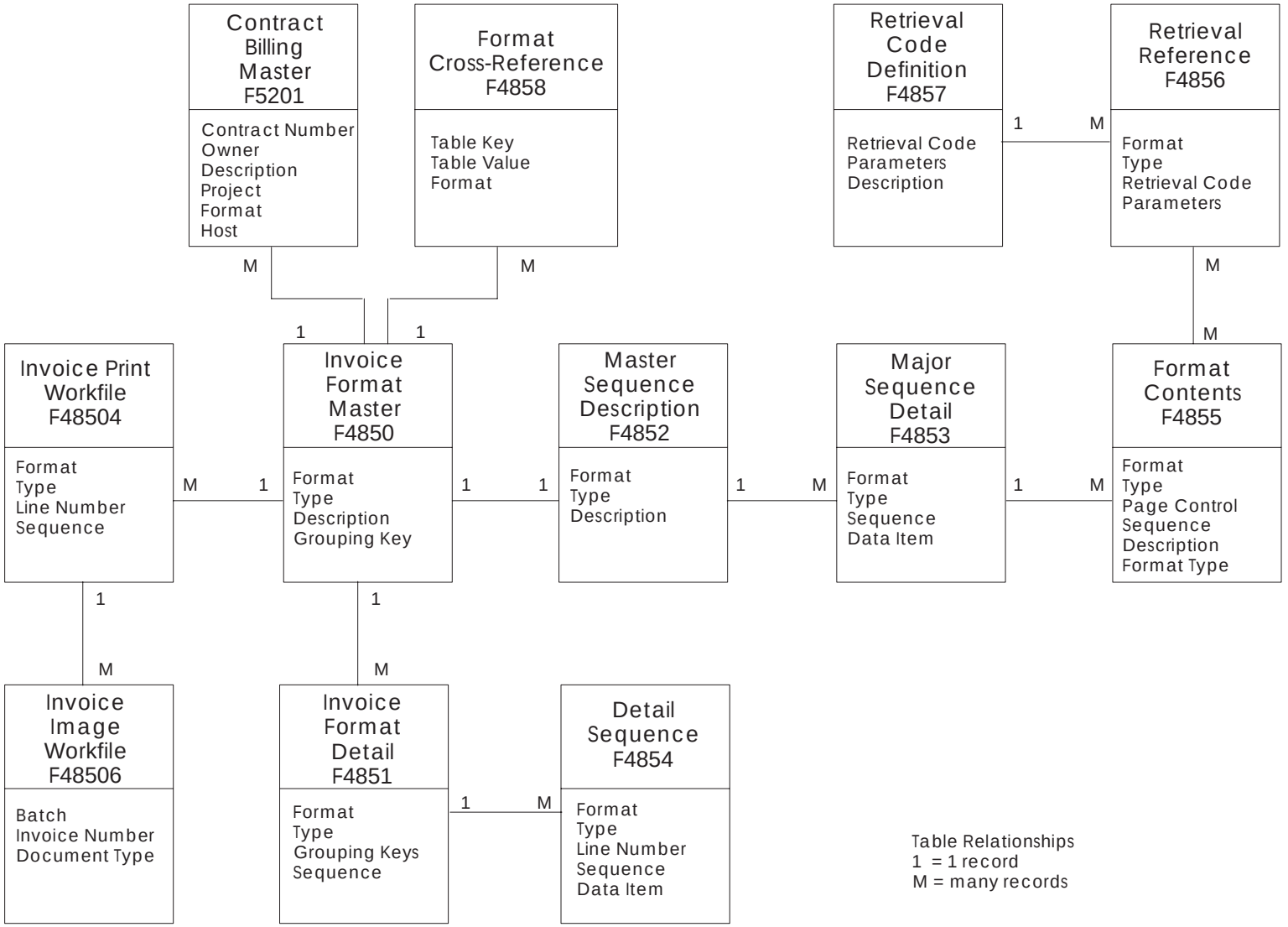


Table Relationships
1 = 1 record
M = many records

Contract Billing Revenue Recognition



Contract Billing Invoice Format Definition



Appendix C — Searches for Markup Rules

The markup is an amount that you add to costs for overhead and profit. The system calculates markup amounts when you accumulate costs or revise workfile transactions based on the markup rules you define when you set up the Contract Billing system.

You define markup rules by specifying major and minor key values. The system uses these values in combination to identify the specific markup rules that apply to individual source transactions. To identify the correct markup rules, the system:

- Accesses the markup rules
- Searches and selects specific source transactions that match the values you specified for the major key
- Continues the search, narrowing the selection of source transactions based on the value you specified for the minor key

The system uses the most specific rule it can locate to calculate the markup for a transaction.

Major Key Values

The system matches the major key information you define for a markup table to the information in billable workfile transactions.

The following table lists the searches that the system can use for a major key.

Search Level	Key Type	Searches for:	Validates against:
First	1	Work Orders	Work Order Master (F4801)
Second	2	Work Order Classes	User Defined Code (UDC 00/W7)
Third	3	Contract Numbers	Contract Billing Master (F5201)
Fourth	4	Parent Contract Numbers	Parent Contract Master (F5201)
Fifth	5	Customer Numbers	Address Book Master (F0101)

Search Level	Key Type	Searches for:	Validates against:
Sixth	6	Job/Business Units	Job (Business Unit) Master (F0006)
Seventh	7	Job Classes	User Defined Code (UDC 00/11)
Eighth	8	Company	Company Constants (F0010)
Ninth	9	System Default.	No validation

The system uses Key Type 9 if a match is not found at any of the previous levels. The system applies the remaining eligible transactions to tables with this key type. If the system does not find a match, it uses the default markup percentage that you specify in the system constants.

Minor Key Values

Payroll Transactions

The system identifies payroll transactions using the T2, T4, and T5 document type coding. Having identified a T2, T4, or T5 document, the system conducts two searches for related minor key values.

First-Level Search

At the first level of the first search, the system looks for a match with transactions that include the job type, job step, pay type, and employee number.

Search Level	Searches for:				
	JBCD (Job Type)	JBST (Job Step)	PDBA (Pay Type)		AN8 (Employee)
First	X	X	X	AND	X
Second	X	X		AND	X
Third	X		X	AND	X
Fourth	X			AND	X
Fifth		X	X	AND	X
Sixth		X		AND	X
Seventh			X	AND	X
Eighth					X

Second-Level Search

In the second search for payroll transactions, the system uses job type, job step, and pay type, with either the home business unit or a cost pool. Employee number, home business unit, and cost pool are mutually exclusive and are not used in the second level search.

Search Level	JBCD (Job Type)	JBST (Job Step)	PDBA (Pay Type)	HMBU (Home BU)	RP12 (Cost Pool)
First	X	X	X	X	
Second	X	X	X		X
Third	X	X	X		
Fourth	X	X		X	
Fifth	X	X			X
Sixth	X	X			
Seventh	X		X	X	
Eighth	X		X		X
Ninth	X		X		
Tenth	X			X	
Eleventh	X				X
Twelfth	X				
Thirteenth		X	X	X	
Fourteenth		X	X		X
Fifteenth		X	X		
Sixteenth		X		X	
Seventeenth		X			X
Eighteenth		X			
Nineteenth			X	X	
Twentieth			X		X
Twenty-first			X		
Twenty-second				X	
Twenty-third					X
Twenty-fourth					

Non-Payroll Transactions for Equipment

The system identifies non-payroll equipment transactions using the TE document type code. It applies the following search criteria to transactions with the TE document type.

Search Level	Searches for:				
	ACLO (Rate Grp)	NUMB (Equipment)	ERC (Rate Code)	HMBU (Home BU)	RP12 (Cost Pool)
First		X			
Second	X		X		X
Third	X				X
Fourth			X		X
Fifth	X		X		
Sixth	X				
Seventh			X		
Eighth				X	
Ninth					X
Tenth					

All Other Transactions

For the remaining eligible transactions (those that are not T2, T4, T5, or TE documents), the system conducts the following search for minor key values.

Search Level	Searches for:			
	AN8 (Employee)	HMBU (Home BU)	RP12 (Cost Pool)	JBST (Job Step)
First	X	X		X
Second	X		X	X
Third	X	X		
Fourth	X		X	
Fifth	X			
Sixth		X		
Seventh			X	
Eighth				X
Ninth				

Object and Subsidiary Search

When the system finds a match between the minor key values and the transactions being billed, it searches for a match of the object and subsidiary account information between the markup table rule and the billable transaction.

Search Level	Searches for:	
	OBJ (Object)	SUB (Subsidiary)
First	X	X
Second	X	
Third		X
Fourth		

T2 Payroll Transactions with Equipment Information

If a markup table rule contains information for a rate group (ACL0), equipment number (EQCG), or rate code (ERC), the T2 payroll transaction with equipment information must match the equipment information in the markup table rule. If the information does not match, the system continues to search for the correct rule. The following three examples illustrate this search:

- The markup table rule specifies an equipment number of 180 and the T2 payroll transaction contains an equipment number of 100. The system continues searching for another rule because the equipment numbers do not match.
- The markup table specifies an equipment number of 180 and the T2 payroll transaction does not contain an equipment number. The system continues searching for another rule because the equipment numbers do not match.
- The markup rule does not specify an equipment number and the T2 payroll transaction contains an equipment number of 100. When the rule does not specify an equipment number, it applies to all T2 payroll transactions, whether they contain an equipment number or not. The system stops the search and uses the rule.

Appendix D — Accounting for the Billing Cycle

Accounting for the billing cycle is controlled by the account derivation rules. The system uses the rules to:

- Identify and process workfile transactions
- Direct the amount of the resulting journal entries to specific accounts

You can define two types of account derivation rules:

- *Base rules* — Indicate which accounts you want the system to use when creating journal entries for the billing and revenue recognition processes. The system uses the base rule to create journals for the total of the base and component amounts.
- *Reallocation rules* — Used to move amounts from one account to another. A reallocation rule consists of two or more offsetting journal entries that must balance. The first offset journal entry represents the reduction to the base account. The second journal entry represents the increase to the new account.

The Journal Generation Control field in the system constants for Contract Billing controls the types of account derivation rules that you define for the following processes:

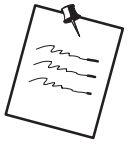
- Billing (Invoicing) only — Revenue reconciliation is not applicable.
- Revenue recognition only — Revenue reconciliation is not applicable.
- Revenue recognition and billing
    - *Without* reconciliation of the unbilled receivable account to the billed revenue and receivable accounts. The unbilled receivable account *does not* equal zero. Unbilled receivable variances *are* allowed.
    - *With* reconciliation of the unbilled revenue and unbilled receivable amounts to the billed revenue and receivable amounts. The unbilled revenue and receivable amounts *must* equal zero after you generate the invoice. Unbilled variances *are not* allowed.

Base Rules

There are three types of Account Derivation Tables that the system can use to create revenue recognition and invoice journal entries. The type of journal processing that you select in the system constants controls whether the system is restricted from using a specific table type. Each applicable type must contain a base rule that defines how the system creates journal entries.

The following table shows the relationship between the Journal Generation Control field in the system constants and the Table Type field for the account derivation rules.

If you are processing	Set Journal Generation Control in system constants as:	Create Information for Account Derivation Table Types	Restricted Account Derivation Table Types
Invoices only	1	3	1 and 2
Revenue Recognition only	2	1 and 3	2
Invoices and Revenue Recognition *without* Revenue Reconciliation	3	1 and 3	2
Invoices and Revenue Recognition *with* Revenue Reconciliation	4	1, 2, and 3	N/A



The system uses the RC automatic accounting instruction (AAI) for accounts receivable and retainage when you generate invoices. The RC AAI does not apply if you are processing revenue recognition *only*.

The following table shows how the system uses the base rules to create the accounting journal entries. The amount basis results from either the invoicing or revenue recognition process.

Journal Generation Control	Table Types	Amount Basis	"+" Indicates	System Created Entries
1 Invoices	3	Invoice	Credit entry	Actual Revenue
	RC AAI	Invoice	Debit entry	Accounts Receivable
2 Revenue Recognition	1	Revenue Recognition	Credit Entry	Actual Revenue
	3	Revenue Recognition	Debit Entry	Unbilled Accounts Receivable

Journal Generation Control	Table Types	Amount Basis	"+" Indicates	System Created Entries
3 Revenue Recognition without Reconciliation	1	Revenue Recognition	Credit Entry	Actual Revenue
	3	Revenue Recognition	Debit Entry	Unbilled Accounts Receivable
	3	Invoice	Credit Entry	Unbilled Accounts Receivable
	RC AAI	Invoice	Debit Entry	Accounts Receivable
4 Revenue Recognition with Reconciliation	1	Revenue Recognition	Credit Entry	Unbilled Revenue
	3	Revenue Recognition	Debit Entry	Unbilled Accounts Receivable
	1	Revenue Recognition	Debit Entry	Unbilled Revenue
	3	Revenue Recognition	Credit Entry	Unbilled Accounts Receivable
	2	Invoice	Credit Entry	Actual Revenue
	3	Invoice	Debit Entry	Unbilled Accounts Receivable
	3	Invoice	Credit Entry	Unbilled Accounts Receivable
	RC AAIs	Invoice	Debit Entry	Accounts Receivable

Invoicing Only

When you process invoicing only:

- The journal generation control is 1.
- Revenue recognition does not apply.
- The system calculates the same amount for actual revenue and accounts receivable.
- The system calculates the amounts for revenue and accounts receivable simultaneously.
- The RC AAI designates the accounts for accounts receivable and retainage.

For example, if the cost for a workfile transaction is 100.00 and the markup is 15 percent, the amounts for the invoice and accounts receivable are 115.00. The system creates the following journal entry:

Accounts receivable	115.00	
Actual revenue		(115.00)

The "T" account posting in the general ledger is:

Accounts Receivable	
Debit	Credit
115	

Actual Revenue	
Debit	Credit
	115

The RC AAI directs the system to the accounts receivable and retainage account information. Account Derivation Table Type 3 directs the system to the base rules for the actual revenue account.

Revenue Recognition Only

When you process revenue recognition only:

- The journal generation control is 2.
- Invoicing does not apply.
- The system calculates the same amount for actual revenue and unbilled accounts receivable.
- The system calculates the amounts for revenue and unbilled accounts receivable simultaneously.
- The RC AAI does not apply because no invoice exists.

For example, if the cost for a workfile transaction is 100.00 and the markup is 25 percent, the amounts for the unbilled accounts receivable and actual revenue are 125.00. The system creates the following journal entry:

Unbilled accounts receivable	125.00	
Actual revenue		(125.00)

The "T" account posting in the general ledger is:

Unbilled Accounts Receivable	
Debit	Credit
125	

Actual Revenue	
Debit	Credit
	125

The system uses two different table types to direct the system to the base rules for the journal entries:

- Table type 1 directs the system to the rules for actual revenue.
- Table type 3 directs the system to the rules for unbilled accounts receivable.

Revenue Recognition and Invoicing without Reconciliation

At times, a company might find it advantageous to allow a variance between invoices and the recognized revenue. For example, if the company recognizes revenue monthly, but generates invoices only after the work is completed, the revenue, unbilled accounts receivable and invoice accounts will:

- Contain variances before the invoice journal is created
- Reconcile over time once all invoice journals for the completed project are generated and posted to the account ledger

When you process revenue recognition and generate invoices without reconciliation:

- The journal generation control is 3.
- Invoicing does not apply when you process revenue recognition.
- The system calculates the same amount for actual revenue and unbilled accounts receivable.
- The system calculates the amounts for revenue and unbilled accounts receivable simultaneously.

When the work is complete and you process invoices, the system:

- Calculates the same amount for unbilled accounts receivable and accounts receivable.
- Calculates the amounts for unbilled accounts receivable and accounts receivable simultaneously.
- Uses the RC AAI to designate the accounts receivable and retainage accounts

For example, your company began a project on June 15 and completed the project 90 days later. The total cost for the project was 1,000.00. Every week, the company generates the workfile transactions with a 15 percent markup added to the cost. Your company processes revenue recognition at the end of each month, beginning in June. They process the invoice on September 25. The system creates the following journal entries for the project costs:

06/28/98	Project cost	350.00	
	Accounts payable		(350.00)
07/25/98	Project cost	500.00	
	Accounts payable		(500.00)
09/10/98	Project cost	150.00	
	Accounts payable		(150.00)

The "T" account postings and balances in the general ledger are:

PROJECT COSTS			
Date	Debit	Credit	Balance
06/28/98	350.00		350.00
07/25/98	500.00		850.00
08/31/98			850.00
09/10/98	150.00		1,000.00

The system uses two different table types to direct the system to the base rules for the journal entries:

- Table type 1 directs the system to the rules for actual revenue.
- Table type 3 directs the system to the rules for unbilled accounts receivable.

Revenue Recognition for June

On June 30, your company processes revenue recognition. The workfile contains a new transaction for 402.50. The system uses the following calculation for the workfile transaction:

- 350.00 cost X 15 percent markup = 52.50
- 350.00 cost + 52.50 = 402.50

The system creates the following journal entry for revenue recognition:

06/30/98	Unbilled accounts receivable	402.50	
	Actual revenue		(402.50)

The "T" account postings and balances for June in the general ledger are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50

Account Derivation Table Type 3 directs the system to unbilled accounts receivable base rules. It creates a debit journal entry for the revenue recognition amount.

ACTUAL REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)

Accounts Derivation Table Type 1 directs the system to the base rules for actual revenue. It creates a credit journal entry for the revenue recognition amount.

Revenue Recognition for July

On July 31, your company processes revenue recognition. The workfile contains a new transaction for 575.00. The system uses the following calculation for the workfile transaction:

- 500.00 cost X 15 percent markup = 75.00
- 500.00 cost + 75.00 = 575.00

The system creates the following journal entry for revenue recognition:

07/31/98	Unbilled accounts receivable	575.00	
	Actual revenue		(575.00)

The "T" account postings and balances for July in the general ledger are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/31/98	575.00		977.50

Account Derivation Table Type 3 directs the system to unbilled accounts receivable base rules. It creates a debit journal entry for the revenue recognition amount.

ACTUAL REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)
07/31/98		575.00	(977.50)

Account Derivation Table Type 1 directs the system to the base rules for actual revenue. It creates a credit journal entry for the revenue recognition amount.

Revenue Recognition for August

In August, your company does not have new costs for the project. Therefore, no new workfile transactions exist for the project. The balances for August in the general ledger are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/31/98	575.00		977.50
08/31/98			977.50

ACTUAL REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)
07/31/98		575.00	(977.50)
08/31/98			(977.50)

Invoicing for September

On September 25, your company processes the invoice. The workfile contains a new transaction for 172.50. The system uses the following calculation for the workfile transaction:

- 150.00 cost X 15 percent markup = 22.50
- 150.00 cost + 22.50 = 172.50

The system creates the following journal entry for the invoice:

09/25/98	Accounts receivable	1,150.00	
	Actual revenue		(1,150.00)

The workfile transactions for June, July, and September have not been invoiced up to now. The system sums the invoice amounts for the three months to create an invoice amount of 1,150.00.

The "T" account postings and balances for September in the general ledger for the invoice journals are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/31/98	575.00		977.50
08/31/98			977.50
09/25/98		1,150.00	(172.50)

The system uses the Account Derivation Table Type 3 to determine the base rules for unbilled accounts receivable. When it creates the journal entry, it credits the invoice amount to unbilled accounts receivable. Unbilled Accounts Receivable contains an unreconciled balance of 172.50.

ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98			0
07/31/98			0
08/31/98			0
09/25/98	1,150.00		1,150.00

Accounts receivable contains the actual invoiced amount. The system uses the RC AAI to create the journal entry for Accounts Receivable.

Revenue Recognition Adjustments for September

When you generate the journals for invoices, the system also generates adjustment journals for revenue recognition. The system uses the workfile transactions in the invoice batch to determine if it must create any applicable adjustments to the prior journal entries for revenue recognition. Adjustments can occur for various reasons, such as:

- You have not included invoiced workfile transactions for the current batch in a prior revenue journal.
- The information for the workfile transaction, such as the object account, cost amount, or eligibility code, has changed from when you originally included it in a revenue batch.

The invoice was processed prior to the end of the month. Revenue has not been calculated for the 172.50 workfile transaction that was included in the invoiced amount. The system created the following adjustment journal entry for revenue recognition:

09/25/98	Unbilled accounts receivable	172.50	
	Actual revenue		(172.50)

After you post the adjustment, the amount for actual revenue equals the amount for accounts receivable, and the variance for unbilled accounts receivable self-corrects. The "T" account postings and balances for September in the general ledger are:

ACTUAL REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)
07/31/98		575.00	(977.50)
08/31/98			(977.50)
09/25/98		172.50	(1,150.00)

Account Derivation Table Type 1 directs the system to the base rules for actual revenue. It creates a credit journal entry for the revenue recognition amount.

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/31/98	575.00		977.50
08/31/98			977.50
09/25/98		1,150.00	(172.50)
09/25/98	172.50		0

Account Derivation Table Type 3 directs the system to the base rules for unbilled accounts receivable. It creates a debit journal entry for the revenue recognition amount.

Generally, during each month, a company processes multiple invoice batches. Depending upon company policy, revenue recognition might be processed more than once a month. Timing differences always occur between revenue recognition and invoice processing. Therefore, the account for unbilled accounts receivable would contain a variance amount and would not zero out each month.

Revenue Recognition and Invoicing with Reconciliation

Many companies do not want a variance between invoice and recognized revenue amounts. In this case, the revenue and receivable amounts are unbilled estimates. The actual revenue and receivable amounts always equal the invoiced amounts. When a company processes invoices, all the estimates are reconciled.

For example, if the company recognizes revenue monthly, but generates invoices only after the work is completed, the estimated revenue and receivable amounts are reconciled when the actual revenue and receivable amounts for the invoice are processed.

When you process invoices with revenue reconciliation, the journal generation control is 4.

When you process revenue recognition:

- Invoicing does not apply when you process revenue recognition at the end of each month.
- The system calculates the same amount for unbilled revenue and unbilled accounts receivable.
- The system calculates the amounts for unbilled revenue and unbilled accounts receivable simultaneously.
- The system uses two different table types for the account derivation rules to create the journal entries:
    - Table type 1 directs the system to the rules for unbilled revenue.
    - Table type 3 directs the system to the rules for unbilled accounts receivable.

When the work is complete at a later time, and you process invoices:

- The system calculates the same amount for unbilled accounts receivable and accounts receivable.
- The system calculates the amounts for unbilled accounts receivable and accounts receivable simultaneously.
- The RC AAI designates the A/R account.
- The system uses the account derivation rules and AAIs to create the journal entries. Table type 3 directs:
    - The system to the rules for unbilled accounts receivable
    - The RC AAI to the account information for accounts receivable

The system also:

- Processes the revenue reconciliation journals
- Reconciles the unbilled revenue and receivable amounts
- Creates the actual income amounts.
- Uses three different table types for the account derivation rules to create journal entries:
    - Type 1 to reconcile the unbilled revenue amounts
    - Type 2 to credit the actual revenue amount
    - Type 3 to reconcile the unbilled accounts receivable amounts

For example, your company began a project on June 15 and completed the project 30 days later. The total cost for the project was 1,000.00. Every week, the company generates the workfile transactions with a 15 percent markup added to the cost. Your company processes revenue recognition at the end of each month, beginning in June. They process the invoice on July 25. The system creates the following journal entries for the project costs:

06/28/98	Project cost	350.00	
	Accounts payable		(350.00)
07/25/98	Project cost	650.00	
	Accounts payable		(650.00)

The "T" account postings and balances for the cost in the general ledger are:

PROJECT COSTS			
Date	Debit	Credit	Balance
06/28/98	350.00		350.00
07/25/98	650.00		1,000.00

Revenue Recognition for June

On June 30, your company processes revenue recognition. The workfile contains a new transaction for 402.50. The system uses the following calculation for the workfile transaction:

- 350.00 cost X 15 percent markup = 52.50
- 350.00 cost + 52.50 = 402.50

The system creates the following journal entry for revenue recognition for the unbilled revenue and unbilled accounts receivable:

06/30/98	Unbilled accounts receivable	402.50	
	Unbilled revenue		(402.50)

The "T" account postings and balances for June in the general ledger are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50

Account Derivation Table Type 3 directs the system to unbilled accounts receivable base rules. It creates a debit journal entry for the revenue recognition amount.

UNBILLED REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)

Account Derivation Table Type 1 directs the system to unbilled revenue base rules. It creates a credit journal entry for the revenue recognition amount.

Invoicing for July

On July 25, your company processes the invoice. The workfile contains a new transaction for 747.50. The system uses the following calculation for the workfile transaction:

- 650.00 cost X 15 percent markup = 97.50
- 650.00 cost + 97.50 = 747.50

The system creates the following journal entry for the June and July workfile transactions by adding the 402.50 and 747.50 that apply to the invoice:

07/25/98	Accounts receivable	1,150.00	
	Unbilled accounts receivable		(1,150.00)

The "T" account postings and balances for July in the general ledger are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/25/98		1,150.00	(747.50)

Account Derivation Table Type 3 directs the system to unbilled accounts receivable base rules. It creates a credit journal entry for the *invoice amount*.

ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98			0
07/25/98	1,150.00		1,150.00

The RC AAI directs the system to the accounts receivable and retainage account information. It uses the *invoice amount* to create the debit for the journal entry.

Revenue Recognition and Reconciliation for July

Revenue Recognition

Unbilled accounts receivable and untilled revenue have not been calculated for the 747.50 workfile transaction that was included in the invoiced amount. The system creates the following journal entry for reconciliation of the revenue recognition amounts:

07/25/98	Unbilled accounts receivable	747.50	
	Unbilled revenue		(747.50)

The account postings and the balances in the general ledger for the journals are:

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/25/98		1,150.00	(747.50)
07/25/98	747.50		0

Account Derivation Table Type 3 directs the system to the base rules for unbilled accounts receivable. It creates a debit journal entry for the *revenue recognition amount*.

UNBILLED REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)
07/25/98		747.50	(1,150.00)

Account Derivation Table Type 1 directs the system to the base rules for unbilled revenue. It creates a credit journal entry for the *revenue recognition amount*.

Revenue Reconciliation of the Revenue Amounts

The system uses Unbilled Accounts Receivable as the "clearing" account for the Revenue Recognition and INvoice amounts during the reconciliation of revenue. When the revenue and invoice amounts are the same, it appears as if the system has created unnecessary, duplicate entries. This occurs because the system uses gross amounts rather than net amounts to reconcile the unbilled accounts.

The system creates the following journal entries for the reconciliation of the revenue recognition amounts:

07/25/98	Unbilled revenue	1,150.00	
	Unbilled accounts receivable		(1,150.00)

The account postings and the balances in the general ledger for the journals are:

UNBILLED REVENUE			
Date	Debit	Credit	Balance
06/30/98		402.50	(402.50)
07/25/98		747.50	(1,150.00)
07/25/98	1,150.00		0

Account Derivation Table Type 1 directs the system to the base rules for unbilled revenue. It creates a debit journal entry for the *revenue recognition amount*.

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/25/98		1,150.00	(747.50)
07/25/98	747.50		0
07/25/98		1,150.00	(1,150.00)

Account Derivation Table Type 3 directs the system to the base rules for unbilled accounts receivable. It creates a credit journal entry for the *revenue recognition amount*.

Revenue Reconciliation of the Invoice Amounts

The system also creates the following journal entries for the revenue reconciliation by using the invoice amount for actual revenue:

07/25/98	Unbilled accounts receivable	1,150.00	
	Revenue		(1,150.00)

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	402.50		402.50
07/25/98		1,150.00	(747.50)
07/25/98	747.50		0
07/25/98		1,150.00	(1,150.00)
07/25/98	1,150.00		0

Account Derivation Table Type 3 directs the system to the base rules for unbilled accounts receivable. It creates a debit journal entry for the *invoice amount*.

REVENUE			
Date	Debit	Credit	Balance
07/25/98		1,150.00	(1,150.00)

Account Derivation Table Type 2 directs the system to the base rules for actual revenue. It creates a credit journal entry for the *invoice amount*.

After all the journals have been posted, the unbilled accounts are reconciled. Only the actual revenue and accounts receivable accounts contain balances for the invoiced workfile transactions.

Reallocation Rules

Companies define reallocation rules so that the system can redirect amounts. The amounts can include:

- Taxes
- Invoices
- Costs

To use reallocation rules, you must first define a base rule. Then, you can define reallocation rules to redirect up to 100% of an amounts from and to one or more alternate accounts.

For example, your company might charge a "trip" fee whenever they send a service person to the equipment location to preform repairs. If your company wants to direct trip fees to a separate business unit from repair fees, you can define a reallocation rule to redirect the trip fee.

Reallocation rules use any combination of the following files in the Account Derivation Table:

- Table Amount Basis
- Split Amount Basis
- Positive or Negative
- Component Code
- Condition Code
- Percent to Include
- Reverse Entry Control

When you define reallocation rules for table amounts, the system uses the billing detail transaction in the Service Billing Workfile (F4812). Table amounts can be defined as:

Base	Either the revenue or invoice amount, depending on the type of processing and the stage of journal processing
Cost	Actual amount of cost for workfile transaction
Invoice	Actual amount invoiced for workfile transaction
Revenue	Actual amount for revenue recognition for workfile transaction

Margin	Actual amount for revenue less the actual amount for cost
Net Margin	Actual amount for invoice less the actual amount for cost

Depending on the value for the system constant for independent revenue and invoice amounts, and the type of markup tables, the revenue and invoice amounts are either the same or can differ. The Margin and the Net Margin amounts might not differ.

The Positive or Negative (+/–) field directs the system to increase or decrease the amount for the resulting account. Whether an account is increased or decreased depends on the type of journal processing and the stage of journal processing. For example, a + can increase the unbilled accounts receivable account during revenue recognition, and decrease the unbilled accounts receivable account during invoicing.

The Reverse Entry Control (REC) field is used to prevent the system from creating a reversing entry for rules on the Account Derivation Table. You can use this field with any entry other than the Base Entry rule for the table.

The Split Amount Basis field is related to the table amounts in the Amount Basis fields. When the Split Amount Basis field is blank, the reallocation can be used with the amounts for Cost, Margin, or Net Margin. (Taxable amounts and the tax amount cannot be split apart from the Cost, Margin, or Net Margin.) Other split amounts can be based on:

B	Invoice amount plus tax or the revenue amount
A	Taxable invoice amount
T	Tax amount

The system can execute reallocation rules depending on different circumstances. the system might execute a reallocation rule when there is a component name in the component field. In this case, a component amount is calculated for the named component code and the amount is attached to the workfile transaction.

Executing rules can also depend on the results of a conditional test. The condition code directs the system to the test the system must perform. Based on the results of the test, the system determines whether to execute the reallocation rule.

Defining Reallocation Rules

Companies can determine the need for reallocation rules by analyzing the account journal entries that are required when they post transactions that are processed by the Service and Contract Billing systems.

Invoicing Only

A company creates an invoice for 1,200.00. The original cost per unit is 10.00 for 100 units. The cost of each unit is recorded in the Work in Process account. After the units are invoiced, the cost is moved from the Work in Process account to the Cost of Goods Sold account. Each unit is sold for 12.00.

The journal entries are:

06/30/98	Work in Process	1,000.00	
	Accounts Payable		(1,000.00)
07/31/98	Accounts Receivable	1,200.00	
	Sales Revenue		(1,200.00)
07/31/98	Cost of Goods Sold	1,000.00	
	Work in Process		(1,000.00)

The Account Derivation Table rules for Table Type 3 – Acutal Revenue first direct the 1,200.00 invoice amount to the Sales Revenue account. The system uses the AAIs to create the Accounts Receivable portion of the journal entry. Then, the Work in Process account is reduced and the Cost of Goods Sold is increased by the cost amount.

The account postings and balances for June in the general ledger are:

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	1,000.00		1,000.00

ACCOUNTS PAYABLE			
Date	Debit	Credit	Balance
06/30/98		1,000.00	(1,000.00)

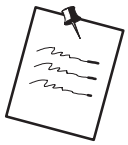
The account postings and balances for July in the general ledger are:

ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
07/31/98	1,200.00		1,200.00

SALES REVENUE			
Date	Debit	Credit	Balance
07/31/98		1,200.00	(1,200.00)

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	1,000.00		1,000.00
07/31/98		1,000.00	0

COST OF GOODS SOLD			
Date	Debit	Credit	Balance
07/31/98	1,000.00		1,000.00

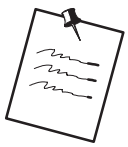


In the example, the Journal Generation system constant is set to 1 because the company is creating invoices only without revenue recognition. Account Derivation Table Type 3 is the only table needed to create the revenue and reallocation journal entries.

Account Derivation Table Rules

You set up the Account Derivation Table rules for invoicing only as follows:

ACCOUNT DERIVATION TABLE TYPE 3			
Purpose	**Account Basis**	**Tax Basis**	**+/−**
Define base rule for revenue amount from the invoice	B (Base)	B (Base)	+ creates a credit to the Revenue account
Remove cost from the Work in Process account	C (Cost)		+ creates a credit to the Work in Process account
Reallocate cost to Cost of Goods Sold account	C (Cost)		− creates a debit to Cost of Goods Sold account



The RC AAI directs the system to the account information associated with the debit to Accounts Receivable.

To determine the correct +/– entry, you must analyze the type of account and the normal type of balance within the account. For example, the Work in Process account is usually a balance sheet account with a debit (+) balance. If you use a + on Table Type 3 when the Journal Generation is set to only create invoices, the system automatically creates a crdit (–) entry to the resulting account.

Revenue Recognition Only

A company recognizes revenue for 1,200.00. The original cost per unit is 10.00 for 100 units. The cost of each unit is recorded in the Work in Process account. After the revenue for the units is recognized, the cost is moved from the Work in Process account to the Cost of Goods Sold account. The revenue for each unit is recognized as 12.00 per unit.

The journal entries are:

06/30/98	Work in Process	1,000.00	
	Accounts Payable		(1,000.00)
07/31/98	Inter-Company Receivable	1,200.00	
	Reimbursed Expenses		(1,200.00)
07/31/98	Cost of Goods Sold	1,000.00	
	Work in Process		(1,000.00)

The Account Derivation Table rules for Table Type 1 – Acutal Revenue first direct the 1,200.00 revenue amount to the Reimbursed Expense account. The Account Derivation Table rules for Table Type 3 – Unbilled Receivables, direct the 1,2000.00 reimbursable amount to the Inter-Company Receivable account. Then, the Work in Process account is reduced and the Cost of Goods Sold is increased by the cost amount.

The account postings and balances for June in the general ledger are:

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	1,000.00		1,000.00

ACCOUNTS PAYABLE			
Date	Debit	Credit	Balance
06/30/98		1,000.00	(1,000.00)

The account postings and balances for July in the general ledger are:

INTER-COMPANY RECEIVABLE			
Date	Debit	Credit	Balance
07/31/98	1,200.00		1,200.00

REIMBURSED EXPENSES			
Date	Debit	Credit	Balance
07/31/98		1,200.00	(1,200.00)

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	1,000.00		1,000.00
07/31/98		1,000.00	0

COST OF GOODS SOLD			
Date	Debit	Credit	Balance
07/31/98	1,000.00		1,000.00

Account Derivation Table Rules

You can use either Method 1 or Method 2 to create the Account Derivation rules for revenue recognition only. The rules are set up as follows:

ACCOUNT DERIVATION TABLE TYPE 1 – ACTUAL REVENUE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Method 1			
Define base rule for revenue for reimbursed expenses	B (Base)	B (Base)	+ creates a credit to the Reimbursed Expense account
Define a reallocation rules for the Cost of Goods Sold account	R (Revenue)		– creates a debit to the Inter-Company Receivable account
Define a reallocation rule for the Work in Process account	R (Revenue)		+ creates a creidt to the Work in Process account

ACCOUNT DERIVATION TABLE TYPE 1 – ACTUAL REVENUE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Method 2			
Define base rule for revenue for reimbursed expenses	B (Base)	B (Base)	+ creates a credit to the Reimbursed Expenses account

ACCOUNT DERIVATION TABLE TYPE 3 – UNBILLED ACCOUNTS RECEIVABLE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Method 1			
Define base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a debit to the Inter-Company Receivable account
Method 2			
Define a base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a debit to the Inter-Company Receivable account
Define a reallocation rule for cost of goods sold	R (Revenue)		+ creates a debit to the Cost of Goods Sold account
Define a reallocation rule for work in process	R (Revenue)		– creates a credit to the Work in Process account

Invoicing and Revenue Recognition without Revenue Reconciliation

A company recognizes revenue for 1,200.00 over a two-month period. The second month, the company processes an invoice for 1,200.00. The original cost per unit is 10.00 for 100 units. The cost of each unit is recorded in the Work in Process account. After revenue is recognized for the units, the cost is moved from the Work in Process Account to the Cost of Goods Sold account. Revenue is recognized for each unit at 12.00 per unit.

The journal entries are:

06/30/98	Work in Process	1,000.00	
	Accounts Payable		(1,000.00)
06/30/98	Unbilled Accounts Receivable	720.00	
	Revenue		(720.00)
06/30/98	Cost of Goods Sold	600.00	
	Work in Process		(600.00)
07/31/98	Work in Process	400.00	
	Accounts Payable		(400.00)
07/31/98	Accounts Receivable	1,200.00	
	Unbilled Account Receivable		(1,200.00)
07/31/98	Unbilled Accounts Receivable	480.00	
	Revenue		(480.00)
07/31/98	Cost of Goods Sold	400.00	
	Work in Process		(400.00)

In June, the Account Derivation Table rules for Table Type 1 – Actual Revenue first direct the 720.00 revenue amount to the Revenue account. The Account Derivation Table rules for Table Type 3 – Unbilled Receivables directs the 720.00 for unbilled receivables to the Unbilled Accounts Receivable account.

In July, the system uses the RC AAI to debit the Accounts Receivable account for the amount of the invoice. Then, the system uses Table Type 3 – Unbilled Receivables to create a 1,200.00 credit.

The system also determines whether the workfile transactions that make up the 1,200.00 invoice require any revenue adjustments. In this example, a 420.00 workfile transaction was not included in the revenue batch prior to creating the invoice. The system creates two additional journal entries for the revenue adjustments applicable to the workfile transaction.

The system uses the Account Derivation Table rules for Table Type 1 – Actual Revenue to adjust the revenue amount by 420.00 and create a credit to the Revenue account. Then the system uses the Account Derivation Table rules for Table Type 3 – Unbilled Receivables to adjust unbilled receivables by 420.00 and create a debit to the Unbilled Accounts Receivable account.

In this example, Unbilled Accounts Receivable reconciled to “zero” because of the timing difference between revenue recognition and invoicing. Typically, a variance would exist in the account each month because the system does not create reconciling entries to reconcile the unbilled balance.

Finally, the system reduces the Work in Process and increases the Cost of Goods Sold by the cost amount each month.

The account postings and balances for June in the general ledger are:

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	600.00		600.00

ACCOUNTS PAYABLE			
Date	Debit	Credit	Balance
06/30/98		600.00	(600.00)

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	720.00		720.00

REVENUE			
Date	Debit	Credit	Balance
06/30/98		720.00	(720.00)

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	600.00		600.00
06/30/98		600.00	0

COST OF GOODS SOLD			
Date	Debit	Credit	Balance
06/30/98	600.00		600.00

The account postings and balances for July in the general ledger are:

WORK IN PROCESS			
Date	Debit	Credit	Balance
07/31/98	400.00		400.00

ACCOUNTS PAYABLE			
Date	Debit	Credit	Balance
06/30/98		600.00	(600.00)
07/31/98		400.00	(1,000.00)

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	720.00		720.00
07/31/98		1,200.00	(480.00)

ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98			
07/31/98	1,200.00		1,200.00

REVENUE			
Date	Debit	Credit	Balance
06/30/98		720.00	(720.00)
07/31/98		480.00	(1,200.00)

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	720.00		720.00
07/31/98		1,200.00	(480.00)
07/31/98	480.00		0

WORK IN PROCESS			
Date	Debit	Credit	Balance
07/31/98	400.00		400.00
07/31/98		400.00	0

COST OF GOODS SOLD			
Date	Debit	Credit	Balance
06/30/98	600.00		600.00
07/31/98	400.00		1,000.00

Reverse Entry Control

The Reverse Entry Control (REC) field is used to prevent the system from creating a reversing entry for rules on the Account Derivation Table. You can use the Reverse Entry Control field with any entry other than the Base Entry rule for a table.

When the Journal Generation Control is 3, the system uses Table Type 3 – Unbilled Accounts Receivable to create both a journal entry for revenue recognition and invoices. The revenue recognition journal entry debits Unbilled Accounts Receivable. The invoice journal entry credits Unbilled Accounts Receivable.

If a reallocation rule is defined on Table Type 3 – Unbilled Accounts Receivable and is only applicable to revenue recognition, the Reverse Entry Control should be set to prevent the system from using the rule when it creates the invoice journal entries.

The reallocation rule for the Work in Process and Cost of Goods Sold accounts creates journal entries only when the system cerates the revenue recognition journals. In this case, the value in the Reverse Entry Control field should be 0 to prevent the system from creating additional journal entries, per Method 2 in the following account derivation rules.

Account Derivation Table Rules

You can use Method 1 or Method 2 to create the Account Derivation Table rules for revenue recognition and invoicing without revenue reconciliation. Set up the rules as follows:

ACCOUNT DERIVATION TABLE TYPE 1 – ACTUAL REVENUE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Method 1			
Define base rule for revenue	B (Base)	B (Base)	+ creates a credit to the Revenue account
Define a reallocation rule for the cost of goods sold	R (Revenue)		– creates a debit to the Cost of Goods Sold account
Define a reallocation rule for the work in process	R (Revenue)		+ creates a credit to the Work in Process account
Method 2			
Define base rule for revenue for reimbursed expenses	B (Base)	B (Base)	+ creates a credit to the Reimbursed Expenses account

ACCOUNT DERIVATION TABLE TYPE 3 – UNBILLED ACCOUNTS RECEIVABLE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Method 1			
Define base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a debit to the Inter-Company Receivable account

ACCOUNT DERIVATION TABLE TYPE 3 – UNBILLED ACCOUNTS RECEIVABLE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Method 2			
Define a base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a debit to the Inter-Company Receivable account
Define a reallocation rule for cost of goods sold	R (Revenue)		+ creates a debit to the Cost of Goods Sold account (REC is 0)
Define a reallocation rule for work in process	R (Revenue)		– creates a credit to the Work in Process account (REC is 0)

Invoicing and Revenue Recognition with Revenue Reconciliation

A company recognizes revenue for 1,200.00 over a two-month period. The second month, the company processes an invoice for 1,200.00. The original cost per unit is 10.00 for 100 units. The cost of each unit is recorded in the Work in Process account. After revenue is recognized for the units, the cost is moved from the Work in Process Account to the Cost of Goods Sold account. Revenue is recognized for each unit at 12.00 per unit.

The journal entries for June are:

06/30/98	Work in Process	600.00	
	Accounts Payable		(600.00)
06/30/98	Unbilled Accounts Receivable	720.00	
	Unbilled Revenue		(720.00)

The account postings and balances for June in the general ledger are:

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	600.00		600.00

ACCOUNTS PAYABLE			
Date	Debit	Credit	Balance
06/30/98		600.00	(600.00)

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	720.00		720.00

UNBILLED REVENUE			
Date	Debit	Credit	Balance
06/30/98		720.00	(720.00)

In June, the Account Derivation Table rules for Table Type 1 – Actual Revenue first direct the 720.00 revenue amount to the Revenue account. The Account Derivation Table rules for Table Type 3 – Unbilled Receivables direct the 720.00 for unbilled receivables to the Unbilled Accounts Receivable account.

The journal entries for July are:

07/31/98	Work in Process	400.00	
	Accounts Payable		(400.00)
07/31/98	Unbilled Accounts Receivable	480.00	
	Unbilled Revenue		(480.00)
07/31/98	Accounts Receivable	1,200.00	
	Unbilled Account Receivable		(1,200.00)
07/31/98	Unbilled Revenue	1,200.00	
	Unbilled Accounts Receivable		(1,200.00)
07/31/98	Unbilled Accounts Receivable	1,200.00	
	Revenue		(1,200.00)
07/31/98	Cost of Goods Sold	1,000.00	
	Work in Process		(1,000.00)

The account postings and balance for July in the general ledger are:

WORK IN PROCESS			
Date	Debit	Credit	Balance
06/30/98	600.00		600.00
07/31/98	400.00		1,000.00
07/31/98		1,000.00	0

COST OF GOODS SOLD			
Date	Debit	Credit	Balance
06/30/98			
07/31/98	1,000.00		1,000.00

ACCOUNTS PAYABLE			
Date	Debit	Credit	Balance
06/30/98		600.00	(600.00)
07/31/98		400.00	(1,000.00)

UNBILLED REVENUE			
Date	Debit	Credit	Balance
06/30/98		720.00	720.00
07/31/98		480.00	1,200.00
07/31/98	1,200.00		0

UNBILLED ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98	720.00		720.00
07/31/98	480.00		1,200.00
07/31/98		1,200.00	0
07/31/98		1,200.00	(1,200.00)
07/31/98	1,200.00		0

ACCOUNTS RECEIVABLE			
Date	Debit	Credit	Balance
06/30/98			
07/31/98	1,200.00		(1,200.00)

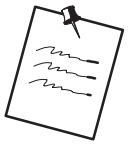
REVENUE			
Date	Debit	Credit	Balance
06/30/98			
07/31/98		1,200.00	(1,200.00)

Account Derivation Table Rules

When you set up the Account Derivation Tables rules for revenue recognition and invoicing with reconciliation, you must define all three table types. Set up the rules as follows:

ACCOUNT DERIVATION TABLE TYPE 1 – UNBILLED REVENUE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Define base rule for unbilled revenue	B (Base)	B (Base)	+ creates a *credit* to the Unbilled Revenue account using the *revenue recognition amount* when processing revenue recognition
Define a base rule for unbilled revenue	B (Base)	B (Base)	+ creates a *debit* to the Unbilled Revenue account using the *revenue recognition amoun*t when processing revenue reconciliation during invoicing

ACCOUNT DERIVATION TABLE TYPE 2 – ACTUAL REVENUE Account Basis and Tax Basis Increase/Decrease Rules			
Purpose	**Account Basis**	**Tax Basis**	**+/–**
Define a base rule for revenue amount from the invoice	B (Base)	B (Base)	+ creates a *credit* to the revenue account using the *invoice amount* when processing revenue reconciliation during invoicing
Remove cost from Work in Process account	C (Cost)		+ creates a credit to the Work in Process account when processing revenue reconciliation during invoicing
Reallocate cost to Cost of Goods Sold account	C (Cost)		– creates a debit to the Cost of Goods Sold account when processing revenue reconciliation during invoicing



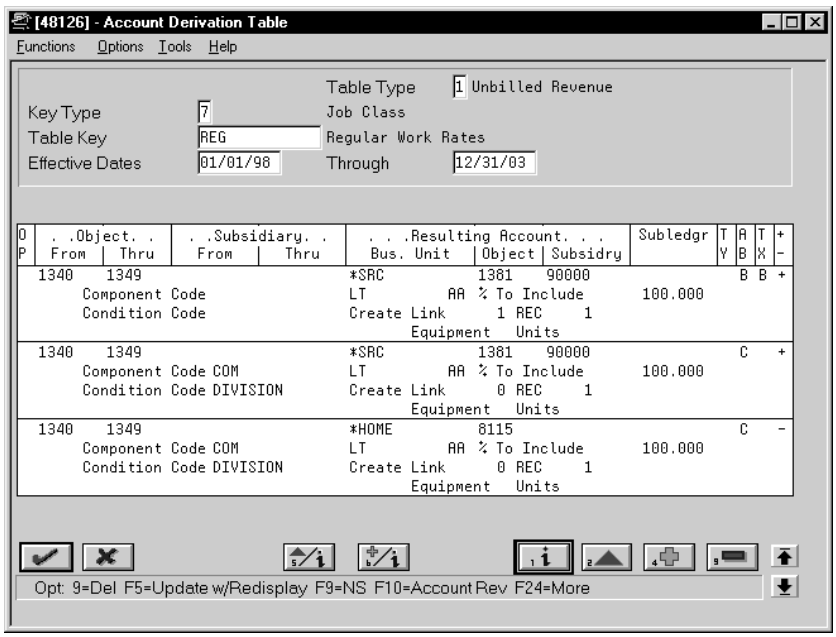
The Reverse Entry Control (REC) field does not apply because the reallocation rules for the Work in Process and Cost of Goods Sold accounts are defined on Table Type 2 – Actual Revenue. Table Type 2 – Actual Revenue is used only during invoice journaling when the system performs the revenue reconciliation.

ACCOUNT DERIVATION TABLE TYPE 3 – UNBILLED ACCOUNTS RECEIVABLE
Account Basis and Tax Basis Increase/Decrease Rules

Purpose	Account Basis	Tax Basis	+/–
Define a base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a *debit* to the Unbilled Accounts Receivable account when processing the *revenue recognition amount* during revenue recognition processing
Define a base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a *debit* to the Unbilled Accounts Receivable account when processing the *invoice amount* during invoice processing
Define a base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a *credit* to the Unbilled Accounts Receivable account when processing the *revenue recognition amount* for revenue reconciliation during invoice processing
Define a base rule for unbilled accounts receivable	B (Base)	B (Base)	+ creates a *debit* to the Unbilled Accounts Receivable account when processing the *invoice amoun*t for revenue reconciliation during the invoice processing

Component Reallocations

A component is a markup that can be associated with a workfile transaction's cost, revenue, and invoice amount, or any combination of these three. If a component amount exists, an account derivation rule can reclassify the amount.



For example, a company might add 7 cents per hour onto all hourly employees' wages for the cost of benefits. When this amount is included in an invoice, the company wants the revenue amount for the benefits recovery separated from the sales revenue amount. If the current invoice included a 7 dollar billing for 100 hours, the reclassification journal entry would be:

Sales Revenue	7.00	
Benefits Recovery		(7.00)

To create this journal entry, you can use the account derivation rules to create a reallocation rule that reduces the sales revenue by the component amount and increases the benefits recovery. Both reallocation rules include the component name associated wit the 7 cents per hour cost of benefits so that the system can determine the recovery amount.

Defining Component Reallocation Rules

You can define component reallocation rules on any of the three types of account derivation tables. To reallocate components, you must determine the following:

- Appropriate journal processing stage for the reallocation
- Base rule associated with the component reallocation
- Object account range for the workfile transaction associated with the component
- Resulting accounts for the reallocation amount
- Amount Basis for the component amount, such as cost, invoice, or revenue
- Component code
- Percentage to reallocate

To define the component reallocation rule, access the appropriate account derivation table and define the base rule. Then, define the appropriate reallocation rule to reduce the component amount from the original resulting account. Last, define the appropriate reallocation rule to increase the component amount for the new resulting account.

See Also

- *Assigning Component Codes to Account Derivation Rules*

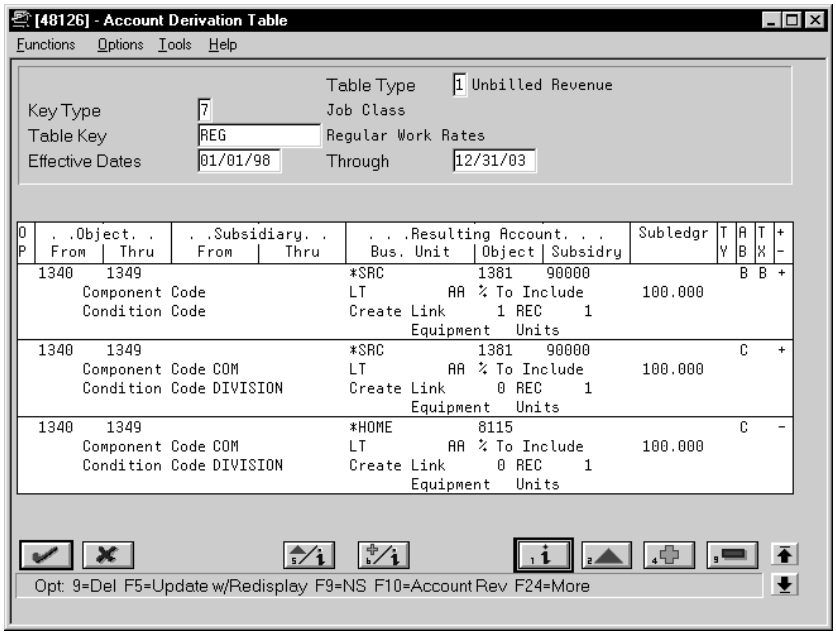
Conditional Reallocation Rules

Reallocation rules can be dependent on the results of a conditional test. When you specify a test for a conditional reallocation rule, the system must test each condition before it can execute each account derivation rule. This additional processing increases the time it takes for the system to create the resulting journal entries.

Each conditional test can include one or more types of tests the system must execute for the Condition Code before it applies the reallocation rule. To assign a condition code to a reallocation rule, you must determine the following:

- Appropriate journal processing stage for the conditional reallocation
- Base rule associated with the conditional reallocation rule

- Object account range for the workfile transactions associated with the conditional reallocation rule
- Resulting accounts for the conditional reallocation amount
- Applicable amount basis and tax basis for the conditional reallocation rule
- Condition code tests



See Also

- *Setting Up Condition Codes*

Independent Revenue/Invoice Amount Basis

When the invoice and revenue amounts are marked up independent of each other, the Journal Generation Control for revenue recognition with or without reconciliation affects the variance balance the system maintains in the Unbilled Accounts Receivable and Unbilled Revenue accounts.

The Independent Revenue/Invoice constant determines if the markup amounts calculated for the workfile transactions must use the same rules for the invoice and revenue amounts. If the constant is set to allow different markup rules for the invoice and revenue amounts, processing invoices and revenue recognition without reconciliation creates a permanent variance between unbilled accounts receivable and actual accounts receivable amounts. Invoice and revenue amounts are always different.

If the Independent Revenue/Invoice constant is set to allow different markup rules for the invoice and revenue amounts, processing invoices and revenue

recognition with reconciliation forces the unbilled accounts to reconcile, but allows the invoice and revenue amounts to be different.

The following results occur based on the relationships between the system constants and the revenue recognition process:

System Constants		Revenue Recognition Results		
Journal Generation Control	Independent Revenue/Invoice Flag	Revenue Amount	Invoice Amount	Unbilled Accounts Receivable
3	0	Same	Same	No Variance
3	1	Different	Different	Variance
4	0	Same	Same	No Variance
4	1	Different	Different	No Variance

If the Journal Generation Control is:

- 3 – process revenue recognition without reconciliation
- 4 – process revenue recognition with reconciliation

If the Independent Revenue Invoice Control is:

- 0 – the invoice amount always equals the revenue amount
- 1 – the invoice and revenue amounts can differ

See Also

- *Setting Up System Constants for Contract Billing*

Appendix E — Retrieval Reference Codes

You set up the retrieval reference codes with the Retrieval Reference window. This window is accessed from the Format Revisions screen. The following table describes the parameters that relate to retrieval codes. Be aware of the following:

- Only the applicable parameters are listed for each retrieval code.
- To display more information about each parameter, use function keys F1 (field help) and F8 (table field descriptions).

The Display Size field is a required field for the setup of all the retrieval reference codes. If a display size is not specified, the related information is not printed on the invoice.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
ADD No source table	1 – 4	A mathematical function performed over retrieved information. For that information, specify the numbers of the retrieval reference codes in the parameter fields. For example, if the calculation relates to retrieval reference code numbers 7 and 10, you would specify &7 in parameter 1 and &10 in parameter 2. You can also specify other numeric values involved in the calculation, such as -1, .10, or 100.
ADDRESS Address by Date (F0116)	1	The data item related to the information you want to retrieve from the F0116 table.
	2	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer.
	3	Determines the address number for the alternate address information, such as the alternate billing number or parent number.
	4	The date on which a change of address takes place. It is compared with the effective date for the address number. This parameter applies *only* if the Addresses by Effective Date field on the Address Book Constants form is set to 1.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
ADDRESS2 Account Master (F0101)	1	The data item related to the information you want to retrieve from the F0101 table.
	2	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer.
	3	Determines the address number for the alternate address information, such as the alternate billing number or parent number.
ACCOUNT Address Book Master (F0901)	1	The data item related to the information you want to retrieve from the F0901 table.
	2	Determines whether the account information is related to the original (posting) cost account or the closest previous non-posting account. For example, Professional could be the description for a posting cost account or Labor for a non-posting account.
AMOUNT No source table	1	Determines the type of amount you want printed, such as a cost amount or a unit quantity. An amount can be included on any detail or total format.
	2	This parameter applies to payroll labor and its related burden costs. It determines whether the system prints the total billing amount, only the labor costs, or only the burden costs.
	3	This parameter applies only to a workfile record with associated components. It determines whether the system prints amounts related to the base transactions or to the specified component code.
CC Business Unit (Job) Master (F0006)	1	The data item related to the information you want to retrieve from the F0006 table.
	2	Determines whether the business unit is related to a job, home business unit, or project number.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
CC SUPP 1 Business Unit (Job) Supplemental Data Codes (F00692)	1	The data item related to the information you want to retrieve from the F0692 table.
	2	Determines whether the business unit is related to a job, home business unit, or project number.
	3	The data type for the supplemental data that is defined for the code format (C). This data type is non-narrative. If daily job logs are required on the invoice, for example, you specify DL.
	4	A code related to the data type you specified for parameter 3. Such a code is displayed in the first column on the Supplemental Code Entry form. For example, the first column for daily job logs (data type DL) is Log Type.
CC SUPP 2 Business Unit (Job) Supplemental Data Text (F00693)	1	Determines whether the business unit is related to a job, home business unit, or project number.
	2	The data type for the supplemental data that contains free-form text. In this case, the data type can be defined for either the code format (C) or the narrative format (N). If a legal description is required on the invoice, for example, you specify LG.
	3	This parameter is similar to parameter 4 for the retrieval code CC SUPP 1. Therefore, if the data type in parameter 2 is defined for the code format, you must use parameter 3 to specify a code related to the data type. However, if the data type in parameter 2 is defined for the narrative format, you must leave parameter 3 blank.
CL TEXT Owner Pay Item Text (F52024)	N/A	This retrieval code lets you print on the invoice the text related to contract owner pay items. This is typically used at either the transaction or the transaction summary level of the invoice. These two levels relate to the Service Billing Workfile (F4812) and Invoice Summary Workfile (F4822), respectively. No parameters are applicable to this code.
CONTRACT Contract Billing Master (F5201)	1	The data item related to the information you want to retrieve from the F5201 table.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
CUMULATIVE (This retrieval code applies only to contracts.) Invoice Summary Access (F48520)	1	The data item related to the information you want to retrieve from the F48520 table. Be aware that the F48520 table must be built and maintained, which is controlled by the Invoice Summary Access Control field on the System Constants form.
	2	Determines the summary level of the billed-to-date total amount in relationship to the contract information. For example, it can be summarized by owner pay item.
	3	Determines the summary level of the billed-to-date total amount in relationship to the G/L account number. For example, it can be summarized by business unit and subsidiary.
	4	Determines whether the summary level of the billed-to-date total is by employee and supplier.
	5	This parameter applies only to pay items for time and materials (T and M) with components. It determines whether the system prints amounts related to the base transactions or to the specified component code.
CUSTOMER Customer Master (F0301)	1	The data item related to the information you want to retrieve from the F0301 table.
	2	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer.
	3	Determines the address number for the alternate address information, such as the alternate billing number or parent number.
DATE No source table	N/A	This retrieval code lets you print the system date on the invoice. No parameters are applicable to this code.
DIVIDE No source table	1 – 4	A mathematical function performed over retrieved information. For that information, specify the numbers of the retrieval reference codes in the parameter fields. For example, if the calculation relates to retrieval reference code numbers 7 and 10, you would specify &7 in parameter 1 and &10 in parameter 2. You can also specify other numeric values involved in the calculation, such as -1, .10, or 100.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
EQUIPMENT Item Master (F1201)	1	The data item related to the information you want to retrieve from the F1201 table.
	2	Determines whether the information relates to equipment involved in the work (equipment worked) or equipment on which work is performed (equipment worked on). If you operate a crane, for example, the crane is the equipment worked. If you use a timing machine to fix the crane's motor, the crane then becomes the equipment worked on and the timing machine is the equipment worked.
INV TEXT Service Billing Invoice/Batch Text (F4813)	1	Determines the level within a batch from which the free-form text for the invoices is retrieved. The levels are batch, invoice, pay item, and transaction.
MILE/PROG Milestone/Progress Billing (F5216 and F52161)	1	The data item related to the information you want to retrieve from either the F5216 table or F52161 table. NOTE: To display progress billing information from the Table Field Description window, you must enter F2161.
MULTIPLY No source table	1 – 4	A mathematical function performed over retrieved information. For that information, specify the numbers of the retrieval reference codes in the parameter fields. For example, if the calculation relates to retrieval reference code numbers 7 and 10, you would specify &7 in parameter 1 and &10 in parameter 2. You can also specify other numeric values involved in the calculation, such as -1, .10, or 100.
NOTES (This retrieval code applies only to Address Book notes.) Generic Text (F0016)	1	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer. Do not specify data items for this parameter because only the text can be retrieved.
	2	Determines the address number for the alternate address information, such as the alternate billing number or parent number.
PAGE No source table	N/A	This retrieval code lets you print the page number on the invoice. No parameters are applicable to this code.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
PAGE OF No source table	N/A	This retrieval code lets you print the page number and the total page count, such as page 3 of 4 pages. No parameters are applicable to this code.
PAY ITEM Owner Pay Item Detail (F5202)	1	The data item related to the information you want to retrieve from the F5202 table.
PAY TYPE Payroll Transaction Constants (F069116)	1	The data item related to the information you want to retrieve from the F069116 table.
PHONE NO Address Book - Contact Phone Number (F0115)	1	The data item related to the information you want to retrieve from the F0115 table.
	2	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer.
	3	Determines the address number for the alternate address information, such as the alternate billing number or parent number.
SUBTRACT No source table	1 – 4	A mathematical function performed over retrieved information. For that information, specify the numbers of the retrieval reference codes in the parameter fields. For example, if the calculation relates to retrieval reference code numbers 7 and 10, you would specify &7 in parameter 1 and &10 in parameter 2. You can also specify other numeric values involved in the calculation, such as -1, .10, or 100.
SUMMARY Invoice Summary Workfile (F4822)	1	The data item related to the information you want to retrieve from the F4822 workfile.
SUPPLIER Supplier Master (F0401)	1	The data item related to the information you want to retrieve from the F0401 table.
	2	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer.
	3	Determines the address number for the alternate address information, such as the alternate billing number or parent number.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
TERMS Payment Terms (F0014)	1	The data item related to the information you want to retrieve from the F0014 table.
TIME No source table	N/A	This retrieval code lets you print the system time on the invoice. No parameters are applicable to this code.
TOTAL No source table	1	A register number related to a rolling total amount from any format definition connected to the format layout.
	2	Determines whether the register in parameter 1 is reset to zero after it has been totaled. When the register is reset, the subsequent total does not include the prior total.
WHOS WHO Address Book - Who's Who (F0111)	1	The data item related to the information you want to retrieve from the F0111 table.
	2	Determines the address number for the information to be printed. For example, you could specify the address number for the company or job customer.
	3	Determines the address number for the alternate address information, such as the alternate billing number or parent number.
	4	The line number related to the information you want to retrieve. The number, which is automatically assigned by the system, is *not* displayed on any form, but is kept in the Who's Who Line field of the F0111 table. The primary mailing name is line number 0, and other names related to an address are greater than zero. These numbers begin with 1 and are incremental. **CAUTION**: If you delete a name on the Who's Who form, the remaining names keep the original line numbers. The line numbers, therefore, would not correlate with the new sequence of names as it appears on the Who's Who form.
WO Work Order Master (F4801)	1	The data item related to the information you want to retrieve from the F4801 table.

RETRIEVAL CODE and SOURCE TABLE	PARA-METER	EXPLANATION
WO TEXT Work Order Instructions (F4802)	1	The record type for work orders related to the text you want to retrieve from the F4802 table.
WORKFILE Service Billing Workfile (F4812)	1	The data item related to the information you want to retrieve from the F4812 workfile.

Appendix F — Identifying Format Types

You use the Invoice Format Copy Window to locate the specific format definition forms that you want to review or copy. The Invoice Format Copy Window displays a list of the all the formats defined in your system, with the exception of alternate header formats. You can identify each of the format types that are associated with a layout structure by using a combination of the following information:

- Line numbers associated with specific grouping key ranges
- Data item names associated with either a major or detail sequence
- Format types, such as detail, header, or total, identified by the respective codes of blank, 1, or 2

The following table lists the field combinations you use to identify the different format types that the system displays in the Invoice Format Copy Window:

Format Type	Field Combinations	
Overall header for invoice layout	Line number	blank
	Data item	blank
	Format type	1
Overall invoice total for invoice layout	Line number	blank
	Data item	blank
	Format type	2
Detail header for a grouping key range	Line number	.XXX
	Data item	blank
	Format type	1
Detail total for a grouping key range	Line number	.XXX
	Data item	blank
	Format type	2
Detail detail for grouping key range	Line number	.XXX
	Data item	blank
	Format type	blank

Format Type	Field Combinations	
Header detail sequence for grouping key range	Line number Data item Format type	.XXX AAAA 1
Total detail sequence for grouping key range	Line number Data item Format type	.XXX AAAA 2
Header major sequence for layout structure	Line number Data item Format type	blank AAAA 1
Total major sequence for layout structure	Line number Data item Format type	blank AAAA 2

Appendix G— Field Derivations for the F4812

The following table shows the source of the information for each field in the Service Billing Workfile (F4812). For many fields, the source depends on specific conditions and other retrieval information. Use the following list of table IDs and names to identify the sources specified in the table.

- F0005 User Defined Codes
- F0006 Business Unit Master
- F0014 Payment Terms
- F0101 Address Book Master
- F0411 A/P Account Ledger
- F06116 Employee Transactions Detail
- F0618 Payroll Transaction History
- F0624 Burden Distribution
- F069116 Payroll Transaction Constants
- F0901 Account Master
- F0911 Account Ledger
- F1201 Item Master
- F4111 Item Ledger
- F4311 Purchase Order Detail
- F4801 Work Order Master
- F48091 Service Billing System Constants
- F48096 Cost Plus Markup Information
- F4812 Service Billing Workfile
- F48127 Tax Derivation Information
- F5201 Contract Billing Master
- F5202 Owner Pay Item Detail
- F5212 T&M Cross-Reference Accounts

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDAA (Amount)	Default.	GLAA / F0911
	GLDCT (Document Type) field in the F0911 record contains T2.	YTGPA (Gross Pay) / F0618 or F06116
	GLDCT field in the F0911 record contains T2. The transaction relates to a burden reconciliation.	J#BDA (Burden Amount) / F06116
	GLDCT field in the F0911 record contains T4.	YTRCPY (Recharge Amount) / F0618 or F06116
	GLDCT field in the F0911 record contains T5.	YTEQGR (Equipment Gross) / F0618 or F06116
WDAA2 (Amount)	This field is currently not active.	
WDACL0 (Rate Group)	GLASID (Serial Number) field in the F0911 record is not blank.	FAACLO / F1201
WDADCI (Invoice Markup Amount)	WQGTYP (Generation Type) field in the F48096 record contains 1.	WQAA (Amount) / F48096
WDADCR (Revenue Markup)	WQGTYP (Generation Type) field in the F48096 record contains 2.	WQAA (Amount) / F48096
WDAGS (Suspend Aging)		WDAGS
WDAID (Account ID)	Default.	GLAID / F0911
	The billing transaction is for burden.	GMAID (Short Account ID) for the burden account / F0901
WDAID5 (Account ID)	Contract Billing. G6ACCO (Account Override Flag) field in the F5202 record is blank.	G6MCU, G6OBJ, and G6SUB (Business Unit, Object, and Subsidiary) / F5202
WDAID6 (Account ID)	This field is currently not active.	
WDAN8 (Address Number)	Default.	GLAN8 / F0911
	GLDCT (Document Type) field in the F0911 record contains T2, T4, or T5.	YTAN8 / F0618 or F06116

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDAN8O (Owner/Receivable Address Number)	Default. GLMCU (Business Unit) field in the F0911 record.	MCAN80 for the related business unit / F0006
	GLSBL (Subledger) field in the F0911 record is not blank. GLSBLT (Subledger Type) field in the F0911 record contains W. WZCNBS (Customer Number Basis) field in the F48091 record contains 1.	WAAN8 (Address Number) for the related subledger / F4801
	Contract Billing.	G4AN80 / F5201
WDAREX (Accounts Receivable)		WDAREX / F4812
WDBCI (Billing Control ID)		Automatically assigned with the Next Numbers facility (system 48. index 02)
WDBDPN (Burden Pending)		Automatically assigned
WDBLKK (Block of Composite Key)		Automatically assigned
WDBRT (Revenue Rate)	WQGTYP (Generation Type) field in the F48096 record contains 2.	WQBRT (Billing Rate) / F48096
WDBRTI (Invoice Rate)	WQGTYP field in the F48096 record contains 1.	WQBRT / F48096
WDBTOL (Total Billed Amount)		Automatically calculated
WDCAP (Cap or Override Rate)	WQGTYP (Generation Type) field in the F48096 record contains 2.	WQCAP / F48096
WDCAPI (Cap or Override Rate)	WQGTYP field in the F48096 record contains 1.	WQCAP / F48096
WDCBLC (Coding Block Change)		Automatically assigned
WDCCOD (Component Code)		AFCCOD / F4860
WDCCR (Component Cost Rate Table)	WQCCR field in the F48096 record is not blank.	WQCCR / F48096

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDCIDS (Foreign Invoice Discount)	This field is currently not active.	
WDCINR (Component Invoice Rate Table)	WQCINR field in the F48096 record is not blank.	WQCINR / F48096
WDCITA (Foreign Invoice Taxable Amount)	This field is currently not active.	
WDCITL (Foreign Invoice Amount)	This field is currently not active.	
WDCITX (Foreign Invoice Tax)	This field is currently not active.	
WDCLNK (Component Link)		Automatically assigned
WDCO (Company)		GLCO / F0911
WDCOCH (Contract Change Order Number)	Contract Billing.	G5COCH / F5212
WDCRCD (Currency Code)	GLCO (Company) field in the F0911 record.	CCCRCO related to the company / F0010
WDCRCE (Currency Code)	This field is currently not active.	
WDCRCF (Currency Code)	This field is currently not active.	
WDCRR (Exchange Rate)		Automatically assigned
WDCRRD (Exchange Rate - Divisior)	This field is currently not active.	
WDCRRM (Mode F)		Automatically assigned
WDCRVR (Component Revenue Rate)	WQGTYP (Generation Type) field in the F48096 record contains 2.	WQCRVR / F48096
WDCTRY (Century)		GLCTRY / F0911
WDDAGO (Age Override Date - B)		WDDAGO
WDDC (Description - Compr)	YTAN8 (Address Number) field in either the F0618 or F06116 record.	ABDC / F0101

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDDCP (Discount Percent)	WDAN80 (Owner/Receivable Address Number) field in the F4812 record. ABATR (Receivable Y/N) field in the F0101 contains Y.	PMDCP / F0014
WDDCT (Document Type)		GLDCT / F0911
WDDCTI (Document Type)	Contract Billing.	Processing option for the Invoice Generation program (P52800)
	Service Billing.	Processing option for the Invoice Generation program (P48121)
WDDCTO (Order Type)	Contract Billing.	G5DCTO / F5212
WDDEJ (Date Entered)		Automatically assigned
WDDGJ (G/L Date)	This field is currently not active.	
WDDGL (G/L Date)		GLDGJ (G/L Date) / F0911
WDDI (Invoice Date)	GLICUT (Batch Type) field in the F0911 record contains V or W.	RPDGJ (G/L Date) / F0411
WDDOC (Document Number)		GLDOC / F0911
WDDOCM (Payment/ Item Number)	This field is currently not active.	
WDDOCO (Order Number)	Contract Billing.	G5DOCO / F5212
WDDOCZ (Order Number)		Automatically assigned with the Next Numbers facility (system 03. index 01)

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDDSVJ (Service/Tax Date)	Default. GLICUT (Batch Type) field in the F0911 record contains V or O. GLD0C, GLDCT, and GLKCO (Document Number, Type, and Company) fields in the F0911 record.	GLDSVJ / F0911
	GLICUT field contains V.	RPDSVJ / F0411
	GLDSVJ and RPDSVJ fields are blank. The F4111LC file exists.	ILTRDJ (Order Date) / F4111
WDDWNL (Download Flag)		Automatically assigned
WDEBAS (Date - Effectivity Basis)	WZEBAS field in the F48091 record contains 1.	GLDGL (G/L Date) / F0911
	WZEBAS field contains 2.	GLDSVJ (Service/Tax Date) / F0911
WDELGC (Eligibility Code)	Default. GLMCU, GLOBJ, and GLSUB (Business Unit, Object Account, and Subsidiary) fields in the F0911 record.	GMBILL (Billable – Y/N) / F0901
	Burden. J#MCU, J#OBJ, and J#SUB (Business Unit, Object Account, and Subsidiary) fields in the F0624 record.	GMBILL / F0901
	WZPRRR (Journal Generation Control) field in the F48091 record contains 3 or 4. GMBILL field in the F0901 record contains 1, 2, 3, or 4.	GMBILL / F0901
	WZPRRR field contains 3 or 4.	GMBILL / F0901
	WZPRRR field in the F48091 record does not contain 3 or 4.	WZPRRR / F48091

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDEQCG (Equipment Worked)	GLDCT (Document Type) field in the F0911 record contains TE.	GLASID (Serial Number) / F0911
	GLDCT field contains T5.	YTEQCG / F0618 or F06116
	GLDCT field does not contain TE, T2, T4, or T5.	Blank
WDEQWO (Equipment Worked On)	GLDCT field contains TE.	Blank
	GLDCT field contains T5.	YTEQWO / F0618 or F06116
	GLDCT field does not contain TE, T2, T4, or T5.	GLASID (Serial Number) / F0911
WDERC (Equipment Rate Code)	GLDCT field contains TE.	GLALTY (ID Type) / F0911
	GLDCT field contains T5.	YTERC / F0618 or F06116
	GLDCT field does not contain TE, T2, T4, or T5.	Blank
WDEXA (Explanation - Name A)	Default.	GLEXA / F0911
	GLDCT field contains T2, T4, or T5. YTAN8 (Address Number) field in either the F0618 or F06116 record.	ABALPH (Alpha Name) / F0101

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDEXR (Explanation - Remark)	WQEXR field in the F48096 record is blank. GLDCT field does not contain T2, T4, or T5.	GLEXR / F0911
	WQEXR field in the F48096 record is blank. GLDCT field contains T2, T4, or T5.	YTEXR / F0618 or F06116
	WQEXR field in the F48096 record is not blank.	WQEXR / F48096
	Burden. Of the following conditions, the one that the system finds first determines the source: A) J#FRTY (Fringe Type) field in the F0624 record contains FB. B) J#PTAX (Tax Type) field in the F0624 record is not blank. C) J#PDBA (PDBA Code) field in the F0624 record is greater than zero. YCDL01 field in the F069116 record is not blank. YCDL01 field in the F069116 record is blank.	DRDL01 (Description) related to the fringe type / F0005 DRDL01 related to the tax type / F0005 YCDL01 / F069116 YCEXA (Explanation - Name A) / F069116
WDEXR1 (Tax Explanation Code)	Contract Billing.	G4EXR1 / F5201
	Service Billing.	WOEXR1 / F48127
WDFRTN (Foreign Retainage)	This field is currently not active.	
WDFTOL (Foreign Total Billed)	This field is currently not active.	
WDFY (Fiscal Year)		GLFY / F0911
WDGLC (G/L Offset)	This field is currently not active.	
WDHLD (Hold Code)		WDHLD

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDHMCU (Home Business Unit)	Default.	GLHMCU / F0911
	GLHMCU is blank. GLDCT (Document Type) field in the F0911 record does not contain T2, T4, or T5. GLMCU field is blank. GLASID (Serial Number) field in the F0911 record.	FAMCU (Business Unit) related to the serial number / F1201
	GLHMCU is blank. GLICUT (Batch Type) field in the F0911 record contains N. GLDOC, GLDCT, GLKCO, and GLDGL (Document Number, Type, Company, and G/L Date) fields in the F0911 record.	ILMCU / F4111
	GLHMCU is blank. GLICUT field contains either V or W. GLDOC, GLDCT, and GLKCO fields.	RPMCU / F0411
	GLHMCU is blank. GLICUT field contains 0. GLPO, GLPDCT, GLKCO, GLPSFX, and GLLNID (P.O. Number, Document Type, Company, Suffix, and Line Number) fields in the F0911 record.	PDMCU / F4311
	GLHMCU is blank. GLICUT field contains G. GLMCU in the F0911 record.	MCMCUS (Project Number) / F0006
	GLDCT contains T2, T4, or T5.	YTHMCU / F0618 or F06116
WDICU (Batch Number)		Automatically assigned with the Next Numbers facility (system 00. index 01)
WDICUA (Active Batch Number)		Automatically assigned with the Next Numbers facility (system 00. index 01)
WDICUJ (Revenue Batch Number)		Automatically assigned with the Next Numbers facility (system 00. index 01)

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDIDSC (Invoice Discount Ama)		Automatically assigned
WDIJST (Invoice Journal Status)		Automatically assigned
WDITAM (Invoice Tax)		Automatically calculated
WDITOL (Total Invoiced Amount)		Automatically calculated
WDITXA (Invoice Taxable Amount)		Automatically calculated
WDIVD (Invoice Date)		Automatically assigned
WDJBCD (Job Type)	GLDCT (Document Type) field in the F0911 record does not contain T2, T4, or T5.	GLJBCD / F0911
	GLDCT field contains T2, T4, or T5.	YTJBCD / F0618 or F06116
WDJBST (Job Step)	GLDCT field does not contain T2, T4, or T5.	GLJBST / F0911
	GLDCT field contains T2, T4, or T5.	YTJBST / F0618 or F06116
WDJELN (Journal Entry Line Number)		GLJELN / F0911
WDJMCU (Host Business Unit)	Default.	MCMCUS (Project Number) / F0006
	Contract Billing. GLDCT (Document Type) field in the F0911 record contains T2, T4, or T5. G4JMCU field in the F5201 record for the contract is not blank. A contract does not exist.	 G4JMCU / F5201 MCMCUS / F0006
WDJOBN (Workstation ID)		Job name from the program status data structure
WDJRSP (Journal Status Code)		Automatically assigned
WDJRST (Journal Status Code)		Automatically assigned

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDJTAX (Journaled Tax)	WDEXR1 (Tax Explanation Code) field in the F4812 record contains C, E, or V.	
	WDEXR1 field does not contain C, E, or V.	
WDJTXF (Journaled Tax)	This field is currently not active.	
WDKCO (Document Company)		GLKCO / F0911
WDKCOI (Dcoument Company)	Contract Billing.	G5KCOO / F5212
WDKCOO (Oder Number Document Company)	Contract Billing.	G5KCOO / F5212
	Service Billing.	GLCO / F0911
WDLBAS (Date - Labor Effectivity Basis)	WZLBAS field in the F48091 record contains 1. GLDCT (Document Type) field in the F0911 record contains T2, T4, or T5.	YTDGL (G/L Date) / F0618 or F06116
	WZLBAS field contains either 2or 3. GLDCT field contains T2, T4, or T5.	YTDWK (Work Date) / F0618 or F06116
	WZLBAS field contains 4. GLDCT field contains T2, T4, or T5.	YTPPED (Pay Period Ending Date) / F0618 or F06116
WDLNID (Line Number)	Contract Billing.	G5LNID / F5212
WDLSPM (Pament Completed)	This field is currently not active.	
WDLSSQ (Last Sequence)		Automatically assigned
WDLT (Ledger Type)		GLLT / F0911
WDMCU (Business Unit)	Default.	GLMCU / F0911
	Burden.	J#MCU / F0624
WDOBJ (Object Account)	Default.	GLOBJ / F0911
	Burden.	J#OBJ / F0624
WDODCT (Original Document Type)		GLODCT / F0911

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDODOC (Original Document Number)		GLODOC / F0911
WDOGNO (Original Line Number)		GLLNID (Line Number) / F0911
WDOKCO (Original Order Document)		GLOKCO / F0911
WDOPIM (Owner Pay Item)	Contract Billing.	G5OPIM / F5212
WDOPSQ (Operations Sequence)		GLOPSQ / F0911
WDOSFX (Original Pay Item)		GLOSFX / F0911
WDPCFG (Burden Flag)	Default.	Blank
	Burden records exist in the F0624 table.	Automatically assigned 1
WDPCIM (Percentage)	Generation type is 1.	WQPERT (Percentage) / F48096
WDPCKO (Document Company)		GLPKCO (Purchase Order Document Company) / F0911
WDPCTN (Parent Contract Number)		G4PCTN / F5201
WDPCTT (Parent Contract Type)		G4PCTT / F5201
WDPDBA (PDBA Code)	Default.	Blank
	GLDCT (Document Type) field in the F0911 record contains T2, T4, or T5.	YTPDBA / F0618 or F06116
	Burden.	J#PDBA / F0624
WDPDCT (Purchase Order Document)		GLPDCT / F0911
WDPERT (Percentage)	Generation type is 2.	WQPERT (Percentage) / F48096
WDPID (Program ID)		Program name from the program status data structure
WDPKCO (Purchase Order Document Company)		GLPKCO / F0911

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDPMSQ (Payment Sequence Number)	This field is currently not active.	
WDPN (G/L Period Number)		GLPN / F0911
WDPO (P.O. Number)		GLPO / F0911
WDPRET (Percent Retainage)	This field is currently not active.	
WDPRIC (Unit Price)		Automatically calculated
WDPRSQ (Parent Sequence Number)		Automatically assigned
WDPRTF (Printed Flag)		Automatically assigned
WDPRTR (Transaction Number)	GLDCT (Document Type) field in the F0911 record contains T2, T4, or T5.	YTPRTR / F0618 or F06116
WDPSFX (Purchase Oder Suffix)		GLPSFX / F0911
WDPTAX (Tax Type)	Default.	Blank
	Burden.	J#PTAX / F0624
WDPTFG (Pass-Through Invoicing)	This field is currently not active.	
WDRDJ (Release Date)		WDRDJ
WDRGLC (Retention G/L Offset)	This field is currently not active.	
WDRP11 (Category Code 011)	WDHMCU (Home Business Unit) field in the F4812 record.	MCRP11 / F0006
WDRP12 (Category Code 012)	WDHMCU (Home Business Unit) field in the F4812 record.	MCRP12 / F0006
WDRTNG (Retainage)		Automatically calculated
WDRTPS (Retainage - Prior -)		Automatically calculated

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDR001 (Bill Item Code)	Default.	GMR001 for the account number in the source transaction / F0901
	Burden.	GMR001 for the burden account number / F0901
WDR002 (Category Code 002)	Default.	GMR002 for the account number in the source transaction / F0901
	Burden.	GMR002 for the burden account number / F0901
WDR003 (Location)	Default.	GMR003 for the account number in the source transaction / F0901
	Burden.	GMR003 for the burden account number / F0901
WDSBAR (Reason Code)		WDSBAR
WDSBL (Subledger)		GLSBL / F0911
WDSBLT (Subledger Type)		GLSBLT / F0911
WDSBL5 (Subledger)	This field is currently not active.	
WDSBL6 (Subledger)	This field is currently not active.	
WDSBSK (Summarization Key)		Automatically assigned
WDSBSQ (Sequence Number)		Automatically assigned
WDSBT5 (Subledger Type)	This field is currently not active.	
WDSBT6 (Subledger Type)	This field is currently not active.	
WDSCSQ (Secondary Sequence Number)		Automatically assigned
WDSFX (Pay Item)		Automatically assigned
WDSLNK (Split Link)		Automatically assigned

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDSUB (Subsidiary)	Default.	GLSUB / F0911
	Burden.	J#SUB / F0624
WDTBDT (Table Basis Date)	WZEBAS (Date - Effectivity Basis) field in the F48091 record contains 1.	GLDGL (G/L Date) / F0911
	WZEBAS field contains 2.	GLDSVJ (Service/Tax Date) / F0911

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDTCLS (Classification)	Components (provisional burdens)	Value is 0.
	GLDCT (Document Type) field in the F0911 record contains either T2 or T4.	Value is 1.
	Burden	Value is 2.
	GLDCT field contains TE.	Value is 3.
	GLDCT field does not contain T2, T4, or T5. A) Related records exist in both the F0911 and F1201 tables. Both records have the same serial number (GLASID and FAASID, respectively). B) GLICUT (Batch Type) field in the F0911 record contains N. GLD0C, GLDCT, GLKCO, and GLDGL (Document Number, Type, Company, and G/L Date) fields in the F0911 record. C) GLICUT field contains either V or W. GLD0C, GLDCT, and GLKCO fields in the F0911 record. D) GLICUT field contains G. A related record exists in the F0006 table.	Value is 3. Value is 4. Value is 5. Value is 6.
	None of the previous conditions are satisfied, and the GLPO (P.O. Number) field in the F0911 record is not blank.	Value is 5.

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDTOG (Taxable or Gross)	Contract Billing. F4812 record contains tax rate/area and explanation codes.	Value is 1.
	Service Billing. F48127 record contains tax rate/area and explanation codes.	Value is 1.
	Neither of the previous conditions exist.	Blank
WDTX (Purchasing Taxable -)	Contract Billing. F4812 record contains tax rate/area and explanation codes.	Value is Y.
	Service Billing. F48127 record contains tax rate/area and explanation codes.	Value is Y.
	Neither of the previous conditions exist.	Value is N.
WDTXA1 (Tax Rate/ Areas)	Contract Billing.	G4TXA1 / F5201
	Service Billing.	WOTXA1 / F48127
WDTYKY (Key Type)	This field is currently not active.	
WDU (Units)	Default.	GLU / F0911
	GLDCT (Document Type) field in the F0911 record contains either T2 or T4.	YTPHRW (Hours Worked) / F0618 or F06116
	GLDCT field contains T5.	YTEQHR (Equipment Hours) / F0618 or F06116
WDUM (Unit of Measure)	Default.	GLUM / F0911
	GLDCT field contains T2, T4, or T5.	Automatically assigned HR
WDUPMJ (Date Updated)		Automatically assigned

F4812 DATA ITEM	CONDITIONS and RETRIEVAL INFORMATION	DATA ITEM/SOURCE TABLE
WDUPMT (Time Last Updated)		Automatically assigned
WDUSER (User ID)		Automatically assigned
WDVINV (Invoice Number)		GLVINV / F0911
WDVOID (Void - V)		Automatically assigned
WDWR01 (Phase)		GLWR01 / F0911
WDWR07 (Service Type)	GLSBL (Subledger) field in the F0911 record is blank. GLSBLT (Subledger type) field contains W.	WAWR07 / F4801

Appendix H — Functional Servers

Several J.D. Edwards programs access functional servers. The purpose of functional servers is to provide a central location for standard business rules about entering documents, such as vouchers, invoices, and journal entries. These business rules establish the following:

- Data dictionary default values
- Field edits and valid values
- Error processing
- Relationships between fields or applications

The advantages of a functional server are:

- It reduces maintenance of entry programs because edit rules reside in one central location.
- You can standardize documents across all applications because you create them using the same business rules.
- Generally, the user interface (appearance and interaction) of a form is now separate from how a program works.

The steps for setting up business rules for an entry program are:

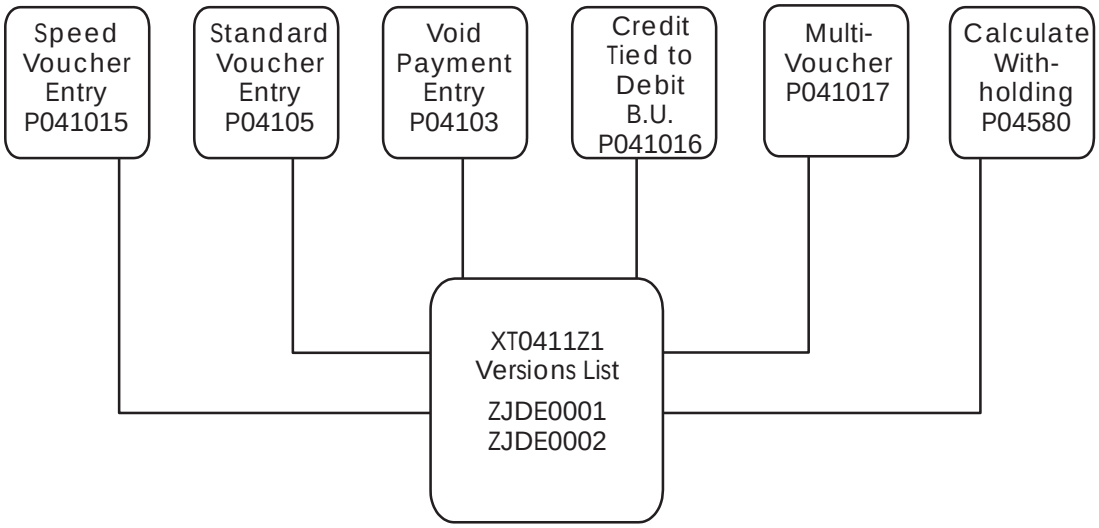
1. Create a DREAM Writer version for a specific functional server program (for example, XT0411Z1 for voucher entry).
2. Set the processing options within the version according to your company requirements.
3. Specify the version you want the entry program to use in the processing options for that entry program.

You can have all your entry programs use the same DREAM Writer version (and thus, use the same rules) or you can set up different DREAM Writer versions. J.D. Edwards provides DREAM Writer version ZJDE0001 as the default functional server version for your entry programs.

Only the person responsible for system-wide setup should make changes to the functional server version. For more information about how to set up DREAM Writer versions, see the *Technical Foundation Guide*.

Example: Voucher Processing Functional Server

The following graphic shows the programs that use the voucher processing functional server. J.D. Edwards provides two demo versions of the functional server, ZJDE0001 and ZJDE0002.



Glossary

Glossary

This glossary defines terms in the context of your use of J.D. Edwards systems and the accompanying user guide.

1099 form. An income tax reporting form required by the U.S. government for many types of payments made to persons and non-corporate entities.

AA ledger. The ledger type used for transactions in domestic amounts (actual amounts).

AAI. Automatic accounting instruction. A code that points to an account in the chart of accounts. AAIs define rules for programs that automatically generate journal entries. This includes interfaces between Accounts Payable, Accounts Receivable, and Financial Reporting and the General Accounting system. Each system that interfaces with the General Accounting system has AAIs. For example, AAIs can direct the Post to General Ledger program to post a debit to a certain expense account and an automatic credit to a certain accounts payable account.

A/P Ledger method. One of the two methods J.D. Edwards provides to process 1099 tax reporting forms. Using this method, you produce 1099s from data stored in the A/P Ledger table (F0411). Also called the *expedient method* and the *fast path method.*

AZ ledger. The ledger type used for cash basis accounting.

access. A way to get to information or functions provided by the system through menus, forms, and reports.

account status. The state or condition of a customer's accounts receivable transaction account.

accounting period. One of the divisions of a fiscal year. A fiscal year can contain 12 to 14 accounting periods, or more rarely, 52 periods. There can also be an additional period for year-end adjustments, and another additional period for audit adjustments.

adjustment. A payment and receipt application method used to modify an amount such as a minor write-off or outstanding freight charges and disputed taxes.

alphabetic character. A letter or other symbol from the keyboard (such as *&#) that represents data. Contrast with *numeric character*.

alphanumeric character. A combination of letters, numbers, and other symbols (such as *&#) that represents data.

approver number. The user ID of the person who approves vouchers for payment.

"as of" report. A report used to view the A/R Ledger and A/P Ledger tables in summary or detail for a specific point in time.

audit adjustments. The adjustments you make to G/L accounts following an audit. You generally enter these adjustments annually, following the close of the fiscal year.

audit trail. The detailed, verifiable history of a processed transaction. The history consists of the original documents, transaction entries, and posting of records, and usually concludes with a report.

backup copy. A copy of original data preserved on a magnetic tape or diskette as protection against destruction or loss.

BACS. Bank Automated Clearing System. An electronic process used in the United Kingdom.

balance forward. A receipt application method in which the receipt is applied to the oldest invoices in chronological order according to the net due date.

bank tape (lock box) processing. The receipt of payments directly from a customer's bank via customer tapes for automatic receipt application.

batch. A group of like records or transactions that the computer treats as a single unit during processing. For identification purposes, the system usually assigns each batch a unique identifier, known as a "batch number."

batch control. The verification of the number of transactions and the total amount in each batch entered into the system.

batch header. The information the computer uses as identification and control for a group of transactions or records in a batch.

batch input. A group of transactions loaded from an external source.

batch input table. An external table that holds data being loaded into the system.

batch job. A task or group of tasks you submit for processing that the system treats as a single unit during processing, for example, printing reports and purging tables. The computer performs these tasks with little or no user interaction.

batch processing. A method by which the computer selects jobs from the job queue, processes them, and writes output to the out queue. Contrast with *interactive processing.*

batch receipts entry. An alternative method (such as an optical reader or magnetic scanner) to load receipts into the J.D. Edwards Accounts Receivable system.

batch status. A code that indicates the posting status of a batch. For example, A indicates approved for posting, P indicates posting in-process, and D indicates posted.

batch type. A code that designates which J.D. Edwards system the associated transactions pertain to, thus controlling what records are selected for processing. For example, in the Post General Journal process, only unposted transaction batches with a batch type of G for General Accounting are selected for posting.

Boolean logic operand. In J.D. Edwards DREAM Writer, the parameter of the Relationship field. The Boolean logic operand tells the system to perform a comparison between certain records or parameters. Available operands are:

EQ = Equal To
LT = Less Than
LE = Less Than or Equal To
GT = Greater Than
GE = Greater Than or Equal To
NE = Not Equal To
NL = Not Less Than
NG = Not Greater Than

broadcast message. An electronic mail message that you can send to a number of recipients.

business unit. A division of your business organization that requires a balance sheet or P&L. Also called a *cost center.*

calculation method. When you restate currency, you can choose among three calculation methods: (1) period calculations, used for P&L accounts, (2) balance calculations, used for balance accounts, and (3) historical rate, used for fixed assets.

cash basis accounting. A method of accounting that recognizes revenue and expenses when monies are received and paid.

category code. In user defined codes, a temporary title for an undefined category. For example, if you are adding a code that designates different sales regions, you could change *category code 4* to *Sales Region*, and define E (East), W (West), N (North), and S (South) as the valid codes. Category codes were formerly known as *reporting codes*.

character. Any letter, number, or other symbol that a computer can read, write, and store.

chargeback. A receipt application method used to generate an invoice for a disputed amount or for the difference of an unpaid receipt.

check. See *payment.*

command. A character, word, phrase, or combination of keys you use to tell the computer to perform a defined activity.

consolidations. A method of grouping or combining information for several companies or business units. Used for reports or inquiries.

consolidation reporting. The process of combining financial statements for companies or business units so that the different entities can be represented by a single balance sheet or income statement. If the different entities operate in different currencies, consolidation reporting may be complicated by the need for currency restatement. See also *currency restatement.*

constants. Parameters or codes that rarely change. The computer uses constants to standardize information processing by an associated system. Some examples of constants are allowing or disallowing out-of-balance postings and having the system perform currency conversions on all amounts. After you set constants such as these, the system follows these rules until you change the constants.

contra/clearing account. A G/L account used by the system to offset (balance) journal entries. For example, you can use a contra/clearing account to balance the entries created by allocations.

cost allocations. A procedure used to allocate or distribute expenses, budgets, adjustments, and so on among business units, based on actual numbers.

cost center. See *business unit.*

credit message. A code used to display information about a customer's account status, such as "Over Credit Limit".

credit note reimbursement. A system generated form to reclassify a credit memo or unapplied cash record from the Accounts Receivable system to an open voucher in the Accounts Payable system.

cursor. The blinking underscore or rectangle on your form that indicates where the next keystroke will appear.

currency code. A code used to assign a currency to a customer, supplier, bank account, company, or ledger type.

currency restatement. The process of converting amounts from one currency into another currency, generally for reporting purposes. It can be used, for example, when many currencies must be restated into a single currency for consolidated reporting.

cursor sensitive help. J.D. Edwards online help function, which allows you to view a description of a field, an explanation of its purpose, and, when applicable, a list of the valid codes you can enter. To access this information, move the cursor to the field and press F1.

customer. An individual or organization that purchases goods and services.

customer ledger. The record of transactions between your company and a particular customer.

customer payment. The payment your company receives from a customer.

data. Numbers, letters, or symbols representing facts, definitions, conditions, and situations, that a computer can read, write, and store.

database. A continuously updated collection of all information a system uses and stores. Databases make it possible to create, store, index, and cross-reference information online.

data dictionary. A database table consisting of the definitions, structures, and guidelines for the usage of fields, messages, and help text. The data dictionary table does not contain the actual data itself. Also known as a *glossary.*

data types. Supplemental information, attached to a company or business unit. Narrative type contains free-form text. Code type contains dates, amounts, and so on.

date pattern. A period of time set for each period in standard and 52-period accounting.

debit statement. A list of debit balances.

default. A code, number, or parameter the system supplies when you do not enter one. For example, if an input field's default is N and you do not enter something in that field, the system supplies an N.

descriptive title. See *user defined code*.

detail. The individual pieces of information and data that make up a record or transaction. Contrast with *summary*.

display. (1) To cause the computer to show information on a terminal's form. (2) A specific set of fields and information that a J.D. Edwards system might show on a form. Some forms can show more than one display when you press a specified function key.

display field. A field of information on a form that contains a system-provided code or parameter that you cannot change. Contrast with *input field.*

display sequence. A number that the system uses to reorder a group of records on the form.

document number. A number that identifies the original document, such as voucher, invoice, unapplied cash, journal entry, and so on.

draft. A promise to pay a debt. Drafts are legal payment instruments in certain European countries.

DREAM Writer. Data Record Extraction And Management Writer. A flexible data manipulator and cataloging tool. You use this tool to select and sequence the data that is to appear on a programmed report.

EDI. Electronic data interchange. A method of transferring business documents, such as purchase orders, invoices, and shipping notices, between computers of independent organizations electronically.

edit. (1) To make changes to a table by adding, changing, or removing information. (2) The program function of highlighting fields into which you have entered inadequate or incorrect data.

EFT. Electronic funds transfer. A method of transferring funds from one company's bank account to that of another company.

effective date. The date upon which an address, item, transaction, or table becomes effective. Examples include the date a change in address becomes effective or the date a tax rate becomes effective. In the Address Book system, effective dates allow you to track past and future addresses for suppliers and customers.

execute. See *run*.

exit. (1) To interrupt or leave a computer program by pressing a specific key or a sequence of keys. (2) An option or function key displayed on a form that allows you to access another form.

expedient method. See *A/P Ledger method.*

facility. A collection of computer language statements or programs that provides a specialized function throughout a system or throughout all integrated systems. Examples include DREAM Writer and FASTR.

fast path method. See *A/P Ledger method.*

FASTR. Financial Analysis Spreadsheet Tool and Report Writer. A report writer that allows you to design your own report specifications using the general ledger database.

field. (1) An area on a form that represents a particular type of information, such as name, document type, or amount. Fields that you can enter data into are designated with underscores. See *input field* and *display field.* (2) A defined area within a record that contains a specific piece of information. For example, a supplier record consists of the fields Supplier Name, Address, and Telephone Number. The Supplier Name field contains just the name of the supplier.

52 period accounting. A method of accounting that uses each week as a separate accounting period.

finance charge. An amount charged to a customer based on a percentage assessed on an unpaid invoice exceeding the grace period.

financial reporting date. The user defined date used by the system when you run financial reports.

fiscal year. A company's tax reporting year. Retained earnings are generally calculated at the end of a fiscal year. It is often different than a calendar year. For example, a fiscal year may be the period October 1 through September 30.

flash message. A code that you define to describe the credit status of a customer. Examples include over credit limit, COD only, bad credit risk, and requires a purchase order.

fold area. An area of a form, accessed by pressing F4, that displays additional information associated with the records or data items displayed on the form.

function. A separate feature within a facility that allows you to perform a specific task, for example, the field help function.

function key. A key you press to perform a system operation or action. For example, you press F4 to have the system display the fold area of a form.

functional server. A central system location for standard business rules about entering documents such as vouchers, invoices, and journal entries. Functional servers ensure uniform processing according to guidelines you establish.

general ledger receipt. A receipt that is directly applied to a G/L account without being applied to a specific invoice. These are typically non-A/R receipts.

glossary. See *data dictionary.*

G/L method. One of the two methods J.D. Edwards provides to process 1099 tax reporting forms. Using this method, you produce 1099s from data stored in the Account Ledger table (F0911). Also called the *tough/right method.*

G/L offset. An account used by the post program to create automatic offset entries.

G/L posted code. A system code that indicates the status of individual documents. For example, P indicates that a voucher or invoice has been posted.

GST. Goods and services tax. A tax assessed in Canada.

hard copy. A presentation of computer information printed on paper. Synonymous with *printout*.

hash total. A sum produced by numbers with different meanings. For example, adding amounts in different currencies.

header. Information at the beginning of a table. This information is used to identify or provide control information for the group of records that follows.

help instructions. Online documentation or explanations of fields that you access by pressing the Help key or by pressing F1 with your cursor in a particular field.

helps. See *help instructions*.

hidden selections. Menu selections you cannot see until you enter HS in a menu's Selection field. Although you cannot see these selections, they are available from any

menu. They include such items as Display Submitted Jobs (33), Display User Job Queue (42), and Display User Print Queue (43). The Hidden Selections window displays three categories of selections: user tools, operator tools, and programmer tools.

indexed allocations. A procedure used to allocate or distribute expenses, budgets, adjustments, and so on, among business units, based on a fixed percentage.

input. Information you enter in the input fields on a form or that the computer enters from other programs, then edits and stores in tables.

input field. An area on a form, distinguished by underscores (_ _), where you type data, values, or characters. A field represents a specific type of information, such as name, document type, or amount. Contrast with *display field*.

install system code. The code that identifies a J.D. Edwards system. Examples are 01 for the Address Book system, 04 for the Accounts Payable system, and 09 for the General Accounting system.

integrity test. A process used to supplement a company's internal balancing procedures by locating and reporting balancing problems and data inconsistencies.

interactive processing. A job the computer performs in response to commands you enter from a terminal. During interactive processing, you are in direct communication with the computer, and it might prompt you for additional information during the processing of your request. See *online*. Contrast with *batch processing.*

interest invoice. An invoice calculated on paid invoices whose payment was received after the specified due dates.

interest rate computation code. A code used to define the rates and effective dates used for calculating interest charges.

interface. A link between two or more J.D. Edwards systems that allows these systems to send information to and receive information from one another.

invalid account. A G/L account that has not been set up in the Account Master table (F0901).

invoice match. A receipt application method where the receipt is applied to specific invoices. A discount can be allowed or disallowed using invoice match.

jargon. A J.D. Edwards term for system-specific help text. You base your help text on a specific reporting code you designate in the Data Dictionary Glossary. You can display this text as part of online help.

job. A single identifiable set of processing actions you tell the computer to perform. You start jobs by choosing menu selections, entering commands, or pressing designated function keys. An example of a computer job is payment printing in the Accounts Payable system.

job queue. A form that lists the batch jobs you and others have told the computer to process. When the computer completes a job, the system removes the job's identifier from the list.

justify. To shift information you enter in an input field to the right or left side of the field. Many of the facilities within J.D. Edwards systems justify information. The system does this only after you press Enter.

key field. A field common to each record in a table. The system uses the key field designated by the program to organize and retrieve information from the table.

language preference. An address book code used to specify a language to use when displaying information.

leading zeros. A series of zeros that certain facilities in J.D. Edwards systems place in front of a value you enter. This normally occurs when you enter a value that is smaller than the specified length of the

field. For example, if you enter 4567 in a field that accommodates eight numbers, the facility places four zeros in front of the four numbers you enter. The result appears as 00004567.

ledger type. A ledger used by the system for a particular purpose. For example, all transactions are recorded in the AA (actual amounts) ledger type in their domestic currency. The same transactions may also be stored in the CA (foreign currency) ledger type. Also known as a *ledger.*

level of detail. (1) The degree of difficulty of a menu in J.D. Edwards software. The levels of detail for menus are as follows:

A=Major Product Directories
B=Product Groups
1=Basic Operations
2=Intermediate Operations
3=Advanced Operations
4=Computer Operations
5=Programmers
6=Advanced Programmers

Also known as *menu levels.* (2) The degree to which account information in the General Accounting system is summarized. The highest level of detail is 1 (least detailed) and the lowest level of detail is 9 (most detailed).

logged vouchers. See *voucher logging.*

mail distribution list. A list of people to whom you send electronic mail messages. This list enables you to quickly send notices, instructions, or requests to a predefined group of people.

master table. A computer table that a system uses to store data and information which is permanent and necessary to the system's operation. Master tables might contain data or information such as paid tax amounts and supplier names and addresses.

matching document. A document associated with an original document to complete or change a transaction.

menu. A form that displays numbered selections. Each of these selections represents a program. To access a selection from a menu, type the selection number and then press Enter.

menu levels. See *level of detail.*

menu masking. A security feature of J.D. Edwards systems that lets you prevent individual users from accessing specified menus or menu selections. The system does not display the menus or menu selections to unauthorized users.

menu message. Text that appears on a form after you make a menu selection. It displays a warning, caution, or information about the requested selection.

mode. A code that specifies whether amounts are in the domestic currency of the company the invoices or vouchers are associated with or in the foreign currency of the transaction.

monetary account. (1) In common usage, any funds account. (2) In J.D. Edwards more specific usage, a bank account limited to transactions in a single currency.

multiple AAI revisions. The process of revising several automatic accounting instructions at one time.

next number facility. A J.D. Edwards software facility you use to control the automatic numbering of such items as new G/L accounts, vouchers, and addresses. It lets you specify your desired numbering system and provides a method to increment numbers to reduce transposition and typing errors.

next status. The next step in the payment process for payment control groups. The next status can be either WRT (write) or UPD (update).

numeric character. Represents data using the numbers 0 through 9. Contrast with *alphabetic character* and *alphanumeric character.*

offline. Computer functions that are not under the continuous control of the system. For example, if you run a certain job on a personal computer and then transfer the results to a host computer, that job is considered an offline function. Contrast with *online*.

online. Computer functions over which the system has continuous control. Each time you work with a J.D. Edwards system-provided form, you are online with the system. Contrast with *offline*. See *interactive processing*.

online information. Information the system retrieves, usually at your request, and immediately displays on the form. This information includes items such as database information, documentation, and messages.

operand. See *Boolean logic operand.*

option. A numbered selection from a J.D. Edwards form that performs a particular function or task. To select an option, you enter its number in the Option field next to the item you want the function performed on. When available, for example, option 4 allows you to return to a prior form with a value from the current form.

original document. The document that initiates a transaction in the system.

output. Information the computer transfers from internal storage to an external device, such as a printer or a computer form.

output queue. A form that lists the spooled tables (reports) you have told the computer to write to an output device, such as a printer. After the computer writes a table, the system removes that table's identifier from the online list.

override. The process of entering a code or parameter other than the one provided by the system. Many J.D. Edwards systems offer forms that provide default field values when they appear. By typing a new value over the default code, you can *override* the default. See *default*.

P&L. Profit and loss statement.

parameter. A number, code, or character string you specify in association with a command or program. The computer uses parameters as additional input or to control the actions of the command or program.

parent/child relationship. A hierarchical relationship among your addresses (suppliers, customers, or prospects). One address is the parent and one or more subordinate addresses are children for that parent. This relationship is helpful, for example, when you want to send billing for field offices (subsidiary companies) to the corporate headquarters.

password. A unique group of characters that you enter when you sign on to the system that the computer uses to identify you as a valid user.

pay item. A line item in a voucher.

pay status. The current condition of the payment, such as paid or payment-in-process.

payment. The system creates payments when you use the Create Payment Groups program. It is important to understand that payments can exist before you write them.

payment control group. A system-generated group of payments with similar information (such as bank account). The system processes all payments in a payment control group at the same time. Also known as a *payment group.*

payment group. See *payment control group.*

payment instrument. The method of payment, such as check, draft, EFT, and so on.

payment stub. The printed record of a payment.

payment terms. The amount of time allowed to pay a voucher or invoice, with or without a discount.

posted code. A code that indicates whether a transaction or batch has been posted.

pre-note code. A code that indicates whether a supplier is set up or in the process of being set up for electronic funds transfer (EFT).

printout. A presentation of computer information printed on paper. Synonymous with *hard copy*.

print queue. An online list (form) of written tables that you have told the computer to print. Once the computer prints the table, the system removes the table's identifier from the online list. See *output queue*.

processing options. A feature of the J.D. Edwards DREAM Writer that allows you to supply parameters to direct the functions of a program. For example, processing options allow you to specify defaults for certain form displays, control the format in which information gets printed on reports, change the way a form displays information, and enter "as of" dates.

program. A collection of computer statements that tells the computer to perform a specific task or group of tasks.

program specific help text. Glossary text that describes the function of a field within the context of the program.

prompt. (1) A reminder or request for information displayed by the system. When a prompt appears, you must respond in order to proceed. (2) A list of codes or parameters or a request for information provided by the system as a reminder of the type of information you should enter or action you should take.

pseudo company. A fictitious company used in consolidations.

PST. Provincial sales tax. A tax assessed by individual provinces in Canada.

purge. The process of removing records or data from a system table.

QBE. Query by example.

rate type. For currency exchange transactions, the rate type distinguishes different types of exchange rates. For example, you may use both period average and period-end rates, distinguishing them by rate type.

realized gain/loss. Currency gains and losses are incurred due to fluctuating currency exchange rates. A gain/loss is realized when you pay the invoice or voucher. See also *unrealized gain/loss.*

record. A collection of related, consecutive fields of data the system treats as a single unit of information. For example, a supplier record consists of information such as the supplier's name, address, and telephone number.

recurring frequency. The cycle in which a recurring voucher becomes due for payment, for example, monthly or quarterly.

recurring invoice. An invoice that becomes due for payment on a regular cycle, such as a lease payment.

recurring voucher. A voucher that comes due for payment on a regular cycle, such as a lease payment.

recycle. A process used to create the next cycle (for example, next month's) of recurring invoices or vouchers.

refresh. A process used to update a customer's credit and collection information, such as Credit Analysis Refresh.

reporting code. See *category code.*

reset. The process of changing a payment from a completed status to a next status of WRT (write). This allows you to correct or reprint payments.

reverse. A method used to automatically create an opposite entry at the time the original transaction is posted to the general ledger.

reverse image. Form text that displays in the opposite color combination of characters and background from what the form typically displays (for example, black on green instead of green on black).

routing/transit number. A number that uniquely identifies U.S. banks. This number is assigned by the Federal Reserve Board and consists of two parts: a routing number and a transit number.

run. To cause the computer to perform a routine, process a batch of transactions, or carry out computer program instructions.

scroll. To use the roll keys to move form information up or down a form at a time. When you press the Rollup key, for instance, the system replaces the currently displayed text with the next form of text if more text is available.

selection. Found on J.D. Edwards menus, selections represent functions that you can access from a given menu. To make a selection, you type its associated number in the Selection field and press Enter.

self-reconciling item. An item that does not require reconciliation.

sequence review ID. Defines the order in which payments print in a payment group. Each sequence review ID has its own data sequence and a code that indicates whether the system sorts each data item in ascending or descending order.

single AAI revision. The process of revising one automatic accounting instruction at a time.

soft coding. A J.D. Edwards term that describes an entire family of features that allows you to customize and adapt J.D. Edwards software to your business environment. These features lessen the need for you to use computer programmers when your data processing needs change.

software. The operating system and application programs that tell the computer how and what tasks to perform.

special character. Representation of data in symbols that are neither letters nor numbers. Some examples are * & # /.

special period/year. The date used to determine the *source* balances for an allocation.

speed code. A user defined code that represents a G/L account number. Speed codes can be used to simplify data entry by making G/L accounts easier to remember

spool. The function by which the system puts generated output into a storage area to await printing and processing.

spooled table. A holding table for output data waiting to be printed or input data waiting to be processed.

spread. A payables and receipt application method used to distribute and apply an unapplied voucher, receipt, debit memo, or credit memo to open vouchers or invoices.

Standard Industry Code (SIC). A code the U.S. government developed to classify U.S. companies as to their economic activity. Examples include agricultural services (0100), wholesale trade (5000), and services (7000).

stop date. The date an allocation becomes inactive.

structure type. A code that identifies a type of organization structure with its own hierarchy in the Address Book system. Examples include accounts receivable or electronic mail.

subtable. An area on the form where the system displays detailed information related to the header information at the top of the form. Subtables might contain more information than the form can display in the subtable area. If so, use the roll keys to display the next form of information. See *scroll*.

submit. See *run*.

supplemental data. Additional information about a business unit not contained in the master tables.

supplier. An individual or organization that provides goods and services. Also called a *vendor.*

supplier ledger. The record of transactions between your company and a particular supplier.

supplier payment. The payment your company makes to a supplier.

summary. The presentation of data or information in a cumulative or totaled manner in which most of the details have been removed. Many of the J.D. Edwards systems offer forms and reports that are summaries of the information stored in certain tables.

system. A collection of computer programs that allows you to perform specific business tasks. Some examples of applications are Accounts Payable, Inventory, and Order Processing. Synonymous with *application.*

table. A collection of related data records organized for a specific use and electronically stored by the computer.

three-tier processing. The task of entering, approving, and posting batches of transactions.

third party software. Programs provided to J.D. Edwards clients by companies other than J.D. Edwards.

TI code. A code that identifies the type of receipt application, which directly affects the way the receipt is processed.

time log. An electronic mail method for tracking employees' time in the office. The time log lists when employees sign in, sign out, and employee remarks about their whereabouts and activities.

tolerance range. The amount by which taxes entered manually can vary from the system-calculated tax.

tough/right method. See *G/L method.*

transaction code. A code that distinguishes the type of transaction on a bank statement.

transit account. A G/L account used to hold funds until they can be allocated to the correct account.

translation adjustment account. An optional G/L account used in currency restatement to record the total adjustments at a company level.

undo. To remove the payments from the payment run so that they no longer appear on any A/P payment review form. The system clears them from the worktable and moves vouchers from a pay status of # (payment in-process) to pay status A (approved).

unrealized gain/loss. Currency gains and losses are incurred due to fluctuating currency exchange rates. A gain/loss is unrealized until you pay the invoice or voucher. See also *realized gain/loss.*

update. Add new payments and void payments to the A/P Ledger (F0411), Accounts Payable Matching Document (F0413), and Accounts Payable Matching Document Detail (F0414) tables. The system updates these tables during payment processing and prints the payment register.

user defined code. The individual codes you create and define within a user defined code type. Code types are used by programs to edit data and allow only defined codes. These codes might consist of a single character or a set of characters that represents a word, phrase, or definition. These characters can be alphabetic, alphanumeric, or numeric. For example, in the user defined code type list ST (Search Type), a few codes are C for Customers, E for Employees, and V for Suppliers.

user defined code (type). The identifier for a list of codes with a meaning you define for the system (for example, ST for the Search Type codes list in Address Book). J.D. Edwards systems provide a number of these lists and allow you to create and define lists of your own. User defined codes were formerly known as *descriptive titles.*

user identification (user ID). The unique name you enter when you sign on to a J.D. Edwards system to identify yourself to the system. This ID can be up to 10 characters long and can consist of alphabetic, alphanumeric, and numeric characters.

valid codes. The allowed codes, amounts, or types of data that you can enter in a specific input field. The system checks, or edits, user defined code fields for accuracy against the list of valid codes.

variable numerator allocations. A procedure used to allocate or distribute expenses, budgets, adjustments, and so on, among business units, based on a variable.

VAT. Value-added tax. A recoverable tax assessed in some countries.

vendor. See *supplier*.

video. The display of information on your monitor form. Normally referred to as the *form*.

vocabulary overrides. A J.D. Edwards facility that lets you to override field, row, or column title text on a form-by-form or report-by-report basis.

void. A method used to create a reversing entry of the original transaction. Voiding a transaction leaves an audit trail.

voucher logging. The process of entering vouchers without distributing amounts to specific G/L accounts. The system initially distributes the total amount of each voucher to a G/L suspense account, where it is held until you redistribute it to the correct G/L account or accounts.

voucher match. A payment application method where the payment is applied to specific vouchers.

who's who. A term that J.D. Edwards uses to identify contacts at a particular company. Examples include billing, collections, and sales personnel.

window. A software feature that allows a part of your form to function as if it were a form in itself. Windows serve a dedicated purpose within a facility, such as searching for a specific valid code for a field.

word search stop word. A common word that the query search in the Address Book system ignores. Examples include street, avenue, or building.

worked. A code used to indicate whether a customer's account has been reviewed and updated. For example, you "work" an account by changing a customer's credit limit or customers who are eligible for a credit review.

write-off. A receipt application method where the receipt is applied to the invoice and the difference is written off. You can "write-off" both overpayments and underpayments.

write payment. A step in processing payments. Writing payments includes printing checks, drafts, and creating a bank tape table.

Index

Index

A

A/R entry
  billing, 5–127
  Create A/R and G/L Entries, 3–124, 5–136
  creating final, 3–123, 5–135
  creating preliminary, 5–128
  preliminary, 3–116
  reviewing and posting, 5–138
  reviewing preliminary, 3–119
  reviewing preliminary entries, 5–131
  working with, 3–115
AAIs. *See* Automatic accounting instructions
About
  billing, 3–1
  contract billing, –1
  contract information, 2–1
  creating invoices manually, 3–89
  format definition lines, 7–40
  format definition positions, 7–40
  format definition rulers, 7–40
  invoice formatting, 7–1
  revenue recognition, 4–1
  revenue recognition and billing, 5–1
  system setup, 6–1
Account
  arranging information by number, 2–43
  assigning cost account to lump sum, 2–43
  assigning cost account to unit price, 2–73
  assigning to a fee line, 2–92
  job accounts and budgets, 2–42
  locating information, 2–42
Account Derivation Information, processing options, 6–44
Account derivation rules, 6–33
  Account Derivation form (P48126), 6–37, 6–38
  adding component codes to, 6–48
  equipment numbers, 6–41
  journal entries, 6–41
  key types, 6–35
  percentage allocations, 6–43
  setting up default, 6–41
  table keys, 6–35
  table types, 6–35
  types of, 6–35
Account Override Flag, defined, 2–44
Account Range, defined, 6–20
Accounting
  payroll, –4
  time, –4
Accounts Payable system, –8
Accounts Receivable system, –7
Acctg/Internal Control Info. form (P4812W4), 3–46, 4–37, 5–48
Actual burden, 4–17
Ad hoc transaction
  adding to an invoice, 3–100, 5–113
  billing, 3–43
  entering, 4–34
  entering for revenue recognition and billing, 5–45
  removing from invoice, 3–101, 5–115
Adding transactions to an invoice, 3–96
Additional Contract Details form (P52011), 2–18
Address Book system, –7
Address Number, defined, 6–23
Address Number – Owner, defined, 2–8
Adjustment (AJ), 5–3
Adjustment Number, defined, 3–94, 5–107
Adjustment Reason Code, defined, 3–41, 4–33, 5–43
AJ (Adjustment), 5–3
Align Right, defined, 7–51
Alternate displays and system constants, billing, 3–3
Alternate header, invoice format, 7–3
Amount, defined, 4–21
Amount – Invoice Markup, defined, 3–41, 4–33, 5–43
Amount – Invoice taxable, defined, 3–52, 5–54
Amount – Price per Unit, defined, 2–70
Amount/Units Information form (P4812W1), 5–40, 5–47
Amounts/Units Information form (P4812W1), 3–38, 3–45, 4–30, 4–37, 5–31, 5–40

And/Or Selection, defined, 6–51
Application Number, defined, 3–94, 5–107
Audit Trail Inquiry form (P52202), 2–105
Automatic accounting instructions, setting up, 6–55

B

BA (Billing Adjustment), 5–3
Base contract, 2–2
Base rules, 6–35
Batch
  creating a batch header, 3–90, 5–104
  deleting, 3–78, 3–122, 5–72
  error batch segregation, 5–70
  reviewing batch number, 3–94, 5–108
  reviewing batch number for contracts, 3–78
  reviewing number for contracts, 5–94
  revising header, 3–78
Batch Number, defined, 3–76, 5–92
Batch Review form (P40221), 3–72, 4–63, 5–75, 5–88
Batch Selection form (P48BN), 3–111, 5–123
Batch Status Description, defined, 3–77, 5–93
Bill Burden , defined, 6–5
Bill Unposted Entries, defined, 6–6
Bill When Paid, defined, 2–8
Billing
  A/R and G/L entries, 5–127
  about, 3–1
  ad hoc transactions, 3–43, 5–113
  adding transactions to the workfile, 3–33
  alternate format for T&M component, 5–118
  changing the markup, 3–38
  Contract Billing Invoice Generation report (P52800), 5–85
  cost transactions in the G/L, 3–33
  creating invoices, 3–65
  creating invoices automatically, 5–81
  creating invoices manually, 3–89
  creating preliminary invoices, 5–84
  final invoices, 3–127, 5–139
  invoice amounts, 3–79
  invoice types, 5–124
  invoices, 3–71
  Printing invoices, 3–109
  printing invoices, 5–121
  progress, 2–53
  recurring invoices, 5–84
  releasing retainage, 3–106, 5–119
  retainage, 3–83
  retainage on fee lines, 5–84, 5–118
  revenue recognition and billing, 5–81
  reviewing cumulative contract amounts, 5–140
  reviewing history, 3–128
  reviewing history for contracts, 5–139
  reviewing information, 2–103
  reviewing the workfile, 3–11
  revised transactions, 3–33
  revising an invoice amount for non-T&M, 3–102
  stored materials, 5–118
  system overview, –9
  Time and material (T&M), 3–2
  voiding final invoices, 5–142
  workfile history, 3–59
  workfile transaction, 3–31
  working with, 5–81
  working with percentages, 5–118
Billing Adjustment (BA), 5–3
Billing Control ID, defined, 3–15, 4–13, 5–19
Billing Event, defined, 2–51
Billing Invoice AR – G/L Journal Generation, processing options, 3–125, 5–137
Bill-when-paid requirement, overriding, 3–48
Budgets, verifying job accounts, 2–42
Burden
  actual, 3–19, 4–17, 5–22
  billing status of transactions, 5–57
  Burden Information form (P4824), 3–20, 4–18, 5–23
  changing billing status, 3–55
  changing the processing status of transactions, 4–45
  daily payroll processing, 4–19
  flat, 3–19, 4–17, 5–22
  reviewing transactions, 3–19, 4–16, 5–22
  system constants, 6–10
  totals for, 4–24
  transactions, 3–8, 3–13, 4–8, 4–11, 5–13, 5–16

Business Unit, defined, 2–42, 3–15, 4–13, 5–19
Business Unit – Home, defined, 6–23

C

Calculating fee lines manually, 3–86
Calculating retainage manually, 3–83
Calculation methods, 2–40
Cap or Override Rate, defined, 6–21
Cap or Override Rate – Invoice, defined, 3–40, 4–32, 5–42
Category Code – Business Unit 12, defined, 6–23
Category Code – F/A 10 (Rate Group), defined, 6–23
Cautions, user defined codes, 6–57
Change Management system, –7
  copying details from, 2–28
Change order, releasing retainage, 3–107
Change orders, 2–2
Change Request Revenue Detail, 2–28
Commitment Log Type, defined, 2–20
Company, defined, 2–38
Comparison Value 1, defined, 6–52
Comparison Value 2, defined, 6–52
Component, 2–95
  See also Component rules
  Com. Code Pay Item Cross Ref. form (P52MK2), 2–99
  Component Code Cross Reference form (P52CC), 2–98
  contract information, 2–95
  creating journals for, 6–43
  defining a cross-reference, 2–97
  for T&M, 2–100
  markups, 2–3
  owner pay item, 2–95
  Owner Pay Item Details form (P5202), 2–97
  reviewing transactions, 4–19, 5–25
  totals for, 4–24
  transaction, 4–11
Component Code
  adding to account derivation rules, 6–48
  defined, 3–23, 4–21, 5–27, 6–30
Component Code Cross Reference, 2–98
Component Cost Rate Table, defined, 3–23, 4–21, 5–26, 6–46
Component information, 6–45
Component Invoice Rate, defined, 3–23, 5–26
Component Link, defined, 3–23, 4–21, 5–26
Component Rate Basis, defined, 6–31
Component Rate Percent, defined, 6–31
Component Revenue Rate Table, defined, 4–21, 5–26, 6–46
Component rules, 6–27
  adding to markup rules, 6–45
  assigning component information, 6–45
  assigning to existing markup rules, 6–47
  basis for calculating, 6–47
  Component Cross Reference form (P4862W), 6–32
Component Table, defined, 6–30
Component table (P4860), 6–29
Component Transaction Inquiry form (P4825), 4–20, 5–26
Compound components, 6–28
Compound markup, 6–15
Compound rules, compound components, 6–28
Condition Code, defined, 6–51
Constants, 6–3
  billing burden, 6–10
  System Constants form (P48091), 6–4
Contract
  changing, 2–12
  deleting, 2–12
  prepayments, 2–59
  reviewing cumulative amounts, 5–140
Contract Billing, data models, B–1
Contract Billing Invoice Generation, processing options, 3–70, 5–86
Contract Billing Invoice Generation report (P52800), 67, 83
Contract Billing system
  assigning invoice format codes, 7–26
  features, –8
Contract Change Number, defined, 2–25
Contract History Inquiry form (P52250), 3–128, 5–140, 5–143
Contract information
  See also Master information
  about, 2–1
  base contract, 2–2
  calculation methods, 2–40

change orders, 2–2
component markups, 2–3
defining cross reference, 2–40
direct draw, 2–3, 2–59
Draw Line Cross Reference (P52MP), 2–65
fee lines, 2–83
fees, 2–3
lump sum, 2–2, 2–35
master, 2–1
master information, 2–5
milestone billing, 2–2, 2–47
owner pay items, 2–2, 2–23, 2–36
prepayments, 2–59
progress billing, 2–2, 2–53
rated draw, 2–3
reviewing billing information, 2–103
time and material (T&M), 2–3, 2–75
unit price, 2–3, 2–67
verifying, 5–31
Contract Log Revisions form (P5203), 2–19
Contract Master Revisions, processing options, 2–13
Contract Non–T&M Revenue Flag, defined, 6–7
Contract Number, defined, 2–8
Contract Status, defined, 2–9
Contract Type, defined, 2–8
Control Flag 1, defined, 2–39
Cost
accumulating for billing, 3–5
accumulating for revenue recognition, 4–6
accumulating for revenue recognition and billing, 5–10
defined, 3–51, 4–41, 5–54
Cost Amount, defined, 3–23, 5–26, 6–22
Cost Plus Mark Up Information, processing options, 6–25
Cost Plus Markup table (P48096), 6–16, 6–17
Cost transactions in G/L, 4–27
Create G/L Entries form (P48200), 4–66, 5–78
Creating a batch header manually, 3–90
Creating final A/R and G/L entries, 5–135
Creating invoices automatically, 3–65
Creating invoices manually, 3–89, 5–103
Creating preliminary A/R and G/L entries, 5–128
Creating preliminary G/L entries, 4–56
Cross reference
contract information, 2–40
defining, 2–40
defining for a component, 2–97
defining for T&M, 2–78
fee line, 2–88
unit price, 2–71
Cross Reference form (P5212), 2–41, 2–71, 2–80
Current Activity, defined, 3–77, 5–93
Customer Number, defined, 3–15, 4–13, 5–18

D

Data Item
defined, 7–20
relative information, 7–43
Data Item Description, defined, 3–17, 4–15, 5–21
Data Item to Retrieve, defined, 7–50
Data models, Contract Billing, B–1
Date – Batch (Julian), defined, 3–76, 5–92
Date – Beginning Effective, defined, 3–37, 5–39, 6–19, 6–30
Date – effectivity basis, defined, 6–6
Date – Ending Effective, defined, 6–30
Date – Estimated Completion (Julian), defined, 2–52
Date – Invoice, defined, 3–94, 5–107
Date – Labor Effectivity Basis, defined, 6–6
Date – Required, defined, 2–20
Date – Service Date Basis, defined, 6–8
Date From, defined, 2–87
Date Through, defined, 3–77, 5–93
Date Thru, defined, 2–87
Date_–––_Released (Julian), defined, 3–47, 4–38, 5–49
Definitions of terms, g–1
Delete, text from workfile, 3–35
Description 01, defined, 2–87
Detail, copying from Change Management, 2–28
Detail formats
grouping key detail, 7–5
grouping key detail header, 7–5
grouping key total, 7–5

major sequence header, 7–5
major sequence total, 7–5
Detail History, processing options, 3–64, 4–52, 5–65
Detail History form (P4812H), 3–63, 4–51, 5–64
Detail information, invoice format, 7–3
Display Amounts, Units, Unit Rates, defined, 2–105
Display Size, defined, 7–50
Displaying records and transactions, 4–52
Document (Order No., Invoice, and so on), defined, 6–23
Document Type – Invoice Only, defined, 6–9
Draw
direct, 2–3, 2–59
owner pay item for direct, 2–59
rated, 2–3, 2–59, 2–63
DREAM Writer Selection List form (P48DW), 3–111, 5–123

E

Earned – Total to Date, defined, 3–104, 5–117
Edit Code, defined, 7–50
Effective Date Through, defined, 3–17, 4–15, 5–20, 6–20
Effective dates, 6–13
Eligibility code, 3–18, 5–21
revenue recognition and billing, 3–8, 4–8, 4–16, 5–12
Eligibility Code – Service Billing, defined, 3–17, 4–15, 5–21
Employee/Supplier, defined, 3–16, 4–14, 5–19
Entering ad hoc transactions, 4–34
Equipment Distribution (T5), 5–4
Equipment Rate Code, defined, 6–23
Equipment Worked, defined, 3–16, 4–14, 5–19
Equipment/Plant Management system, –6
Error batch segregation, 5–70
EU (Revenue), 5–3

F

Features
account derivation rules, 6–2
automatic accounting instructions, 6–2
billing, –9
component rules, 6–2
journal processing, –9
markup rules, 6–2
system constants, 6–2
system management, –9
system setup, 6–2
user defined codes, 6–2
workfile generation, –8
Features of Contract Billing system, –8
Fee, defined, 2–91
Fee line, 2–3
assigning a cost account, 2–92
billing, 5–84
calculating revenue for, 2–93
cross reference, 2–88
defining rate codes, 2–86
effective dates for percentages, 2–88
entering an owner pay item, 2–84
Fee Line Cross Ref. Selection form (P52MK), 2–90
Fee Line Cross Reference form (P52MK), 2–89
owner pay item, 2–84
Owner Pay Item Details form (P5202), 2–85
retainage on, 3–68
revising a pay item, 3–87
working with, 2–83
Fee lines
calculating manually, 3–86, 5–101
retainage, 3–81
Fees, recalculating amounts, 3–81
Fields
Account Override Flag, 2–44
Account Range, 6–20
Address Number, 6–23
Address Number – Owner, 2–8
Adjustment Number, 3–94, 5–107
Adjustment Reason Code, 3–41, 4–33, 5–43
Align Right, 7–51
Amount, 4–21

Amount – Invoice Markup, 3–41, 4–33, 5–43
Amount – Invoice taxable, 3–52, 5–54
Amount – Price per Unit, 2–70
And/Or Selection, 6–51
Application Number, 3–94, 5–107
Batch Number, 3–76, 5–92
Batch Status Description, 3–77, 5–93
Bill Burden , 6–5
Bill Unposted Entries, 6–6
Bill When Paid, 2–8
Billing Control ID, 3–15, 4–13, 5–19
Billing Event, 2–51
Business Unit, 2–42, 3–15, 4–13, 5–19
Business Unit – Home, 6–23
Cap or Override Rate, 6–21
Cap or Override Rate – Invoice, 3–40, 4–32, 5–42
Category Code – Business Unit 12, 6–23
Category Code – F/A 10 (Rate Group), 6–23
Commitment Log Type, 2–20
Company, 2–38
Comparison Value 1, 6–52
Comparison Value 2, 6–52
Component Code, 3–23, 4–21, 5–27, 6–30
Component Cost Rate Table, 3–23, 4–21, 5–26, 6–46
Component Invoice Rate, 3–23, 5–26
Component Link, 3–23, 4–21, 5–26
Component Rate Basis, 6–31
Component Rate Percent, 6–31
Component Revenue Rate Table, 4–21, 5–26, 6–46
Component Table, 6–30
Condition Code, 6–51
Contract Change Number, 2–25
Contract Non–T&M Revenue Flag, 6–7
Contract Number, 2–8
Contract Status, 2–9
Contract Type, 2–8
Control Flag 1, 2–39
Cost, 3–51, 4–41, 5–54
Cost Amount, 3–23, 5–26, 6–22
Current Activity, 3–77, 5–93
Customer Number, 3–15, 4–13, 5–18
Data Item, 7–20
Data Item Description, 3–17, 4–15, 5–21
Data Item to Retrieve, 7–50
Date – Batch (Julian), 3–76, 5–92
Date – Beginning Effective, 3–37, 5–39, 6–19, 6–30
Date – effectivity basis, 6–6
Date – Ending Effective, 6–30
Date – Estimated Completion (Julian), 2–52
Date – Invoice, 3–94, 5–107
Date – Labor Effectivity Basis, 6–6
Date – Required, 2–20
Date – Service Date Basis, 6–8
Date From, 2–87
Date Through, 3–77, 5–93
Date Thru, 2–87
Date_–––_Released (Julian), 3–47, 4–38, 5–49
Description 01, 2–87
Display Amounts, Units, Unit Rates, 2–105
Display Size, 7–50
Document (Order No., Invoice, and so on), 6–23
Document Type – Invoice Only, 6–9
Earned – Total to Date, 3–104, 5–117
Edit Code, 7–50
Effective Date Through, 3–17, 4–15, 5–20, 6–20
Eligibility Code – Service Billing, 3–17, 4–15, 5–21
Employee/Supplier, 3–16, 4–14, 5–19
Equipment Rate Code, 6–23
Equipment Worked, 3–16, 4–14, 5–19
Fee, 2–91
G/L Date, 3–17, 3–93, 4–15, 5–20, 5–107
Generation Type, 6–18
Group Begin, 7–15
Group End, 7–15
Grouping Key, 7–15
Hold Code – Service Billing Transaction, 3–47, 4–38, 5–49
Independent Invoice Flag , 6–7
Initialize to Zero, 3–94, 5–107
Invoice Date Override Control, 6–8
Invoice Fee Basis, 2–91
Invoice Format Code, 2–8, 7–14
Invoice Generation Control, 6–9
Invoice Rate – Service Billing, 3–40, 4–32, 5–42
Invoice Summary Access Control , 6–10
Invoice Type, 7–15
Job Step, 3–16, 4–14, 5–20, 6–22

Job Type (Craft) Code, 3–16, 4–14, 5–20, 6–22
Journal Generation Control , 6–8
Journal Reclassification Control, 6–8
Key Type, 6–18, 7–24
Ledger Type, 6–41
Limit Exceeded Flag, 3–78, 5–94
Line Number, 2–106
Name – Remark Explanation, 2–20
Not to Exceed Amount, 2–39
Not to Exceed Units, 2–71
Object Account, 2–39, 3–16, 4–14, 5–19
Operator, 6–52
Owner Contract #, 2–9
Owner Pay Item, 2–26
Parameter – Program Call 1, 7–50
Parameter 1 Data Item, 7–56
Parent Contract Number, 2–8
Payment Terms, 2–9
PDBA Code, 3–21, 4–18, 5–24, 6–23
PDBA Code Override, 6–8
Percent Complete, 2–16, 2–51
Percentage, 6–7
Percentage – Invoice Markup, 3–40, 4–32, 5–42
Percentage – Revenue Recognition, 6–22
Positive or Negative, 6–40
Pricing Type – Contracts, 2–26
Print Burden Control, 7–16
Print Component Control, 7–16
Print Data (Y/N), 7–50
Print Decimals, 7–51
Project/Job, 2–8
Rate – Revenue Override Rate Markup, 6–21
Re–Extend Option, 3–41, 4–33, 5–43
Recurring Billing Amount, 2–45
Recurring Billing Code, 2–45
Register Number, 7–51
Remark, 3–21, 4–19, 5–24
Remark/Explanation, 6–22
Repeat Until, 7–57
Resulting Business Unit, 6–39
Resulting Object Account, 6–39
Resulting Subledger, 6–40
Resulting Subsidiary, 6–40
Retainage Percent, 2–15
Retainage Rule, 2–15
Retrieval Code, 7–49
Retrieval Number, 7–49
Retrieval Program Name, 7–57
Revenue BU, 2–38
Revenue Fee Basis, 2–91
Reverse Bill When Paid, 3–49, 5–51
Schedule of Values, 2–38
Send Record (Y/N), 7–57
Sequence Code, 2–106
Sequence Number, 2–52, 7–15
Sequence Number – Service Billing Trans., 7–20
Split Amount Basis, 6–40
Split Amount/Percent, 3–52, 4–42, 5–54
Status Description, 3–77, 5–93
Stored Material – Total to Date, 3–104, 5–117
Stored Materials, 3–104, 5–117
Subledger – G/L, 2–39, 3–16, 4–14, 5–20
Subledger Type, 2–39, 3–16, 4–14, 5–20
Subsidiary, 2–38, 3–16, 4–14, 5–19
Table Amount Basis, 6–40
Table Key, 6–19, 7–25
Table Type – Service Billing, 6–39
Tax Explanation, 2–9
Tax Rate/Area, 2–9
Tax Type – Payroll, 3–21, 4–18, 5–24
Taxable (Y/N), 3–17, 5–21
This Period, 3–104, 5–117
Total Billed Amount, 4–21, 4–24, 4–42, 5–27, 5–30
Total Cost Amount, 3–27, 4–24, 5–30
Total Invoiced Amount, 3–23, 3–26, 5–26, 5–29
Transaction Class, 3–17, 4–15, 5–20
Transaction Number – Payroll, 3–20, 4–18, 5–23
Unit of Measure, 2–70
Units, 2–70, 3–23, 3–51, 4–21, 4–41, 5–26, 5–53
Void, 3–132, 5–144
Files. *See* Tables
Final G/L entry, 4–66
Final invoice, 3–127
  voiding, 3–130, 5–142
  working with, 5–139
Flat burden, 4–17
Formats
  adding blank lines, 7–42
  adding messages to, 7–41
  changing and removing messages, 7–42
  copying, 7–36

defining new, 7–39
definition forms, 7–30
Detail Sequence Definition form (P4854), 7–34
five heading, 7–30
Format Definition form (P4855), 7–32, 7–33
Format Exit/Save Screen (P48551), 7–32
Format Revisions form (P4850), 7–31
four totals, 7–30
invoice, 7–3
invoice layout, 7–29
lines, 7–39
Major Sequence Definition form (P4852), 7–33
one detail, 7–30
positions, 7–39
revisions, 7–47
rulers, 7–39
testing definitions, 7–36
Forms
Acctg/Internal Control Info., 3–46, 4–37, 5–48
Additional Contract Details, 2–18
Amounts/Units Information, 3–38, 3–45, 4–30, 4–37, 5–31, 5–40, 5–47
Audit Trail Inquiry, 2–105
Batch Review, 3–72, 4–63, 5–75, 5–88
Batch Selection, 3–111, 5–123
Burden Information, 3–20
Burden Information form (P4824), 4–18, 5–23
Change Request Revenue Detail, 2–28
Comp. Code Pay Item Cross Ref., 2–99
Component Code Cross Reference, 2–98
Component Cross Reference, 6–32
Component Transaction Inquiry, 3–23, 4–20, 5–26
Contract History Inquiry, 3–128, 5–140, 5–143
Contract Log Revisions, 2–19
Contract Master Revisions, 2–7, 7–26
Create A/R and G/L Entries, 3–124, 5–136
Create G/L Entries, 4–66, 5–78
Cross Reference, 2–41, 2–71, 2–80
Detail History, 3–63, 4–51, 5–64
Detail Sequence Definition, 7–14, 7–34
Draw Line Cross Reference, 2–65
DREAM Writer Selection List, 3–111, 5–123
Fee Line Cross Ref. Selection, 2–90
Fee Line Cross Reference, 2–89
Format Cross Reference, 7–22
Format Definition, 7–32, 7–33
Format Exit/Save Screen, 7–32
Format Revisions, 7–12, 7–31
G/L Transaction Selection, 3–36, 4–29, 5–38
G/L Transaction Split, 3–50, 4–41, 5–52
Grand Totals, 3–26, 4–23, 5–29
Inquire Work File History, 5–61
Inquire Workfile History, 3–60, 4–49
Invoice Adjustment, 3–92, 5–105
Invoice Delete, 3–83, 5–98
Invoice Detail Revisions, 3–75, 5–91
Invoice Entry Review, 3–74, 5–90
Invoice Format Data Items, 7–19
Invoice Journal Generation, 3–117, 5–129
Invoice Void, 3–132, 5–143
Invoice/Batch Extended Text, 3–34, 5–36
Log Detail, 2–32
Major Sequence Definition, 7–12, 7–33
Milestone/Progress Billing, 2–50, 2–57
Owner Pay Item Details, 2–25, 2–37, 2–49, 2–55, 2–61, 2–69, 2–77, 2–85, 2–97
Owner Pay Item Status, 2–104
Owner Pay Item Text, 2–30, 2–31
Pay Item Billing Inquiry, 3–75, 5–91
Pay Item Billing Revisions, 3–75
Print Invoices, 3–110, 5–122
Rate Code Revisions, 2–87
Retainage Rules, 2–14, 2–15
Retention Release, 3–106, 5–120
Retrieval Reference, 7–48
Revisions, 3–14, 4–11, 4–64, 5–17, 5–76
System Constants, 6–4
Transaction Re-Extension, 3–39, 4–31, 5–41
Workfile Transaction Select, 3–98, 5–111

G

G/L audit trail, 4–29, 5–39
G/L Date, defined, 3–17, 3–93, 4–15, 5–20, 5–107

G/L entry
adding existing transactions, 5–37
additional copies of the journal register, 5–72
billing, 5–127
Create A/R and G/L Entries, 3–124, 5–136
creating final, 3–123, 4–66, 5–77, 5–135
creating preliminary, 4–56, 5–68, 5–128
deleting a batch, 4–60
document types, 4–58, 5–3, 5–70
error batch segregation, 4–58, 5–70
identifying origin of, 5–3
journal reclassification, 4–57
journal register, 4–60
preliminary, 3–116
reconciling errors, 4–60
revenue recognition and billing, 5–68
reviewing and posting, 4–67, 5–79, 5–138
reviewing journals, 4–60, 5–72
reviewing preliminary, 3–119
reviewing preliminary entries, 5–131
working with, 3–115, 4–55
G/L transaction
adding existing, 4–28
adding existing, revenue recognition and billing, 5–37
audit trail, 3–37, 4–29
billing, 3–35
G/L Transaction Selection form (P40124), 3–36, 4–29
workfile, 4–28
G/L Transaction Selection form (P48124), 5–38
G/L Transaction Split form (P48125), 3–50, 4–41
Generation Type, 6–13
defined, 6–18
Generation type
markup rule, 6–13
types explained, 6–13
Grand Totals form (P48TW), 3–26
Grand Totals form (P48TW2), 4–23
Group Begin, defined, 7–15
Group End, defined, 7–15
Grouping Key
assigning sequence numbers, 7–17
defined, 7–15
defining overlapping or repeating ranges, 7–17
deleting ranges, 7–16
detail header, 7–5
total, 7–5
Guaranteed amounts, 2–12

H

Header, invoice format, 7–3
History
moving transactions to, 3–53
printing invoices from, 3–129
Hold Code – Service Billing Transaction, defined, 3–47, 4–38, 5–49
Hold status, assigning, 4–36, 5–47

I

Independent Invoice Flag , defined, 6–7
Initialize to Zero, defined, 3–94, 5–107
Inquire Workfile History form (P40200), 3–60
Inquire Workfile History form (P48208), 4–49
Integration, –2
See also System integration
Invoice
adding format data items, 7–18
adding transactions to, 3–96, 5–109
adjusting a previous application for payment, 5–109
assigning format codes to contracts, 7–26
assigning layouts, 7–21
batches, 5–94
calculating amounts for non–T&M, 5–108
copying formats, 7–36
creating automatically, 3–65, 5–81
creating manually, 3–89, 5–103, 5–104
creating preliminary, 5–84
decreasing amounts, 3–79, 5–95
defining new formats, 7–39
defining retrieval references, 7–45
deleting, 5–98
detail formats, 7–4
entering amounts, 5–115
final, 3–127
format types, 7–3
formatting, 7–1
header, 7–5

header format, 7–4
Invoice Adjustment form (P52INV), 3–92, 5–105
Invoice Delete form (P5210W1), 3–83, 5–98
Invoice Detail Revisions form (P4014), 3–75, 5–91
Invoice Entry Review form (P40222), 3–74, 5–90
Invoice Format Data Items form (P4849), 7–19
Invoice Generation, 5–82
Invoice Journal Generation (P48200), 5–129
invoice total format, 7–6
Invoice Void form (P48VW), 3–132, 5–143
layout structures, 7–9
layouts, 7–9
limits on amounts, 3–69, 5–85
master information, assigning layout, 2–11
non-T&M, 3–68, 3–102
preliminary, 3–68
printing, 3–109, 5–121
printing from history, 3–129, 5–141
printing from multiple batches, 3–112
printing selected, 3–112
recurring, 3–68, 5–84, 5–108
retainage on fee lines, 3–68, 5–108
retrieval references, 7–43
reviewing, 3–72, 5–89
reviewing billing history, 3–128
reviewing format definition forms, 7–30
stored materials, 3–105
total format, 7–4
types, 3–112, 5–124
understanding formats, 7–3
voiding final, 3–130
voiding posted, 3–132
voiding posted invoices, 5–144
working with, 3–71, 5–87
working with final, 5–139
working with formats, 7–29
working with percentages, 5–100
Invoice Date Override Control, defined, 6–8
Invoice Default (RI), 5–3
Invoice Fee Basis, defined, 2–91
Invoice Format Code, defined, 2–8, 7–14
Invoice Generation, 5–87
Invoice Generation Control, defined, 6–9
Invoice Journal Generation – Service Billing, processing options, 3–119, 5–131
Invoice Journal Generation form (P48200), 3–117
Invoice Journal Generation report (P48131), 120, 132
Invoice Print Sequence Derivation, processing options, 3–113, 5–125
Invoice Rate – Service Billing, defined, 3–40, 4–32, 5–42
Invoice Summary Access Control , defined, 6–10
Invoice Type, defined, 7–15

J

Job Cost system, –6
Job Step, defined, 3–16, 4–14, 5–20, 6–22
Job Type (Craft) Code, defined, 3–16, 4–14, 5–20, 6–22
Journal entry
See also A/R entry; G/L entry
creating final, 3–123
preliminary G/L entries, 4–56
register, 4–60
reviewing and posting, 4–67, 5–79, 5–138
reviewing journals, 4–60, 5–72
Journal Generation Control , defined, 6–8
Journal processing, system overview, –9
Journal reclassification, 4–57
revenue recognition and billing, 5–69
Journal Reclassification Control, defined, 6–8
Journal Register Listing report (P48300), 121, 62, 74, 133
Journal reviewing, 4–64, 5–76

K

Key Type, 6–13
account derivation rules, 6–35
defined, 6–18, 7–24

L

Labor Billing Distribution (T4), 5–4
Layout
  assigning invoice layouts, 7–21
  assigning layouts globally, 7–22
  Contract Master Revisions form (P5201), 7–26
  defined, 7–9
  defining a structure, 7–10
  Detail Sequence Definition form (P4854), 7–14
  Format Cross Reference form (P4858), 7–22
  format definition forms, 7–30
  Format Revisions form (P4850), 7–12
  formats, 7–29
  grouping key, 7–11
  grouping key ranges, 7–11
  major sequence, 7–11
  Major Sequence Definition form (P4852), 7–12
  repeating headers on subsequent pages, 7–35
  structures, 7–9
Ledger Type, defined, 6–41
Limit Exceeded Flag, defined, 3–78, 5–94
Line Number, defined, 2–106
Log Detail form (P52LG1), 2–32
Log information
  adding logs to a standard contract, 2–20
  copying standard, 2–20
  entering for a contract, 2–18
Lump sum, 2–2
  assigning a cost account, 2–43
  defining cross-references, 2–40
  defining recurring amounts, 2–45
  owner pay items, 2–36
  working with, 2–35

M

Major sequence header, 7–5
Major sequence total, 7–5
Markup
  calculations, 6–14
  changing for billing, 3–38
  changing for revenue recognition, 4–30
  changing for revenue recognition and billing, 5–39
  component, 2–3
  compound, 6–15
  default rules, 6–24
  defining component rules, 6–27
  defining rules, 6–11
  effective dates, 6–13
  key type, 6–13
  major key, 6–13
  minor key, 6–14
  rate cap, 6–24
  source transactions, 6–24
  system setup, 6–11
  table key, 6–13
Markup rules, adding component rules, 6–45
Master information, 2–5
  See also Contract information
  Additional Contract Details form (P52011), 2–18
  Contract Log Revisions (P5203), 2–19
  Contract Master Revisions form (P5201), 2–7
  entering additional, 2–17
  guaranteed amounts, 2–12
  loading a contract, 2–10
  log information, entering, 2–18
  master record, 2–6
  owner and contract type, 2–10
  parent/child relationships, 2–11
Message
  adding to a format, 7–41
  changing and removing format, 7–42
  special formatting, 7–41
Milestone billing, 2–2
  completed milestone, 2–52
  defining billing events, 2–50
  Milestone/Progress Billing form (P5216), 2–50
  owner pay items, 2–47
  working with, 2–47
Milestone/Progress Billing form (P5216), 2–57
Minor key
  markup calculations, 6–14
  markup rule, 6–14
Moving a transaction out of history, 3–62

N

Name – Remark Explanation, defined, 2–20
Non-T&M
  calculating invoice amounts, 5–84
  decreasing invoice amounts, 5–96
  revenue recognition and billing, 5–4
  revising an invoice amount, 3–102, 5–115
Not to Exceed Amount, defined, 2–39
Not to Exceed Units, defined, 2–71

O

Object Account, defined, 2–39, 3–16, 4–14, 5–19
Operator, defined, 6–52
Override dates, 5–130
Overview
  contract billing, –1
  system integration, –2
  tables, –10
Owner Contract #, defined, 2–9
Owner Pay Item, defined, 2–26
Owner pay item
  adding a blank detail line, 2–26
  changing a base contract, 2–27
  component, 2–95
  copying text, 2–32
  deleting a contract with change orders, 2–27
  direct draw, 2–59
  entering for a rated draw, 2–63
  entering for lump sum, 2–36
  entering for T&M, 2–75
  entering for unit price, 2–67
  entering text, 2–30
  milestone billing, 2–47
  Owner Pay Item Details form (P5202), 2–25
  Owner Pay Item Text form (P52024), 2–31
  progress billing, 2–53
  verifying schedule of values, 2–26
  working with, 2–23
Owner Pay Item Details, processing options, 2–34, 2–101
Owner Pay Item Details form (P5202), 2–37, 2–49, 2–55, 2–61, 2–69, 2–77
Owner Pay Item Status form (P52200), 2–104
Owner Pay Item Text form (P52024), 2–30
Owner pay items, 2–2
  entering, 2–24

P

Parameter – Program Call 1, defined, 7–50
Parameter 1 Data Item, defined, 7–56
Parent Contract Number, defined, 2–8
Parent sequence number, 3–33, 4–26, 5–35
Parent/child relationship, master information, 2–11
Pay Item Billing Inquiry form (P5222), 3–75, 5–91
Pay Item Billing Revisions form (P52221), 3–75
Payment Terms, defined, 2–9
Payroll
  burden, 3–21, 5–24
  changing transactions, 4–8
  processing, 3–21, 5–24
Payroll accounting, –4
Payroll Labor Distribution (T2), 5–4
Payroll transaction, changing, 3–8
PDBA Code, defined, 3–21, 4–18, 5–24, 6–23
PDBA Code Override, defined, 6–8
Percent Complete, defined, 2–16, 2–51
Percent complete method, 2–40
Percent of cost method, 2–40
Percentage
  defined, 6–7
  working with, 3–81, 3–84
Percentage – Invoice Markup, defined, 3–40, 4–32, 5–42
Percentage – Revenue Recognition, defined, 6–22
Percentage reallocations, 6–43
Positional wildcards, 2–42
Positive or Negative, defined, 6–40
Preliminary G/L entries, 4–56
Preliminary journal entry, 3–116
Prepayments, contract information, 2–59
Pricing Type – Contracts, defined, 2–26
Print Burden Control, defined, 7–16
Print Component Control, defined, 7–16

Print Data (Y/N), defined, 7–50
Print Decimals, defined, 7–51
Print Invoices form (P40200), 3–110, 5–122
Print Invoices From History – For Dream Writer, processing options, 3–130, 5–142
Printing invoices, 3–109, 5–121
  from history, 5–141
  from multiple batches, 5–124
  printing headers on a new page, 7–35
  selected in a batch, 5–124
Printing workfile transactions, 3–56, 4–45, 5–58
Processing options
  Account Derivation Information, 6–44
  Billing Invoice AR – G/L Journal Generation, 3–125, 5–137
  Contract Billing Invoice Generation, 3–70, 5–86
  Contract Master Revisions, 2–13
  Cost Plus Mark Up Information, 6–25
  Detail History, 3–64, 4–52, 5–65
  Invoice Journal Generation – Service Billing, 3–119, 5–131
  Invoice Print Sequence Derivation, 3–113, 5–125
  Owner Pay Item Details, 2–34, 2–101
  Print Invoices From History – For Dream Writer, 3–130, 5–142
  Revenue Journal Generation – Service Billing, 4–59, 5–71
  Service Billing Workfile Listing, 3–58, 4–47, 5–60
  Unbilled Detail Revisions, 3–29, 5–32
  Workfile Generation – Batch Front End, 3–9, 4–9, 5–14
Programs and IDs
  P4012 (Revisions), 3–14
  P40120 (Workfile Transaction Select), 3–98, 5–111
  P40124 (G/L Transaction Selection), 3–36, 4–29
  P4012W4 Acctg/Internal Control Info., 3–46, 4–37, 5–48
  P4014 (Invoice Detail Revisions), 3–75, 5–91
  P40200 (Create A/R and G/L Entries), 3–124, 5–136
  P40200 (Create G/L Entries), 4–66, 5–78
  P40200 (Inquire Workfile History), 3–60
  P40200 (Print Invoices), 3–110, 5–122
  P40221 (Batch Review), 3–72, 4–63, 5–75, 5–88
  P40222 (Invoice Entry Review), 3–74, 5–90
  P42800 (Contract Billing Invoice Generation), 5–85
  P48091 (System Constants), 6–4
  P48096 (Cost Plus Markup), 6–16, 6–17
  P4812 (Revisions), 4–11, 4–64, 5–17, 5–76
  P48124 (G/L Transaction Selection), 5–38
  P48125 (G/L Transaction Split), 3–50, 4–41, 5–52
  P48126 (Account Derivation), 6–37, 6–38
  P4812H (Detail History), 3–63, 4–51, 5–64
  P4812W1 (Amounts/Units Information), 3–38, 3–45, 4–30, 4–37, 5–31, 5–40, 5–47
  P4813 (Invoice/Batch Extended Text), 3–34, 5–36
  P48131 (Invoice Journal Generation), 120, 132
  P48132 (Revenue Journal Generation — Job), 62, 74
  P48200 (Invoice Journal Generation), 3–117, 5–129
  P48208 (Inquire Work File History), 5–61
  P48208 (Inquire Workfile History), 4–49
  P4824 (Burden Information), 3–20, 4–18, 5–23
  P4825 (Component Transaction Inquiry), 3–23, 4–20, 5–26
  P48300 (Journal Register Listing), 121, 62, 74, 133
  P48405 (Service Billing Workfile Listing), 57, 46, 59
  P4849 (Invoice Format Data Items), 7–19
  P4850 (Format Revisions), 7–12, 7–31
  P4852 (Major Sequence Definition), 7–12, 7–33
  P4854 (Detail Sequence Definition), 7–14, 7–34
  P4855 (Format Definition), 7–32, 7–33
  P48551 (Format Exit/Save Screen), 7–32
  P4856 (Retrieval Reference), 7–48
  P4858 (Format Cross Reference), 7–22
  P4860 (Component Information), 6–29
  P4862W (Component Cross Reference), 6–32
  P48BN (Batch Selection), 3–111, 5–123
  P48DW (DREAM Writer Selection List), 3–111, 5–123

P48TW (Grand Totals), 3–26
P48TW2 (Grand Totals), 4–23
P48TW2 Grand Totals, 5–29
P4VW (Invoice Void), 3–132, 5–143
P5201 (Contract Master Revisions), 2–7, 7–26
P52011 (Additional Contract Details), 2–18
P5202 (Owner Pay Item Details), 2–25, 2–37, 2–49, 2–55, 2–61, 2–69, 2–77, 2–85, 2–97
P52024 (Owner Pay Item Text), 2–30, 2–31
P5203 (Contract Log Revisions), 2–19
P5204 (Retainage Rules), 2–15
P5206 (Milestone/Progress Billing), 2–50
P5212 (Cross Reference), 2–41, 2–71, 2–80
P52131 (Rate Code Revisions), 2–87
P5216 (Milestone/Progress Billing), 2–57
P52200 (Owner Pay Item Status), 2–104
P52202 (Audit Trail Inquiry), 2–105
P5222 (Pay Item Billing Inquiry), 3–75, 5–91
P52221 (Pay Item Billing Revisions), 3–75
P52250 (Contract history Inquiry), 3–128, 5–140, 5–143
P52810W1 (Invoice Delete), 3–83, 5–98
P52CC (Component Code Cross Reference), 2–98
P52INV (Invoice Adjustment), 3–92, 5–105
P52LG1 (Contract Window - Log Detail), 2–32
P52MK (Fee Line Cross Reference), 2–89
P52MK1 (Fee Line Cross Ref. Selection), 2–90
P52MK2 (Comp. Code Pay Item Cross Ref.), 2–99
P52MP (Draw Line Cross Reference), 2–65
P52RN (Retainage Rules), 2–14
P52RR (Retention Release), 3–106, 5–120
P53310 (Change Request Revenue Detail), 2–28
V481203 (Transaction Re-Extension), 3–39, 4–31, 5–41
Progress billing, 2–2, 2–53
changing an order, 2–66
completing a billing event, 2–58
defining billing events, 2–56
owner pay items, 2–53
Project/Job, defined, 2–8

R

Rate – Revenue Override Rate Markup, defined, 6–21
Rate code
defining for a fee line, 2–86
Rate Code Revisions form (P52131), 2–87
Rated draw, 2–63
A/R offset, 2–63
retainage, 2–63
revenue, 2–63
Re–Extend Option, defined, 3–41, 4–33, 5–43
Reallocation rules, 6–36
Reconciling errors, 3–122
Reconciling report errors, 5–72
Recurring amounts, 2–45
Recurring Billing Amount, defined, 2–45
Recurring Billing Code, defined, 2–45
Register Number, defined, 7–51
Releasing retainage, 3–106, 5–119
change order, 5–120
Remark, defined, 3–21, 4–19, 5–24
Remark/Explanation, defined, 6–22
Repeat Until, defined, 7–57
Reports
Contract Billing Invoice Generation, 67, 83, 5–85
Invoice Journal Generation, 120, 132
Journal Register Listing, 121, 62, 74, 133
reconciling errors, 5–72
Revenue Journal Generation — Job, 62, 74
Service Billing Workfile Listing, 57, 46, 59
Resulting Business Unit, defined, 6–39
Resulting Object Account, defined, 6–39
Resulting Subledger, defined, 6–40
Resulting Subsidiary, defined, 6–40
Retainage
billing, 5–84
calculating manually, 3–83, 5–99
change order, 3–107
defining a rule for no retainage, 2–16
deleting a rule, 2–17

distributing, 3–107, 5–120
fee lines, 3–85
invoices, 3–68
recalculating for a contract, 3–82, 5–97
releasing, 3–106, 5–119
releasing for a change order, 5–120
requirements for rules, 2–16
Retainage Rules form (P52RN), 2–14
Retention Release form (P52RR), 3–106, 5–120
revising, 3–85
rules for a contract, 2–13
Retainage Percent, defined, 2–15
Retainage Rule, defined, 2–15
Retainage Rules form (P5204), 2–15
Retrieval Code, defined, 7–49
Retrieval Number, defined, 7–49
Retrieval Program Name, defined, 7–57
Retrieval reference
calculations, 7–44, 7–53
clearing registers, 7–53
codes, 7–46
codes for text, 7–53
custom codes, 7–58
defining, 7–45
defining custom codes, 7–55
deleting, 7–52
display sizes for data items, 7–51
format specifications, 7–47
invoice formatting, 7–39
invoices, 7–43
locating text for a retrieval code, 7–58
numbering, 7–51
page counts, 7–52
parameters, 7–46
printing amounts, 7–52
printing dates, 7–52
printing page numbers, 7–52
Retrieval Reference form (P4856), 7–48
totals, 7–44
types of, 7–43
Revenue (EU), 5–3
Revenue BU, defined, 2–38
Revenue Fee Basis, defined, 2–91
Revenue Journal Generation – Service Billing, processing options, 4–59, 5–71
Revenue Journal Generation — Job report (P48132), 62, 74
Revenue recognition, 4–1
accumulating costs, 4–6
alternate displays, 4–3
changing the markup, 4–30
reviewing the workfile, 4–10
system constants, 4–3
workfile transaction, 4–5
working with, 5–67
Revenue recognition and billing, 5–1
accumulating costs, 5–10
ad hoc transactions, 5–45
adding text to a workfile, 5–36
alternate displays and system constants, 5–5
calculating retainage, 5–99
changing the markup, 5–39
creating invoices manually, 5–103
G/L Transaction Split form (P48125), 5–52
Grand Totals form (P48TW2), 5–29
hold status, 5–47
journal reclassification, 5–69
preliminary G/L entries, 5–68
revenue reconciliation, 5–1
reviewing and posting journal entries, 5–79
reviewing component transactions, 5–25
reviewing journals, 5–72
reviewing the workfile, 5–15
revising workfile transactions, 5–33
Revisions form (P4812), 5–17, 5–76
workfile, 5–9
working with billing, 5–81
working with revenue recognition, 5–67
Revenue reconciliation
with revenue recognition and billing, 5–1
zero balances, 5–1
Reverse Bill When Paid, defined, 3–49, 5–51
Reviewing invoices, 3–72
Reviewing the billing history for contracts, 5–139
Reviewing transaction totals, 5–27
Revising workfile transactions, 3–31, 5–33
Revisions form (P4012), 3–14
Revisions form (P4812), 4–11, 4–64
RI (Invoice Default), 5–3
Rules
See also Component rules
account derivation, 6–33
base, 6–35
conditional reallocation, 6–44
entering retainage, 2–13

markup, 6–11
reallocation, 6–36

S

Schedule of Values, defined, 2–38
Screens. *See* Forms
Secondary sequence number, 3–33, 4–27, 5–35
Send Record (Y/N), defined, 7–57
Sequence Code, defined, 2–106
Sequence data items, deleting, 7–16
Sequence Number
changing, 7–16
defined, 2–52, 7–15
Sequence number, 3–33, 4–26, 5–34
Sequence Number – Service Billing Trans., defined, 7–20
Service Billing system, –3
Service Billing Workfile Listing, processing options, 3–58, 4–47, 5–60
Service Billing Workfile Listing report (P48405), 57
Setup. *See* System setup
Split Amount Basis, defined, 6–40
Split Amount/Percent, defined, 3–52, 4–42, 5–54
Status Description, defined, 3–77, 5–93
Stored Material – Total to Date, defined, 3–104, 5–117
Stored Materials, defined, 3–104, 5–117
Subledger – G/L, defined, 2–39, 3–16, 4–14, 5–20
Subledger Type, defined, 2–39, 3–16, 4–14, 5–20
Subsidiary, defined, 2–38, 3–16, 4–14, 5–19
System constants. *See* Constants
System integration, –2
Account Ledger (F0911), –4
Account Master (F0901), –4
Accounts Payable, –8
Accounts Receivable, –7
Address Book, –7
Change Management, –7
Equipment/Plant Management, –6
Job Cost, –6
payroll and time accounting, –4
Service Billing, –3
Work Orders, –6
System management, –9
system overview, –9
System setup
account derivation rules, 6–33
adding component codes to account derivation rules, 6–48
assigning component information, 6–45
automatic accounting instructions, 6–55
component rules, 6–27
features, 6–2
invoice formats, 7–3
invoice formatting, 7–1
markup rules, 6–11
overview, 6–1
system constants, 6–3
See also Constants
user defined codes, 6–57
working with invoice layouts, 7–9

T

T&M, billing, 3–2
T2 (Payroll Labor Distribution), 5–4
T4 (Labor Billing Distribution), 5–4
T5 (Equipment Distribution), 5–4
Table Amount Basis, defined, 6–40
Table Key, 6–13
defined, 6–19, 7–25
Table Type – Service Billing, defined, 6–39
Tables
Account Derivation, 6–37, 6–38
Component, 6–29
Contract Billing, –10
Cost Plus Markup, 6–16, 6–17
types for account derivation, 6–35
Tax Explanation, defined, 2–9
Tax Rate/Area, defined, 2–9
Tax Type – Payroll, defined, 3–21, 4–18, 5–24
Taxable (Y/N), defined, 3–17, 5–21
Taxable transactions, 3–42
Text
adding to workfile, 5–36
copying for owner pay item, 2–32
deleting, 5–37
formatting, 5–37
inserting blank lines, 5–37

renumbering lines of, 5–37
This Period, defined, 3–104, 5–117
Time and Material (T&M), accumulating costs, 4–6
Time and material (T&M), 3–2
arranging information by account number, 2–81
component codes, 2–100
contract information, 2–75
defining a cross–reference, 2–78
job accounts and budgets, 2–81
locating account information, 2–81
overview, 2–3
positional wildcards, 2–81
revenue recognition and billing, 5–4
working with, 2–75
Total, invoice format, 7–3
Total Billed Amount, defined, 4–21, 4–24, 4–42, 5–27, 5–30
Total Cost Amount, defined, 3–27, 4–24, 5–30
Total Invoiced Amount, defined, 3–23, 3–26, 5–26, 5–29
Totals
alternate formats, 5–28
for burden, 4–24, 5–30
for components, 4–24, 5–30
retrieval reference, 7–44
reviewing transaction totals, 5–27
Transaction Class, defined, 3–17, 4–15, 5–20
Transaction Number – Payroll, defined, 3–20, 4–18, 5–23
Transaction Re-Extension form (V481203), 3–39, 4–31, 5–41
Transactions
See also Workfile transaction
adding to invoice, 3–96
adding to the workfile, 5–35
adding to workfile, 4–27
billing status, 4–52
burden, 3–19, 4–11, 5–16
changing source and payroll, 3–8
changing the amounts, 5–44
changing the discount, 5–44
changing the processing status, 4–45
component, 4–11, 5–17
copied, 5–11
cost transactions in the G/L, 4–27, 5–35
displaying, 4–52
locating in the workfile, 5–16
moving out of history, 5–63
moving out of workfile history, 4–50
moving to history, 3–53, 4–43, 5–55
moving with burden to history, 4–44, 5–56
moving without burden to history, 4–43, 5–55
printing, 3–56, 4–45
reactivated, 4–52
reactivating eligible, 4–47
revenue, 5–57
reviewing component transactions, 5–25
reviewing revisions, 4–48, 5–61
reviewing totals, 3–24, 4–21, 5–27
revised, 4–27, 5–35
revising workfile, 5–33
splitting, 4–39
splitting with a markup, 4–42
splitting with markup amount, 5–54
taxable, 5–44
workfile, 4–11

U

UDC. *See* User defined codes
Unbilled Detail Revisions, processing options, 3–29, 5–32
Unit of Measure, defined, 2–70
Unit price, 2–3
assigning a cost account, 2–73
contract information, 2–67
defining a cross-reference, 2–71
owner pay items, 2–67
working with, 2–67
Units, defined, 2–70, 3–23, 3–51, 4–21, 4–41, 5–26, 5–53
User defined codes
Caution, 6–57
setting up, 6–57

V

Verifying contract information, 5–31
Void, defined, 3–132, 5–144
Voided invoices, 3–132, 5–144

W

Windows. *See* Forms
Work Orders system, –6
Workfile, 5–9
  accumulating costs, 5–10
  adding text to transactions, 5–36
  adding transactions to, 5–35
  burden transactions, 5–16
  component transactions, 5–17
  copied transactions, 5–11
  locating transactions, 5–16
  moving a transaction to history, 5–55
  reviewing component transactions, 5–25
  revised transactions, 5–35
  revising transactions, 5–33
  source and payroll transactions, 5–13
  splitting a workfile transaction, 5–51
  updating a transaction, 5–44
  verifying contract information, 5–31
  working with the workfile history, 5–60
Workfile generation
  system overview, –8
  transaction. *See* Workfile transaction
Workfile Generation – Batch Front End, processing options, 3–9, 4–9, 5–14
Workfile history
  See also Workfile transaction
  displaying records and transactions, 3–64
  Inquire Work File History form (P48208), 5–61
  moving a transaction, 3–62
  moving transactions, 4–50
  revenue recognition and billing, 5–60
  workfile transaction, 4–47
  working with, 3–59
Workfile revisions
  parent sequence number, 3–33, 4–26, 5–35
  secondary sequence number, 3–33, 4–27, 5–35
  sequence number, 3–33, 4–26, 5–34
  sequence numbers, 3–32, 4–26, 5–34
Workfile transaction
  See also Transactions
  adding text, 5–36
  adding text to, 3–34
  adding transactions directly to workfile, 4–27
  alternate formats, 4–22
  assigning a hold status, 3–45
  assigning hold status, 4–36
  billing status, 5–65
  changing amounts, 3–42, 5–44
  changing discount, 3–42, 5–44
  changing the markup, 3–38, 4–30, 5–39
  cost transactions in G/L, 5–35
  deleting text, 2–21, 2–31, 3–35
  displaying records and transactions, 5–65
  entering ad hoc transactions, 4–34
  explained, 3–13
  formatting text, 2–21, 2–31, 3–35
  G/L audit trail, 4–29
  G/L transactions, 3–35
  holding with related transactions, 4–39
  identifying taxable transactions, 3–42, 5–44
  inserting a blank line, 2–21, 2–31, 3–35
  Invoice/Batch Extended Text form (P4813), 3–34, 5–36
  locating, 4–11
  moving out of history, 5–63
  moving to history, 3–53, 4–43, 5–55
  printing, 3–56, 4–45, 5–58
  remembering lines of text, 2–21, 2–31, 3–35
  revenue recognition, 4–5
  reviewing, 4–12
  reviewing burden transactions, 4–16, 5–22
  reviewing component transactions, 4–19
  reviewing for billing, 3–11
  reviewing for revenue recognition, 4–10
  reviewing for revenue recognition and billing, 5–15
  reviewing revisions, 5–61
  reviewing totals, 4–21
  reviewing transaction revisions, 4–48
  revised, 4–27
  revised transactions, 5–35
  revising, 3–31, 4–25, 5–33
  Service Billing Workfile Listing report (P48405), 46, 59
  splitting, 3–49, 4–39, 5–51
  splitting with a markup amount, 5–54
  updating, 3–42, 5–44
Workfile Transaction Select form (P40123), 3–98, 5–111
Working with billing, 5–81

Working with components, 2–95
Working with fee lines, 2–83
Working with final invoices, 5–139
Working with G/L entries, 4–55
Working with invoices, 3–71, 5–87
Working with lump sum, 2–35
Working with milestone billing, 2–47
Working with prepayments for contracts, 2–59
Working with progress billing, 2–53
Working with revenue, 5–67
Working with the workfile history, 3–59, 4–47, 5–60
Working with workfile transactions, 4–5

Exercises