Oracle® Process Manufacturing

CostManagement

Release11.0

PartNo.A69857-01

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Oracle® Process Manufacturing Cost Management

Part No. A69857-01

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Cost Management Preface

Cost Management Welcome

Welcome to the *Oracle Process Manufacturing Cost Management.*

This user's guide includes the information you need to work with Oracle Process Manufacturing (hereafter referred to as OPM) Cost Management effectively.

This preface explains how this user's guide is organized and introduces other sources of information that can help you.

About OPM Cost Management

This guide contains overviews as well as task and reference information about OPM EC Intrastat Reporting. This guide includes the following chapters:

- Cost Management Overview
- Costing Setup
- Standard Costing Setup
- Standard Cost Calculations
- Actual Costing Setup
- Actual Cost Calculations
- Freezing Costs for General Ledger
- Non-Iterative Cost Processing
- Period-End Cost Processing
- Cost Management Reports

Audience for OPM Cost Management

This guide assumes that you have a working knowledge of your business area's processes and tools. It also assumes that you are familiar with other OPM modules. If you have never used OPM Cost Management, we suggest you attend one or more of the Oracle Process Manufacturing training classes available through World Wide Education. For more information about OPM Cost Management and Oracle training see Other Information Sources.

This guide also assumes that you are familiar with the Oracle Applications graphical user interface. To learn more about Oracle Applications graphical user interface, read the *Oracle Applications User's Guide*.

Conventions

Bolded Text

Buttons, fields, keys, menus, and selections are bolded in procedures only. For example: To access the next form click **OK**. Otherwise, references to these features appear in regular type.

Additional Menu Options

Only nonstandard menu options are discussed. Standard menu bar options (such as Save) are not discussed. These standard options are described in the Oracle Applications User's Guide. Only menu options unique to the use of the specific form are discussed.

Field References

References to fields within procedures are in bold type. References within the body of this guide appear in regular type.

Keyboard Mapping

Some keyboards have an Enter key, while some have Return key. All references to this key appear as Enter.

Required Fields

The word "Required" appears as the last word in the field descriptions of all required fields. When the field is required contingent on the entry in another field, or only in specific situations, "Required if..." is the last sentence of the field description.

Fields Reserved for Future Use

Fields with no current processing implications are referenced by the statement, "This field is not currently used" or "Reserved for future use" is shown. Do not use these fields for your own reference data, because there are plans to link future functionality to these fields. Fields intended for informational use only are referenced by the statement, "This field is for informational purposes only".

Pending/Completed Transactions

Discussions about processing transactions that use the words 'pending' and 'completed' refer to the status of a transaction. Pending and completed do not refer to the database tables that are updated as a result of transactions (for example, some completed transactions are stored in the Pending Transactions table).

Procedures

Each chapter contains a procedure with numbered steps. Any actions which are subordinate to a step are assigned letters.

Note: You can customize your Oracle Application, therefore, all procedures are suggestive only. Navigate to forms and between responsibilities in a way that works best for your particular setup. Also note that fields may appear on your screen in a different order than they are discussed in this guide.

Oracle Process Manufacturing Glossaries

A module-specific glossary is included.

Use of Word "Character"

The word "character" means an alphanumeric character. Characters that are numeric or alphabetic only are referenced specifically.

Note: Depending on your system security profile, you may not have access to all of the forms and functions described in this guide. If you do not see a menu option described in this guide, and you want access to it, contact your System Administrator.

Do Not Use Database Tools to Modify Oracle Applications Data

Because Oracle Applications tables are interrelated, any change you make using Oracle Applications can update many tables at once. If you modify the Oracle Applications data using anything other than Oracle Applications, you could change a row in one table without making corresponding changes in related tables. If your tables are synchronized with each other, you risk retrieving erroneous information and receiving unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also track who changes information. If you enter information into database tables using database tools, you could store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

Consequently, we strongly recommend that you never use SQL*Plus or any other tool to modify Oracle Applications data unless otherwise instructed by Oracle Support Services.

Information Sources Related to OPM Cost Management

You can choose from many sources of information, including documentation, training, and support services, to increase your knowledge and understanding OPM Cost Management.

Online Documentation

All Oracle Applications documentation is available online on CD-ROM, except for technical reference manuals.

All user's guides are available in HTML and paper. Technical reference manuals are available in paper only. Other documentation is available in paper and sometimes PDF format.

The content of the documentation remains the same from format to format. Slight formatting differences could occur due to publication standards, but such differences do not affect content. For example, page numbers are included in paper, but are not included in HTML.

The HTML documentation is available from all Oracle Applications windows. Each window is programmed to start your web browser and open a specific, context-sensitive section. Once any section of the HTML documentation is open, you can navigate freely throughout all Oracle Applications documentation. The HTML documentation also ships with Oracle Information Navigator (if your national language supports this tool) which enables you to search for words and phrases throughout the documentation set.

Other Information Sources

OPM Cost Management shares business and setup information with other Oracle products. The following Oracle Applications guides might be useful when you are setting up and using OPM Cost Management.

- Oracle Applications User's Guide

  This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) available with this release. This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent processes.

- Oracle Applications Flexfields Guide

  This guide provides flexfields planning, setup and reference information for the implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This manual also provides information on creating custom reports on flexfields data.

- Oracle Workflow

  This guide provides information about the Oracle Workflow product. It provides guidance and assistance for automating and routing information of any type according to business rules.

- Oracle Applications System Administrators Guide

  This guide provides planning and reference information for the Oracle Applications System administrator. It contains information on how to define security, customize menus and online help text, and manage processing.

Oracle Process Manufacturing Guides

The following is a list of the documentation in each product group of OPM release 11.0.

System Administration and Technical Reference

- *Oracle Process Manufacturing Implementation Guide*
- *Oracle Process Manufacturing Technical Reference Manuals*

OPM Inventory Control

- *Oracle Process Manufacturing Inventory Management User's Guide*
- *Oracle Process Manufacturing Physical Inventory User's Guide*
- *Oracle Process Manufacturing EC Intrastat User's Guide*

OPM Process Execution

- *Oracle Process Manufacturing Production Management User's Guide*
- *Oracle Process Manufacturing Process Operations Control User's Guide*

OPM Product Development

- *Oracle Process Manufacturing Formula Management User's Guide*
- *Oracle Process Manufacturing Laboratory Management User's Guide*
- *Oracle Process Manufacturing Quality Management User's Guide*

OPM Logistics

- *Oracle Process Manufacturing Order Fulfillment User's Guide*
- *Oracle Process Manufacturing Purchasing User's Guide*

OPM Process Planning

- *Oracle Process Manufacturing Forecasting User's Guide*
- *Oracle Process Manufacturing Capacity Planning User's Guide*
- *Oracle Process Manufacturing MPS/MRP User's Guide*

OPM Financials

- *Oracle Process Manufacturing Cost Management User's Guide*
- *Oracle Process Manufacturing Manufacturing Accounting Controller User's Guide*
- *Oracle Process Manufacturing Accounting Setup User's Guide*
- *Oracle Process Manufacturing and Oracle Financials Integration*

Other Sources

Training

We offer a complete set of formal training courses to help you and your staff master Oracle Process Manufacturing Cost Management and reach full productivity quickly. We organize these courses into functional learning paths, so you take only those courses appropriate to your job's area of responsibility.

You have a choice of educational environments. You can attend courses offered by Oracle Education Services at any one of our many Education Centers, or you can arrange for our trainers to teach at your facility. In addition, Oracle training professionals can tailor standard courses or develop custom courses to meet your needs. For example, you may want to use your organization structure, terminology, and data as examples in a customized training session delivered at your own facility.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 45 software modules for financial management, supply chain management, manufacturing, project systems, human resources, sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education and support services in over 140 countries around the world.

Thank You

Thank you for choosing Oracle Process Manufacturing Cost Management and this user's guide.

We value your comments and feedback. At the beginning of this guideis a Reader's Comment Form you can use to explain what you like or dislike about Oracle Process Manufacturing Cost Management or user's guide. Mail your comments to the following address or call us directly at (650) 506-7000.

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500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Overview

Cost Management Overview

The following sections provide an overview of Cost Management.

OPM Cost Development Area

OPM Cost Management was designed for use in the process manufacturing environment. It provides the tools necessary to do the following:

- Value the cost of goods sold on shipments
- Calculate inventory valuations in WIP
- Assign values to inventory transactions
- Calculate purchase price variance (PPV) in WIP
- Revalue inventory for appreciation

Cost Management provides capabilities to do the following:

- Cost Monitoring and Simulations
- Develop and Maintain Multiple Cost Models
  - Standard Costs
  - Average Actual Costs
  - Composite Costs
- Freezing Costs for the General Ledger

Cost Monitoring and Simulations

OPM Cost Management provides the following simulations, allowing you to establish "what if" scenarios.

- Cost Methods/Elements
- Cost Formulas/Routings
  - Indicate the affect a change in a formula or production routing will have on your costs

- Prices/Labor Rates/Burdens
  - Indicate what impact new labor rates, raw material prices, and burdens will have on your standard costs
- Cost Rollups
  - Determine the proposed cost of a new product
- Weighted Average Costing

Defining Costs

OPM Cost Management allows you to define costs by:

Item

- Define costs for individual items

Warehouse

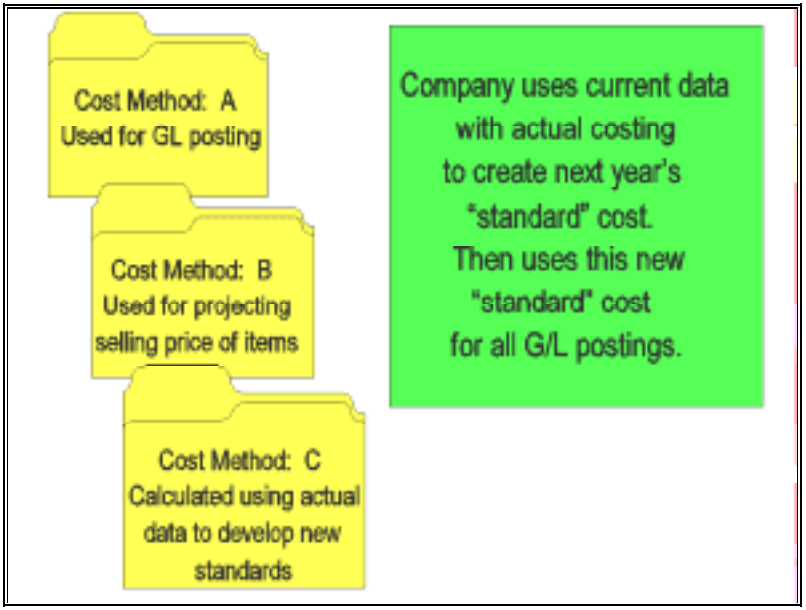
- Develop and maintain different costs by warehouse
- Inventory resides in warehouses which have a financial owner
- Costing warehouse association eliminates the need for duplicate data

Cost Calendar/Period

- Define costs for each period in the cost calendar

Multiple Cost Methods

- Used for monitoring and analysis
- Multiple cost "files" hold item costs (only one will be used to build journal entries for the General Ledger)
  - Standard
  - Target or Budget
  - Current Average
  - Rolling Average
  - Pricing Simulation
  - "Composite" for General Ledger



Cost Component

- OPM permits mapping of costs to the general ledger by component class

Analysis Code

- OPM can map costs to the general ledger based on analysis codes (for example, Value Added, Non-Value Added)

Standard Costing and Actual Costing

OPM has the capability to calculate the standard costs of items based on formula cost "rollups" (the static costs you define for each component used during production, such as raw material and resource costs). OPM can also calculate average actual costs based on production data.

Actual cost are calculated using actual process transaction costs (for example, invoiced cost of raw materials or actual costs of production resources).

Standard Costing

When you select this costing calculation, you define for OPM the cost of ingredients in each specific warehouse during a specific period of time. The cost information remains static during each defined time period.

Standard costing enables you to define the costs for items, formulas, formula ingredients, and resources used during the production process. OPM then calculates the cost of an item based on:

- Using different ingredients stored at different locations
- Using different formula versions
- Using different facilities where overhead and associated costs vary

Actual Costing

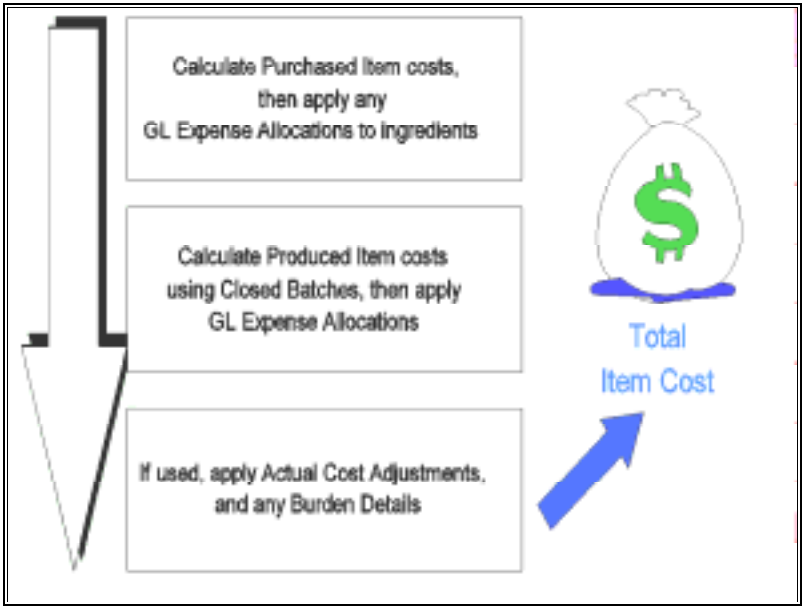
This is a more dynamic method of calculating production costs, in which OPM will capture the actual costs from business transactions throughout OPM. The actual data considered includes the following:

- Purchasing receipts
- Price changes on receipts
- Invoices paid
- Batch ingredient consumption
- Resource usage data
- Direct/indirect expense allocations
- Prior inventory balances
- Cost burdens
- Cost adjustments
- General ledger expense allocations

Through integration with Oracle Accounts Payable, the actual invoiced costs of purchased raw material can also be obtained and used in the calculation.

OPM calculates the following actual costs:

- Weighted average actual cost of purchased raw materials, intermediate goods, and finished goods
- Actual purchased raw material unit cost
- Actual resource usage (data obtained from the Process Operations Control [POC] module for each operation in batch production)



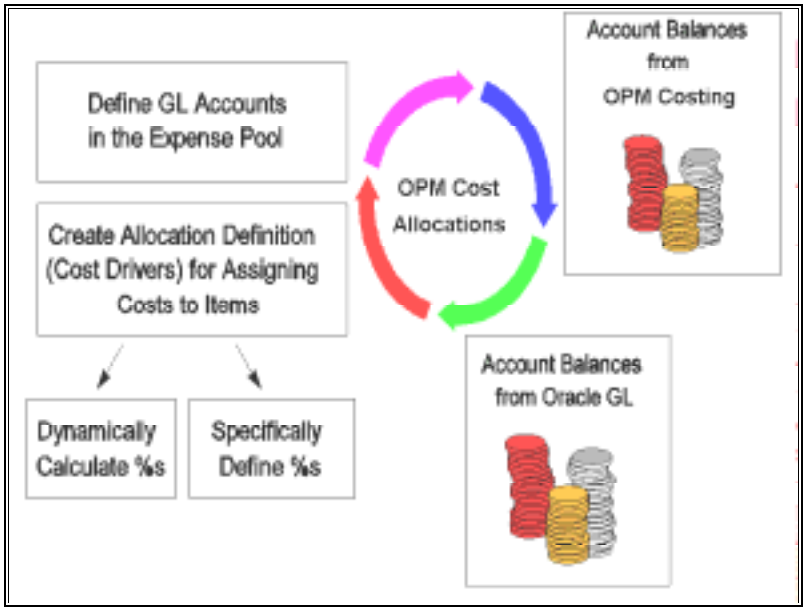
Actual Costing Engine

Activity-Based Costing

Activity-based costing (ABC) expands the view for cost calculations to include all costs incurred by operations. This calculation method assumes that your company is in business solely to manufacture and deliver product. Consequently, expenses from all cost centers have an impact on the cost of items produced.

General Ledger Expense Allocations

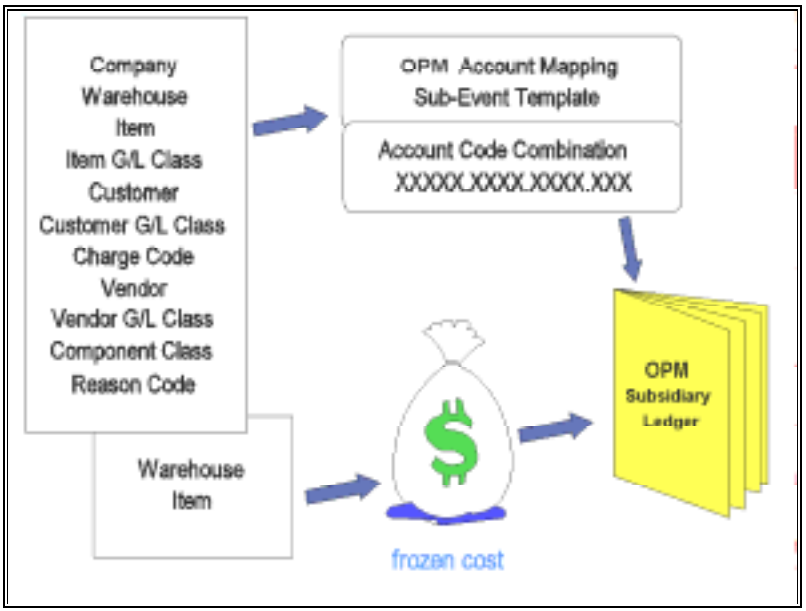
This is a method by which you can distribute the indirect expenses of manufacturing (such as administrative and general expenses) to item costs. By using designated general ledger account balances and selected allocation criteria, indirect costs can be calculated dynamically or based on percentages that you define.



General Ledger Expense Allocations

Assigning Value to Inventory Transactions

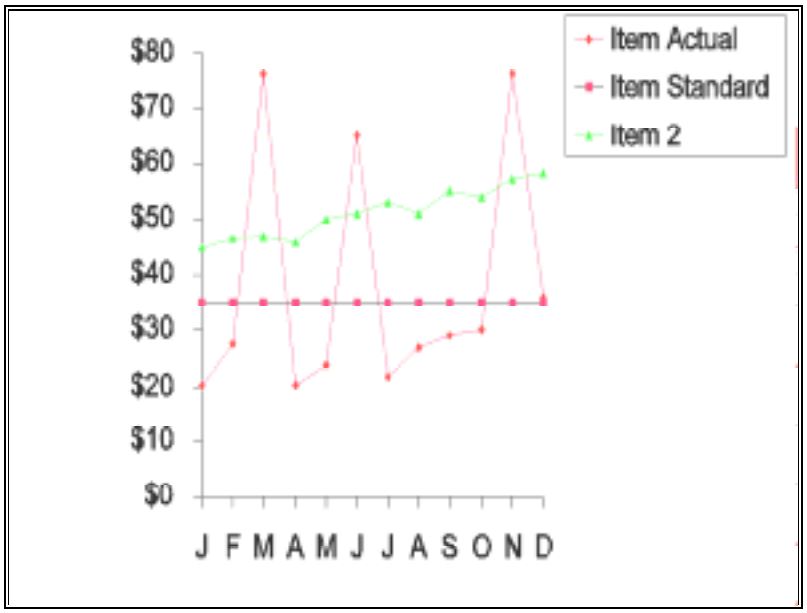
Transactions in OPM are mapped to the general ledger accounts you define in the Manufacturing Accounting Controller (MAC) module. Costs of warehouse items are "frozen" for update to the subsidiary ledger.



Assign Value to Inventory Transactions

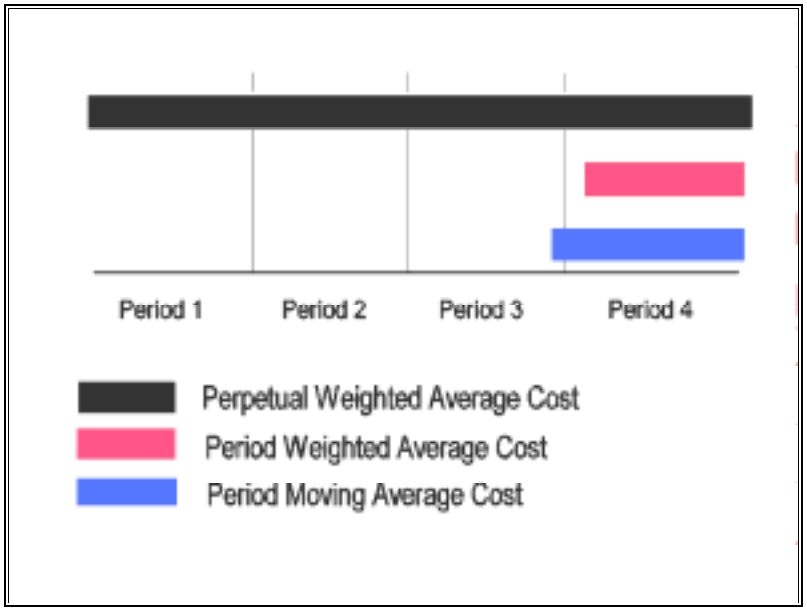
Manufacturing Costs Over Time

OPM Cost Management provides options for "smoothing" manufacturing costs over the time spans that you designate.



Costs Over a 12-Month Period

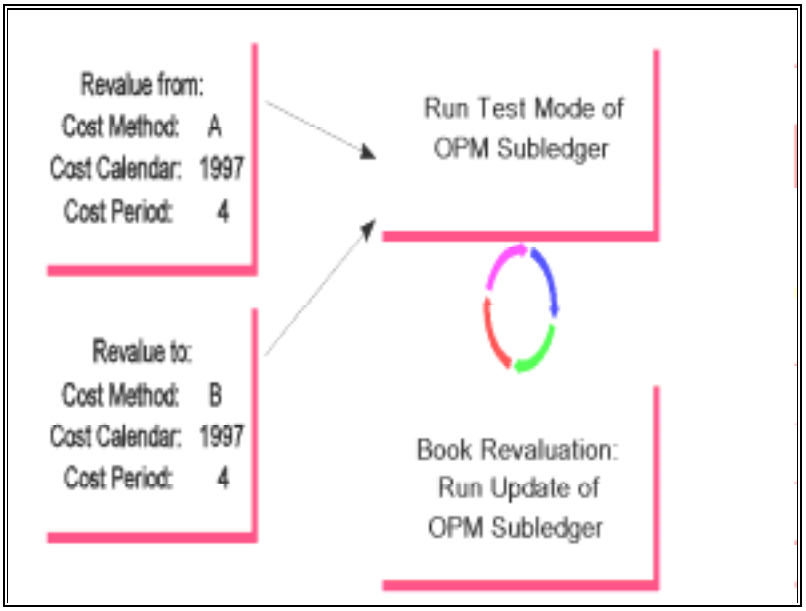
Time Options



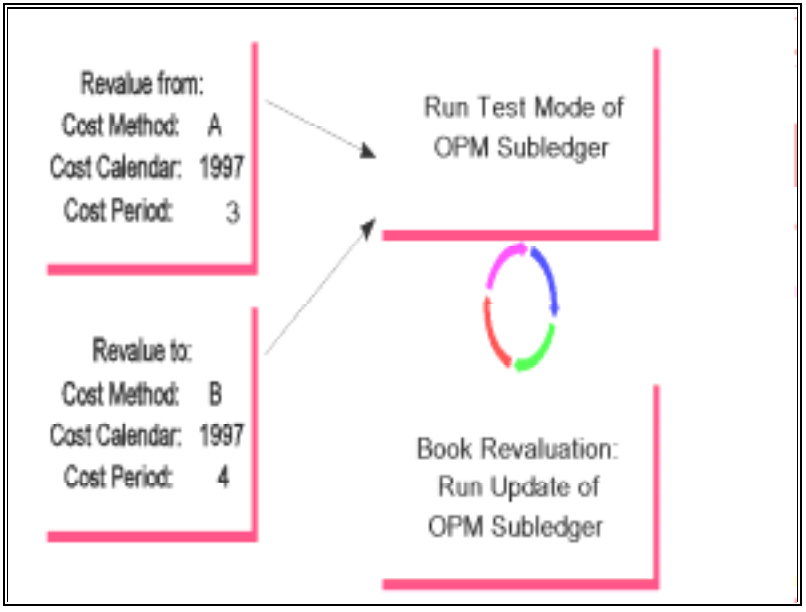
Three Options for Spreading Costs

Inventory Cost Revaluation

OPM gives you the capability to revalue your inventory based on a different cost value (cost method) within the same period. You can also revalue inventory from one period to the next.



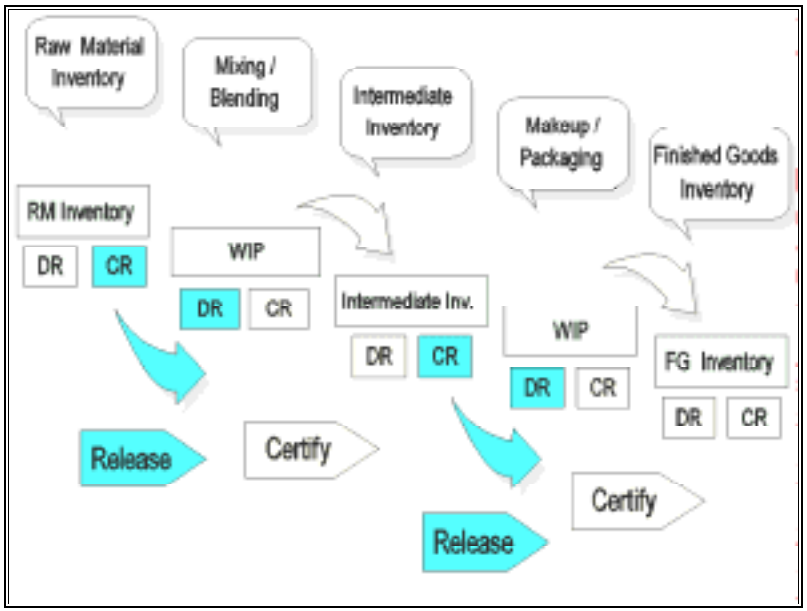
Revalued Costs in the Same Period



Revalue Costs Between Periods

Inventory Valuation in Production

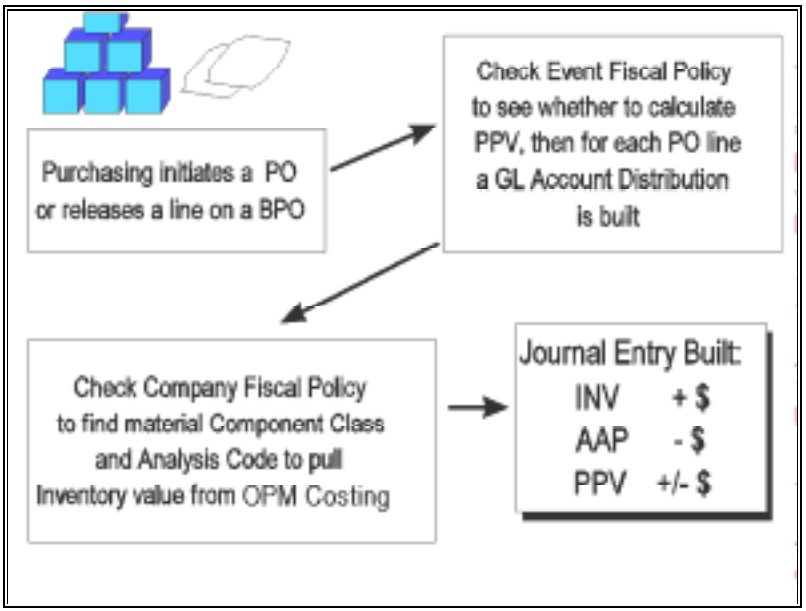
OPM Cost management calculates the cost of inventory during each stage of production.



Inventory Moves Through Production Process

Calculating Purchase Price Variance on Purchase Orders

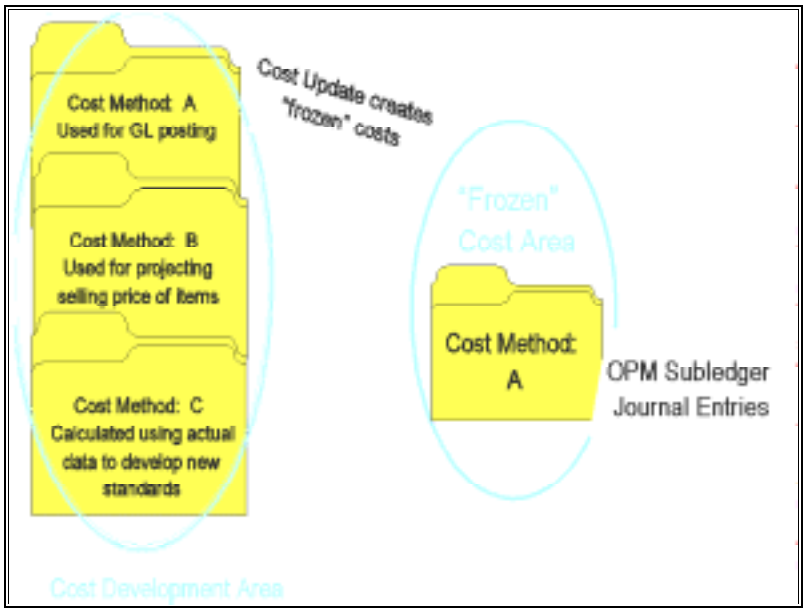
If you flag OPM to calculate purchase price variance (PPV) on purchase orders, OPM will calculate the variance and perform a general ledger account distribution for it.



Optionally Calculate PPV on Purchase Orders

Freezing Costs for the General Ledger

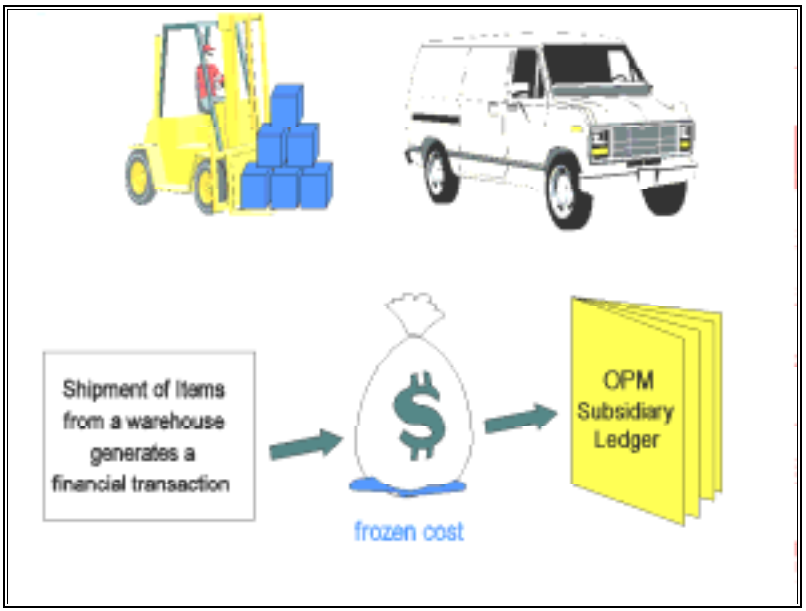
Using a cost update process, costs for a period are "frozen" prior to creation of subledger journal entries.



Freezing Period Costs

Inventory Valuation for Sales Orders

Costs of items shipped are also "frozen" prior to update of the transactions to the OPM subsidiary ledger.



Freezing Shipment Transaction Costs

Costing Setup

Setting Up Cost Management

The Setting Up Cost Management discussion includes procedures and values that you must define in order to use the Costing module. These basic setups are required regardless of whether you intend to use the standard or the actual costing method. These setups include the cost calendar and costing periods, cost analysis codes, cost method codes, and cost component classes. Detailed procedures for standard and actual cost setup and calculation are included in their own separate discussions.

Costing Setup Process

Complete the following setup before using the Costing module:

1. Define Cost Methods
2. Define Cost Calendar and Costing Periods
3. Define Cost Component Classes
4. Define Cost Analysis Codes
5. Define Cost Component Groups
6. Define Cost Warehouse Associations
7. Define General Ledger Fiscal Policy

Defining Cost Methods

The cost method defines which of the 16 supported calculations will be used to develop item costs. OPM supports both Actual and Standard costing calculation types for items. Define a cost method as one of the following:

- Financial
- Actual Cost
- Current Standard
- Budget

Cost method codes identify specific groups of cost data according to their purpose. You are not limited by the number of cost methods (or cost development areas) supported in OPM. The cost method is the identifier used to differentiate the standard (or general ledger) cost developed, versus simulated costs developed for Sales or marketing purposes.

Standard Costing

If you select this costing method, OPM calculates total product costs based on the cost component values that you specify for each item. This includes product raw materials, burdens, and other costs associated with formulas in a specific warehouse, during a specific time period. Calculations are based on these component cost values, regardless of the real costs (that is, actual transaction costs) of the item(s).

Standard Cost Data

OPM uses the following data to calculate standard costs:

- Cost Rollups
- Cost Effectivities
- Formulas
- Routings
- Cost Burdens
- Cost Adjustments

Actual Costing

OPM captures all cost component values from actual business transactions (none of the standard component costs of the formula are referenced in actual cost calculations). These transactions occur throughout OPM, as well as other financial software used with OPM (such as Oracle Accounts Payables).

Cost calculations occur according to the criteria you have established for the cost method cost calendar, and the cost periods within the calendar (these criteria are discussed later). You can select one or more raw material cost calculation types to produce a variety of actual costing calculations, which are then stored based on their cost methods.

Later, you will specify the calculation types for the cost method on the Cost Method form. This indicates to OPM that cost calculations for a specified item in a specific warehouse, during a specific cost calendar period, will be performed using actual transaction costs.

Actual Costing Transactions

Purchase Order Receipts

The raw material estimate price upon receipt is captured. This can be adjusted to a final price at a later time through synchronization with an accounts payable application (such as Oracle Accounts Payable); the actual invoiced cost of the purchased material is used in the calculation.

Accounts Payable (with accounting software such as Oracle Financials)

Through synchronization with accounts payable software, OPM captures the actual, final prices paid for raw materials.

Production Batch

OPM captures the actual component cost values for a finished product based on actual material usage and batch yield.

Process Operation Control

Resource costs (based on actual resource count and usage) are captured from the Process Operations Control (POC) module.

General Ledger Expense Allocations

Expenses accrued from General Ledger may be allocated to specific items as added component costs. The synchronization with financials software (such as Oracle Financials) allows automatic expense distributions. As an alternative, you may enter expense allocations manually into OPM.

Burden

You can assign and apply burden costs to either raw materials or finished goods. The burden cost calculation for actual cost rollups is identical to that used for standard cost rollups.

Cost Adjustments

Allow you to fine tune the final component cost for an item, based on individual business situations.

Options for Smoothing

You can use three different time frames to develop average actual costs:

- Current period data only
- Current period data average with the ending inventory valuation from the last period
- Current period data averaged with actual cost data from the beginning of the cost calendar

For example, assume you have a steady level of production for 10 straight periods in a cost calendar. If production skyrockets in the 11th period, then production costs for that period skyrocket as well.

OPM uses one of the following methods to figure product cost so that those costs are redistributed and leveled, over a greater period of time:

- Period Moving Average Cost (PMAC)
- Period Weighted Average Cost (PWAC)
- Perpetual Average Cost (PPAC)

Note: With actual costing, items for which there are no transactions in a calendar period will have cost components moved from the previous period to the current period. This insures that all cost items have an actual cost within the period processed.

The raw material calculation and product calculation types can be different. For example, raw materials can be calculated based on Period Weighted Average Cost (PWAC) and products based on Period Moving Average Cost (PMAC).

Cost Method Codes - Procedure

1. Navigate to the **Cost Method Codes** form.
2. Complete the fields as described in the *Cost Method Codes - Fields* topic.
3. Save the form.

Cost Method Codes - Fields

Cost Method

Represents a code that identifies this costing method. For example, enter STND for standard costing. Required.

Description

Enter a brief description of the cost method. For example, enter Standard Costing for the standard cost method. Required.

Cost Type

Indicate the cost method type you are defining:

- Financial Standard (the default)
- Actual Cost
- Current Standard
- Budget

For type 1 methods (using actual cost calculations), you can establish a variety of actual cost calculations based on the raw material calculation type you associate with the cost method and the production calculation type. There are 15 different possible combinations in OPM (note the discussion for the Raw Material Calculation Type field).

All other cost types are provided for categorization and reporting needs. Updates to the general ledger are made using the cost method defined on the Fiscal Policy form regardless of the cost type. The description for the cost type you specified displays automatically.

Raw Material Calculation Type

You can only access this field if you are defining the Actual Costing method in the Cost Type field. Indicate the type of raw material cost calculations that will occur for this actual costing method. The valid options are listed as follows:

- Period moving average cost (PMAC)
- Period weighted average cost (PWAC)
- Perpetual weighted average (PPAC)
- Last transaction (LSTT)
- Last invoice (LSTI)

The type descriptions (shown in parentheses) are abbreviations for these calculation types. The lookup displays both the calculation type and the abbreviation. Required.

Product Calculation Type

You can only access this field if you are defining the Actual Costing method in the Cost Type field. If you want OPM to derive actual costs for product components, indicate the type of calculations it should perform. The valid options are listed.

- Period moving average cost (PMAC)
- Period weighted average cost (PWAC)
- Perpetual weighted average (PPAC)

The type descriptions (shown in parentheses) are industry standard abbreviations for these calculation types; the lookup displays both the calculation type and the abbreviation.

Find Cost Method

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Cost Method - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combinations of fields as described in the *Find Cost Method - Fields* topic.
3. Click **Find**.

Find Cost Method - Fields

Cost Method

Enter all or part of a code that identifies the costing method.

Cost Type

Select the cost method type you are defining:

- Financial Standard (the default)
- Actual Cost
- Current Standard
- Budget

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Cost Method that is in the database, but is marked to be purged.

No - Displays a Cost Method that are not marked for purge.

Defining Cost Calendars

You maintain costs by defining the costing calendars. Each cost calendar can support multiple cost methods, each with a different calculation basis. A cost calendar can span multiple years (this is useful when using perpetual period actual cost calculations). For each costing calendar, you can define an unlimited number of costing periods. Each period is assigned a period status to indicate the level to which cost update activity is permitted.

- Open - all activity is allowed.
- Frozen - no updates can be made for existing items (however, new item costs can be calculated and their costs updated).
- Closed - periods may never be reopened for costing activity.

Note: The costing calendar is completely separate from the fiscal calendar and the periods therein.

Cost Calendar - Procedure

1. Navigate to the **Cost Calendar** form.
2. Complete the fields as described in the *Cost Calendar - Fields* topic.
3. Save the form.

Cost Calendar - Fields

Calendar

Enter the name of the cost calendar (for example, enter **1997**). Cost calendars can extend over multiple years (in the same manner as general ledger calendars) as long as the same cost method is used. Required.

Description

Enter a brief description of the cost calendar. For example, enter **Fiscal Year 1997**.

Company

Specify the company for which costing data for the cost calendar will eventually be updated. The default is the company linked to the Operator on the Operator Codes form (Apps System Administration module).

Cost Method

Enter the cost method code to be used as a default for this cost calendar. The cost method default is used as a typing aid to speed data entry on OPM Costing forms. Required.

Fiscal Indicator

Indicate if this calendar represents a fiscal year (this field is for your reference only). Select one of the following:

Yes - fiscal year

No - not a fiscal year (default)

Note: If the financials package used with Cost Management is set to ORAFIN (Oracle Financials), this field is automatically set to 0 and protected from edit.

Start Date

Enter the date on which this calendar becomes effective, in DD/MON/YYYY format. Note that the date format for your installation may vary. If necessary, contact your System Administrator for the correct format. Required.

Period

(Cost Calendar Details Panel)

Enter a code to identify the period which can be any code you wish. However, if the cost calendar represents a 12-period fiscal year, you might want to enter 1 to represent January, 2 to represent February, and so on, or enter 0198, 0298, and so on. Required.

Description

Enter a brief description of this calendar period. For example, if this is the first period of a fiscal calendar, enter **January**. Required.

End Date

Enter the last date of this calendar period. The start date is calculated from the end date of the previous period, or the January 1 of the Fiscal Year for the first period. Enter the date in MM/DD/YYYY format (the date format for your installation may vary; if necessary, contact your System Administrator for the correct format).

Period Status

This display field indicates the status of each period in the cost calendar. Valid calendar statuses are Open, Frozen, and Closed.

Find Calendar

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Calendar - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combinations of fields as described in the *Find Calendar - Fields* topic.
3. Click **Find**.

Find Calendar - Fields

Calendar

Enter all or part of the name of the cost calendar.

Company

Enter all or part of the company for which costing data for the cost calendar will eventually be updated.

Cost Method

Enter all or part of the cost method code to be used as a default for this cost calendar.

Fiscal Indicator

Select an option to indicate if this calendar represents a fiscal year.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Cost Calendar that is in the database, but is marked to be purged.

No - Displays a Cost Calendar that is not marked for purge.

Flexibility in Restricting Cost Updates

Transactions (regardless of cost method) can be made to Open calendar periods. OPM gives you the capability to Freeze existing costs from further modifications (such as cost rollups, actual cost processing, and cost updates) in a specific calendar period. However, new item cost transactions may be added. You can also Close a period, which prevents any further costing changes to be made within the specified period.

Open Periods

The status of each new period you define defaults to Open, which means that all daily transactions can be updated to the period. Each period remains open until the Final Cost Update (see *Cost Update*) is run successfully.

Frozen Periods

When you do not anticipate further changes to transactions, you can automatically Freeze the period by running the Final Cost Update. In a frozen calendar period, no further modifications (such as cost rollups, actual cost processing, and cost updates) can be made to existing, updated costs.

However, newly-created component cost details can be entered, (selectively) rolled up, then updated and included without affecting those costs already frozen. Note: Frozen cost periods cannot be deleted.

Closed Periods

You should consider closing a costing period only when you are sure that there are no more cost changes to be made. Select **Close** from the Action menu to close a costing period.

Closing a period prevents any modifications to be made to the costs within the period, effectively locking them from further changes. This means that no new item costs may be entered, no rollups may be performed, and no cost updates may be performed for the period.

Cost Calendar - Additional Menu Features

Special Menu

Close Period - Select this option when you are sure that there are no more cost changes to be made. Select Close Period from the Special menu to close a costing period and assign it Closed status.

Defining Cost Component Classes

Cost component classes are buckets used to define the elements of cost detail you want to view. Costs from several ingredients, routings, or burdens can be summarized into component classes.

Cost Component Class Manipulation Examples

In a particular formula, you have two ingredients: one is a dry raw material (assigned component class code MATL1) and the other is a solution (assigned component class MATL2). When you break down the formula for costing, the cost detail will show MATL1 and MATL2 as the cost components, each with its respective cost.

You can assign several materials to the same component class. For example, you can assign all dry raw materials to component class MATL1 and all solutions to class MATL2. However, if a formula contains more than one material with the same component class, the costs for each material will appear summed under the same component class on the cost detail.

For example, a formula containing two raw materials (class MATL1) appear as having only one raw material on the cost detail. The costs for both raw materials are summed up in the total for component class MATL1.

Cost Component Classes - Procedure

1. Navigate to the **Cost Component** form.
2. Complete the fields as described in the *Cost Component - Fields* topic.
3. Save the form.

Cost Component Classes - Fields

Component Class

Enter the code to identifies the component class. For example, MATL1 for raw materials, or MATL2 for solutions. Required

Description

Enter a description for the component class. For example, enter Raw Materials or Solutions. Required.

Primary Component Class

You have the option of building component class association hierarchies for reference and reporting purposes. This field indicates the primary cost component class with which the component class you are defining now is associated. The default is the class code you specified in the Component Class field; you may override it, as necessary.

Component Group

This is an optional entry that allows you to further classify the component classes for analysis and reporting purposes.

Usage

This field indicates if this cost component classification is being entered for use as a material detail, burden detail, or resource detail from routings. Select one of the following values (Required):

- Cost Detail
- Burden Detail
- FM Route
- Allocation Detail
- Standard Cost Adjustment

If the Usage indicator is set to "1", you cannot change it after material cost details have been defined. The same holds true for the other four indicators. You cannot change the Usage indicator for burden, resource cost, GL expense allocations, or standard cost adjustments component classes after burden and resource details (respectively) have been defined.

Sort Sequence

Enter the sort sequence for the component class. It indicates the order in which you want to view the component classes when displayed on forms and reports. "1" is the first, or top, line "2" indicates the second line, and so on. A zero ("0") allows the application to determine the sort order. Required.

Product Cost Calculation

This indicator allows you to flag those component costs which should not be included in the cost rollup process. Certain identifiable costs (for example, transfer costs) are for specific ingredient items, and are not required to be rolled up into the products. The valid values are:

- Include in Product Cost Calculation
- Exclude From Product Cost Calculation

Select Exclude From Product Cost Calculation if this is a non-product cost component class. The default, Include in Product Cost Calculation, applies if this is a component class for which costs will be rolled up into the product costs.

Component Cost

This indicator gives you the flexibility to identify which component costs are not to be updated to the General Ledger using the GL Cost Update process. The valid values are:

- Will be updated to GL area (default)
- Will not be updated to GL area

Purchase Price Variance

This field is enabled only if you specify "1" (Material Detail) in the Usage field. The valid values are:

- Include in Purchase Price Variance Calculation
- Exclude from Purchase Price Variance Calculation

Select the Include in Purchase Price Variance Calculation option (default), if the cost for this component class should be used in calculating the inventory valuation to be used for purchase price variance (PPV). Select the other option, if the component class should not be used in PPV calculations.

Find Cost Component Classes

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Cost Component Classes - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combinations of fields as described in the *Find Cost Component Classes - Fields* topic.
3. Click **Find**.

Find Cost Component Classes - Fields

Component Class

Enter all or part of the code that identifies the component class.

Primary Component Class

Enter all or part of the code that indicates the primary cost component class with which the component class you are defining now is associated.

Usage

Select one of the values to indicate if this cost component classification is being entered for use as a material detail, burden detail, or resource detail in routings.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Cost Component Class that is in the database, but is marked to be purged.

No - Displays a Cost Component Class that is not marked for purge.

Indirect Component Processing for Standard Costing

When standard costs are used, you can update adjustments or indirect components of standard product costs separately without defining formula routings and/or burden details. You can identify the standard indirect cost component, update non-direct materials and resources within production batches, and reconcile "batch close" variance at the close of a production batch.

Indirect Component Processing for Standard Costing - Procedures

1. Navigate to the **Component Classes** form.
2. Complete the fields as described in the *Component Classes - Fields* topic. Choose Standard Cost Adjustment for the **Usage** field.
3. After completing the Cost Component Classes form, open the Cost Details form by selecting **Cost Details** from the Inquiries menu.
4. Complete the Cost Details form. Enter the unit cost reflecting the revision or adjustment indicated on the Cost Component Classes form. Refer to the *Cost Details* discussion.
5. When you add a new cost, it is recommended that you perform a cost rollup and cost update to calculate the revised unit cost and process the GL financial cost, respectively. Refer to the *Cost Rollup* and *Cost Update* discussions.

Note: Standard cost users must not copy standard cost adjustments to actual cost adjustments. The actual cost process will exclude this component from the calculated cost.

Cost components established with a usage indicator equal to standard cost adjustment are processed the same as existing material components. They will not be excluded or deleted from standard cost calculations.

Defining Cost Analysis Codes

Cost components (such as Materials, Packaging, and Labor) may be subdivided by analysis code to provide an additional level of detail. For example, you can define value added or non-value added analysis codes for each cost component. Note the example shown:

- Item: ABC
- Warehouse: A
- Cost Calendar/Period: June, 1997

Component	Analysis	Value
Material	VALU	$18.765948788
Labor	VALU	$22.150682432
Indirect Expense	NVAL	$13.502400000
Packaging	VALU	$ 5.765980654
Total Item Cost		$60.185011874

VALU = Value Added Analysis Code

NVAL = Non-Value Added Analysis Code

Cost Analysis Code - Procedure

1. Navigate to **Cost Analysis Code** form.
2. Complete the fields as described in the *Cost Analysis Code - Fields* topic.
3. Save the form.

Cost Analysis Codes - Fields

Code

Enter the code to identify this cost analysis method. For example, VAL for Value Added, or NVAL for Non-value Added. Required.

Description

Enter a description for the analysis code. For example, enter Value Added or Non-value Added. Required.

Find Cost Analysis Code

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Cost Analysis Code - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combinations of fields as described in the *Find Cost Component Classes - Fields* topic.
3. Click **Find**.

Find Cost Analysis Code - Fields

Code

Enter all or part of the code to identify the cost analysis method.

Description

Enter all or part of a description for the analysis code.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Analysis Code that is in the database, but is marked to be purged.

No - Displays a Analysis Code that is not marked for purge.

Defining Component Groups

Component groups allow you to collect specific material and/or resource component costs for category groupings (examples would be material costs and resource costs). Grouped costs may be displayed or reported for analysis; these groupings are optional.

Component Group Setup - Procedure

1. Navigate to **Component Group** form.
2. Complete the fields as described in the *Component Groups Definition Form - Fields* topic.
3. Save the form.

Component Groups Definition Form - Fields

Component Group

Specify the component group into which material and/or resource costs will be collected for reporting purposes. Required.

Description

Enter a brief description of the component group you are adding. Required.

Find Cost Component Groups

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Cost Component Groups - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combinations of fields as described in the *Find Cost Component Groups - Fields* topic.
3. Click **Find**.

Find Cost Component Groups - Fields

Component Group

Enter all or part of the code that identifies the component class.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Cost Component Group in the database, but is marked to be purged.

No - Displays a Cost Component Group not marked for purge.

Defining Costing Warehouse Associations

OPM maintains separate item costs for each warehouse. Each warehouse from which an item is issued can have a separate costing warehouse record associated with it. However, you may have a situation in which multiple inventory warehouses issue the item but the item costs in all of those warehouses are the same.

OPM lets you associate a single costing warehouse with multiple inventory warehouses through costing warehouse associations. Each association is assigned a date effectivity rage which dictates when the association is valid. OPM uses these associations to determine the warehouse to which actual cost calculations will be updated.

You can establish warehouse associations for standard or actual costing. For standard costing the association identifies the target (destination) warehouse. Note that warehouse associations are not mandatory; costing warehouse costs will only be effective for items in those inventory warehouses linked to it.

Note: The start and end dates should be a complete Costing Period for which the association needs to be effective. For example, the start date has to be at least a day earlier than the cost period start date and the end effective date a day later than the cost period end date.

Costing Warehouse Association - Procedure

1. Navigate to the **Costing Warehouse Association** form.
2. Complete the fields as described in the *Costing Warehouse Association - Fields* topic.
3. Save the form.

Costing Warehouse Association - Fields

Cost Warehouse

Specify the valid warehouse code that will be the costing warehouse. You define warehouses on the Warehouses form. The warehouse description from the Warehouses form displays automatically. Required.

Organization

The code for the organization linked to this inventory warehouse displays automatically. You cannot edit this field.

Company

The company linked to the Organization. You cannot edit this field.

Inventory Warehouse

(Associated Warehouses)

On each of the entry lines provided, specify the inventory warehouse that you are linking to this costing warehouse. You can link an inventory warehouse to only one costing warehouse. Required.

Description

(Associated Warehouses)

The warehouse description from the Warehouses form displays automatically. You cannot edit this field.

Organization

(Associated Warehouses)

The code for the organization linked to this inventory warehouse displays automatically. You cannot edit this field.

Start Date

(Associated Warehouses)

The cost/inventory warehouse association will be effective only during the date range that you specify. Indicate the opening date in the effectivity range here. Required

End Date

(Associated Warehouses)

The cost/inventory warehouse association will be effective only during the date range that you specify. Indicate the closing date in the effectivity range here. Required.

Note: The start and end dates must totally enclose a costing period for the association to be effective. For example, the start date has to be at least a day earlier than the cost period start date and the end effective date a day later than the cost period end date.

Find Cost Warehouse Codes

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Cost Warehouse Codes - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combinations of fields as described in the *Find Cost Warehouse Codes - Fields* topic.
3. Click **Find**.

Find Cost Warehouse Codes - Fields

Cost Warehouse

Specify the valid warehouse code that will be the costing warehouse. You define warehouses on the Warehouses form. The warehouse description from the Warehouses form displays automatically. Required.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Cost Component Group in the database, but is marked to be purged.

No - Displays a Cost Component Group not marked for purge.

General Ledger Fiscal

On the Fiscal Policy form you specify company-wide parameters and default values for ledgers, base currency, accounting periods, and other information pertaining to general ledger account updates. Since production costs are updated to these accounts, specific fields on this form have an impact on how costs will book to the general ledger.

To define a fiscal policy, select **Fiscal Policies** from the Manufacturing Controller in the General Ledger Responsibility. See the *Fiscal Policies* discussion in the *Manufacturing Accounting Controller Manual* for form entry details.

Standard Costing Setup

Standard Costing Setup Overview

The Standard Costing Setup discussion describes how to define the standard component costs for production items. These costs include raw materials, burden, and other costs associated with production. Once defined, you can propagate those costs for use by other organizations within your company and determine the appropriate costs to use for accounting.

Individual component costs must be rolled-up to reflect the total standard cost of the item that was produced. This procedure is detailed in the *Standard Cost Rollup* discussion.

Standard Costing Setup Chronology

1. Define Standard Item Costs
2. Define Resource Costs
3. Define Cost Burdens
4. Define Standard Cost Source Warehouses
5. Define Target Warehouses

Defining Standard Item Costs

Use the Cost Detail form to inquire on the cost of producing a product, formula item or ingredient, or to define costs for new items or ingredients. The derived cost is based on the following cost factors:

- Item
- Warehouse
- Effective calendar/period
- Cost method

By varying these cost factors, you can derive the most cost-effective method to produce a product. The derived cost is per unit of the item being costed. For example, if you are costing the item Blue Paint, which has an inventory unit of measure as gallons, the derived cost is that to produce one gallon of blue paint. You define the primary unit of measure for an item on the Items form. If you use OPM Product Development, you can optionally include the costs associated with formula operations and routings in the derived cost.

The total cost to produce the item is shown at the top right of the cost details form. A breakdown of costs is shown in the tables located in the middle of the cost details form. Costs are broken into two levels. All costs carried over from previous levels of production are shown as Lower Level costs. All costs added at the current level of production are shown as This Level costs. A total cost for each level is shown at the top of each breakdown.

Each cost is associated with the component class assigned to the item, ingredient, or resource used. If more than one item with the same component class and analysis code is used at the same level in the production process, the cost for each of those items is summed and listed under on the same line.

Cost Detail Form - Format

The Cost Detail form is divided into two sections, This Level and Lower Level. This Level refers to costs incurred directly for the item, rather than costs incurred at a previous formula (or intermediate) level. Purchased raw materials will only have cost details in This Level.

Produced items can have cost details in both levels. The Lower Level summarizes costs from all intermediates regardless of the number of levels.

Defining Standard Costs for New Items or Ingredients

In order to derive the cost of a product, formula item, or ingredient, the cost of each of its constituents must be defined and `rolled up` into the product. For example, if the product Blue Paint has two constituents (blue dye and paint solution) before you can derive the cost of blue paint, you must first define a cost for each of the constituents, and then roll up the constituent costs into the product (blue paint).

To perform cost rollup, complete the Cost Detail form for each constituent and define the appropriate formula and effectivity. Then select Cost Rollup to perform a cost rollup.

Once this is done, if you select Cost Detail for the product (blue paint) using the same cost factors, you will see the constituent costs summed into the total cost for the product.

Cost Detail Form Prerequisites

The following information is required on the Cost Detail form, and must be set up prior to using this form. The module where each field is set up is shown in parentheses:

- Method Code (Costing)
- Cost Calendar/Period (Costing)
- Warehouse (Inventory)
- Item (Inventory)

In order to associate a cost with constituents to be rolled up into the product, the following must be set up and associated with each constituent prior to performing cost detail:

- Component Class (Costing)
- Analysis Code (Costing)

Cost Details - Procedure

1. Navigate to the **Cost Details** form.
2. Complete the fields as described in the *Cost Details - Fields* topic.
3. Save the form.

Cost Details - Fields

Item

Enter the item code for the formula item, ingredient, or raw material for which you are entering or inquiring on costs.

Warehouse

Enter a valid warehouse code. The derived cost will only apply to items associated with this warehouse.

Calendar

Enter a valid calendar code. The derived costs will only apply to items associated with this calendar.

Period

Enter a valid period code within this calendar. The derived costs will only apply to items associated with this calendar/period combination.

Note: You cannot make changes to cost details in a period that has been frozen through a successful final cost update process. Also, you cannot add new costs to a period that has been closed using the Close Period option on the Cost Calendar form Edit menu. However, you can inquire on both standard and actual cost methods on this form.

Cost Method

Enter a valid cost method code. The derived costs will only apply to items associated with this cost method. Note that you cannot make subsequent changes to costs flagged as actual costs(cost method = actual); the Cost Details form immediately goes into Query mode.

Note: The key values you specify at the top of the form will remain for subsequent entry of item cost details (that is, they will not be cleared automatically after entry of each set of cost details).

Total Cost

The item's total cost as determined from the CDA area.

Base Currency Code

This field displays the currency in which the resource cost is calculated.

This Level Cost

(This Level)

This field displays the sum of the total this level cost at this level.

Component Class Code

(This Level)

This field serves two purposes:

If you are displaying costs for a formula item, ingredient, or product, this field displays the component class associated with the cost shown on this line.

If you are defining the standard cost of an item, enter the cost component class associated with this item. For example, if you are defining the cost for the raw material water, enter the cost component class for raw materials.

Description

(This Level)

This field displays the description of the Component Class Code.

Analysis Code

(This Level)

This field serves two purposes:

If you are displaying costs for a formula item, ingredient, or product, this field displays the analysis code associated with the cost shown on this line.

If you are defining the standard cost of an item, enter the analysis code associated with the cost component for this item. The analysis code describes cost categories such as Value Added or Direct.

Note: If only one analysis code is set up for your organization, this field will default to that code.

Component Cost

(This Level)

This field serves two purposes:

If you are displaying costs for a formula item, ingredient, or product, this field displays the cost for the component class shown on this line.

If you are defining the standard cost of an item, enter the cost per unit. Note that the unit of measure for this item is already displayed to the right of this field. The unit of measure is retrieved from the item record.

Lower Level Cost

(Lower Level)

This field displays the sum of the total lower level cost at this level.

Component Class Code

(Lower Level)

This field serves two purposes:

If you are displaying costs for a formula item, ingredient, or product, this field displays the component class associated with the cost shown on this line.

If you are defining the standard cost of an item, enter the cost component class associated with this item. For example, if you are defining the cost for the raw material water, enter the cost component class for raw materials.

Description

(Lower Level)

This field displays the description of the Component Class Code.

Analysis Code

(Lower Level)

This field serves two purposes:

If you are displaying costs for a formula item, ingredient, or product, this field displays the analysis code associated with the cost shown on this line.

If you are defining the standard cost of an item, enter the analysis code associated with the cost component for this item. The analysis code describes cost categories such as Value Added or Direct.

Note: If only one analysis code is set up for your organization, this field will default to that code.

Component Cost

(Lower Level)

If you are displaying costs for a formula item, ingredient, or product, this field displays the lower level costs for the component class shown on this line. If more than one constituent with this component class is used at this level in the production process, this field reflects the sum of the costs for those constituents.

Find Cost Details

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Cost Details - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Cost Details - Fields* topic.
3. Click **Find**.

Find Cost Details - Fields

Item

Enter all or part of the item code for the formula item, ingredient, or raw material for which you are entering or inquiring costs.

Warehouse

Enter all or part of a valid warehouse code.

Calendar

Enter all or part of a valid calendar code.

Period

Enter all or part of a valid period code within this calendar.

Cost Method

Enter all or part of a valid cost method code. The derived costs will only apply to items associated with this cost method.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Cost Details that are in the database, but is marked to be purged.

No - Displays a list of Cost Details that are not marked for purge.

Cost Details Form Menu Features

Special Menu

Item Cost List - Use this form to display item costs for a particular cost calendar, period, and cost method. You can display costs for all, one, or a range of items or item classes for a particular calendar, period, and cost method.

Actual Transaction View - View transactions in a costing period used to calculate actual costs. You can also view actual cost transactions from the previous period.

Burden Details - The Cost Burdens form displays burden cost details for an item to calculate component costs during the cost calculation. The form displays the burden costs that have been set up for the item shown on the Cost Details form.

Formula Details - Use the Formula Costs form to display the formula ingredient cost for each item displayed on the Cost Details form. The Cost Details form displays the costs for each cost component class. The sum of the ingredient components in a formula should be equal to the product component cost on the Cost Details form.

Routing Details - Use this form to display the cost of resources used in operations and routings in the production of items or intermediate items. If you use operations and routings in your formulas, the cost rollup process will roll up the cost of the resources used in the operations and routings into the end-product cost, which can then be viewed using this form.

Defining Resource Costs

To reflect resource costs incurred during production in the product cost, set up production routings and define the amount or number of resources used. Optionally, you can set up burdens to define the amount of resources other than the production or ingredients used in the product; you can then include burden costs in the cost of producing the product.

In either case, you must first define nominal usage costs associated with the resources. You will define resource costs on an organization and calendar/period basis. The cost component class assigned to the resource, and the currency associated with the organization, are displayed on this form. Prior to defining resource costs, you need to define the resource code identifying the resource.

Resource Cost Setup - Procedure

1. Navigate to the **Resource Cost** form.
2. Complete the fields as described in the *Resource Costs - Fields* topic.
3. Save the form.

Resource Costs - Fields

Organization

Enter the code for the organization for which this resource cost will be effective.

Resource

Enter the code identifying the resource for which you are defining costs.

Calendar

Enter the cost calendar for which this resource cost will be effective.

Period

Specify the cost calendar period for which this resource cost will be effective.

Component Class

If you are displaying costs for a formula item, ingredient, or product, this field displays the component class associated with the cost shown on this line.

Base Currency

This field displays the currency in which the resource cost is calculated.

Cost Method

(Cost Details)

Specify each cost method for this resource, along with the appropriate unit cost.

Description

(Cost Details)

This field displays the description of the Cost Method.

Nominal Cost

(Cost Details)

Enter the nominal cost for this resource, that is, the cost of using this resource for one unit of measure. For example, if you are defining the resource cost for a mixing machine, and its usage is measured in hours, enter the cost to run the mixer for one hour.

Unit of Measure

(Cost Details)

Specify the unit of measure in which usage of this resource is measured. This field defaults to the unit of measure initially defined for this resource, but may be changed. You define the unit of measure for the resource on the Resources form.

Status

(Cost Details)

This display field is updated by the Cost Rollup, and indicates if this resource cost has been rolled up for use as the accounting cost for this resource. See the *Standard Cost Calculations* discussion for more information on cost roll ups.

Find Resource Cost

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Resource Cost - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Resource Cost - Fields* topic.
3. Click **Find**.

Find Resource Cost - Fields

Organization

Enter all or part of the code for the organization.

Resource

Enter all or part of a code identifying the resource.

Calendar

Enter all or part of a valid cost calendar code for which the resource cost will be effective.

Period

Enter all or part of a valid cost calendar period code.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Resource Cost that are in the database, but is marked to be purged.

No - Displays a list of Resource Cost that are not marked for purge.

Resource Cost Selection

The Resource Cost Selection allows you to select the criteria for population for the Resource Cost List form.

Resource Cost Selection - Procedures

1. Navigate to the **Resource Costs** form.
2. Choose **Resource Cost List** from the **Special** menu. The Resource Cost Selection form is displayed.
3. Complete one or any combination of fields as described in the *Resource Cost Selection - Fields* topic.
4. Choose **OK**.

Resource Cost Selection - Fields

Calendar

Enter all or part of a valid cost calendar code for which the resource cost will be effective.

Period

Enter all or part of a valid cost calendar period code.

Cost Method

Specify each cost method for this resource, along with the appropriate unit cost.

From Organization

(Selection Range)

Enter the code for the from organization for which this resource cost will be effective.

To Organization

(Selection Range)

Enter the code for the to organization for which this resource cost will be effective.

From Resource

(Selection Range)

Enter the code identifying the from resource for which you are defining costs.

To Resource

(Selection Range)

Enter the code identifying the to resource for which you are defining costs.

Resource Cost List

The Resource Cost List produces a list of all resource costs, by organization. This can aid you in determining if one or more resource costs must be modified.

Resource Cost List - Procedures

1. Navigate to the **Resource Costs** form.
2. Choose **Resource Cost List** from the **Special** menu. The Resource Cost Selection form is displayed.
3. Complete one or any combination of fields as described in the *Resource Cost Selection - Fields* topic.
4. Choose **OK**.

Resource Cost List - Fields

Organization

Displays the selected organization code.

Resource

Displays the selected resource.

Description

Displays the description of the resource.

Cost

Displays the cost of the resource.

Unit Of Measure

Displays the initial unit of measure for the resource.

Defining Cost Burdens

Use the Cost Burdens form to set up and maintain standard resource burdens. A burden is a cost associated with a resource other than the resource usage assigned in the routing. You defined the resource cost for MIXER1 as $2.50 per hour, which represents overhead, maintenance, and depreciation.

Assume you need a laborer to clean MIXER1 after each use. To account for the cost of cleanup, instead of adding another component cost to each item that uses MIXER1, you can assign a burden to the items being produced by that laborer on MIXER1. The burden assignment would be the time it takes the laborer to clean MIXER1 multiplied by the cost per hour for the laborer. In addition, you can add other costs into the burden (for such things as cleaning agents).

To reflect burdens in the cost of a product, formula item, or ingredient, first create the burden using this form. In order to assign burdens to resources, you must first set up a resource to be used as the burden. As in the example above, this would be the MIXER1 resource. You must then define a cost for that resource. Then, when assigning burdens, you will assign the amount of that resource needed to perform the burden. As in the example above, you may need to use .25 hours of MIXER1 for cleanup.

The following fields are required on the Burden Details form and must be set up prior to defining burdens. The module where each field is set up is shown in parentheses:

- Item (Inventory)
- Warehouse (Inventory)
- Calendar/Period (Financials)
- Cost Method (Financials)
- Organization (System)
- Resource (Capacity Planning)
- Cost Component Class (Financials)
- Cost Analysis Code (Financials)

Cost Burden Details - Procedure

1. Navigate to the **Cost Burdens** form.
2. Complete the fields as described in the *Cost Burdens - Fields* topic.
3. Save the form.

Cost Burden Details - Fields

Note: You cannot add new cost burden information for a period that has been closed or for which the costs have been updated; you can only inquire on burden information in those situations.

Organizations

Enter a valid organization code. The burden will only apply to this item when associated with this organization. This field defaults to the organization code associated with your operator code but may be changed.

Item

Enter the item code for the product or intermediary to which this burden will be assigned. For example, if the product Blue Paint uses MIXER1 as a resource, and you are assigning a burden for cleanup of MIXER1 to the process for making Blue Paint, enter the item code for Blue Paint.

Warehouse

Enter a valid warehouse code. The burden will only apply to the item when associated with this warehouse.

Calendar

Enter a valid calendar code. The burden will only apply to this item when associated with this calendar.

Period

Enter a valid period code within this calendar. The burden will only apply to this item when associated with this calendar/period.

Note: Burden details in a closed period can only be viewed and cannot be edited.

Cost Method

The cost method for the specified calendar displays. You define calendars on the Cost Calendar form.

Note: The key values that you enter in the top portion of the form will be retained while you enter cost burden details; they will not be cleared after each set of burden details is entered.

Resource

(Burden Details)

Enter the code for the resource burden. For example, if the product Blue Paint uses MIXER1 as a resource, and you are assigning a burden for cleanup after each use of MIXER1, enter the code for MIXER1.

Component Class Code

(Burden Details)

The cost component class established for this resource will be the default here, but can be modified. For example, if you are assigning a burden for cleanup after each use of MIXER1, enter the component class for the MIXER1 used during the cleanup process.

However, only component classes defined as burden usage will be allowed.

Analysis Code

(Burden Details)

The analysis code under which this burden will appear in cost details.

Note: If only one analysis code is set up for your organization, this field will default to that code.

Resource Usage

(Burden Details)

Enter the amount of the resource used for this burden. For example, if it takes one laborer .25 hours to cleanup MIXER1 after each use, enter .25.

Item Quantity

(Burden Details)

Enter the amount of the item yielded in this production process (the item entered in the **Item** field) during that .25 hours of resource usage..

UOM

(Burden Details)

Enter the amount of the Unit of Measure in which this item is yielded. This field defaults to the UOM defined for this item.

Note: The following fields, displayed at the bottom of the Cost Burdens form, are for entering data for the highlighted line. To enter data into these fields, navigate as usual from the UOM field.

Resource Count

(Burden Details)

Enter the number of this resource used in the production of the item. For example, if it takes one laborer to cleanup MIXER1 after each use, enter 1 (laborer). This number will be multiplied by the Resource Usage number to determine the total resource usage.

Burden Unit of Measure

(Burden Details)

Enter the unit of measure in which this burden is measured (for example, hours).

Base Currency Code

(Burden Details)

This field displays the currency in which the resource cost is calculated. This field is for display only.

Find Burden Details

There are several options for locating a record and populating a form. The List of Values option displays a dialog box with the appropriate records. The Query Find options displays a separate block called the Find form, where you enter your search criteria.

Find Burden Details - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Burden Details - Fields* topic.
3. Click **Find**.

Find Burden Details - Fields

Organization

Enter all or part of the code for the organization.

Item

Enter all or part of the item code for the product or intermediary.

Warehouse

Enter all or part of a valid warehouse code.

Calendar

Enter all or part of a valid cost calendar code for which the resource cost will be effective.

Period

Enter all or part of a valid cost calendar period code.

Cost Method

The cost method for the specified calendar displays. You define calendars on the Cost Calendar form.

Note: The key values that you enter in the top portion of the form will be retained while you enter cost burden details; they will not be cleared after each set of burden details is entered.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Burden Details that are in the database, but is marked to be purged.

No - Displays a list of Burden Details that are not marked for purge.

Defining Rollup Source Warehouses

Use this form to define where the cost rollup obtains the raw material costs for an item. Define the percent of costs for each warehouse to be used when calculating the final cost of end products. Define the costs by item or item cost class. Depending on variables such as overhead or geographic location, you may associate different costs with the same resource stored in different warehouses. This is a required setup for the cost rollup.

For example, you may have a warehouse within 50 miles of the distributor of one of your raw materials. Due to shipping costs, the cost of the raw material in that warehouse will be significantly less than in another warehouse located 2,000 miles away from the distributor.

When calculating costs using the Cost Rollup form, you may want to use an average of the cost, taking into consideration the item costs from different warehouses. You can indicate the percent of the actual cost calculated from each warehouse to arrive at a final cost used to produce the end product.

For example, if you normally pull a particular item from a single warehouse, you indicate that 100% of the cost for the item should be costed from that warehouse. If however, half of the time you draw the items from one warehouse, and the other half of the time you draw from a different warehouse, you can indicate to use 50% of the cost defined from each warehouse.

Note: The cost rollup requires a default record by organization, calendar, and period. This record would show blanks in the Cost Class and Item fields and it applies to all items for which specific source warehouses have not been defined.

Rollup Source Warehouses - Procedure

1. Navigate to the **Rollup Source Warehouses** form.
2. Complete the fields as described in the *Rollup Source Warehouses - Fields* topic.
3. Save the form.

Rollup Source Warehouse - Fields

Organization

Enter the organization for which you are defining source warehouse cost allocations.

Calendar

Enter the cost calendar for which you are defining source warehouse cost allocations.

Period

Enter the period for which you are defining source warehouse cost allocations.

Item Cost Class

If you are defining source warehouse cost allocations for all items assigned to a particular item cost class, enter the item cost class. Otherwise, leave this field blank and complete the Item field to define source warehouse cost allocations by item. Item cost classes are associated with items on the Items form in Inventory.

Item

If you are defining source warehouse cost allocations for one item, enter the item code.

Warehouse

(Details)

Enter the code for the warehouse from which you are sourcing raw material costs.

Description

(Details)

The warehouse description displays automatically, as well as the organization to which the warehouse is linked.

Organization

(Details)

The organization linked to the operator is the default. If the source warehouse is for another organization, you may override this with another valid organization.

Allocation %

(Details)

Enter the percent cost allocation to be used from this warehouse. For example, if you always pull this particular resource from this warehouse, enter 100%. The raw material cost in this warehouse will be used in standard cost calculations. The allocation percentage must add up to 100, otherwise you will not be able to save the record.

Find Rollup Source Warehouse

There are several options for locating a record and populating a form. The List of Values option displays a dialog box with the appropriate records. The Query Find options displays a separate block called the Find form, where you enter your search criteria.

Find Rollup Source Warehouse - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Rollup Source Warehouse - Fields* topic.
3. Click **Find**.

Find Rollup Source Warehouse - Fields

Organization

Enter all or part of the code for the organization.

Calendar

Enter all or part of a valid cost calendar code for which the resource cost will be effective.

Period

Enter all or part of a valid cost calendar period code.

Item Cost Class

Enter all or part of source warehouse cost allocations for all items assigned to a particular item cost class.

Item

Enter all or part of item code for source warehouse cost allocations for one item.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Rollup Source Warehouses that are in the database, but is marked to be purged.

No - Displays a list of Rollup Source Warehouses that are not marked for purge.

Defining Rollup Target Warehouses

Define the warehouses in which you normally stock end-products and from which you normally fill orders for those products; thereby, defining the costs to be used to calculate the product costs. You then use this form to define the target warehouses where the standard cost rollup (for the standard cost method) will store the results of the cost calculations.

For example, you may have an end-product warehouse within 50 miles of your source warehouse (raw materials and ingredients storage). Due to shipping costs, the cost of the end-products stored in this end-product warehouse will be significantly less than in another warehouse located 2,000 miles away from the source warehouse.

Rollup Target Warehouse - Procedure

1. Navigate to the **Rollup Target Warehouses** form.
2. Complete the fields as described in the *Rollup Target Warehouses - Fields* topic.
3. Save the form.

Rollup Target Warehouse - Fields

Organization

Specify the organization for which you are defining target warehouses.

Calendar

Enter the cost calendar for which you are defining target warehouses.

Period

Enter the cost calendar period for which you are defining target warehouses.

Item Cost Class

(Details)

Enter the item cost class for which you want to define this target warehouse. Otherwise, leave this field blank to indicate all item cost classes.

You can define the target warehouse for either the entire item cost class, or a specific item. The cost calculation process requires that a default record be defined. You create the default by leaving the Class and Item fields blank.

Item

(Details)

Enter the item for which you are defining the target warehouse.

Warehouse

(Details)

Enter the target warehouse for this item/item cost class.

Find Rollup Target Warehouse

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Rollup Target Warehouse - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Rollup Target Warehouse - Fields* topic.
3. Click **Find**.

Find Rollup Target Warehouse - Fields

Organization

Enter all or part of the code for the organization.

Calendar

Enter all or part of a valid cost calendar code for which the resource cost will be effective.

Period

Enter all or part of a valid cost calendar period code.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Rollup Target Warehouses that are in the database, but is marked to be purged.

No - Displays a list of Rollup Target Warehouses that are not marked for purge.

Standard Cost Calculations

Standard Cost Calculations Overview

You must roll up the standard costs of components into product costs whenever standard item cost components have been changed. Rollups are also required if new items, formulas, or products have been added and set up for costing (refer to the *Standard Cost Setup* discussions).

Standard Cost Rollup - Prerequisites

To include resource usage costs in the derived cost, the following must be set up prior to performing cost rollups:

- Resource (OPM Process Planning)
- Resource Cost (OPM Financials)

To use resource burdens when deriving costs, burden assignments must be set up prior to performing cost rollup. To derive costs from formula operations and routings, the following must have been set up prior to running the cost rollup:

- Formulas
- Formula operations
- Formula routings
- Formula effectivity for costing or production

Calculate Standard Costs

To generate a standard cost for a product ingredient, you need to perform a cost rollup. The rollup incorporates formula details, routing details, and burden details for each item selected. Also, whenever you add a new product, you must perform a cost rollup. If your calendar period is frozen, only new items will be selected for the rollup.

The standard cost rollup runs as a concurrent process; you can initiate the rollup, then continue with other OPM functions while it runs. Note that a rollup cannot be performed for a calendar period that has been closed.

Note: After OPM is implemented and standard costs for all component items have been defined, you should perform an initial rollup for all items. A rollup reference number is automatically assigned to the rollup during the process. You should make a note of this reference number for future inquires.

Standard Cost Rollup - Procedures

1. Navigate to the **Cost Rollup** form.
2. Select **Start** from the Cost Rollup form Special menu. The Start Cost Rollup form appears. This form allows you to begin the rollup for a specified calendar, period, and cost method.
3. On the Start Cost Rollup form, specify the criteria by which OPM selects the costs to be processed.
4. Complete the fields as described in the Fields topic.
5. Click **Accept** to begin the rollup process.

Start Cost Rollup - Fields

Selection Criteria

Calendar

Enter the code for the calendar for which the cost rollup will be processed. Costs will be rolled up for the company and the cost method linked to this calendar. Required.

Company

The company linked to the calendar you specified displays. You cannot edit this field. Transactions for all organizations linked to this company will be selected and included in the cost rollup process.

Period

Specify the period for which costs will be rolled up; this period defines the start and end dates for selecting all transactions.. This period in the cost calendar must be either open or frozen (a closed period cannot be entered). Required.

Period Status

The status of the calendar period (either Open, Closed, or Frozen) displays. You cannot edit this field.

Cost Method

The cost method linked to the cost calendar displays. The cost method also defines which raw material cost calculation type will be posted to the actual cost account(s) in the general ledger. You cannot edit this field.

Single Level

Check this option, if a single level rollup is to be performed for the item to be entered.

Item Cost Class

You can specify a range of cost classes by entering the opening and closing ends of the cost class number range under the From and To headings, respectively. For a single item or item cost class, enter the same value in the from and to fields.

Item

You can include component costs for a range of items by entering the opening and closing ends of the item number range under the From and To headings, respectively. For a single item or item cost class, enter the same value in the from and to fields.

Start Date

Specify the date and time that the cost rollup process will start. To start the process immediately, click the Now button

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Note: Now must be defined as a profile option, using the constant SY$NOW.

To start the rollup at a particular date, click the Specific Date radio button. Enter the date you want the cost rollup to run.

Rollup Reference Number

OPM assigns a unique identifier number for each individual cost rollup process. You cannot edit this field.

Cost Rollup Error Messages

Cost Rollup Reference Number

OPM assigns a unique identifier number for each individual cost rollup process. You cannot edit this field.

Line

Displays the line number of the error message.

Error Message

Displays the text of the error message.

Cost Rollup Form - Additional Menu Features

Special Menu

Start - Displays the Start Cost Rollup dialog box, which allows you to begin the rollup for a specified calendar, period, and cost method.

Process Status - Use this option to review the status of a cost rollup that is in progress. You can also review figures from previous processes, each of which is identified by the reference number. The reference number lookup is available to help you in selecting previous rollups for query.

Abort/Reset - Use this option to abort the cost rollup process that is running currently. For situations where a process was terminated unintentionally (such as a power failure), this option also resets the internal controls and settings required to start the rollup process again.

An Aborted Reason field is provided to capture appropriate text.

View Error Messages - Use this option to review any errors generated during a cost rollup processing run. The Cost Rollup Error Messages form is shown. Each generated error is listed on an individual, OPM-generated line. The error itself is explained under the **Error Comment** heading.

Note: The first message line is not an error, but a summary of the parameters or options selected to start this rollup.

Viewing Standard Costs

The Viewing Standard Costs discussion describes how to view standard costs once they have been calculated. You can view standard costs for items, formula ingredients, cost burdens, and routings.

You access all of these view cost options from the Cost Details form. Complete the Cost Details form in order to display cost details. Once the Cost Details form is complete, follow these procedures to display item, ingredient, burden, or routing costs.

Display Item Costs

Use this form to display item costs for a particular cost calendar, period, and cost method. You can display costs for all, one, or a range of items or item classes for a particular calendar, period, and cost method.

Item Cost View - Procedure

1. Navigate to the **Cost Detail** form.
2. Select **Item Cost List** from the Special menu. The Item Cost Selection form displays.
3. On the Start Cost Rollup form, specify the criteria by which OPM selects the costs for processing.
4. Complete the fields as described in the Fields topic.
5. Click **Accept**. The Item Cost List form displays.
6. When finished viewing item costs, select **Close** from the Object pulldown menu to redisplay the Cost Details form.

Item Cost Selection Form - Fields

Calendar

Enter the cost calendar for which you want to display item costs. Required.

Period

Enter the cost calendar period for which you want to display item costs. Required.

Cost Method

Enter the cost method code for which you want to display item costs.

Item (From, To)

(Selection Range)

To display costs for a range of items, enter the first item and the last item in the range (alpha-numerically).

Item Cost Class (From, To)

(Selection Range)

To display item costs for a range of item cost classes, enter the first item and last item cost class in the range (alpha-numerically).

At this point, select **Accept** at the bottom of the form. The Item Cost List form displays.

Item Cost List - Fields

Item

This field displays the item for which costs (on this line) are shown .

Unit of Measure

This field displays the unit of measure for which costs are shown. The cost shown is for one unit of this item.

Warehouse

This field displays the warehouse, in which this item is stored, for which costs are shown.

Cost

This field displays the nominal cost for this item, in this warehouse.

Description

This field displays the description of this item.

Display Cost Burdens

The Cost Burdens form displays burden cost details for an item that are used by OPM to calculate component costs during the cost calculation. The form displays the burden costs that have been set up for the item shown on the Cost Details form.

The cost displayed shows the contribution that burdens make to the total unit cost. These figures are entered on the Burden Detail form.

View Burden Costs - Procedure

1. Navigate to the **Cost Detail** form.
2. Query and retrieve the Cost Details of the product using either the Query Find option or by entering a wildcard value with Query Enter.
3. Select **Burden Details** from the Special menu. The Burden Details form displays with information related to the item being displayed in the Cost Details form.

Display Cost Burdens - Fields

Item

This field displays the item for which cost burdens are being displayed. The Item is retrieved from the Cost Details form.

Warehouse

This field displays the warehouse associated with this item, for which burden costs apply.

Organization

(Burden Details)

This field displays the organization associated with this item, for which costs are displayed.

Resource

(Burden Details)

This field displays the resource assigned as a burden for the production of this item.

Component Class Code

(Burden Details)

This field displays the component class associated with this resource, and used for the burden cost calculation. Component classes are associated with burdens on the Burden Details form.

Analysis Code

(Burden Details)

This field displays the analysis code associated with this resource and used for the burden cost calculation. Component classes are associated with burdens on the Burden Details form.

Burden Cost

(Burden Details)

This field displays the calculated burden cost. The cost equals the resource cost multiplied by the quantity of the resource used for this burden, divided by the item quantity. These figures are entered on the Burden Details form.

For example, if you specified **LABOR** at $5.00 per hour as the burden resource, and the burden quantity is .25 hours, this field equals .25 multiplied by 5.00, or $1.75.

Display Formula Costs

Use the Formula Costs form to display the formula ingredient cost for each item displayed on the Cost Details form. The Cost Details form displays the costs for each cost component class. The sum of the ingredient components in a formula should be equal to the product component cost on the Cost Details form.

If more than one item with the same cost component class is used at the same level of production for the item, the cost for each of those items is summed and shown as one line on the Cost Details form. The Formula Detail form breaks the items down and shows each of them individually.

The item cost component class and analysis code used to cost the item are displayed for each item included in the formula. In addition, the component cost associated with each item is also displayed. The component cost equals the nominal cost of the item multiplied by the amount of the item used in the production of the product divided by the yield of the product specified in the formula.

View Formula Costs - Procedure

1. Navigate to the **Cost Details** form.
2. Using either the Query Find option or by entering a wildcard value with Query Enter retrieve the Cost Details of the product.
3. Click **Accept**. The Cost Details form displays. The Display Cost Burdens form displays with the calculated formula costs shown.

Formula Detail Form - Fields

Organization

This field displays the organization associated with this formula item and for which costs are shown.

Item

This field displays the formula item and for which costs are shown.

Formula

This field displays the formula name used to produce this formula item.

Version

This field displays the formula version.

Component Class Code

(Formula Details)

This field displays the component class associated with this formula, used to calculate the formula ingredient costs.

Analysis Code

(Formula Details)

This field displays the cost analysis code associated with this formula, used to calculate the formula ingredient costs.

Item

(Formula Details)

This field displays the ingredient for which costs are shown.

Component Cost

(Formula Details)

This field displays the formula item (ingredient) for which the costing details on this line are displayed.

The item cost component class and analysis code used to cost this item are displayed. In addition, the component cost associated with the item is also displayed. The component cost equals the nominal cost of the item multiplied by the amount of the item used as ingredient quantity in the formula divided by the yield of the product in the formula with other things calculated properly.

UOM

The UOM field displays the preliminary Unit of Measure for the item.

Display Routing Costs

For standard cost methods, use this form to display the cost of resources used in operations and routings in the production of items or intermediate items. If you use operations and routings in your formulas, the cost rollup process will roll up the cost of the resources used in the operations and routings into the end-product cost, which can then be viewed using this form.

For each resource, the component class, analysis code, and the component cost from the resource is listed. For standard costing, the resources listed are those defined in the routing steps for the routing assigned to the formula effectivity record.

Prerequisites

To include operation and routing costs in your product costs, routes must be assigned to the product. To do this, you need to set up operations, include the operations in routings, create a formula effectivity record for the product, and include the routing in the formula effectivity record. If you use standard costing, you must run a cost rollup first in order to insure that the most recent resource costs will be displayed.

Note: Formula operations, routings, and effectivities are explained in the *OPM Formula Management Guide*.

View Routing Costs - Procedure

1. Navigate to the **Cost Detail** form.
2. Retrieve the Cost Details of the product using either the Query Find option or by entering a wildcard value with Query Enter.
3. Select **Routing Costs** from the Cost Detail form Special menu. The Routing Details form displays.

Routing Detail Form - Fields

Resource

Displays the resource used for this routing.

Component Class Code

Displays the cost component class used to cost this resource. The corresponding component class description displays automatically.

Analysis Code

Displays the cost analysis code used to cost this resource.

Component Cost

Displays the cost associated with this resource (cost to produce one unit of this product). For example, if this routing is assigned to the production of Blue Paint, and the unit of measure for Blue Paint is gallons, the cost shown is that to produce one gallon of Blue Paint.

Component Class Desc

Displays the description associated with the Component Class Code.

Organization

Displays the organization associated with the highlighted routing line for which costs are shown.

Routing Number

Displays the routing code associated with the highlighted routing line for which costs are shown.

Version

Displays the routing version associated with the highlighted routing line for which costs are shown.

Actual Costing Setup

Actual Costing Setups Overview

OPM captures the actual costs from business transactions throughout OPM (such as production batch receipts and raw material purchase order invoices). OPM then calculates the actual costs of production using these actual cost components. Audit trails of the transactions from which actual costs are derived are provided.

Since these costs are based on real transactions, there is little in the way of cost setup required in order to generate actual cost calculations. However, you must define adjustment reasons in the event actual costs generated by OPM must be adjusted at a later time.

Accrued General Ledger Cost Allocations

Accrued indirect costs (such as material overhead) maintained in general ledger accrual accounts may be pooled to be included in actual cost calculations*. You must define the parameters by which these pooled accrued costs will be allocated (automatically) to designated cost component classes.

*These accrued costs are captured through interfaces with the financial general ledger software (such as Oracle General Ledger).

Actual Costing Setup Chronology

1. Define Adjustment Reason Codes
2. Define Allocation Codes
3. Define Expense Allocation Accounts
4. Define Allocation Definitions

Defining Adjustment Reason Codes

If a situation arises in which you have to make adjustments to the actual costscalculated by OPM, you can use the Actual Costs Adjustments form to enter the necessary component cost changes for new cost calculations. However, you will have to specify a valid reason code that justifies the reason for that cost change. You define those reasons on the Actual Costs Adjustment Codes form.

Actual Costs Adjustment Codes - Procedures

1. Navigate to the **Actual Cost Adjustment Code** form.
2. Complete the fields as described in the *Actual Cost Adjustment Code - Fields* topic.
3. Save the form.

Actual Cost Adjustment Codes - Fields

Code

Specify the code that identifies the reason for making an adjustment to actual cost calculations for a raw material or a product. Required.

Description

Enter a brief description of the reason that this type of cost adjustment would be made (for example, “Supplier Price Increase”). Required.

Find Actual Cost Adjustment Codes

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Actual Cost Adjustment Codes - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Actual Cost Adjustment Codes - Fields* topic.
3. Click **Find**.

Find Actual Cost Adjustment Codes - Fields

Code

Enter all or part of the code that identifies the reason for making an adjustment to actual cost calculations.

Description

Enter all or part of a cost adjustment description.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Actual Cost Adjustment Codes that are in the database, but is marked to be purged.

No - Displays a list of Actual Cost Adjustment Codes that are not marked for purge.

Defining Allocation Codes

On this form you create the allocation codes used to define the indirect expenses from the general ledger accrued expense accounts. Later, you will define the parameters to allocate those expenses to the appropriate cost component classes.

Since allocations can be processed in multiple steps, we recommend that you adopt a naming convention to simplify processing of ranges of allocation codes.

Allocation Definition Setup - Procedure

1. Navigate to the **Allocation Codes** form.
2. Complete the fields as described in the *Define Allocation Codes Form - Fields* topic.
3. Save the form.

Define Allocation Codes Form - Fields

Company

Specify the company for which you are defining expense allocations. The corresponding company description displays automatically. Required.

Allocation Code

(Allocation Code Details)

Enter a code that defines this expense allocation. Required.

Description

(Allocation Code Details)

Enter a brief description of the expense allocation you are defining. Required.

Note: After you have defined expense allocations, you must define the general ledger accounts to which overhead expenses will post when those expense allocations are used. See the *Define Expense Allocation Accounts* discussion for details.

Find Allocation Codes

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Allocation Codes - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Allocation Codes - Fields* topic.
3. Click **Find**.

Find Allocation Codes - Fields

Company

Enter all or part of the company for which you are defining expense allocation codes.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Allocation Codes that are in the database, but is marked to be purged.

No - Displays a list of Allocation Codes that are not marked for purge.

Defining Expense Allocation Accounts

On this form you specify the general ledger account keys which capture the overhead expenses to be allocated. Here you are defining the expense pool to be allocated; on the Allocation Definitions form, you will specify the products to which these expenses are allocated.

Allocation Accounts Definition - Procedure

1. Navigate to the **Expense to Allocate** form.
2. Complete the fields as described in the *Expenses to Allocate - Fields* topic.
3. Save the form.

Expenses to Allocate - Fields

Company

Specify the company for which expenses to allocate need to be defined. The corresponding company description displays automatically. Required.

Allocation Code

Specify the allocation code defined for the company for which expense to allocate must be defined. The allocation code description displays automatically. Required.

Line

OPM automatically displays line numbers in sequence. You cannot edit this field.

From Account Key

Specify the account key of the opening end of the expense account range. Required.

From Description

The description of the expense account that opens the account range displays.

To Account Key

Specify the account key of the closing end of the expense account range.

To Description

The description of the expense account that closes the account range displays (only if you specified a "To" account number) .

Balance Type

Specify the account's balance type used for this expense pool. The available options are:

- Statistical
- Budget
- Actual

Year-To-Date

Specify if the expense should be year-to-date or period-to-date balance. Required.

Find Expenses to Allocate

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Expenses to Allocate - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Expenses to Allocate - Fields* topic.
3. Click **Find**.

Find Expenses to Allocate - Fields

Company

Enter all or part of the company for which expenses have to be allocated.

Allocation Code

Enter all or part of a allocation code defined for the company.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Expenses Allocations that are in the database, but is marked to be purged.

No - Displays a list of Expenses Allocations that are not marked for purge.

Allocation Definitions

On this form you specify two sets of information:

- The item, component class, and related information required to identify where the allocation results will be placed.
- The account keys that maintain the basis information (for example, the quantity of production and machine usage) associated with each item.

The Allocation Results section at the bottom of the form is linked to a specific item line, and indicates where the resulting allocated expenses are placed.

Allocation Definition - Procedure

1. Navigate to the **Allocation Definition** form.
2. Complete the fields as described in the *Allocation Definition - Fields* topic.
3. Save the form.

Allocation Definition - Fields

Company

Specify the company for which you are entering allocation definitions. The corresponding company name displays automatically.

Allocation Code

Specify the allocation code (for the company you stated) for which you are entering allocation definitions. The corresponding allocation description displays automatically. Required.

Allocation Method

Indicate the allocation method to be used for the allocation code you specified. Select Depends on Fixed if the allocation percentage is to be calculated based on the basis amount in the basis account. When you use this method, you define the account key, balance type, and period/year-to-date.

Select Depends on Basis Amount if a fixed percentage is to be used for the calculation. The corresponding allocation method description displays automatically. If you use this method, the Account Key, Balance Type, and Period/Year-to-Date fields are bypassed; you only enter percentages by item . The allocation method applies to all lines for the allocation code. Required.

Line

(Allocation Definition Details)

OPM generates a sequential number for each line. You cannot edit this field.

Item

(Allocation Definition Details)

Specify the item to which expenses will be allocated. The corresponding item description displays automatically in the bottom portion of the form. Required.

Key

(Allocation Definition Details)

Displays the account key of the basics account.

Description

(Allocation Definition Details)

Displays the description of the basics account.

Basis Account/Basis Account Type

(Allocation Definition Details)

This is an alternate region. If you specified allocation method "Depends on Basics Amount" in the **Method** field, specify the account from which the basis amount will be used to determine the allocation percentage. The corresponding account description displays automatically. Required.

Balance Type

(Allocation Definition Details)

Enter the balance type for the basis account type. Required.

- Statistical
- Budget
- Actual

Year-to-date/Period-to-date

(Allocation Definition Details)

Specify the year-to-date or period-to-date indicator. Select Period-to-date if this basis amount should be used to calculate the allocation percentage. Select Year-to-date if this basis amount will be used to calculate the allocation percentage. Required.

Fixed %

(Allocation Definition Details)

If the fixed allocation method is used, specify the allocation percent for the line. If you specified allocation method "Depends on Basics Amount" in the **Method** field, you cannot access this field (percentages are calculated dynamically for each period). Note that the sum of the percentages for all of the lines should be 100%.

Item Description

(Allocation Result)

Displays a description of the item.

Cost Component Class

(Allocation Result)

Specify the component class into which the allocated expense will fall. The component class description displays automatically. Only those component classes that were defined as “allocation detail” are available from the List of Values and only one can be entered here. Required.

Analysis Code

(Allocation Result)

Specify the analysis code for the allocated expense. The analysis code description displays automatically.

Warehouse

(Allocation Result)

Specify the warehouse to which the expense will be allocated. The warehouse description displays automatically. Required.

Find Allocation Definition

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Allocation - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Allocation - Fields* topic.
3. Click **Find**.

Find Allocation - Fields

Company

Enter all or part of the company for which you are entering allocation definitions.

Allocation Code

Enter all or part of a allocation code.

Allocation Method

Enter all or part of the allocation method.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Allocation Definitions that are in the database, but is marked to be purged.

No - Displays a list of Allocation Definitions that are not marked for purge.

Material Component Classes/Analysis Codes

You have the option to use associated costs for all material component classes/analysis codes when calculating inventory value and purchase price variance (PPV) for GL distribution in Purchasing. This insures more accurate PPV calculations if more than one material component was established for an item.

Note: Use of this option eliminates the requirement of maintaining the Material Component Class form except when Actual Costing is used (it will not have any impact on GL booking or PPV calculations).

Material Component Classes/Analysis Codes - Procedures

1. Navigate to the **Material Cost Component Class** form.
2. Complete the fields as described in the *Item/Item Cost Class Specific Material Cost Component and Analysis Code - Fields* topic.
3. Save the form.

Item/Item Cost Class Specific Material Cost Component and Analysis Code - Fields

Company

Specify the company for which you are defining material component classes. This field defaults to the company associated with your operator code, but may be changed. Required.

Item Cost Class

Enter a valid item cost class. If you specify a valid item cost class, the **Item** field is not available and your cursor is moved to the **Material Component Class** field. Also, the **Item Cost Class** may be left blank and you can specify an item instead.

Item

Specify a valid item. If you enter a valid item code, the cursor moves to the **Material Component Class** field.

Component Class Code

Enter a valid cost component class. It is treated as a material component class either for an item cost class or an item. You can designate any cost component class defined as Cost Detail in component definitions. Required.

Note: You may define different cost component classes for different effectivity periods. In other words, OPM now supports one material component class/analysis code per item/item cost class.

Analysis Code

Specify a valid cost analysis code. It is treated as a material analysis code in combination with the material cost component class either for an item cost class or an item. Required.

Effectivity

This section of the form displays the date range for the material component class/cost analysis code definition. Note that the dates cannot overlap. If they do, the form will not save.

Start Date

Indicate the effectivity start date for the material component class/cost analysis code definition. The effectivity start date defaults to the system date, but may be changed. Required.

End Date

Indicate the effectivity end date for the material component class/cost analysis code definition. The effectivity end date defaults to the system date, but may be changed. The effectivity end date must be greater than the effectivity start date (there can be no date overlap). Required.

Note: It is recommended that the effectivity start and end dates should span the general ledger calendar and the costing calendar. For example, the following scenario supports this suggestion:

Effectivity Calendar	1/1/96-12/31/97
General Ledger Calendar	4/1/96-4/30/97
Costing Calendar	4/1/96-4/30/97

Find Material Cost Component Class

"There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Material Cost Component Class - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Material Cost Component Class - Fields* topic.
3. Click **Find**.

Find Material Cost Component Class - Fields

Company

Enter all or part of the company for which material cost components have to be defined.

Item Cost Class

Enter all or part of a valid item cost class.

Item

Enter all or part of the valid item.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Material Cost Component Class that are in the database, but is marked to be purged.

No - Displays a list of Material Cost Component Class that are not marked for purge.

Actual Cost Calculations

Actual Cost Calculations Overview

The *Actual Cost Calculations* topic discusses the procedures for generating actual costs and making adjustments to the costs that OPM calculates.

Actual Cost Prerequisites

The following prerequisite conditions must be met in order to produce accurate actual cost calculations:

- All Purchasing receipts must be entered, with any necessary price corrections.
- Acquisition cost entries must be completed.
- Accounts payable interface must be completed.
- Production batches for the period should be closed.
- General Ledger expense allocations must be entered or interfaced.
- All burden details must be assigned.
- All actual cost adjustments must be completed.

Process Cost Allocations From GL Updating

This procedure allocates accrued expenses from the general ledger accounts to the appropriate costing allocation codes.

Process Cost Allocation - Procedure

1. Navigate to **Cost Allocation Process**. The Cost Allocation Process Control form displays indicating the status of the last allocation process that was run. The following restrictions pertain to running the cost allocation process:
   - You can only run one allocation process at a time
   - You cannot run process for a closed period
   - You can only use calendar belonging to the company for which you have authorization

Note: Use the Reset option in the event of abnormal shutdown during a process (that is, for any situation in which the process did not end normally). This option resets internal parameters.

2. Select **Start** from the Cost Allocation Process Control Special menu. The **Cost Allocation Processing** form displays.
3. Complete the fields as described in the *Cost Allocation Processing - Fields* topic.
4. Click **Accept** to begin the process.

Cost Allocation Processing - Fields

Calendar

Indicate the cost calendar for which you are allocating expense costs. Required.

Period

Indicate the cost calendar period for which you are allocating expense costs. Required.

Company

The company that you linked to this cost calendar (on the Cost Calendar form) displays automatically. You cannot edit this field.

Period Status

The status of the cost calendar period you specified displays automatically. You cannot edit this field.

Fiscal Year

(General Ledger)

Indicate the fiscal year (defined in the appropriate General Ledger module) from which cost expenses will be selected for processing.

Period

(General Ledger)

Indicate the fiscal year period (defined in the appropriate General Ledger module) from which cost expenses will be selected for processing.

Refresh Interface

(General Ledger)

Check the Refresh Interface radio button to delete previous data that were processed for the cost expense allocation parameters you have entered. Clear the radio button if no refresh needs to occur.

Allocation Code

(Range)

You have the option of exporting cost expenses for all allocation codes, or restricting the export to cost expenses for a range of allocation codes.

Cost Allocation Processing - Additional Menu Features

Special Menu

Start - Displays the Cost Allocation Process Control form; also allows you to begin the cost allocation process

Reset - Use the Reset option in the event of abnormal shutdown during a process (does not abort the process, but resets internal parameters).

Calculate Actual Costs

The process of generating actual costs begins with the Actual Cost Process form.

Raw Material Costs

OPM bases raw material cost calculations on the estimated prices on raw material receipts (materials received through the Purchasing module). The cost of acquiring the material (for example, freight costs) can be included in the cost calculations on an optional basis.

If a final invoice price (the amount actually paid for the raw material, pegged to the receipt) exists during the same calendar period as the material receipt, OPM uses the invoice price to calculate the raw material costs. The invoice price is derived by OPM through an interface with an Accounts Payable package (such as Oracle Accounts Payable).

Raw Material Cost Calculation Methods

The following five methods are used to calculate raw material actual costs:

Period Moving Average Cost (PMAC)

OPM calculates the average cost for the period while moving previous period's cost with last period's inventory balance and cost.

PMAC = (Prior Period Inv Balance * Prev Period Cost) + Σ(Trans Qty * Price) / Prev Period Inv Balance + Σ(Trans Qty)

Prev Period Inv Balance - This is the previous period inventory balance captured from the inventory period ending balances.

Prev Period Cost - The previous period actual cost component from the cost component details table.

Trans Qty - Receipt Transaction Quantities or AP Interfaced Quantities within the costing period.

Price - Receipt estimated prices or AP invoice final prices within the costing period.

Period Weighted Average Cost (PWAC)

This is the strict average cost of the raw material during the period, based on the total estimated receipt (or invoiced) price for the entire inventory quantity. The period weighted average cost is a strict average cost for the period based on Period Total Quantity and Estimated or Final Prices.

PWAC =Σ(Trans Qty * Price) / Σ(Trans Qty)

Trans Qty - Receipt Quantities or AP interfaced quantities within the costing period

Price - Receipt estimated prices or AP invoice final prices within the costing period

Perpetual Weighted Average Cost (PPAC)

The perpetual weighted average cost method computes the average cost for the entered receipts and quantities within the defined boundaries of the cost calendar. The calendar definition may in turn be identical to a fiscal year, or may span multiple fiscal years providing the flexibility of a variety of Perpetual Weighted Average cost methods.

PPAC = Σ(Trans Qty * Price) / Σ(Trans Qty)

Trans Qty - Receipt Quantities or AP interfaced quantities from the start of the costing calendar to the end of the current period.

Price - Receipt estimated prices or AP invoice final prices within the costing calendar.

Last Transaction Cost

There are two methods for determining last actual cost of a raw material:

- **LSTT** - This method uses the last transaction within the costing period, regardless of whether the transaction is a receipt or an Accounts Payable invoice.
- **LSTI** - This method uses the last Accounts Payable Invoice transaction within the costing period, even if there are latest receipts with estimated prices. In the absence of AP invoice transactions the latest receipt will be considered for the actual cost.

Last transaction cost adjustments will superseded any other transaction for the actual cost. For both methods, the adjustment unit cost is the actual cost.

Last Transaction (LSST) - OPM uses the last transaction in the costing period as the basis for the raw material cost (if there is no Accounts Payable invoiced cost for the period, the last receipt price is used to cost the raw material).

Last Invoice Transaction (LSTI) - OPM uses the last Accounts Payable invoice transaction in the costing period as the basis for the raw material cost, even if there are raw material receipt transactions that occur later in the period. If there are no Accounts Payable invoiced costs for the period, the last receipt price is then used to cost the raw material.

Note: Actual cost adjustments supersede any of the methods used to calculate actual cost - an adjusted cost IS the actual cost.

Production Batch Costs

Actual ingredient usage from the Production module is captured for "closed" batches. Ingredient cost is calculated by the actual cost raw material method for your cost method.

Actual resource usage, count, and throughput are captured in the OPM Process Operations Control module. Resource rate or nominal cost is entered in costing.

$$\text{Batch Unit Cost} = \frac{(\text{Sum of Ingr. Qty} \times \text{Ingr. Actual Cost} + \text{Sum of Resource Use} \times \text{Resource Rate})}{\text{Batch Item Quantity}}$$

$$\text{Period Product Unit Cost} = \frac{(\text{Sum of Period Batch Qty} \times \text{Batch Unit Cost} + \text{Sum of All Allocations} + \text{Sum of All Adjustments})}{\text{Sum of All Period Batch Quantities}}$$

Burden Cost Details

Actual burden cost calculations are identical to the standard cost burden calculation used during the standard cost rollup process. It is important to note that burden costs may be defined and computed for raw materials or products. Therefore, burden cost must be computed prior to computing the production costs.

Burden Unit Cost = $\frac{\text{Burden Usage} * \text{Burden Quantity} * \text{Resource Cost}}{\text{Item Quantity}}$

GL Expense Allocation Costs

You can take an expense amount and allocate it through to multiple raw materials or products on a percentage basis. Interfaces to general ledger software (such as Oracle General Ledger) allow you to bring across defined expense allocations. Once these expenses are interfaced across to OPM, you perform any last minute adjustments to allocations prior to Actual Cost calculations.

Another alternative is to enter the account balances into OPM manually using Allocation Maintenance.

Product Costs

You can let OPM calculate actual costs of products, which is useful if you need to "spread" actual product costs for the period over more than one cost calendar period. For example, assume you have a steady level of production for 10 straight periods in a cost calendar. If production skyrockets in the 11th period, then production costs for that period skyrocket as well.

OPM uses one of the following methods to figure product cost so that those greater-than-usual product costs for the period are **redistributed**, and leveled, over a greater period of time:

1 - Period Moving Average Cost (PMAC)

2 - Period Weighted Average Cost (PWAC)

3 - Perpetual Average Cost (PPAC)

Note: Raw material calculation and product calculation types can be different. For example, raw materials can be calculated based on Period Weighted Average Cost (PWAC), and products based on Period Moving Average Cost (PMAC).

Calculation Methods

Period Moving Average Cost (PMAC)

OPM calculates the cost of the product based on closed batches in this period, and also on prior-period inventory balances and period costs.

Example 1:

When the product is produced, but **not** received or invoiced in this period, the following calculation takes place:

$$\text{PMAC} = \frac{(\text{PBAL} * \text{PCOST}) + (\text{BCOST})}{(\text{PBAL} + \text{BQTY})}$$

Example 2:

When the product is both produced **and** received or invoiced in this period, the following calculation takes place:

$$\text{PMAC} = \frac{(\text{PBAL} * \text{PCOST}) + (\text{BCOST}) + (\text{RCOST})}{(\text{PBAL} + \text{BQTY}) + (\text{RQTY})}$$

PBAL - Closing inventory balance for item at current warehouse in prior period (this will be same for all cost components for item).

PCOST - Component cost from previous cost period.

BCOST - Sum of component costs of all ingredients in all batches for the specific cost component, in this period.

BQTY - Total quantity produced in all batches in this period (this will be same for all cost components for item).

RCOST - Total receipt cost for this component in this period (this amount was used in raw material cost calculation for the item).

RQTY - This is the quantity used in raw material cost calculations for this item.

Period Weighted Average Cost (PWAC)

Calculates cost of a product based on current-period transactions only; all closed batches in the period will be considered.

Example 1:

When the product is produced, but **not** received or invoiced in this period, the following calculation takes place:

$$\text{PWAC} = \frac{(\text{BCOST})}{(\text{BQTY})}$$

Example 2:

When the product is both produced **and** received or invoiced in this period, the following calculation takes place:

$$\text{PWAC} = \frac{(\text{BCOST} + \text{RCOST})}{(\text{BQTY} + \text{RQTY})}$$

BCOST - Sum of component costs of all ingredients in all batches for the specific cost component, in this period.

BQTY - Total quantity produced in all batches in this period (this will be same for all cost components for item).

RCOST - Total receipt cost for this component in this period (this amount was used in raw material cost calculation for the item).

RQTY - This is the quantity used in raw material cost calculations for this item.

Perpetual Weighted Average Cost (PPAC)

Calculates average cost of a product based on the entire calendar's transactions and batches (up to and including the previous period), and the current period.

Example 1:

When the product is produced, but **not** received or invoiced in this period, the following calculation takes place:

$$\mathbf{PPAC = \frac{(PPAC\_COST) + (BCOST)}{(PPAC\_QTY) + (BQTY)}}$$

Example 2:

When the product is both produced **and** received or invoiced in this period, the following calculation takes place:

$$\mathbf{PPAC = \frac{(PPAC\_COST) + (BCOST) + (RCOST)}{(PPAC\_QTY) + (BQTY) + (RQTY)}}$$

PPAC_COST - Result of the transaction quantity "times" transaction component cost for calendar to prior-period transactions (this includes all the calendar to prior period receipt transaction batches and adjustments.

PPAC_QTY - Sum of transaction quantity for calendar to prior-period transactions.

BCOST - Sum of component costs of all ingredients in all batches for the specific cost component, in this period.

BQTY - Total quantity produced in all batches in this period (this will be same for all cost components for item).

RCOST - Total receipt cost for this component in this period (this amount was used in raw material cost calculation for the item).

RQTY - This is the quantity used in raw material cost calculations for this item.

Actual Cost Processing

Actual Cost Processing - Procedures

1. Navigate to the **Actual Cost Process** form. The **Start Actual Cost Process** form is displayed.
2. Complete the fields as described in the *Start Actual Cost Process - Fields* topic.
3. Click **Accept** to begin the process.

Start Actual Cost Process - Fields

Calendar

Enter the code for the calendar for which actual costswill be processed. Costs will be processed for the company and the cost method linked to this calendar. Required.

Company

The company linked to the calendar you specified displays. You cannot edit this field.

Period

Specify the period for which actual costs will be processed; this period defines the start and end dates for selecting all transactions. This period in the cost calendar must be either open or frozen (a closed period cannot be entered). Required.

Period Status

The status of the calendar period (Open, Closed, or Frozen) displays. You cannot edit this field.

Cost Method

Specify the **actual** cost method for which all cost calculations will be calculated and updated. The default is the cost method linked to the cost calendar. The cost method also defines which raw material cost calculation type will be updated to the actual cost account(s) in the general ledger.

Start Date

Specify the date and time that the actual cost processing will start. To start the process immediately, click Now.

Note: Now must be defined as a profile option on the Profile Setup form, using the constant SY$NOW.

Actual Cost Reference

OPM assigns an identifier number for each individual cost process. You cannot edit this field.

Actual Cost Process - Fields

Actual Cost Reference

OPM assigns an identifier number for each individual cost process. You cannot edit this field.

Calendar

(Selection Criteria)

Enter the code for the calendar for which actual costs will be processed. Costs will be processed for the company and the cost method linked to this calendar. Required.

Company

(Selection Criteria)

The company linked to the calendar you specified displays. You cannot edit this field.

Period

(Selection Criteria)

Specify the period for which actual costs will be processed; this period defines the start and end dates for selecting all transactions. This period in the cost calendar must be either open or frozen (a closed period cannot be entered). Required.

Period Status

(Selection Criteria)

The status of the calendar period (Open, Closed, or Frozen) displays. You cannot edit this field.

Cost Method

(Selection Criteria)

Specify the **actual** cost method for which all cost calculations will be calculated and updated. The default is the cost method linked to the cost calendar. The cost method also defines which raw material cost calculation type will be updated to the actual cost account(s) in the general ledger.

Scheduled On

(Scheduling Information)

Displays when the Actual Cost Process has been scheduled for.

Started On

(Scheduling Information)

Displays the start date of the Actual Cost Process.

Started By

(Scheduling Information)

Displays the userid and name of the person who started the Actual Cost Process.

Ended On

(Scheduling Information)

Displays the end date for the Actual Cost Process.

Limit

(Errors)

Displays the error limit.

Found

(Errors)

Displays the number of errors that were found during the Actual Cost process.

Posted

(Errors)

Displays the number of errors that were posted.

Aborted By

(Abort Information)

Displays the name of the user who aborted the Actual Cost process.

Aborted On

(Abort Information)

Displays the date on which the process was aborted.

Aborted Reason

(Abort Information)

Displays the reason for aborting the subsidiary ledger update process.

Actual Cost Error Messages

Actual Cost Reference

OPM assigns an identifier number for each individual cost process. You cannot edit this field.

Line

Displays the line on which the error occurred.

Error Message

Displays the text of the error message.

Actual Cost Process - Additional Menu Features

Special Menu

Start - Displays the Start Actual Cost Process form, where you specify the criteria by which OPM will select the costs to be processed.

Process Status - Use this option to review the status of an actual cost process that is in progress. You can also review figures from previous processes, each of which is identified by the AC Ref No. The AC Ref No lookup is available to help you in selecting previous processes for query.

Abort/Reset - Use this option to abort the actual cost process that is running currently. For situations where a process was terminated unintentionally (such as a power failure), this option also resets the internal controls and settings required to start the costing process again.

View Error Messages - Use this option to review any errors generated during an actual costing process run. The Actual Cost Error Messages form displays.

Actual Cost Adjustments

This option allows you to adjust the final calculated actual cost of a raw material or product based on quantity and unit cost. Actual costs are recalculated based on the adjustments that you enter for the specified item, warehouse, cost calendar, and cost period.

Note that these adjustments do not directly alter the cost of an item. Rather, they influence cost calculations by adding quantity and cost adjustments to the existing costs after other cost calculations have been completed. This approach produces a complete adjustment audit trail.

Actual Cost Adjustments - Procedure

1. Navigate to the **Actual Cost Adjustments** form.
2. Complete the fields as described in the *Actual Cost Adjustments - Fields* topic.
3. Save the form.

Actual Cost Adjustment - Fields

Item

This is the item for which you are entering actual cost adjustments. This may be a raw material, coproduct, byproduct, intermediate, or product. Required.

Warehouse

Make the actual cost adjustments for the item specific to a single warehouse by entering the warehouse code. Required.

Calendar

Specify the cost calendar to which the adjusted actual costs for the item will be updated. Required.

Period

Indicate the period within the cost calendar to which the adjusted actual costs for the item will be updated. Required.

Cost Method

The cost method must be an actual cost method.

Adjustment Status

One of three statuses of the costing adjustment displays automatically. The statuses are listed:

- Not Applied - This is the initial status applied to the adjustments
- Applied - This indicates that the adjustments have been “picked up” by the Actual Costing process and have been used in the cost calculation.
- Modified - This indicates that the adjustments have been modified after they have been applied to actual costs.

Component Class

(Actual Cost Adjustment Details Panel)

Specify the class code for the component being adjusted. For example, if you are adjusting the actual cost of raw materials, enter the component classification code for raw materials. You may also specify a component class that was specifically defined for actual cost adjustments.

Analysis Code

(Actual Cost Adjustment Details Panel)

This is the cost analysis code used to further define the specific adjustment.

Adjustment Quantity

(Actual Cost Adjustment Details Panel)

Specify the quantity of the item for which you are adjusting actual costs.

UOM

(Actual Cost Adjustment Details Panel)

Specify the unit of measure in which the specified item's actual costs are being adjusted. This can be any unit of measure that can be converted to the item's unit of measure.

Cost Adjustment

(Actual Cost Adjustment Details Panel)

Specify the new unit cost for the item in this warehouse, calendar, and period.

Reason Code

(Actual Cost Adjustment Details Panel)

Enter the reason code that defines the nature of the actual cost adjustment you are making.

Description

(Actual Cost Adjustment Details Panel)

Description of the Reason Code.

Find Actual Cost Adjustments

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Actual Cost Adjustments - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Actual Cost Adjustments - Fields* topic.
3. Click **Find**.

Find Actual Cost Adjustments - Fields

Item

Enter all or part of the item for which the actual cost adjustments have to be entered.

Warehouse

Enter all or part of a valid warehouse code for which the actual cost adjustments are entered.

Calendar

Enter all or part of a valid calendar code for which actual cost adjustments are updated.

Period

Enter all or part of a valid period code within this calendar.

Cost Method

Enter all or part of a valid actual cost method code.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Actual Cost Adjustments that are in the database, but is marked to be purged.

No - Displays a list of Actual Cost Adjustments that are not marked for purge.

Actual Cost Adjustments Form - Menu Features

Special Menu

Actual Transactions View - View transactions in a costing period used to calculate actual costs; the most recent actual costing transactions display first. You can also view actual cost transactions from the previous period.

Report Menu

Actual Cost Adjustments Report - Reflects actual cost adjustments made for a specific cost calendar and period. You can print cost adjustment information for all items in all warehouses, or restrict the report to one or more items in one or more specific warehouses. Refer to the *Actual Cost Adjustments Report* discussion.

Maintain Invoice Prices

OPM Costing obtains accounts payable invoice price data from general ledger applications (such as Oracle Financials) to use in actual cost calculations. This accounts payable data is obtained through immediate and periodic data synchronization generated throughout the Manufacturing Accounting Controller module.

In the event you must correct or otherwise modify purchase order prices that were invoiced (for example, to enter additional acquisition costs) OPM provides a Price Maintenance form for the entry of these price modifications.

Invoice Price Maintenance - Procedure

1. Navigate to the **Invoice Price Maintenance** form.
2. Complete the fields as described in the *Invoice Price Maintenance - Fields* topic.
3. Save the form.

Invoice Price Maintenance - Fields

Purchase Order

(Invoice Panel)

Specify the organization number, then the number of the purchase order for which you want to modify acquisition costs. Required.

Invoice

(Invoice Panel)

Specify the invoice for which you are modifying acquisition costs on the purchase order. At this point the following information displays from the purchase order invoice.

- Invoice line item
- Invoiced item number and description
- Invoice line quantity
- Item unit of measure
- Invoice line unit price
- Invoice line price extension

You must now specify the new price and acquisition code for the invoiced item in the fields provided on the bottom portion of the form.

Invoice Date

(Invoice Panel)

Enter the date of the Invoice.

Billing Currency

(Invoice Panel)

Enter the Billing Currency of the Invoice.

Exchange Rate

(Invoice Panel)

Enter the Exchange rate between Billing Currency and Base Currency.

GL Date

(Invoice Panel)

Enter the date the transaction was posted in the sub-ledger.

Base Currency

(Invoice Panel)

Enter the Base Currency of the Invoice.

Line

(Invoice Lines)

Enter the Invoice line.

Item

(Invoice Lines)

Enter the Item on the Invoice line.

Invoice Qty

(Invoice Lines)

Enter the desired quantity of the item on the Invoice line.

UOM

(Invoice Lines)

Enter the appropriate Unit of Measure of the item on the Invoice line.

Price

(Invoice Lines)

Indicate the item unit price on this invoice line item. The invoice line extension is calculated and displayed automatically.

Extended

(Invoice Lines)

Displays Quantity multiplied by the Unit Price.

Description

(Invoice Lines)

Displays the description of the Invoice Lines Item.

Acquisition Code

(Acquisition Cost)

Indicate the valid acquisition code that should be associated with this invoice line item. The corresponding acquisition code description displays automatically. Required.

Description

(Acquisition Cost)

Displays a description of the Acquisition Code.

Price

(Acquisition Cost)

Displays the unit acquisition price.

Extended

(Acquisition Cost)

Displays Price x Invoice Quantity.

Find Invoice Lines

There are several options for locating a record and populating the form. The List of Values option displays a dialog box with the appropriate records. The Query Enter option uses actual form as the location where you enter the search criteria. The Query Find option displays a separate block, called the Find form, where you enter your search criteria.

Find Invoice Lines - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Invoice Lines - Fields* topic.
3. Click **Find**.

Find Invoice Lines - Fields

Organization

Enter all or part of the organization code.

Purchase Order

Enter all or part of the purchase order number.

Invoice

Enter all or part the invoice for which you are modifying acquisition costs on the purchase order.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Invoice Lines that are in the database, but is marked to be purged.

No - Displays a list of Invoice Lines that are not marked for purge.

Viewing Actual Costs

The Viewing Actual Costs discussions describe how to view actual costs once they have been calculated. You can view for items, cost burdens, and routings.

Item Cost List

Use this form to display item costs for a particular cost calendar, period, and cost method. You can display costs a range of items or item classes for a particular calendar, period, and cost method.

Item Cost View - Procedure

1. Navigate to the **Cost Details** form.
2. Select **Item Cost List** from the **Special** menu. The **Item Cost Selection** dialog box displays.
3. Complete the fields as described in the *Item Cost List - Fields* topic.
4. Click **Accept** to display the Item Cost List.
5. Select **Close** to return to the **Cost Details** form.
6. Save the form.

Item Cost Selection - Fields

Calendar

Enter the cost calendar for which you want to display item costs. Required.

Period

Enter the cost calendar period for which you want to display item costs. Required.

Cost Method

Enter the cost method code for which you want to display item costs.

Item (From, To)

(Selection Range)

To display costs for a range of items, enter the first item and the last item in the range (alpha-numerically).

Item Cost Class (From, To)

(Selection Range)

To display item costs for a range of item cost classes, enter the first item and the last item cost class in the range (alpha-numerically).

Select **Accept** to display the **Item Cost List** form.

Item Cost List - Fields

Item

This field displays the item for which costs (on this line) are shown.

Unit of Measure

This field displays the unit of measure for which costs are shown. The cost shown is for one unit of this item.

Warehouse

This field displays the warehouse, in which this item is stored, for which costs are shown.

Cost

This field displays the nominal cost for this item, in this warehouse.

Description

This field displays the description of this item.

Display Cost Burdens

The Cost Burdens form displays burden cost details for an item that are used by OPM to calculate component costs during the cost calculation. The form displays the burden costs that have been set up for the item shown on the Cost Details form.

The cost displayed shows the contribution that burdens make to the total unit cost. These figures are entered on the Burden Detail form.

View Burden Costs - Procedure

1. Navigate to the **Cost Details** form.
2. Retrieve the Cost Details of the product using either the Query Find option or by entering a wildcard value with Query Enter.
3. Select **Burden Details** from the **Special** menu. The **Display Cost Burdens** form displays with the calculated burden costs.

Display Cost Burdens - Fields

Item

Displays the item for which cost burdens are being displayed. The Item is retrieved from the Cost Details form.

Warehouse

Displays the warehouse associated with this item, for which burden costs apply.

Organization

Displays the organization associated with this item, for which costs are displayed.

Resource

Displays the resource assigned as a burden for the production of this item.

Component Class Code

Displays the component class associated with this resource, and used for the burden cost calculation. Component classes are associated with burdens on the Burden Details form.

Analysis Code

Displays the analysis code associated with this resource and used for the burden cost calculation. Component classes are associated with burdens on the Burden Details form.

Burden Cost

Displays the calculated burden cost. The cost equals the resource cost multiplied by the quantity of the resource used for this burden, divided by the item quantity. These figures are entered on the Burden Details form.

For example, if you specified LABOR at $5.00 per hour as the burden resource, and the burden quantity is .25 hours, this field equals .25 multiplied by 5.00, or $1.75.

Display Routing Costs

For each resource, the component class, analysis code, and the component cost from the resource is listed. For actual cost methods, routing details from the closed batches used by the actual cost process are displayed here. The resources are those defined in the routing operations for the routings used in each batch from which actual costs are calculated.

Prerequisites

To include operation and routing costs in your product costs, routes must be assigned to the product. To do this, you need to set up operations, include the operations in routings, create a formula effectivity record for the product, and include the routing in the formula effectivity record. A batch must have already been run in which the routing resource was used as a component cost.

NOTE: Formula operations, routings, and effectivities are explained in the *OPM Formula Management Guide*.

View Routing Costs - Procedure

1. Navigate to the **Cost Details** form.
2. Retrieve the Cost Details of the product using either the Query Find option or by entering a wildcard value with Query Enter.
3. Select **Routing Details** from the **Special** menu. The **Routing Details** form displays with the calculated routing costs.

Routing Detail - Fields

Resource

This field displays the resource used for this routing.

Component Class Code

This field displays the cost component class used to cost this resource. The corresponding component class description displays automatically.

Analysis Code

This field displays the cost analysis code used to cost this resource.

Component Cost

This field displays the cost associated with this resource (cost to produce one unit of this product). For example, if this routing is assigned to the production of Blue Paint, and the unit of measure for Blue Paint is gallons, the cost shown is that to produce one gallon of Blue Paint.

Component Class Desc

Displays the description of the Component Class.

Organization

This field displays the organization associated with the highlighted routing line for which costs are shown.

Routing Number

This field displays the routing code associated with the highlighted routing line for which costs are shown.

Version

This field displays the routing version associated with the highlighted routing line for which costs are shown.

Display Actual Cost Transactions

OPM allows you to view the transactions in a costing period that it used to calculate actual costs; the most recent actual costing transactions display first. You can also view actual cost transactions from the previous period.

Possible sources of these transactions are as follows:

- Purchase Order Receipts
- Actual Raw Material Invoice Prices (through interface with an Accounts Payable application, such as Oracle Accounts Payable)
- Burden Details
- General Ledger Expense Allocations (through interface with a General Ledger application, such as Oracle General Ledger)
- Production Batches
- Process Operation Control (POC) Resources
- Actual Cost Adjustments

Note that you can also display the Actual Costs Transactions View from the Cost Details and/or Cost Adjustments forms Special menus (with key field values already filled from those forms).

Actual Cost Calculations View - Procedures

1. Navigate to the **Cost Details** form.
2. Select **Actual Transaction View** from the **Special** menu. The **Find Actual Cost Transactions** form is displayed.
3. Enter all or any part of the fields to display records based on that criteria and click **Find**. The **Actual Cost Transactions View** form is displayed with the populated information.

Find Actual Cost Transactions View - Fields

Item

Specify the item for which you want to display actual cost calculations. Required.

Warehouse

To list actual cost transactions for a specific warehouse, enter the warehouse code. Required.

Calendar

Specify the fiscal calendar for which you want to list actual cost transactions. Required.

Period

Specify the calendar period for which you want to list actual cost transactions. Required.

Cost Method

Indicate the **actual** cost method for which you want to list actual cost transactions.

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a Cost Component Group in the database, but is marked to be purged.

No - Displays a Cost Component Group not marked for purge.

Actual Cost Transactions View - Fields

Item

Specify the item for which you want to display actual cost calculations. Required.

Warehouse

To list actual cost transactions for a specific warehouse, enter the warehouse code. Required.

Calendar

Specify the fiscal calendar for which you want to list actual cost transactions. Required.

Period

Specify the calendar period for which you want to list actual cost transactions. Required.

Cost Method

Indicate the **actual** cost method for which you want to list actual cost transactions.

Source

(Actual Cost Transactions Panel)

This column indicates the source of the actual cost transactions which OPM uses to calculate actual costs. These sources are listed:

- PM Batch Detail
- POC Resource Cost
- CM Actual Burden Cost
- PO Receipts
- GL Expense Allocations
- Adjustments
- AP Interface

Organization

(Actual Cost Transactions Panel)

This is the code for the organization in which the transaction originated.

Document Number

(Actual Cost Transactions Panel)

This is the number of the document which originated the transaction.

Quantity

(Actual Cost Transactions Panel)

This is the transaction quantity at this source, in the item's unit of measure. For production batches, this is the actual yield quantity. For purchase order receipts, this is the total quantity received.

Component Class Code

(Actual Cost Transaction Panel)

The component class for the actual cost calculated for the transaction displays.

Analysis Code

(Actual Cost Transaction Panel)

The cost analysis code for the actual cost calculated for the transaction displays.

Cost Amount

(Actual Cost Transaction Panel)

The actual cost calculated for the transaction displays.

Freezing Cost for General Ledger

Freezing Costs for General Ledger Overview

The *Freezing Cost for General Ledger* topic explain how to update (book) item component costs in preparation for export to the proper general ledger accounts. The actual export to the general ledger requires an interface with general ledger software (such as Oracle General Ledger). Updated component costs are used in Costing reports. For example, booked variances between an item's standard and actual costs can be reflected in reports.

Update Costs

This process (which applies to both standard and actual costing) allows you to update all item component costs to the proper general ledger accounts. The general ledger will use the costs updated by this process for the cost method defined on the Fiscal Policy form.

These costs are then used in numerous reports that require component costs for an item. For example, booked variances between an item's standard and actual costs can be reflected in reports.

Through an interface with a general ledger application (such as Oracle General Ledger) you can later export these booked cost values to the proper general ledger accounts. The account mapping parameters established in the Manufacturing Accounting Controller module (MAC) determines the accounts to which the costs will be updated.

Cost Update - Procedures

1. Navigate to the **Cost Update** form. The **Start Cost Update Process** dialog box is automatically displayed. This form allows you to begin the update for a specified calendar, period, and cost method. Specify the criteria by which OPM will select the costs to be processed.
2. Complete the fields as described in the Fields topic.
3. To start the process, a Cost Update reference number is generated for reference.

Start Cost Update - Fields

Calendar

Enter the code for the calendar for which the cost update will be processed. Costs will be updated for the company and the cost method linked to this calendar. Required.

Company

The company linked to the calendar you specified displays. You cannot edit this field. Transactions for all organizations linked to this company will be selected and included in the cost update process.

Period

Enter the cost calendar period for which the cost update is effective. Note that closed calendar periods are locked from the Cost Update process. Cost calendars periods are set up using the Cost Calendar form. Required

Period Status

The status of the calendar period (either Open, Closed, or Frozen) displays. You cannot edit this field.

Cost Method

Specify the cost method for which this update process. This should be the same cost method specified on the General Ledger Fiscal Policy form in the Manufacturing Accounting Controller module (a warning message displays if this is not the case).

The cost method code is used to identify different cost methods (for example, standard cost or average actual cost). They can be assigned to an item or item class to indicate the accounting cost method used for the item or class. Define cost methods on the Cost Method Codes form. Required.

Final Update

If you specify that the update is Final, the period is marked as frozen at the end of the process. This locks the component costs for the specified period.

You have the option of Freezing updated costs for the costing accounting period, or running the update without any changes to the period status (this means that you can run the update for the same period again). This is useful for update of component costs to the general ledger for testing purposes. You can still change component costs, then later run another cost update to replace previous costs.

When the costing period is frozen, the following situations apply:

- You cannot update the same period costs again (however, you can update new item costs)
- You can only inquire on cost component details for the current period (however, you can enter new cost details)
- Only the costs of new items may be calculated and updated.
- You can copy costs From a frozen costing period, but not To a period that is frozen.
- Burden details may be queried only.
- Resource cost details may be queried only.

Start Date

Specify the date and time that the cost rollup process will start. To start the process immediately, click Now.

Note: Now must be defined as a profile option in the Profile Setup using the constant SY$NOW.

To start the rollup at a particular date, click the Specific Date radio button. Enter the date you want the cost rollup to run.

Cost Update Reference Number

OPM assigns a unique identifier number for each individual cost update process. You cannot edit this field.

Cost Update Error Messages

Cost Update Reference Number

OPM assigns a unique identifier number for each individual cost update process. You cannot edit this field.

Line

Displays the line number of the error message.

Error Message

Displays the text of the error message.

Cost Update Form - Additional Menu Features

Special Menu

View Error Messages - Use this option to list any errors generated during a cost update processing run. Each generated error is listed on an individual, OPM-generated line. The error itself is explained under the Error Comment heading.

Note that the first message line is not an error, but a summary of the parameters or options selected to start this update.

Start - Displays the Start Cost Update dialog box, which allows you to begin the update for a specified calendar, period, and cost method.

Process Status - Use this option to review the status of a cost update that is in progress. You can also review figures from previous processes, each of which is identified by the CU Ref No. The CU Ref No lookup is available to help you in selecting previous updates for query.

Abort/Reset - Use this option to abort the cost update process that is running currently. For situations where a process was terminated unintentionally (such as a power failure), this option also resets the internal controls and settings required to start the update process again.

An **Aborted Reason** field is provided to capture appropriate text.

Add/Modify General Ledger Costing Data

Here you can modify any accrued expense costs that were allocated from the general ledger through interface with a general ledger application (such as Oracle General Ledger). You can add new expense cost allocations to the ones that already exist, and create balances for statistical accounts.

Add/Modify GL Cost Data - Procedure

1. Navigate to **GL Account Maintenance**. The Cost Allocation General Ledger Account Maintenance form displays.
2. Complete the fields as described in the Cost Allocation GL Account Maintenance - Fields topic.
3. Save the form.

Cost Allocation GL Account Maintenance - Fields

Company

Specify the company for which you are making modifications to the expense costs allocated from the general ledger accrual accounts. Required.

Calendar

Indicate the costing calendar for which you are making modifications to the expense costs allocated from the general ledger accrual accounts. Required

Period

Specify the cost calendar period for which you are making modifications to the expense costs allocated from the general ledger accrual accounts. Required

Allocation Code

Enter the allocation code that defines the accrued indirect general ledger expenses that you are modifying. Required.

Account Key Type

Specify the expense account types for which you are modifying general ledger cost allocations. Required.

Allocations

Expenses

Note: At this point all of the accounts that meet the criteria you have specified display in the bottom portion of the form. Modify the Amount field for each account to reflect the desired general ledger cost allocation.

Find Cost Allocation General Ledger Account Maintenance

There are several options for locating a record and populating a form. The List of Values option displays a dialog box with the appropriate records. The Query Find options displays a separate block called the Find form, where you enter your search criteria.

Find Cost Allocation General Ledger Account Maintenance - Procedure

1. Choose **Find** from the **Query** menu.
2. Complete one or any combination of fields as described in the *Find Cost Allocation General Ledger Account Maintenance - Fields* topic.
3. Click **Find**.

Find Cost Allocation General Ledger Account Maintenance - Fields

Company

Enter all or part of the company for which you are making modifications to the expense costs allocated from the general ledger accrual accounts.

Calendar

Enter all or part of a valid costing calendar.

Period

Enter all or part of a cost calendar period.

Allocation Code

Enter all or part of the allocation code that defines the accrued indirect general ledger expenses that you are modifying.

Account Key Type

Select the expense account types (Allocation or Expenses) for which you are modifying general ledger cost allocations

Marked for Deletion

Select one of the following choices:

Blank - Do not use marked for deletion filter when finding records.

Yes - Displays a list of Cost Allocation General Ledger Expenses/Allocations that are in the database, but is marked to be purged.

No - Displays a list of Cost Allocation General Ledger Expenses/Allocations that are not marked for purge.

Non Iterative Cost Processing

Non Iterative Cost Processing Overview

The *Non Iterative Cost Processing* topic describes the processing that you will perform on a non iterative basis. This includes copying item and resource costs set up for one organization , warehouse, calendar/period, and class to another organization. When copying items you can modify the cost by either a percentage of the original cost, or a fixed amount.

The procedures described in this discussion allow you the convenience to set up all of your costing data for one organization and warehouse and then copy those costs to other organizations and warehouses rather then setting up the same or similar data repeatedly. Similarly, you may wish to do this from one calendar to the next, if you are going to use the same costs. Even if the actual costs for the "target" organization or warehouse are different, it may still be more efficient to:

1. Setup the data for a source organization/warehouse
2. Perform the copy to the target organization/warehouse
3. Change ingredient costs for the target organization/warehouse
4. Perform a cost rollup for the target organization

Copying Costs

Copy item, ingredient, or product costs defined for one organization, warehouse, calendar, period, cost method (for example, actual to standard), and item cost class to another. You also have the option of altering component costs as they are being copied. You can alter the copied component costs by a flat amount, or by a specified percentage.

You may find it convenient to set up all of your costing data for one organization and warehouse and then copy those costs to other organizations and warehouses rather then setting up the same or similar data repeatedly. Similarly, you may wish to do this from one calendar to the next, if you are going to use the same costs.

If costs are the same in multiple warehouses, you may select to define a costing warehouse association (as opposed to copying costs to many warehouses). If that association exists, copying costs between the warehouses is unnecessary.

Copy Item Costs - Procedure

1. Navigate to the **Copy Item Costs** form.
2. Complete the fields as described in the *Copy Item Costs - Fields* topic.
3. Click **OK** to start the copying process.

Copy Item Costs - Fields

Organization From

(Copy)

Enter the organization from which you are copying costing data.

Organization To

(Copy)

Enter the organization to which you are copying costing data.

Warehouse From

(Copy)

Enter the warehouse from which you are copying costing data.

Warehouse To

(Copy)

Enter the warehouse to which you are copying costing data.

Calendar From

(Copy)

Enter the cost calendar from which you are copying costing data. Cost calendars are set up using the Cost Calendar form.

Calendar To

(Copy)

Enter the cost calendar to which you are copying costing data. Cost calendars are set up using the Cost Calendar form.

Period From

(Copy)

You can copy component costs from one period to another, or copy selected component costs. Enter the cost calendar period from which you are copying costing data.

Note: You can copy component costs from a frozen period to an open one. However, you cannot copy costs to a frozen period from an open one.

Cost calendars periods are set up using the Cost Calendar form.

Period To

(Copy)

Enter the cost calendar period to which you are copying costing data.

Note: You can copy component costs from a frozen period to an open one. However, you cannot copy costs to a frozen period from an open one.

Cost calendars periods are set up using the Cost Calendar form.

Cost Method From

(Copy)

Enter the cost method code from which you are copying costing data. Cost method codes are defined using the Cost Method Codes form.

Cost Method To

(Copy)

Enter the cost method code to which you are copying costing data. Cost method codes are defined using the Cost Method Codes form.

Item (From and To)

(Copy)

To restrict the copy to a range of items, specify the opening end and the closing end of the item number range here.

Item Cost Class (From and To)

(Copy)

To restrict the copy to a range of item cost classes, specify the opening end and the closing end of the cost class code range here.

Percentage %

(Increase/Decrease)

Indicate the percentage by which the component costs should be increased or decreased as a result of this copy process. For example, if you entered 10%, and the cost being copied is $1.50, the resulting cost will be $1.65.

Amount

(Increase/Decrease)

Indicate the monetary amount by which the component costs should be increased or decreased as a result of this copy process. For example, if you entered $.25, and the cost being copied is $1.50, the resulting cost will be $1.75.

Completed %

(Increase/Decrease)

The percentage of the cost copy process that has been completed displays automatically. You cannot access this field.

Remove Before Copy

(Existing Costs)

Select it remove the current component cost as a result of the copy process. The current cost will be copied based on the other criteria you have entered, but the original component cost will be deleted.

Replace During Copy

(Existing Costs)

Click here to replace the original component cost with the new one as a result of the copy process. The resulting cost will be different from the one that was replaced.

For example say the current period cost of a component is $2.35, but you want to copy $2.00 as the component cost into the next calendar period. If you select [Y] for this option, $2.00 will be copied into the next period.

Copying Costs Examples

You may choose to increase copied costs by 10.0000%, or decrease copied costs by -5.3341%, or use a flat dollar amount and increase copied costs by $1.00 or decrease by $-1.50 .

Example: Increase by 10%

Costs To Copy		Existing Costs		Result
MATERIAL	2.00	MATERIAL	2.35	MATERIAL 2.20
LABOR	1.50	LABOR	1.25	LABOR 1.65

Example: Increase by $0.50

Costs To Copy		Existing Costs		Result
MATERIAL	2.00	MATERIAL	2.35	MATERIAL 2.50
LABOR	1.50	LABOR	1.25	LABOR 2.00

You have the choice of:

- Removing Existing Costs Before Copy
- Replacing Existing Costs During Copy

Remove Existing Costs Before Copy

This option will remove all cost components within the given selection criteria before proceeding to copy the costs. The example below illustrates what happens when cost components already exist and a Copy Cost process is invoked with the Remove Existing Costs Before Copy option.

Example:

Costs To Copy		Existing Costs		Result
MATERIAL	2.00	MATERIAL	2.35	MATERIAL 2.00
LABOR	1.50	LABOR	1.25	LABOR 1.50
		BURDEN	0.75	

Replace Existing Costs During Copy

This option will replace the cost of any existing component costs during the copy and leave the other components alone. The example below illustrates what happens when cost components already exist and a Copy Cost process is executed with the Replace Existing Costs During Copy, option.

Example:

Costs To Copy		**Existing Costs**		**Result**
MATERIAL	2.00	MATERIAL	2.35	MATERIAL 2.00
LABOR	1.50	LABOR	1.25	LABOR 1.50
		BURDEN	0.75	BURDEN 0.75

Note: The Copy option will not allow the copy of component costs to an actual cost method. Actual costs are always calculated and never entered by the user. The copy costs utility is a tool to help the OPM user to build on standard cost components.

The Copy option will prevent users from copying component costs to an already frozen or closed period*. Once a period has been frozen or closed, all cost components are locked from any user changes.

The utility will allow the copying of costs from a frozen period to an open period.

* Close cost accounting periods using the **Close Period** option from the Cost Calendar form Action menu.

Copying Resource Costs

Copy resource costs defined for one organization, calendar, period, cost method, and resource class to another.

You may find it convenient to set up all of your resource costs for one organization and then copy those costs to other organizations rather then setting up the same or similar data repeatedly. Similarly, you may wish to do this from one calendar to the next, if you are going to use the same costs.

Even if the actual costs for the "target" organization are different, it may still be more efficient to do the following:

1. Setup the data for a source organization
2. Perform the copy to the target organization
3. Change resource costs for the target organization
4. Perform a cost rollup for the target organization

Note: This form is used to copy resource costs. To copy item, ingredient, and product costs, use the Copy Item Costs form.

Copy Resource Costs - Procedure

1. Navigate to the **Copy Resource Cost** form.
2. Complete the fields as described in the *Copy Resource Cost - Fields* topic.
3. Click **OK** to start the copying process.

Copy Resource Costs - Fields

Organization From

(Copy Resources)

Enter the organization from which you are copy costing data.

Organization To

(Copy Resources)

Enter the organization to which you are copying costing data.

Calendar From

(Copy Resources)

Enter the cost calendar from which you are copying costing data. Cost calendars are set up using the Cost Calendar form.

Calendar To

(Copy Resources)

Enter the cost calendar to which you are copying costing data. Cost calendars are set up using the Cost Calendar form.

Period From

(Copy Resources)

Enter the cost calendar period from which you are copying costing data. Cost calendars periods are set up using the Cost Calendar form.

Period To

(Copy Resources)

Enter the cost calendar period to which you are copying costing data. Cost calendars periods are set up using the Cost Calendar form.

Cost Method From

(Copy Resources)

Enter the cost method code from which you are copying costing data. Cost method codes are defined using the Cost Method Codes form.

Cost Method To

(Copy Resources)

Enter the cost method code to which you are copying costing data. Cost method codes are defined using the Cost Method Codes form.

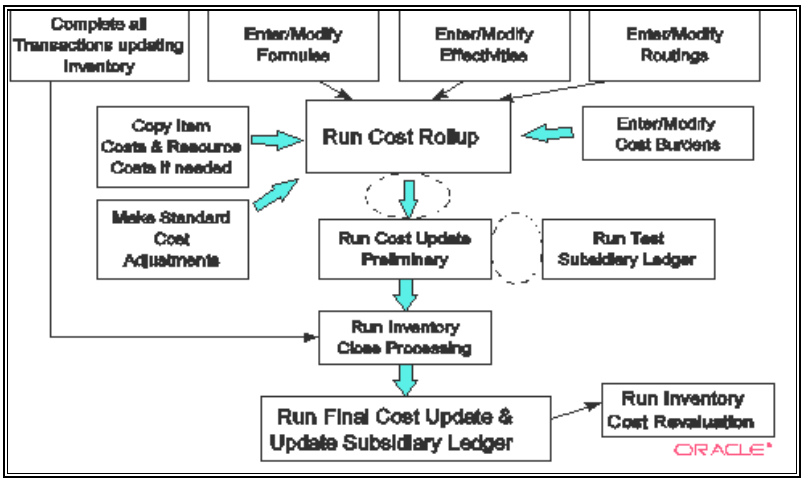
Resource Class

Enter the resource class from which you are copying costing data. Setup resource classes using the Resource Classes form.

Period-End Cost Processing

Standard Cost Period-End Processing

The *Standard Cost Period-End Processing* topic provides an outline for period-end processing of standard component costs. For detailed procedures on each of the steps, refer to the discussions that are notes.



Standard Cost Period End Processing Flow

Run Cost Rollup

Run the cost rollup at period-end time to consolidate standard costs of components into product costs. The rollup encompasses component costs that have changed, and also new items, formulas, products, routings, and burdens that were added and set up for costing. Refer to the *Standard Cost Calculations* discussion for detailed cost rollup procedures.

Run Preliminary Update/Freeze Costs for General Ledger

On the Cost Update form, indicate that you are Freezing the results of the cost rollup for the period. You can then (optionally) run a test update of the general ledger subsidiary ledger for testing purposes (you may later change component costs, then run another cost update to replace those costs). Refer to the *Freezing Costs for General Ledger* discussion for details on running cost updates.

Note: Cost Update form is available under the OPM Manufacturing Accounting Controller module.

Close Inventory Calendar Period

Close the period (month, quarter, fiscal year) to prevent any further inventory transactions from being posted to it. Select either the Preliminary Close or Final Close.

- Preliminary Close - Period has been closed to transactions, but you may still open it and post transactions for the period
- Final Close - Transactions will no longer post for the period (balances have been frozen; you cannot open the period again)

Refer to the *Inventory Close* discussion in the *Inventory Management* manual for period close details.

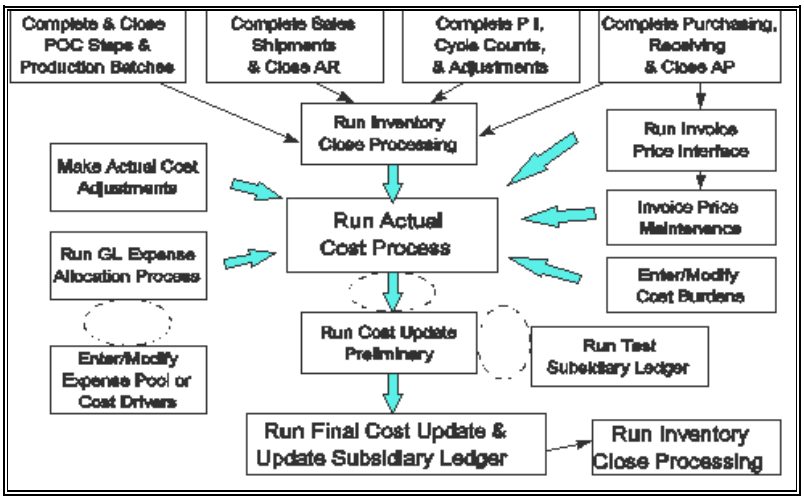
Run Final Cost Update

Final Update

Specify that this update is Final; this locks the component costs for the specified period. Through an interface with a general ledger application (such as Oracle General Ledger) you can then export these booked costs to the proper general ledger accounts. Account mapping parameters that you establish in the Manufacturing Accounting Controller module (MAC) determines the accounts to which costs will update. See the *Manufacturing Accounting Controller* manual for subsidiary ledger update procedures.

Actual Cost Period-End Processing

The *Actual Cost Period-End Processing* topic provides an outline for period-end processing of actual component costs. For detailed procedures on each of the steps, refer to the discussions that are notes.



Actual Cost Period-End Processing Flow

Close Inventory Calendar Period

Close the period (month, quarter, fiscal year) to prevent any further inventory transactions from being posted to it. Select either the Preliminary Close or Final Close.

- Preliminary Close - Period has been closed to transactions, but you may still open it and post transactions for the period
- Final Close - Transactions will no longer post for the period (balances have been frozen; you cannot open the period again)

Refer to the *Inventory Close* discussion in the *Inventory Management* manual for period close details.

Calculate Actual Costs

Specify the period for which actual costs will be processed. Actual cost processing takes the following into account:

- Raw Material Costs
- Production Batch Costs
- Burden Cost Details
- GL Expense Allocation Costs

The period in the cost calendar must be either open or frozen (a closed period cannot be entered). Refer to the *Actual Cost Calculations* discussion for procedures on calculating actual costs.

Run Preliminary Update/Freeze Costs for General Ledger

On the Cost Update form, indicate that you are Freezing the results of the cost rollup for the period. You can then (optionally) run a test update of the general ledger subsidiary ledger for testing purposes (you may later change component costs, then run another cost update to replace those costs). Refer to the *Freezing Costs for General Ledger* discussion for details on running cost updates.

Run Final Cost Update

Final Update

Specify that this update is Final; this locks the component costs for the specified period. Through an interface with a general ledger application (such as Oracle General Ledger) you can then export these booked costs to the proper general ledger accounts. Account mapping parameters that you establish in the Manufacturing Accounting Controller module (MAC) determines the accounts to which costs will update. See the *OPM Manufacturing Accounting Controller* manual for subsidiary ledger update procedures.

Cost Management Reports

Cost Management Reports Overview

The *Cost Management Reports* topic describes the available costing reports. Reports are available through the Application's Standard Report Submission form.

Item Cost Detail Report

Use the Item Cost Detail Report to view the cost of an item in each of the warehouses in which it is stored. The costs shown are based on the cost calendar, period, and cost method selected. The report can be printed by warehouse, item and item class.

Submitting the Item Cost Detail Report - Procedures

1. Navigate to the **Submit Request** form.
2. Enter the name of the report in the **Request Name** field.
3. Complete the fields as described in the *Item Cost Detail Report - Parameters* topic and click **OK**.
4. Complete the other fields on the **Submit Request** form and click **Submit Request**.

Item Cost Detail Report - Parameters

Calendar

Enter the cost calendar for which you want to item costs.

Period

Enter the cost calendar period for which you want to item costs.

Cost Method

Enter the cost method for which you want to item costs.

From Whse

To report item costs for a range of warehouses, enter the first warehouse in the range.

To Whse

To report item costs for a range of warehouses, enter the last warehouse in the range.

From Item

To report item costs for a range of items, enter the first item in the range.

To Item

To report item costs for a range of items, enter the last item in the range.

From Item Class

To report item costs for a range of item classes, enter the first item class in the range.

To Item Class

To report item costs for a range of item classes, enter the last item class in the range.

Actual Cost Adjustments Report

The Actual Cost Adjustments Report reflects actual costs adjustments made for a specific cost calendar and period. You can print cost adjustment information for all items in all warehouses, or restrict the report to one or more items in one or more specific warehouses.

Submitting the Actual Cost Adjustments Report - Procedures

1. Navigate to the **Submit Request** form.
2. Enter the name of the report in the **Request Name** field.
3. Complete the fields as described in the *Actual Cost Adjustments Report - Parameters* topic and click **OK**.
4. Complete the other fields on the **Submit Request** form and click **Submit Request**.

Actual Cost Adjustments Report - Parameters

Calendar

Specify the costing calendar for which you are printing actual cost adjustments.

Period

Indicate the cost period within the costing calendar for which you are printing actual cost adjustments.

Cost Method

Specify the cost method for the type of actual costing adjustments that will be included in the report.

From Item

To report actual cost adjustments for a range of items, enter the first item in the range.

To Item

To report actual cost adjustments for a range of items, enter the last item in the range.

From Whse

To report actual cost adjustments for a range of warehouses, enter the first warehouse in the range.

To Whse

To report actual cost adjustments for a range of warehouses, enter the last warehouse in the range.

GL Expense Allocation Definition Report

The GL Expense Allocation Definition Report lists the definitions of the accrued general ledger expenses to be allocated to specified items. You can list definitions for all general ledger expense allocation codes, or restrict the report to only desired ones.

Submitting the GL Expense Allocation Definition Report - Procedures

1. Navigate to the **Submit Request** form.
2. Enter the name of the report in the **Request Name** field.
3. Complete the fields as described in the *GL Expense Allocation Definition Report - Parameters* topic and click **OK**.
4. Complete the other fields on the **Submit Request** form and click **Submit Request**.

GL Expense Allocation Definition Report - Parameters

Company

Specify the company for which you are listing general ledger cost allocation account definitions.

From Allocation code

To report on a range of allocation codes, enter the first allocation code in the range.

To Allocation Code

To report on a range of account codes, enter the last allocation code in the range.

GL Expense Allocation Detail Report

The GL Expense Allocation Detail Report is a detailed list of all of the expense costs that were allocated to item components from the general ledger indirect expense accruals. You can list allocation detail for all general ledger expense allocation codes, or restrict the report to allocations for only desired ones.

Submitting the GL Expense Allocation Detail Report - Procedures

1. Navigate to the **Submit Request** form.
2. Enter the name of the report in the **Request Name** field.
3. Complete the fields as described in the *GL Expense Allocation Detail Report - Parameters* topic and click **OK**.
4. Complete the other fields on the **Submit Request** form and click **Submit Request**.

GL Expense Allocation Detail Report - Parameters

Company

Specify the company for which you are listing general ledger cost allocation details.

Cost Calendar

Indicate the cost calendar to which expenses will be allocated to the mapped accounts.

Period

Indicate the cost calendar period to which expenses will be allocated to the mapped accounts. This must be an open period.

From Allocation code

To report on a range of general ledger expense allocations, enter the first allocation code in the range.

To Allocation Code

To report on a range of general ledger expense allocations, enter the last allocation code in the range.

Cost Warehouse Association Report

The Cost Warehouse Association Report lists the cost warehouses associated with the inventory warehouses, or inventory warehouses associated with cost warehouses.

Submitting the Cost Warehouse Association Report - Procedures

1. Navigate to the **Submit Request** form.
2. Enter the name of the report in the **Request Name** field.
3. Complete the fields as described in the *Cost Warehouse Association Report - Parameters* topic and click **OK**.
4. Complete the other fields on the **Submit Request** form and click **Submit Request**.

Cost Warehouse Association Report - Parameters

From Cost Whse

To report associations for a range of costing warehouses, enter the first costing warehouse in the range.

To Cost Whse

To report associations for a range of costing warehouses, enter the last costing warehouse in the range.

From Inv Whse

To report associations for a range of inventory warehouses, enter the first inventory warehouse in the range.

To Inv Whse

To report associations for a range of inventory warehouses, enter the last inventory warehouse in the range.

Sort By

If you want to list costing warehouses associated with each specific inventory warehouse, choose costing warehouses. To list inventory warehouses associated with a specific costing warehouse, select the Inventory Warehouse option.

GL Item Cost Detail Report

The GL Item Cost Detail Report lists the cost updates generated by the cost update process. Use this report to verify the updated cost and make corrections before executing the subsidiary ledger process. You can restrict the report to one or more items or warehouses, and select from four report types:

- GL Item Cost Detail
- GL Item Cost Summary
- Zero/Negative Item Cost Detail
- Zero/Negative Item Cost Summary

Submitting the GL Item Cost Detail Report - Procedures

1. Navigate to the **Submit Request** form.
2. Enter the name of the report in the **Request Name** field.
3. Complete the fields as described in the *GL Item Cost Detail Report - Parameters* topic and click **OK**.
4. Complete the other fields on the **Submit Request** form and click **Submit Request**.

GL Item Cost Detail Report - Parameters

Calendar Code

Specify the calendar code for which the report is to be generated.

Period

Specify the period for which this report is to be generated. The period defined can be for an open, frozen, or closed period.

Cost Method

The cost method defined by the calendar displays. However, the default can be changed.

From Item Class

To report for a range, enter the first item class in the range.

To Item Class

To report for a range, enter the last item class in the range.

From Item

To report for a range of items, enter the first item in the range.

To Item

To report for a range of items, enter the last item in the range.

From Whse

To report for a range, enter the first warehouse in the range.

To Whse

To report for a range, enter the last warehouse in the range.

Report Type

Indicate the type of report to be printed. There are four options:

- GL Item Cost Detail
- GL Item Cost Summary
- Zero/Negative Item Cost Detail
- Zero/Negative Item Cost Summary

Sort By

Indicate whether the report should be generated by either an item or warehouse.

Costed Receiving Report

The Costed Receiving Report is available through OPM Logistics. Please refer to Purchase Management for details.

Inventory Valuation Report

The Inventory Valuation Report is available through OPM Inventory. Please refer to Inventory Management for details.

Batch Yield Variance Report

The Batch Yield Variance Report is available through OPM Process Execution. Please refer to Production Management for details.

Material Usage and Substitution Variance Report

The Material Usage and Substitution Variance Report is available through OPM Process Execution. Please refer to Production Management for details.

Appendix

Cost Management Navigator Paths

Although your System Administrator may have customized your Navigator, typical navigation paths are described in the following tables. In some cases, there is more than one way to navigate to a form. These tables provide the most typical default path.

Form	Path
Actual Cost Adjustments	OPM Financials > Cost Management > Actual Costs > Adjustments
Actual Cost Adjustments	OPM Financials > Cost Management > Reports > Standard > Run
Actual Cost Process	OPM Financials > Cost Management > Actual Costs > Actual Cost Process
Actual Cost Process	OPM Financials > Cost Management > Actual Costs > View Transactions
Actual Cost Transaction View	OPM Financials > Cost Management > Cost Details > Special > Actual Cost Transaction View
Actual Cost Transaction View	OPM Financials > Cost Management > Actual Costs > View Transactions or OPM Financials > Cost Management > Actual Costs > Adjustments > Special > Actual Transactions View
Actual Costs Adjustment Codes	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Adjustment Reasons
Allocation Codes	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Codes
Allocation Definitions	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Codes

Form	Path
Component Groups	OPM Financials > Cost Management > Setup > Component Groups
Copy Item Costs	OPM Financials > Cost Management > Copy Costs > Copy Items Cost
Copy Resource Costs	OPM Financials > Cost Management > Copy Costs > Copy Resource Cost
Cost Allocation General Ledger Account Maintenance	OPM Financials > Cost Management > Actual Costs > Expenses > Maintenance
Cost Allocation Process Control	OPM Financials > Cost Management > Actual Costs > Expenses > Allocations
Cost Allocation Processing	OPM Financials > Cost Management > Actual Costs > Expenses > Allocations > Special > Start
Cost Analysis Codes	OPM Financials > Cost Management > Setup > Analysis Codes
Cost Burdens	OPM Financials > Cost Management > Burden Details
Cost Calendars	OPM Financials > Cost Management > Setup > Calendars
Cost Component Classes	OPM Financials > Cost Management > Setup > Component Classes
Cost Details	OPM Financials > Cost Management > Cost Details
Cost Method Codes	OPM Financials > Cost Management > Setup > Cost Method Codes
Cost Rollup Error Messages	OPM Financials > Cost Management > Standard Costs > Cost Rollup > Special > View Error Messages
Cost Rollup Process	OPM Financials > Cost Management > Standard Costs > Cost Rollup
Cost Rollup Process Status	OPM Financials > Cost Management > Standard Costs > Cost Rollup > Special > Process Status
Cost Warehouse Association Report	OPM Financials > Cost Management > Reports > Standard > Run
Costing Warehouse Associations	OPM Financials > Cost Management > Setup > Cost Warehouses
Display Cost Burden	OPM Financials > Cost Management > Cost Details > Special > Burden Details
Expenses to Allocate	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Expenses

Form	Path
Find Actual Cost Adjustments	OPM Financials > Cost Management > Actual Costs > Adjustments > Query > Find
Find Actual Cost Transaction View	OPM Financials > Cost Management > Cost Details > Special > Actual Cost Transaction View > Query Find
Find Actual Cost Transactions	OPM Financials > Cost Management > Actual Costs > View Transactions > Query > Find or OPM Financials > Cost Management > Actual Costs > Adjustments > Special > Actual Transactions View > Query > Find
Find Actual Costs Adjustment Codes	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Adjustment Reasons > Query > Find
Find Allocation Codes	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Codes > Query > Find
Find Allocation Definitions	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Codes > Query > Find
Find Burdens Details	OPM Financials > Cost Management > Burden Details > Query > Find
Find Component Groups	OPM Financials > Cost Management > Setup > Component Groups > Query > Find
Find Cost Allocation General Ledger Account Maintenance	OPM Financials > Cost Management > Actual Costs > Expenses > Maintenance > Query > Find
Find Cost Analysis Codes	OPM Financials > Cost Management > Setup > Analysis Codes > Query > Find
Find Cost Calendars	OPM Financials > Cost Management > Setup > Calendars > Query > Find
Find Cost Component Classes	OPM Financials > Cost Management > Setup > Component Classes > Query > Find
Find Cost Details	OPM Financials > Cost Management > Cost Details > Query > Find
Find Cost Method Codes	OPM Financials > Cost Management > Setup > Cost Method Codes > Query > Find

Form	Path
Find Costing Warehouse Associations	OPM Financials > Cost Management > Setup > Cost Warehouses > Query > Find
Find Expenses to Allocate	OPM Financials > Cost Management > Setup > Actual Costs > Expense Allocations > Expenses > Query > Find
Find Invoice Lines	OPM Financials > Cost Management > Actual Costs > AP Invoice Prices > Query > Find
Find Material Cost Component Class	OPM Financials > Cost Management > Setup > Actual Costs > Matl Cost Components > Query > Find
Find Resource Costs	OPM Financials > Cost Management > Resource Costs > Query > Find
Find Rollup Source Warehouses	OPM Financials > Cost Management > Setup > Standard Costs > Source Warehouses > Query > Find
Find Rollup Target Warehouses	OPM Financials > Cost Management > Setup > Standard Costs > Target Warehouses > Query > Find
Formula Details	OPM Financials > Cost Management > Cost Details > Special > Formula Details
GL Expense Allocation Definition	OPM Financials > Cost Management > Reports > Standard > Run
GL Expense Allocation Detail Report	OPM Financials > Cost Management > Reports > Standard > Run
GL Item Cost Detail Report	OPM Financials > Cost Management > Reports > Standard > Run
Invoice Price Maintenance	OPM Financials > Cost Management > Actual Costs > AP Invoice Prices
Item Cost Detail Report	OPM Financials > Cost Management > Reports > Standard > Run
Item Cost Selection	OPM Financials > Cost Management > Cost Details > Special > Item Cost List
Material Cost Component Class	OPM Financials > Cost Management > Setup > Actual Costs > Matl Cost Components
Resource Cost Selection	OPM Financials > Cost Management > Resource Costs > Special > Resource Cost List
Resource Costs	OPM Financials > Cost Management > Resource Costs

Form	Path
Rollup Source Warehouses	OPM Financials > Cost Management > Setup > Standard Costs > Source Warehouses
Rollup Target Warehouses	OPM Financials > Cost Management > Setup > Standard Costs > Target Warehouses
Routing Details	OPM Financials > Cost Management > Cost Details > Special > Routing Details
Start Actual Cost Process	OPM Financials > Cost Management > Actual Costs > Actual Cost Process > Special > Start
Start Cost Rollup	OPM Financials > Cost Management > Standard Costs > Cost Rollup > Special > Start
View Error Messages (Actual Cost Process)	OPM Financials > Cost Management > Actual Costs > Actual Cost Process > Special > View Error Messages

Setting Cost Management Profile Options

During your implementation, you set a value for selected profile options to specify how your Cost Management application controls access to and processes data. Cost Management uses the listed profile options:

- CM$AC_ERRORS_LIMIT
- CM$MAX_ITERATION_LIMIT
- CM$RU_ERRORS_LIMIT
- CM$USE_COSTING_EFF_ONLY

You can set up these profile options when you set up other applications prior to your Cost Management implementation. Refer to the other product user's guides for more details on how these products use these profile options.

Your System Administrator sets user profile options at one or more of the following levels: Site, Application, Responsibility, and User. Use the Personal Profile Options window to view or set your profile options at the user level. You can consult the *Oracle Process Manufacturing Implementation Guide* for a complete description of the profile options listed. Consult your *Oracle Applications System Administrator's Guide* for a list of profile options common to all Oracle Applications.

Glossary

Actual Costing

The method by which OPM uses the actual cost of production components (resources, raw material purchase prices, and so on) to calculate the cost of production.

Analysis Codes

Categories by which different costs for the same item (such as value-added or standard costs) or a class of items, may be stored and reported.

Burden

A cost added to production to cover overhead expenses (such as facility rental).

Closed Calendar Period

A period in the current cost calendar which is locked against any further postings, or changes to existing postings.

Component Classes

Classifications by which production resources may be grouped for reporting.

Component Groups

Groupings by which resource or material costs (for example, raw materials and production machinery) may be collected for reporting.

Cost Calendar

A calendar comprised of the periods to which costing transactions will post.

Cost Methods

The methods by which OPM will calculate the costs of production (for example, actual costs of production).Cost Rollup

A procedure in which changes in product component costs (resource, material) are incorporated into the product's total cost.

Cost Update

The process by which all component costs are updated to the proper general ledger accounts.

Frozen Cost Period

A period in the current cost calendar in which no cost rollups and/or cost updates can be made to existing cost postings. Newly-created cost postings may be entered, rolled up, and updated.

General Ledger Expense Allocations

Third-party general ledger accrual expenses that may be allocated to designated items for addition to production component costs.

Nominal Cost

The cost of using a resource to produce a single production unit.

Open Costing Period

A period in the current cost calendar to which daily cost transactions can post.

Routing Costs

The costs of resources used in operations and activities in a particular production routing.

Standard Costing

The method of defining the static cost of items, formulas, formula ingredients, and resources used during production.

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