PeopleSoft®

PeopleSoft Enterprise Contracts 8.9 PeopleBook

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About This PeopleBook Preface

PeopleBooks provide you with the information that you need to implement and use PeopleSoft applications.

This preface discusses:

- PeopleSoft application prerequisites.
- PeopleSoft application fundamentals.
- Documentation updates and printed documentation.
- Additional resources.
- Typographical conventions and visual cues.
- Comments and suggestions.
- Common elements in PeopleBooks.

Note. PeopleBooks document only page elements, such as fields and check boxes, that require additional explanation. If a page element is not documented with the process or task in which it is used, then either it requires no additional explanation or it is documented with common elements for the section, chapter, PeopleBook, or product line. Elements that are common to all PeopleSoft applications are defined in this preface.

PeopleSoft Application Prerequisites

To benefit fully from the information that is covered in these books, you should have a basic understanding of how to use PeopleSoft applications.

You might also want to complete at least one PeopleSoft introductory training course, if applicable.

You should be familiar with navigating the system and adding, updating, and deleting information by using PeopleSoft menus, and pages, forms, or windows. You should also be comfortable using the World Wide Web and the Microsoft Windows or Windows NT graphical user interface.

These books do not review navigation and other basics. They present the information that you need to use the system and implement your PeopleSoft applications most effectively.

PeopleSoft Application Fundamentals

Each application PeopleBook provides implementation and processing information for your PeopleSoft applications.

Note. Application fundamentals PeopleBooks are not applicable to the PeopleTools product.

For some applications, additional, essential information describing the setup and design of your system appears in a companion volume of documentation called the application fundamentals PeopleBook. Most PeopleSoft product lines have a version of the application fundamentals PeopleBook. The preface of each PeopleBook identifies the application fundamentals PeopleBooks that are associated with that PeopleBook.

The application fundamentals PeopleBook consists of important topics that apply to many or all PeopleSoft applications across one or more product lines. Whether you are implementing a single application, some combination of applications within the product line, or the entire product line, you should be familiar with the contents of the appropriate application fundamentals PeopleBooks. They provide the starting points for fundamental implementation tasks.

Documentation Updates and Printed Documentation

This section discusses how to:

- Obtain documentation updates.
- Order printed documentation.

Obtaining Documentation Updates

You can find updates and additional documentation for this release, as well as previous releases, on the PeopleSoft Customer Connection website. Through the Documentation section of PeopleSoft Customer Connection, you can download files to add to your PeopleBook Library. You'll find a variety of useful and timely materials, including updates to the full PeopleSoft documentation that is delivered on your PeopleBooks CD-ROM.

Important! Before you upgrade, you must check PeopleSoft Customer Connection for updates to the upgrade instructions. PeopleSoft continually posts updates as the upgrade process is refined.

See Also

PeopleSoft Customer Connection, https://www.peoplesoft.com/corp/en/login.jsp

Ordering Printed Documentation

You can order printed, bound volumes of the complete PeopleSoft documentation that is delivered on your PeopleBooks CD-ROM. PeopleSoft makes printed documentation available for each major release shortly after the software is shipped. Customers and partners can order printed PeopleSoft documentation by using any of these methods:

- Web
- Telephone
- Email

Web

From the Documentation section of the PeopleSoft Customer Connection website, access the PeopleBooks Press website under the Ordering PeopleBooks topic. The PeopleBooks Press website is a joint venture between PeopleSoft and MMA Partners, the book print vendor. Use a credit card, money order, cashier's check, or purchase order to place your order.

Telephone

Contact MMA Partners at 877 588 2525.

Email

Send email to MMA Partners at peoplebookspress@mmapartner.com.

See Also

PeopleSoft Customer Connection, https://www.peoplesoft.com/corp/en/login.jsp

Additional Resources

The following resources are located on the PeopleSoft Customer Connection website:

Resource	Navigation
Application maintenance information	Updates + Fixes
Business process diagrams	Support, Documentation, Business Process Maps
Interactive Services Repository	Interactive Services Repository
Hardware and software requirements	Implement, Optimize + Upgrade, Implementation Guide, Implementation Documentation & Software, Hardware and Software Requirements
Installation guides	Implement, Optimize + Upgrade, Implementation Guide, Implementation Documentation & Software, Installation Guides and Notes
Integration information	Implement, Optimize + Upgrade, Implementation Guide, Implementation Documentation and Software, Pre-built Integrations for PeopleSoft Enterprise and PeopleSoft EnterpriseOne Applications
Minimum technical requirements (MTRs) (EnterpriseOne only)	Implement, Optimize + Upgrade, Implementation Guide, Supported Platforms
PeopleBook documentation updates	Support, Documentation, Documentation Updates
PeopleSoft support policy	Support, Support Policy
Prerelease notes	Support, Documentation, Documentation Updates, Category, Prerelease Notes
Product release roadmap	Support, Roadmaps + Schedules
Release notes	Support, Documentation, Documentation Updates, Category, Release Notes

Resource	Navigation
Release value proposition	Support, Documentation, Documentation Updates, Category, Release Value Proposition
Statement of direction	Support, Documentation, Documentation Updates, Category, Statement of Direction
Troubleshooting information	Support, Troubleshooting
Upgrade documentation	Support, Documentation, Upgrade Documentation and Scripts

Typographical Conventions and Visual Cues

This section discusses:

- Typographical conventions.
- Visual cues.
- Country, region, and industry identifiers.
- Currency codes.

Typographical Conventions

This table contains the typographical conventions that are used in PeopleBooks:

Typographical Convention or Visual Cue	Description
Bold	Indicates PeopleCode function names, business function names, event names, system function names, method names, language constructs, and PeopleCode reserved words that must be included literally in the function call.
Italics	Indicates field values, emphasis, and PeopleSoft or other book-length publication titles. In PeopleCode syntax, italic items are placeholders for arguments that your program must supply. We also use italics when we refer to words as words or letters as letters, as in the following: Enter the letter *O*.
KEY+KEY	Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press the W key.
`Monospace font`	Indicates a PeopleCode program or other code example.

Typographical Convention or Visual Cue	Description
“ ” (quotation marks)	Indicate chapter titles in cross-references and words that are used differently from their intended meanings.
. . . (ellipses)	Indicate that the preceding item or series can be repeated any number of times in PeopleCode syntax.
{ } (curly braces)	Indicate a choice between two options in PeopleCode syntax. Options are separated by a pipe (|).
[ ] (square brackets)	Indicate optional items in PeopleCode syntax.
& (ampersand)	When placed before a parameter in PeopleCode syntax, an ampersand indicates that the parameter is an already instantiated object. Ampersands also precede all PeopleCode variables.

Visual Cues

PeopleBooks contain the following visual cues.

Notes

Notes indicate information that you should pay particular attention to as you work with the PeopleSoft system.

Note. Example of a note.

If the note is preceded by *Important!,* the note is crucial and includes information that concerns what you must do for the system to function properly.

Important! Example of an important note.

Warnings

Warnings indicate crucial configuration considerations. Pay close attention to warning messages.

Warning! Example of a warning.

Cross-References

PeopleBooks provide cross-references either under the heading “See Also” or on a separate line preceded by the word *See.* Cross-references lead to other documentation that is pertinent to the immediately preceding documentation.

Country, Region, and Industry Identifiers

Information that applies only to a specific country, region, or industry is preceded by a standard identifier in parentheses. This identifier typically appears at the beginning of a section heading, but it may also appear at the beginning of a note or other text.

Example of a country-specific heading: "(FRA) Hiring an Employee"

Example of a region-specific heading: "(Latin America) Setting Up Depreciation"

Country Identifiers

Countries are identified with the International Organization for Standardization (ISO) country code.

Region Identifiers

Regions are identified by the region name. The following region identifiers may appear in PeopleBooks:

- Asia Pacific
- Europe
- Latin America
- North America

Industry Identifiers

Industries are identified by the industry name or by an abbreviation for that industry. The following industry identifiers may appear in PeopleBooks:

- USF (U.S. Federal)
- E&G (Education and Government)

Currency Codes

Monetary amounts are identified by the ISO currency code.

Comments and Suggestions

Your comments are important to us. We encourage you to tell us what you like, or what you would like to see changed about PeopleBooks and other PeopleSoft reference and training materials. Please send your suggestions to:

PeopleSoft Product Documentation Manager PeopleSoft, Inc. 4460 Hacienda Drive Pleasanton, CA 94588

Or send email comments to doc@peoplesoft.com.

While we cannot guarantee to answer every email message, we will pay careful attention to your comments and suggestions.

Common Elements Used in PeopleBooks

As of Date	The last date for which a report or process includes data.
Business Unit	An ID that represents a high-level organization of business information. You can use a business unit to define regional or departmental units within a larger organization.
Description	Enter up to 30 characters of text.
Effective Date	The date on which a table row becomes effective; the date that an action begins. For example, to close out a ledger on June 30, the effective date for the ledger closing would be July 1. This date also determines when you can view and change the information. Pages or panels and batch processes that use the information use the current row.
Once, Always, and **Don't Run**	Select Once to run the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to Don't Run. Select Always to run the request every time the batch process runs. Select Don't Run to ignore the request when the batch process runs.
Process Monitor	Click to access the Process List page, where you can view the status of submitted process requests.
Report Manager	Click to access the Report List page, where you can view report content, check the status of a report, and see content detail messages (which show you a description of the report and the distribution list).
Request ID	An ID that represents a set of selection criteria for a report or process.
Run	Click to access the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format.
SetID	An ID that represents a set of control table information, or TableSets. TableSets enable you to share control table information and processing options among business units. The goal is to minimize redundant data and system maintenance tasks. When you assign a setID to a record group in a business unit, you indicate that all of the tables in the record group are shared between that business unit and any other business unit that also assigns that setID to that record group. For example, you can define a group of common job codes that are shared between several business units. Each business unit that shares the job codes is assigned the same setID for that record group.
Short Description	Enter up to 15 characters of text.
User ID	An ID that represents the person who generates a transaction.

See Also

Enterprise PeopleTools 8.46 PeopleBook: PeopleSoft Process Scheduler

Enterprise PeopleTools 8.46 PeopleBook: Using PeopleSoft Applications

PeopleSoft Enterprise Contracts Preface

This preface discusses:

- PeopleSoft products.
- PeopleSoft application fundamentals.
- Pages with deferred processing.
- Common elements used in this PeopleBook.

Note. This PeopleBook documents only page elements that require additional explanation. If a page element is not documented with the process or task in which it is used, then it either requires no additional explanation or is documented with the common elements for the section, chapter, or PeopleBook.

PeopleSoft Products

This PeopleBook refers to these products:

- PeopleSoft Enterprise Billing.
- PeopleSoft Enterprise Contracts.
- PeopleSoft Enterprise Expenses.
- PeopleSoft Enterprise FieldService.
- PeopleSoft Enterprise General Ledger.
- PeopleSoft Enterprise Grants.
- PeopleSoft Enterprise Order Capture.
- PeopleSoft Enterprise Order Management.
- PeopleSoft Enterprise Pay/Bill Management.
- PeopleSoft Enterprise Project Costing.
- PeopleSoft Enterprise Proposal Management.
- PeopleSoft Enterprise Real Estate Management.
- PeopleSoft Enterprise Receivables.
- PeopleSoft Enterprise Support.
- PeopleSoft Enterprise Transaction Billing Processor.

PeopleSoft Application Fundamentals

The *PeopleSoft Enterprise Contracts PeopleBook* provides you with implementation and processing information for your Contracts system. However, additional, essential information describing the setup and design of your system resides in companion documentation. The companion documentation consists of important topics that apply to many or all PeopleSoft applications across the Financials, Enterprise Service Automation, and Supply Chain Management product lines. You should be familiar with the contents of these PeopleBooks.

The following companion PeopleBooks apply specifically to Contracts:

- *PeopleSoft Enterprise Applications Fundamentals PeopleBook*
- *Setting Up Global Options and Reports PeopleBook*
- *PeopleSoft Enterprise Order to Cash Common Information PeopleBook*

Pages with Deferred Processing

Several pages in Contracts operate in deferred processing mode. Most fields on these pages are not updated or validated until you save the page or refresh it by clicking a button, link, or tab. This delayed processing has various implications for the field values on the page—for example, if a field contains a default value, any value that you enter before the system updates the page overrides the default. Another implication is that the system updates quantity balances or totals only when you save or otherwise refresh the page.

See Also

Enterprise PeopleTools PeopleBook: Application Designer

Common Elements Used in This PeopleBook

Account — ChartField that identifies the nature of a transaction for corporate accounts.

Activity ID — Project Costing activity identifier.

Affiliate — ChartField used to map transactions between business units when using a single interunit account. Used as one approach for interunit journal processing and consolidated reporting.

Alternate Account or **Alt Acct** — ChartField that identifies the nature of a transaction for statutory accounts. This field appears only if you enable the Alternate Account option for your organization and for the general ledger business unit.

Bill To Customer — Customer receiving the invoice.

Billing Business Unit — Billing business unit.

Note. The Billing business unit and Contracts business units should both use the same General Ledger business unit.

Budget Ref or **Bud Ref** (budget reference)	ChartField that identifies unique control budgets when individual budgets share budget keys and overlapping budget periods.
Business Unit	Identification code that represents a high-level organization of business information. Use a business unit to define regional or departmental units within a larger organization.
Class	ChartField that identifies a particular appropriation when you combine it with a fund, department ID, program code, and budget reference ChartFields.
	Group of customers in a trade, such as grocers or mass merchandisers.
Contract or **Contract Number**	Unique identifier for a contract.
Contract Admin (contract administrator)	Responsible party in charge of administrating the contract.
Contract Classification	Enables you to specify one of four contract classification at the time the contract is created. Values include: *Standard, Internal, Government,* and *Federal Reimbursable Agreement.* This value cannot be changed on the contract. The classification that you select determines the functionality that is available for that particular contract type. For example, contracts with a classification of *Government* have functionality that is not available with a standard contract.
Contract Status	Provides you with an indicator of where your contract is within the contract life cycle, and designates when a contract is available for lookup and processing.
Contract Type	Enables you to categorize your contracts for reporting purposes.
Department or **Dept**	ChartField that indicates who is responsible for or affected by the transaction.
Effective Date	Date on which a table row becomes effective; the date that an action begins.
Fund	ChartField that represents structural units for education and government accounting. Can also represent a divisional breakdown in your organization.
Fund Affiliate or **Fund Affil**	ChartField that is used to correlate transactions between funds when using a singe intraunit account.
GL Unit (General Ledger business unit)	General Ledger business unit.
Legal Entity	Organizational or legal owner of the contract. While this legal entity is not directly tied to the legal entity in General Ledger, this field enables you to capture which legal entity contracted with the customer on each contract.
OM Business Unit (Order Management business unit)	Order Management business unit.
Operating Unit or **Oper Unit**	ChartField that is used to identify a location, such as a distribution warehouse or sales center. It can also be used for responsibility reporting, such as a profit center.
Operating Unit Affiliate or **Opr Unit Affil**	ChartField that is used to correlate transactions between operating units when using a singe intraunit account.
Product ID or **Product**	Order Management product identifier. Products are the goods and services that you sell to your customers on a contract.

PC Business Unit	Project Costing business unit.
Price Type	Products in contracts are rate-based, amount-based, or recurring. Rate-based products have a price type of *Rate,* amount-based products have a price type of *Amount* or *Percent,* and recurring products have a price type of *Recurring.*
Process Monitor	Click this link to view the status of submitted process requests.
Product	ChartField that captures additional information that is useful for profitability and cash flow analysis by product sold or manufactured.
Program	ChartField that identifies groups of related activities, cost centers, revenue centers, responsibility centers, and academic programs. Tracks revenue and expenditures for programs.
Project	ChartField that captures information for project or grants accounting.
Project ID	Project Costing project identifier.
Quantity or **Qty**	Enter or change the quantity on the contract line, billing plan, or Negotiated Amount Allocation page. **Note.** Changing this value on the contract line is for audit trail purposes only. A change to the quantity on an active contract line does not impact the amount on the Negotiated Amount Allocation page, the quantity on the billing lines of the associated billing plan, or the quantity on the sales order in Order Management.
Report ID	Report Identifier.
Report Manager	Click this link to view report content, check the status of a report, and see content detail messages.
Run	Click this button to specify the location where a process or job runs and the process output format.
Run Control ID	Identification code that identifies the run parameters for a report or process.
SetID	Identification code that represents a set of control table information or tablesets. A tableset is a group of tables (records) necessary to define your company's structure and processing options.
Ship To Customer	Location receiving the products and services specified on the contract.
Sold To or **Sold To Customer**	Customer buying the products and services specified on the contract.
Source ID	Project Costing resource identifier.
Statistics Code or **Stat**	ChartField that identifies nonmonetary statistical amounts. Statistics codes are associated with a specific unit of measure.
Unit of Measure (UOM)	Enter or change the unit of measure on the contract line, billing plan, or Negotiated Amount Allocation page.

Note. Changing this value on the contract line is for audit trail purposes only. A change to the quantity on an active contract line does not impact the amount on the Negotiated Amount Allocation page, the unit of measure on the billing lines of the associated billing plan, or the unit of measure on the sales order in Order Management.

User ID System identifier for the individual who generates a transaction.

CHAPTER 1

Getting Started with PeopleSoft Enterprise Contracts

This chapter provides an overview of Contracts and discusses:

- Contracts business processes.
- Contracts integrations.
- Contracts implementation.

Contracts Business Processes

The following diagram lists the Contracts business processes:

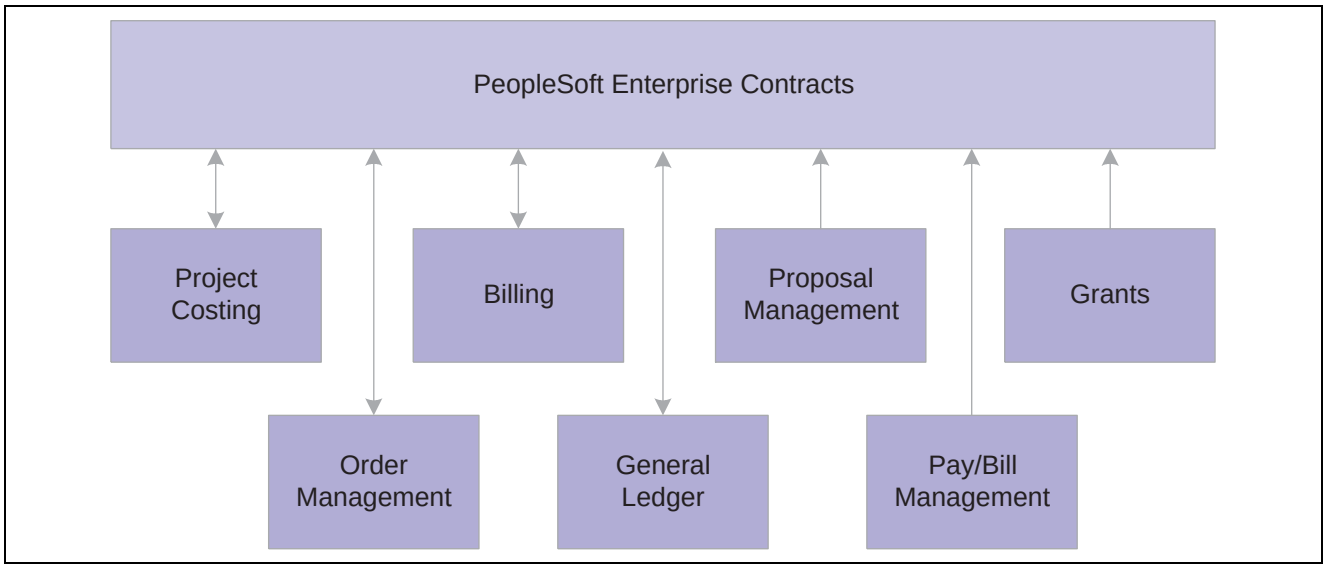


Contracts business processes

We discuss these business processes in the business process chapters in this PeopleBook.

Contracts Integrations

Contracts integrates with the following PeopleSoft applications:



Contracts integration flow with other PeopleSoft applications

We discuss integration considerations in the implementation chapters in this PeopleBook.

Supplemental information about third-party application integrations is located on the PeopleSoft Customer Connection website.

Contracts Implementation

PeopleSoft Enterprise Setup Manager enables you to review a list of setup tasks for your organization for the products that you are implementing. The setup tasks include the components that you must set up, listed in the order in which you must enter data into the component tables, and links to the corresponding PeopleBook documentation.

Contracts also provides component interfaces to help you load data from your existing system into Contracts tables. Use the Excel to Component Interface utility with the component interfaces to populate the tables.

This table lists the components that have component interfaces:

Component	Component Interface	References
As Incurred Acctg Distribution (PSA_ACCT_SETUP)	PSA_ACCT_SETUP_CI	See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Setting Up Accounting for Projects".
Milestone Templates (CA_MS_DEFN_PNLG)	CA_MS_DEFN_PNLG_CI	See Chapter 7, "Structuring Contracts," Defining Milestones, page 58.

Component	Component Interface	References
Product Definition (PROD_DEFN)	PROD_DEFN_CI	See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Definitions.
Product Group Options (CA_PROD_GROUP)	CA_PROD_GROUP_CI	See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Contract Options.
Assign Product Group (PROD_ GROUP)	PROD_GROUP_CI	See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Groups.
Product Group Table (PROD_ GROUP_TBL)	PROD_GROUP_TBL_CI	See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Setting up Product Group Tables.
Product Rate Template Defaults (CA_PROD_RATES)	CA_PROD_RATES_CI	See Chapter 8, "Setting Up Products," Defining Product Rate Defaults, page 75.
Account (GL_ACCOUNT)	ACCOUNT_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Account Values.
Alternate Account (ALTACCT)	ALTACCT_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Using Alternate Account".
Budget Reference (BUDREF_PNL)	BUDGET_REF_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Budget Reference Values.
Chartfield 1 (CHARTFIELD1)	CHARTFIELD1	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Values for Expansion ChartFields 1, 2, and 3.
Chartfield 2 (CHARTFIELD2)	CHARTFIELD2	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Values for Expansion ChartFields 1, 2, and 3.

Component	Component Interface	References
Chartfield 3 (CHARTFIELD3)	CHARTFIELD3	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Values for Expansion ChartFields 1, 2, and 3.
Class (CLASS_PNL)	CLASS_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Class Field Values.
Department (DEPARTMENT)	DEPT_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Department Values.
Fund (FUND_DEFINITION)	FUND_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Fund Code Values.
Operating Unit (OPERATING_UNIT)	OPER_UNIT_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Operating Unit Values.
Product (PRODUCT)	PRODUCT_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Product Values.
Program (PROGRAM_DEFINTION)	PROGRAM_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Program Code Values.
Project (PROJECT)	PROJECT_CF	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Project Values and Grant Values.
Scenario (BD_SCENARIO)	BUDGET_SCENARIO	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Scenario Values.
Statistics Code (STATISTICS_TBL)	STATISTICS_CODE	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining and Using ChartFields," Adding Statistics Code Values.

Component	Component Interface	References
Competitor Codes (COMPETITOR_CD)	COMPETITOR_CD_CI	See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Competitor Information.
Attributes by UOM (PROD_UOM)	PROD_UOM_CI	See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Attributes by Unit of Measure.
InterUnit Pair (IU_INTER_PR_BASIC)	IU_PAIRS_MAINT	See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Using Interunit and Intraunit Accounting and ChartField Inheritance," Interunit Pairs.
Transaction Billing Processor (TBP) Accounting Rules (CA_ACCT_RULES)	CA_ACCT_RULES_CI	See Chapter 30, "Working with Transaction Billing Processor," Setting Up Accounting Rules for CRM, page 504.

Other Sources of Information

In the planning phase of your implementation, take advantage of all PeopleSoft sources of information, including the installation guides and troubleshooting information. A complete list of these resources appears in the preface of *About These PeopleBooks,* with information about where to find the most current version of each.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Setup Manager

Enterprise PeopleTools PeopleBook: PeopleSoft Component Interfaces

About These PeopleBooks

CHAPTER 2

Navigating in Contracts

This chapter discusses how to navigate in Contracts.

Navigating in Contracts

Contracts provides custom navigation pages that contain groupings of folders that support a specific business process, task, or user role.

See Also

Using PeopleSoft Enterprise Applications

Pages Used to Navigate in Contracts

This table lists the Custom Navigation pages that are used to navigate in Contracts:

Page Name	Navigation	Usage
Contracts Center	Customer Contracts, Contract Center	Access the key areas to manage your customer contracts.
Contracts	Click the Contracts link on the Contracts Center page.	Create, modify, or review a contract and its related components.
Contract Accounting	Click the Contract Accounting link on the Contracts Center page.	Review and manage accounting distribution and revenue activity for revenue plans.
Contract Billing	Click the Contract Billing link on the Contracts Center page.	Review and manage billing activity for billing plans.
Contract Processing	Click the Contract Processing link on the Contracts Center page.	Review and update contract progress.
Definitions	Click the Definitions link on the Contracts Center page.	Define common and product-specific setup.
My Contracts	Click the My Contracts link on the Contracts Center page.	Define and maintain a personal contract list.
Progress Payments	Click the Progress Payments link on the Contracts Center page.	Review and manage terms, worksheets, and costs for progress payments.

Page Name	Navigation	Usage
Renewals	Click the Renewals link on the Contracts Center page.	Manage the scheduling and processing of renewals.
Reports	Click the Reports link on the Contracts Center page.	Generate reports for contract-related information.
Revenue Forecast	Click the Revenue Forecast link on the Contracts Center page.	Create and review revenue forecasts.
Review	Click the Review link on the Contracts Center page.	Review contract-related information.
Support Teams	Click the Support Teams link on the Contracts Center page.	Create and maintain support teams and associated email notifications.

CHAPTER 3

Understanding Integrations with Other Applications

This chapter provides an overview of product integration and discusses how to integrate with:

- Project Costing.
- Billing.
- General Ledger.
- Grants.
- Order Management.
- Proposal Management.
- Pay/Bill Management.

Understanding Product Integration

Contracts is designed to fully integrate with Project Costing, Billing, and General Ledger. Contracts does not require the installation of these PeopleSoft products; however, you cannot take advantage of projects, billing, or revenue recognition functionality unless you've installed the corresponding PeopleSoft applications.

Contracts also integrates directly with Grants, Proposal Management, Order Management, and Pay/Bill Management.

Integrating with Project Costing

You can associate Contracts contract lines with product IDs with transactions related to projects and activities in Project Costing. These product IDs can represent fixed-amount, recurring, or rate-based products or services. Contracts uses Project Costing as the billing and accounting source of transactions related to rate-based products and services. Additionally, any transactions that you generate using Contracts can populate back into Project Costing for analysis purposes.

See Also

Chapter 13, "Working with Project Costing," page 159

PeopleSoft Enterprise Project Costing PeopleBook

Integrating with Billing

Billing information for fixed-amount and recurring contract lines is sent from Contracts to Billing. Billing information for rate-based contract lines is sent from Project Costing to Billing. Billing then generates invoices for the contract lines and sends information regarding the invoices back to Contracts and Project Costing.

See Also

Chapter 20, "Processing Contracts Billing," page 327

PeopleSoft Enterprise Billing PeopleBook

Integrating with General Ledger

You can book revenue to your general ledger system for the contracts you set up in Contracts. Contracts stores the accounting distributions to be applied to fixed-fee contract lines and transactions for rate-based contract lines. Contracts then generates accounting entries in the appropriate currency.

See Also

PeopleSoft Enterprise General Ledger PeopleBook

Integrating with Grants

You can use Contracts for proposal-to-award processing. You can convert Grants proposals into contracts. This process creates all associated contract lines, rate plan associations, projects, and activities. Contracts also provides the proposal ID reference to link back to Grants.

See Also

PeopleSoft Enterprise Grants PeopleBook

Integrating with Order Management

With Contracts, you can create orders for products through the contract entry process, which in turn creates sales orders for those products in Order Management.

In addition, Contracts uses Order Management's product table to create your catalog of products and services. This enables you to use existing Order Management functionality such as the ability to define revenue splits for a product that default into a contract, as well as having one source for all products and services sold.

See Also

PeopleSoft Enterprise Order Management PeopleBook

Integrating with Proposal Management

Proposal Management automatically creates a contract based on the successful proposal information. In addition, the project and activities and rate plans are automatically associated with the contract. Contracts also provides the proposal ID reference and links back to Proposal Management.

See Also

PeopleSoft Enterprise Proposal Management PeopleBook

Integrating with Pay/Bill Management

Pay/Bill Management leverages and connects several PeopleSoft applications in order to streamline staffing business operations. These products include Staffing Front Office, Contracts, Project Costing, Human Capital Management, Time & Labor, Billing, and Accounts Payable. Pay/Bill Management customers use Contracts to track, bill, and account for staffing agreements and general use contracts.

See Also

PeopleSoft Enterprise Pay/Bill Management PeopleBook

CHAPTER 4

Understanding Contracts Implementation Issues

This chapter provides an overview of contract implementation and discusses how to:

- Create and administer contracts.
- Map enterprise data flow.
- Recognize your business structure.
- Define a File Transfer Protocol (FTP) server for document attachments.

Understanding Contract Implementation

To implement Contracts, you first need to design the system's business structure and put that structure in place. You must determine the best way to map your new system to your organization's business structures, practices, and procedures.

Creating and Administering Contracts

The high-level steps involved in creating and administering a contract are:

- Capture the financial terms and conditions of a contract in Contracts.

  Common contract information is stored at the contract header level.

- Select specific products and services using product IDs.

  Select the product IDs to add to contract lines and manage through the financial terms and conditions of the contract.

- Verify accounting distributions for the contract lines.

  Each contract line contains its own set of accounting distributions. You can split revenue for a contract line across multiple organizations.

- Price the contract.

  You allocate the gross fixed amount across contract lines. You allocate a contract header discount or surcharge to specific contract lines. You can also define contract line discounts or surcharges to those lines as well.

- Verify accounting distributions for any discounts or surcharges that you added to the contract.

  Each discount or surcharge that you add contains a separate set of accounting distributions.

- Associate each contract line with a billing plan that you set up in Contracts.

Define, administer, and maintain billing schedules and billing rules for the products and services you provide under a contract.

You can predefine templates and associate them with a product ID to have the system automatically create billing plans and associate them to contract lines.

- Associate each contract line with a revenue plan in Contracts.

  For amount-based contract lines, either Contracts or Billing can manage revenue. For rate-based contract lines, revenue must be managed by Contracts. When Contracts manages revenue, you associate each contract line with a revenue plan that you set up in Contracts. Contracts revenue plans enable you to define, administer, and maintain revenue schedules for the products and services that you manage under a contract. Selecting Contracts to manage your revenue provides you with a high degree of control over the revenue recognition process.

  For recurring contract lines, Billing must manage the revenue. Therefore, no revenue plan is required.

  You can predefine templates and associate them with a product ID to have the system automatically create revenue plans and associate them to contract lines.

- Associate Project Costing project IDs/activity IDs and pricing rates to contract lines.

  For a contract line that has a rate-based price type, you associate that line with a project ID/activity ID from Project Costing. Rate-based products can be linked to multiple projects and activities; fixed-amount products can be linked to a single project and activity. For rate-based products, you can link the product to an existing standard rate set, standard rate plan, contract rate set, or contract rate plan on the Related Projects page in Project Costing. When work begins on a project, time and expense information is collected in Project Costing. Contracts uses the rate, time, and expense information from Project Costing, matches this up with the revenue plan and billing plan you created in Contracts, sends the information to Billing to invoice the customer, and sends the information to General Ledger to book the revenue. For amount and recurring product IDs linked to a project and activity, billing activity processed from Contracts is passed to Project Costing for analysis.

- Manage milestones.
- Manage revenue recognition for each revenue plan.
- Manage billing for each billing plan.
- Manage changes to the contract through amendment processing.

  Amendment processing enables you to make changes to an active contract while keeping a historical record of the original contract and any prior amendments to that contract.

Mapping Enterprise Data Flow

You need to determine the flow of data into and out of Contracts. Mapping which applications integrate with Contracts and how to carry out that integration helps you with setup decisions.

Here are some questions to help with this mapping:

- What applications integrate with Contracts?
- Are these applications currently implemented?

  If not, when are they scheduled for implementation?

- What do you want to track in your Contracts system?

Recognizing Your Business Structure

Implementing Contracts requires an iterative method of examining your business processes and investigating the software. When designing your system, take into account your policies, procedures, and existing structures. Assess how they can be incorporated in Contracts. Ask questions such as the following:

- How do you control contract management?

  How does this relate to your legal and financial organizational structure?

  Is it centralized or decentralized?
- To what extent do you want to take advantage of the hierarchical structure afforded by using a combination of master contracts, standard contracts, and parent contracts?
- How do you want to control the security of your contracts, contract milestones, and contract status levels?
- Who is involved in the contracts process at your company?
- What level of automation versus manual control do you want to have for billing and revenue plans?
- How do you structure your projects and project rates?

  Are rates tied to a contract line?

Defining an FTP Server for Document Attachments

Contracts uses an FTP server to store document attachments. You must establish an FTP server with adequate disk storage to store your documents. The CA_ATTACHMENTS URL is delivered with Contracts, but you must update the data in the URL field so that the path to the appropriate FTP server is specified. To designate the path to the FTP server, use the URL Maintenance page.

The syntax for this URL is ftp://<username>:<password>@<machinename>.

<username>	Name of the user account under which you want all users to connect to the FTP server for adding, updating, viewing, and deleting documents.
<password>	Password associated with the user account under which you want all users to connect to the FTP server.
<machinename>	The name by which the FTP server is identified on your network. You may want to create a directory on the server where your documents are stored. If you create an optional directory, then include this directory name when citing your path. You can also store the attachments in the root directory of the FTP server.

Important! The user name and password specified here are critical. The system uses these to connect all users to the FTP attachment server.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Enterprise Server Tools

CHAPTER 5

Understanding Contracts Security

This chapter provides an overview of Contracts security and discusses how to:

- Set up row-level security.
- Set up contract status security.
- Set up milestone security.
- Use roles and permission lists.

Understanding Contracts Security

If you've ever been concerned about data integrity, confidentiality, or operator productivity, you understand the value of a well-designed security system. PeopleSoft applications use the capabilities and flexibility of multilevel security to provide an efficient, effective solution to security issues.

Note. The content of this chapter is only part of what you need to know to secure your system. Other relevant information, because it is common to many applications, is located in the *PeopleSoft Enterprise Application Fundamentals PeopleBook.*

See Also

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Securing Your System"

Setting Up Row-Level Security

To establish security within Contracts, you must decide which level of security to establish throughout your system, which key fields to secure, and whether security is handled through user IDs or roles. You can implement security to restrict individual users or roles to specific rows of data that are controlled by such key fields as setIDs or business units. You can also limit users to access only a specific subset of rows.

Instructions for establishing row-level security can be found in the *PeopleSoft Enterprise Application Fundamentals PeopleBook.*

Setting Up Contract Status Security

When a contract is set to an active processing status, the amounts tied to that contract are potentially available for billing and revenue recognition. Consequently, you may want to limit the list of users that can change a contract's status.

First, enable status security. The default setting for contract status security is *Off*. You enable security separately for each Contracts business unit you define on the Contracts Definition - BU Definition page.

Next, assign contract status authorizations. You assign contract status authorizations to individual user IDs on the User Preferences - Contracts page. The contract status levels that are available to assign are those you defined on the Contract Status page.

See Also

Chapter 6, "Defining Contracts Business Units," page 21

Chapter 7, "Structuring Contracts," Defining Contract Statuses, page 30

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Defining User Preferences," Defining Contracts User Preferences

Setting Up Milestone Security

The completion of a milestone can trigger billing or revenue recognition. Consequently, you may want to limit the list of users who have the ability to manage a milestone. In addition, you may wish to limit users who manage milestones to specific types or classifications of milestones. You enforce all milestone security through milestone classifications.

You define milestone classifications on the Milestone Classification page. Milestone classifications use PeopleSoft permission list security. When you define a milestone classification, you associate it with one or more permission lists that you created during your PeopleSoft system setup. When you use the milestone on a contract, only users who belong to one of the permission lists you specified for the milestone's classification can manage the milestone.

See Also

Chapter 14, "Setting Up Milestones," page 175

Using Roles and Permission Lists

The user profile that you create for each individual who accesses your application determines the Web pages that the user can access. You create user profiles in Maintain Security, using the User Profile component. You assign roles to each user profile, and you link roles to permission lists. Each permission list identifies the pages that individuals assigned to a role can access. To modify the access for specific Web pages for each role, you modify the permission list for the user's role.

Note. If you modify a permission list, you change the access for all users who are assigned to roles to which the permission list is linked.

You also use the user profile to define the data that a user has access to.

Contracts includes sample definitions for the following roles:

- Contract Administrator.
- Billing Manager.
- Billing Coordinator.
- Financial Analyst.
- Chief Financial Officer.
- Cost Accountant.
- Customer Service Representative.
- Legal Administrator.
- Project Manager.
- Project Team Member.
- Sales Manager.

Sample permission lists are associated to these roles. The following table describes the permission lists and their associated permissions.

Permission List	Associated Permission
Customer Contracts	Access to all pages to create and change a contract.
Contracts Accounting Distribution	Access to establish fixed-amount or rate-based accounting distributions.
Contracts Amount Allocation	Access to perform pricing allocation for the original contract and amendments.
Contracts Process Milestones	Access to update milestone status based on milestone conditions.
Contracts Renewals	Access to renewal functionality.
Contracts Prepaids	Access to prepaid functionality.
Contract Sales Order	Access to Create Sales Order page.
Contracts Notes	Access to add notes.

Permission List	Associated Permission
Contracts Milestone Reports	Access to milestone reports.
Contracts Financial Reports	Access to prepaids, limits, billing, revenue, and revenue forecasting reports.
Contracts Revenue	Access to define revenue plans, revenue forecasts, and run processes.
Contracts Reverse Revenue	Access to reverse contract accounting, redistribute revenue, and use billing and revenue reconciliation.
Contracts Review Revenue	Access to Revenue Management pages.
Contracts Billing	Access to define billing plans and run processes.
Contracts Reverse Billing	Access to reverse contract billing and use billing and revenue reconciliation.
Contracts Review Billing	Access to Billing Management pages.
Contracts General Information	Access to view Contracts pages.
Contracts Project Information	Access to view Related Projects pages and project or activity pages.
Contracts Milestone Info	Access to update milestone condition status levels and view milestones.
Contract Limits	Access to limits functionality.
Contracts ESA Portal Pagelets	Access to Contracts portal pagelets.
Define CA Business Units	Access to set up Contracts business units.

CHAPTER 6

Defining Contracts Business Units

This chapter discusses how to establish Contracts business units.

Establishing Contracts Business Units

To define Contracts business units, use the Contracts Definition component (BUS_UNIT_TBL_CA).

PeopleSoft defines a business unit as an operational subset of an organization that enables you to plan the organization's operations around the way that you really work.

Before you begin the day-to-day operation of the Contracts system, you must create a Contracts business unit—the backbone of the Contracts system. Each contract you create is assigned a Contracts business unit, and many contract attributes are automatically populated from the values you define for the business unit.

As you plan the optimal structure for the Contracts system, keep in mind its position in the PeopleSoft suite of applications. A Contracts business unit supplies default billing data to one Billing business unit and accounting information to one General Ledger business unit (you can override the Billing business unit for a contract line at the Contracts contract billing plan level). Therefore, you need to establish General Ledger and Billing business units before you establish the Contracts business units.

See Also

PeopleSoft Enterprise General Ledger 8.9 PeopleBook, "Defining Your Operational Structure," Understanding General Ledger Business Units and Options

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Establishing PeopleSoft Billing Business Units"

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Defining User Preferences," Defining Contracts User Preferences

Enterprise PeopleTools PeopleBook: PeopleSoft Enterprise Application Designer, "Planning Records, Control Tables, and TableSets

Prerequisites

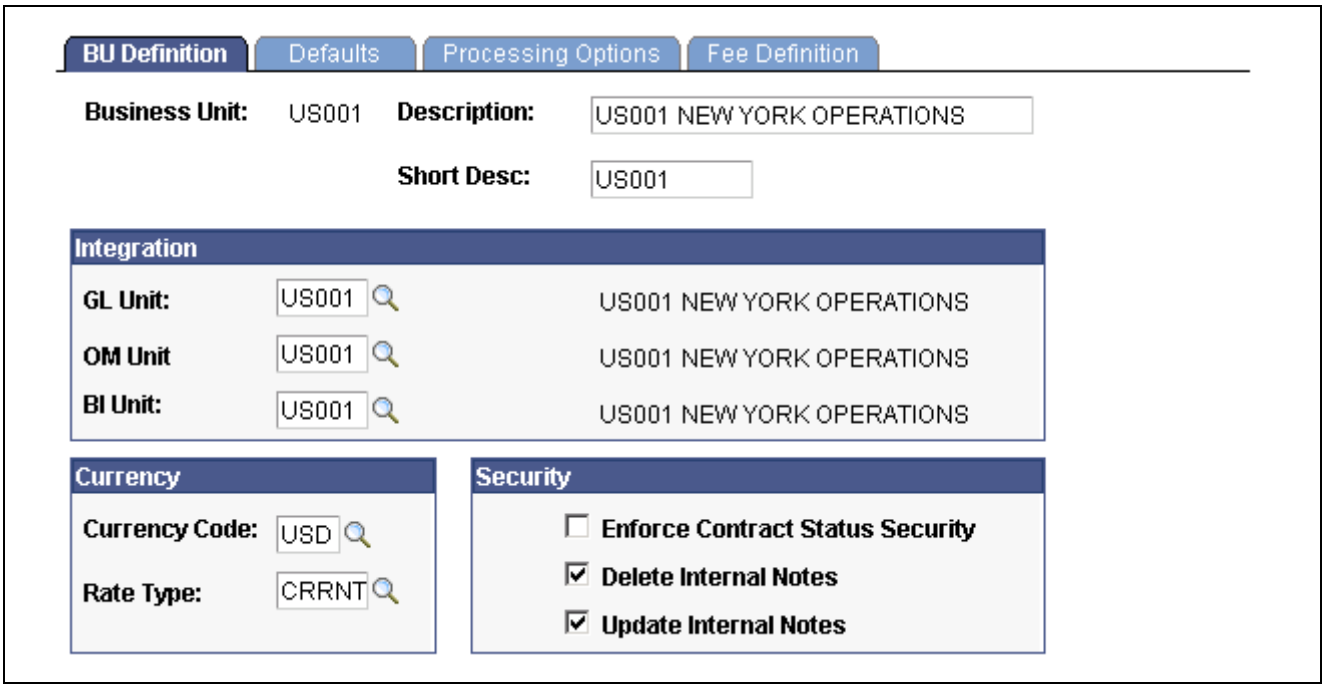
Establish at least one General Ledger business unit and one Billing business unit.

Pages Used to Establish Contract Business Units

Page Name	Object Name	Navigation	Usage
Contracts Definition - BU Definition (contracts definition - business unit definition)	BUS_UNIT_TBL_CA	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, BU Definition	Create a new Contracts business unit definition or manage an existing business unit.
Contracts Definition - Defaults	BUS_UNIT_TBL_CA1	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Defaults	Specify field value defaults that the system uses to automatically populate fields on the contract that are used for contract processing and management.
Contracts Definition - Processing Options	BUS_UNIT_TBL_CA2	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Processing Options	Define processing attributes to incorporate flexibility and automation in your Contracts system when managing revenue, or performing billing and revenue credits and adjustments.
Contracts Definition - Fee Definition	CA_BU_FEE_DEF	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Fee Definition	Used exclusively by contracts with a classification of *Government* for cost-plus contract lines to associate a fee type to the contract line to have cost-plus functionality. The system uses the Fee Type definition to calculate the appropriate fees for the contract line. See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Structuring Contracts for Government Contracting," Defining Contracts Business Unit Fee Definitions.

Defining Contracts Business Units

Access the Contracts Definition - BU Definition page.



Contracts Definition - BU Definition page

Business Unit When you first add a business unit, you must provide a description and specify a value in the Default SetID field.

Default SetID Enter a new setID or select an existing one. If you are establishing a Contracts business unit with the same name as one that is already set up in General Ledger or Receivables, the description is automatically populated, and this field does not appear.

Create BU Click to create the new business unit. The system automatically creates default relationships between the business unit and the default setID. If you have already set up a General Ledger or Receivables business unit with the same name, this button does not appear.

Integration

GL Unit Associate each Contracts business unit with a General Ledger business unit. General Ledger business units define the accounting processing for associated Contracts business units. All contracts created for this Contracts business unit use this General Ledger business unit to generate entries that interact with General Ledger.

OM Unit Select a default Order Management business unit for contracts created under this Contracts business unit. You can only select Order Management business units that are linked to the same General Ledger business unit as this Contracts business unit.

BI Unit Select a default Billing business unit for contracts created under this Contracts business unit. You can only select Billing business units that are linked to the same General Ledger business unit as this Contracts business unit.

Currency

Currency Code Select the currency code that will appear by default as the contract currency on contracts created using this business unit.

Rate Type Select the group of exchange rates used to convert contract currency amounts to the base currency of the General Ledger system. You set up rate types when defining your general options.

Security

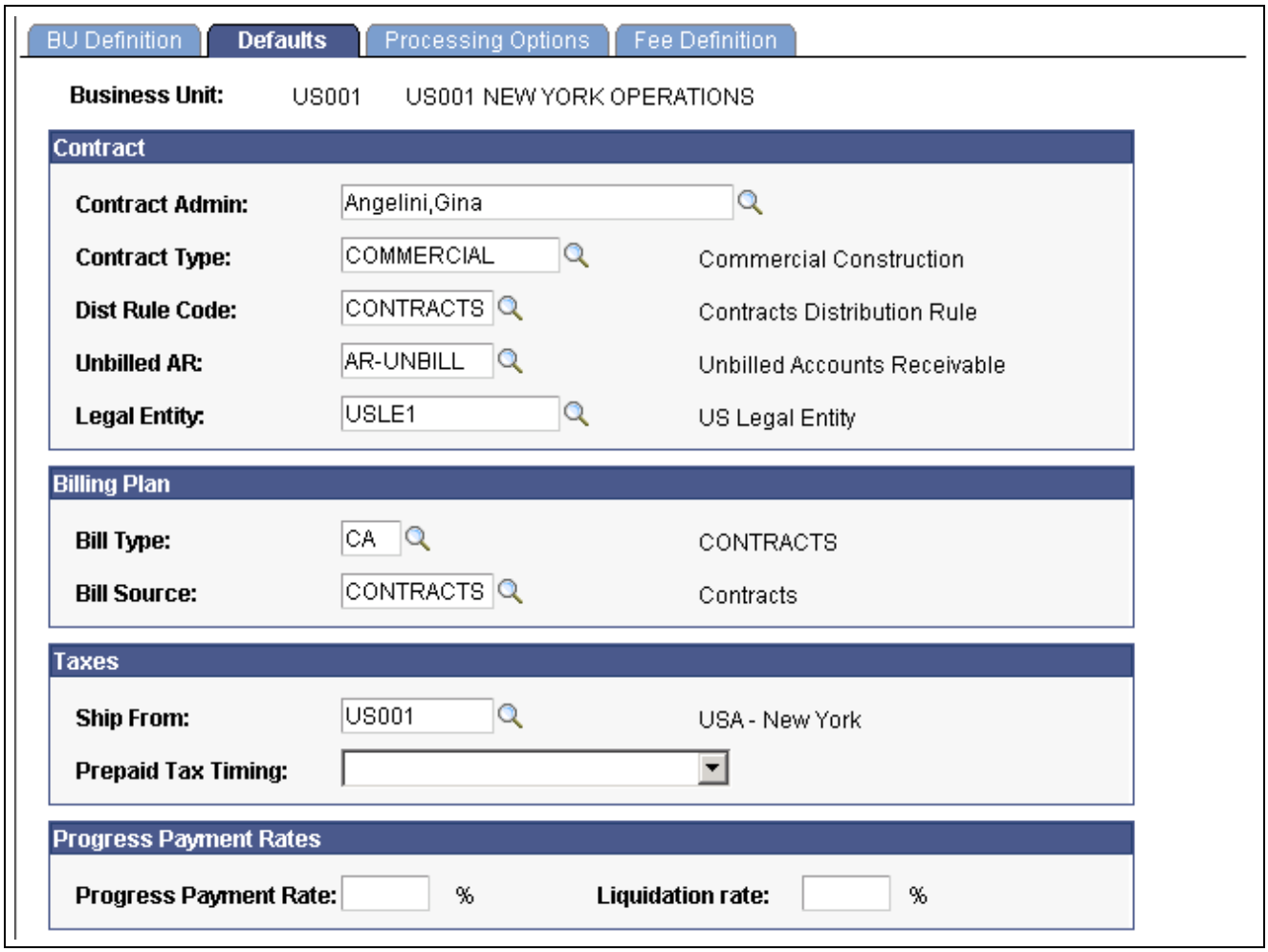
Enforce Contract Status Security Select to limit the list of users who can change the status of a contract to only those to whom you have given security access on the User Preferences - Contracts page.

Delete Internal Notes Select to enable users to delete internal notes.

Update Internal Notes Select to enable users to update internal notes.

Defining Contracts Business Unit Defaults

Access the Contracts Definition - Defaults page.



Contracts Definition - Defaults page

Contract

Contract Admin (contract administrator) Select a contract administrator for this business unit. This value automatically populates the contract administrator field on the contract header.

Contract Type Select a value to categorize the contracts for reporting purposes.

Dist Rule Code (distribution rule code) Select the distribution rule code for the business unit. The distribution rule code identifies the distribution rules to use for a particular product when the product is selected onto the contract within this Contracts business unit. You can define any number of combination criteria and hierarchy for the distribution rules. These rules tell the system how to identify and in what order to apply the accounting distribution sets.

Unbilled AR (unbilled accounts receivable) When you manage revenue from Contracts, revenue is booked to an unbilled AR account. When billing occurs, Billing generates an offsetting entry. The system uses this unbilled AR account as the high-level default value for every contract entered in this business unit.

Note. If deferred revenue is turned on at the installation options level, an unbilled AR/deferred revenue entry is generated, and revenue is moved from deferred when booked.

Legal Entity Select a legal entity for this business unit. While this legal entity is not directly linked to the legal entity in General Ledger, this field allows you to capture which legal entity contracted with the customer on each contract. This value, which is a default on the contract, can be overridden. This value automatically populates the appropriate field on the contract header.

Billing Plan

Bill Type Select a default bill type for contracts created under this Contracts business unit. The bill type represents the category of activity being billed.

Bill Source Select to enable Billing to identify where the billing activity came from and then to associate default billing information with that billing activity.

Taxes

Ship From Select from location codes defined on the Location Definition page. This value is used as a default for each contract but can be overridden on the billing plan. The system uses the ship from value as a portion of the location information that determines value-added tax.

Prepaid Tax Timing Select the timing of when prepaids are taxed. Select from *Tax on Initial Bill* or *Tax on Utilization.* This value appears by default on the prepaid setup for contracts created using this business unit. You can override this value on the prepaid setup pages.

Progress Payment Rates

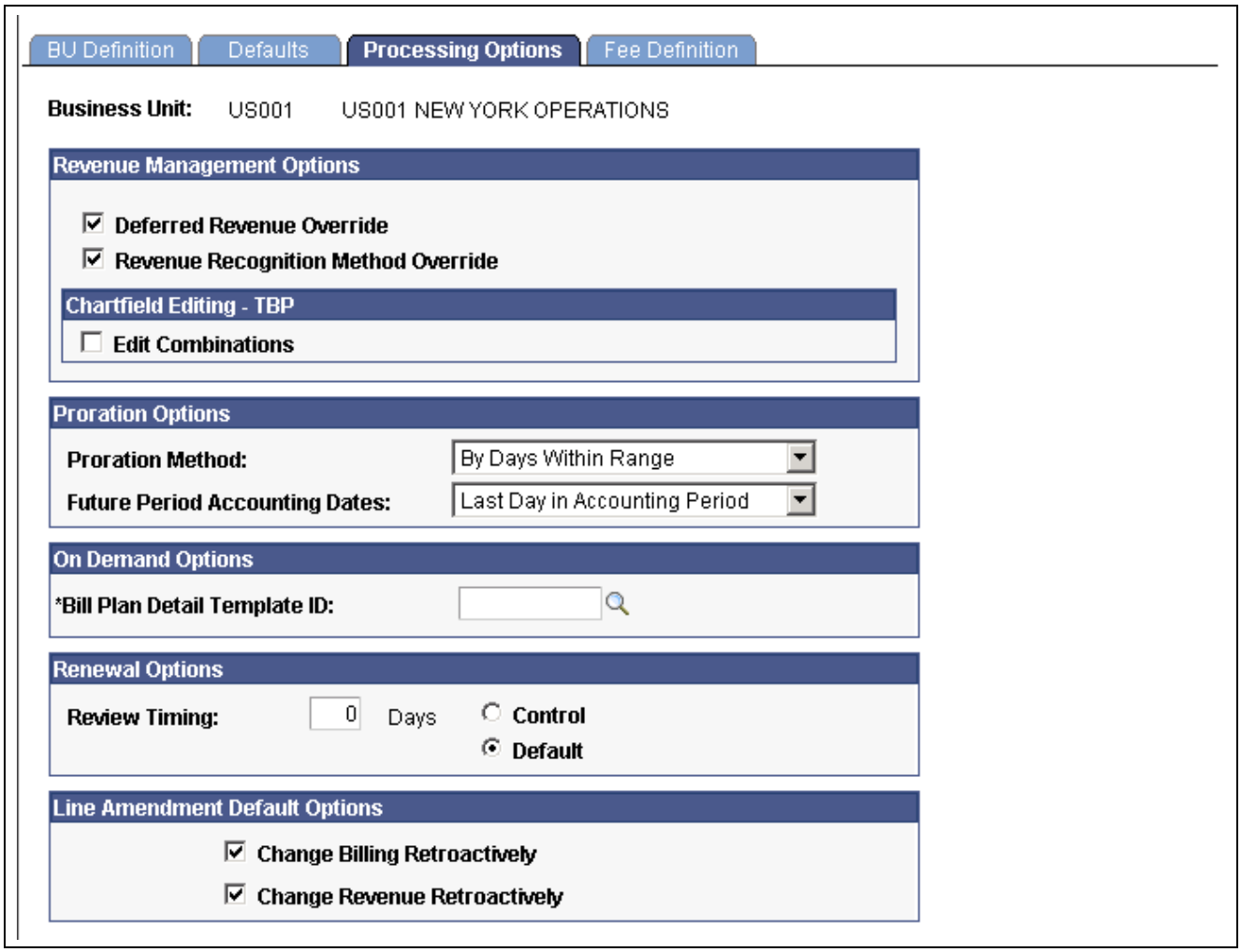
Progress Payment Rate Enter the progress payment rate percentage that you wish to use for your government contracts. This value appears by default on the Progress Payment Terms - General page and can be overridden

Liquidation Rate Enter the progress payment liquidation rate percentage that you wish to use for your government contracts. This value appears by default on the Progress Payment Terms - General page and can be overridden

Note. The data in this group box only applies to contracts with a classification of *Government.*

Defining Contracts Business Unit Processing Options

Access the Contracts Definition - Processing Options page.



Contracts Definition - Processing Options page

Revenue Management Options

Deferred Revenue Override Select to indicate whether a user can override the deferred revenue option on the contract line. At the product group level, you specify whether to use deferred revenue for a product group. The product group attributes for deferred revenue appear by default on the contract line. If you select this deferred revenue override option at the business unit level, you can override the deferred revenue option that automatically populates from the product group. Therefore, if you do not turn on deferred revenue at the product group

level, you can still select it at the contract line level as long as you selected the deferred revenue override option at the business unit level.

If you do not select this check box and deferred revenue is not specified for a product group, the deferred revenue option is unavailable for the contract line, and the Deferred Revenue tab does not appear.

Booking to deferred revenue enables you to post to the general ledger revenue that you expect to realize in a future accounting period. If a contract is in *Pending* status, you can turn deferred revenue on or off at the contract line level. If a contract is in *Active* status, you cannot change this setting on the contract line and you must use amendment processing. However, you can use amendment processing to turn deferred revenue on or off only if this override is selected and if no deferred revenue or revenue processing has occurred.

Revenue Recognition Method Override

The contract line inherits its revenue recognition method from the product definition. Select this override check box to enable users to change the revenue recognition method on a contract line. When this override check box is not selected, the system processes the revenue for the contract line by the default revenue recognition method.

Edit Combinations

Select the Edit Combinations check box if you want the Accounting Rules Process (PSA_ACCTGGL) to run the combination edit process for transactions processed by the Transaction Billing Processor.

Note. The Edit Combinations feature is only used by the Transaction Billing Processor.

Proration Options

Proration Method

Provides the rules that the system uses to determine how much to apportion to each event for revenue plans with a revenue recognition method of apportionment. Select from:

- *By Days Within Range:* The system divides the number of days in the period by the number of days in the range.
- *Evenly Using all Pds:* The system divides the total amount by the number of periods in the range. Revenue is recognized in equal portions for each event, regardless of the number of days in each period.

Future Period Accounting Dates

Stipulate the date that should be used as the accounting date for apportionment revenue recognition events. Select from:

- *First Day in Accounting Period:* Select this option to use the first day in the calendar month of the *from date* as the accounting date for the apportionment revenue recognition events.
- *Last Day in Accounting Period:* Select this option to use the last day in the calendar month of the *to date* as the accounting date for the apportionment revenue recognition events.
- *User Defined:* Select this option to specify the accounting date each time the system builds apportionment events.

On Demand Options

Bill Plan Detail Template ID Select a bill plan detail template ID to override the fields on the billing plan for on-demand contracts. If you select a template on this page, the billing plan detail template overrides the corresponding fields on the billing plan when a billing plan is created through Contract's integration with the Transaction Billing Processor.

Note. This group box is for on-demand transactions only.

Renewal Options

Review Timing Enter a value from 0– 999 in *days*. The system uses this value to determine when you must begin reviewing renewable contract lines. You can override this value for each renewable contract line on the Review Renewals page using either the control or default settings that you select on this page.

Control Select the Control option to enable users to override the Review Timing Days field on the Review Renewals page with a value that is greater than or equal to the value entered in the Review Timing field.

Default Select the Default option to enable users to override the Review Timing Days field on the Review Renewals page with a value that is less than, greater than or equal to the value entered in the Review Timing field.

Line Amendment Default Options

Here are the Default Adjustment Options for Amending a line:

Change Billing Retroactively Select this option to enable the system to adjust billing events retroactively when a contract line is cancelled or the contract line amount is modified during amendment processing. The option selected at the business unit level can be overridden at the contract line level.

If this option is not selected at the business unit or contract line level, the user can only adjust any remaining future events for the contract line.

Change Revenue Retroactively Select this option to enable the system to adjust revenue events retroactively when a contract line is cancelled or the contract line amount is modified during amendment processing. The option selected at the business unit level can be overridden at the contract line level.

If this option is not selected at the business unit or contract line level, the user can only adjust any remaining future events for the contract line.

CHAPTER 7

Structuring Contracts

This chapter provides an overview of structuring contracts and discusses how to:

- Define contract statuses.
- Define contract types.
- Define revenue and billing plan templates.
- Define billing plan detail templates.
- Define billing summarization templates.
- Define renewal plan templates.
- Define hold reasons.
- Define tiered pricing templates.
- Define rate sets and rate plans.
- Define discounts and surcharges.
- Define document sequencing options.
- Define legal entities.
- Define early-out options.
- Define milestones.
- Define revenue reconciliation options.
- Define email notifications.
- Define amendments.

Understanding Contract Structure

All tables and setup specific to Contracts are discussed in the following sections. For setting up additional Contract features that are shared by other applications, see *PeopleSoft Enterprise Applications Fundamentals PeopleBook.*

Note. For contracts with a classification type of *Government,* you must first set up the Contracts core structure before setting up the tables and structure for government contracts. Government contracts rely on Contracts' core structure to support the government contract features and functions. This combined setup is required to enable you to utilize the additional features and functions of the government contracts system.

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Structuring Contracts for Government Contracting".

See Also

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Defining Financials and Supply Chain Management Common Definitions"

Defining Contract Statuses

To define contract statuses, use the Contract Status component (CA_STATUS_PNLG_GBL).

This section discusses how to define contract statuses.

Understanding Contract Statuses

The contract status provides you with a visual indicator of where your contract is within the contract life cycle and it designates when a contract is available for lookup and processing. Contracts delivers a set of system-defined processing statuses that control what processing can occur against a contract. When you set up your Contracts system, you define a group of contract statuses that are applicable to your business flow. When you define a contract status, you map it to a system-defined processing status. You can map multiple contract statuses to each system-defined processing status. The contract statuses you define will be those that you see displayed on the pages throughout your Contracts system.

Understanding Processing Statuses

The processing status is a system-defined value controlling the application processing that can occur against a contract. Every contract that you create in Contracts is associated with a contract status that has been mapped to a processing status of *Pending, Active,* or *Closed.* Here's a summary of the processing statuses and a list of the attributes associated with each status.

Pending Default processing status when you create a new contract. This status indicates that the contract has been created and that some data has been entered. Contracts in *Pending* status have these attributes:

- Data fields are available for entry.
- No downstream processing is allowed for the contract.
- Minimal system data validation has been performed to validate the entered data.

Active Indicates that all data for the contract has been entered into the system and has passed system data validation. A contract must be in *Active* status for any contract element to be available for application engine processing. Contracts in *Active* status have these attributes:

- Controlled data fields are available for entry only through amendment processing.
- Downstream processing is allowed for the contract.
- The system has confirmed entry of required fields and validated contract data.
- The contract is included in prompt pages.

Before the processing status for a contract can be set to *Active,* you must perform these activities:

- Set the Allocation field to *Complete* on the Amount allocation page.
- Complete all required fields in the Contract General Information component.

  This includes setting at least one contract line to an *active* status and setting up accounting distributions for all applicable contract lines. Additional activities must be performed based on price types and other contract conditions such as discounts and deferred revenue.

Closed

Indicates that either the contract has been terminated midstream (the status went directly from *Pending* to *Closed* or was cancelled after execution) or the contract has been completed (all contractual obligations have been fulfilled and all entitlements received). Contracts that are set to *Closed* are removed from processing and views, but the historical contract data is still available to query. Contracts with *Closed* status have these attributes:

- Data fields are not available for entry.
- No downstream processing is allowed for the contract.
- The contract passed system data validation to verify that all processing related to this contract had been completed.

The system allows you to change the status of a contract from *Pending* to *Closed.* However, when changing the status of a contract from *Pending* to *Closed,* or from *Active* to *Closed,* the system does check to see if there are any active projects associated with the contract. If there are active projects associated with the contract, the system asks whether or not you still want to close the contract. Before the processing status for a contract can be changed from *Active* to *Closed,* these must be true:

- No billing plans assigned to the contract have a status of *In Progress*.

  Note. Unless you are closing a contract due to termination, you should check that the status for all billing plans is *Complete.* It is possible to close a contract that is assigned to billing plans with a status of *Pending, Ready,* and *Reversed.*

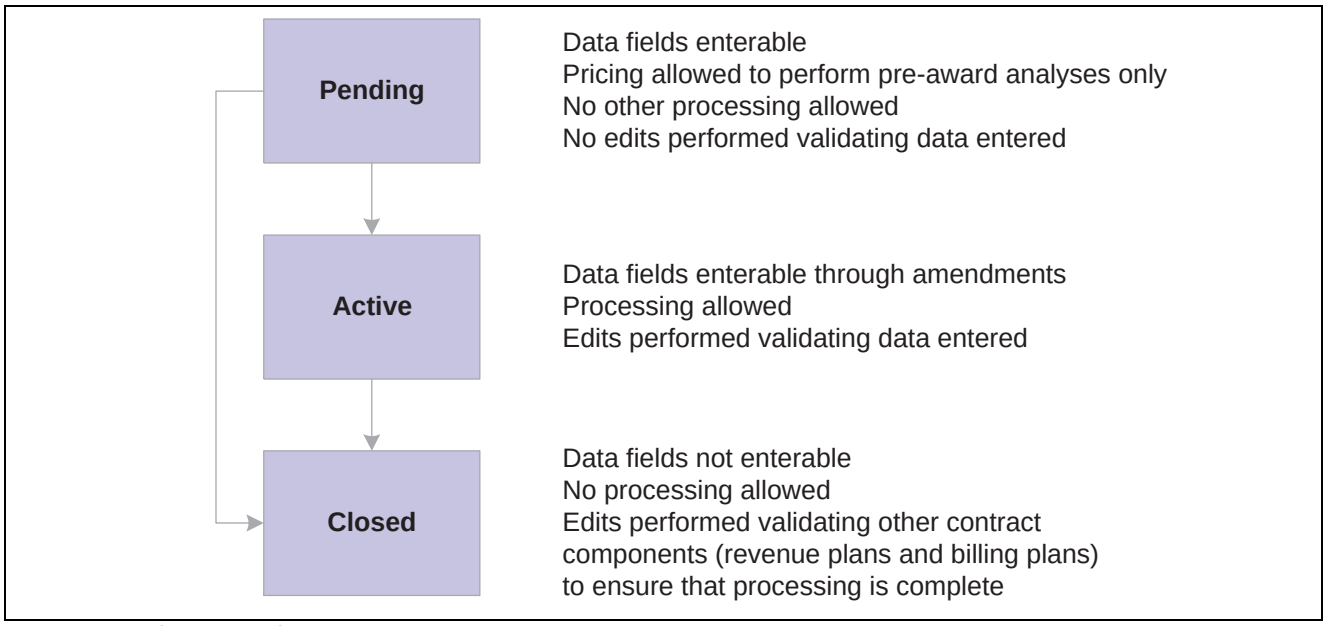
- The revenue plan status for any revenue plans assigned to the contract must not be *In Progress.*

  Note. Unless you are closing a contract due to termination, you should check that the status for all revenue plans is *Completed* or *Cancelled.* It is possible to close a contract that is assigned to revenue plans with a status of *Pending, Ready,*and *Reversed.*

- No amendments are *Pending* or *Ready;* they must be either *Complete* or *Cancelled.*
- No prepayments are *Pending.* They must be *Complete.*
- No renewal plans are *Pending* or *Ready;* they must be *Cancelled.*

Status Flow

This diagram shows the flow between status values and the functionality for each header status value.



Contract header processing status

The processing statuses can only flow forwards; that is, you *cannot:*

- Change the status from *Active* back to *Pending*.
- Change the status from *Closed* back to *Active*.
- Change the status from *Closed* back to *Pending*.

When you initiate a change in the processing status for a contract, the system performs a series of checks to ensure that the contract meets all necessary criteria to move to the next processing status level. Unless the contract meets all necessary criteria, the processing status cannot advance.

Defining Your Own Contract Statuses

In Contracts, you define contract statuses that are applicable to your company's business environment. These contract statuses are used in the Status field of the Contract - General page and indicate where a contract is within its contract life cycle. When you define a contract status, you map that status to one of the three processing statuses described previously. The system then uses the mapped processing status to control processing activity for a contract.

Here are contract status types that you might want to define and how you might link these contract status types to processing status types.

Proposed	Contract is drafted and in the customer's hands.
In Negotiation	Contract has been reviewed and returned by the customer; additional negotiations are in progress.
Letter of Intent	You and the customer have reached an initial agreement relating to the scope of work or billing terms, and the contract is now being processed for execution (for example, it's going through legal review).
Signed/Executed	Contract has been finalized and signed by both parties.

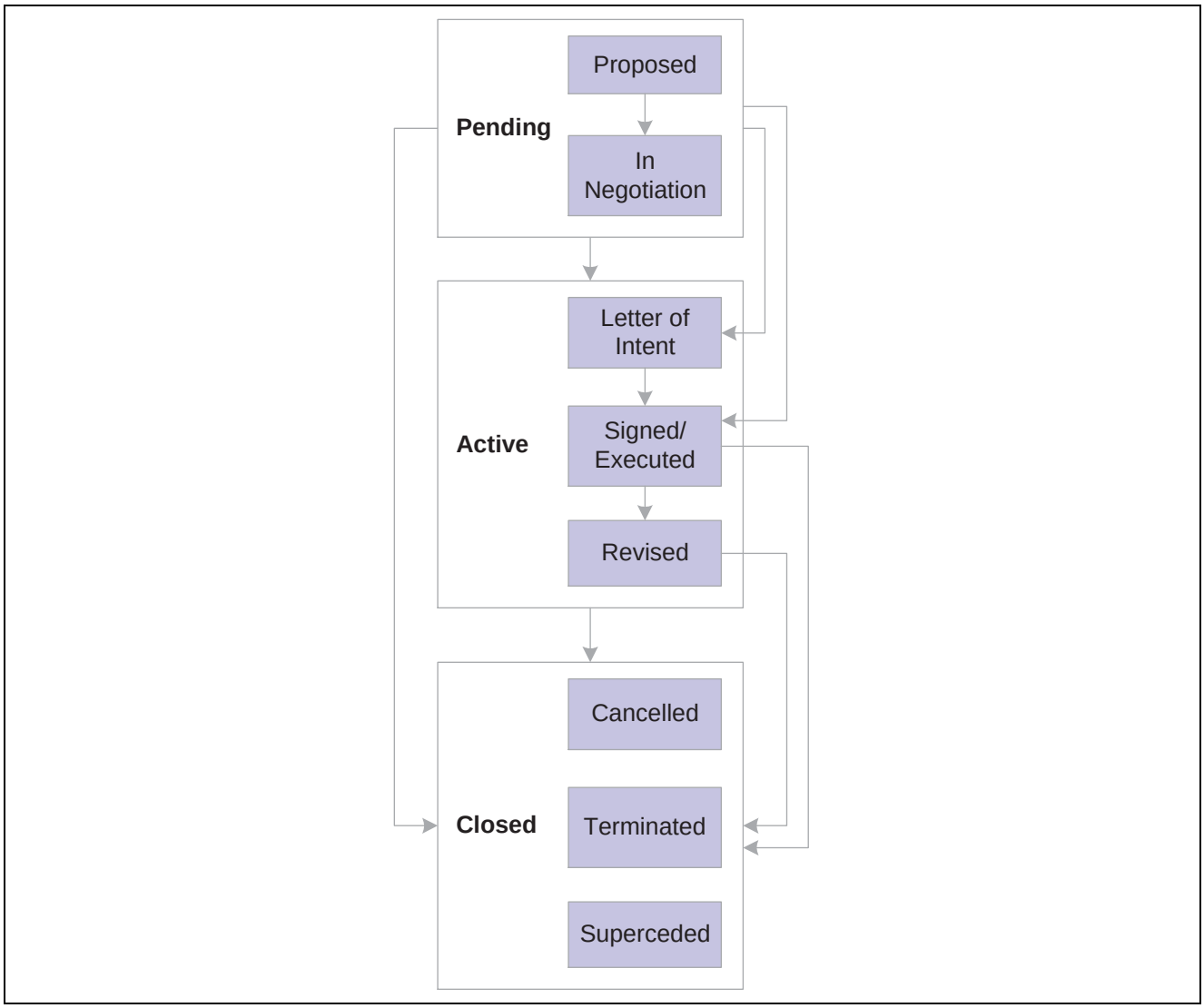
Approved	Contract has been signed, entered into the Contracts system by the contract administrator, and approved within the Contracts system by management or by the authorized review organization.
Revised/Expanded	Signed contract has been revised or had terms and contract lines added.
Cancelled/Reversed	Signed contract has been reversed as if it never existed.
Terminated	Signed contract has been interrupted midstream of the original obligations.
Superseded	Signed contract has been replaced by another signed contract.

This table provides three examples of how you might map these sample contract status types to processing statuses:

User-Defined Contract Status Type	Processing Status Example 1	Processing Status Example 2	Processing Status Example 3
Proposed	Active	Pending	Pending
In Negotiation	Active	Pending	Pending
Letter of Intent	Active	Active	Pending
Signed/Executed	Active	Active	Pending
Approved			Active
Revised/Expanded	Active	Active	Active
Cancelled/Reversed	Closed	Closed	Closed
Terminated	Closed	Closed	Closed
Superseded	Closed	Closed	Closed

The system does not enforce a contract status hierarchy for contract statuses that are mapped to the same processing status. For example, using Processing Status Example 2 from the previous table, the system will not always force a user to move the contract status from *Proposed* to *In Negotiation* to *Letter of Intent.*

This diagram shows the contract status setup for a user who allows processing any time after a letter of intent is signed. However, this user does not require that the contract always go from *Proposed* or *In Negotiation* to *Letter of Intent.*



Sample contract status setup

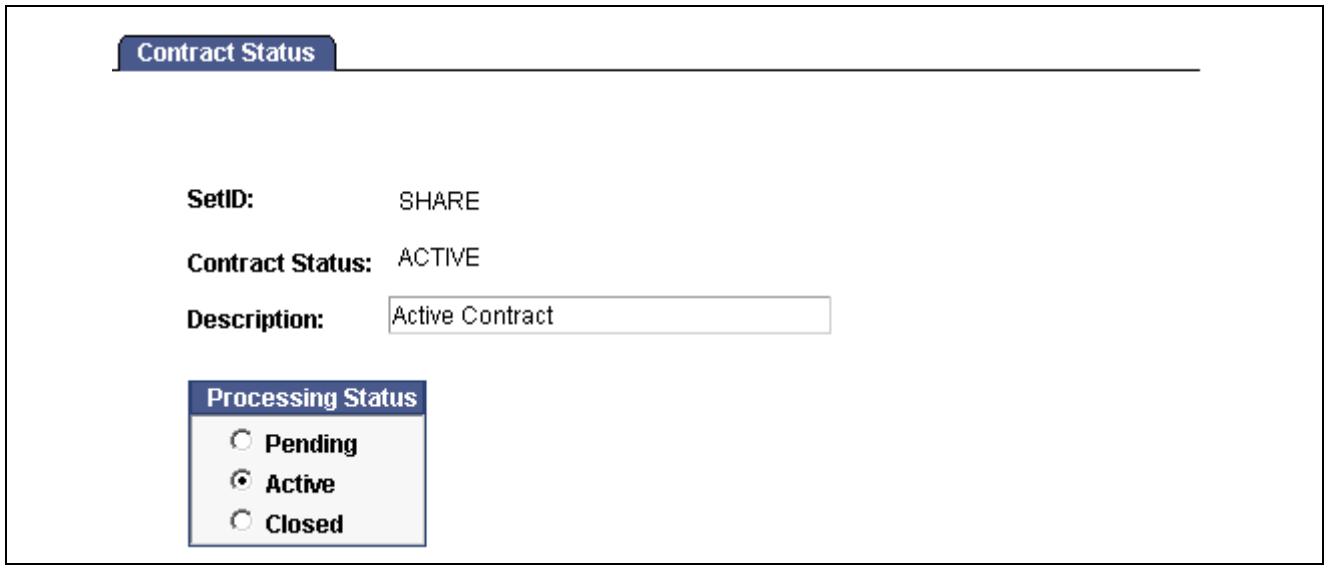
You can optionally enable status security for a Contracts business unit by selecting the Enforce Contract Status Security check box on the Contracts Definition - BU Definition page. When status security is enabled, only those users to whom you assigned permission for a status can manage that contract status.

Page Used to Define Contract Statuses

Page Name	Object Name	Navigation	Usage
Contract Status	CA_STATUS_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Contract Status	Define contract statuses and map them to processing statuses. The contract statuses you define appear in the list of valid values for contract status on the Contract - General page. The system uses the contract status to control all processing that can occur against a contract.

Defining Contract Statuses

Access the Contract Status page.



Contract Status page

Select the processing status to which this contract status should be mapped.

Warning! Once you have defined a contract status and used it on a contract, do not remap that contract status to a different processing status. Doing so causes a change in processing status for any contracts mapped to that contract status.

Default Select to make this contract status the default status for all new contracts that you create. A contract status must be mapped to a processing status of *pending* in order to be designated as the default status.

This field only appears when creating a new contract status.

Defining Contract Types

To define contract types, use the Contract Type component (CA_CONTR_TYPE_PNLG_GBL).

This section describes how to define contract types.

Page Used to Define Contract Types

Page Name	Object Name	Navigation	Usage
Define Contract Types	CA_CONTR_TYPE_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Contract Type	Define contract types. Contract types enable you to categorize your contracts for reporting purposes. When you set up your contract milestones, you can use contract types to limit the group of contracts to which a milestone can be applied.

Defining Contract Types

Access the Define Contract Type page.

Description Enter a Description for each contract type you create.

Default Product Kit Select a product kit for this contract type (optional).

Defining Revenue and Billing Plan Templates

To define revenue and billing plan templates, use the Revenue/Billing Plan Template component (CA_PLAN_TMPL_GBL).

This section provides an overview of revenue and billing plan templates and discusses how to define revenue and billing plan templates for use on your contract lines.

Understanding Revenue and Billing Plan Templates

You can set up revenue and billing plan templates to automate the creation of revenue and billing plans. You can also optionally associate events with your revenue and billing plan templates depending on your plan method. These events will populate onto your contract line when you associate the revenue or billing plan template with a contract.

Templates provide you with the flexibility to automate your revenue and billing plan process. You can select options on the template to automatically set the bill plan and revenue plan to *Ready* status when these actions occur:

- Activate a contract.

Check boxes on the revenue and billing plan pages indicate whether the system should mark the plan *Ready* automatically upon contract activation. The value in this check box on the revenue and billing plan pages populates from the option defined on the Revenue/Billing Plan Template page. The default for this option on the template is to leave the plan *Pending.* Therefore, you must select this option on the template for automation to occur.

- Process an amendment.

  A check box on the amendment page indicates whether the system should mark the contract line *Ready* automatically upon amendment processing. The value in this check box on the amendment page populates from the option defined on the Revenue/Billing Plan Template page. The default for this option on the template is to leave the plan *Pending.* Therefore, you must select this option on the template for automation to occur.

  Note. This automation applies only if a revenue or billing plan template is associated with the new contract line.

- Approve a renewal.

  A check box on the Define Renewal Plan page indicates whether the system should mark the renewal plan *Ready* automatically upon approval of the renewal cycle. The default for this option is to leave the plan *Pending.* Therefore, you must select this option on the template for automation to occur.

  Note. This automation applies only if a revenue or billing plan template is associated with the new contract line.

In addition, you can override the template values defined from the product at these locations:

- Product Search page.
- Define Renewal Cycle page.
- Amendment Details page.

Note. If you are have a contract with a classification of *government,* the template for *immediate* billing plans contains an additional check box for approving progress payments worksheets.

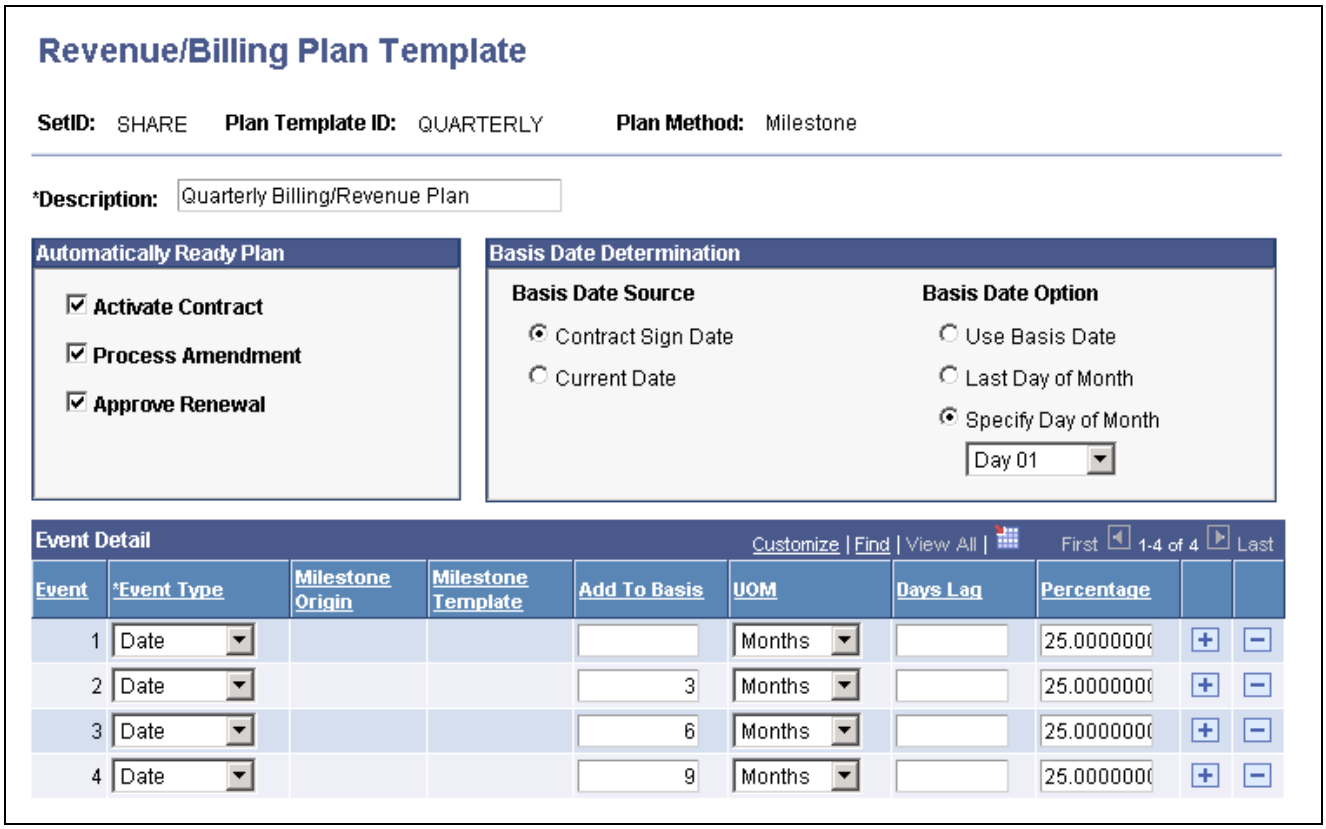
See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Establishing Progress Payments," Progress Payment Billing.

Page Used to Define Revenue and Billing Plan Templates

Page Name	Object Name	Navigation	Usage
Revenue/Billing Plan Template page	CA_PLAN_TMPL	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Revenue/Billing Plan Template	Create revenue and billing plan templates for use on your contract lines.

Creating Revenue and Billing Plan Templates

Access the Revenue/Billing Plan Template page.



Revenue/Billing Plan Template page

Plan Template ID The system displays the unique template identifier that you entered for this template.

Plan Method The system displays the billing plan method or revenue plan method that you selected for this template. Possible values include: *Apportionment, As Incurred, Immediate, Milestone, Percent Complete, Recurring,* and *Value Based Billing.*

Description Enter a description for your revenue or billing plan template.

Number of Events Enter the number of events for templates with *Recurring* or *Apportionment* plan methods.

Schedule ID Select a schedule ID for templates with *Recurring* or *Apportionment* plan methods.

Automatically Ready Plan

Activate Contract Select to have the system automatically set this billing or revenue plan to *Ready* upon contract activation.

Process Amendment Select to have the system automatically set this billing or revenue plan to *Ready* upon amendment processing.

Approve Renewal Select to have the system automatically set this billing or revenue plan to *Ready* upon renewal approval.

Approve Progress Payments Select to have the system automatically set this billing plan to *Ready* upon progress payment worksheet approval.

Note. This field applies to contracts with a classification of *government* only. This field displays only if the billing method is *immediate.*

Basis Date Determination

These fields are available for *Apportionment, As Incurred, Milestone,* and *Recurring* billing and revenue plan templates only.

The system uses the basis date as a building block for event dates on *Milestone* and *As Incurred* plans, and to determine the start date on *Apportionment* and *Recurring* plans.

Basis Date Source Select either the *Contract Sign Date* or the *Current Date* as your basis date source. The system uses the *Contract Sign Date* as the default value.

Basis Date Option Select the *Use Basis Date, Last Day of Month,* or *Specify Day of Month* for your basis date option. If you choose the *Specify Day of Month* option, select a specify day *(01–28)*from the drop down list. The system uses the *Use Basis Date* as the default value.

Note. If you chose the *Use Basis Date* option, then the basis date will be either the *Contract Sign Date* or the *Current Date,* whichever value that you selected in the Basis Date Source field.

If you chose either the *Last Day of Month* or *Specify Day of Month* options, then the basis date is changed as indicated by your selection.

Note. The basis date cannot occur before the value selected for the Basis Date Source. For example, if you select the Basis Date Option as *Specify Day of Month,* and you choose the day of the month as the fifteenth *(15)*, then a contract sign date of August 20th, would result in a basis date of September 15th.

Event Detail

The following fields are available for *As Incurred* and *Milestone* billing and revenue plan templates only.

Event Type Select either a *Date* or *Milestone* event type for this template.

If you select a *Milestone* event type, you must also enter values in the Milestone Origin and *Days Lag* fields.

Milestone Origin Select either *Contract* or *Project* as your origin. If you select *Contract*, you must enter a value in the Milestone ID field.

Milestone Template Select a specific milestone template to associate with this milestone event. This field is only valid for events with a milestone origin of *Contract.*

Add to Basis Enter the time that the system will add to the Basis Date to determine the event date. The system uses the value in this field, combined with the value you select for the UOM (unit of measure) field, to add to the Basis Date to determine the event date.

UOM (unit of measure) Select the unit of measure for calculating your add to basis. The system uses the default value of *Months.* However, you can also select *Days* or *Years.*

Note. If you select a Basis Date Option of *Last Day of Month* or *Specify Day of Month,* you must select a UOM of *Months.* When selecting a Basis Date Option of *Last Day of Month* and a UOM of *Months,* the subsequent events will continue to use the last day of the month, rather than simply adding months.

For example, normally the Add to Basis amount is simply added to the basis date. If the basis date is *February 15,* the Add to Basis is *1,* and the UOM is *Month* (1 month), then the corresponding event date is March 15. However, if the Basis Date is *Last Day of Month,* the basis date is *February 15,* the Add to Basis is *1,* and the UOM is *Month* (1 month), then the event date is March 31.

Days Lag Enter a default days lag value for the system to pass through to the events on the billing or revenue plan. This field is optional.

Percentage Enter a default value for the event's percentage. The system passes this value through to the events on the billing or revenue plan.

Defining Billing Plan Detail Templates

To define billing plan detail templates, use the Billing Plan Detail Templates component (CA_BP_DTL_TMPL_GBL).

This section provides an overview of billing plan detail templates and discusses how to create billing plan templates for use on your contract lines.

Understanding Billing Plan Detail Templates

Billing plan detail templates are specific to a billing plan and are not required to create a billing plan. Use these templates to override the billing defaults that are defined for a contracts billing business unit and contract header. If you specify values for the fields on this page, these values will override the billing defaults. If you do not want to override your billing defaults, you do not need to enter any information on this page.

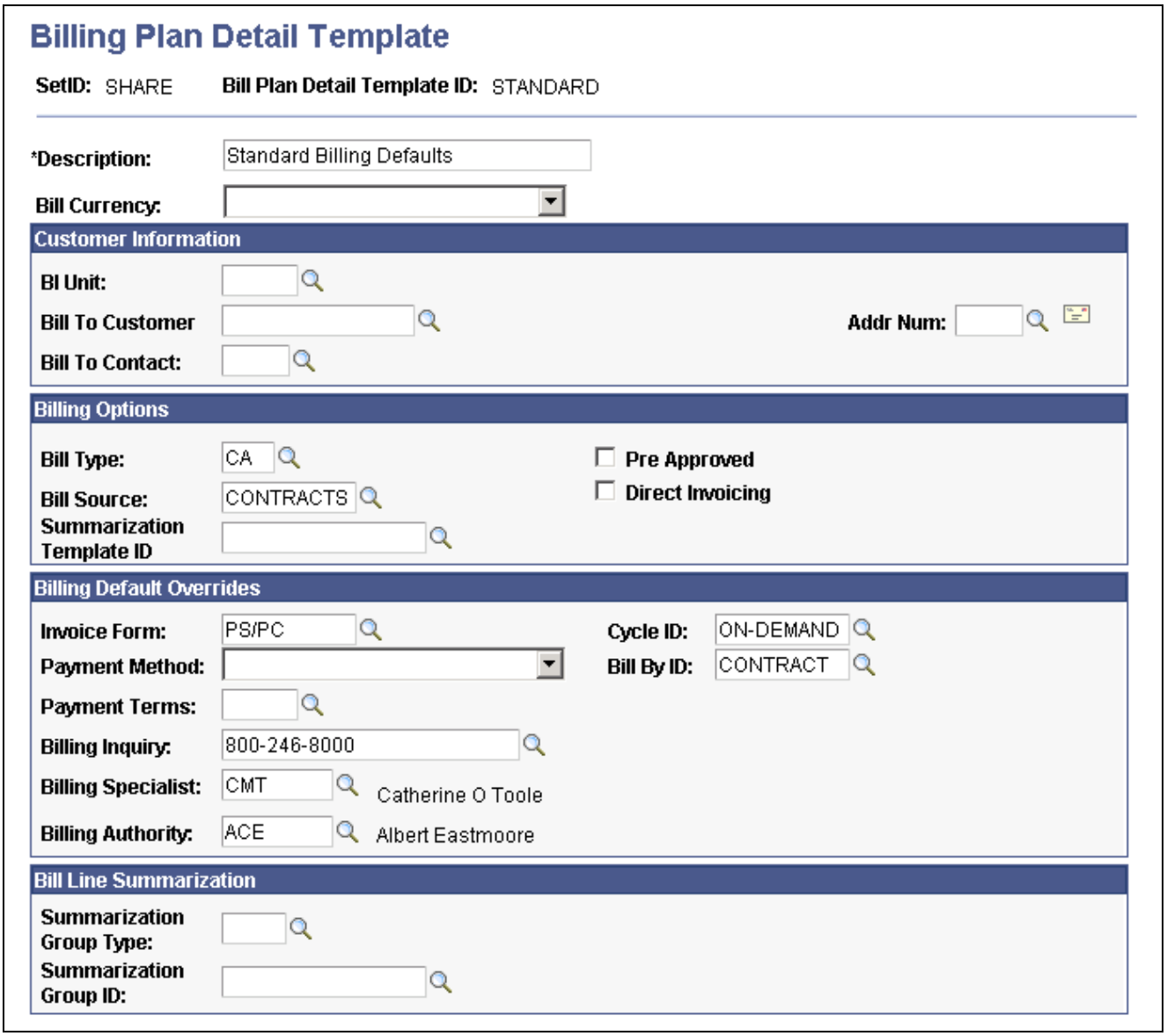
If you specify a billing plan template and do not specify a billing plan detail template, the system creates the billing plan and populates the billing options on the billing plan with the usual default values (from the contract). If you select a billing plan detail template, then the system overrides the defaults from the contract with the values specified on the template. However, if a value from the billing plan detail template is not valid on the billing plan, then the system uses the default value from the contract.

Page Used to Define Billing Plan Detail Templates

Page Name	Object Name	Navigation	Usage
Billing Plan Detail Template page	CA_BP_DTL_TMPL	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Bill Plan Detail Templates	Capture detailed information for overriding billing defaults on your billing plan.

Creating Billing Plan Detail Templates

Access the Billing Plan Detail Template page.



Billing Plan Detail Template page

When you first create a new billing plan detail template, all fields appear blank. Use this page to override the billing defaults that you defined for this contract's business unit on the Contracts Definition - Defaults and the Contract General - Billing Options pages. If you specify values for the fields on this page, these values will override the billing defaults. If you do not want to override your billing defaults, do not need to enter any information on this page.

Note. If a value from the billing plan detail template is not valid on the billing plan, then the system uses the default value from the contract.

Bill Plan Detail Template ID The system displays a unique identifier for the billing plan template.

Bill Currency Currency code of the invoice(s) that are generated for this billing plan.

Customer Information

BI Unit (Billing Business Unit) — Select a billing business unit from the list of valid values. The list of valid values contains only those billing business units that share the same General Ledger business unit as the billing plan's Contracts business unit.

Bill To Customer — Customer to whom the invoice is to be sent.

Address Num (address sequence number) — Customer address to which the invoice is to be sent.

Bill To Contact — Person to whose attention the invoice is sent.

Billing Options

Bill Type — The bill type is used by Billing to categorize the activity being billed.

Bill Source — Used by Billing to identify where the billing activity came from, and to then associate default billing information with that billing activity.

Summarization Template ID — Select the summarization template Id that will appear by default on the billing plan. When the billing plan is processed, Contracts passes the template Id to Billing using the Contracts/Billing Interface process. The summarization template defines the summarized format in which the bill lines will print on the invoice.

Pre Approved — Select to bypass the billing worksheet review/approval process. Selecting this check box sends the invoices directly to billing without first creating a temporary bill. Selecting this check box does not execute the invoice generation process within Billing.

Note. If you select the Pre Approved check box and do not select the Direct Invoicing check box, the system bypasses the temporary invoice and creates a bill in *NEW* status based upon the Bill By Identifier setup.

Note. If you do not select the Pre Approved check box, the system creates a temporary invoice. You must manually approve the bill in the billing worksheet before the system creates the invoice in *RDY* status.

Direct Invoicing — Select to have the Contracts to Billing interface run various Billing processes to complete the invoice processing.

This check box is available if you have selected the Pre Approval check box for this bill plan ID.

See Chapter 20, "Processing Contracts Billing," Direct Invoicing and Preapproved Activity, page 334.

Billing Default Overrides

Invoice Form — Specifies the invoice format for the bills that you generate from this billing plan.

Payment Method — Select the type of payment method such as *Check, Credit Card, Direct Debit, Draft,* or *Electronic Fund Transfer.*

Payment Terms Enter the payment terms. These are user defined values.

Billing Inquiry (billing inquiry phone) Select a bill inquiry phone number. This number is established on the Bill Inquiry Phone Page.

Billing Specialist Specialists are established on the Billing Specialist Page. An example of a billing specialist is a functional user whose daily job includes filling out billing plans.

Billing Authority A billing specialist who is responsible for approving invoices. An approver might be a manager who is not necessarily the person responsible for entering bills daily. To indicate that a billing specialist is a billing authority, select the Billing Authority Flag option for the corresponding bill specialist on the Billing Specialist page.

The field appears for *As Incurred* billing plans only. Grants users utilize this field.

Cycle ID (billing cycle identifier) Allows you to associate a billing plan with a bill cycle that you have defined on the Bill Cycle Page. When you run the Contracts Billing Interface process, you can specify that it should only process billing plans of a specific billing cycle type.

Bill By ID Allows you to group bill lines on invoices.

Bill Line Summarization

Summarization Group Type Select a summarization group type to appear by default on the billing plan lines page for immediate, milestone and percent complete billing plans. Summarization group types filter the Summarization Group Identifiers that can be selected.

Important! Summarization group types must be included as an attribute in the summarization template setup before Billing can create summarized billing plan lines

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Summarization Group ID Select a Summarization Group Identifier associated with the Summarization Group Type selected to appear by default on the billing plan lines page for immediate, milestone and percent complete billing plans. Billing plan lines assigned to the same summarization group Identifier attribute will be summarized in Billing on the invoice.

Important! Summarization group Id's must be included as an attribute in the summarization template setup before Billing can create summarized billing plan lines.

Defining Billing Summarization Templates

To define billing summarization groups, use the Billing Summarization Group (BI_SUM_GROUP_GBL) component.

To define billing summarization IDs, use the Billing Summarization ID (BI_SUMMARIZATION_GBL) component.

To define billing summarization templates, use the Billing Summarization Template (BI_SUM_TEMPLATE) component.

This section provides an overview of billing summarization templates and discusses how to create billing summarization templates to use on your contract lines.

Understanding Billing Summarization Templates

Summarization templates enable you to combine transactional bill line data into a single summarized bill line format for printing on the invoice. Summarization templates are assigned at the billing plan level for amount-based and rate-based contract lines. When the Contracts/Billing Interface process is run, the system passes the summarization template to Billing to combine contract line transaction data for printing on the invoice. For immediate, milestone and percent complete billing plans, additional criteria can be specified on the billing plan to print summarized billing plan lines, while leaving other billing plan lines at the detail level.

Before you can utilize the billing summarization functionality, you must set up the billing summarization components in Billing. To set up billing summarization criteria for Contracts billing, you must complete the following steps:

1. Define summarization group types.
2. Define summarization identifiers.
3. Define summarization templates.
4. Assign summarization templates to billing plans manually or using the Billing Plan Detail Template.
5. Assign summarization group types to billing plan lines for immediate, milestone and percent complete billing plans manually or using the Billing Plan Detail Template.

Note. Summarization templates cannot be assigned to billing plans that use the Value-Based or Recurring billing method.

Defining Summarization Group Types

Summarization group types are used by immediate, milestone and percent complete billing plans to enable you to select the contract lines associated with the billing plan to be summarized. When defining summarization group types you must define a summarization group type ID and summarization group identifiers. When determining how contract bill lines will be summarized, you must associate a summarization group type and summarization group identifier to the contract billing plan line. Only summarization group identifiers associated with the summarization group type will be available for selection.

When the Contracts/Billing Interface process is run, the system sends the summarization group type and summarization group ID data assigned to the contract bill lines to Billing. Billing groups all contract billing lines that are assigned to the same summarization group Id together onto one summarized bill line on the invoice.

Defining Summarization Identifiers

The summarization identifier enables you to select the fields from the Billing Line (BI_LINE) table to use to summarize your billing lines. The fields that you select for your Summarization ID setup will be the fields that you can choose from when defining the summarization rules for your summarization template.

For contract billing, when defining the Summarization ID, you must also include the summarization group type *(SUM_GROUP_TYPE)* and summarization group identifier *(SUM_GROUP_ID)*as summarization fields. Including these fields enables the system to successfully pass the summarization bill line data to Billing. If these fields are not included on your Summarization ID definition, Contracts will issue a warning message when the billing plan is set to *Ready* status.

Defining Summarization Templates

Summarization templates are configurable templates that enable you to define summarized text and grouping rules, as well as customized group header and detail data that appears on the invoice. Once defined and assigned to a contract billing plan, summarization templates enable the system to create summarized invoices for transaction billing data for amount and rate-based contract lines.

Summarization templates enable you to define the configuration that determines how bill lines will be summarized and printed on the invoice. Summarization templates consist of the following three pages:

- Common Definitions page.

  Identify the Summarization ID, associated field names to use for summarization, and group header and detail rules. This setup defines the overall summarization rules.

- Group Header page.

  Define any customized text and details that will print on the summarization invoice, as well as the order in which the fields should display, for fields designated as group header fields on the Common Definitions page.

- Group Detail page

  Define any customized text and the sort order for the group detail lines for fields designated as group detail fields on the Common Definitions page.

See Also

PeopleSoft Enterprise Billing PeopleBook

Pages Used to Define Billing Plan Summarization Templates

Page Name	Object Name	Navigation	Usage
Summarization Group	BI_SUM_GROUP	Set Up Financials/Supply Chain, Product Related, Billing, Summarization Template Config, Summarization Group	Define summarization group types and summarization groups to assign to contact billing plan lines that should be summarized onto one bill line on an invoice.
Summarization Configuration ID	BI_SUM_CFG_ID_FLD	Set Up Financials/Supply Chain, Product Related, Billing, Summarization Template Config, Summarization Configuration ID	Configure and define a list of selected fields to be used as promptable field values on the Summarization Template page.
Summarization Template - General Definitions	BI_SUM_COMMON	Set Up Financials/Supply Chain, Product Related, Billing, Summarization Template Config, Summarization Template, General Definitions	Set up the overall summarization rules and formatting options for the fields selected on the summarization template.
Summarization Template - Group Header	BI_SUM_GROUP_HDR	Set Up Financials/Supply Chain, Product Related, Billing, Summarization Template Config, Summarization Template, Group Header	Define customized options for the group header display.
Summarization Template - Group Detail	BI_SUM_GROUP_DETL	Set Up Financials/Supply Chain, Product Related, Billing, Summarization Template Config, Summarization Template, Group Detail	Define customized options for the summarized lines.
Summarization Template - Preview Template	BI_SUM_TMPL_PREVW	• Set Up Financials/Supply Chain, Product Related, Billing, Summarization Template Config, Summarization Template, Preview Template • Click the Preview Summarization Template link on any page in the Summarization Template component.	Preview the summarization display.

See Also

PeopleSoft Enterprise Billing 8.9 PeopleBook, “Structuring Bills,” Pages Used to Set Up Summarization

Defining Renewal Plan Templates

To define renewal plan templates, use the Renewal Templates component (CA_RNW_TMPL_GBL).

This section provides an overview of renewal plan templates and discusses how to define renewal plan templates to use on your amount-based contract lines.

Understanding Renewal Plan Templates

You can set up renewal plan templates to automate the creation of renewal plans, automatically create billing and revenue plans, and set pricing and accounting distribution criteria for the renewed contract line. If you have revenue and/or billing plans associated with your renewal template, use the Auto-ready options to enable the system to automatically set the revenue and/or billing plans to *Ready* status upon approval of the renewal cycle.

See Also

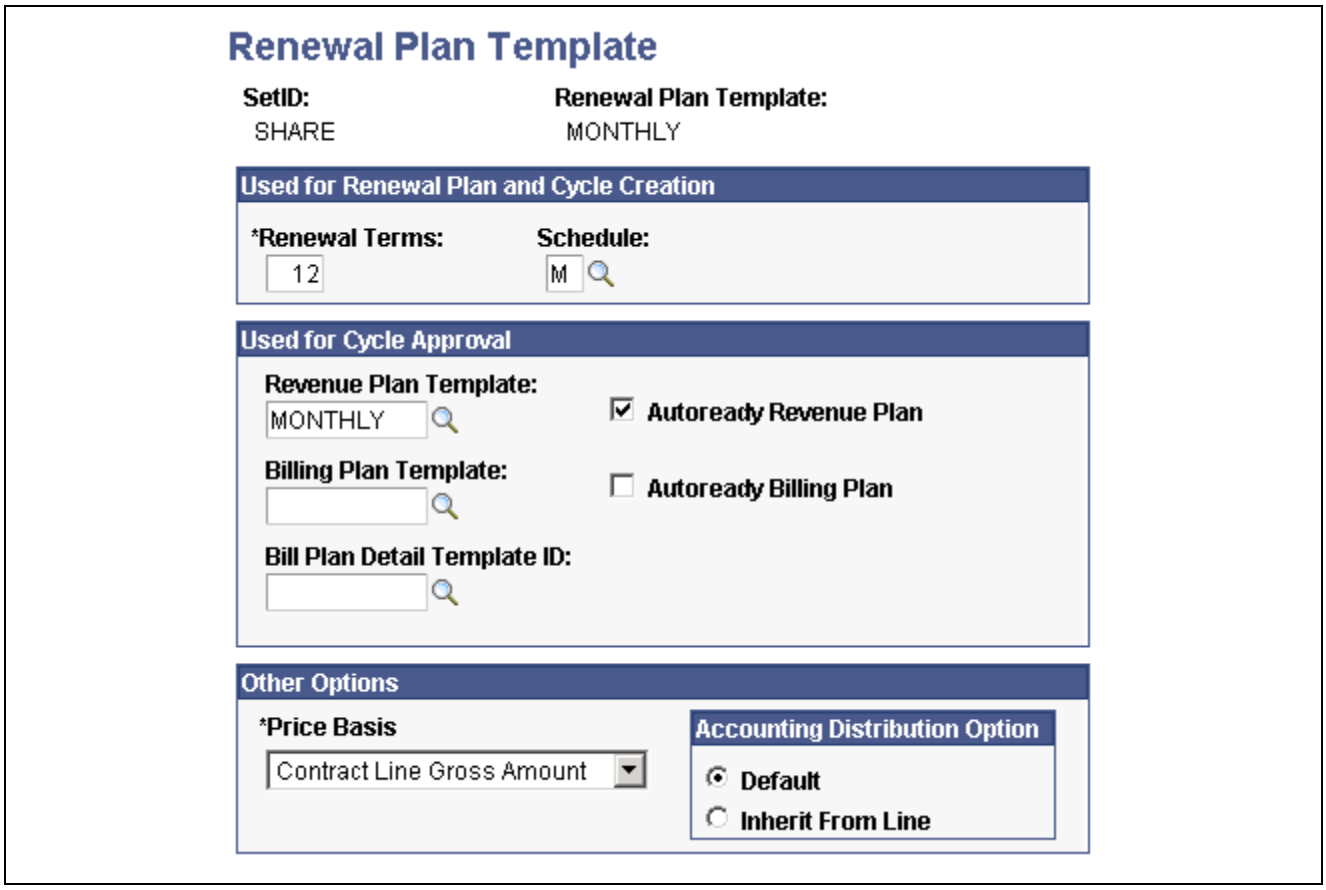
Chapter 24, “Entering Renewals,” Defining Renewable Products, Templates, and Contract Lines, page 408

Page Used to Define Renewal Plan Templates

Page Name	Object Name	Navigation	Usage
Renewal Plan Template	CA_RNW_TEMPLATE	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Renewal Templates	Create renewal plan templates to use on your amount-based contract lines.

Creating Renewal Plan Templates

Access the Renewal Plan Template page.



Renewal Plan Template page

Renewal Plan Template The system applies a unique identifier to each renewal template.

Used for Renewal Plan and Cycle Creation

Renewal Terms Enter the number of cycles to be created for the renewal plan. If you leave this field blank, the system will not generate any cycles and you will have to add them manually.

Schedule Select a renewal schedule for this renewal template. The system uses the schedule to derive the cycle start and end dates to build the renewal plan.

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining Financials and Supply Chain Management Common Definitions," Setting Up Schedules.

Used for Cycle Approval

Revenue Plan Template Select a revenue template for the system to use to create revenue plans when the associated product is renewed. If you leave this field blank, the system will use the revenue plan template specified on the product to create a revenue plan for the renewed line. If you enter a value here, the renewal template values entered here will override those specified on the product.

Autoready Revenue Plan Select to have the system automatically set the status of the associated revenue plan to *Ready* upon renewal cycle approval.

Note. This option applies only if you selected a revenue plan template.

Billing Plan Template Select a billing template for the system to use to create billing plans when the associated product is renewed. If you leave this field blank, the system will use the billing plan template specified on the product to create a billing plan for the renewed line. If you enter a value here, the renewal template values entered here will override those specified on the product.

Autoready Billing Plan Select to have the system automatically set the status of the associated billing plan to *Ready* upon renewal cycle approval.

Note. This option applies only if you selected a billing plan template.

Bill Plan Detail Template ID Select a billing plan detail template for the system to use when the associated product is renewed. If you leave this field blank, the system will use the billing plan detail template specified on the product for the renewed line. If you enter a value here, the renewal template values entered here will override those specified on the product.

Other Options

Price Basis Select the amount that the system will pass to PeopleSoft Enterprise Pricer to calculate the renewal price. Possible values include: *Contract Line Gross Amount, Contract Line List Price, Contract Line Net Amount, Then Current List Price,* and *User-entered Amount.* You can override this option on the Define Renewal Cycle page. The system uses *Contract Line Gross Amount* as the default value for this field.

Accounting Distribution Option Select an accounting distribution option to determine whether to create the accounting distribution for the new contract line from the default or the source renewable contract line. You can override this option on the Define Renewal Cycle page. The system uses *Default* as the default value for this field. Values include:

- *Default:* Select to associate the accounting distribution for the new contract line with the default.
- *Inherit from Line:* Select to associate the accounting distribution for the new contract line with the source renewable contract line.

See Also

Chapter 24, “Entering Renewals,” page 407

Defining Hold Reasons

To define hold reasons, use the Hold Reason component (CA_HOLD_RSN_GBL).

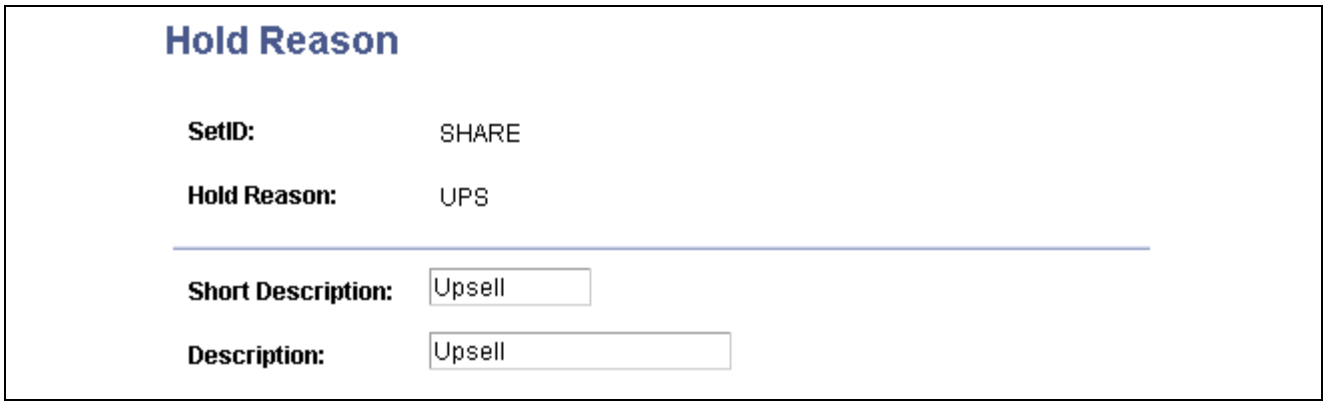
This section discusses how to define renewal hold reasons for your renewal cycles.

Page Used to Define Renewal Hold Reasons

Page Name	Object Name	Navigation	Usage
Hold Reason	CA_HOLD_RSN	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Hold Reason	Define hold reasons by SetID to use when placing renewal cycles on hold.

Defining Hold Reasons

Access the Hold Reasons page.



Hold Reason page

Hold Reason Define a hold reason code and associated descriptions for the system to use when you place a renewal cycle on hold. The code for the hold reason that was entered when creating the hold reason displays on the top of the page.

Defining Tiered Pricing Templates

To define tiered pricing templates, use the Tiered Pricing component (PC_TIER_TEMPLATE_GBL).

This section provides an overview of tiered pricing templates and discusses how to define tiered pricing templates.

Understanding Tiered Pricing Templates

You can define tier templates to use when selecting tiered pricing for rate-based contract lines. Tiered pricing allows you to charge varying rates based on the quantity incurred against an activity, such as the length of time worked on an activity. Tier templates may contain one or more tiers that may be defined by one transaction identifier and one or more price breaks. You use the templates when defining tiered pricing for a contract line to facilitate data entry.

See Also

Chapter 13, “Working with Project Costing,” Tiered Pricing, page 161

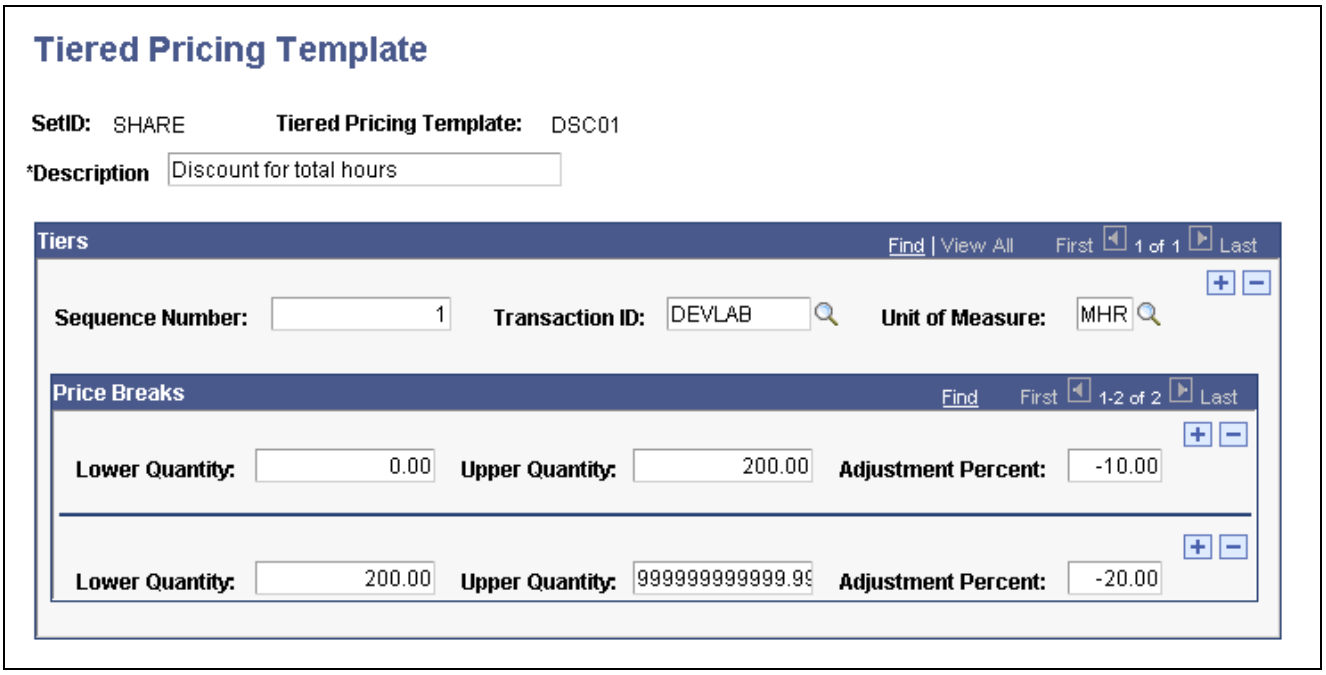
Chapter 13, “Working with Project Costing,” Defining Tiered Pricing, page 169

Page Used to Define Tiered Pricing Templates

Page Name	Object Name	Navigation	Usage
Tiered Pricing Template	PC_TIER_TEMPLATE	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Tiered Pricing Templates	Create tier templates to facilitate data entry when defining tiered pricing for a rate-based contract line.

Creating Tiered Pricing Templates

Access the Tiered Pricing Template page.



Tiered Pricing Template page

Tiered Pricing Template The system assigns a unique identifier for the tier pricing template.

Sequence Number Indicates the arbitration resolution order. This number represents the priority of the tier in the event that a transaction matches more than one transaction identifier.

Transaction ID Select an identifier for the tier. The transaction identifier includes a combination of values for the source type, source category, and source subcategory. The system matches transactions from Project Costing with tiers based on the transaction identifier definitions.

Unit of Measure Select a unit of measure for the price break quantities.

Price Breaks

Lower Quantity Displays the minimum quantity required for the price break. For the first price break within a tier, this value will be *0*.

Upper Quantity Displays the maximum quantity allowed for the price break. The price break includes the value designated in the Upper Quantity field. Therefore, if the

upper quantity is set to *20,* the price break would extend up to and include a quantity of 20. Each tier must contain a price break with an Upper Quantity of 9999999999.9999.

Adjustment Percent Displays the increase or decrease to apply to the rate plan or rate set determined rate.

Defining Rate Sets and Rate Plans

Access the Rate Sets page.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Pricing Project Costs," Defining Rate Sets and Plans.

See Chapter 13, "Working with Project Costing," Rate Setup, page 160.

Defining Discounts and Surcharges

This section discusses how to define fixed-amount discounts and surcharges. See the Related Projects page for rate-based discounts.

Page Used to Define Fixed-Amount Discounts and Surcharges

Page Name	Object Name	Navigation	Usage
Discount/Surcharge	BI_DISC_SUR	Set Up Financials/Supply Chain, Product Related, Billing, Setup, Discount & Surcharge	Define a generic set of discounts and surcharges that can be applied to contracts within the same setID. A discount can represent a true discount, a referral fee, a concession, or any other activity that results in a reduction to the gross contract amount.

Defining Fixed-Amount Discounts and Surcharges

Access the Discounts/Surcharge page.

Discounts and surcharges are discussed in the *PeopleSoft Enterprise Billing PeopleBook.*

See *PeopleSoft Enterprise Billing 8.9 PeopleBook*, "Structuring Bills," Setting Up Discounts and Surcharges.

Defining Contract Document Sequencing Options

To define contract document sequencing options, use the Contracts GL Options component (CA_BUGL_OPT_GBL).

This section provides an overview of document sequencing options and discusses how to define document sequencing options.

Understanding Document Sequencing Options

Statutory legal requirements in some countries require that all financial transactions (documents) be classified into different transaction types, and that within each transaction type, all documents entered be numbered sequentially. PeopleSoft Document Sequencing helps you maintain established business practices by meeting both of these requirements.

In Contracts, you can assign specific document types to revenue transactions. Upon activating the Document Sequencing feature, the system automatically assigns a sequence number to each revenue recognition transaction that you generate in Contracts. When you reverse or redistribute revenue accounting entries in Contracts, the Document Sequencing feature assigns new document sequencing numbers.

Note. For Contracts, the Document Sequencing feature applies only to revenue accounting entries since they are the only accounting entries generated within Contracts. For all accounting entries that are sent to Billing, Billing document sequencing options apply.

See Also

PeopleSoft Enterprise Global Options and Reports 8.9 PeopleBook, "Defining Document Sequencing"

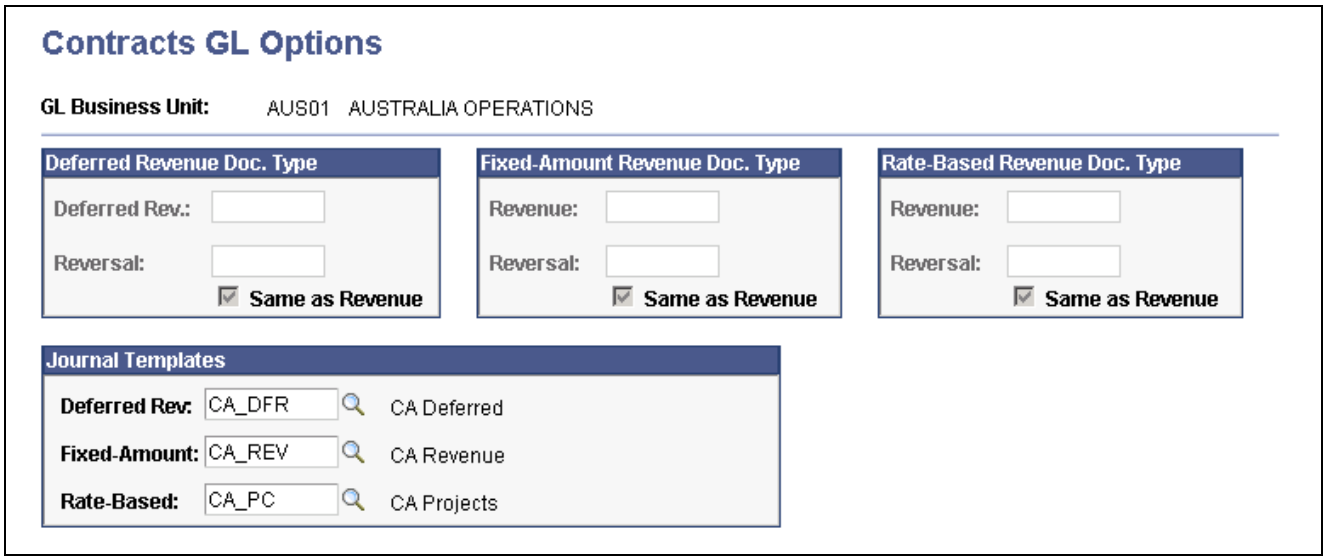
PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Defining Financials and Supply Chain Management Common Definitions," Defining Common Journal Definitions

Page Used to Define Contract Document Sequencing Options

Page Name	Object Name	Navigation	Usage
Contracts GL Options	CA_BUGL_OPT	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Contracts GL Options	Designate journal templates and document types for a business unit. .

Defining Contract Document Sequencing Options

Access the Contracts GL Options page.



Contracts GL Options page

GL Business Unit (General Ledger business unit) You assign journal templates and document types at the General Ledger business unit level. Any contracts you have associated with this General Ledger business unit will use the journal templates and document types you define on this page.

You must enter a document type if you are using the Document Sequencing feature for the General Ledger unit. Document types represent the business purpose of a financial transaction. Within the domestic sales journal code, for example, you may have document types, such as domestic customer invoices, customer credit memos, and customer debit memos. Document types are assigned to one and only one journal code.

There is a document type group box for each revenue transaction type: *Deferred Revenue Doc Type, Fixed-Amount Revenue Doc Type,* and *Rate-Based Revenue Doc Type.* For each type, you must specify the document type for the initial transaction and for the reversal of that transaction. If you want to use the same document type for revenue reversals, select the Same as Revenue check box for the appropriate type of revenue transaction.

Journal Templates

Select the journal template to be used when the system creates journals to feed to your general ledger. Templates summarize your Contracts accounting entries and determine the journal header, date options, and other characteristics. You must select a journal template for deferred revenue, fixed-amount, and rate-based entries.

Defining Legal Entities

To define legal entities, use the Legal Entity component (CA_LEGAL_PNLG_GBL).

This section provides an overview of legal entities and discusses how to define legal entities.

Understanding Legal Entities

Use legal entities in Contracts to track the legal entity within your company who signs a particular contract. The contract header contains two important pieces of information: the Contracts business unit designating the group within your company that is processing the contract, and the legal entity designating which group within your company signed the contract. Your company's tax department can then keep tabs on who signed the contract in case a reassignment needs to be done, such as in the case of a reorganization of your company's business structure. The contract header also contains a region code that you can use to break your business into smaller or larger areas and for operational purposes (sales and customer service purposes).

These examples show how you can designate the legal entity on a contract:

Example 1

Two legal entities can sell products/services and assign those products/services to the same Contracts business unit. Here the Legal Entity field enables you to differentiate on the contract the legal entity that signed the contract.

The first sale is by PeopleSoft USA to Cracker Barrel Restaurant. The contract header details are as follows:

Field Name	Value
Contracts Business Unit	*PSOFT*
Sold to Customer ID	*Cracker Barrel Restaurant*
Legal Entity	*PSUSA*

The second sale to the same customer is made by Vantive. The contract header details are as follows:

Field Name	Value
Contracts Business Unit	*PSOFT*
Sold to Customer ID	*Cracker Barrel Restaurant*
Legal Entity	*VANTIVE*

Example 2

One legal entity can sell products/services and assign those products/services to the separate Contracts business unit. Here the Legal Entity field enables you to identify all the contracts signed by a legal entity across multiple Contracts business units.

PSLATIN sells products and services to Cracker Barrel Restaurant in Mexico.

Field Name	Value
Contracts Business Unit	*PSMEX*
Sold to Customer ID	*Cracker Barrel Restaurant*
Legal Entity	*PSLATIN*

PSLATIN sells products and services to Cracker Barrel Restaurant in Brazil. The business process dictates that this company write separate contracts for different countries within its legal jurisdiction.

Field Name	Value
Contracts Business Unit	*PSBZL*
Sold to Customer ID	*Cracker Barrel Restaurant*
Legal Entity	*PSLATIN*

Example 3

A contract is sold to a company that is acquired by another company. Here the Legal Entity field enables you to keep a historical record of the legal entities involved with a given contract.

Intrepid sold goods and services to Cracker Barrel Restaurant and was then acquired by PeopleSoft. Upon data entry/conversion to the system, the contract is entered as follows:

Field Name	Value
Contracts Business Unit	*PSOFT*
Sold to Customer ID	*Cracker Barrel Restaurant*
Legal Entity	*INTREPID*

An assignment letter is sent to welcome the customer to PeopleSoft, informing the customer that PeopleSoft is reassigning the contract to PeopleSoft. This change is made to the contract via amendment processing.

Field Name	Value
Contracts Business Unit	*PSOFT*

Field Name	Value
Sold to Customer ID	*Cracker Barrel Restaurant*
Legal Entity	*PSUSA*

Page Used to Define Legal Entities

Page Name	Object Name	Navigation	Usage
Legal Entity	CA_LEGAL_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Legal Entity	Define legal entities. You use legal entities on the Contract - General page to identify the legal entity within your company that owns (that signed) the contract.

Defining a Legal Entity

Access the Legal Entity page.

Enter a description for each Legal Entity that you create.

Note. Legal entities in Contracts are not directly linked to the legal entities in General Ledger.

Defining Early-Out Options

To define early-out options, use the Early Out Option component (CA_EARLYOUT_PNG_GBL).

This section discusses how to define early-out options.

Page Used to Define Early-Out Options

Page Name	Object Name	Navigation	Usage
Early Out Option	CA_EARLYOUT_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Early Out Option	Define early-out option reason codes. These codes are used on the Special Payment Terms Page. A contract can contain multiple early-out options.

Defining Early-Out Options

Access the Early Out Option page.

Enter a description for each Early Out Reason Code that you create. These codes can be entered on the Special Payment Terms Page for informational purposes.

Defining Milestones

To define milestone classifications, use the Milestone Classification component (CA_MS_CLASS_PNLG_GBL).

To define milestone templates, use the Milestone Template component (CA_MS_DEFN_PNLG_GBL). Use the CA_MS_DEFN_PNLG_CI component interface to load data into the tables for this component.

This section provides an overview of milestone templates and discusses how to define:

- Milestone classifications.
- Milestone templates.
- Milestone condition templates.
- Custom SQL statements for milestone conditions.

Understanding Milestone Templates

A milestone is a significant event in the life of a contract. Milestone functionality in Contracts enables you to tie activities, such as billing or revenue recognition, to reaching a milestone. Application Engine processing or email notifications can be triggered when that milestone is reached. During system setup, you define a generic set of milestone templates and milestone conditions. You then use these generic milestones and milestone conditions to establish contract-specific milestones when setting up your contracts.

When you define a generic milestone, you can specify one or more milestone conditions. The application uses the status of a milestone's condition to determine when the milestone is reached. Contracts supports four different milestone condition types: *Date, User Init* (user initiated), *Milestone,* and *SQL* (Structured Query Language).

You can define any number of conditions for each milestone and then make the triggering of the milestone conditional upon the reaching of one condition, or all conditions, associated with that milestone.

As the completion of a milestone can result in a bill being generated or revenue being booked, you need to enable milestone security to restrict the ability to manage milestones to a limited set of employees. You enable milestone security by creating milestone classifications and then associating each generic milestone with a milestone classification.

See Also

Chapter 5, "Understanding Contracts Security," Setting Up Milestone Security, page 18

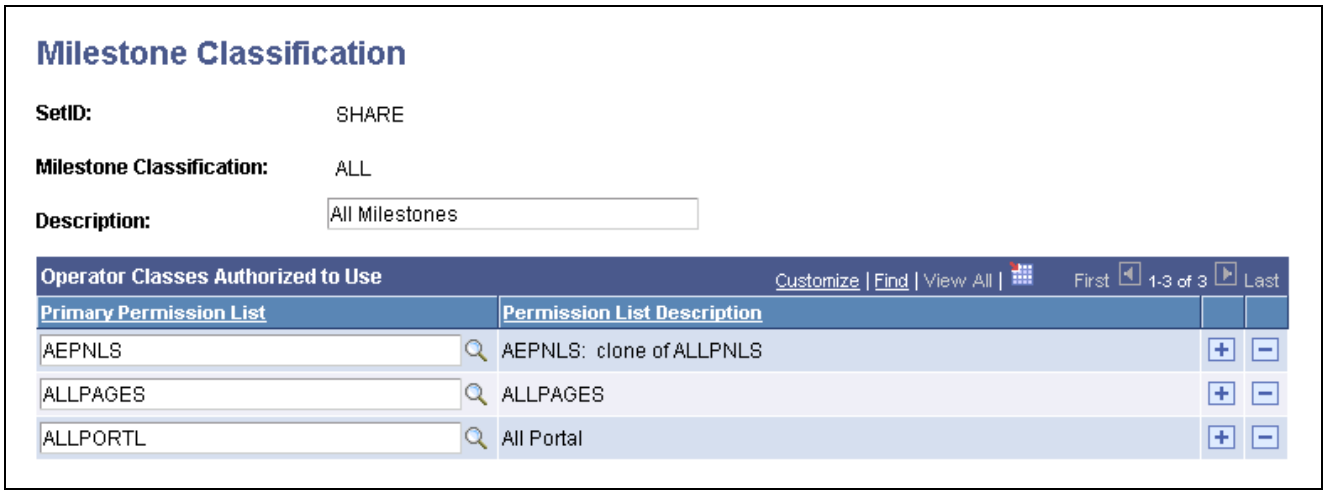
Chapter 14, "Setting Up Milestones," page 175

Pages Used to Define Milestones

Page Name	Object Name	Navigation	Usage
Milestone Classification	CA_MS_CLASS_PNL	Set Up Financials/Supply Chain, Product Related, General Options, Milestone Classification	Define milestone security by creating milestone classifications. A milestone classification is a set of permission lists. When you associate a milestone classification with a generic milestone, the ability to manage that milestone is limited to users who belong to one of the primary permission lists specified for the milestone classification.
Milestone Template	CA_MS_DEFN_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Milestone Templates, Milestone Template	Define generic milestone templates. When you set up a contract, you will use these generic milestones templates to which you can add contract-specific data.
Milestone Conditions Template	CA_MS_COND_DEFN	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Milestone Templates, Milestone Conditions Template	Define the conditions used by the application processor to determine if a milestone is ready for processing. You can establish multiple conditions for a single milestone. Condition types can be either system-triggered events or manual events.
SQL Statement	CA_MS_SQL_DEFN_SEC	Click the SQL statement link on the Milestone Conditions Template page.	Create a custom SQL statement to be used as a milestone condition.

Defining Milestone Classifications

Access the Milestone Classification page.

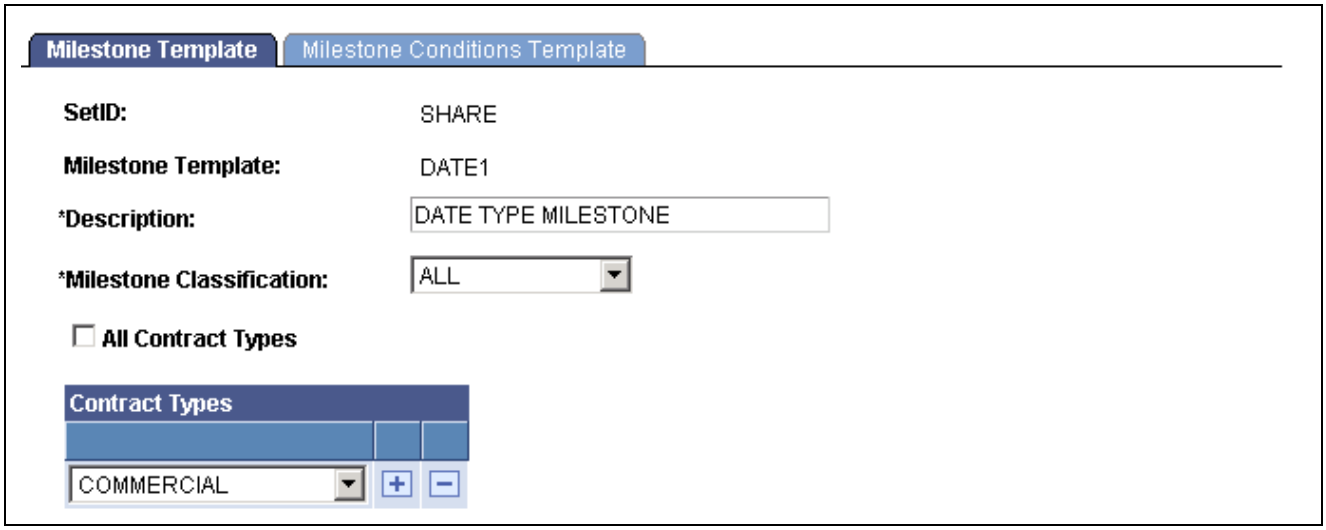


Milestone Classification page

Primary Permission List Select the lists that will have access to manage milestones associated with the value in the Milestone Classification field.

Defining Milestones

Access the Milestone Template page.



Milestone Template page

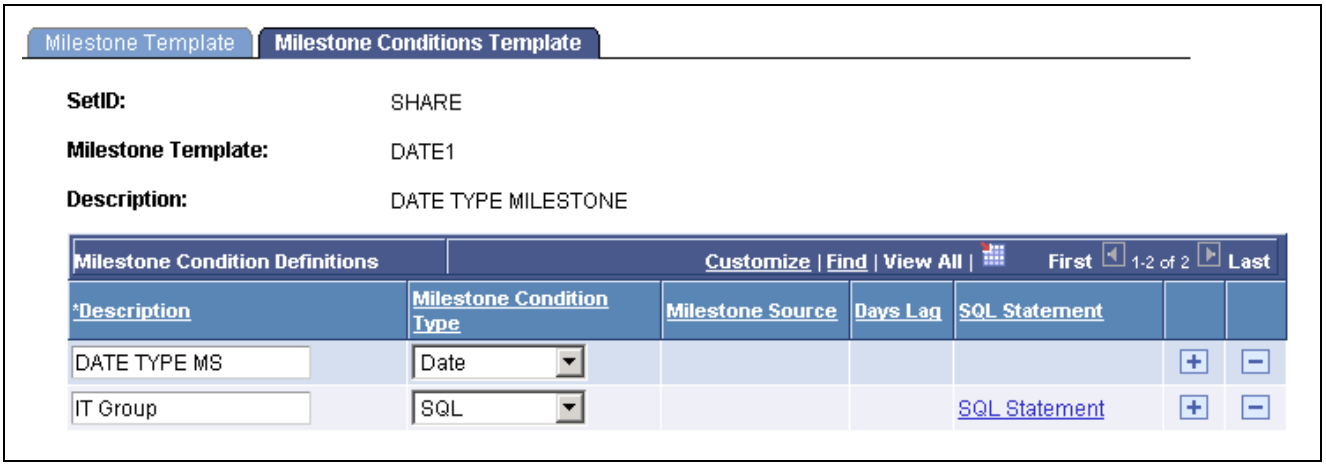
Milestone Classification Defined on the Milestone Classification page and used to limit the ability to manage a milestone to users who are logged on as a member of a permission list specified for the selected classification.

All Contract Types Select this check box to make this milestone template available for all contract types you defined for this setID on the Contract Types page.

If you do not select this check box, you must manually add to the Contract Types scroll area the contract types for which this milestone template is available. This milestone template is then accessible on lists for only those contracts of the defined contract types.

Defining Milestone Condition Templates

Access the Milestone Conditions Template page.



Milestone Conditions Template page

Milestone Conditions Definitions

Add the milestone conditions applicable to this Milestone Template. You can define multiple conditions for a milestone template. For example, billing may only occur based on the completion of product installation or based on a specified date, whichever is earlier. You can define two conditions within a milestone to meet this event. One condition (installation) could be another milestone, and the second condition could be the specific date. When you use the milestone on a contract, you can specify if one or all of these conditions will need to be met in order for the milestone to be satisfied. If you specify that only one condition is needed to satisfy the milestone, then whichever condition is true first will trigger the milestone.

Milestone Condition Type Your selection determines the actions that you need to complete when you add this milestone onto a contract. You can set up multiple milestone condition definitions for each milestone condition type:

Date: Select to create a date-driven milestone. When you use this milestone condition type on a contract, you associate it with a date specific to that contract. The milestone is triggered when the system date reaches the date that you have specified for the condition.

Milestone: Select to link a milestone with another milestone. If selected, you must enter a Milestone Source and a Days Lag.

User Init: Select to create a milestone condition that is satisfied when a user manually updates the condition status from *Pending* to *Ready.* An example would be a service contract where billing cannot occur until a signed work order is received from the customer.

SQL: Select to associate the milestone with a SQL statement you wrote. SQL milestones enable you to create custom milestones that are specific to your business.

Milestone Source Used with the *Milestone* condition type. Can be either another milestone defined in Contracts or one that is defined in Project Costing. Specify the exact milestone to which you are linking.

Days Lag Enter the number of days after the exact milestone to which you are linking has been triggered before the system should trigger this milestone.

SQL Statement Used with the *SQL* condition type. Click this link to enter your SQL statement.

Defining SQL Statements for Milestone Conditions

Access the SQL Statement page.

Enter the SQL statement representing the condition the system should test.

For example:

```
EXISTS (SELECT 1 FROM PS_CA_CONTR_HDR WHERE CONTRACT_NUM =
PS_CA_MS_COND.CONTRACT_NUM AND LEGAL_REVIEW_FLG = Y)
```

The SQL executed for SQL conditions in the Milestone Application Engine follows. The first bind statement is the SQL statement you wrote, so it must logically fit into the syntax.

```
UPDATE PS_CA_MS_COND
SET MS_COND_STATUS = C, COMPLETION_DATE = %CurrentDateIn
WHERE %Bind(CA_MS_AET.SQL_STMT, NOQUOTES, STATIC)
AND PS_CA_MS_COND.MS_COND_SEQ = %Bind(CA_MS_AET.MS_COND_SEQ)
AND PS_CA_MS_COND.MS_SEQNUM = %Bind(CA_MS_AET.MS_SEQNUM)
AND PS_CA_MS_COND.CONTRACT_NUM = %Bind(CA_MS_AET.CONTRACT_NUM)
```

Important! SQL milestone conditions are an advanced option that should be created only by persons with extensive knowledge of SQL. We advise that these conditions be reviewed by the manager of your information systems department.

Defining Reconciliation Options

To define reconciliation options, use the Reconciliation Options by User component (CA_RECON_DEFN_COMP_GBL).

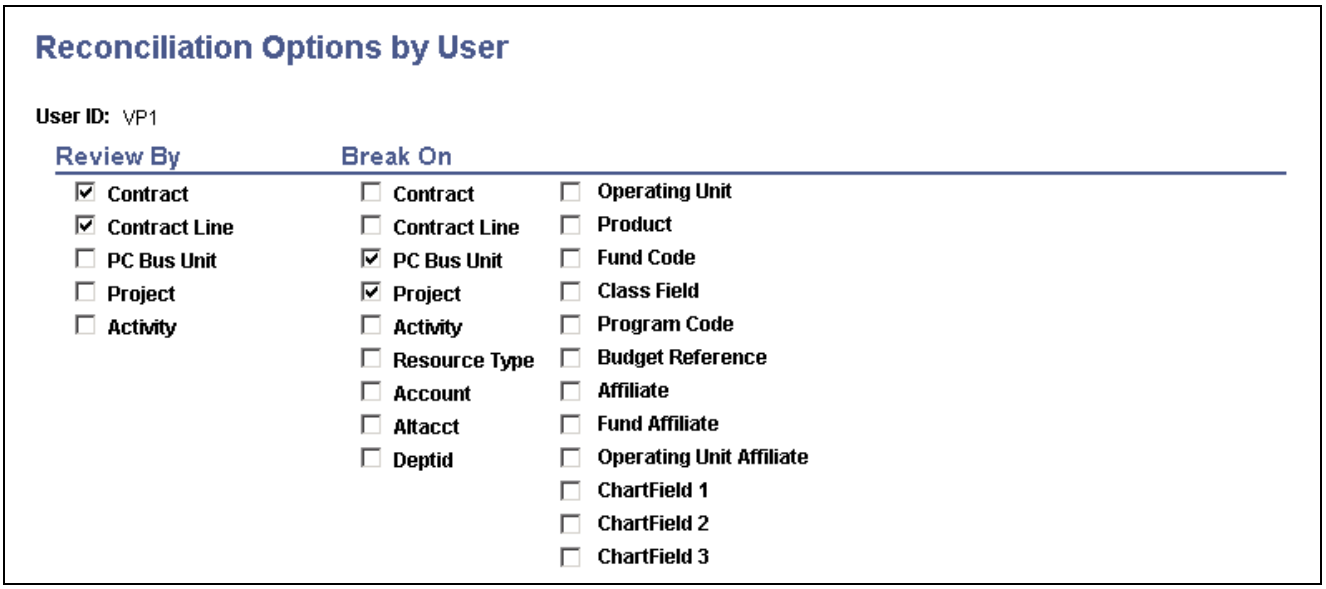
This section discusses how to define the parameters for reconciliation.

Page Used to Define Reconciliation Options

Page Name	Object Name	Navigation	Usage
Reconciliation Options by User	CA_RECON_DEFN	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Reconciliation Options by User	Specify your Review By and Break On parameters for reconciliation.

Defining Reconciliation Options

Access the Reconciliation Options by User page.



Reconciliation Options by User page

Review By Select the search parameters for reconciliation. The system requires that you Review By or Break On either the contract line or activity level. You may select all Review By check boxes. The check boxes you select dictate the parameters on which you can break.

Break On Select the filtering values for reconciliation. These choices determine how your data appears on the reconciliation pages. The more fields you break on, the more detail you see when reconciling. If you did not select either the Contract Line or Activity check box as a Review By parameter, you must select one of the two here. This enables adjustments initiated from the Reconciliation Billing and Revenue page to be tied to a contract line for future reconciliation and revenue management purposes.

Note. You must select the General Ledger ChartFields that you want to have available for reconciliation. If you do not select a particular ChartField here, you will not be able to reconcile or make adjustments to that level.

Defining Email Notifications

To define email notifications, use the Support Teams by Contract Business Unit (CA_EMAIL_BU_PNG_GBL) and the Support Teams by Contract Type (CA_EMAIL_TYPE_PNG_GBL) components.

This section provides an overview of email notifications and discusses how to designate email notifications at two levels:

- Contracts business unit.
- Contract type.

Understanding Email Notifications

Contracts enables you to use the email notification functionality of PeopleSoft workflow to notify employees within your organization of a change in the status of a contract or a change in the status of one of the contract components.

You can set up email notification for support teams and limit the notification to just the manager of a support team. In addition to establishing email notification for support teams, you can designate email notifications for anyone with an email address.

When you are configuring your contracts system, you can designate email notifications at the Contracts business unit level and at the contract type level. When you create a contract, you can optionally enable email notification at the contract level. The system uses the following hierarchy (left to right) to determine which established set of email notification parameters to use: Contract Number - Contract Type - Contracts Business Unit. In other words, if parameters are found for the contract number, the system uses them. If not, the system looks to the contract type, and so on.

Before you can establish email notification for support teams, you must first have defined your team members and set up your support teams. You enter the email ID for support team members on the Member Data page.

See Also

Chapter 26, "Maintaining Support Teams," page 459

PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook, "Maintaining Additional Customer Information," Setting Up Customer Support Personnel

Prerequisites

You must have first created your support team codes on the Support Team Members page.

Common Elements Used in this Section

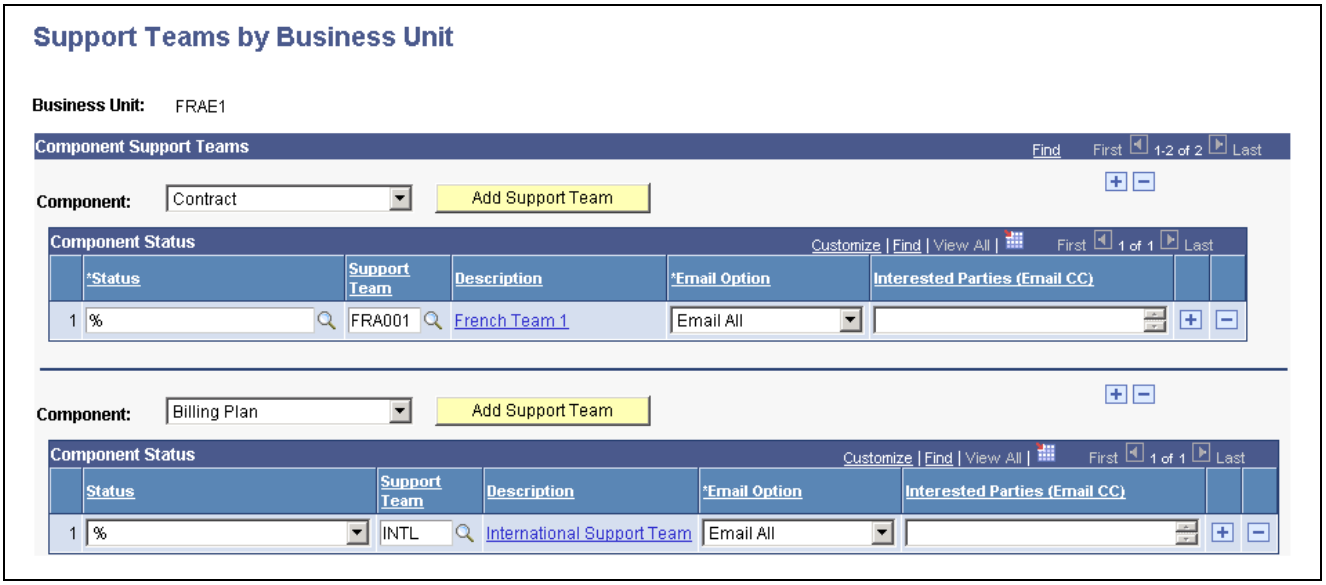
Component	Select the contract component for which you want to create an email notification list: Amendment, Billing Plan, Billing Event (billing plan event), Contract, Contract Line, Contract Milestone, and Revenue Recognition Plan.
Add Support Team	Click this button to create a new support team.
Status	The prompt values for this field are based on the component you selected. For each component, you have the option of associating a support team with the change in all, or any combination of, status values for that component. The *%* option indicates that you are applying the values that you are defining for this Component Status row to all status values for the selected component.
Support Team	A support team code represents a list of support team members.
Description	Click this link to review and manage the list of team members.
Email Option	Select who should receive an email notification about the selected status change for the selected component: *Email All:* All members within the selected support team code for whom you have defined an email address on the Team Member Personal Data page. *Email Manager Only:* Only the employee who was designated as the support team manager on the Support Team Mbrs Page. *Do Not Send Email:* No members of this support team.
Interested Parties (Email CC)	Enter the email addresses of additional individuals to notify of a particular status change. Enter the individual's complete email address, separating each subsequent address with a semicolon.

Pages Used to Define Email Notifications

Page Name	Object Name	Navigation	Usage
Support Teams by Contract Business Unit	CA_EMAIL_BU	Set Up Financials/Supply Chain, Product Related, Contracts, Support Teams, Support Team by Business Unit	Define the support teams/email lists to be used for the workflow that you associate with the different activities within Contracts.
Support Teams by Contract Type	CA_EMAIL_TYPE	Set Up Financials/Supply Chain, Product Related, Contracts, Support Teams, Support Team by Contract Type	Define the support teams/email lists to be used for the workflow that you associate with the different contract types.

Defining Support Teams by Contract Business Unit

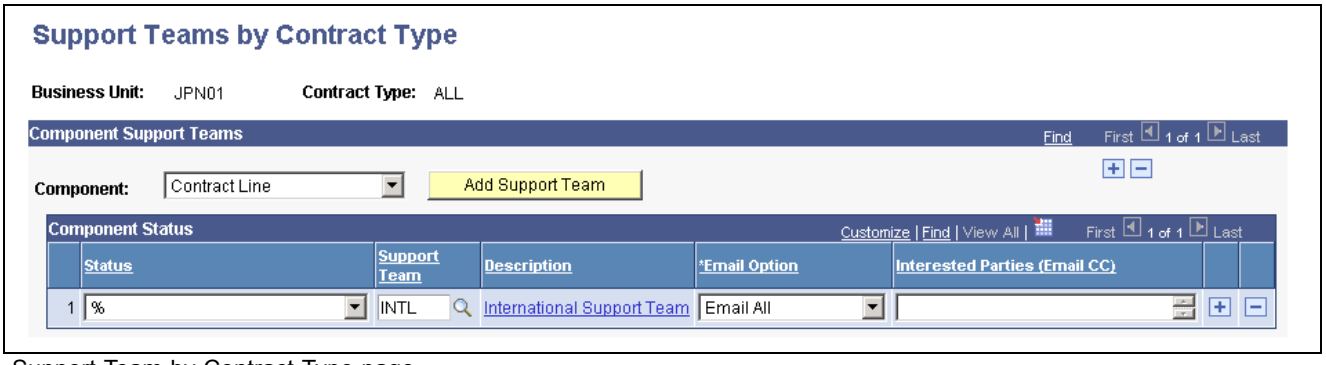
Access the Support Teams by Business Unit page.



Support Teams by Business Unit page

Defining Support Teams by Contract Type

Access the Support Teams by Contract Type page.



Support Team by Contract Type page

Defining Amendments

To define amendment types and reasons, use the Amendment Type (CA_CHG_TYPE_PNG_GBL) and Amendment Reason (CA_CHG_RSN_PNG_GBL) components.

This section provides an overview of amendments and discusses how to define:

- Amendment types.
- Amendment reasons.

See Also

Chapter 25, "Amending Contracts," page 443

Understanding Amendments

Contracts requires that any changes that you make to an active contract's products or terms and conditions be processed through an amendment. When you create an amendment, Contracts creates a copy of the current contract details and preserves this as a historical record. The system then creates a new amendment, where you can define the contract changes.

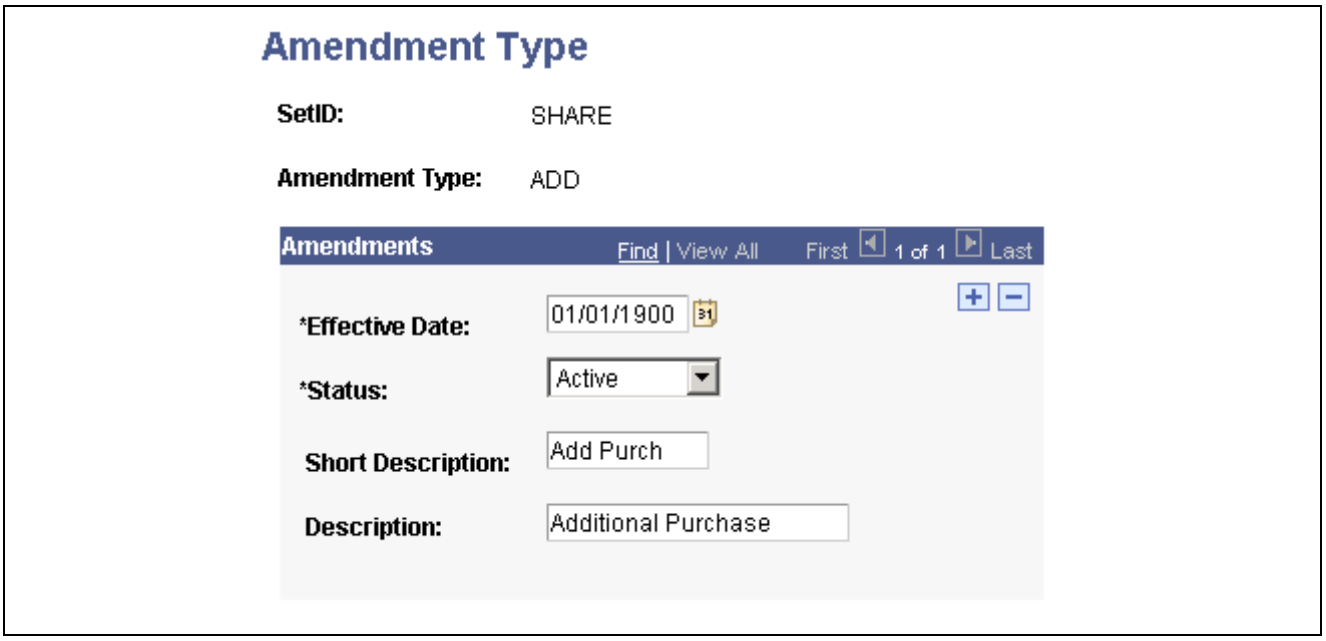
Before you can create amendments, you must define amendment types and amendment reasons. Amendment types work with amendment reasons to provide contract viewers with a quick explanation as to why an amendment is being made.

Pages Used to Define Amendments

Page Name	Object Name	Navigation	Usage
Amendment Type	CA_CHG_TYPE_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, Amendments, Amendment Type	Define amendment types. The amendment type is informational only—no processing is keyed off it.
Amendment Reason	CA_CHG_RSN_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, Amendments, Amendment Reason	Define amendment reasons. The amendment reason is informational only—no processing is keyed off it.

Defining Amendment Types

Access the Amendment Type page.



Amendment Type page

Amendment Type High-level classification that you assign to an amendment. Amendment types are dictated by your internal amendment policies. For example, you may want to create an amendment type of *Add, Change Order, New Purchase Order, RMA, Internal Change,* and so on.

Note. A predefined amendment type value of *ACTV* exists and is used by the system. This amendment type is not editable.

Effective Date Select an effective date for this amendment type.

Status Set the status for this amendment type. Values include *Active* and *Inactive.*

Defining Amendment Reasons

Access the Amendment Reason page.

Amendment Reason Provides a quick explanation as to why an amendment was initiated. The amendment reason augments the amendment type and provides additional insight as to the reason behind the amendment. For example, you may want to create an amendment reason of *Data Entry Error, Additional Purchase,* or *Scope Change.*

CHAPTER 8

Setting Up Products

This chapter provides an overview of products and product groups and discusses how to set up products and product groups.

Understanding Products and Product Groups

Core contractual obligations are the products and services that an organization provides to its customers. In Contracts, you define a standard set of products; associate them with a set of attributes that include pricing structure, tax parameters, and accounting information; and then use the products in your contracts.

Here are the steps for defining products and product groups:

1. Define a product group and identify it as a *Contract* product group type.
2. Define contract attributes for the product group.
3. Define the product.
4. Define the list price (optional).
5. Associate a product to a product group and type.
6. Define product rate defaults (optional).

Note. You can define a product without a product group. In that case, follow steps 3, 4, and 6 only.

This section describes:

- Product groups.
- Price types.
- Product kits.
- Ad hoc products.
- Renewable products.

Product Groups

A product group is a high-level grouping of products. Product groups enable you to categorize products based on a business model. When you define an individual product or a product kit, you can optionally associate a product with a product group. If the product group is tagged as a *Contracts Product Group,* you can define additional attributes (Contract Product Group Options) such as the deferred revenue and unbilled accounts receivable (AR) distribution code on the Contract Product Group Options component. If you associate a product with a product group that you linked to an unbilled AR account, when that product is added to a contract line, that contract line inherits the product group's unbilled AR account information. When you select that product onto a contract line, the distribution code table is populated with the unbilled AR account information defined at the product group level. When you select products that are not associated with a product group onto a contract line, the distribution code table is populated with the unbilled AR account information that you defined for the Contracts business unit on the contract header.

Price Types

Products in contracts are rate-based, amount-based, or recurring. Rate-based products have a price type of *Rate,* amount-based products have a price type of *Amount* or *Percent,* and recurring products have a price type of *Recurring.* The price type that you select for a product determines the details that you define for that product and the billing and revenue recognition methods with which you can associate the product.

This table shows the valid revenue recognition and billing methods for each price type:

Note. You select the revenue recognition method when defining a product. However, you do not select the billing method at that time.

Price Type	Revenue Recognition Method	Billing Method
Amount or Percent	Milestone, Percent Complete, Apportionment, Billing Manages Revenue	Milestone, Percent Complete, Immediate
Rate	As-incurred	As-incurred, Value-based
Recurring	Billing Manages Revenue	Recurring

Defining Rate-Based Products

You can optionally set up product rate defaults, where you can associate multiple Project Costing rate sets or rate plans with a single Contracts product ID. This enables you to set up unique rates in different Project Costing business units and refer to them with a single Contracts product ID.

Define your rate defaults on the Product Rate Defaults page by identifying a Project Costing business unit with either a rate set ID or a rate plan ID. Once you make this association, the system uses this rate set or rate plan as the default for the product.

Defining Amount-Based Products

You can set up an amount-based pricing type as either a fixed amount or a percentage of the total contract value.

Defining Recurring Products

For recurring products, you must set up a contract with a *Recurring* billing method and a revenue recognition method of *Billing Manages Revenue.*

Product Kits

A product kit is a collection of products. Products or services are often sold as part of a product kit. When you select a product kit for a contract, an individual contract line is created for each product within the product kit. Product kits can contain both rate-based and amount-based products.

See Chapter 9, "Creating Contracts," Products on Contract Lines, page 86.

Ad Hoc Products

An ad hoc product is a product that you define during the contract entry process. Any ad hoc products that you define for a contract are available for use only on the contract from which they were created. Otherwise, an ad hoc product is essentially the same as a regular product. Ad hoc products share the same key structure as regular products. Consequently, an ad hoc product cannot share the same product ID with an existing product ID, or with an existing ad hoc product that is on another contract.

An ad hoc product that you define during contract entry can be converted into a regular product. When you convert an ad hoc product into a regular product, the system indicates that the product is no longer an ad hoc product, and the product is now available for selection onto other contracts. The system creates the product definition data for the new product based on the existing data for the ad hoc product on the contract line.

Renewable Products

You can designate a fixed-amount product or service as renewable when defining a product by selecting the Renewable check box on the Product Definition - Contract Options page. In addition, you must select a default Renewal Action option to designate whether the renewable product is a *manual* or an *automatic* renewal. The renewable action appears by default with the product and is stored on the renewable contract line. This renewal action drives the behavior of the renewal plan associated with the contract line. With automatic renewals, the system processes the renewal when the specified criteria is met. The renewal action can be overridden when selecting the renewable product onto a contract line. Optionally, you can select a default renewal plan template for the renewable product.

See Also

Chapter 9, "Creating Contracts," page 77

Chapter 24, "Entering Renewals," page 407

Setting Up Products and Product Groups

To define product group options and product rate defaults, use the Product Group Options (CA_PROD_GROUP_GBL) and Product Rate Defaults (CA_PROD_RATES_GBL) components. Use the CA_PROD_GROUP_CI and CA_PROD_RATES_CI component interfaces to load data into the tables for these components.

This section describes how to:

- Define product groups.
- Define contract attributes for product groups.
- Define products.
- Define contract product group options.
- Define the unit of measure (optional).

- Define the list price (optional).
- Associate products to product groups.
- Define product rate defaults.
- Create products from ad hoc products.

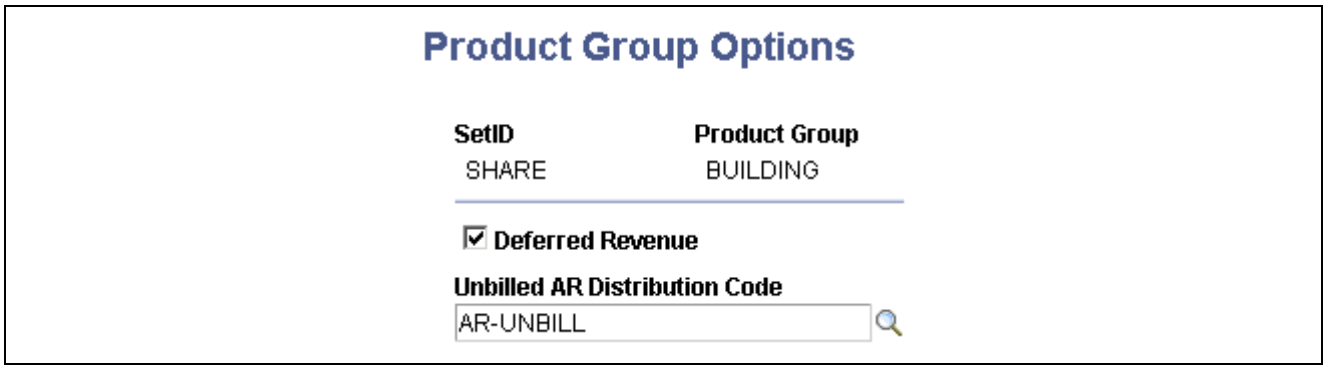
Pages Used to Define Products and Product Groups

Page Name	Object Name	Navigation	Usage
Product Group Table	PROD_GROUP_TBL	Set Up Financials/Supply Chain, Common Definitions, Products, Product Group Table	Define product group IDs and indicate product group types. Create product groups or make an existing product group available for contracts.
Product Group Options	CA_PROD_GROUP	Set Up Financials/Supply Chain, Product Related, Contracts, Contracts Product Options, Product Group Options	Assign contract attributes such as deferred revenue and unbilled AR options for product groups.
Product Definition	PROD_DEFN	Products, Identify Product Details, Definition	Make products available for use on contract lines.
Product Definition - Contracts Options	PROD_CONTRACTS	Products, Identify Product Details, Definition, Contracts Options	Define the products (products and services) to use on your contract lines. From this page, you can define the product's price type and revenue recognition method. You can select revenue plan, billing plan, billing plan detail and renewal templates to associate with the product. You can also designate products as renewable and select either manual or automatic renewal actions. See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Contract Options.

Page Name	Object Name	Navigation	Usage
Product Attributes by UOM	PROD_UOM	Product, Identify Product Details, Attributes by UOM	Identify the unit of measure (UOM) that is valid for your product. This step is optional. However, if you are defining the list price for the product at this level; you must select the UOM. See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Attributes by Unit of Measure.
Product Price	PROD_PRICE	Product, Identify Product Details, Assign List Price	Defining a list price for your product is optional. If you do not enter a value here, the system carries a blank value through to your contract lines where you must manually enter values for the negotiated contract line amounts. See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Prices.
Product Groups	PROD_GROUP	Products, Identify Product Details, Assign Product Group	Associate a product to a product group and type. This page is optional if you are not using product groups. See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Setting up Product Group Tables.
Product Rate Defaults	CA_PROD_RATES	Set Up Financials/Supply Chain, Product Related, Contracts, Contracts Product Options, Product Rate Defaults	Define default rate plans or rate sets to the product.
Create Products from Ad Hoc Products	CA_PROD_ADH_CREATE	Set Up Financials/Supply Chain, Product Related, Contracts, Contracts Product Options, Create Product From Adhocs	Convert ad hoc products into regular products for use on your contract lines.

Defining Contract Attributes for Product Groups

Access the Product Group Options page.



Product Group Options page

Select default attributes for the product group. The system populates the contract lines for any products assigned to this product group with the default values that you enter here.

Deferred Revenue Indicate your deferred revenue option for the product group. The option that you select here, along with the option you select for the *Deferred Revenue Override* check box on the Contracts Definition - Processing Options page, determine whether a contract line enables deferred revenue.

Here are the possible scenarios:

- If you select this check box, you enable deferred revenue for all products within this product group.
- If you do not select this check box, you can use deferred revenue on the contract line if you select the deferred revenue override option on the Contracts Definition - Processing Options page.
- If you do not select this check box and you do not select the deferred revenue override check box on the Contracts Definition - Processing Options page, then no products in this product group can have deferred revenue.

Unbilled AR Distribution Code Select a default unbilled AR account definition. You establish the list of unbilled AR distribution codes on the Distribution Code page. If the product group has an unbilled AR account definition, then it will be used to book unbilled AR for any products associated with this product group. If you do not select an unbilled AR account for the product group, then for any products associated with this group, the unbilled AR account that is defined for the Contracts business unit is used to book unbilled AR.

Defining Products

Access the Product Definition page.

Product Use This field enables you to indicate whether or not a product is available for use on contract lines. Values include:

- *Contracts Only:* You can use this product only with Contracts.
- *General Use Including Contract:* You can use this product with both Order Management and Contracts.
- *General Use Excluding Contract:* You cannot use this product with Contracts.

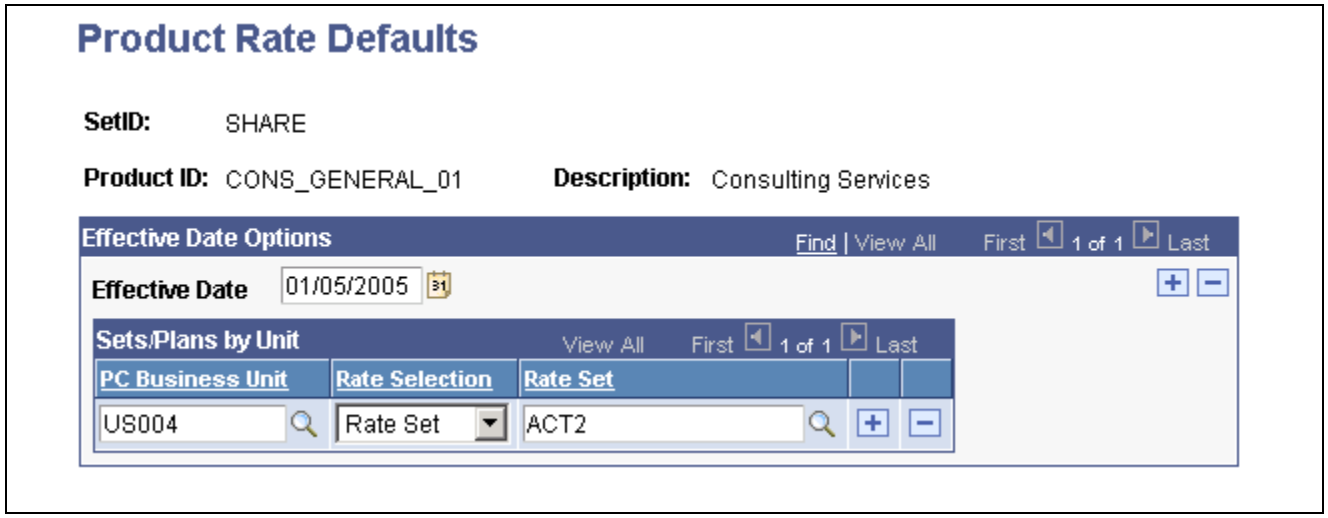
This field is available only if you have Order Management installed on your system. If Order Management is not installed, the default value of this field is *Contract Only*.

See Also

PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook, "Setting Up Products," Establishing Product Definitions

Defining Product Rate Defaults

Access the Product Rate Defaults page.



Product Rate Defaults page

Effective Date Displays the current date.

Sets/Plans by Unit

PC Business Unit (Project Costing business unit) Select a default Project Costing business unit.

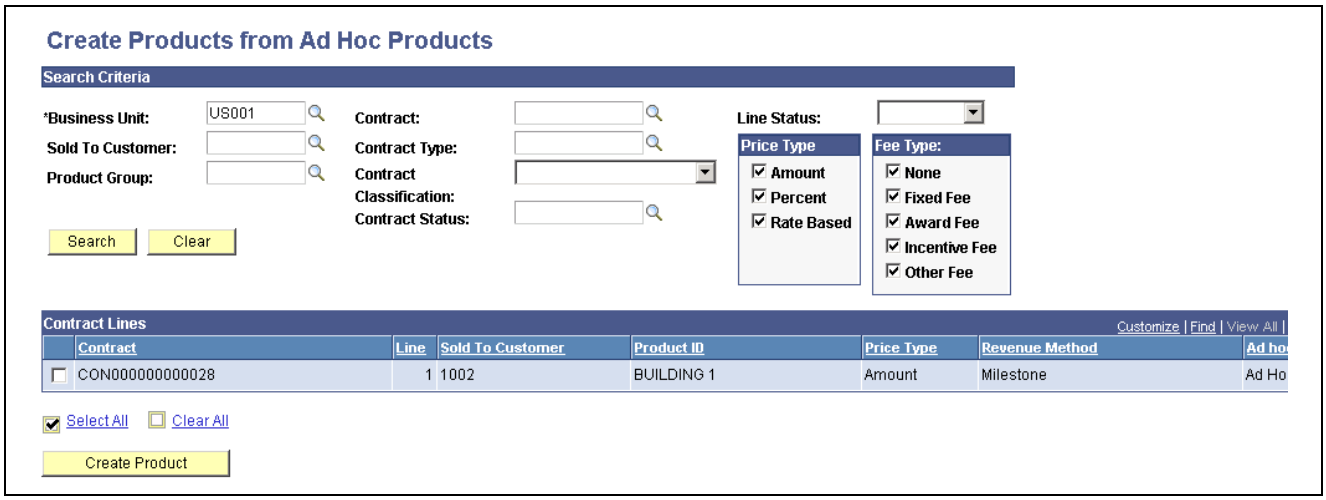
Rate Selection Select whether you want to associate a *Rate Set* or *Rate Plan* with the product. The value that you select here determines the additional field (either Rate Set or Rate Plan) that appears on the page.

Rate Set Select a default value for the rate set for the product. This field appears only if you selected *Rate Set* in the Rate Selection field.

Rate Plan Select a default value for the rate plan identifier for the product. This field appears only if you selected *Rate Plan* in the Rate Selection field.

Creating Products from Ad Hoc Products

Access the Create Products from Ad Hoc Products page.



Create Products from Ad Hoc Products page

View all ad hoc products that you have defined, or view all ad hoc products that you defined for specific parameters such as contract number or sold-to customer. In the search criteria group box, specify your search parameters: Contract, Sold To Customer, Product Group, Contract Type, Contract Classification, Contract Status, or Line Status. The search returns all current ad hoc products for the specified search criteria. If you leave all fields blank, the search returns all ad hoc products that you have defined. In addition, select the check box next to a specific price type in the Price Type group box if you want to limit your search by price type.

Note. The search does not return any ad hoc products that you defined and subsequently turned into regular products.

Note. For contracts with a classification of *Government,* you can additionally select the check box next to a specific fee type in the Fee Type group box if you want to limit your search by fee type. This field appears only if you leave the Contract Classification field blank or you select a contract classification of *Government.* When the Contract Classification is blank and you are looking for matching criteria for a contract with a contract classification of something other than *Government,* select the *None* Fee Type option.

See *PeopleSoft Enterprise Contracts for Government Contracting PeopleBook.*

(select) Select the check box next to ad hoc products that you want to convert to regular products for use on your contract lines.

Create Product Click this button to create a product for the selected ad hoc lines.

When you convert an ad hoc product, the system creates the product definition data for the new product based on the existing data for the ad hoc product on the contract line.

CHAPTER 9

Creating Contracts

This chapter provides an overview of contracts and discusses how to:

- Define general contract information.
- Define contract lines.
- Select products to add to a contract line.
- Define contract billing options.
- Add attachments.
- Create amendments.
- Create ad hoc product lines.
- Generate order lines.

Understanding Contracts

In Contracts, a contract consists of two levels: the contract header and the contract line. The contract header relates one-to-many with the contract line. The contract header is where you enter the agreement information relevant to all the products and services that you are licensing through the contract. Agreement information may include customer information, terms and conditions, contract sign dates, and so forth. Also stored at the header level is any administrative information, such as notes and support teams, that are associated with the entire contract.

The contract line relates many-to-one with the contract header. You add products that you are licensing to the customer in accordance with contract terms and conditions to contract lines. You can add multiple lines to each contract. You link contract lines to billing and revenue plans. Each contract line has its own status, which enables you to add all products associated with a contract during contract setup and then to manage each contract line as appropriate to the line in accordance with the terms and conditions of the contract.

This section discusses:

- Contract classifications.
- Contract headers.
- Contract lines.
- Contract line statuses.
- Products on contract lines.

Prerequisites

Before creating contracts, you must complete the contract setup components.

See Also

Chapter 7, "Structuring Contracts," page 29

Contract Classifications

Select a value for the contract classification when creating a new contract. The contract classification displays on the contract header and cannot be changed. The contract classification selection determines the way that fields and pages are displayed in the Contracts application.

Contract classification values include:

Standard Classification for a standard contract.

Internal Classification for a contract that supports interunit billing. You have the ability to process interunit bills by selecting *Internal* in the Contract Classification field. The following rules apply to internal contracts:

- On the Billing Options page, you can select interunit Bill To Customers only.
- For internal contracts, the Sold To Customer that you select must have an interunit Bill to Customer associated with it. Otherwise, the system displays an error.
- The system does not allow limits on internal contracts.
- The system does not allow deferred revenue on internal contracts.
- The system does not allow prepaids to be linked to internal contracts.
- The system does not allow discounts or retainages on internal contracts.
- *Billing Manages Revenue* is the revenue recognition method for internal contracts.

You can process interunit bills by selecting *Internal* in the Contract Classification field.

Government Classification for a government contract. With a classification of *Government,* all of the features and fields specific to government contracts become active.

Using the core features of Contracts in combination with the features of government contracts, you can perform the following functions:

- Generate bills.
- Recognize revenue.
- Associate projects and activities to contract lines.
- Associate rates sets and rate plans to contract lines.
- Associate withholding terms and limit amounts to contract lines.
- Set up and associate progress payment terms to contract lines.
- Associate cost-plus fees to contract lines.

See *PeopleSoft Contracts for Government Contracting PeopleBook.*

Federal Reimbursable Agreement	Classification for a reimbursable contract. This option appears only if you selected the Federal Reimbursable Agreement check box on the Contracts - Installation Options page. This option is designed for U.S. federal government customers.

Note. Once you specify a contract classification and create a new contract, you cannot change the contract classification value. Contract classification is not under amendment control. If you create a contract with the wrong classification, you must create a new one with the correct contract classification.

Contract Headers

The contract header serves two primary functions in the Contracts application. First, the header captures agreement information for a specific contract. Second, the header provides a simple and flexible format that enables you to tailor the structure of the contracts to match the business model. Based on the selections that you make at the header level, the Contracts application can support multiple contractual relationships, including individual contracts, multiple contracts per customer, one contract per service provided, and one contract for multiple services.

The following sections discuss how to use the field settings and options on the contract header to create interdependencies between contracts, and what the default hierarchy is for fields on the contract header.

Understanding Contract Classes

You specify the contract class on the contract header. To support a broad range of contractual relationships, Contracts uses two contract classes: a master contract and a standard contract. These classes are used in conjunction with the contract types that you establish on the Define Contract Type page. Contract types enable you to categorize contracts for reporting purposes and to limit the contracts to which certain milestones can be applied.

Note. Do not confuse *contract class* with *contract classification.* The contract classification selection, chosen when creating a new contract, determines the way that fields and pages display in the Contracts application.

Standard contracts are the primary contract class; at a minimum, you must set up standard contracts. The standard contract contains all agreement information for a specific contract. Additionally, the standard contract is linked to the contract lines that contain the contract line details for the contract; only standard contracts can have contract lines attached to them.

You can link a standard contract to a master contract, or assign the standard contract a parent contract. By assigning a standard contract to a master or by assigning a parent contract, you create a parent-child relationship between the two contracts. This parent-child relationship can aid you in contract tracking and reporting. No processing is driven off of the parent-child relationship.

On the standard contract, you can override any values copied over from an existing standard contract, master contract, or contract template.

Master contracts can be used in conjunction with standard contracts to support a broad range of relationships. A master contract contains high-level agreement information that is applicable to a series of contracts. For example, you might use master contracts to relate several standard contracts together for reporting or to create default header information to be used when creating new standard contracts.

Creating master contracts can increase the efficiency and accuracy of the contract information by reducing the amount of information that you need to enter when setting up a new standard contract. For example, to set up multiple contracts for a customer, you could set up a generic master contract for the customer and then copy the master information to create several standard contracts based on the specific contract lines. All the header terms and conditions set up at the master level are copied over to the standard contracts. If you license additional products or services to that customer, you have the option of associating the new standard contract with an existing master. This setup enables you to easily query (by using PeopleSoft Query or a different query tool) the database to find all contracts related to a single master. Please note that you cannot associate billing or revenue plans with master contracts.

A standard contract can be linked to a master at any time before the contract is set to *Active* processing status. For example, you may have several existing standard contracts in the contracts system that you want to associate with each other. By assigning these to a master, you can take advantage of the grouping and reporting features provided by the master contract. Linking a standard contract to a master contract does not affect the agreement information that exists on the standard contract.

Note. You cannot link a standard contract to a master if the standard contract is already saved to *Active* processing status.

A master contract cannot be linked to another master contract. However, you can associate a master contract with a parent contract. The parent contract with which you associate the master contract can be either a master contract or a standard contract.

Using the Parent-Child Relationship

Contracts enables you to create parent-child relationships between any two contracts. In addition to the parent-child relationship that exists between master and standard contracts, you can create a parent-child relationship between two master contracts or between two standard contracts. Contracts can support a complex array of hierarchical contract structures. How you use the parent-child functionality is dictated by the structure of your company's contract system.

These examples discuss how you might use parent-child relationships to structure a contracts system:

- You use only standard contracts.

  You have licensed a set of products and services to a customer's East Coast branch. The customer expands to the West Coast, and wants to license an additional set of products and services for its new location. You create a new standard contract by copying the existing contract to capture the terms and conditions that were established on the existing contract. You can then designate the original contract as the parent to enable grouping of the two contracts for viewing and reporting.

- You have a single master contract that covers the general terms and conditions required to do business with your company.

  You then issue subsequent standard contracts that focus on the specific products and services that you are licensing. After you set up the master contract, you can create standard contracts by copying from the master. After the information is transferred to the standard contract, you can add additional header information to the standard contract, overwrite the header values that were brought over from the master contract, and add contract line detail information to the standard contract.

- You have a single master contract that covers the general terms and conditions required to do business with your company.

You create additional master contracts for each customer, wherein you capture any contractual information that is specific to that customer. You then issue subsequent standard contracts that focus on the specific products and services that you are licensing. In this scenario, you assign the single master contract as the parent to each of the customer-specific masters. Continuing with this example, you issue an additional standard contract for a customer site with a standard contract already in place. In this scenario, you can create the new standard contract from the existing standard contract, and assign the existing standard contract as the parent to the new standard contract. The new standard contract will be implicitly linked to the single master—individual customer master—and explicitly linked to the existing standard contract.

Creating Contract Templates

You will often have multiple contracts that use the same set of standard information. One way to reduce the amount of data that you need to enter into the contracts system is to open a new contract header, enter the information once, and then save the contract header as a contract template. To designate a contract as a template, the contract must not be:

- Active.
- Designated as a master or a parent.
- Linked to a master or a parent.

When you save a contract header as a template, the contract status field becomes unavailable for entry. This happens because the contract status drives Application Engine processes, and no Application Engine processes can occur against templates. After you save a template, you can use the template to create new contracts.

Creating a Contract from an Existing Contract

Using an existing contract as the basis for a new contract reduces the amount of data that you need to enter into the contract, speeding up entry time and reducing keying errors.

Any existing contract, regardless of contract status and contract type, can be used as the basis of the new contract. If you select a contract that has undergone amendment processing, you copy from the latest iteration of that contract.

When you create a contract from an existing contract, all contract header fields from the existing contract are copied into the new contract. These items are not copied into the new contract:

- Notes.
- Support team information.
- Billing plans.
- Revenue plans.

After the contract information is copied to the new contract, you can add additional information and overwrite existing information.

Note. If you copy from a contract containing billing and revenue templates, the system creates the billing and revenue plans in the new contract. The system bases the new billing and revenue template defaults on the current product setup in the *copy from* contract.

Note. If you copy from a contract with a classification of *government* or *internal,* the system copies eligible lines only.

Contract Lines

After you create a contract header in Contracts, you can begin adding contract lines to the contract. A contract line corresponds to an individual product that you are licensing. To set up a contract line, you first select a product onto a contract line.

When you select a product onto a contract line, the information that you defined for that product is stored on the contract line. The system uses the information that you defined for the contract header and for the product to create a set of defaults for that contract line. You can override much of this default information at the line level, and add additional details, such as applying specific discounts or surcharges. For contract lines that are service related, you associate the contract line with a list of Project Costing project and activity IDs, and a rate set or plan.

For amount-based contract lines, the system prices the contract line based on the pricing that you established for the product, either from the product's list price or Enterprise Pricer. You can adjust the pricing for the contract line as required. You must navigate to the Amount Allocation page to validate the pricing for the contract. The Amount Allocation page is where you ensure that the sum of the contract lines equals the contract's negotiated amount, and that any contract discounts or surcharges have been fully allocated across the contract lines.

After you save a contract line with *Active* status, you can assign the contract line to a billing plan and a revenue plan. The billing plan and revenue plan represent the entitlements, cash and revenue, that you receive upon fulfilling the contract obligations.

The process flow for setting up a contract line consists of these steps:

- Add the product to the list of contract lines on the Contract - Lines page.
- If a contract line has a prepaid balance associated with it, enter the prepaid balance information on the Prepaid Balances - Prepaids page.
- For all contract lines except those with a *Recurring* price type, the system populates the unbilled accounts receivable (AR) group box on the Accounting Distribution page with the unbilled AR account that was defined for the contract's product group.

  If no unbilled AR account was defined for the product group, the system applies the unbilled AR account that was defined for the contract's Contracts business unit.

  Note. This unbilled AR is also populated for rate-based lines for use when the contract line is assigned to a value-based billing plan.

- For contract lines with a price type of *Amount* or *Percent,* the system automatically populates the revenue (and deferred revenue if you selected the Deferred Revenue Recognition option on the related contracts product group) group boxes on the Accounting Distribution page when you save a contract line with a line status of *Active.*
- For contract lines with a price type of *Rate,* revenue distribution codes are stored on the Accounting Distribution page for revenue forecasting purposes.

  However, the actual revenue distributions are established on the Accounting Rules page. These rules can be established across all Project Costing ChartFields and projects, or specifically for one project with different rules for each Projects ChartField combination.
- For contract lines with a price type of *Recurring,* the system automatically populates the revenue (and deferred revenue if you selected the Deferred Revenue Recognition option on the related contracts product group) group boxes on the Accounting Distribution page.

  For recurring contract lines, Billing manages revenue and handles deferred revenue processing.
- From the Contract - Lines page, you can navigate to other components to perform these activities:

- For renewable products, create a renewal plan and cycle.
- For rate-based contract lines, either link the product to existing Project Costing projects and activities or create new projects and activities.
- For other products, either link the product to an existing Project Costing project and activity or create a new project and activity.

After you select all of the products onto contract lines, perform these activities on all contract lines with a line status of *Active*:

- Define the contract pricing by allocating the contract header negotiated amount and any discounts across the active contract lines.
- Assign all active contract lines to a revenue plan.
- Assign all active contract lines to a billing plan.

See Also

Chapter 9, "Creating Contracts," Defining Contract Lines, page 94

Chapter 8, "Setting Up Products," Setting Up Products and Product Groups, page 71

Chapter 11, "Entering Accounting Distributions," page 135

Chapter 23, "Establishing Prepaid Amounts," page 391

Contract Line Statuses

Each contract line has its own status field. The contract line status field works in conjunction with the contract status field on the Contract - General page. A contract line is eligible for application processing when both the contract status and the contract line status are set to *Active.* You do not need to set all contract lines to active before the contract status is set to *Active.* This enables you to capture on contract lines, during contract setup, commitments for products that can be exercised at a future date. Having individual contract line status enables you to manage the status of individual contract lines during the life of a contract. For example, if a contract has 10 contract lines and one of those lines needs to be cancelled, you can cancel just that line.

Every contract line is associated with a contract status of *Pending, Active, Renewed,* or *Cancelled.* Here is a summary of each of these line statuses, and a list of the attributes associated with each status:

Pending Enables you to capture commitments for contract lines that can be exercised at a future date. Pending lines are not included in the contract header negotiated amount and cannot be assigned to a revenue plan or a billing plan. Contract lines that are in *Pending* status have these attributes:

- Data fields are available for entry.
- No downstream processing applies.
- Line amount is not included in the header negotiated amount.

Active Appears as the line status default when you create a contract line. Active contract lines are included in the contract header negotiated amount and can be assigned to a revenue plan or a billing plan. Contract lines that are in *Active* status have these attributes:

- Data fields are available for entry.

Note. If the contract to which this contract line is associated is in an *Active* status, some field may be unavailable for entry until an amendment is created.

- Downstream processing is enabled for the contract line (but not until the contract processing status is also *Active).*
- Line amount is included in the header negotiated amount.

Renewed Indicates that the contract line is associated with a renewal package and that the renewal cycle package for the line is set to *ready.* After the status is set to *Renewed,* all data fields on the line are no longer available for entry. Contract lines in *Renewed* status have these attributes:

- The line is associated with a renewal cycle with a status of *In Progress.*
- Data fields on the contract line are not available for entry.

Cancelled Occasionally, you might need to drop or cancel a line on a contract. For amount-based contract lines, change the line status to *Cancelled.* This removes the line from processing. For rate-based contract lines that do not have any billing or revenue processed, before you can change the line status to *Cancelled,* you must unassign any billing plans or revenue plans that are associated with the line. Rate-based contract lines that have billing or revenue processed cannot be cancelled. If you need to cancel a line whose status is set to *Renewed,* manage the cancellation on the renewal cycle itself instead of on the line.

You can cancel a contract line in a pending or active contract. However, if the contract is active, you must create an amendment to cancel the contract line. While in while in amendment mode on the Contract - Lines page, change the line status to *Cancelled.*

Contract lines that are in *Cancelled* status have these attributes:

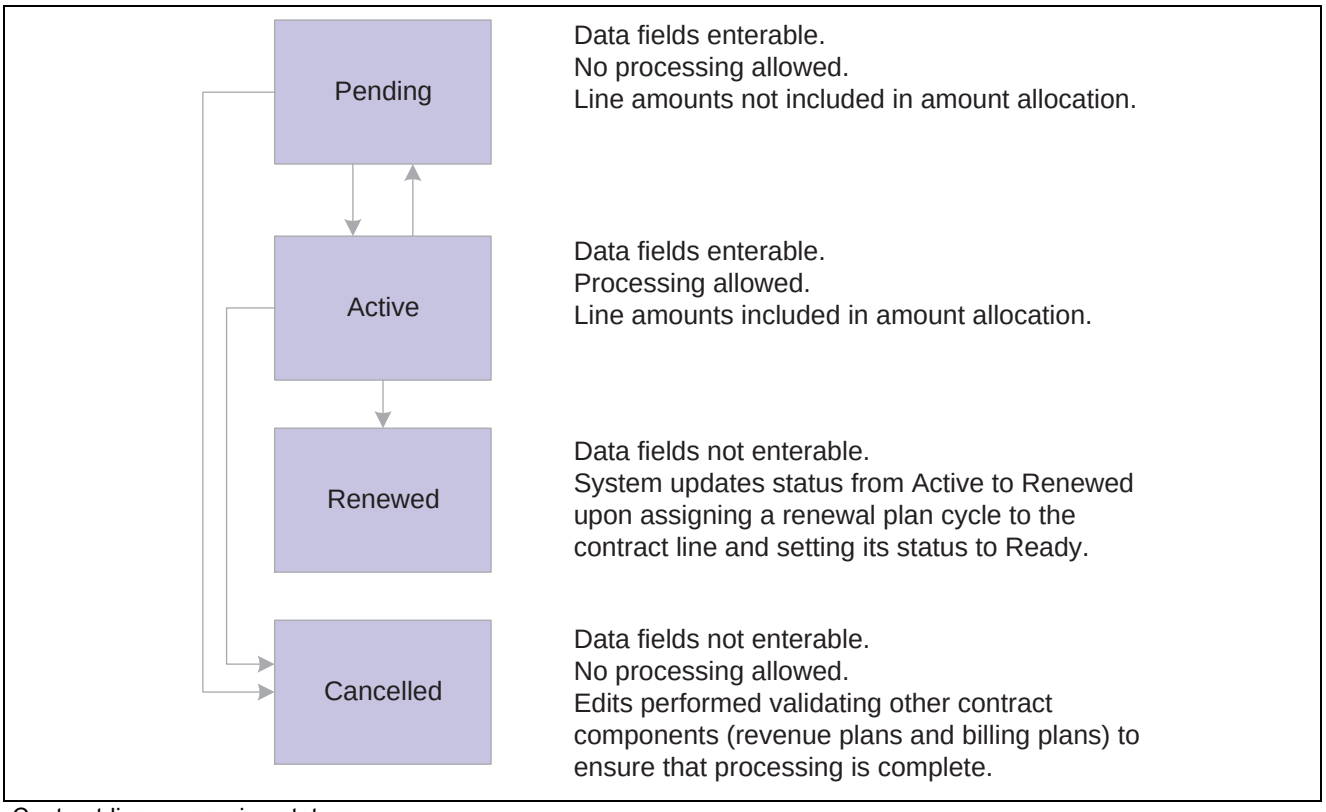
- Data fields are not available for entry.
- No downstream processing is enabled for the contract line.
- For rate-based contract lines, no billing plans or revenue plans are assigned to this contract line.

Contract Line Process Flow

The flow for the contract line status is basic:

- The contract line status values can never move backwards—with the exception of moving an *Active* line to *Pending* on a contract with a *Pending* processing status.
- Only the system can change the status to *Renewed.*

This diagram shows the flow between status values and functionality for each line status value:



Contract line processing statuses

Saving the Line Status as Active

The system's edit checking does not prohibit you from saving a contract line with incomplete or invalid data. However, before you can set the contract to an active processing status, you must have completed these activities:

- Completed all required fields for the contract line.
- Entered the start and end dates if the line is marked as renewable.
- If the contract line has discounts or surcharges associated with it, the distribution code information must be completed; ChartField combination edits validate the distribution codes.

Note. While not a prerequisite for contract activation, contract lines with a price type of *Rate* must have at least one project and activity associated with the line in order to price, bill, and recognize revenue for Project Costing transactions.

Moving the Line Status to Renewed

The contract line status can only be set to *Renewed* by the system as part of the renewal process flow.

Moving the Line Status to Cancelled

Before you can set the contract line status to *Cancelled,* no (additional) *Pending* or *Ready* amendments can be related to the line.

In addition, for rate-based contract lines, the following conditions must be met:

- No billing plan can be assigned to the line.

If the line is assigned to a billing plan, you must set the billing plan status to *Pending* or *Cancelled,* and then unassign the line from the billing plan. If processing has already occurred against an assigned billing plan, the line cannot be cancelled.

- No revenue plan can be assigned to the line.

  If the line is assigned to a revenue plan, you must set the billing plan status to *Pending, Reversed,* or *Cancelled,* and then unassign the line from the revenue plan. If processing has already occurred against an assigned revenue plan, the line cannot be cancelled.

If you are cancelling an *Active* contract line that is associated with an active project and activity in Project Costing, the system generates a warning. If you need to process additional transactions for any of the active projects and activities currently associated with the contract line that you are cancelling, you must remove those associated projects and activities from the contract line and associate them with another contract line. Otherwise, you can update the project status to *Closed* or the activity processing status to *Inactive* for the currently active projects and activities.

Additional Rules for Contracts with Prepayments

Two additional conditions exist for rate-based lines on contracts containing prepayments for which the prepayments have a status of *Pending* or *Active:*

- The contract must contain at least one *Active* rate-based line.
- You cannot cancel a rate-based line that is associated with a prepayment.

Products on Contract Lines

When you select a product onto a contract line, the system creates a single contract line. Products or services are often sold as part of a product kit. A product kit is a collection of products. When you select a product kit onto a contract, the system creates an individual contract line for each product within the product kit.

Setting up product groups, defining attributes to contract product groups, defining products, defining the product's list price, and associating a product to a product group are discussed in the chapter about structuring contracts.

See Chapter 8, "Setting Up Products," page 69.

This section discusses:

- Product kits
- Service (rate-based) products
- Accounting distributions

Product Kits

A product kit consists of multiple products and services. When you select a product kit onto a contract, the contract lines created for the products within that product kit inherit the attributes defined for the product kit.

Contracts does not distinguish between contract lines created by the selection of an individual product onto a contract line and contract lines created by the selection of a product kit of products onto contract lines.

Service (Rate-Based) Products

The integration of Contracts and Project Costing enables you to associate the scope of the service product captured in Contracts with the expenses and billable hours that are captured in Project Costing as work is performed. You must associate contract lines representing service products with a Project Costing business unit, rate, project ID, and activity ID on the Related Projects page. From this page, you first associate the contract line with a single Project Costing business unit.

Next, specify a rate selection and rate for the contract line. Contracts provides you with four rate selection options: *Rate Set, Contract Rate Set, Rate Plan,* and *Contract Rate Plan.* The available rate sets or rate plans depend on the rate selection option chosen.

Note. The *Rate Set* and *Rate Plan* selection options refer to rate sets and plans with a rate type of *Standard.*

The advantage of linking to a standard rate set in Project Costing is that you can associate the contract line to the most current standard practice rates. You might select this option for a contract involving rate-based consulting services, for which the consulting rates that you charge are the standard practice rates at the time that work is performed.

The advantage of linking to a contract-specific rate set in Project Costing is that you can create a consistent set of rates that will not change during the life of the contract unless you explicitly change them for that contract. You might select this option for a contract involving rate-based consulting services, for which the customer agrees to provide consulting services for a set amount that will not change during the life of the project.

The advantage of linking to a standard rate plan in Project Costing is that you can associate the contract line to multiple current standard rates. Together, these rates can enable the full costing, billing, and revenue recognition of project transactions, for such areas as indirect costs, overhead expenses, and general and administrative expenses.

The advantage of linking to a contract-specific rate plan in Project Costing is that you can create a consistent combination of standard and contract rate sets. This combination of rate sets can represent the most current, standard practice rates. Or, they can represent rates that will not change during the life of the contract unless you explicitly change them for that contract line.

After you associate a rate to the contract line, you can link a contract line to one or more combinations of existing or new projects and activities. Contract lines that represent fixed-fee products can only be assigned to a single project and activity combination.

See Chapter 13, “Working with Project Costing,” page 159.

Accounting Distributions

Upon saving a contract line, the system creates the accounting distribution. Accounting distributions are discussed in the Understanding Accounting Distributions chapter.

See Chapter 10, “Understanding Accounting Distributions,” page 115.

See Also

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, “Setting Installation Options for PeopleSoft Applications,” Defining Contracts Installation Options

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, “Setting Up Accounting for Projects”

Common Elements Used in This Chapter

Amendment Number Displays the current amendment number and date of the amendment if the contract was amended through amendment processing.

Amend Contract Click this button on an active contract to make adjustments to the current contract by creating an amendment. If a pending amendment exists, click to edit the existing, pending amendment. When you click this button, the system transfers you to amendment mode, and the button name changes to View Current.

View Current In amendment mode, this button appears on the pages of the contract component. Click to view and edit the current contract. When you click this button, the button name changes to Amend Contract.

Contract Number The contract number that you entered appears at the top of the page. If automatic numbering is enabled and you select a value of *NEXT,* the system generates a contract number. The contract number is a unique number used to identify a contract. The parameters that you establish for a contract number affect all components of the contract.

Contract Status Displays a user-defined value that provides a visual indicator of where the contract is within the contract life cycle. This element also controls what processing can occur against the contract. When you define a new contract, the default contract status that you established appears; you can select a different contract status. If you select a contract status that is mapped to a different contract processing status, the system performs edit checking to ensure that the contract is eligible for the new processing status that you selected.

Go To Click one of the links to navigate to key contract areas that you can assign before activating the contract:

Billing Plans: Click to assign lines for this contract to new or existing billing plans.

Revenue Plans: Click to assign lines for this contract to new or existing revenue plans.

Milestones: Click to edit existing milestones and add new milestones to this contract.

Renewals: Click to assign renewable contract lines to renewal plans.

Amount Allocation: Click to apply the contract negotiated amount, plus any discounts, to fixed-amount contract lines. This link is not available for active contracts.

More: Click the drop-down arrow in this list box to access the additional contract links.

More

- *Attachments:* Click to attach document files such as letters, spreadsheets, or drawings to the contract or to view or delete already attached files.
- *Billing Options:* Click to enter billing option defaults for the contract.

  These billing options appear by default on the billing plans created for contract lines within this contract. You can override these options at the billing plan level.

- *Conversations:* Click to create conversations to attach to the contract.
- *Internal Notes:* Click to add both standard and custom notes for the company's internal reference to various contract components.
- *Payment Terms:* Click to define early out options and bonus and penalty information to be applied to the contract.
- *Prepaids:* Click to administer prepaid purchases.
- *Revenue Forecast:* Click to create a revenue forecast.
- *Sales Order:* Click to create sales order lines from the associated contract lines.
- *Service Order:* If you have installed PeopleSoft Enterprise Resource Management, click this link to define a service order to associate with this contract.
- *Sold To Address:* Click to view and optionally select a different address for a contract's sold to customer.
- *Support Teams:* Click to add support teams to the contract.
- *View Forecast:* Click to launch a revenue forecast.

Processing Status Displays the processing status corresponding to the selected contract status.

Sold To Customer Displays the name and customer ID of the customer to whom this contract was sold. A sold to customer can be associated with multiple ship to and bill to customers, enabling you to associate different contract lines with different ship to customers and different billing plans with different bill to customers.

Defining General Contract Information

Defining a contract header is the first step in setting up a new contract. You create new contracts from within the add mode on the Contract - General page. There are three methods that you can use to create a new contract:

- Add a new contract header and complete all the fields.
- Create a new contract from an existing contract template.
- Create a new contract by copying from an existing contract.

When creating a new contract header, you can create the header as a standard contract, a master contract, or a contract template. Standard is the default contract class unless you are copying from an existing master contract.

The contract header fields are available to edit until you activate the contract. When you activate the contract, all header fields, with the exception of status, become display-only. Any changes to the contract entry components must then be made through amendment processing.

This section discusses how to:

- Set up and manage contract header information.
- Select an existing contract from which to copy.
- Define the sold to address.

See Also

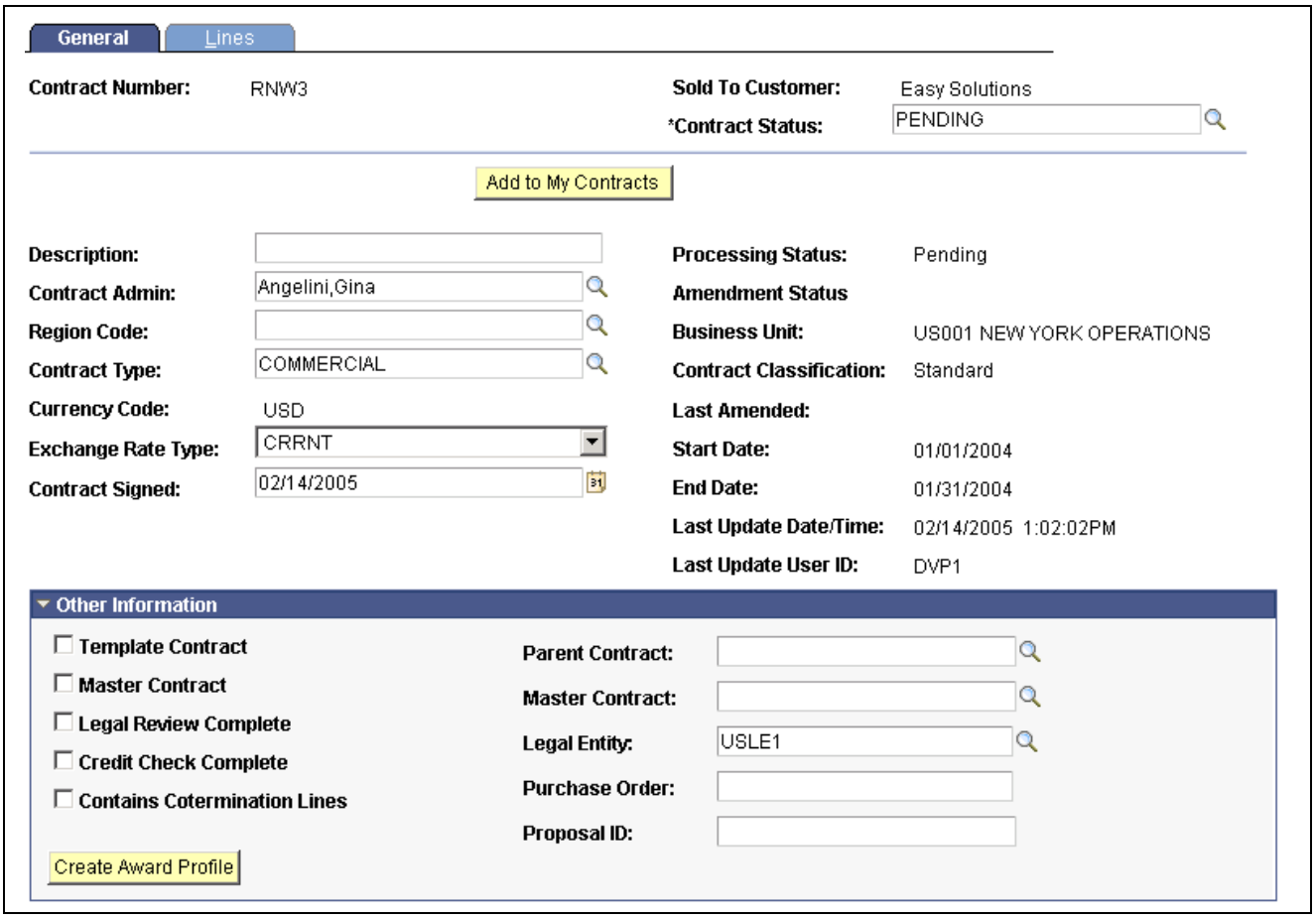
PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook, "Maintaining General Customer Information," Sold To Customers

Pages Used to Define General Contract Information

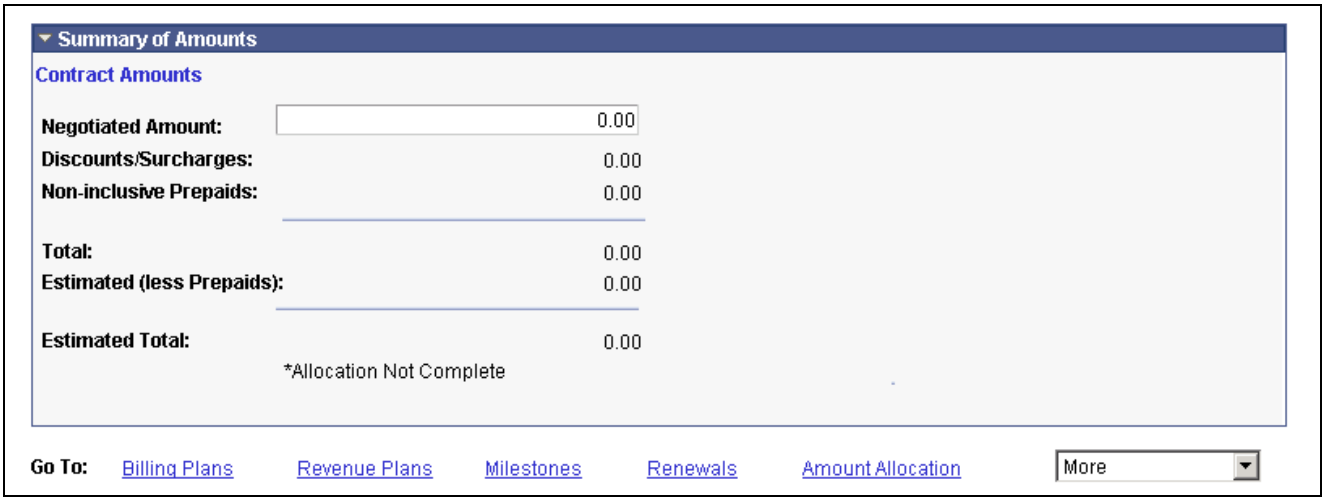
Page Name	Object Name	Navigation	Usage
Contract - General	CA_HDR_PNL	Customer Contracts, Create and Amend, General Information, Contract - General	Set up and manage contract header information.
Copy From Contract	CA_COPY1_PNL	Click the Copy From Contract button on the Contract - General page.	Select an existing contract to copy from as the basis of the new contract. If you select a contract that has undergone amendment processing, you copy from the latest iteration of that contract. When you create a contract from an existing contract, all contract header fields from the existing contract, and optionally all contract lines including those created by templates, are copied into the new contract that you are creating. The attributions of the new contract lines populate from the current product setup.
Sold To Address	CA_CONTACT_PNL	Click the Sold To Address link from the Go To drop-down list box on the Contract - General page.	View and optionally select a different address for a contract's sold to customer.

Setting Up and Managing Contract Header Information

Access the Contract - General page.



Contract - General page (page 1 of 2)



Contract - General page (page 2 of 2)

Copy From Contract Click to select an existing contract from which to copy. When you copy from an existing contract, you import the header level information and, optionally, the contract lines, which were defined for the contract from which you are copying. This button appears only when you create a new contract.

Add to My Contracts Click to add the current contract to the My Contracts page. This button does not appear when you create a new contract.

Description Enter a description for the contract.

Contract Admin (contract administrator) Select an administrator for this contract.

Region Code Select a region code, which enables you to break your business out into smaller or larger areas for operational purposes.

Contract Type Used for reporting and for determining what milestones may be applied to a contract's revenue plans and billing plans.

Exchange Rate Type Select an exchange rate type to establish the default currency conversion rate for this contract.

Contract Signed Enter the date on which the contract was signed. You must enter a value in this field before you can assign the contract a status that is mapped to an *Active* processing status.

Processing Status Displays the processing status corresponding to the selected contract status.

Amendment Status Displays the current amendment status, if you have amended this contract through amendment processing.

Business Unit Establishes defaults for billing and accounting data for a Contracts business unit.

Contract Classification Select a value for the contract classification when creating a new contract. The contract classification displays on the contract header and cannot be changed. Values for the Contract Classification field include: *Standard, Internal, Government,* and *Federal Reimbursable Agreement.*

Last Amended Displays the amendment date, if you have amended this contract through amendment processing. The amendment date is the date on which the last amendment was processed. It is not the date of the last amendment entered, because the last amendment entered may still be pending.

Start Date Appears by default from the contract line if a start date was defined. The system retrieves the start date from the earliest start date of all the contract lines that were defined for the contract on the Contract - Lines page.

The system uses this date to initiate billing for products with recurring price types. The system also uses this date to begin renewal processing for renewable products.

End Date Appears by default from the contract line if an end date was defined. The system retrieves the end date from the latest end date of all the contract lines that were defined for the contract on the Contract - Lines page.

The system uses this date for processing of renewable products.

Last Update Date/Time Displays the date and time that the last user updated the contract.

Last Update User ID Displays the user ID of the last user to update the contract.

Other Information

Template Contract Select to designate this contract as a template. You can then use this template when creating subsequent contracts. Only header-level information is associated with templates.

Master Contract Select to designate this contract as a master. This check box is not available on active contracts.

Legal Review Complete Select to indicate that the legal group has reviewed this contract. This check box is informational only.

Credit Check Complete Select to indicate that a credit check was completed for this customer. This check box is informational only.

Contains Cotermination Lines Select if this contract contains renewable contract lines that are to be renewed on a separate target contract.

Parent Contract Select a parent contract to create a parent-child relationship with another contract.

Master Contract To link this contract to a master contract, select a master contract. If you have designated this contract as a master by selecting the Master check box, this field is unavailable.

Legal Entity Organizational or legal owner of the contract. The system populates this field with the value associated with the Contracts business unit.

Purchase Order Enter the sold to customer's purchase order (PO) number associated with this contract. The PO is used in billing processing and placed on the bill header.

Proposal ID Enter the proposal ID associated with this contract. This field is informational only.

If you have Grants installed, these additional fields appear on the page.

Create Award Profile Click to create an award.

View Award Profile Click to access the associated award profile. This link appears only if a contract has an award profile associated with it.

Summary of Amounts

The Contract Amounts region displays the high-level contract amounts.

Negotiated Amount Equals the total negotiated value of the fixed-amount contract products. You can either enter this value here or on the Negotiated Amount page. When the system processes amendments that change the contract amount, the system updates this total negotiated amount.

Discounts/Surcharges Displays the sum of all discounts that you have associated with fixed-amount contract products before amendment processing. If discounts or surcharges are changed during amendment processing, the system updates this total.

Non-inclusive Prepaids Displays the sum of any prepaid amounts for service products that are to be applied to the contract but were not included in the negotiated amount of the contract.

Total Displays the sum of the values in the Negotiated Amount, Discounts/Surcharges, and Non-inclusive Prepaids fields.

Estimated (less Prepaids) Displays the sum of the estimated amounts on the contract lines, less any non-inclusive prepaids.

Estimated Total Displays the sum of the values in the Total and Estimated (less prepaids) fields.

If you have not selected the Allocation is complete check box on the Amount Allocation page, a message stating **Allocation Not Complete* appears.

Note. A contract with amount-based contract lines cannot be activated until allocation is complete.

See Also

Chapter 9, "Creating Contracts," Contract Headers, page 79

PeopleSoft Enterprise Grants PeopleBook

Selecting an Existing Contract from Which to Copy

Access the Copy From Contract page.

Contract Select the contract number of the contract that you want to use as the basis for the contract that you create.

Copy Lines Select this check box to copy the contract lines in addition to the contract header- level information.

Note. If you copy from a contract with a classification of *government* or *internal,* the system copies eligible lines only.

Defining the Sold To Address

Access the Sold To Address page.

Contact Displays the contact for the selected address sequence number. You may select a different contact.

Defining Contract Lines

For each product that you select onto a contract, the system generates a new contract line with an active status. The system populates the contract line with information that you defined for the contract on the Contract - General page and for the product on the Contract Products page. On the Contract - Lines page, you can change product attributes to make it specific to the contract line, but you cannot change any attributes that uniquely define the product. For example, you can change the contract line's negotiated amount, but you cannot change the list price of the contract product.

This section lists common elements and discusses how to:

- Add general contract line information.
- Add contract line details.
- Review the ship to address.
- Review amount details.
- Define deferred revenue.

- Define renewals.

Common Elements Used in This Section

Product Displays the product associated with the contract line.

Line Displays the contract line number.

Price Type Displays the price type that was defined for the product on the Product Definition page.

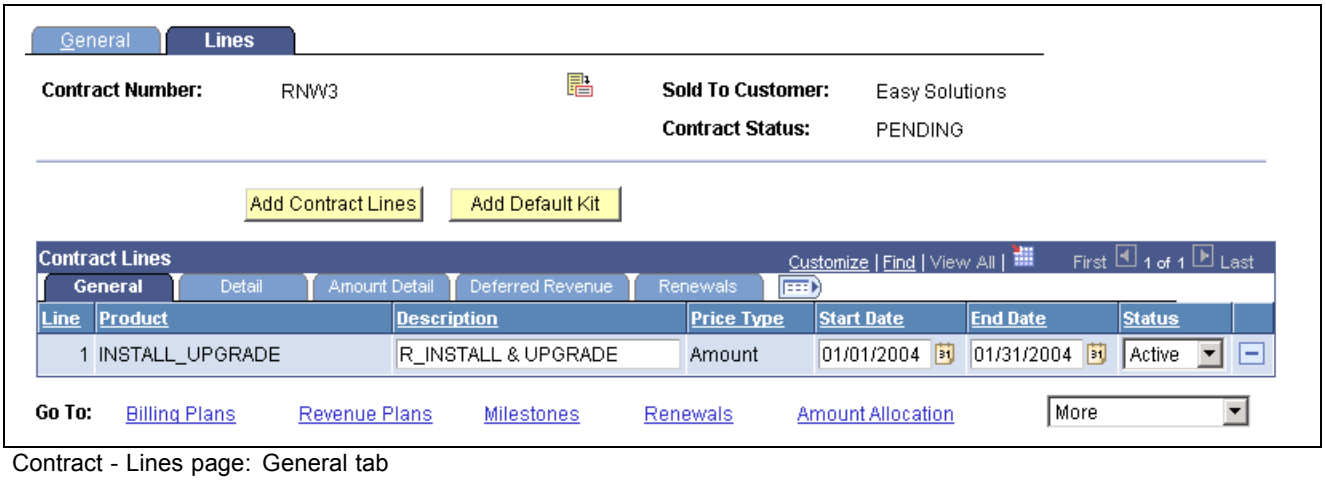
Values include: *Amount, Percent, Rate,* and *Recurring.*

Pages Used to Define Contract Lines

Page Name	Object Name	Navigation	Usage
Contract - Lines	CA_OBLIGATIONS	Customer Contracts, Create and Amend, General Information, Contract - Lines	Add products to a contract. Each product appears on the contract as a distinct contract line number. From this page you can view or access all details defined for a contract line.
Header Details	CA_HDR_DTL2	Select on the Contract - Lines page.	View contract header details such as contract description, contract type, contract classification, and business unit.
Ship To Address	CA_SHIPADDR_PNL	Select Ship To Customer Name on the Contract - Lines page: Detail tab.	Update the ship to customer, ship to address, or ship to contact.

Adding General Contract Line Information

Access the Contract - Lines page.



Contract - Lines page: General tab

Enter all the products associated with a specific contract. Each contract line represents a unique contract product that is associated with its own accounting distributions and can be assigned to individual revenue and billing plans. In addition, multiple contract lines can share the same billing and revenue plans. Some restrictions apply.

Add Contract Lines Click to select existing products and define new products to add to this contract.

You can add lines only to a contract that has a processing status of *pending;* this button is unavailable for entry after the contract is set to an *active* processing status. When the contract is active, you can add only new lines as part of an amendment.

Add Default Kit Select to add a default product kit to the contract. You must have a default product kit defined for the contract's contract type to use this default feature.

This button is unavailable for entry after the contract is set to an *active* processing status.

Contract - Lines page: General Tab

Description Displays the description for the product that was defined on the Contracts Product page. You can accept the default description or change it here.

Start Date Enter the start date for the contract line. The system uses this date to initiate billing for products with recurring price types. The system also uses this date to begin renewal processing for renewable products.

The system displays the earliest start date from all contract lines that are defined for the contract on the Contract - General page.

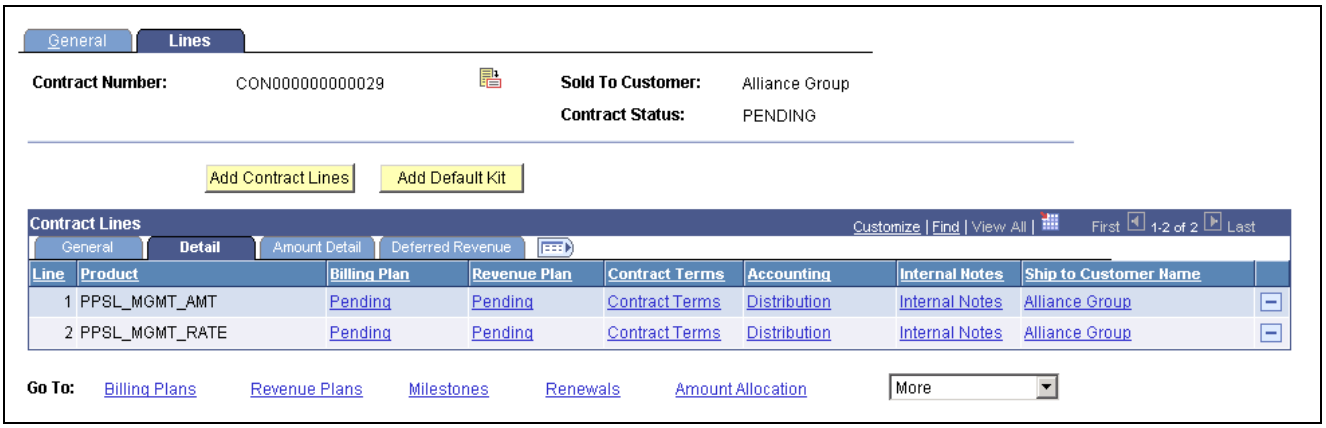
End Date Enter an end date for the contract line. The system uses this date for the processing of renewable products. This field is display only.

The system displays the latest end date from all contract lines that are defined for the contract on the Contract - General page.

Status Select a line status, which controls what processing can occur against a contract line. Values are: *Pending, Active, Cancelled,* or *Renewed.* When in amendment mode, you can change a contract line's status to *Cancelled.*

Adding Contract Line Details

Access the Contract - Lines page: Detail tab.



Contract - Lines page: Detail tab

Billing Plan Click the billing plan status to access the Billing Plan General page. This link appears only if the billing plan is assigned to a contract line.

Revenue Plan Click the revenue plan status to access the Rev Rec Plan (revenue plan) page. This link appears only if the revenue plan is assigned to a contract line.

Contract Terms Click to access the Related Projects page to manage projects and activities associated with this contract line.

See Related Projects page.

Accounting Click the *Distribution* link to access the Accounting Distribution page to manage the accounting distributions for this contract line.

If an error occurs during processing, an *Action Required* link appears instead of the *Distribution* link. Errors may occur for three reasons:

- The combination editing check failed.
- You allocated the accounting by amount, and the amount does not match the value on the contract line.
- You allocated the discount accounting by amount, and that amount does not match the value on the contract line.

See Accounting Distribution page.

Internal Notes Click to access the Internal Notes page to add or view notes related to this contract line.

See Internal Notes page.

Ship to Customer Name Click to access the Ship To Address page to manage the ship to customer information for this contract line.

Defaults are based on the sold to customer that you selected on the Billing Options page. You can select an alternate ship to ID.

See Ship To Address page.

See Also

Chapter 15, “Setting Up Revenue Plans,” page 195

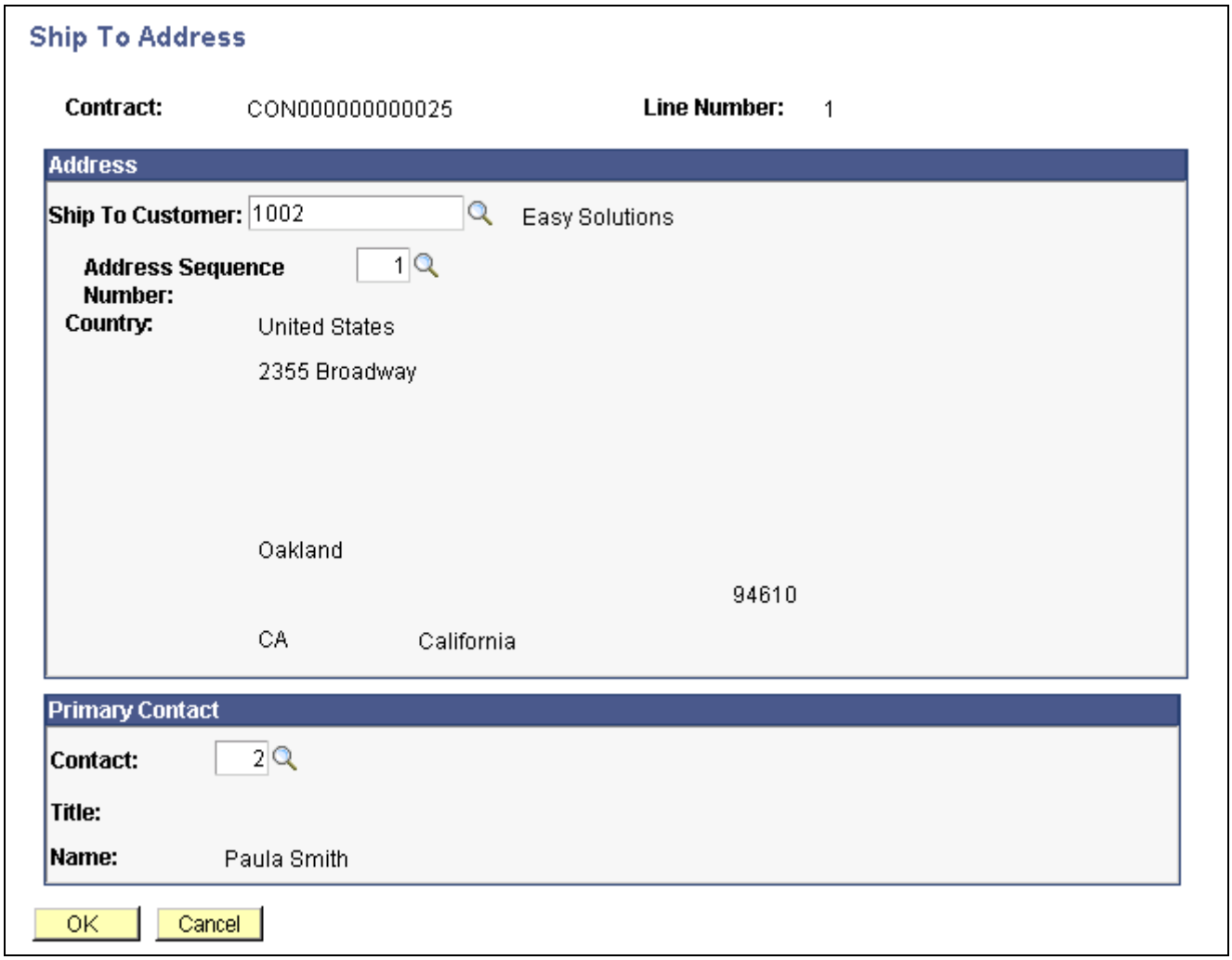
Chapter 19, “Setting Up Billing Plans,” page 281

Chapter 13, “Working with Project Costing,” page 159

Chapter 11, “Entering Accounting Distributions,” page 135

Reviewing the Ship To Address

Access the Ship To Address page.



Ship To Address page

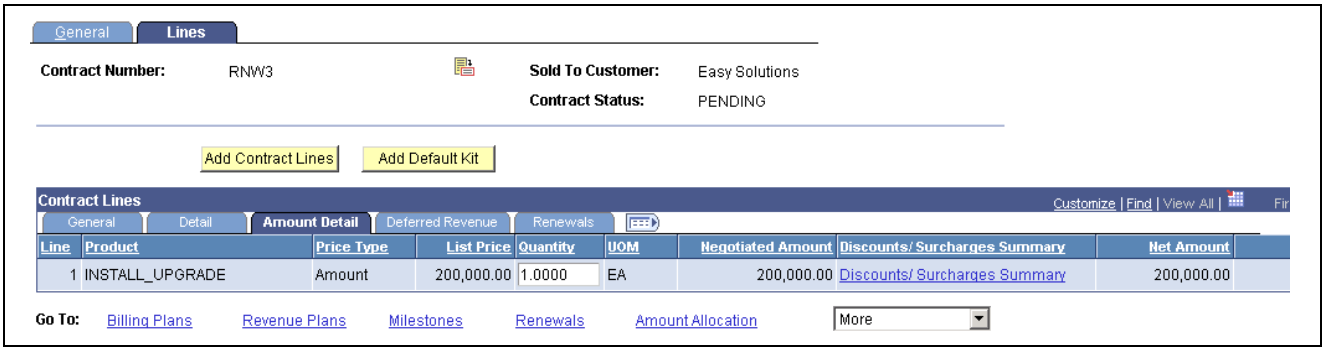
Ship To Customer Displays a default value based on the sold to customer that you selected on the Billing Options page. You can select an alternate ship to ID for a pending contract.

Address Sequence Number Displays the number corresponding to the ship to customer ID that you selected for this contract line. You can select an alternate address sequence number.

Contact Displays the contact for the selected address sequence number. You may select a different contact.

Reviewing Amount Details

Access the Contract - Lines page: Amount Detail tab.



Contract - Lines page: Amount Detail tab

View the pricing information for a contract line. The system updates these fields to reflect any changes that you make to the price detail for contract lines on the Amount Allocation page.

% (percent) For a product ID with a price type of *Percent,* displays the percent that you defined on the Contract Products page.

% of (percent of lines or total) For a product ID with a price type of *Percent,* you can designate the contract line to be a percentage of the full contract negotiated amount or a percentage of one or more amount-based contract lines. For percent-based contract lines that are a percentage of one of more amount-based lines, click the % of link to access the Percent Based Pricing page, where you can review the pricing details for that line.

List Price For a product ID with a price type of *Amount,* displays the list price that you defined on the Contract Products page.

Quantity Enter the quantity for the product that you added to the contract line.

UOM (unit of measure) For product IDs with a price type of *Percent, Amount,* or *Recurring,* the unit of measure appears by default for the contract line. If the product has multiple UOMs defined, the system retrieves the first one. If the product does not have a UOM associated with it, then this field remains blank.

You can accept the default UOM or change it here. Once you select a UOM, the system calculates the price and you can no longer change the UOM.

Negotiated Amount The system updates this field to reflect any changes that you make to the negotiated amount for this contract line on the Amount Allocation page.

Discounts/Surcharges Click to view the discounts or surcharges associated with this contract line. This link is available for amount-based contract lines only.

Net Amount The system updates this field to reflect the line's negotiated amount minus the associated discounts entered on the Amount Allocation page.

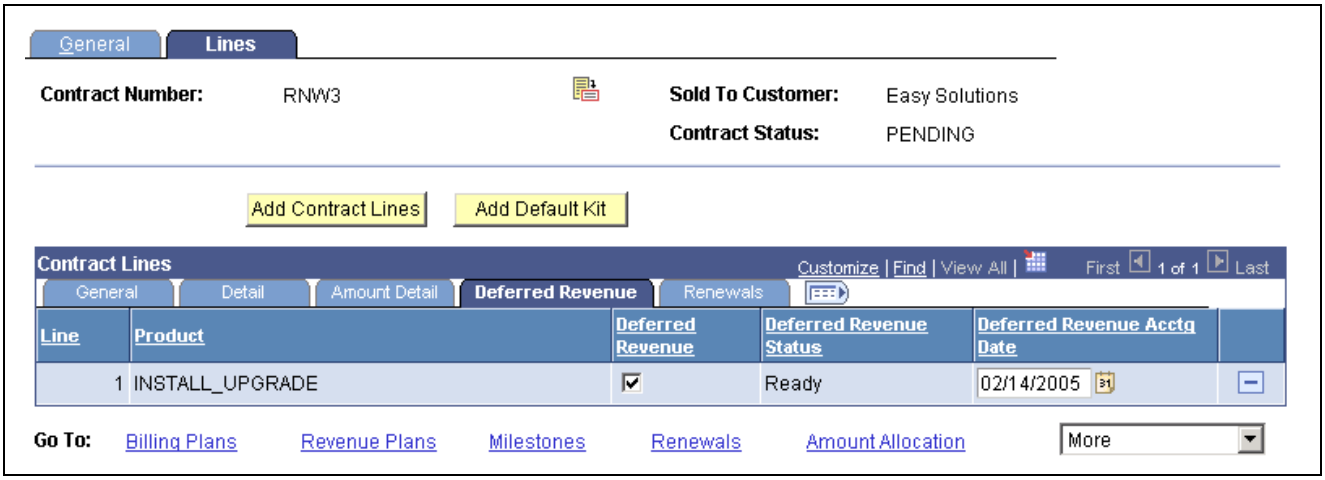
Limit Amount Displays the limit amount for this contract line, if you entered one. Only contract lines with a price type of *Rate* have limits.

See Also

Chapter 12, “Pricing Contracts,” page 143

Defining Deferred Revenue

Access the Contract - Lines page: Deferred Revenue tab.



Contract - Lines page: Deferred Revenue tab

Deferred Revenue

Select to enable deferred revenue for this contract line. Booking to deferred revenue enables you to post to the general ledger revenue that you expect to realize in a future accounting period. If the contract is in *Pending* status, you can enable deferred revenue by selecting this check box. If the contract is in *Active* status, you cannot change this setting and you must use amendment processing. This field is available for amount-based and recurring contract lines.

You initially establish the deferred revenue option when setting up the contract product groups. You can override the product group deferred revenue option on the contract line if you selected the Deferred Revenue Override check box on the Contracts Definition - Processing Options page for the associated contracts business unit.

Note. If you did not select the Deferred Revenue Override check box on the Contracts Definition - Processing Options page for the associated contracts business unit, you cannot change the default contract product group value that appears in this field.

Deferred Revenue Status

Displays the status of the deferred revenue for this contract line.

Deferred Revenue Acctg Date (deferred revenue accounting date)

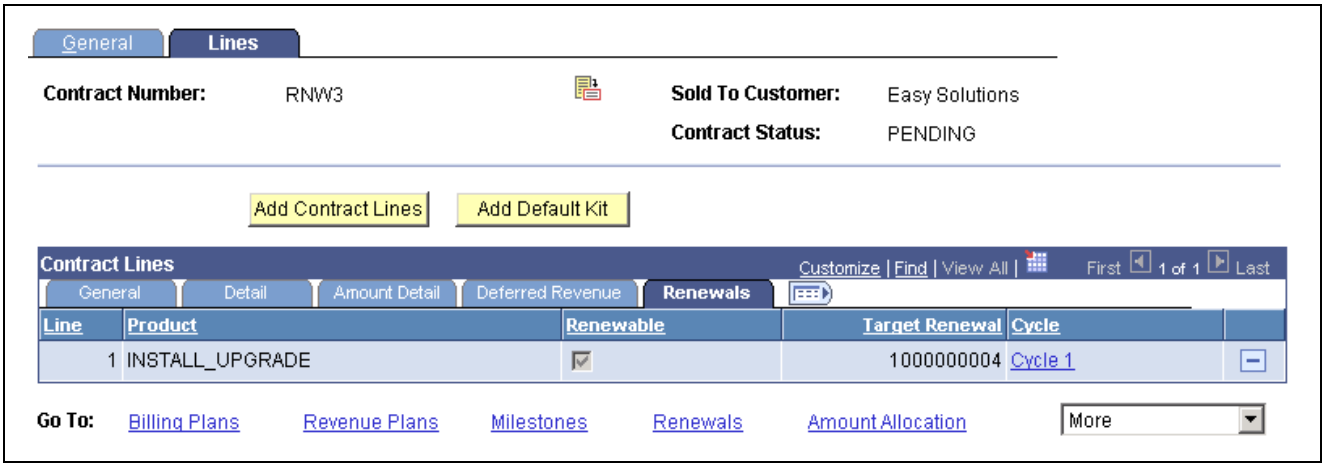
Select the deferred revenue accounting date for this contract line. The Deferred Revenue process does not process any contract line until you specify its deferred revenue accounting date. In addition, any related revenue processes do not process until the deferred revenue process is run.

Note. This field appears on the page only if deferred revenue is selected for the contract line.

Note. This field does not appear for recurring contract lines.

Defining Renewals

Access the Contract - Lines page: Renewals tab.



Contract - Lines page: Renewals tab

Renewable If the product that you selected onto this contract line was defined as renewable, this check box is selected. If this contract line is renewable, you must define values for this contract line in the Start Date and End Date fields on the Contract - Lines page: General tab.

Source Renewal Displays the renewal plan number when you associate a contract line with a renewal cycle.

Cycle Displays the cycle for the source renewal plan.

A renewal plan can have multiple cycles.

Target Renewal For renewal contract lines, when you associate a contract line with a renewal plan number and cycle and then set the cycle status to *Done,* the system:

- Displays the renewal plan number in the Target Renewal field.
- Displays the renewal plan number cycle in the Cycle field.
- Sets the line status of the current contract line to renewed.
- Generates a new contract line.

  The renewal plan number and cycle on which the line was based now appears in the Source Renewal and Cycle fields for this new contract line.

Cycle Displays the cycle for the target renewal plan. Click the cycle number to review the details for this renewal cycle.

A renewal plan can have multiple cycles.

Create Plan If a contract line is renewable but is not yet associated with a renewal plan, you can click this button to associate this contract line with a renewal plan.

Note. If you have not yet entered a start and end date, the system asks you to enter those values before you can associate the contract line with a renewal plan.

See Also

Chapter 24, "Entering Renewals," page 407

Selecting Products to Add to a Contract Line

This section discusses how to:

- Select products to add to a contract line.
- Review pricing and components of fixed-fee product kits.

See Also

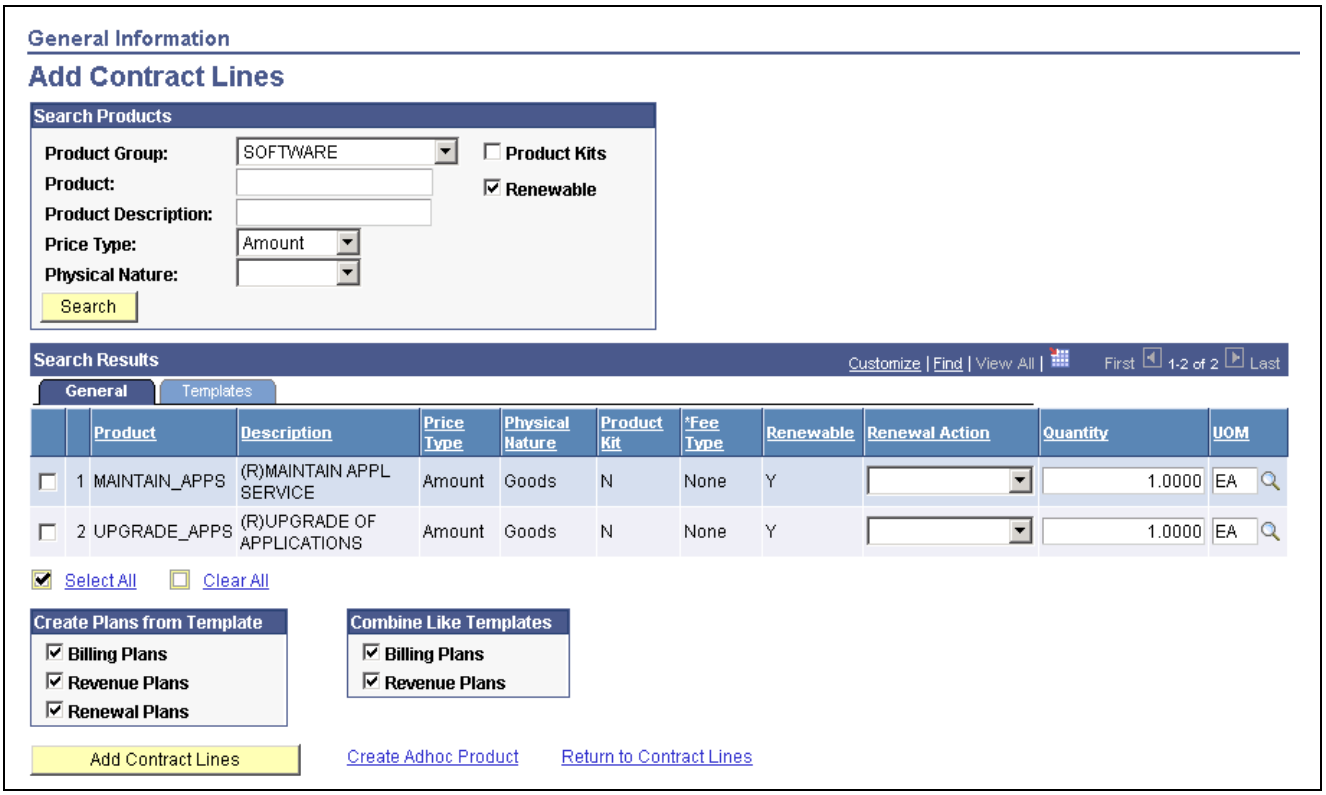
Chapter 8, "Setting Up Products," Setting Up Products and Product Groups, page 71

Pages Used to Select Products onto Contract Lines

Page Name	Object Name	Navigation	Usage
Add Contract Lines	CA_OFFERING_SRCH	Click the Add Contract Lines button on the Contract - Lines page.	Search for and select existing products to be added to a contract. From this page you can also create and add ad hoc products to a contract line.
Price Product Kit	CA_PKG_PNL	Select a fixed-fee product kit template on the Add Contract Lines page and click Add Contract Lines.	Review the pricing and components of the fixed-fee product kits that you are selecting onto the contract. This page is not used with rate-based product kits.

Selecting Products to Add to a Contract Line

Access the Add Contract Lines page.



Add Contract Lines page

Search Products

Use the Search Products group box to search for predefined contract products. Optionally, filter the search using this search criteria:

Product Group Select a product group. Product groups are optional; if they are set up, they provide a logical grouping of products.

Product Search for products by entering all or part of a product name.

Price Type Select a price type of *Amount, Rate, Percent,* or *Recurring.*

Physical Nature Select *Goods* or *Services.*

Product Kits Select this check box to search for product kits only.

Renewable Select this check box to search for renewable products only.

Search When you click Search, the system carries out the search based on the search criteria that you entered, and populates the Products group box with all products meeting the criteria.

Search Results

In the Search Results group box, the system displays the products that meet the search criteria.

To add a product to the contract, select the check box and click Add Contract Lines. When you select multiple products, the system adds each selected product to the contract as a new contract line.

Search Results: General tab

Access the Add Contract Lines page: General tab.

Product Kit A *Y* in this column indicates that the product is a product kit. When you select a product kit and click Add Contract Lines, the system transfers you to the Price Product Kit page, where you can define the price for each product within a product kit.

***Fee Type** Displays the fee type for contracts with a classification of *Government.* For contracts with a classification other than *Government,* the value of *None* displays in this field.

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating Cost-Plus Government Contract Lines," Understanding Creating Cost-Plus Government Contract Lines.

Renewable A *Y* in this column indicates that the product is renewable.

Renewal Action Appears by default if a renewal action was defined for the product. Accept the default value or change it here. Values include *Automatic* and *Manual.* This field is available if you selected the Renewable check box in the Search Criteria section of this page.

Quantity Displays the quantity for the product. The value in this field defaults to *1.* If you wish to specify a quantity other than *1,* you can enter a new value here.

UOM For product IDs with a price type of *Percent, Amount,* or *Recurring,* the unit of measure appears by default for the contract line. If the product has multiple UOMs defined, the system retrieves the first one. If the product does not have a UOM associated with it, then this field remains blank.

You can accept the default UOM or change it here. Once you select a UOM, the system calculates the price and you can no longer change the UOM.

Search Results: Templates tab

Access the Add Contract Lines page: Templates tab.

Revenue Plan Add a revenue plan template or override the existing revenue plan template before adding the contract line to the contract.

Billing Plan Add a billing plan template or override the existing billing plan template before adding the contract line to the contract.

Bill Plan Detail Add a billing plan detail template or override the existing billing plan detail template before adding the contract line to the contract.

Renewal Plan Add a renewal plan template or override the existing renewal plan template before adding the contract line to the contract.

Create Plans from Template

Billing Plans Select this check box to enable the system to create a billing plan when adding the contract line to the contract. Clear this check box if you do not want the system to create a billing plan when the contract line is added to the contract.

Revenue Plans Select this check box to enable the system to create a revenue plan when adding the contract line to the contract. Clear this check box if you do not want the system to create a revenue plan when the contract line is added to the contract.

Renewal Plans Select this check box to enable the system to create a renewal plan when adding the contract line to the contract. Clear this check box if you do not want the system to create a renewal plan when the contract line is added to the contract.

Combine Like Templates

Billing Plans Select this check box to combine multiple contract lines with the same billing plan template into one billing plan. To keep each contract line and its respective billing plan separate, clear this check box.

Note. To combine like billing plans, you must have the same billing plan template and billing plan detail template.

Contracts with a classification of *Government* containing cost-plus contract lines with a fee type other than *None* cannot share billing plans.

See Chapter 7, "Structuring Contracts," Defining Billing Plan Detail Templates, page 40.

Revenue Plans Select this check box to combine multiple contract lines with the same revenue plan template into one revenue plan. To keep each contract line and its respective revenue plan separate, clear this check box.

Note. Contract lines must have the same price type in order to share revenue plans. Contracts with a classification of *Government* containing cost-plus contract lines with a fee type other than *None* cannot share revenue plans.

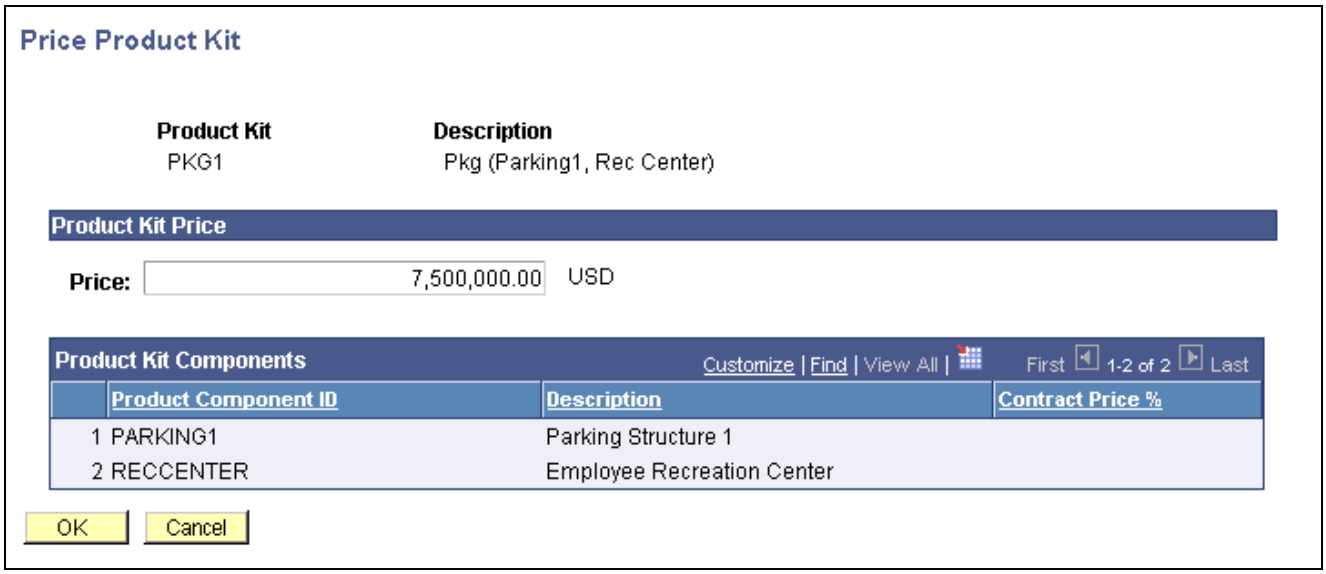
Add Contract Lines Click to add any currently selected products to the contract.

Create Adhoc Product Click to access the Create Adhoc Product page, where you can create a custom product to use on this contract.

Return to Contract Lines Click to return to the Contract - Lines page.

Reviewing Pricing and Components of Fixed-Fee Product Kits

Access the Price Product Kit page.



Price Product Kit page

Product Kit Price

Price Displays the list price for fixed-amount products. You may accept this default or enter a new price.

Product Kit Components

Product Component ID Displays the ID for each product component.

Contract Price % (contract price percent) Displays any percentages defined for the product.

Each product component is priced as a percentage of the product kit price.

OK Click to create contract lines for each product kit.

Defining Contract Billing Options

This section discusses how to:

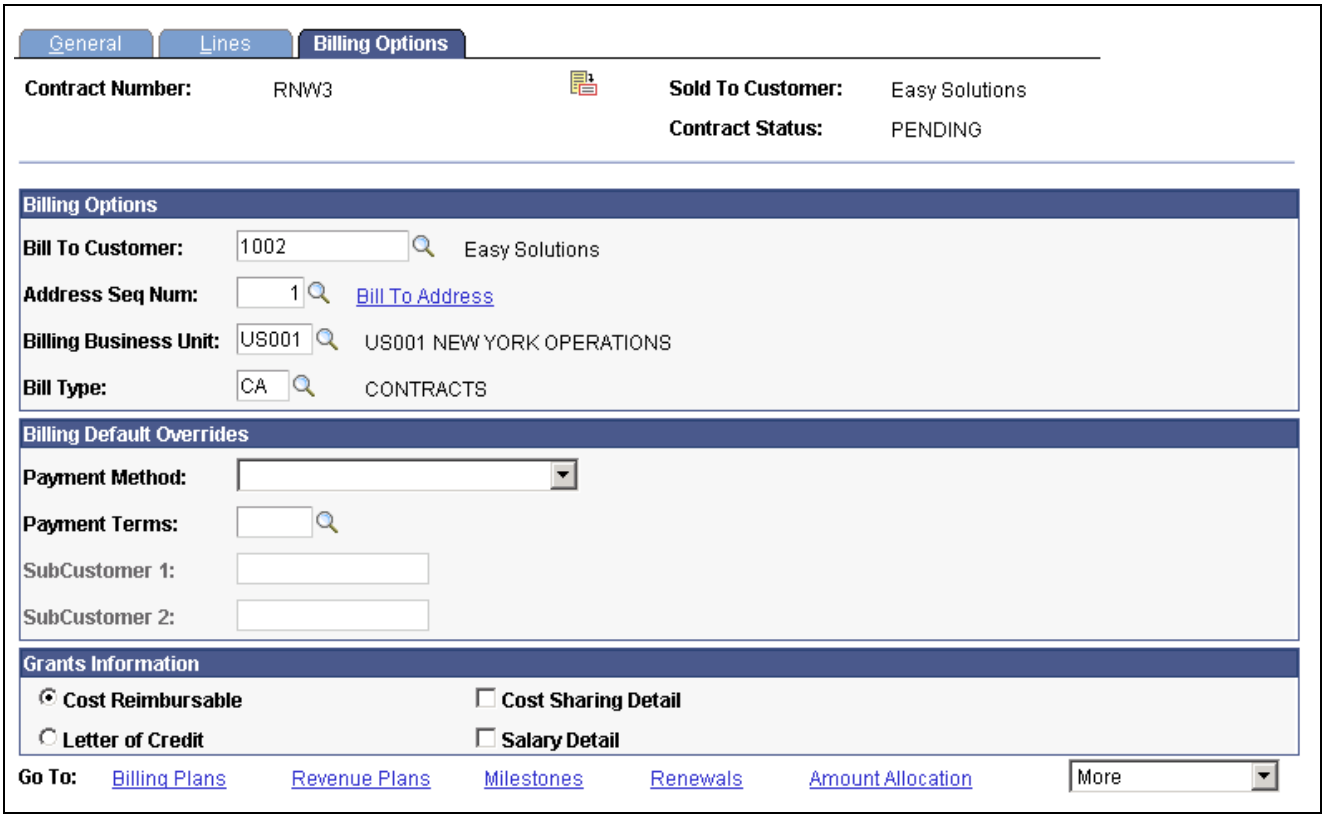
- Enter billing options.
- Select a billing address.

Pages Used to Enter Billing Options

Page Name	Object Name	Navigation	Usage
Billing Options	CA_HDR_BILLOPT	Click the Billing Options link in the Go To drop-down list box on any page in the contract component.	Enter billing option defaults for the contract. These billing options appear by default onto the billing plans created for contract lines within this contract. You can override these options at the billing plan level.
Billing Address	CA_BILLADDR_PNL	Click the Bill To Address link on the Billing Options page.	Review and optionally select the default billing address to be used for a contract.

Entering Billing Options

Access the Billing Options page.



Billing Options page

Billing uses a hierarchical system of defaults to determine billing options. The billing plan is the most specific level of this hierarchy and where you specify billing options that are not overridden by defaults at a higher level. If the billing options do not change from one contract to the next for the business, then you can take full advantage of the hierarchical system of defaults that you set up in Billing without having to further define these values on the contract's billing plans.

The Contracts Billing Options page is a place to enter defaults that are copied to all new billing plans created for the contract. This enables you to avoid having to repeat the same entry of billing option default overrides on multiple billing plans for the same contract.

Many of the values that you define here are defaults that you can override on the Billing Plan - Billing Plan General page. Values left blank at the billing plan level are defaulted from a higher level within the Billing system of defaults onto bills.

Billing Options

Bill To Customer The default ID for the bill to customer appears by default in the customer field. You may select a different bill to customer ID.

Note. For contracts with a contract classification of *Internal,* you must select an interunit Bill To Customer for this field.

Bill To Address Click to view the address and contact associated with the address sequence number.

Billing Business Unit Appears by default from the value that you specified for the contract business unit. You may select a different Billing business unit. Only Billing business units pointing to the same General Ledger business unit as the Contracts business unit appear in the list of valid values.

Bill Type The ID appears by default from the value that you specified for the Contracts business unit, and is used by Billing to categorize the activity being billed. You can override the bill type on the billing plan.

Billing Default Overrides

Payment Method Indicates the type of payment, including *check*,*credit card*, *Direct DebitDraft*, and *Electronic Fund Transfer.* You can also define your own payment methods.

Payment Terms Indicates the terms to which the customer should adhere when making a payment of invoices from Billing.

SubCustomer 1 and **SubCustomer 2** Values for these fields appear by default according to the subcustomer information defined for the bill to customer. Subcustomers enable you to record history and aging information for a subset of the business with a customer or for a cross-section of the business across different customers. The values that you select for SubCustomer 1 and SubCustomer 2 may not be overridden at the billing plan level.

Grants Information

This group box appears only if you have installed Grants:

Cost Reimbursable Select if you want cost reimbursable as the method of payment.

Letter of Credit Select if you want letter of credit as the method of payment.

Letter of Credit ID If the method of payment is letter of credit, enter a reference number for this contract.

Note. If you do not select *Letter of Credit,* this field does not appear on the page.

Cost Sharing Detail Select this check box to enable the system to generate a Cost Sharing Detail report for this contract bill when the bill is printed.

Salary Detail Select this check box to enable the system to generate a Salary Detail report for this contract bill when the bill is printed.

See Also

Chapter 19, "Setting Up Billing Plans," page 281

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Preparing to Implement," Establishing Default Levels for PeopleSoft Billing Options

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Structuring Bills," Defining Bill Types

PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook, "Maintaining General Customer Information," Bill To Customers

Selecting a Billing Address

Access the Billing Address page.

Bill To Contact Displays the bill to contact for the selected address sequence number. You may select a different bill to contact.

Adding Attachments

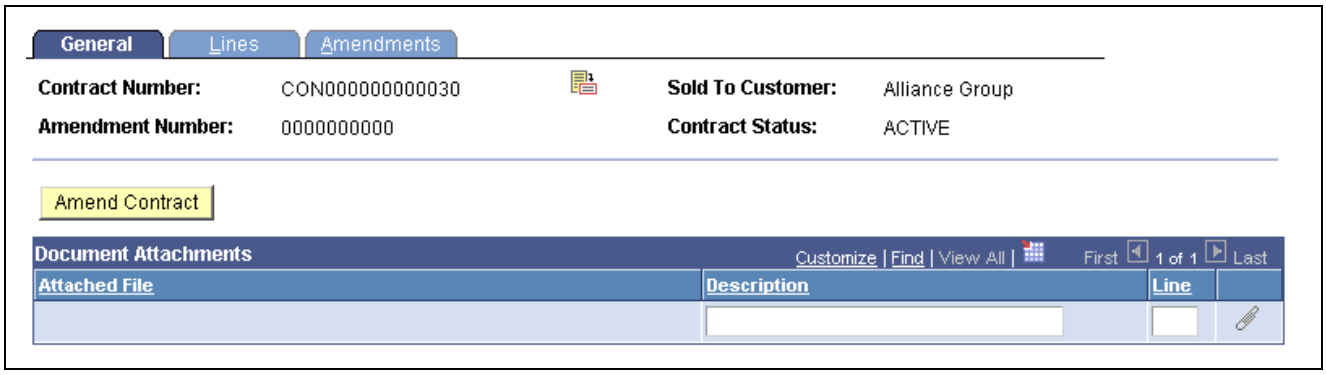
This section discusses how to add attachments to contracts.

Page Used to Add Attachments

Page Name	Object Name	Navigation	Usage
Attachments	CA_ATTACHMENTS	Click the Attachments link in the Go To drop-down list box on any page in the contract component.	Attach to the contract document files such as letters, spreadsheets, or drawings, or view or delete already attached files.

Adding Attachments to Contracts

Access the Attachments page.



Attachments page

Amendment Date If this contract was amended, displays the last applied amendment number and date of the amendment.

Document Attachments

Attached File Enter the name of the attached file.

Description Enter a description for the attachment.

Line Enter a contract line number to indicate that the attachment relates to a specific contract line.

Click this button to add an attachment. Then browse to the location of the wanted file, and click Upload. The file is copied to the server where the project information resides. You may add multiple attachments to a contract.

To delete an attachment, click this button in the row where the document that you want to delete is listed.

To view an attachment, click this button in the row where the document that you want to view is listed.

Note. You must have a File Transfer Protocol server set up to use the Document Attachment feature.

See Also

Chapter 4, "Understanding Contracts Implementation Issues," Defining an FTP Server for Document Attachments, page 15

Creating Amendments

See Chapter 25, "Amending Contracts," page 443.

Creating Ad Hoc Product Lines

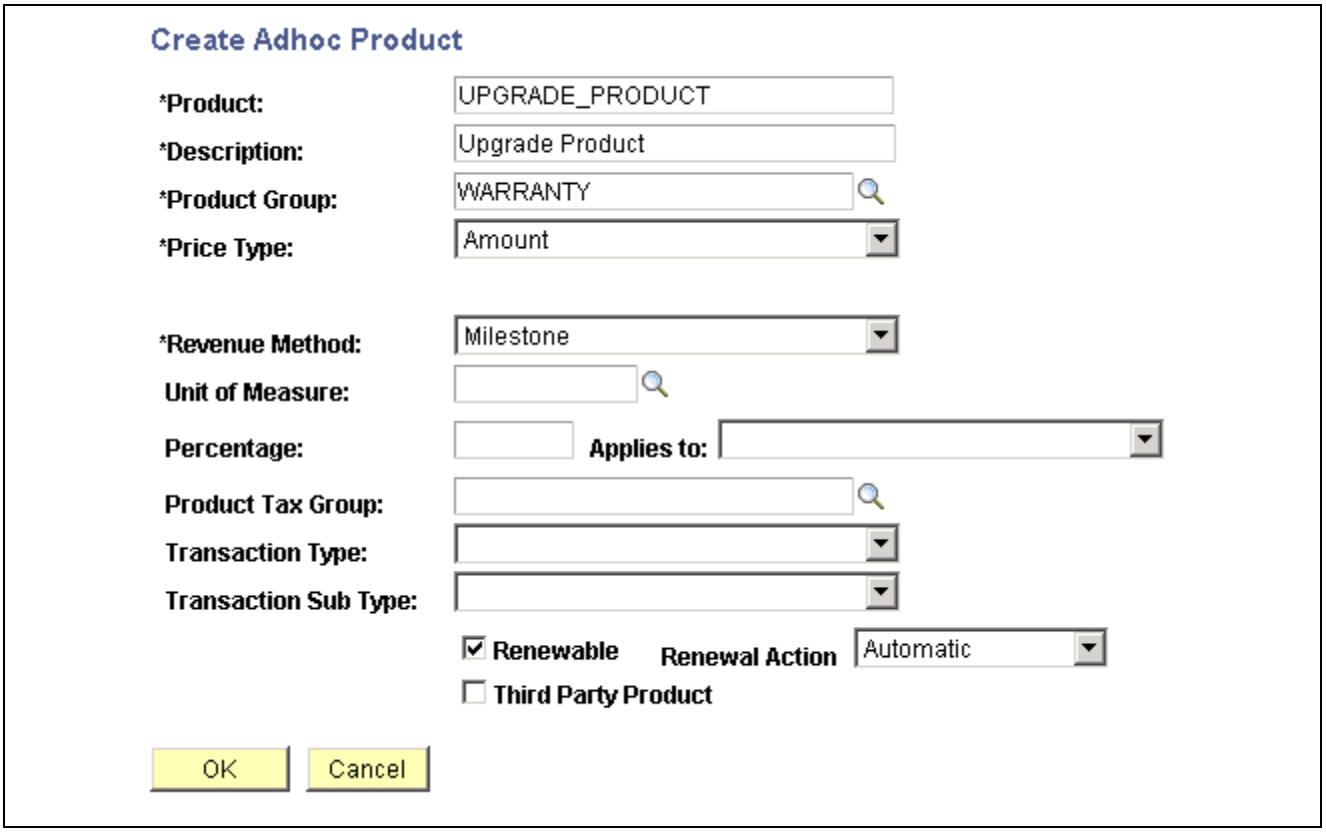
This section discusses how to create ad hoc product lines.

Page Used to Create Ad Hoc Products

Page Name	Object Name	Navigation	Usage
Create Adhoc Product	CA_PROD_ADHOC	Click Create Adhoc Product on the Add Contract Lines page.	Create ad hoc product lines for use on the contract.

Creating Ad Hoc Product Lines

Access the Create Adhoc Product page.



Create Adhoc Product page

Enter a name and description for the ad hoc product. Enter other pertinent information for the ad hoc product line:

Product Group Select a product group for the ad hoc contract line.

Price Type Select a price type for the ad hoc contract line. Values are *Amount, Percentage,* and *Rate.* You cannot create recurring ad hoc contract lines.

Revenue Method Select a revenue method. Values are *Apportionment, As Incurred, Billing Manages Revenue, Milestone,* and *Percent Complete.*

Percentage If the price type is *Percentage,* enter the default percentage for the contract line.

Applies to If the price type is *Percentage,* select the parameter for the value that you entered in the Percentage field. Values include:

- *% of Contract Lines:* Indicates that the pricing for this contract line is calculated as a percentage of the sum of the negotiated amounts of one or more contract lines.
- *% of Total Contract Amount:* Indicates that the pricing for this contract line is calculated as a percentage of the total contract negotiated amount.

Product Tax Group Product tax groups help you identify specific related tax charge information associated with individual charge codes when you take advantage of either of the third-party tax solutions that the PeopleSoft system supports—Taxware or Vertex. Tax Group is not required.

Note. Product tax groups are not used if you install the delivered Billing tax solution.

Transaction Type (Optional) If you have Taxware or Vertex installed, select a transaction type.

Transaction Sub Type (Optional) If you have Vertex installed, select a transaction sub type.

Renewable Select this check box to create a renewable ad hoc product.

Renewal Action Select a renewal action for the ad hoc product. This field appears on the page only if you select the Renewable check box. Values include:

- *Automatic:* The contract line may be automatically renewed from the Renewal batch process or the Renewal Management page.
- *Manual:* You must manually renew this contract line from the contract or the Renewal Management page. This line cannot be renewed from the Renewal batch process.

Third Party Product Select this check box if you are using third-party software for the ad hoc line.

Generating Order Lines

This section discusses how to create sales orders.

Understanding Sales Order Generation

Contract lines with valid sales order products can be passed into a sales order in Order Management. In addition, new orders can be created or lines can be added to existing orders. If the Product Use field displays *General Use,* then the product can be used on both contract lines and sales orders. If the value in the Product Use field is *Contracts only,* the system does not enable you to pass the contract line into the sales order.

Note. Data cannot be synchronized between Contracts and Order Management. Therefore, if you make a change to the contract or order in one application, you must manually make the change in the other application to synchronize the contract and the order.

See Also

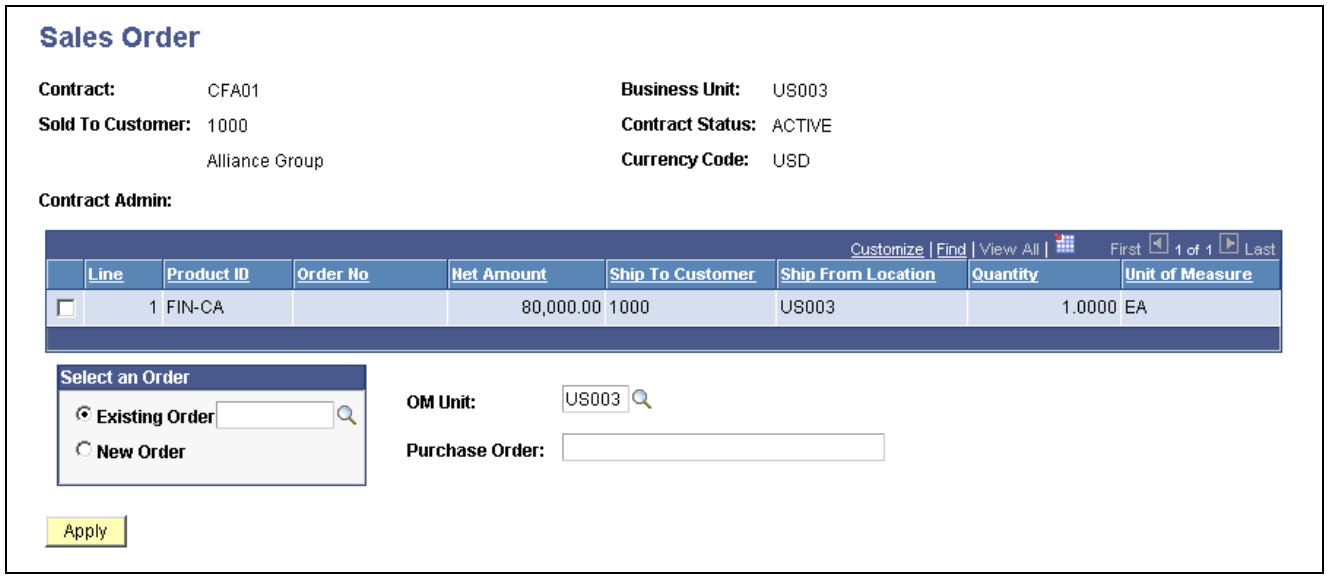
PeopleSoft Working With Customers and Orders 8.9 PeopleBook

Page Used to Generate Order Lines

Page Name	Object Name	Navigation	Usage
Sales Order	CA_ORDER_LINES	• Customer Contracts, Create and Amend, Contract Sales Orders • Click the Sales Order link in the Go To drop-down list box on any page in the contract component.	Create sales order lines from the associated contract lines.

Creating Sales Orders

Access the Sales Order page.



Sales Order page

Line For products that are designated for use by both Contracts and Order Management, displays the contract line number of each active line of the contract number that you selected.

(select) Select the check box next to the contract lines that you want to link to a sales order. When you click the Apply button, this contract line is linked to the new or existing sales order.

Product ID Displays the product name of each active line for the contract number that you selected.

Order No (order number) When you attach a contract line to an order, displays the order number.

Net Amount Displays the net amount for each active line of the contract number that you selected.

Ship To Customer Displays the ship to customer for each active line of the contract number that you selected.

Ship From Location	Displays the ship from location for each active line of the contract number that you selected.

Select an Order

Existing Order	Select to add the selected contract line to an existing sales order.
New Order	Select to create a new sales order for the selected contract line.
OM Unit (Order Management business unit)	Select an Order Management business unit to apply to the contract line for use on the sales order.
Purchase Order	Displays the associated purchase order reference number, if applicable.
Apply	Select to generate an order for the selected contract lines.

CHAPTER 10

Understanding Accounting Distributions

This chapter discusses:

- Accounting distributions.
- Multicurrency.
- Product accounting distribution defaults.
- Accounting distribution creation.
- Accounting distributions for discounts and surcharges.
- Accounting distributions for interunit transfers.
- Products managing revenue.

Accounting Distributions

The accounting distribution entries made by Contracts depend upon several factors. This table shows the type of accounting distribution setup that is required based upon the product that is managing revenue, whether or not you are booking entries to deferred revenue, and the contract line's pricing type:

Product That Manages Revenue	Deferred Revenue Enabled	Contract Line Pricing Type	Required Distribution Types
Contracts	Yes	Amount, Percent	Revenue, deferred revenue, unbilled accounts receivable (AR)
Contracts	No	Amount, Percent	Revenue, unbilled AR
Contracts	No	Rate	Unbilled AR (only if assigned to a value-based billing plan)
Billing	No	Amount, Percent, Recurring	Revenue
Billing	Yes	Recurring	Revenue, deferred revenue

Note. Billing can manage revenue for fixed-amount and recurring contract lines only. When Billing manages revenue for fixed-amount contract lines, Contracts does not support booking to deferred revenue. *Billing Manages Revenue* is the only available revenue recognition method for recurring contract lines.

This section discusses:

- Fixed-amount contract lines.
- Rate-based contract lines.
- Recurring contract lines.

See Also

Chapter 11, "Entering Accounting Distributions," page 135

Fixed-Amount Contract Lines

A fixed-amount contract line is a product or service for which you charge a defined amount. Fixed-amount contract lines have a price type of *Amount* or *Percent.* When Contracts manages revenue for fixed-amount contract lines, you associate the contract line with a revenue plan that has a revenue recognition method of *Apportionment, Milestone,* or *% Complete.* When Billing manages revenue for a fixed-amount contract line, you do not associate the contract line with a revenue plan. Regardless of which product manages revenue, you must associate the fixed-amount contract line with account distribution information either using distribution sets and distribution codes or by manually entering General Ledger ChartField information.

Rate-based Contract Lines

A rate-based contract line is a transaction-based product or service for which you have set up one or more projects in Project Costing. The revenue and unbilled AR accounting distributions for these types of service products are stored in the accounting rules. As work is performed against a project, Project Costing receives transactional information relating to that work. Project Costing prices the transactions based on the rate plan or rate set. Contracts picks up the Project Costing billable transactions and sends them to Billing.

Upon sending the billable transactions to Billing, the Contracts process also sends the unbilled AR accounting distribution. For rate-based lines assigned to as-incurred billing plans, the unbilled AR is pulled from the accounting rules. For rate-based lines assigned to value-based billing plans, the unbilled AR is pulled from the accounting distribution page in Contracts (CA_DETAIL_UAR).

Additionally, the rate-based revenue process (Accounting Rules Engine) picks up eligible Projects PROJ_RESOURCE rows and sends them to General Ledger. The revenue and unbilled AR accounting distributions are defined to each Project Costing transaction eligible for revenue recognition based on the accounting rules defined.

Recurring Contract Lines

A recurring contract line is a product or service for which you charge recurring bills. With a revenue recognition method of *Billing Manages Revenue,* for a recurring contract line, you do not associate the contract line with a revenue plan. However, you must associate the recurring contract line with account distribution information using distribution sets and distribution codes or by manually entering General Ledger ChartField information on the Accounting Distribution page.

When setting up billing for recurring contract lines, you must select the recurring billing method. There are no billing plan lines or events associated with a recurring billing plan. You define the start date and schedule, and each time the plan is eligible for billing, the system generates the appropriate invoice lines and sends them to Billing along with the accounting distribution.

Multicurrency

The timing of the exchange rates that the system uses to perform conversions depends upon whether you enabled the deferred revenue recognition option at the product group level. This exchange rate is used for converting the revenue amount when the contract currency is different from the General Ledger base currency and for interunit transfers in which the base currency for the General Ledger business unit to which you are transferring is different from the base currency of the General Ledger business unit from which you are transferring.

If you did not select the option to book to deferred revenue, then the Amount-based Revenue process uses the exchange rate that is current for the accounting period in which you are running the process. If you selected the option to book to deferred revenue, then the Deferred Revenue process and the Amount-based Revenue process use the same exchange rate to convert the deferred revenue amount from Contracts.

The system always translates interunit transfer amounts by using the rate type, the current accounting month's rate, and the contract's General Ledger business unit currency (not the contract's billing currency). For example: Contract CON0001 has a contract currency of DEM. Contract CON0001 is associated with Contracts business unit CABU01. Contracts business unit CABU01 is associated with General Ledger business unit GLBU01, which has a currency of USD. The system performs the conversion from DEM to USD when populating deferred revenue (assuming that you've enabled the option to book to deferred revenue). The system then performs the interunit-related conversions from USD to the currency of the General Ledger business unit receiving revenue (such as CAD).

Accounting Distribution Defaults

To set up default accounting distributions for your products, you:

1. Define distribution rules.
2. Define distribution sets.
3. Associate a default distribution rule with your Contracts business unit.

Distribution Rules

Distribution rules identify the hierarchy that the system uses to identify which distribution set to use for a particular product. You can define any number of combination criteria and hierarchy to tell your system how to identify and apply the accounting distributions. For example, you might set up your distribution rules to satisfy one of these scenarios:

- Specific revenue account distributions for your largest customer.
- Specific revenue account distributions for a particular product.
- Specific revenue account distributions for a product group such as *Software.*

In the previous examples, you build one distribution rule by determining which scenario is the most important and then arranging the three scenarios in order of priority by using the sequence numbered rows on the Distribution Rules page. The distribution rule that you define is then associated with a Contracts business unit. When you select a product onto a contract, the system examines the distribution rule for that Contracts business unit to determine which distribution set to use for populating the revenue distribution code values onto the Accounting Distribution page for each contract line.

Distribution Sets

A distribution set is made up of distribution codes. Each code in a distribution set can have a distribution percentage. You can define multiple distribution sets. Then, you associate the set with a product, product group, customer, and so forth.

Note. Note. If you use region codes, do not use the region code on the contract header, but instead specify the region code at the customer level.

Default Distribution Association

When defining a Contracts business unit, you must identify a default distribution rule code to the business unit. This distribution rule code is the link between the Contracts business unit and the distribution rules and distribution sets. When you select a product onto a contract, the system examines the distribution rule for that Contracts business unit to determine which distribution set to use for populating the revenue distribution code values onto the accounting distribution page for each contract line.

See Also

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Defining Financials and Supply Chain Management Common Definitions," Establishing Distribution Rules and Sets

Accounting Distribution Creation

The initial accounting distributions for a contract line are populated by the system. For fixed-amount and recurring contract lines, the revenue accounting distribution codes are obtained from distribution sets. If you enabled the deferred revenue recognition option at the product group level, the system checks the revenue distribution code for a related deferred revenue distribution code and populates the Accounting Distribution page with those revenue and deferred revenue values.

Note. If you did not associate a deferred revenue distribution code with the revenue distribution code, the system populates only the revenue distribution. You must manually add the deferred revenue accounting information to the contract line's accounting distribution before the contract can be activated.

When you save a contract line, ChartField combination editing verifies that the revenue, deferred revenue, and unbilled AR accounting distributions are valid for the General Ledger business unit listed. You cannot save a contract with an *Active* processing status until all of its accounting distributions pass ChartField combination editing.

This section discusses:

- Revenue accounting.
- Deferred revenue accounting.
- Unbilled AR.

See Also

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Editing ChartField Combinations"

Revenue Accounting

This section discusses revenue accounting for:

- Amount-based contract lines.
- Rate-based contract lines.
- Recurring contract lines.

Amount-based Contract Lines

When you select a product onto a contract, the system populates the revenue distribution accounting based on distribution sets to the revenue fields on the Accounting Distribution page. Additionally, the General Ledger business unit on the accounting distribution is populated with the General Ledger business unit associated with the Contracts business unit of the contract. The General Ledger business unit and revenue accounting distribution are editable for each fixed-amount contract line on the Accounting Distribution page. You can edit the existing revenue accounting distribution or split the revenue across multiple accounting distributions (such as departments). When you save the Accounting Distribution page, the system performs combination editing to ensure that the combination of ChartFields that you specify are valid for the selected General Ledger business unit.

When you save the Accounting Distribution page, the system performs combination editing to ensure that the combination of ChartFields that you specify are valid for the selected General Ledger business unit.

In addition to ChartField Combo-Editing, the system checks to ensure that the amount distributed on the Accounting Distribution page equals the amount on the contract line defined through negotiated amount allocation. If you complete amount allocation after you distribute the accounting, an error may appear. If ChartField Combo-Editing or distribution amount errors exist, you see an Action Required link on the Details tab of the Contract - Lines page.

Warning! If you use the PeopleSoft Enterprise Commitment Control option to update the revenue budgets in Receivables, PeopleSoft recommends that you use the same revenue distribution lines for fixed-amount contracts throughout the life of the contract so that the collected revenue lines are updated correctly when payments are made in Receivables.

Rate-based Contract Lines

For rate-based contract lines, the revenue distribution accounting is defined by using accounting rules through the As Incurred Accounting Distribution page. Like distribution sets, rate-based accounting rules may reference distribution codes for ease of use. However, each accounting rule allows only one revenue distribution to be defined. When forecasting revenue for rate-based lines, use distribution sets with distribution codes.

Recurring Contract Lines

For recurring contract lines, the system handles the accounting similar to fixed-amount. The system populates the revenue distribution on the Accounting Distribution page based on distribution sets. If the revenue distribution code in the distribution set has a related deferred revenue distribution code, the system also populates the deferred revenue distribution on the Accounting Distribution page.

Warning! If you use the PeopleSoft Enterprise Commitment Control option to update the revenue budgets in Receivables, PeopleSoft recommends that you use the same revenue distribution lines for fixed-amount contracts throughout the life of the contract so that the collected revenue lines are updated correctly when payments are made in Receivables.

See Also

Chapter 11, "Entering Accounting Distributions," page 135

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Setting Up Accounting for Projects"

Deferred Revenue Accounting

This section discusses deferred revenue accounting for:

- Amount-based contract lines.
- Rate-based contract lines.
- Recurring contract lines.

Note. Contracts books entries to deferred revenue only for contract lines for which Contracts is managing revenue. If Billing is managing revenue, no deferred revenue is booked in Contracts. It is recommended that you do not use the deferred revenue functionality in Billing for fixed-amount contract lines generated from Contracts. However, for recurring contract lines, Billing manages revenue and handles all deferred revenue information.

Note. For fixed-amount and recurring contract lines, the default deferred distribution is not specified directly on the distribution set, unlike the revenue distribution. The system retrieves the deferred distribution by default by using the revenue distribution code's associated deferred distribution code. You can edit the existing deferred revenue accounting distribution or split the distribution across multiple accounting entries.

Amount-based Contract Lines

If you selected deferred revenue recognition for a contract line, the deferred revenue accounting distribution is editable for each fixed-amount contract line on the Accounting Distribution page. The GL Unit (general ledger unit) field populates with the General Ledger business unit associated with the Contracts business unit of the contract.

Note. The General Ledger business unit of the deferred revenue accounting distribution is not editable.

Note. Splitting deferred revenue accounting distribution across General Ledger ChartFields could result in complex account reconciliation and is not recommended.

When you save the Accounting Distribution page, the system performs combination editing to ensure that the deferred revenue accounting that you specify is valid for its general ledger (GL) business unit.

The contract line contains a deferred accounting date. When you run the Deferred Revenue process, you specify a date range for that process run. The system processes any contract lines belonging to active contracts with a deferred accounting date within the range specified and that have not already been processed.

If you enter a deferred accounting date that falls before a contract line's earliest accounting distribution effective date, the system warns you that an effective-dated accounting distribution needs to be defined for the deferred revenue accounting date. The deferred revenue process does not generate accounting entries for the contract lines until you do one of these:

- Change the contract line's deferred revenue accounting date to fall within its accounting distribution's effective time period.
- Change the existing accounting distribution (or add a new one) to cover the time period of the contract line's deferred revenue accounting date.

For each fixed-amount contract line, the deferred revenue process creates a credit to the deferred revenue account that you specified for that contract line, and a debit to the unbilled AR account that you specified for that contract line.

Rate-based Contract Lines

Rate-based contract lines are not associated with deferred revenue because no known amount is associated with these types of lines. Revenue for rate-based lines is only recognized as work is performed.

Recurring Contract Lines

If you selected deferred revenue recognition for a recurring contract line, the deferred revenue accounting distribution is editable on that contract line's Accounting Distribution page. The GL Unit field populates with the General Ledger business unit associated with the Contracts business unit of the contract. Billing handles the deferred revenue processing for recurring contract lines.

See Chapter 16, "Processing Revenue Recognition," Processing Deferred Revenue (CA_LOAD_DEF), page 228.

Unbilled AR

Contracts manages revenue separately from Billing by using unbilled AR accounting distributions. You establish an unbilled AR distribution code at either the Contracts business unit level (mandatory) or lower at the product group level (optional).

Note. You do not define unbilled AR accounting distributions for recurring contract lines because billing manages revenue for this price type.

This section discusses unbilled AR accounting for:

- Amount-based contract lines
- Rate-based contract lines

Amount-based Contract Lines

If a contract line's product is associated with a product group for which an unbilled AR distribution code is defined, the system writes that unbilled AR accounting distribution to the Accounting Distribution page for that contract line. The unbilled AR accounting distribution for a contract line is editable on the Accounting Distribution page. The GL Unit field is populated with the General Ledger business unit associated with the Contracts business unit of the contract. When you save the Accounting Distribution page, the system performs combination editing to ensure that the unbilled AR distribution that you specify is valid for the General Ledger business unit. When Contracts manages revenue, unbilled AR is debited when you credit either revenue or deferred revenue. Unbilled AR is credited when the bill is generated (Billing debits AR). Unbilled AR is not used if Billing manages revenue. Because unbilled AR is populated and depleted throughout the life of the contract line, its distribution on the Accounting Distribution page cannot be changed after the contract is activated. In addition, you can specify only one line of unbilled AR accounting distribution.

For example: Best Customer Corporation is installing Contracts and it wants to recognize all unbilled AR by business unit, except for unbilled AR from services. Best Customer Corporation sets up unbilled AR for all Contracts business units. Best Customer Corporation also sets up unbilled AR for the services-related product groups. Best Customer Corporation does not set up any unbilled AR accounting distribution for product groups that are not related to services:

Business Unit (BU)	Product Group (PC)	Unbilled AR Account
M04		129999
M02		128000
	Services	120000

This table lists the results of combinations of Contracts business units and product groups based on the previous setup:

Business Unit	Product Group	Unbilled AR Account
M02	Fee	128000
M02	Maintenance	128000
M02	Product	128000
M02	Service	120000
M04	Fee	129999
M04	Maintenance	129999
M04	Product	129999
M04	Service	120000

When you select a product onto a contract line, the product's unbilled AR account information is stored on the contract line as a part of the contract line's accounting distribution. This ensures that the unbilled AR account information existing for a product at the time it was selected onto a contract line does not change, even if the unbilled AR information defined at the business unit or product group level is subsequently changed.

Rate-based Contract Lines

For rate-based contract lines, the unbilled AR is stored in two places to be used in these ways:

- Rate-based contract lines assigned to as-incurred billing plans use unbilled AR from the Accounting Rules page (As Incurred Accounting Distribution).
- Rate-based contract lines assigned to value-based billing plans use unbilled AR from two different locations.

  For billing, the system uses unbilled AR from the Accounting Distribution page. The revenue process uses the unbilled AR from the Accounting Rules page. The system uses unbilled AR from two different locations because the accounting rules accounting distribution is defined across the application by Projects ChartFields, whereas the accounting distribution is defined for amounts in a value-based billing plan for a particular contract line.

  Note. The unbilled AR values on the Accounting Distribution page come from either the product group or the contracts business unit. The system populates the values for the unbilled AR accounting distribution from the product group level first. If there is no value specified at that level, the system looks for the unbilled AR at the business unit level.

Note. It is recommended that the setup for unbilled AR in the accounting rules and on the Accounting Distribution page be the same for rate-based activity to avoid accounting discrepancies. If two unbilled AR distributions are used, the user must balance the two by making adjustments on the Revenue and Billing Reconciliation page.

Accounting Distributions for Discounts and Surcharges

When you define discounts and surcharges, you have the option of associating the discount or surcharge with a distribution code. When you add a discount or surcharge to a contract line with a price type of *Amount* or *Percent,* the system creates accounting distribution lines for the discount or surcharge amount on the Accounting Distributions Discounts page. The discount revenue distribution code that you specified populates as a default value. If you did not specify a distribution code, you must access the Accounting Distributions Discounts page. You may choose the same distribution as the contract line or manually enter the revenue accounting distribution for the discount or surcharge. The unbilled receivable and deferred revenue accounting distributions are obtained from the contract line with which the discount or surcharge is associated.

The General Ledger business unit populated into the discount accounting distribution is the same as that which is populated by default to the contract line accounting distribution. If you change the General Ledger business unit for the discount revenue accounting distribution, the system generates interunit entries when the Accounting process runs.

After you associate discounts or surcharges with a contract line and save the Amount Allocation page, the system runs combination editing to verify that the revenue distribution that you entered for the discount or surcharge is valid.

For contract lines with a price type of rate, enter discounts on the Related Projects page.

For contract lines with a price type of recurring, the system does not allow discounts and surcharges.

See Also

Chapter 11, "Entering Accounting Distributions," Reviewing and Updating Accounting Distributions for Discounts and Surcharges, page 140

Chapter 13, "Working with Project Costing," page 159

Accounting Distributions for Interunit Transfers

When you define a Contracts business unit, you associate it with a General Ledger business unit. When you select a product onto a contract line, the system populates the Accounting Distribution page with the distribution code that you defined for that product. The system also populates the GL Unit field for that contract line with the General Ledger business unit that you defined for that Contracts business unit. For contract lines where Billing manages revenue, the GL Unit field is not editable. When Contracts manages revenue for a contract line, you can change the General Ledger business unit on an accounting distribution line to a General Ledger business unit different from the one associated with the Contracts business unit. When you do this, the system generates interunit transfer entries. Interunit transfers enable you to specify revenue to be booked to a General Ledger business unit that is different from the one originally defined on the contract.

Note. Interunit transfers are enabled only for revenue line distributions; they are not enabled for the unbilled AR and deferred revenue entries. The system does not book any balance sheet entries to a General Ledger business unit other than the one to which the contract's Contracts business unit is linked.

Setting Up Interunit Transfers for Fixed-Amount Contract Lines

You can perform interunit transfers for fixed-amount contract lines by editing the General Ledger business unit for a contract line's revenue distribution rows on the Accounting Distribution page. When you save the Accounting Distribution page, the system performs ChartField edit combinations to check that the ChartFields that you entered are valid for the General Ledger business unit that you specified for a particular distribution row.

When you run the Amount-based Revenue process, the system looks for revenue distributions where the General Ledger business unit value differs from the contract's General Ledger business unit (which is identified by the Contracts business unit). For each row where a difference exists, the system creates two additional rows of distribution in the CA_ACCTG_LINE table, where the rows are picked up and sent to the GL when you run the Journal Generator process. The General Ledger tables that these rows are written to depend upon these factors:

- The type of interunit accounting that you specified during system setup—affiliate or nonaffiliate, direct or indirect.
- The accounting distribution (General Ledger ChartFields) for the interunit distribution rows.

The system does not store these interunit entries in the Contracts historical tables (CA_AP_DST, CA_AP_DFR, and CA_AP_UAR) because each revenue distribution row reflects the General Ledger business unit to which the entry was made. Entries that the system makes to the GL are always to the primary ledger of the target General Ledger business unit.

If the transfer is between General Ledger business units that use different currencies, the system performs the currency conversions on the interunit entries by using the rate type and GL currency exchange rates from the translated amount.

The Amount-based Revenue process verifies that the accounting entries are in balance both before and after the transfer.

See Also

PeopleSoft Enterprise General Ledger 8.9 PeopleBook, "Using Inter/Intraunit Processing in General Ledger"

Example 1: Interunit Accounting Without Deferred Revenue

The following example examines the entries generated by Contracts when Contracts manages revenue for a fixed-amount contract line. In this example, the user did not enable deferred revenue recognition at the either the contract line or product group level.

First, establish a new contract with these parameters:

Field Name	Value	Comments
Contract Number.	*9999999*	
Contracts business unit.	*USA1*	
General Ledger business unit that is mapped to the Contracts business unit.	*123*	The base currency for this General Ledger business unit is USD. All balance sheet entries are managed on the General Ledger business unit 123's books, including: deferred revenue, unbilled AR or inventory, and billed AR
Billing business unit.		All billing plans within the contract must be mapped to Billing business units that are associated with General Ledger business unit 123.
Contract gross amount/currency code.	*100,000/DEM*	The contract was signed on January 1999, but no accounting is booked until there is activity against the contract.
Contract/Billing currency.	*DEM*	

To perform interunit accounting without deferred revenue, you:

1. Bill for the total contract amount.

   Contracts sends the billing information to Billing, and Billing books accounting entries upon finalization of invoice. The accounting month for the bill finalization is February 1999. In February 1999, the contract total in the currency of the primary General Ledger business unit (GLBU 123) equals DEM 100,000 @ 2/99 rate .580930 = USD 58,093.00.

2. Indicate that revenue should be recognized.

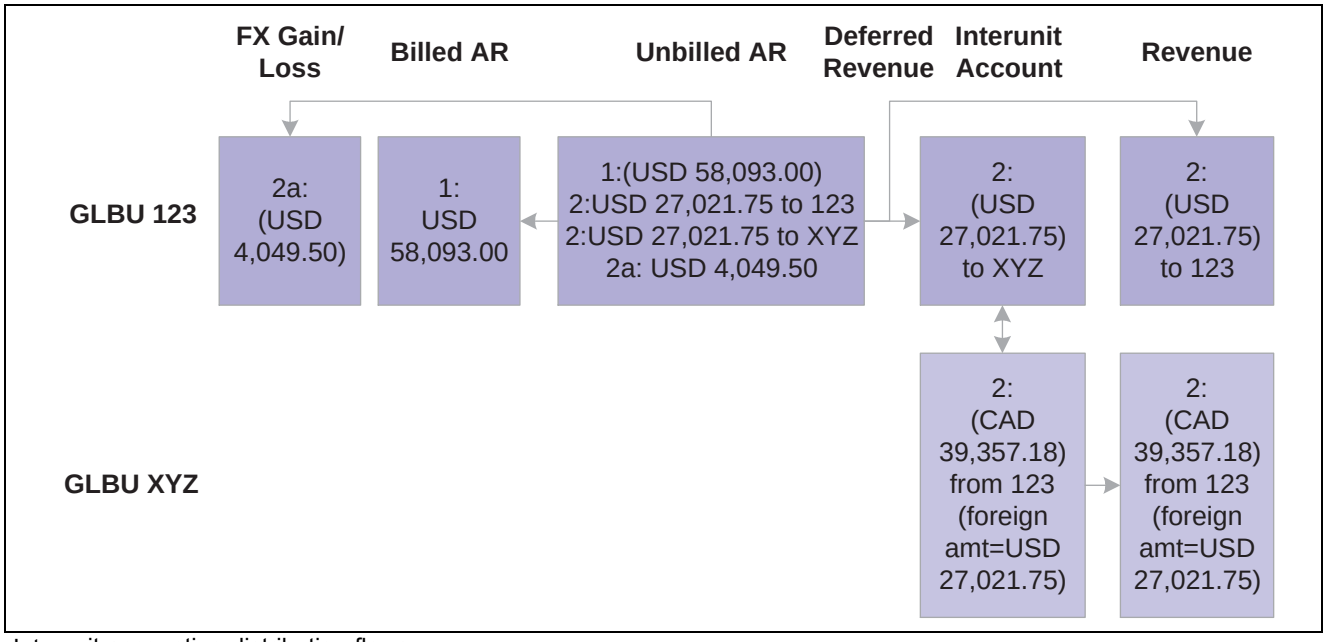
On the Accounting Distribution page you have split the revenue between two General Ledger business units: 50 percent for GLBU 123 and 50 percent to GLBU XYZ. The currency code for GLBU XYZ is in CAD. The accounting month for this transaction is May 1999. The contract total in the currency of GLBU 123 = DEM 100,000 @ 5/99 rate .540435 = USD 54,043.50.

You run the Amount-based Revenue process to generate the revenue entry and its associated interunit transfer from GLBU 123 to GLBU XYZ, and the system uses GLBU 123's currency as the base currency code for the transfer: USD 54,043.50 * 50% = USD 27,021.75 @ 5/99 rate (USD/CAD) 1.4565 = CAD 39,357.18.

3. Harmonize the unbilled AR in General Ledger by using General Ledger functionality for balances with foreign and base amounts with differing currencies.

   To enable this functionality, the Amount-based Revenue process and Billing populate the foreign amount field with the DEM value of *100,000*.

   Revaluation in General Ledger compares the May 1999 balances for both amount fields and translates at the current rate of .540435. The system compares the foreign amount = 0 (DEM 100,000 − DEM 100,000) at .540435 = 0 to the base amount = (USD 4049.50), then generates a reduction entry crediting foreign exchange gain or loss and debiting unbilled AR (in this scenario) for the difference = USD 4049.50.



Interunit accounting distribution flows

Example 2: Interunit Accounting with Deferred Revenue

The following example examines the entries generated by Contracts when Contracts manages revenue for a fixed-amount contract line. In this example, the user enabled deferred revenue recognition at the either the contract line or product group level.

First, establish a new contract with these parameters:

Field Name	Value	Comments
Contract Number.	*9999999*	
Contracts business unit.	*USA1*	
General Ledger business unit that is mapped to the Contracts business unit.	*123*	The currency for this General Ledger business unit is USD. All balance sheet entries are managed on General Ledger business unit 123's books, including: deferred revenue, unbilled AR or inventory, and billed AR.
Billing business unit.		All billing plans within the contract must be mapped to Billing business units that are associated with General Ledger business unit 123.
Contract gross amount/currency code.	*100,000/DEM*	The contract was signed on January 1999, but no accounting is booked until there is activity against the contract.
Billing currency.	*DEM*	

To perform interunit accounting with deferred revenue, you:

1. Run the Deferred Revenue process for the accounting month January 1999 to book entries to the balance sheet: DEM 100,000 @ 1/99 rate .599018 = USD 59,901.80.
2. Bill for the total contract amount.

   Contracts sends the billing information to Billing; the system books accounting entries upon finalization of invoice. The accounting month for the bill finalization is February 1999. In February 1999, the contract total in the currency of the primary General Ledger business unit (GLBU 123) = DEM 100,000 @ 2/99 rate .580930 = USD 58,093.00.
3. True-up unbilled AR in General Ledger by using General Ledger functionality for balances and base amounts with foreign and differing currencies.

   To enable this functionality, the Amount-based Revenue process and Billing populate the Foreign Amount field with the DEM value of *DEM 100,000*.

   Revaluation in General Ledger compares February 1999 balances for both amount fields and translates at the current rate of .580930. The system compares the foreign amount = 0 (DEM 100,000 − DEM 100,000) at .580930 = 0 to the base amount = (USD 1,808.80), then generates a reduction entry crediting foreign exchange gain or loss and debiting unbilled AR (in this scenario) for the difference = 1,808.80.
4. Indicate that revenue should be recognized.

On the Accounting Distribution page, you have split the revenue between two General Ledger business units: 50 percent to GLBU 123 and 50 percent to GLBU XYZ. The currency code for GLBU XYZ is in CAD. The accounting month for this transaction is May 1999.

When you run the Amount-based Revenue process, the system generates the entry for the interunit transfer from GLBU 123 to GLBU XYZ. The system uses GLBU 123's currency as the base currency code for the transfer: USD 59,901.80 * 50% = USD 29,950.90 @ 5/99 rate (USD/CAD) 1.4565 = CAD 43,623.49.

Setting Up Interunit Transfers for Rate-based Contract Lines

You set up the revenue distribution and offsetting unbilled AR account for rate-based contract lines on the Accounting Rules page. If the General Ledger business unit for the debit side of a transaction is different from the General Ledger business unit for the credit side of a transaction, the system generates interunit entries when you run the rate-based revenue process (Accounting Rules Engine - PSA_ACCTGGL). The system performs conversion of amounts for currency differences in the current accounting month. For rate-based contract lines with a *value-based* billing method, the Accounting Distribution page displays the unbilled AR account information. Contracts does not associate deferred revenue for rate-based contract lines.

Products Managing Revenue

You can recognize revenue associated with a contract either through Contracts or Billing. You designate which product manages revenue for each individual contract line. By using Contracts as the default product to manage contract revenue, you have a higher degree of flexibility and control in managing your revenue. By selecting Billing as the default product to manage contract revenue, you can speed up contract entry by only entering minimal contract information into the system, and recognizing the revenue through Billing at the time the bills are finalized. However, when you do this, you lose many revenue management and tracking features that would be available if you were using the default, Contracts, as the product to manage revenue.

When you define products in Contracts, you specify the revenue recognition method for that product. The revenue recognition method appears by default to the contract line and may or may not be overwritten depending on system setup. When you select a revenue recognition method of apportionment, milestone, or percent complete, Contracts manages the flow of revenue. When you select billing manages revenue as the revenue recognition method, Billing manages the flow of revenue.

This section discusses:

- Accounting entries in Contracts.
- Accounting entries in Billing.
- Accounting distributions when Contracts manages revenue.
- Accounting distributions when Billing manages revenue.
- Accounting distribution source.

Accounting Entries in Contracts

When you set up a contract, you associate that contract with a Contracts business unit. The Contracts business unit is associated with a General Ledger business unit; associating a Contracts business unit with a General Ledger business unit is a required step in the Contracts business unit setup. A contract derives its General Ledger business unit from its Contracts business unit.

When you select a product onto a contract line, the system writes the distribution codes for that contract line to the line's accounting distribution definition. Distribution codes do not include the General Ledger business unit. The contract's General Ledger business unit appears by default on the contract line's accounting distributions. You can change the General Ledger business unit on the revenue accounting distribution. If the line's General Ledger business unit differs from the contract's General Ledger business unit, the system generates interunit accounting entries. However, the General Ledger business unit for the deferred revenue and unbilled AR accounting distributions must be the same as the General Ledger business unit associated with a Contracts business unit.

Accounting Entries in Billing

You associate each contract line with a billing plan. You associate each billing plan with a Billing business unit; the system limits the valid Billing business units to those that share the same General Ledger business unit as the contract's Contracts business unit.

When the system generates billing activity for a billing plan, each bill row sent to Billing is associated with its billing plan's Billing business unit. Billing then generates accounting entries based on the General Ledger business unit that is mapped to the bill row's Billing business unit. Because the system has enforced the rule that the Billing business unit must share the General Ledger business unit with the Contracts business unit, the accounting entry that is made by Billing for this bill row hits the same General Ledger business unit as the accounting entry that was made by Contracts for this contract line. No interunit entries are generated for accounting done from Billing as it relates to Contracts activity. Thus, if a contract line is designated for Billing to manage revenue, the General Ledger business unit is unavailable on the revenue accounting distribution for that contract line.

Accounting Distributions When Contracts Manages Revenue

Use Contracts to manage revenue when you want to book revenue on a different schedule (or under different rules) than when you bill for that contract line. The flow of accounting entries for fixed-amount contract lines depends upon whether you select to book contract revenue to deferred revenue.

Accounting Distributions for Fixed-Amount Contract Lines with Deferred Revenue Entries

After a contract has been activated, the Deferred Revenue process creates the following accounting entry for each active fixed-amount and percent-based contract line:

Account	Debit	Credit
Unbilled AR Account	100	
Deferred Revenue Account		100

Note. The Deferred Revenue process picks up all active fixed-amount contract lines with deferred revenue enabled on an active contract, regardless of whether you have associated these contract lines with a revenue plan.

Once the contract line is assigned to a revenue plan and the plan contains a ready event, the Amount-based Revenue process creates the following accounting entry, moving the USD 100 from deferred to real revenue:

Account	Debit	Credit
Deferred Revenue Account	100	
Revenue Account		100

Once the contract line is assigned to a billing plan and the plan contains a ready event (in the case of milestone and percent complete plans), the CA_BI_INTFC process sends the unbilled AR accounting distribution associated with the contract line to Billing. Billing creates the following accounting entry, moving the USD 100 from Unbilled AR to Billed AR:

Account	Debit	Credit
AR Account	100	
Unbilled AR Account		100

The final step in the process is to collect cash for your outstanding invoices. Once cash is received, the following entry is made in Receivables, moving the USD 100 from Billed AR to Cash:

Account	Debit	Credit
Cash Account	100	
AR Account		100

Accounting Distributions for Rate-based Contract Lines and Fixed-Amount Contract Lines with No Deferred Revenue Entries

Once an active contract line on an active contract is assigned to a revenue plan and the plan contains a ready event (optional in the case of as-incurred plans), the amount-based or rate-based revenue process creates the following accounting entry:

Account	Debit	Credit
Unbilled AR Account	100	
Revenue Account		100

Once the contract line is assigned to a billing plan and the plan contains a ready event (optional in the case of as-incurred plans), the CA_BI_INTFC process sends the unbilled AR accounting distribution associated with the contract line to Billing. Billing creates the following accounting entry, moving the USD 100 from Unbilled AR to Billed AR:

Account	Debit	Credit
AR Account	100	
Unbilled AR Account		100

The final step in the process is to collect cash for outstanding invoices. Once cash is received, the following entry is made in Receivables, moving the USD 100 from Billed AR to Cash:

Account	Debit	Credit
Cash Account	100	
AR Account		100

Accounting Distributions When Billing Manages Revenue

When Billing manages revenue recognition for fixed-amount or recurring contract lines, Contracts does not make any accounting entries. Revenue recognition for a contract line occurs upon booking the entries to General Ledger after the bill finalization. Billing and revenue recognition occur at the same time.

Accounting Distributions for Fixed-Amount and Recurring Contract Lines with No Deferred Revenue Entries

Once an active contract line on an active contract is assigned to a billing plan and the plan contains a ready event (in the case of milestone and percent complete plans), the CA_BI_INTFC process sends the revenue accounting distribution associated with the contract line to Billing. Billing creates the following accounting entry, booking revenue, and billed AR simultaneously:

Account	Debit	Credit
AR Account	100	
Revenue Account		100

The final step in the process is to collect cash for outstanding invoices. Once cash is received, the following entry is made in Receivables, moving the $100 from AR Account to Cash:

Account	Debit	Credit
Cash Account	100	
AR Account		100

Accounting Distributions for Recurring Contract Lines with Deferred Revenue Entries

In the following example for deferred revenue, the bill for service during the month of September is sent out in August. However, the revenue is recognized in September.

The bill for service is sent out during the month of August:

Account	Debit	Credit
AR Account	100	
Deferred Revenue Account		100

Revenue is recognized in September:

Account	Debit	Credit
Deferred Revenue Account	100	
Revenue Account		100

Accounting Distribution Source

When the system prepares billing activity for the Billing Interface tables, the process needs to know what distribution entries need to be created for each bill line. In the case of fixed-amount billing, the source of accounting information depends on the product (Contracts or Billing) that is managing revenue for the bill line. In the case of rate-based billing, the source of accounting information is always the same because Contracts always manages the revenue. In the case of recurring billing, the source of accounting information is always the same because Billing always manages the revenue.

This table lists accounting scenarios:

Source of Accounting Entries	Scenario #1: Deferred Revenue (revenue managed from Contracts)	Scenario #2: Unbilled AR Without Deferred Revenue (revenue managed from Contracts)	Scenario #3: Unbilled AR Without Deferred Revenue (revenue managed from Billing) *Amount-based contract lines*	Scenario #4: Deferred Revenue (revenue managed from Billing) *Recurring contract lines*
Entries created by deferred revenue process in Contracts.	DB Unbilled AR CR Deferred Revenue	None	None	None
Entries created by revenue management in Contracts.	DB Deferred Revenue CR Revenue	DB Unbilled AR CR Revenue	None	None
Entries created by Billing upon the generation of the invoice.	DB Billed AR CR Unbilled AR	DB Billed AR CR Unbilled AR	DB Billed AR CR Revenue	DB Billed AR CR Deferred Revenue DB Deferred Revenue CR Revenue

Note. It is recommended that you do not use Billing for deferred contract revenue except in the case of recurring contract lines. For recurring contract lines, Billing manages revenue and handles all deferred revenue processing. The information sent to Billing for rate-based contract lines is always the same.

When Contracts Manages Revenue

Fixed-amount billing methods derive the unbilled AR account from the CA_DETAIL_UAR table. In addition, as-incurred contract lines with the value-based billing method derive the unbilled AR account from the CA_DETAIL_UAR table. Although the unbilled AR distribution for each contract line is stored in this table, it may appear by default from the product group and/or the Contracts business unit associated with the contract. This enables you to maintain unbilled AR accounting distribution data consistently for a particular Contracts business unit or populate it by default consistently from the product group associated with the products. You may override the unbilled AR accounting distribution information on the Accounting Distribution page for each contract line.

Note. As-incurred contract lines not using the value-based billing method derive their unbilled AR distribution from accounting rules on the As-Incurred Accounting Distribution page.

When Billing Manages Revenue

Only the fixed-amount billing methods (Milestone, % Complete, and Immediate) and the recurring billing method may be associated with contract lines that allow Billing to manage revenue. The revenue distribution in these cases is stored in CA_DETAIL_DST. Each contract line has one or more accounting distribution lines associated with it. You can set up this information for each product in the product table by using distribution codes and distribution sets. The distribution for the product appears by default in the CA_DETAIL_DST table when you select the product onto a contract line. You can then override part or all of the revenue accounting distribution manually.

Deferred Revenue When Billing Manages Revenue

The Billing Interface allows interfacing systems to define bill lines in a manner that qualifies them for deferred revenue processing within Billing. The deferred revenue flag on the contract line defines whether or not deferred revenue processing is active in the Billing Load to GL process. If the option is inactive, this processing does not occur. This does not affect the Contracts Billing Interface process. If this option is active, it enables you to use the deferred revenue functionality in Billing. Note that this deferred revenue isn't reflected in the Contracts revenue management pages.

Note. When Contracts manages revenue recognition, the revenue recognition basis is passed to the billing interface as INV (INTFC_BI.REV_RECOG basis = 'INV' Invoice date)—excluding these lines from deferred processing in Billing.

Note. When Billing manages revenue for recurring contract lines with deferred revenue, Contracts sends the revenue recognition basis to the billing interface and populates the CHARGE_FROM_DT and CHARGE_TO_DATES.

CHAPTER 11

Entering Accounting Distributions

This chapter provides an overview of accounting distributions and discusses how to enter accounting distributions.

Understanding Accounting Distributions

The Accounting Distribution pages enable you to review and adjust the accounting distributions for amount-based contract lines and discounts that are defined for a contract. For each contract line, the Accounting Distribution page stores the accounting distributions separately for the following types of accounting entries: revenue, deferred revenue, and unbilled accounts receivable (AR).

In addition to amount-based contract lines, recurring contract lines utilize the revenue sections of the Accounting Distribution page, and rate-based contract lines with value-based billing plans use the unbilled AR accounting entries. Finally, for revenue forecasting purposes, rate-based contract lines utilize the revenue entries in the Revenue Forecasting grid.

Distributing contract lines depends on your price type:

Price Type	Revenue	Deferred Revenue	Unbilled AR
Amount, Percent	Required	Optional	Required
Rate	Optional	Not applicable (NA)	Required (for value-based billing)
Recurring	Required	Optional	NA

Amount-Based Contract Lines

Each fixed-amount contract line has its own accounting distribution. When you select a product on to a contract line, the system populates the fields on the Accounting Distribution page with the General Ledger ChartFields assigned to the product. You can then use this page to distribute the contract line amount to various accounts, departments, operating units, and so forth. You cannot activate a contract until you have fully distributed all contract lines and these distributions have passed combination editing.

Rate-Based Contract Lines

For most rate-based contract products, the revenue accounting distribution and unbilled AR come from the Accounting Model's accounting rules. The Accounting Model provides flexibility because it enables you to set up double-sided accounting rules for revenue, costs, and shared transactions. However, for rate-based products with value-based billing plans, you use the unbilled AR accounting on the Accounting Distribution page. In addition, rate-based contract lines utilize the Revenue Forecast grid on the Accounting Distribution page for revenue forecasting purposes only.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Setting Up Accounting for Projects".

Recurring Contract Lines

Recurring contract products work similarly to amount-based products. Each line has its own accounting distribution. When you select a product on to a contract line, the system populates the fields on the Accounting Distribution page with the defaults from the distribution sets. The unbilled AR section of this page is not available for recurring products.

Note. For recurring contract lines, Billing manages revenue and handles deferred revenue processing.

See Also

Chapter 10, "Understanding Accounting Distributions," page 115

Common Elements Used in This Chapter

Account	Classifies the nature of a transaction. Use for corporate accounts.
Affiliate	Used as one approach for interunit journal processing and consolidated reporting. Provides a way to map transactions between business units while using a single intercompany account.
AltAcct (alternate account) or **Alternate Account**	Classifies the nature of a transaction for regulatory transactions. Use for statutory accounts.
Dept (department) or **Department**	Use to indicate who is responsible or affected by the transaction.
GL Unit (General Ledger business unit)	The General Ledger unit for the Contracts business unit with which this contract is associated appears by default. If you select a General Ledger unit that is different from the Contracts General Ledger unit, the system creates interunit accounting entries when you run the amount-based and rate-based revenue processes. The system performs ChartField combination edits on the row using combination edit rules for the General Ledger business unit entered. This field is unavailable for contract lines that have a revenue method of *Billing Manages Revenue* (such as recurring contract lines). For this billing method, revenue is booked to the same General Ledger business unit as the one associated to the AR accounting through its Billing business unit relationship.
Oper Unit (operating unit)	Used to indicate a location, such as a distribution warehouse or sales center. Or it is used for responsibility reporting, such as a profit center.

Product	Captures additional information—useful for profitability and cash flow analysis, for example.
Project	Captures additional project ID information that is useful for project accounting.
Stat or **Statistics Code**	Identifies nonmonetary amounts. Statistic codes are associated with a specific unit of measurement.
Valid	Upon saving the page, the system performs edit checking and selects this check box for each row representing a valid combination of ChartFields. You cannot activate a contract until every accounting line is selected as valid.

Entering Accounting Distributions

This section discusses how to:

- Review and update accounting distributions.
- Review and update accounting distributions for discounts and surcharges.

Prerequisite

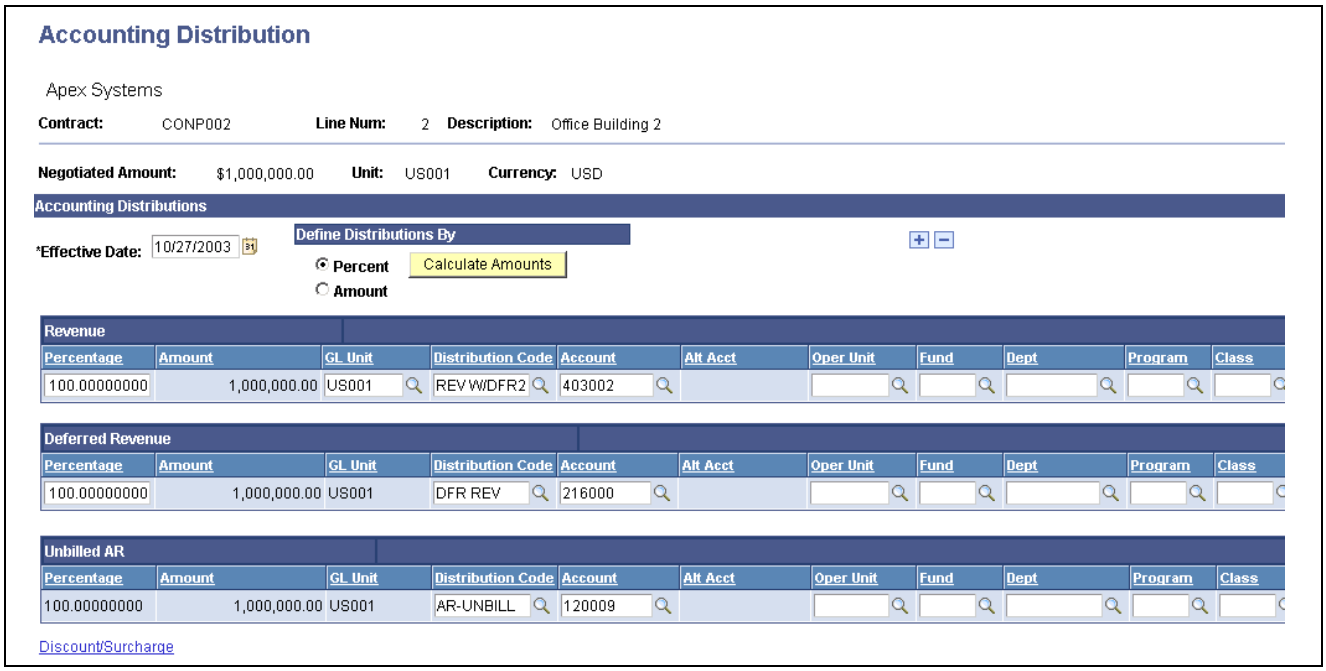
You must have first selected a product onto a contract.

Pages Used to Enter Accounting Distributions

Page Name	Object Name	Navigation	Usage
Accounting Distribution	CA_DETAIL_DST	Customer Contracts, Create and Amend, Fixed Fee Acctg Distribution, Accounting Distribution	Review and update accounting distributions.
Accounting Distribution - Discounts/Surcharges	CA_DETAIL_DST_RED	Customer Contracts, Create and Amend, Fixed Fee Disc/Surc Acctg Dist, Accounting Distribution - Discounts/Surcharges	Review and update the accounting distributions for discounts and surcharges that you have associated with a contract line.

Reviewing and Updating Accounting Distributions

Access the Accounting Distribution page.



Accounting Distribution page

Warning! If you use the Commitment Control option to update the revenue budgets in Receivables, you should use the same revenue distribution lines for amount-based and recurring contracts throughout the life of the contract so that the collected revenue lines are updated correctly when payments are made in Receivables.

Negotiated Amount Displays the negotiated amount that is equal to the negotiated amount that was assigned to the contract line on the Negotiated Amount Allocation page. The system creates separate accounting distributions for any discounts to the contract line's negotiated amount.

Unit Displays the Contracts business unit associated with this contract line.

Define Distributions By

These fields are not available for recurring and rate-based contract lines.

Percent Select to distribute revenue across these rows on a percent basis.

Amount Select to distribute revenue across these rows on an amount basis.

Calculate Amounts When you click this button, the system calculates the amount or percent for each revenue distribution row based on any new lines that you added and the percent or amount splits that you specified. You cannot split the unbilled AR accounting distribution across multiple distribution rows.

Discount/Surcharge Click to review and update accounting distributions for discounts or surcharges that you have associated with a contract line. This link is not available for recurring and rate-based contract lines.

Revenue

The revenue account distribution appears for fixed-amount and recurring contract lines. These values come from distribution sets. You can update the existing row or add additional rows. For rate-based contract lines, this grid is not available.

Percentage If you are distributing revenue by percent, enter the percent of the negotiated amount or discount amount to apply to the accounting distributions specified for this row.

Amount If you are distributing revenue by amount, enter the amount of revenue that you want to book to the ChartField combination that you specified for this row. For discounts, specify a negative amount.

Distribution Code A distribution represents a combination of General Ledger ChartField values. The system populates the first row with the distribution code that you associated with the product that you assigned to this contract line.

Revenue Forecast

The revenue forecast account distribution appears for rate-based contract lines for use in forecasting calculations. This grid is not available for fixed-amount and recurring contract lines.

Percentage Enter the percent to apply to the forecasting distributions for this row. The system spreads forecasting across the distributions that you define here.

Deferred Revenue

If you select the deferred revenue check box for an amount-based or recurring contract line on the Contract - Lines page: Deferred Revenue tab, the Deferred Revenue grid appears. This grid is not available for rate-based contract lines.

You can update the existing row or add additional rows up until the time that you run the Deferred Revenue process for this contract line.

The function of the fields within the Deferred Revenue grid is identical to those within the Revenue grid with this exception:

GL Unit This field is populated by default with the General Ledger business unit to which the Contracts business unit is linked. This field cannot be changed. The system does not book any balance sheet entries to a General Ledger business unit other than the one to which the contract's Contracts business unit is linked.

Unbilled AR

The unbilled AR account appears for all contract lines except those with a recurring price type. The unbilled AR account appears by default from the contract line's product group, or, if no unbilled AR account was specified at that level, it appears by default from the contract line's Contracts business unit. The unbilled AR account distributions are editable upon initial entry of the contract line and can be changed up until the time that the contract is activated.

Percentage If you chose to distribute unbilled AR by percent, enter the percent of the negotiated amount to apply to the accounting distributions specified for this row.

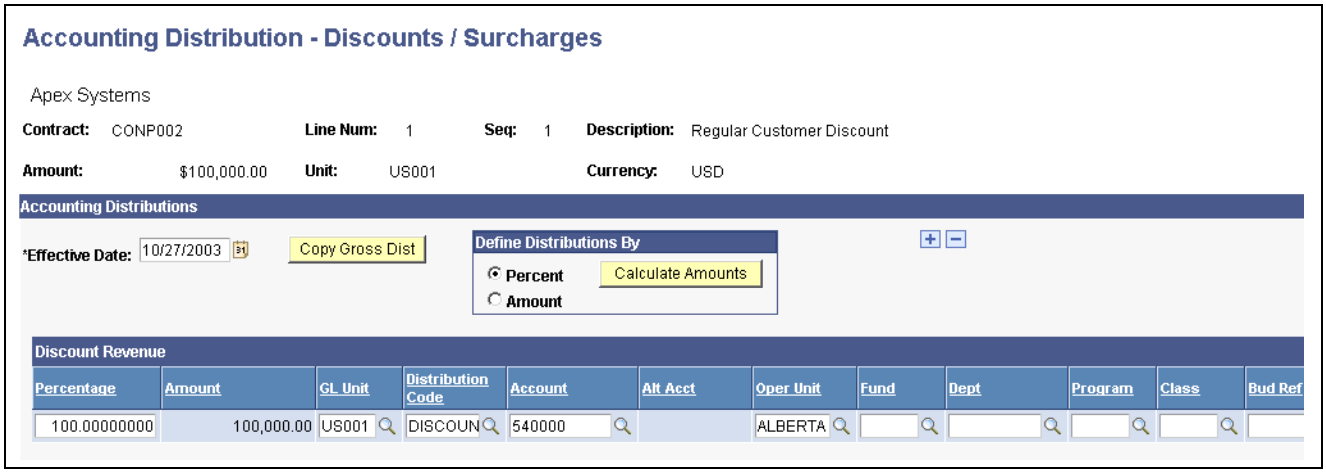
Amount Display-only field. The system does not use this value for processing.

Distribution Code A distribution represents a combination of General Ledger ChartField values. The system populates the first row with the distribution code that you associated with the product that you assigned to this contract line.

Warning! Do not change the unbilled AR accounting definitions on an active contract. The unbilled AR accounting is what keeps your accounting in balance when you separate the timing of your billing and revenue recognition. If you change the unbilled AR accounting on an active contract, the resulting accounting entries in General Ledger does not reconcile what was billed and what was recognized in revenue.

Reviewing and Updating Accounting Distributions for Discounts and Surcharges

Access the Accounting Distribution - Discounts/Surcharges page.



Accounting Distribution - Discounts/Surcharges page

Seq (discount sequence number) You can apply one header and multiple line discounts to a single contract line. The system stores each discount as a separate row. You can distribute the revenue for each row to separate ChartField combinations. The sequence number reflects the order in which you created the discounts, but it has no bearing on the order in which discounts are applied; all line discounts are applied at once. If the same line has both a header discount and multiple line discounts, all line discounts are applied at the same time and the header discount is either applied first or last, depending on how you set the header discount Apply Overall After Line check box on the Total Contracts Discounts and Surcharges page.

Amount Displays an amount that is equal to the discount for the discount sequence. The system creates separate accounting distributions for each discount to the contract line gross amount.

Define Distributions By

Percent Select to distribute discount amounts across these rows on a percent basis.

Amount Select to distribute discount amounts across these rows on an amount basis.

Calculate Amounts When you click this button, the system calculates the amount or percent for each revenue distribution row based on any new lines that you add and the

percent split that you specify. This button is available only when you select the Percent option.

Discount Revenue

Percentage If you are distributing discount revenue percent, enter the percent of the discount amount to apply to the accounting distributions specified for this row.

Amount If you are distributing discount revenue by amount, enter the amount of revenue that you want to book to the ChartField combination that you specified for this row. For discounts, specify a negative amount.

Distribution Code Displays a distribution code that represents a valid combination of General Ledger ChartField values. Here are the ways in which this field can be populated:

- If this discount sequence represents a line discount ID for which a distribution code had been defined, the system populates this field with that code.
- If this discount sequence represents a header discount ID for which a distribution code had been defined, the system populates this field with that code.
- You click the Copy Gross Dist (copy gross distribution) button to copy the same account distribution that is used by the contract line gross amount.
- You manually enter an account distribution.

CHAPTER 12

Pricing Contracts

This chapter provides an overview of pricing contracts and discusses how to:

- Price amount-based contracts.
- Price rate-based contracts.
- Use special payment terms.

Understanding Pricing Contracts

Pricing contracts is the process of allocating fixed amounts to amount-based contract lines and associating rates to rate-based contract lines. Before a contract can be activated, you must allocate any fixed amount defined for a contract across all amount-based contract lines. Before you can bill or recognize revenue for rate-based contract lines, you must first define your rate and fee structure and associate it to your rate-based contract lines to enable the system to generate appropriate billable and revenue amounts for processing.

In addition to allocating amounts and associating rates, pricing includes specifying discounts and surcharges when applicable.

This section discusses:

- Amount-based pricing.
- Rate-based pricing.
- Recurring pricing.
- Discounts and surcharges.
- Renewals.
- Special payment terms.
- Contract line changes on a pending contract.
- PeopleSoft Enterprise Pricer.

Amount-Based Pricing

After you define your contract, and add the products that make up your contract, the next step is to allocate the contract's fixed price amount across any eligible amount-based contract lines. In addition, you should allocate any discounts and surcharges to the contract lines. A contract cannot be set to an active processing status until the negotiated amount has been properly allocated to 100 percent across its contract lines and the allocation option on the Amount Allocation page has been set to *Complete*. The contract must have a processing status of *Active* to bill and recognize revenue for your contract lines.

To allocate your amount-based contract line amounts, use the Amount Allocation page. Amount-based, rate-based, and recurring contract lines appear on this page, but amount allocation only applies to amount-based contract lines. Rate-based and recurring contract lines appear as display only. If your contract contains rate-based or recurring contract lines only, amount allocation is not required, and you do not need to perform this step to activate your contract.

After you complete the amount allocation, set the allocation option to *Complete*, and save the Amount Allocation page, the system displays the summarized fixed price total on the Contracts-General page in the Negotiated Amount field. You can make changes to this fixed price amount only on the Amount Allocation page and only when the contract is in a pending processing status. Once the contract is in an active processing status, you must use amendment processing to make any changes to the fixed price amount.

For amount-based contract lines, use the Amount Allocation page to allocate amounts. This page works in conjunction with these information sources:

- On the Contract - General page, define the negotiated amount for the contract.

  This is an optional step. If you leave this field blank, you can define the negotiated amount for the contract on the Amount Allocation page.
- On the Total Contract Discounts and Surcharges page, define a contract header discount or surcharge, and then allocate it to the individual contract lines.
- On the Line Discounts and Surcharges page, define any contract line discounts or surcharges.
- On the Amount Allocation page, allocate the negotiated amount that you define on the Contract - General page to the active amount-based lines on the contract.

Any time that you save the Amount Allocation page, the system populates all pricing fields on the contract with the allocated amounts that you designate on that page. To finalize the price allocation, you must set the allocation option to *Complete*, and save the Amount Allocation page. Upon saving the page, the system performs edit checking to ensure that all amounts are fully allocated.

Rate-Based Pricing

You do not allocate amounts for rate-based contract lines. Rate-based contract lines are priced using Project Costing rate sets and rate plans. Rate sets and rate plans can be defined for general use or for a specific contract. Once defined, you assign the rate set or rate plan to the rate-based contract using the Related Projects page. You can also use tiered pricing for rate-based contract lines. Tiered pricing is also defined on the Related Projects page. Use the Related Projects page to:

- Assign the rate set or rate plan to the rate-based contract.
- Apply discounts, retainages, and limits to rate-based contract lines.
- Define tiered pricing for a contract line.
- Define transaction limits for a contract line.

See Also

Chapter 13, “Working with Project Costing,” page 159

Recurring Pricing

Pricing for recurring products is similar to pricing for amount-based products. The system uses either the list price or Enterprise Pricer to price products. For recurring products, the system does not store the price on the contract. Instead, the system dynamically generates the price when billing occurs, which enables the system to maintain a current recurring product price. The recurring price preview on the billing plan is also dynamically generated, which provides visibility for current and future billing periods.

Discounts and Surcharges

Discounts can be amount-based and rate-based. Surcharges are only allowed for amount-based contract lines. Discounts and surcharges are not allowed for recurring contract lines and for contracts with a contract classification of *internal*.

Amount-Based Discounts and Surcharges

An amount-based discount or surcharge (fixed amount contract line discount or surcharge) is any amount that is subtracted from or added to the original contract-negotiated amount. A discount can represent a discount, a referral fee, or any other activity resulting in a reduction to the negotiated contract amount. Discounts are associated with contract lines, and are defined as either a fixed amount or a percent of the line's negotiated amount. When a discount or surcharge is sent to Billing, it is always a fixed amount. Amount-based discounts and surcharges include both header and line discounts and surcharges.

A header discount is any amount that is subtracted from the original contract-negotiated amount. A header surcharge is any amount that is added to the original contract-negotiated amount. You can define only one header discount or header surcharge per contract. Header discounts or surcharges must be allocated down to individual contract lines.

A line discount or surcharge is associated with an individual line. You can apply multiple discounts or surcharges to a single contract line. If you assign a discount or surcharge amount to a contract line from the Total Contract Discounts and Surcharges page, a row for that discount or surcharge amount appears with an indicator signifying that it is allocated from the overall discount or surcharge.

Rate-Based Discounts

A rate-based contract line discount is any amount that is subtracted from each billable resource line for projects and activities that are assigned to the same contract line. These discounts can be defined as a percentage or fixed amount, and are specified on the Related Projects page, where you specify the relationship between the project, the activity, and the contract line. The system passes the discount ID to Billing. Rate-based discounts are associated only with as-incurred billing plans.

See Chapter 13, "Working with Project Costing," page 159.

See Also

Chapter 10, "Understanding Accounting Distributions," Accounting Distributions for Discounts and Surcharges, page 123

Chapter 11, "Entering Accounting Distributions," Reviewing and Updating Accounting Distributions for Discounts and Surcharges, page 140

Renewals

For a discussion of renewals, see the *Entering Renewals* chapter.

See Chapter 24, "Entering Renewals," Pricing Renewal Plans, page 426.

Special Payment Terms

On the Amount Allocation page, you define the pricing information that is specific to the contract products. You define this pricing information according to the standard terms and conditions that are specified within a contract. What is not captured here are any special payment terms that might be applicable to the contract based on the company's performance or on the customers' actions. Contracts defines this type of pricing information under the category of special payment terms. These special terms are categorized as early out options or as bonuses and penalties.

Early Out Options

Early out options define when a customer can terminate a contract without incurring a penalty, and the penalty schedule for terminating a contract after the early out options expire.

The information that you capture for early out options on the Special Payment Terms page is informational only; no processing is keyed from this information.

Bonus and Penalty Options

Bonus and penalty options define the conditions for bonuses and penalties. For example, the terms of a contract might entitle you to a bonus of 10,000.00 USD if you meet certain milestones within three months of the contract date, and might specify a penalty of 15,000.00 USD if you fail to meet the milestones at five months after the contract date.

The information that you capture for bonuses and penalties on the Special Payment Terms page is informational only; no processing is keyed from this information.

Contract Line Changes on a Pending Contract

Once you have created your contract, added your contract lines, and assigned rate sets or rate plans to your rate-based contract lines, or performed amount allocation across your amount-based contract lines, any changes that you need to make to the pricing structure is controlled by the processing status of the contract.

If the contract is in a *Pending* processing status, you can change your fixed amount contract totals, delete or add contract lines, and reallocate any amount changes across the amount-based contract lines. If different rate sets or rate plans are needed for your rate-based contract lines, you can update the Related Projects page with any changes that you need.

However, once the contract is in an *Active* processing status, any changes made to the pricing structure of an amount-based contract line must be made using amendment processing. If billing or revenue recognition has occurred against the contract lines impacted by the needed changes, then potentially, you may also need to cancel contract lines, or reverse billing or revenue before applying your pricing changes. You can make changes to the associated rate set or rate plan for a rate-based contract line without amendment processing.

Note. Even if the contract is in a *Pending* processing status, you must create an amendment to make changes to a contract line limit or to add a discount or retainage to a contract.

See Also

Chapter 25, "Amending Contracts," page 443

PeopleSoft Enterprise Pricer

If you have Enterprise Pricer installed, the application uses a complete set of rules that you set up to determine prices for products. These rules, along with integrations, enable Enterprise Pricer to populate prices in Contracts. Without Enterprise Pricer rules set up on your system, Contracts retrieves the product prices from the list price defined during product setup.

Warning! When setting up price rules for Enterprise Pricer, select the *Line* option in the Rollup By field in the Rules Attributes section of the Formulas page. Contracts supports this *Line* option only.

See *PeopleSoft Enterprise Pricer 8.9 PeopleBook*, "Creating Price Rules".

Enterprise Pricer uses these *price by* fields:

- Business Unit
- Sold to Customer
- Region
- Contract Type
- Product
- Product Group
- Ship to Customer
- Ship to Address

When you set up the rules for Enterprise Pricer, Contracts requests pricing for these three processes:

- Adding a product to a contract.
- Renewing a line.
- Generating recurring bills.

Note. For information about using Enterprise Pricer to price renewals, including the additional required setup in Enterprise Pricer, see the "Entering Renewals" chapter.

See Also

Chapter 24, "Entering Renewals," Pricing Renewal Plans, page 426

Pricing Amount-Based Contracts

This section discusses how to:

- Allocate amounts.
- Select percent-based contract lines.
- Apply total contract discounts and surcharges.
- Apply line discounts and surcharges.
- View contract line discounts and surcharges.

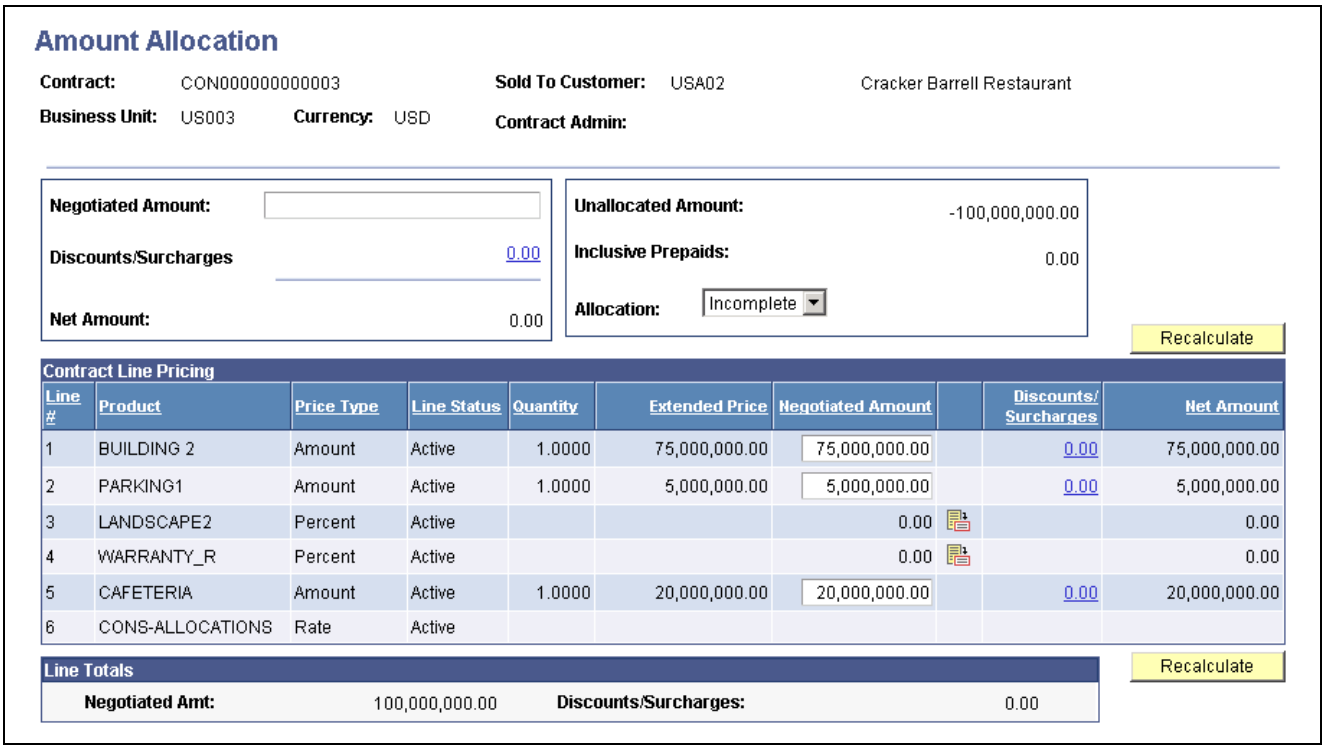
Note. Discounts do not apply to recurring contract lines.

Pages Used to Price Amount-Based Contracts

Page Name	Object Name	Navigation	Usage
Amount Allocation	CA_PRICING_PNL	Customer Contracts, Determine Price and Terms, Amount Allocation	Allocate negotiated and discount and surcharge amounts to contract lines, and enter individual line discounts and surcharges. For percent-based lines that are priced as a fixed percentage of other lines or of the total amount, you can specify the fixed percentage and the lines to which it applies.
Percent-Based Pricing	CA_DETAIL_PRCNG	• Click the  button in the Contract Line Pricing section of the Amount Allocation page. • Click the % of Lines link on the Amount Detail tab on the Contract - Lines page.	Select the contract lines to which a percent-based line applies. For example, if you are licensing two software products for fixed amounts and one year of technical support priced at 30 percent of the value of the product licenses, select the contract lines for those product licenses in the Applies to Line field.
Total Contract Discounts and Surcharges	CA_HDR_REDUC_PNL	Click the value in the Discounts/Surcharge field in the header section of the Amount Allocation page.	Apply a header discount or surcharge to a contract. This page is not available for recurring contract lines.
Line Discounts and Surcharges	CA_LN_REDUC_PNL	Click the Discounts/Surcharges link in the Contract Line Pricing section of the Amount Allocation page.	Apply line discounts and surcharges by selecting discounts and surcharges that are associated with an individual line. This page is not available for recurring contract lines.
Discounts/Surcharges Inquiry	CA_LN_DISC_PG	Click the Discounts/Surcharges link on the Amount Detail tab of the Contract - Lines page.	View discounts and surcharges that are associated with an individual line. This page is not available for recurring contract lines.

Allocating Amounts

Access the Amount Allocation page.



Amount Allocation page

Note. When working in the Amount Allocation page, you can save your work at any time by clicking Save. When you click Save, any allocations that you make are reflected in the pricing fields across all Contracts components using these values. Clicking Save does not initiate edit checking; edit checking is initiated only when you set the status of the Allocation field to *Complete* and click Save.

For recurring contract lines and for contracts with a contract classification of *Internal,* fields that are related to discounts, surcharges, and prepaids do not apply.

Negotiated Amount

Displays the negotiated amount, which equals the gross amount of the contract. This field acts as a control total on this page. You cannot set the Allocation field to *Complete* until the sum of the contract lines totals the amount that is entered in this field. This same field is available in the Contract Entry component.

When you click Recalculate, the system populates this field with the sum of the negotiated amounts of lines appearing in the Contract Line Pricing region.

Discounts/Surcharges

Displays the amount of discounts or surcharges, which equals the sum of all header and line discounts or surcharges for amount-based contract lines that are defined for this contract.

Click the link to access the Total Contract Discounts and Surcharges page to define an overall contract discount or surcharge.

Note. This link does not appear for contracts with a contract classification of *Internal.*

When you click Recalculate, the system calculates the allocated discounts by subtracting the sum of the discounts and surcharges that you allocated to the individual contract lines from the discounts and surcharges.

Net Amount Displays the net amount, which the system calculates by subtracting the value appearing in the Discounts/Surcharges field from the value appearing in the Negotiated Amount field.

Unallocated Amount Displays the fixed amount that has yet to be allocated across eligible amount-based contract lines. This amount must equal zero before you can set the allocation option to *Complete*.

Inclusive Prepaids Inclusive prepaids are fixed amounts that are purchased at the time of contract signing, which are used in the future as activity is incurred against rate-based contract lines. These balances are inclusive if you factor them into the original negotiated contract amount. The sum of all inclusive prepaids appears on this page and is used by the system in calculating the unallocated amounts.

Prepaid balances that are not factored into the original negotiated contract amount or purchased after contract signing are referred to as noninclusive. Noninclusive prepaids do not appear on this page.

Allocation Select the status of amount allocations. Values include:

- *Incomplete:* This value appears by default and indicates that amount allocation has not been completely performed for amount-based contract lines.
- *Complete:* Select this value once you have allocated any contract line amount changes across all eligible amount-based contract lines.

  Selecting this option initiates system edit checking to ensure that you fully allocate the amount and discount or surcharge to the active contract products.

Note. Contracts with amount-based contract lines must have the fixed amount for the contract completely allocated across any amount-based contract lines assigned to the contract, and have the Allocation option set to *Complete* before the contract can be activated. If you have a contract with only rate-based or recurring lines, it is not necessary to set the Allocation field to *Complete.*

If you allocate to contract lines based on their percentages of the total contract negotiated amount, after entering and applying percentages that total 100, you may be required to allocate the rounding difference as a fixed amount to one of the contract lines before you can set the Allocation field to *Complete.*

Recalculate When you click this button, the system calculates the values on the page based on the information that you input for percent and the value in the Negotiated Amount field, as well as the discounts and surcharges that you specify on the Total Contract Discounts and Surcharges page and the Line Discounts and Surcharges page.

Contract Line Pricing

Use the fields in this group box to allocate the negotiated amount across individual contract lines. The system displays all contract lines with an *Active* status.

Note. Contract lines representing rate-based and recurring products are unavailable for selection; you do not perform allocations on these contract lines or link them to header or line discounts. You can enter a discount for each rate-based contract line on the Projects tab on the Contract - Lines page.

Line # (line number) Displays the contract line number assigned to the contract line when it was added to the contract.

Product Displays the product identifier associated with the product when it was defined on the Product Definition page.

Price Type Displays the price type associated with the product.

Line Status Displays the status of the contract line. Only active amount-based contract lines are included in amount allocation.

Quantity Displays the quantity associated with the contract lines.

Extended Price Displays the list price multiplied by quantity for amount-based contract lines.

Negotiated Amount If the value of a contract line is equal to a fixed amount, enter that amount in this field. When you first access this page, the negotiated amount is set to the list price that you define for the product.

The negotiated amount for a percent-based product is display-only.

Rate-based products are not factored into the contract-negotiated amount. These products do not represent specific monetary amounts; they reflect a set of rates that are to be applied as service or transaction-oriented work is performed.

Recurring contract lines represent open-ended periodic billing. Therefore, the system does not store a value for the total amount on the contract.

 Click to access the Percent-Based Pricing page to manage the percentage and applies-to lines for the contract line. This button appears for contract lines with a price type of *percent.*

Discounts/Surcharges For products with a price type of *amount* or *percent,* click this link to assign line-specific discounts to the contract line.

Note. When you assign discounts to a contract line, the system generates discount-specific accounting distributions on the Accounting Distributions Discounts page.

This field does not appear for contracts with a contract classification of *Internal.*

Net Amount Displays the net amount after subtracting the total discounts or surcharges that you specify for a line from the negotiated amount that you allocate to that line.

Line Totals

Negotiated Amt (negotiated amount) Displays the total allocated amount for all amount-based contract lines for the contract.

Discounts/Surcharges Displays the total line level discounts and surcharges associated with the amount-based contract lines.

Recalculate Click to have the system recalculate the unallocated amount, net amount, and line total negotiated and discount amounts. The system automatically updates the allocation status to *Complete* if the unallocated amount is *0.*

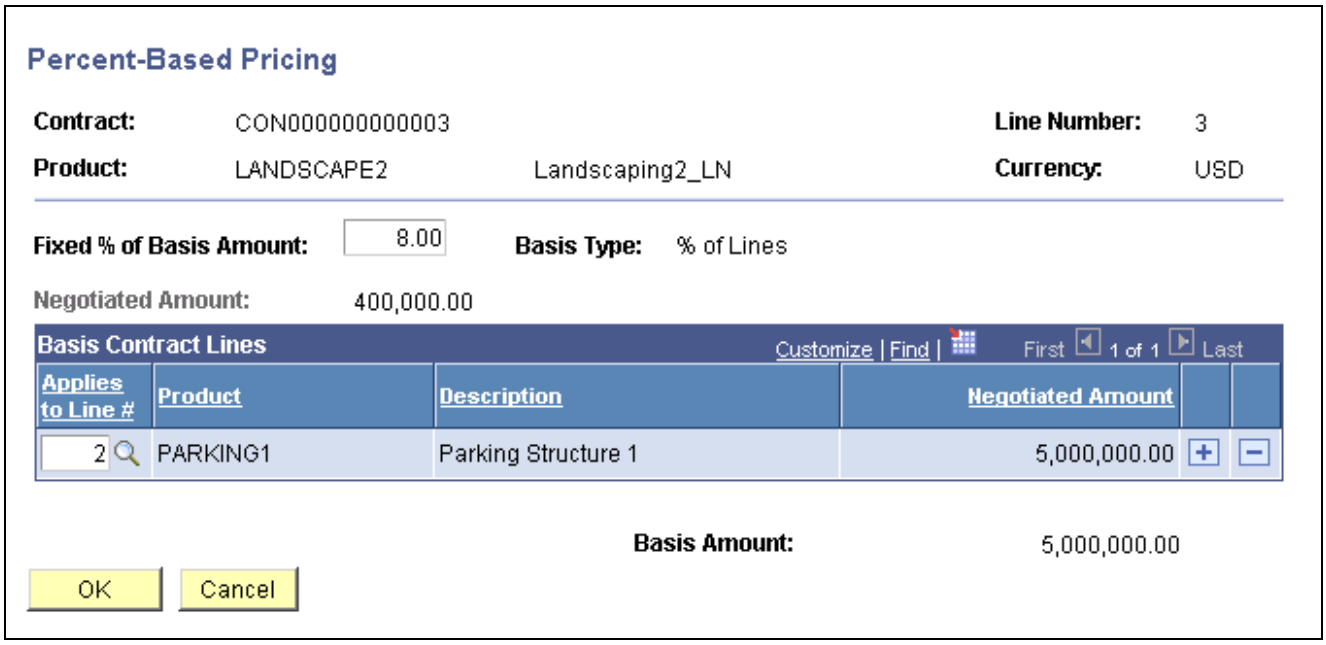
See Also

Chapter 8, "Setting Up Products," Setting Up Products and Product Groups, page 71

Chapter 11, "Entering Accounting Distributions," page 135

Selecting Percent-Based Contract Lines

Access the Percent-Based Pricing page.



Percent-Based Pricing page

Note. If you access this page from the Amount Detail tab of the Contract - Lines page, the values on the page are display-only.

Fixed % of Basis Amount Enter the percent of the basis amount that is represented by this contract line.

Basis Type Displays the basis type. Values are:

% of Lines: Indicates that the pricing for this contract line is calculated as a percentage of the sum of the negotiated amounts of one or more contract lines. If the basis type is *% of Lines,* you must select the appropriate lines in the Applies to Line # (applies to line number) column.

% of Total: Indicates that the pricing for this contract line is calculated as a percentage of the total contract negotiated amount.

Negotiated Amount Displays the negotiated amount, which equals the percent that is multiplied by the basis amount.

Basis Contract Lines

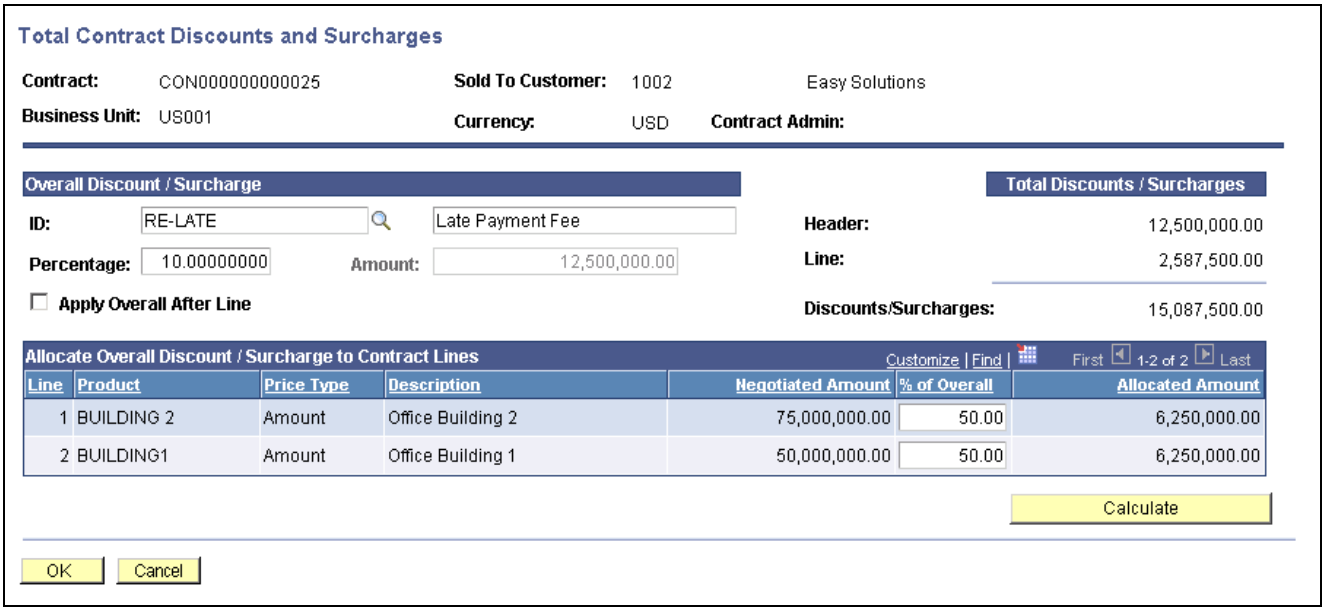
Applies to Line # Select the contract lines to which this *% of Lines* percent-based contract line applies. The list of values contains any active amount-based lines within the contract.

The product, description, and negotiated amount for the applies-to line that you selected appear. Any subsequent adjustments that you make to the negotiated amount of the applies-to lines are reflected in the pricing for this product before the contract is activated.

Basis Amount Displays the basis amount, which equals the sum of the negotiated amounts of all the applies-to lines that you select. For contract lines for which the basis type is *% of Total,* the basis amount is equal to the negotiated amount of the total contract.

Applying Total Contract Discounts and Surcharges

Access the Total Contract Discounts and Surcharges page.



Total Contract Discounts and Surcharges page

Overall Discount/Surcharge

ID Select an ID to populate the Description and Percentage or Amount fields with the information that is defined for the discount or surcharge ID.

Percentage If you define a percent for the selected discount or surcharge ID, that percent appears and you can edit it. If you did not define a percent for the discount or surcharge ID, you can enter one here.

Note. Discounts and surcharges are defined by either amount or percent. You can edit this field if you choose to define the discount or surcharge by percent only.

Amount If you define an amount for the selected discount or surcharge ID, that amount appears and you can edit it. If no amount is defined for the discount or surcharge ID, you can enter one here.

Note. Discounts and surcharges are defined by either amount or percent. You can edit this field if you choose to define the discount or surcharge by amount only.

Apply Overall After Line Select to have the system apply the header discounts or surcharges to contract lines after it applies any contract line discounts or surcharges that you specify on the Line Discounts and Surcharges page.

Total Discounts/Surcharges

Header Displays the value of the header discount or surcharge that you assign to this contract. You can define only one header discount or surcharge for a contract, and the amount must be completely allocated across applicable contract lines.

Line Displays the sum of all discounts or surcharges that you define for individual contract lines on the Line Discounts and Surcharges page. This amount does not include discounts or surcharges that are allocated to lines from the header discount or surcharge.

Discounts/Surcharges Displays the total discounts and surcharges for this contract after adding the header discounts or surcharges to the total line discounts.

Allocate Overall Discount /Surcharge to Contract Lines

Product Displays the product name for each product that is selected onto the contract line and saved with an active status, along with that product's price type, description, and negotiated amount.

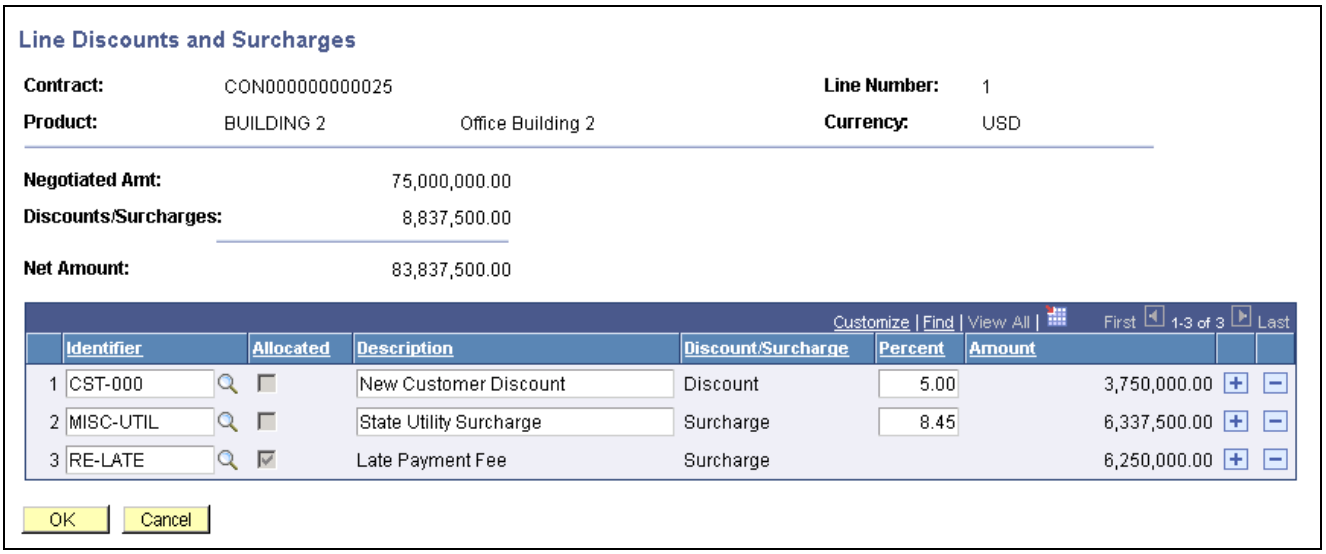
% of Overall Enter the percent of the total header discount or surcharge amount that the system should apply to each contract line. You can apply discounts and surcharges only to contract lines with a price type of *Amount* or *Percent.*

Allocated Amount When you click Calculate, the system calculates the line discount or surcharge amounts for each line based on the values that you enter in the % of Overall column.

Click OK to save your work and to transfer the discount information that you define to the Amount Allocation page.

Applying Line Discounts and Surcharges

Access the Line Discounts and Surcharges page.



Line Discounts and Surcharges page

Negotiated Amt (negotiated amount) Displays the negotiated amount that you define for the contract line on the Amount Allocation page.

Discounts/Surcharges Displays the sum of the discounts and surcharges that are listed in the group box. This includes the discounts and surcharges that are attached directly to the contract line, as well as the discounts and surcharges that are allocated from the contract header (Total Contract Discounts and Surcharges page).

Net Amount Displays the net amount of this contract line after subtracting the sum of all discounts and surcharges that are associated with this contract line from the line's negotiated amount.

Identifier Select an identifier, to apply a discount or surcharge to a contract line. The system populates the following fields with the values that you define for the identifier (discount or surcharge).

Allocated The system selects this check box for discount and surcharge rows that you allocate from the overall discount or surcharge to this contract line on the Total Contract Discounts and Surcharges page. This box is informational only.

Discount/Surcharge Indicates whether this line is a discount or surcharge.

Percent If you define a percent for the discount or surcharge, that percent appears and you can edit it. If you did not define a percent for the discount or surcharge, you can enter one here. The system multiplies the percent by the negotiated amount to obtain the line discount amount.

Note. Discounts and surcharges are defined by either amount or percent. You can edit this field if you choose to define the discount or surcharge by percent only.

Amount If an amount is defined for discount or surcharge, that amount appears and you can edit it. If you did not define an amount for the discount or surcharge, you can enter one here.

Note. Discounts and surcharges are defined by either amount or percent. You can edit this field if you choose to define the discount or surcharge by amount only.

Viewing Contract Line Discounts and Surcharges

Access the Discounts/Surcharges Inquiry page.

This is a view-only version of the Line Discounts and Surcharges page; the fields are the same.

Pricing Rate-Based Contracts

For a discussion of setting up rates and applying discounts, retainages, and limits to rate-based contract lines, see the "Working With Project Costing" chapter.

See Also

Chapter 13, "Working with Project Costing," page 159

Using Special Payment Terms

This section discusses how to:

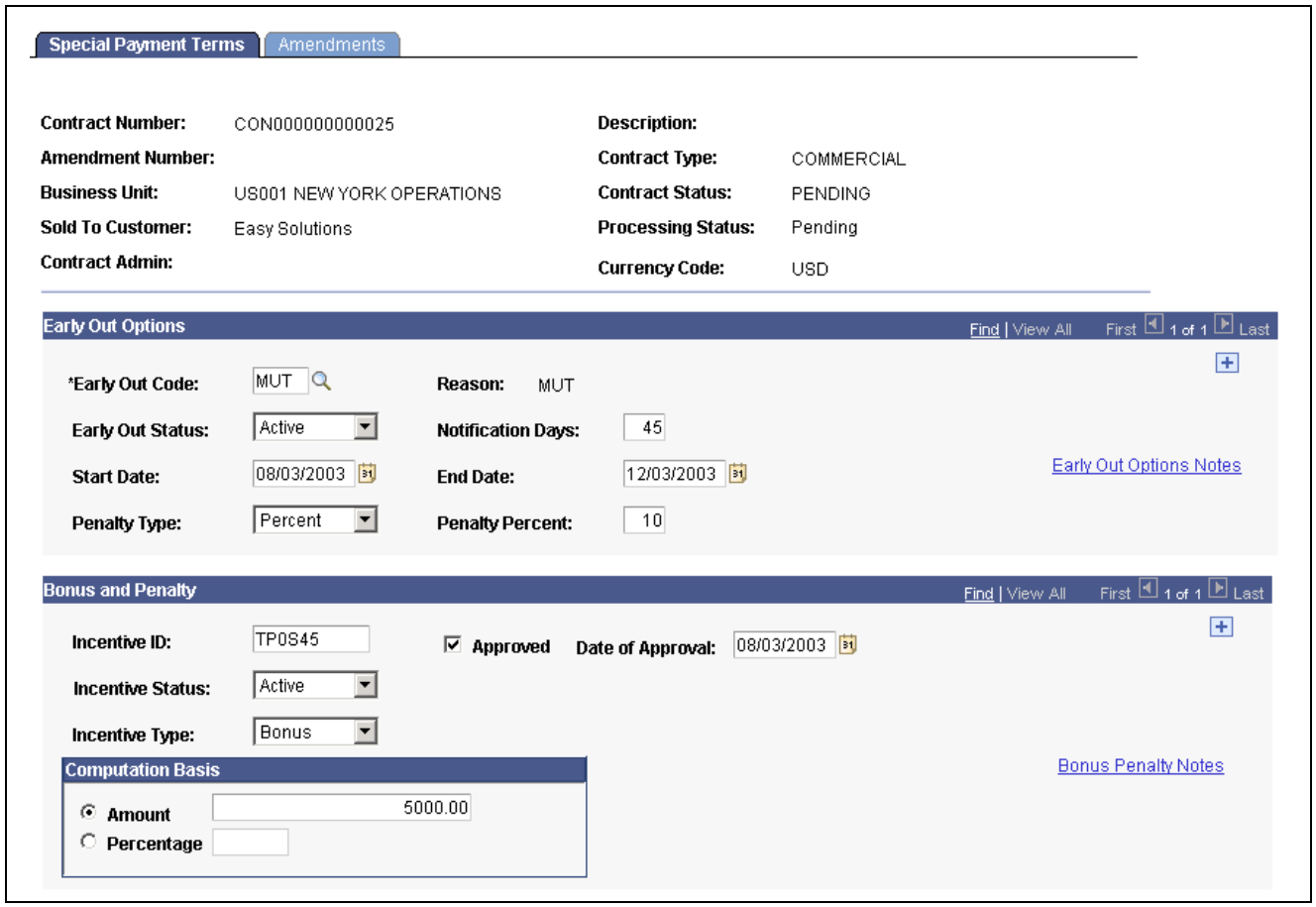
- Set up special payment terms.
- Amend special payment terms.

Page Used for Using Special Payment Terms

Page Name	Object Name	Navigation	Usage
Special Payment Terms	CA_TERMS_PNL	Customer Contracts, Create and Amend, Special Payment Terms	Set up special payment terms by adding optional payment term details to the contract, such as bonus or penalty amounts and early out options.

Setting Up Special Payment Terms

Access the Special Payment Terms page.



Special Payment Terms page

Amendment Displays the current amendment number and date of the amendment if this contract is amended through amendment processing.

Early Out Options

Early out options specify the clauses under which a customer can terminate a contract prior to its completion. You can enter multiple early out options for each contract. For example, you might include a clause that gives customers a 30-day acceptance period in which they can terminate the contract for any reason, and also include a clause that runs for the lifetime of the contract in which customers can terminate the contract in case of bankruptcy.

Early Out Code Select an early out code from the list of early out options that you define on the Define Early Out Options page.

Reason If you select an early out code, the reason that you define for that code on the Define Early Out Options page appears.

Early Out Status Select *Active* or *Inactive.*

Notification Days Specify the number of days prior to the end date to flag an early out option that is near expiration.

Select values for the Start Date and End Date fields to designate the time frame in which a customer may exercise the early out option. If the system date does not fall within the specified start and end dates, the specified early out option code does not apply.

Penalty Type Select *Amount* or *Percent.*

Penalty Percent If you selected a penalty type of *Percent,* you must enter a penalty percent. The system penalty is then calculated based on the total contract-negotiated value. If you selected a penalty type of *Amount,* this field is unavailable for entry.

Penalty Amount If you selected a penalty type of *Amount,* you must enter a penalty amount. The penalty is the amount that you specify here. If you select a penalty type of *Percent,* this field is unavailable for entry.

Early Out Option Notes Click to create an internal note regarding the early out options.

Bonus and Penalty Options

Incentive ID Enter the ID for this bonus or penalty.

Approved Select if the incentive is approved.

Date of Approval Enter the date that this incentive is approved.

Incentive Status Select *Active* or *Inactive.*

Incentive Type Select an incentive type. Values are:

Bonus: Incentive rewards the customer with a credit amount.

Penalty: Incentive punishes the customer with a fee.

Bonus Penalty Notes Click to create an internal note regarding the bonus or penalty.

Computation Basis

Amount Enter an amount if the incentive is a fixed amount.

Percentage Enter a percentage if the incentive is for a percentage of the contract gross amount.

Amending Special Payment Terms

After you save a contract to a contract status that is mapped to an *Active* processing status, any changes or updates that you need to make to the contract's special payment terms must be made as part of an amendment by using the amendment processing functionality.

See Also

Chapter 25, "Amending Contracts," page 443

CHAPTER 13

Working with Project Costing

This chapter provides an overview of the relationship between Contracts and Project Costing and discusses how to:

- Assign projects and activities to contract lines.
- Define tiered pricing.
- Process project progress.
- Amend discounts, retainages, and limits for rate-based contract lines.

Understanding the Relationship Between Contracts and Project Costing

You can associate Contracts contract lines for service products with projects and activities in Project Costing. To bill for a service product (either fixed-amount, rate-based, or recurring), you select the product onto a contract line and then associate that contract line with one or more projects and activities in Project Costing (you can associate fixed-amount and recurring products with a single project only). Contracts complements Project Costing—it does not duplicate it. From within Contracts, you can create new projects and activities or link to existing ones. Regardless of whether you are creating a new project or activity, or whether you are linking to existing projects or activities, all project-related information is stored within Project Costing. This includes all cost transactions.

Contracts stores the contractual terms and conditions. You select a service product onto a contract line, associate that contract line with a Project Costing business unit and rate plan, and then link project activities to that contract line. In Contracts, you also establish billing plans and revenue plans. Billing and revenue plans enable you to manage when and how much you bill and recognize for amounts associated with one or more contract lines.

In Project Costing, you track the work performed against a project. The costs associated with the project are fed into Project Costing from source systems, such as PeopleSoft Enterprise Expenses and PeopleSoft Enterprise Accounts Payable.

This section discusses the steps to process activity for project-related contract lines:

1. Set up rates.
2. Set up tiered pricing (optional).
3. Set up rules and exceptions in Project Costing for organizational sharing (optional).

   See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, “Setting Up Accounting for Projects”.
4. Assign projects and activities to contracts.
5. Price for Projects.

6. Update project progress.
7. Bill for Projects.
8. Recognize revenue for Projects.

Rate Setup

You charge customers a rate for the services that you provide plus the related costs. By establishing rate sets and rate plans in Project Costing and then associating activities to those rate sets or rate plans, you can efficiently manage pricing across multiple project activities using a limited number of rate plans. Rate sets and rate plans in Project Costing are dynamic and subject to change in rate structure over time.

When you sell a service to a customer, you establish rates for that service. The service can be provided at your standard billing rates, which may be subject to change over time, or you might provide services at rates that are fixed for the duration of the contract obligation. When you set up your contract line details on the Related Projects page in Contracts, you can specify standard rates or use contract rates for that contract line.

In addition, on the Related Projects page, you can indicate that a contract line is subject to tiered pricing. The system applies tiered pricing adjustments to the rate plan or contract rates.

Using the Rate Plan

If the services provided to the customer under the contract line are provided at your standard rates, you should link the contract line to either a standard rate set or a standard rate plan in Project Costing. Any subsequent changes to the standard rate set or standard rate plan in Project Costing are reflected in the subsequent billing and revenue recognition activity in Contracts.

Using Contract Rates

If the services provided to the customer under the contract line are provided at contract-specific rates, you should select the *Contract Rate Set* or *Contract Rate Plan* option in the Rate Selection field. You define your contract rate sets on the same pages as the standard rate sets. Similarly, you define your contract rate plans on the same pages as the standard rate plans. The rates that you define are not templates—they are contract-specific. You can update these contract-specific rates at any point during the life cycle of the contract. Any subsequent changes that you make to these rates are reflected in the subsequent billing and revenue recognition activity in Contracts.

Defining Rate Sets for Rate-Based Contract Lines

Rate-based contract lines are priced using Project Costing rate sets and rate plans. Rate sets and rate plans can be defined for general use or for a specific contract. Once defined, you assign the standard or contract rate set or rate plan to the rate-based contract using the Related Projects page.

Only one rate set or rate plan can be assigned to a single rate-based contract line at any particular point in time. Rate sets enable you to define how specific contract line-related transactions are priced for costing, billing, and revenue recognition. Rate plans enable you to combine multiple rate sets together to perform more complex pricing scenarios.

When defining a rate set, you assign a rate definition type. This determines the type of pricing that is performed for the contract line transactions.

After you define the rate set, you assign the rate set to the contract line on the Related Projects page. After the contract is active and transactions are priced for this contract line, the system will create billable rows based on the criteria defined in the rate set.

The billable rows are stored in Project Costing, and passed to Billing by Contracts when the Billing/Contracts Interface (CA_BI_INTFC) process is run. Once finalized, the billed data is passed back to Contracts and Project Costing. These same transaction rows are also used for revenue recognition when the As-Incurred revenue process is run.

You cannot attach rate sets or plans to amount-based or recurring contract lines.

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Rate Sets

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Rate Plans

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Defining Rate Sets and Plans

Tiered Pricing

With tiered pricing, you can charge varying rates based on the accumulation of various quantities such as the amount of hours charged to an activity. You apply adjustments to rates defined in the rate set or rate plan to contract rates. These quantity-based adjustments allow you to create a schedule of adjustments that are applied based on accumulated quantities. You group Project ChartfFields—source type, source category, and source subcategory—into user-defined identifiers to use on a contract line.

You can define tiered pricing for a rate-based contract line and each contract line can have one or more defined tiers. Each tier will have an arbitration sequence that represents the priority of the tier in the event that a transaction matches more than one transaction identifier.

You can also define tier templates. Tier templates may contain one or more tiers that may be defined by one transaction identifier and one or more price breaks. The templates will be used when defining tiered pricing for a contract line to facilitate data entry.

You can process billable transactions using the tiered pricing defined for a contract line. The transactions will be matched up with the appropriate tier and the adjustment percentage for the price break will be applied to the rate determined from the PC_PRICING process and the rate set or rate plan.

When using tiered pricing, you define adjustments on the Tiered Pricing Template or Tiered Pricing Definition page. The system generates billable transaction rows based on the rate set or rate plan. Then, the system applies the adjustment percentage to the billable transaction row's amount. If you do not define a rate set or rate plan, the system will not generate a billable transaction, and therefore, it cannot apply the tiered pricing adjustment to the billable transaction.

Follow these steps when using tiered pricing:

1. Set up transaction identifiers in Project Costing.
2. (Optional) Create tier templates on the Tiered Pricing Template page to facilitate data entry.
3. Specify tiered pricing structures for contract lines on the Tiered Pricing Definition page.
4. Run the Pricing Engine to price or reprice lines with tiered pricing structures.

Note. Tiered Pricing functionality is available for customers who have both Contracts and Project Costing installed.

Note. Tiered pricing applies adjustments to quantity related transactions based on quantities incurred against a transaction identifier. Therefore, tiered pricing adjustments are applied to transactions generated based on the quantity related rate options offered on the rate set or rate plan and contract specific rates. These options are *AMT, EBI, ECO, JBI, JCO, RBI,* and *RCO.* Transactions generated by rate options of *FIX, MUP,* or *NON* will not receive a tiered pricing adjustment, but any quantity on the source transaction will be counted towards the Inception to Date quantity.

If you have attached a rate plan to your contract line, the system applies tiered pricing to the output of the first rate set in the rate plan only. Additionally, since tiered pricing is applicable for transactions that generate billable rows only (rows in the analysis group, PSWKS), the first rate set in the plan must be a billing rate set.

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Tiered Pricing

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Defining Tiered Pricing

Chapter 7, "Structuring Contracts," Defining Tiered Pricing Templates, page 50

Chapter 13, "Working with Project Costing," Defining Tiered Pricing, page 169

Project and Activity Assignment to Contracts

From the Related Projects page, link to an existing project or activity, or create a new project or activity. When you click the Create Project or Create Activity buttons, you transfer to Project Costing to set up the new project or activity. All projects and activities are stored in Project Costing, regardless of where the setup originates.

You can link a rate-based contract line to multiple projects, as long as those projects are within the same Project Costing business unit. You can link an amount-based or recurring contract line to a single project or project/activity combination. When you link a contract line to a Project Costing project, you can link to a specific activity or to all activities for that project. This enables you to link a single project with multiple activities to multiple contracts or contract lines. You cannot link a project's activity to more than one rate-based contract or contract line.

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Setting Up Project Costing Control Data"

Project Pricing

The Pricing process (PC_PRICING) creates billing rows from the costs that are brought into Project Costing. The costs are matched up with contract lines and rate sets or plans to determine what billing rows (BIL) are created.

When using tiered pricing, if you defined a rate set or plan, the system generates BIL rows based on the rate set or plan. Then, the system applies the tiered pricing adjustment percentage to the BIL row's amount.

If you turned on sharing at the installation options level (Contracts Installation Options page), defined sharing options, and defined rates, the Pricing process also creates sharing rows based on your established rates and exceptions.

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," The Pricing Process

Project Progress

Contracts integrates with Project Costing to eliminate duplicate data entry for billing and revenue recognition that is tied to project progress or milestones. You can automatically populate the percent complete (for both revenue and billing plans) in Contracts with a value generated in Project Costing. This value comes from the project or project/activity combination in Project Costing. You determine which auto populate method to use on the Billing Plan - Events page or Revenue Plan page. After choosing an auto populate option, setup a run control (RUN_CA_PCT_UPD) that will allow the processing of one or more plans at a time.

Once you select *Run* on the Process Project Progress run control page, the system calls the CA_PCT_UPD Application Engine. For each revenue or billing plan selected, this Application Engine retrieves the Percent Source option from the revenue or billing plan:

- If the Percent Source is *Specify Percent,* you enter the percentage manually on the events page and select the Build Event button. The Project Process Application Engine does not update the event.
- If the Percent Source is *Project,* CA_PCT_UPD retrieves the percent complete based on the project.
- If the Percent Source is *Project/Activity,* CA_PCT_UPD retrieves the percent complete based on the project/activity combination.

The CA_PCT_UPD Application Engine process performs the following actions:

- Creates or updates an event based on the percent retrieved from Project Costing.
- Rebuilds the billing or revenue schedule to reflect the new or updated event.

The CA_PCT_UPD process writes a message to the log that indicates how many plans were updated by the batch process.

See Also

Chapter 16, “Processing Revenue Recognition,” The Project Progress Process, page 226

Project Billing

You bill for a project by associating the project with a contract line and then associating the contract line with a billing plan. In billing for rate-based contract lines, the flow of data is controlled by Contracts, but the data source is Project Costing. As work is performed and costs are accumulated, Project Costing stores the information in rows in the PROJ_RESOURCE table. Billing activity for rate-based contract lines associated with Project Costing is driven by applying the rates that you established in Contracts against the unbilled PROJ_RESOURCE rows, where the analysis types are defined to the PSWKS analysis group. When the particular billing plan or event for the contract line with which this project activity is associated is ready, the resource rows associated with the designated project activities are selected for billing as part of the Contracts Billing Interface process (CA_BI_INTFC).

See Also

Chapter 20, “Processing Contracts Billing,” page 327

Project Revenue Recognition

You recognize revenue for a project by associating the project with a contract line and then associating the contract line with a revenue plan. In recognizing revenue for rate-based contract lines, the flow of data is controlled by Contracts, but the data source is Project Costing. Accounting distributions are defined on the Accounting Rules page. These rules are defined by analysis type, Project Costing business unit (PCBU), and General Ledger business unit (GLBU).

As work is performed and costs are accumulated, Project Costing stores the information in rows in the PROJ_RESOURCE table. When the particular revenue plan or event for the contract line with which this project activity is associated is ready, the resource rows associated with the designated project activities are selected and revenue is booked as part of the rate-based revenue process (the Accounting Rules Engine process [PSA_ACCTGGL]). This process also assigns the accounting distribution based on your accounting rules definitions.

You can associate projects and activities with amount-based contract lines. After running the Amount-based Revenue process (CA_LOADGL1), run the PC_CA_TO_PC PeopleSoft Application Engine process to pull revenue information from Contracts to Project Costing.

See Also

Chapter 16, "Processing Revenue Recognition," The Rate-based Revenue (Accounting Rules Engine) Process (PSA_ACCTGGL), page 225

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Setting Up Accounting for Projects," Processing Transactions Using Accounting Rules

Assigning Projects and Activities to Contracts

This section discusses how to assign projects and activities to contract lines.

Note. For contracts with a classification type of *Government,* see the *Contracts for Government Contracting PeopleBook* for additional information regarding this page.

See Also

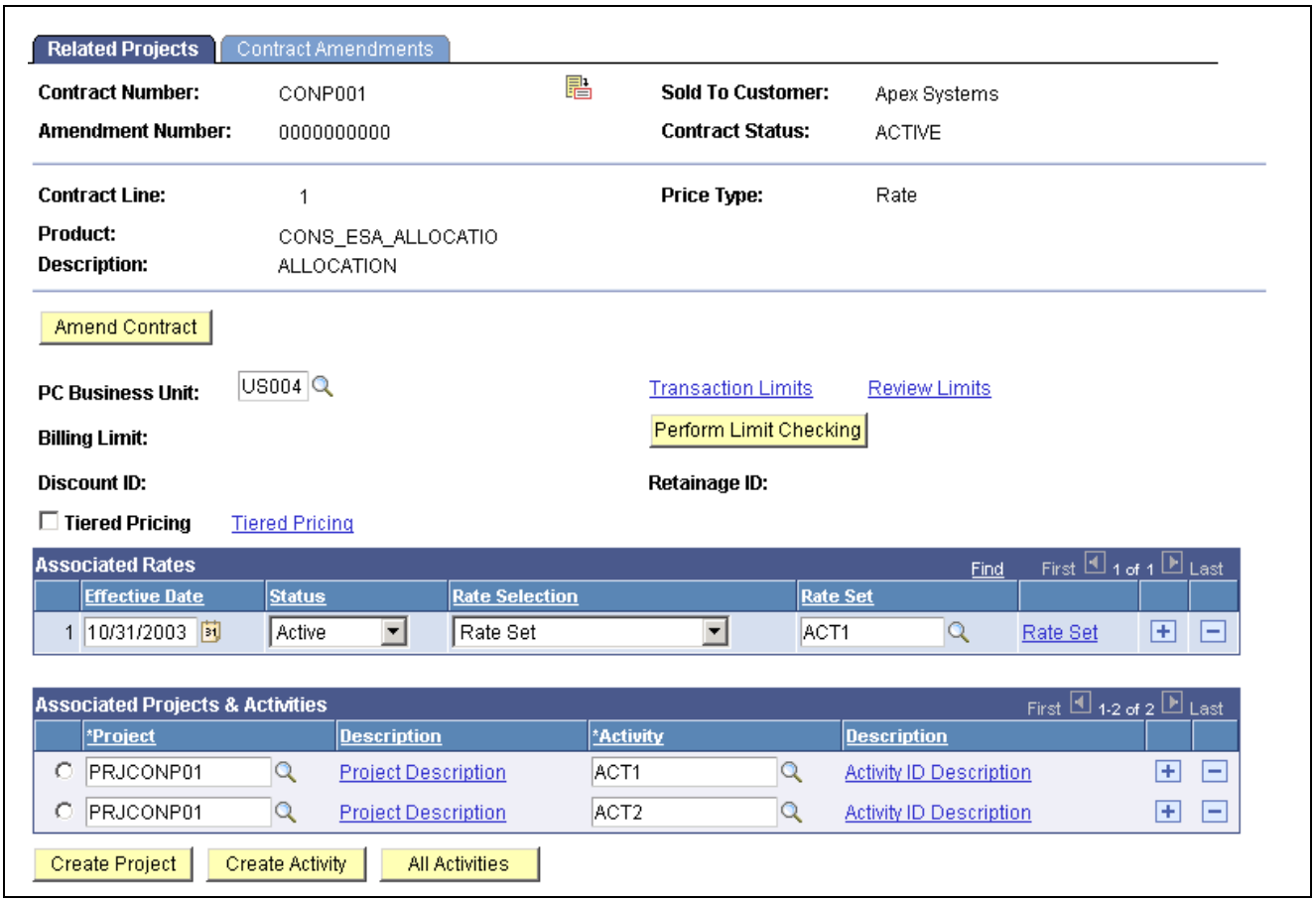
PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook, "Creating Government Contracts," Assigning Projects and Activities to a Contract Line

Page Used to Assign Projects and Activities to Contracts

Page Name	Object Name	Navigation	Usage
Related Projects	CA_DETAIL_PROJ	• Customer Contracts, Determine Price and Terms, Contract Terms, Related Projects • Click the Contract Terms link on the Detail tab of the Contract - Lines page.	Review existing projects and activities and add new links to projects and activities for a contract line. Establish rates and limit amounts.

Assigning Projects and Activities to Contracts

Access the Related Projects page.



Related Projects page

Note. You can associate only one project with contract lines with a price type of *Amount, Percent,* or *Recurring.*



Click to review details of the contract header.

Amendment Number If the contract has been amended through amendment processing, the current amendment number appears.

Amend Contract Create an amendment or edit an existing pending amendment for an active contract by clicking this button on any page within the various Contract Entry components, such as the Related Projects page.

Click this button to add a limit to a contract that has already been activated. This button enables you to create a new contract line and add the limit to that new contract line through amendment functionality.

Product The ID defined for this contract line appears.

Price Type Displays the price type for the contract line. Values include *Amount, Percent, Rate,* and *Recurring.* The fields appearing on this page vary based upon the price type. For contract lines with a price type of *Amount, Percent,* and *Recurring,* the Tiered Pricing, Discount ID, Retainage ID, Limit Amt (limit amount), and Limit Override fields, and all fields within the Associated Rates grid, are not visible.

PC Business Unit (Project Costing business unit) — You can associate each contract line with only one Project Costing business unit. The business unit that you select filters the list of projects and rate sets or rate plans that you can associate with this contract.

Transaction Limits — Click to access the Transaction Limits page. Transaction level limits are assigned to a contract line. Transaction level limits consist of a transaction identifier, a description, limit amount, and use sequence. These are used to specify limits for a set of project transactions, defined by a grouping of valid project ChartFields.

This link is available for rate-based contract lines only.

Note. You must have specified a Project Costing business unit before accessing the Transaction Limits page.

Review Limits — Click to access the Review Limits page. This page enables you to search for and review limits that have been exceeded, limits that have some amount remaining, or all limits.

This link is available for rate-based contract lines only.

See Chapter 21, "Creating and Managing Limits," page 347.

Billing Limit — If there is a limit to the amount that this customer can be billed for this contract line, enter that amount. This field is available for rate-based contract lines only.

Note. This field is available only if this contract has not been set to an active status or the contract line is being amended. If this contract has been activated, select the Amend Contract button to change the limit through amendment functionality.

This field is not available for contracts with a classification of *Government.*

Perform Limit Checking — Starts the Limits process (CA_LMT) with the contract number and contract line number as parameters.

This button is available for rate-based contract lines only.

Discount ID — Select an ID to be applied to the activities that you associate with this contract line. This field is available for rate-based contract lines only.

Retainage ID — Select an ID to be applied to the activities that you associate with this contract line. This field is available for rate-based contract lines only.

Tiered Pricing — Select this check box to use tiered pricing for this contract line. This check box is available for rate-based contract lines only.

Tiered Pricing — Select this link to access the Tiered Pricing Definition page where you can copy an existing tier template or enter specific tiered pricing details for your contract line. This link is available for rate-based contract lines only.

Associated Rates

This group box is available for rate-based contract lines only.

Effective Date — Enter the effective date for the rate set or rate plan. The contract signed date appears in this field by default, but can be overridden. Only transactions that

occur against the contract line on or after the effective date will be picked up and priced by the Pricing process.

Status Specify whether the associated rates for the contract line are active or inactive.

Rate Selection Select a rate structure for this contract line for the system to use to price transactions associated with this contract line. If you have associated a rate structure with the product, then that value will appear by default, but can be overridden. Values include:

- *Rate Set:* Select this option to assign an existing, standard rate set to the contract line.
- *Rate Plan:* Select this option to assign an existing, standard rate plan to the contract line.
- *Contract Rate Set:* Select this option to assign an existing, contract specific rate set to the contract line.
- *Contract Rate Plan:* Select this option to assign an existing contract specific rate plan to the contract line.

Note. You must define your rate sets and rate plans prior to assigning them to a contract line.

Rate Set or **Rate Plan** Select the predefined rate set or rate plan to use for transaction pricing for the contract line. Depending on whether you select *Rate Set*, *Contract Rate Set*, *Rate Plan*, or *Contract Rate Plan* for the Rate Selection option will dictate which field label appears, and the rate sets or rate plans that are available for selection.

Rate Set or **Rate Plan** Click the link to view the rate set or rate plan details selected for the contract line or to add a new rate set or rate plan if a rate set or rate plan is not selected for the contract line.

Associated Projects & Activities

The Project Costing business unit and rate information that you previously defined apply to the activities you select in the Associated Projects & Activities group box.

Project Select a project to associate with the contract line. For rate-based contract lines, you must associate at least one project and one activity with price transactions for the contract line, as well as, bill or recognize revenue for those transactions.

The list varies depending on the line's price type. If you select a project with activities linked to other contract lines, you must link the contract line to an activity in the project that has not been linked to any other contract lines.

For lines with a price type other than rate, the list contains all projects for the selected Project Costing business unit.

Note. You can add multiple projects to a rate-based contract line. You can add only a single project to a fixed-amount or recurring contract line.

Description (project) Click to review and manage the details of this project.

Activity Select an activity ID to associate your contract line with a Project Costing activity ID. Activities are the individual tasks or events making up a project. An activity can only be linked to one rate set or rate plan as of an effective date. If an activity is associated with a rate set directly on the activity in Project Costing, it is not available here. If an activity is associated with a rate plan directly on the activity in Project Costing, it is available provided that you have specified the contract specific rate set option here.

Note. You can add multiple projects/activity combination to a rate-based contract line. You can add only a single project/activity combination to a fixed-amount or recurring contract line.

Description (activity) Click to review and manage the details of this activity.

Source Type For amount-based and recurring contract lines, enter a source type.

Note. This field is not available for rate-based contract lines. However, you can enter the source type for a rate-based contract line with a value-based billing plan on the value-based billing plan line.

Category For amount-based and recurring contract lines, enter a category type.

Note. This field is not available for rate-based contract lines. However, you can enter the category type for a rate-based contract line with a value-based billing plan on the value-based billing plan line.

SubCategory For amount-based and recurring contract lines, enter a subcategory type.

Note. This field is not available for rate-based contract lines. However, you can enter the subcategory for a rate-based contract line with a value-based billing plan on the value-based billing plan line.

Create Project Click to create a new Project Costing project.

Create Activity Click to create a new Project Costing activity. You must have already selected an existing project.

All Activities Click to add all of a project's existing activities to the contract line. If the project has activities associated with other contract lines, you receive a message stating that only available activities will be added to the contract. This option is only available for rate-based contract lines.

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Understanding Pricing Project Costs

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Creating and Maintaining Projects"

Defining Tiered Pricing

This section discusses how to:

1. Set up transaction identifiers in Project Costing.
2. Create tier templates to facilitate data entry (optional).
3. Define tiered pricing structures for contract lines.
4. Run the Pricing Engine.

Pages Used to Define Tiered Pricing

Page Name	Object Name	Navigation	Usage
Transaction Identifiers	PC_TRANS_IDENTIFY	Set Up Financials/Supply Chain, Product Related, Project Costing, Transaction Options, Transaction Identifiers	Create transaction identifiers for use on tiered pricing templates and definitions.
Tiered Pricing Template	PC_TIER_TEMPLATE	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Tiered Pricing Templates	Create tier templates to facilitate date entry when defining tiered pricing for a rate-based contract line.
Tiered Pricing Definition	PC_TIER_DEFN	Click the Tiered Pricing link on the Related Projects page.	Specify a tiered pricing structure for a contract line.
Pricing	PC_PRICING	Project Costing, Utilities, Pricing	Reprice contract lines with tiered pricing structures.

Setting Up Transaction Identifiers

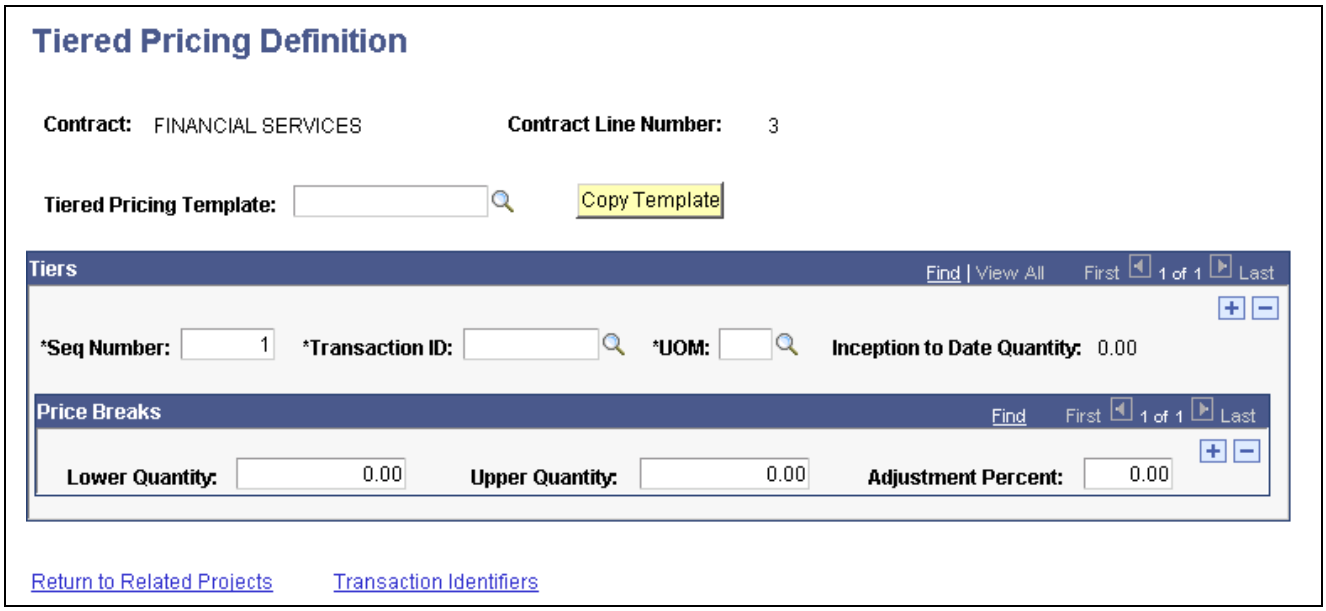
See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Pricing Project Costs," Defining Transaction Identifiers.

Creating Tier Templates

See Chapter 7, "Structuring Contracts," Defining Tiered Pricing Templates, page 50.

Defining Tiered Pricing for a Contract Line

Access the Tiered Pricing Definition page.



Tiered Pricing Definition page

Tiered Pricing Template Select an existing tier template to facilitate data entry for your contract line. If you do not select a value here, you can specify specific tier information in the Tiers group box below.

Copy Template Click to copy the details from the template you selected in the Tiered Pricing Template field into the Tiers group box below. When you click this button, the system warns you that copying from a template will overwrite any existing tiered pricing defined for the contract line.

After selecting a template and copying the data into the Tiers group box, you can modify the tiered pricing definition.

Tiers

Seq Number (sequence number) Indicates the arbitration resolution order. This number represents the priority of the tier in the event that a transaction matches more than one transaction identifier.

Transaction ID Select an identifier for the tier. The transaction identifiers includes combinations of values for the source type, source category, and source subcategory.

UOM (unit of measure) Select a unit of measure for the quantities in the Price Breaks group box.

Inception to Date Quantity Displays the total of all quantities processed to date for the tier. This is a display-only value that is specific to the tier and not to a particular price break.

Price Breaks

Lower Quantity Displays the minimum quantity required for the price break. For the first price break within a tier, this value will be *0*.

Upper Quantity Displays the maximum quantity allowed for the price break. The price break includes the value designated in the Upper Quantity field. Therefore, if the upper quantity is set to *20,* the price break would extend up to and include a

quantity of 20. Each tier must contain a price break with an upper quantity of 999999999999.99

Adjustment Percent Displays the increase or decrease to apply to the rate plan or contract-specific determined rate.

Running the Pricing Engine

Access the Pricing run control page.

Run the Pricing process to reprice contract lines with tiered pricing structures. You run the Pricing Application Engine from Project Costing.

Recalculate Tiered Pricing Select to have the inception to date quantities recalculated in the event that tiered pricing set up data has changed (for example, transaction identifiers, tiered breaks, or arbitration sequences, and so forth may have been changed). If you select this option, any transaction that has already been processed by Billing or General Ledger will not be repriced or adjusted using a different tiered pricing adjustment, but the quantity from the source row will be included in the correct tier.

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," The Pricing Process

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Pricing Project Costs," Running the Pricing Application Engine Process

Processing Project Progress

This section discusses how to:

- Run the Project Progress process for processing one or more billing and revenue plans at the same time.
- Specify revenue options.
- Specify billing options.

Prerequisite

You must have selected an option of *Project* or *Project/Activity* in the *Percent Source* field for the Define Events By group box on the Billing Plan - Events or Revenue Plan page.

See Also

Chapter 15, "Setting Up Revenue Plans," page 195

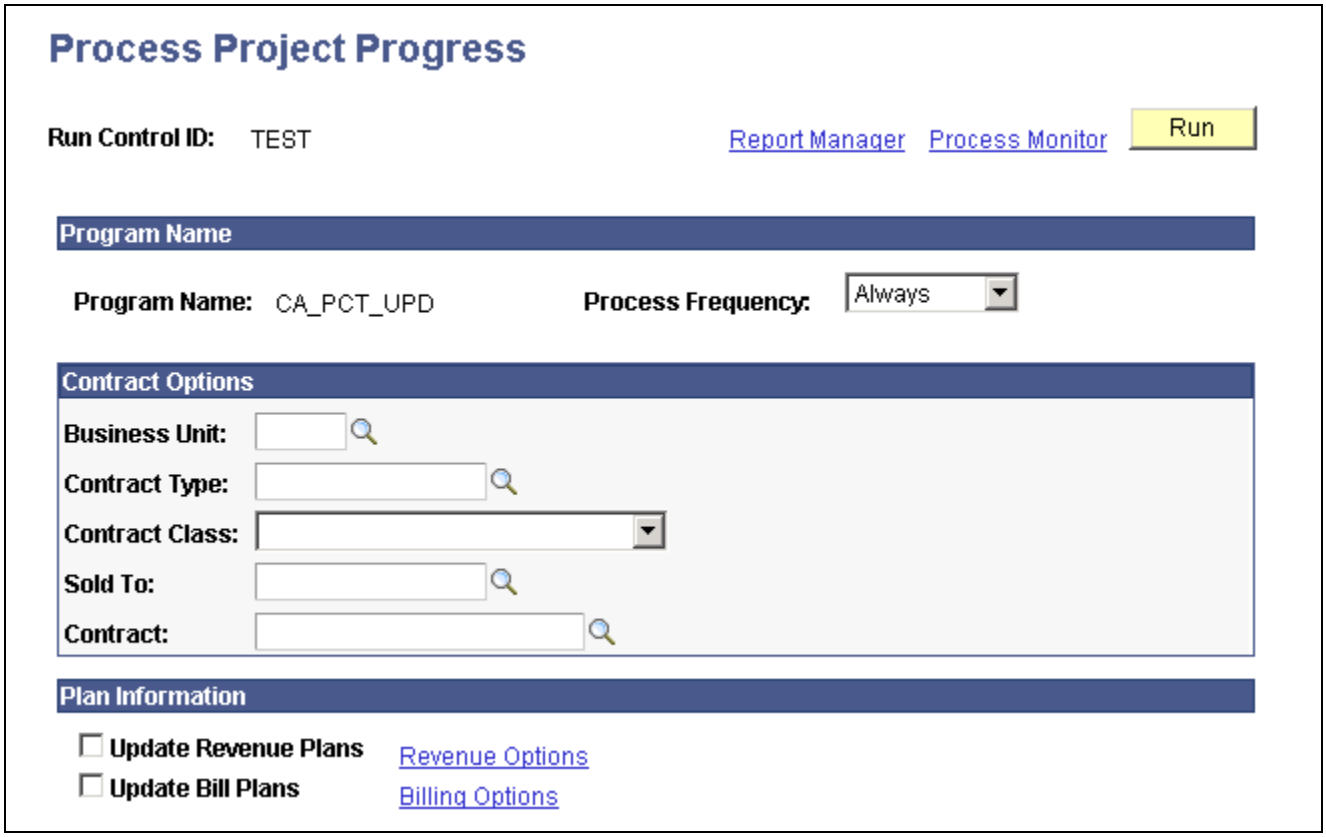
Chapter 19, "Setting Up Billing Plans," page 281

Pages Used to Process Project Progress

Page Name	Object Name	Navigation	Usage
Process Project Progress	RUN_CA_PCT_UPD	Customer Contracts, Update Contract Progress, Process Project Progress	Run the Project Progress (percent complete update) process for one or more billing or revenue plans at the same time. This process updates the project progress of your percent-complete revenue and billing plans for amount-based contract lines.
Revenue Options	CA_REV_OPT_SEC	Click the Revenue Options link on the Process Project Process page.	Specify revenue filters for the Project Process process.
Billing Options	CA_BILL_OPT_SEC	Click the Billing Options link on the Process Project Process page.	Specify billing filters for the Project Process process.

Running the Percent Complete Update Process

Access the Process Project Progress page.



Process Project Progress page

Program Name

Program Name *CA_PCT_UPD* displays.

Contract Options

Use the fields in this group box to limit the data that is included in the run of this process. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. If you leave all fields blank, the process picks up all available percent complete activity in Contracts.

Plan Information

Update Revenue Plans Select this check box to updated revenue plans only.

Revenue Options Click to specify revenue filters for the Project Progress process.

Update Bill Plans Select this check box to update billing plans only.

Billing Options Click to specify billing filters for the Project Progress process.

Specifying Revenue Options

Access the Revenue Options page.

Specify revenue filters for the Project Progress process to process one or more revenue plans at the same time.

GL Business Unit Select a General Ledger business unit to run this process for all contracts within a specific General Ledger business unit.

Revenue Plan Select a revenue plan to run this process for all events within a specific revenue plan.

Specifying Billing Options

Access the Billing Options page.

Specify billing filters for the Project Progress process to process one or more billing plans at the same time.

Billing Business Unit Select a Billing business unit to run the Project Progress process for a specific billing business unit.

Bill To Select a bill to customer to run the Project Progress process for a specific customer.

Billing Plan Select a billing plan ID to run the Project Progress process for a specific billing plan.

Billing Specialist Select a billing specialist to run the Project Progress process for a specific billing specialist.

Billing Cycle Identifier Select to filter your processing parameters by the billing cycle ID.

Amending Discounts, Retainages, and Limits

After you save a contract to a contract status that is mapped to an *Active* processing status, any changes or updates that you need to make to the contract line's discount ID, retainage ID, or limit amount must be made as part of an amendment.

See Also

Chapter 25, "Amending Contracts," page 443

Chapter 21, "Creating and Managing Limits," page 347

CHAPTER 14

Setting Up Milestones

This chapter provides an overview of milestones and discusses how to:

- Set up milestones.
- Maintain milestones.
- Process milestones.
- Review project milestones.

Understanding Milestones

Milestone functionality in Contracts enables you to associate billing and revenue recognition with reaching a milestone; upon reaching that milestone, Application Engine processing is triggered. You can use both Contracts milestones and Project Costing milestones. For Contracts milestones, you set up generic milestone templates when structuring the Contracts system. At the individual contract level, you create specific milestones for specific contracts.

This section discusses:

- Milestone conditions.
- Milestone statuses.
- Milestone methods.

See Also

Chapter 7, "Structuring Contracts," Defining Milestones, page 58

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Creating and Maintaining Activities"

Prerequisite

Before setting up milestones for a contract, you must define generic milestone templates as part of the contracts setup. You must also create at least one contract.

Milestone Conditions

A milestone is a significant event in the life of a contract. Achieving a milestone can result in sending a bill or recognizing revenue. The first step in setting up a milestone is defining the events that must be achieved to complete the milestone. In Contracts, these events consist of milestone conditions. The system supports four types of milestone conditions that you can combine in any way to support simple to complex milestone processing rules:

Milestone	Satisfied by the completion of another milestone. You associate this condition type with another milestone that you have defined in either Contracts or Project Costing.
Date	Triggered when the system date reaches the date that you specified for this condition type.
User Initiated	Satisfied by a user manually updating the condition status from *Ready* to *Completed.* For example, you could use a user-initiated milestone condition for a service contract when billing cannot occur until a signed work order was received from the customer. The condition is an event that takes place outside of the system.
SQL (Structured Query Language)	Associate the milestone with a SQL statement (WHERE clause) that you wrote. SQL milestones enable you to create custom milestones specific to a business.

Important! SQL milestone conditions are an advanced option. Only persons with extensive knowledge of SQL should create SQL milestone conditions. It is advised that these conditions be reviewed by the manager of the Information Systems department.

You can create milestones consisting of one or more conditions, and you can have any number of the same condition type on a single milestone. You designate that the milestone is met when either one or all of the conditions are achieved. By setting a milestone to be met when any one of its conditions is achieved, you can support business cases in which revenue or billing must be triggered by the earlier of two or more unrelated events.

The terms and conditions of a contract can be such that you may have to satisfy several conditions before billing a customer or booking revenue for a contract line. By using milestones, you can capture all of these conditions within the Contracts system and set up events so that when these conditions are met, the bills are sent out and the revenue is recognized.

When setting up the Contracts system, you define generic milestone templates. Each generic milestone template can contain a list of conditions. Use these milestone templates when creating contract-specific milestones, and define the criteria for each condition as it relates to the contract. After you create contract milestones, you can reference them on milestone-based billing and revenue plans. You can also reference the contract milestones on the events on those plans.

Generic milestone templates also contain a milestone classification. As the completion of a milestone can result in generating a bill or booking revenue, enforcing milestone security is important. The system enforces milestone security through the milestone's classification; an employee must be given access to a milestone classification to be able to perform edits on milestones of that classification.

In Project Costing, you set up milestones by creating milestone activities. You associate the Project Costing milestones with revenue recognition and billing events, as well as with Contracts milestone conditions, just as you would contract milestones. Project Costing milestones have a different structure and do not use conditions.

Milestone Statuses

A status is associated with Contracts milestones and with milestone conditions. These two statuses work together to trigger the system when a milestone is available for processing.

This section discusses:

- Milestone status types.
- Milestone status values.

- Milestone status example.
- Relationship to other statuses.

Milestone Status Types

Milestone status types include:

Milestone Status — You must set the Milestone Status field to *Ready* before the system can perform any processing against it. After the system processes a *Ready* milestone and confirms that the required conditions are met, the system changes the milestone status from *Ready* to *Completed* and no longer enables changes.

When you enter a milestone, the milestone status is *Pending* by default.

Milestone Condition Status — The Milestone Condition Status field is set by the system, except for user-initiated conditions. The system uses true or false criteria to set this condition. The criteria varies by condition type.

When you create a milestone condition, its status is *Ready* by default.

Milestone Status Values

Milestone status values include:

Pending — Milestones are ignored by the Milestone Processing Application Engine (CA_MS_PRCS). You can add or delete milestone conditions for milestones with a status of *Pending* only.

Ready — Milestones are processed by the Milestone Processing Application Engine. When you change the milestone status to *Ready,* and click the Save button, edit checking validates that you have correctly entered all fields for both the milestone and its conditions. If one of the milestone's conditions is another milestone, then you must also enter all relevant fields for the referenced milestone.

After you set the milestone status to *Ready,* the system does not enable further edits to the milestone or any of the milestone conditions. If you need to make any changes, you must change the milestone status back to *Pending.*

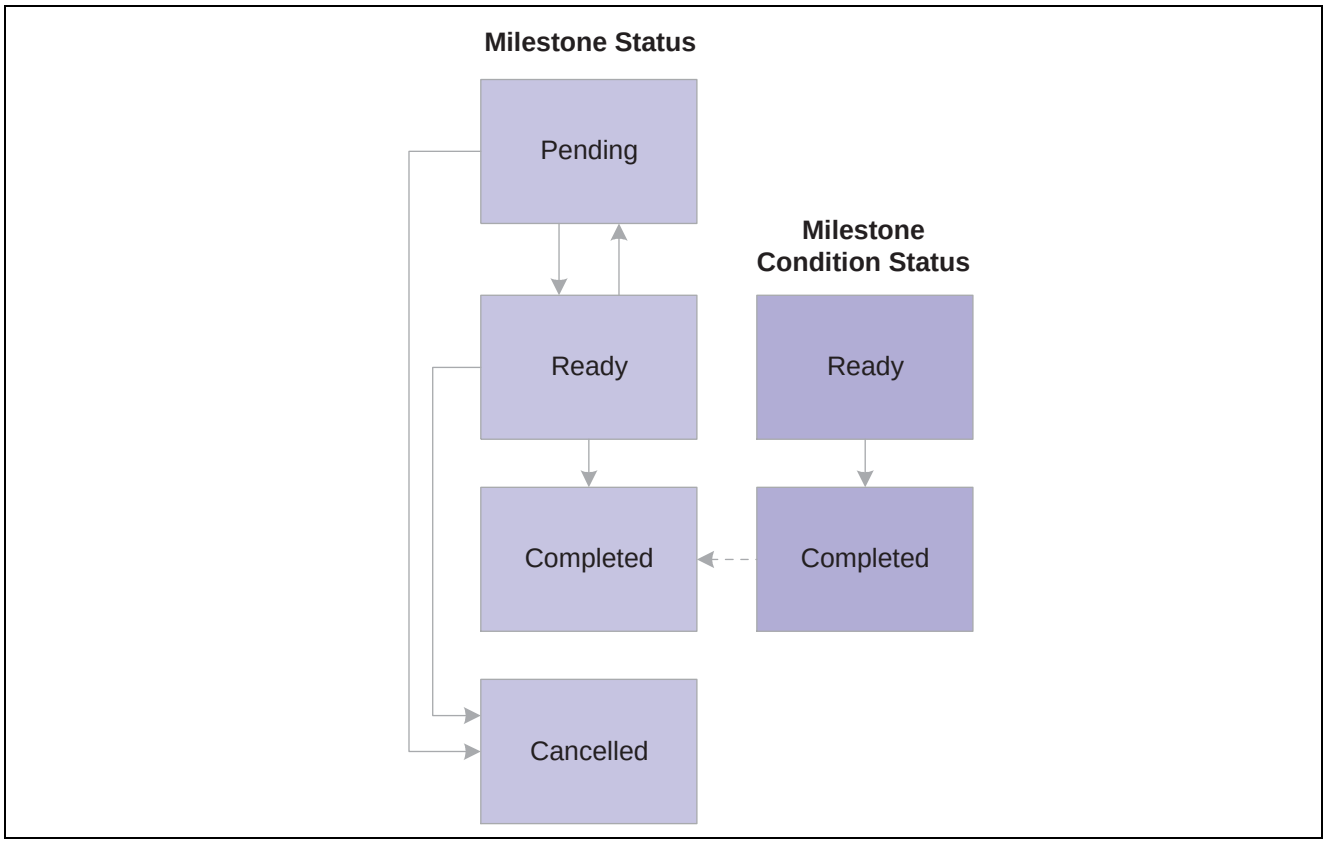
Completed — The Milestone Processing Application Engine updates the milestone status to *Completed* after its conditions are met.

After the system marks a milestone as *Completed,* the system does not enable further adds, changes, or deletions. A *Completed* milestone cannot have its status changed back to *Pending.*

Cancelled — Cancel a milestone before it's complete by manually setting the Milestone Status field to *Cancelled.*

If you have manually set a milestone to *Cancelled,* the system does not enable further adds, changes, or deletions. A *Cancelled* milestone cannot have its status changed back to *Pending.*

This diagram shows the milestone status and milestone condition status, and the relationships between the two:



The relationships between milestone status and milestone condition status

Milestone Status Example

Suppose that you enter a milestone with three milestone conditions and set the milestone to *Ready* status. You then realize that you need to change some of the milestone conditions. To change the milestone conditions:

1. Change the milestone status back to *Pending*.
2. Delete any conditions that you do not need.

   The condition status is irrelevant in this case. However, you should note that if you delete a *Completed* condition and then redefine the same condition, the system displays the new condition with a default status of *Ready*.
3. Modify the conditions that you want to change.
4. Change the milestone status back to *Ready*.

Note. When you change a condition, the system automatically resets that condition's status.

Relationship to Other Statuses

The only relationship between the milestone status and the other Contracts statuses relates to revenue plan events and billing plan events. You can reference milestones to enable actions when the system sets a milestone status to *Completed*. Therefore, when you change the milestone status to *Cancelled,* the system performs edit checking to ensure that the milestone is not referenced on a revenue plan or a billing plan event. Additionally, edit checking ensures that the milestone is not referenced by another milestone's condition. If the milestone is referenced somewhere else, you cannot change its status to *Cancelled*.

Note. If a Project Costing milestone that is referenced by a contract is cancelled (inactivated) in Project Costing, the user who is cancelling the milestone receives a warning that the milestone is referenced in a contract.

Milestone Methods

A billing or revenue recognition event can be triggered in multiple ways. Sometimes, one way of triggering an event has advantages over another way. For example, when creating an event on a milestone billing plan or milestone revenue plan, you can use event type to designate that the event be triggered by either a *Date* or *Milestone.* If the date is a key date triggering both billing and revenue recognition, you can set up one milestone and reference it on both the billing plan and the revenue plan. This enables you to more efficiently manage these events: if the key date changes, you only need to update the date in one location.

Additionally, milestones enable you to solve more complex scenarios. For example, a contract may stipulate that you can either bill a customer 90 days after a product ships or upon completion of an installation, whichever comes first. For this scenario, you can define a milestone with two conditions: one condition of type *Date* and one condition of either type *Milestone* or *User Initiated.* Then you can specify that the milestone is complete once *any* of its milestone conditions are complete.

Common Elements Used in This Chapter

# of Req'd Conditions (number of required conditions)

Displays the number of conditions that must be met for the system to mark this milestone complete. Values are:

One: Any of the milestone's conditions have been met.

All: All of the milestone's conditions have been met.

Activity Status

Select for the milestone to which you will link. You must select an activity ID before you can select an activity status. It is possible that this activity ID might contain multiple instances of this activity status. Milestone processing keys off of the first instance of this status. This field is available if you have a milestone condition type of *Milestone* and a milestone source of *Projects.*

Warning! It is possible that an activity may pass through the designated activity status. During the course of a day, a project administrator may assign the activity ID the status that you selected to trigger the milestone, and then later that day assign the activity ID a different status. Contracts considers the milestone met when the triggering status is saved, even if it is changed later.

Business Unit

Displays the Contracts business unit.

Contract Classification

Select a contract classification when creating a new contract. This value cannot be changed on the contract. Values include: *Standard, Internal, Government,* and *Federal Reimbursable Agreement.*

Days Lag

Displays the number of days that the system should delay marking a condition complete after the milestone to which you are linking is complete. This field is available for milestones with a *Milestone* condition type.

Days lag might be helpful if you do not know when a key event will take place, but you do know that you need to enable processing for a specific number of

days after the event occurs. Also, use the Days Lag field when you have a known date that needs to drive the processing of multiple transactions, but one or more of these transactions must be triggered at a known number of days after the key date occurs.

Milestone Condition Status or **Condition Status** — Indicates if a milestone condition was met. When you create a milestone condition, *Ready* appears by default as the condition status. Once the milestone condition is satisfied, the system updates the milestone condition status to *Completed.* For user initiated conditions, you manually set the Condition Status field to *Completed* when the condition is met on the Update Milestone page.

Note. The milestone condition status works in conjunction with the # of Req'd Conditions field on the Milestone page. If you selected a value of *One* for the # of Req'd Conditions field, after the milestone condition status of at least one milestone condition is set to *Completed,* the system sets the milestone status to *Completed.* If you select a value of *All* for the # of Req'd Conditions field, then the milestone condition status for all milestone conditions must be *Completed* before the system sets the milestone status to *Completed.*

Milestone Condition Type or **Type** — Displays the milestone condition type. Values include: *Date, Milestone, User Initiated,* and *SQL.*

Milestone Nbr (milestone number) — Displays a milestone number. Each time that a milestone template is added to a contract, the system assigns the milestone template a unique number. This enables you to create multiple contract milestones based on the same milestone template. This number has no bearing on the order in which the system processes milestones.

PC Business Unit (Project Costing business unit) — Displays the Project Costing business unit for the milestone to which you are linking. Necessary if you have a milestone condition type of *Milestone* and a milestone source of *Projects.*

Project or **Activity ID** — Displays the project ID or activity ID for the milestone to which you are linking. You must select a Project Costing business unit before you can select a project ID or activity ID. Necessary if you have a milestone condition type of *Milestone* and a milestone source of *Projects.*

Note. Only activities designated in Project Costing as milestone activities appear in the prompt list.

Setting Up Milestones

This section discusses how to:

- Define milestone classifications.
- Set up generic milestone templates.
- Set up generic milestone condition templates.
- Set up contract milestones and establish contract-specific conditions.
- Reference milestones.

See Also

Chapter 7, “Structuring Contracts,” Defining Milestones, page 58

Pages Used to Set Up Milestones

Page Name	Object Name	Navigation	Usage
Milestone Classification	CA_MS_CLASS_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Milestone Classification	Define milestone security by creating milestone classifications. A milestone classification is a set of permission lists. When you associate a milestone classification with a generic milestone, the ability to manage that milestone is limited to users who belong to one of the primary permission lists specified for the milestone classification.
Milestone Template	CA_MS_DEFN_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Milestone Templates, Milestone Template	Set up generic milestone templates. When you set up a contract, you can add contract-specific data to these generic milestone templates.
Milestone Conditions Template	CA_MS_COND_DEFN	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Milestone Templates, Milestone Conditions Template	Define the conditions used by the application processor to determine if a milestone is ready for processing. You can establish multiple conditions for a single milestone. Condition types can be either system-triggered events or manual events.
Milestone	CA_MS_ENTRY	Customer Contracts, Create and Amend, Create Milestones, Milestone	Associate previously defined, generic milestone templates with a contract. Review the milestone conditions that were established for the generic milestone template on which you based the contract-specific milestone. Edit existing conditions and define new contract-specific milestone conditions. Changes do not affect the generic milestone template.
Add Milestones	CA_MS_ENTRY_ADD_MS	 Click the Add Milestone button on the Milestone page.	Select a milestone template.

Page Name	Object Name	Navigation	Usage
Billing Plan - Events	CA_BP_EVENTS	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Events	Link the contract-specific milestones that you defined to the billing plans.
Revenue Plan	CA_ACCTPLAN	Customer Contracts, Schedule and Process Revenue, Define Revenue Plan	Link the contract-specific milestones that you defined to the revenue plans.

Defining Milestone Classifications

Access the Milestone Classification page.

See Chapter 7, “Structuring Contracts,” Defining Milestone Classifications, page 59.

Setting Up Generic Milestone Templates

Access the Milestone Template page.

See Chapter 7, “Structuring Contracts,” Defining Milestones, page 60.

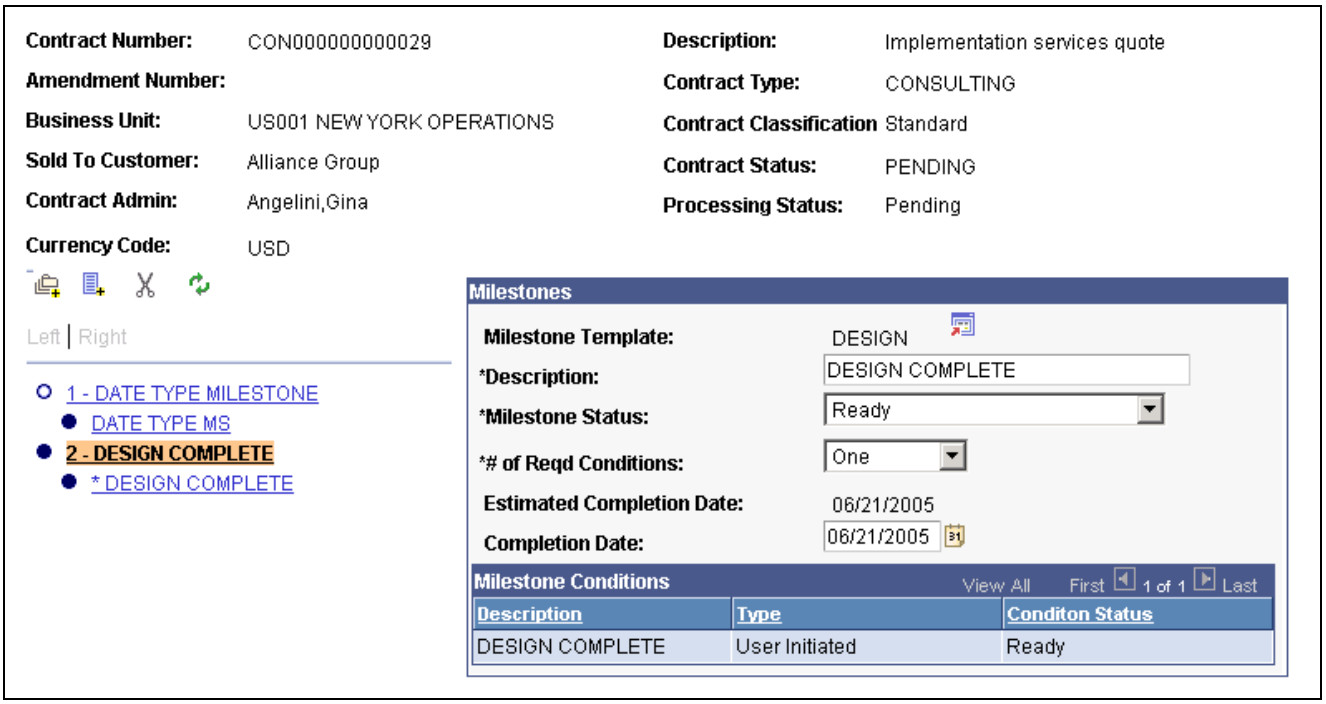
Setting Up Generic Milestone Conditions Templates

Access the Milestone Conditions Template page.

See Chapter 7, “Structuring Contracts,” Defining Milestone Condition Templates, page 61.

Setting Up Contract Milestones and Establishing Contract-Specific Conditions

Access the Milestone page.



Milestone page

If milestones are already associated with the contract, when you access this page, the milestone tree and Milestones group box appear. If milestones are not associated with the contract, these items do not appear on the page. The Milestone page consists of several different functional areas, including:

- Toolbar buttons.
- Milestone tree and visual indicators.
- Milestones group box.
- Milestone Conditions group box.

Toolbar Buttons

Use these buttons to create, delete, and refresh milestones and milestone conditions:

Click the Add Milestone button to add a milestone template to the contract. The milestone template populates the Milestone page with predetermined values and milestone conditions for the contract. You can change the values, conditions, and the milestone template itself.

Click the Add Condition button to add a milestone condition to the selected milestone. You must have an existing milestone to add a milestone condition.

Click the Delete button to delete the selected milestone or milestone condition.

Click the Refresh button to refresh the Milestone page. If you have changed any milestone templates, refreshing the page updates the names of milestone and milestone conditions in the milestone tree.

Milestone Tree and Visual Indicators

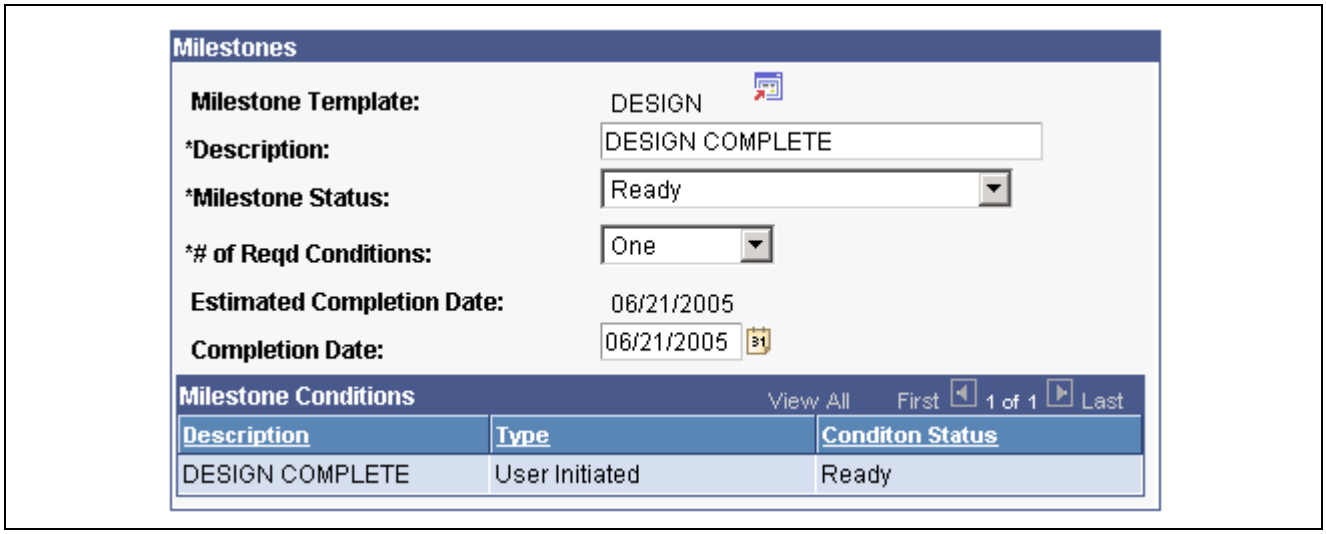
Use the milestone tree to understand the structure of the milestones attached to the contract. In the tree, milestones appear at the highest level. Any attached milestone conditions are indented under each milestone. The Milestones or Milestone Conditions group box that appears on the page corresponds with the selected milestone or milestone condition in the tree.

	Appears next to milestone or milestone conditions that are in *Pending* status.
	Appears next to milestone or milestone conditions that are in *Ready* status.
	Appears next to milestone or milestone conditions that are in *Completed* status.
	Appears next to milestone or milestone conditions that are in *Cancelled* status.

Note. An asterisk next to a milestone condition indicates that the milestone condition type is *User Initiated.* You must manually update the status of *User Initiated* milestones to *Completed.*

Milestones Group Box

Use the Milestones group box to change the milestone template, enter milestone completion dates, and so forth:



Milestone page: Milestones group box

Milestone Template Displays the milestone template name. Change the milestone template by clicking the Milestone Definition button.



Click the Milestone Definition button to select a different milestone template. If you did not specify a type for the contract, the list of values contains all existing milestones. If you specified a contract type, then the list is limited to the milestones specified in CA_MS_DEFN_CT. If a milestone has no contract types, then it is applicable for all types by default.

After selecting a new milestone template, click the Refresh button to update the milestone tree with the new milestone associated milestone conditions.

Description Accept the default description or enter a contract-specific description. This enables you to easily take a generic milestone description (such as *Product Delivery*) and make it specific (such as *AR Product Delivery).*

Note. It is recommended that when you use the same milestone template more than once on a contract, you give each instance of the milestone a unique description. This aids you when you are referencing specific milestones for billing and revenue recognition, where you must pick the milestone from a list.

Milestone Status Select a milestone status. Values are:

Pending: Milestones are not processed by the Milestone Processing Application Engine.

Ready: Milestones are eligible for processing by the Milestone Processing Application Engine.

Completed: The Milestone Processing Application Engine updates the milestone status to *Completed* after its conditions are met.

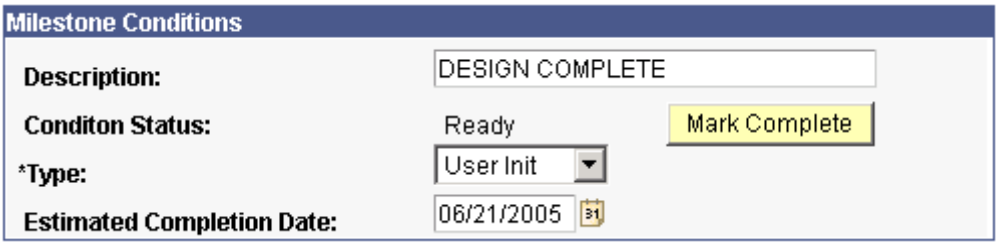
Cancelled: Cancel a milestone by manually setting the milestone status to cancelled.

Estimated Completion Date Displays the estimated completion date, which is a system-calculated value based on the milestone conditions. The system uses the selection in the # of Reqd Conditions field to determine the estimated completion date. If the selection is *Any,* then the system chooses the earliest estimated completion date assigned to a milestone condition. If the selection is *All,* then the system chooses the last estimated completion date assigned to a milestone condition. The system takes into account any value in the Days Lag field.

Completion Date Enter a completion date for the milestone. This manually updated field enables you to record the actual completion date.

Milestone Conditions Group Box

The fields that appear in this group box depend on the milestone condition type:



Milestone page: Milestone Conditions group box

Description Condition description of the milestone template. Accept the default description or enter a contract-specific description.

Type Select a milestone condition type of *Date, Milestone, SQL,* or *User Initiated.*

Completion Date For *Date* milestone condition types, enter the completion date. The milestone condition is complete when the system date reaches the completion date.

Estimated Completion Date (Optional) Enter an estimated completion date. This date has no effect on milestone processing. The field is available for milestones with *User Initiated* and *SQL* milestone condition types.

Mark Complete Click to manually set the status of a *User Initiated* milestone condition type to *Completed.* This field is available only for *User Initiated* milestone condition types.

Milestone Source Select the milestone source for milestones with a condition type of *Milestone.* Values include:

Contracts: Milestone condition is associated with a milestone that you defined in Contracts. When selecting *Contracts,* you must complete the Prerequisite Milestone and Days Lag fields.

Projects: Milestone condition is associated with a milestone that you defined in Project Costing. When you select *Projects,* you must complete the Days Lag, PC Business Unit, Project ID, Activity ID, and Activity Status fields.

Prerequisite Milestone Displays the milestone template and milestone sequence (milestone number) to which you are linking this condition. The list of values contains all milestones that are attached to this contract.

This field is available for milestones with a *Milestone* condition type and a milestone source of *Contracts.*

Note. The milestone number, also known as the sequence number, does not affect the order in which milestones or milestone conditions are processed. It's a unique number assigned by the system to enable you to use the same milestone template more than once on a contract.

SQL Statement If you selected a milestone condition type of *SQL,* then you must enter a SQL statement. Enter the SQL statement representing the condition that the system should test. Precede the SQL statement by WHERE, and ensure that it makes sense with the surrounding SQL.

See Also

Chapter 7, "Structuring Contracts," Defining Milestones, page 58

Referencing the Milestones

Access the Billing Plan - Events page or the Revenue Plan page.

See Chapter 19, "Setting Up Billing Plans," Creating Billing Events, page 308.

See Chapter 15, "Setting Up Revenue Plans," Defining Revenue Plans, page 212.

Maintaining Milestones

This section discusses how to:

- Maintain milestones.

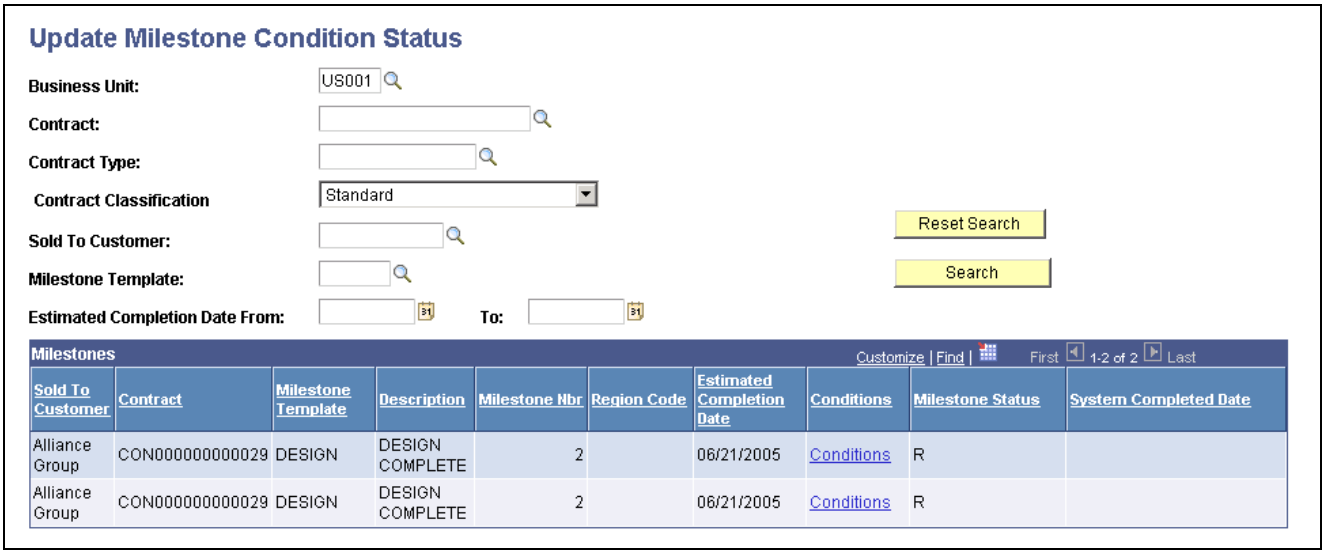
- Update milestones.

Pages Used to Maintain Milestones

Page Name	Object Name	Navigation	Usage
Update Milestone Condition Status	CA_MS_MANAGE_COND	Customer Contracts, Update Contract Progress, Update Milestone Cond. Status	Manage and maintain user-initiated milestone conditions. The Milestone Application Engine processes the other milestone condition types *(Date, Milestone,* and *SQL)*. You can manage only those milestones for which you have security access based on the milestone's classification.
Update Milestone	CA_MS_MNG_CND_SEC	Click the Conditions link on the Update Milestones Condition Status page.	Review and update the milestone conditions established for the user-initiated milestones.

Maintaining Milestones

Access the Update Milestone Condition Status page.



Update Milestone Condition Status page

Filter search results by entering specific values in the fields on this page. You must at least enter the Contracts business unit. If you enter only a Contracts business unit, the search returns all milestone templates for all *Ready* status milestones within that Contracts business unit.

Milestone Template Enter a milestone template. When you search on a specific milestone template, the search returns all milestone sequence numbers sharing that milestone template.

Estimated Completion Date From and **To** — Enter a from date and a to date to search for milestones based on the value that you entered for the milestone's estimated completion date.

Reset Search — Click to clear any values that you entered in the search fields.

Search — Click to search for milestones matching the search criteria that you entered in the search fields.

Note. The search works in conjunction with milestone security. The results of the search include only those milestones that you have the security to manage.

Milestones

The milestones matching the search criteria appear.

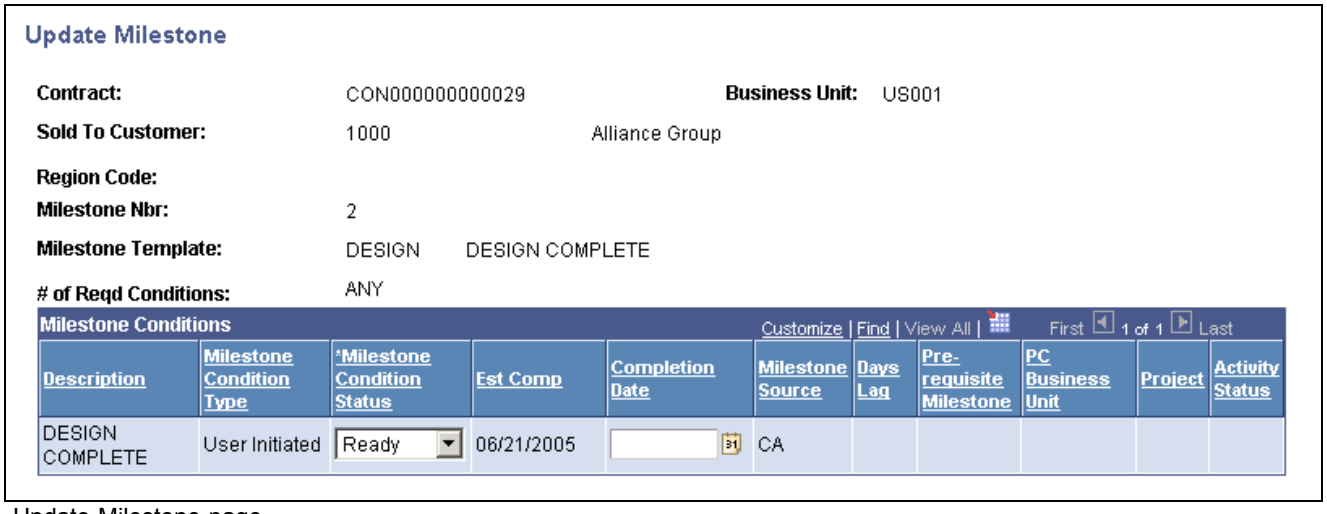
Estimated Completion Date — Displays the estimated completion date, which is a system-calculated value based on the milestone conditions. The system uses the selection in the # of Reqd Conditions field to determine the estimated completion date. If the selection is *Any,* then the system chooses the earliest estimated completion date assigned to a milestone condition. If the selection is *All,* then the system chooses the last estimated completion date assigned to a milestone condition. The system also takes into account any value in the Days Lag field.

Conditions — Click to access the Update Milestone page, where you can review the conditions for a milestone. You can manually update the condition status of user-initiated milestones from this page.

System Completed Date — Displays the date upon which the milestone status was set to complete.

Updating Milestones

Access the Update Milestone page.



Update Milestone page

Milestone Conditions

Milestone Condition Status — Select the milestone condition status. Values are: *Ready* or *Completed.*

Est Comp (estimated completion date) — If an estimated completion date was entered for this milestone condition, the estimated completion date appears. This date has no effect upon milestone processing. Estimated completion dates are available for milestones with *User Initiated* and *SQL* milestone condition types.

Completion Date — Enter a completion date for the *Date* and *User Initiated* milestone conditions. This manually updated field enables you to record the actual completion date.

Milestone Source — Displays the milestone source associated with this condition. Values include:

Contracts: The milestone condition is associated with a milestone that you defined in Contracts.

Projects: The milestone condition is associated with a milestone that you defined in Project Costing.

Prerequisite Milestone — Displays a unique number assigned by the system to enable you to use the same milestone template more than once on a contract. The prerequisite milestone does not affect the order in which the system processes milestones or milestone conditions.

Processing Milestones

The Milestone Processing Application Engine process (CA_MS_PRCS) updates milestone condition statuses for *Milestone, Date,* and *SQL* type milestones. For *User-Initiated* conditions, you manually update the condition status on the Update Milestones Condition Status page.

Milestone Processing Summary

Milestones and conditions both have status fields. When you run the Milestone Processing Application Engine, the system performs checks on both of these statuses. The system first checks the milestone condition status for all conditions associated with a *Ready* milestone. If a *Ready* condition has been met, the system sets the milestone condition status from *Ready* to *Completed.* The system then checks the milestone status. The system checks if the milestone requires one or all of its conditions to be met. If a milestone's required conditions have been satisfied, the system sets the milestone status to *Completed.* Billing and revenue recognition events associated with *Completed* milestones can then be processed by the Contracts billing and revenue recognition application engines.

Note. If you have a user-initiated milestone condition, after setting its status to *Completed,* you must run the Milestone Processing Application Engine process so that the system sets the milestone status to *Completed.*

It is recommended that you run the Milestone Processing Application Engine process before running the billing application engine or revenue recognition application engine processes. This ensures that any milestones that have been met as of the time that you run the billing or revenue recognition processes are set to the correct status.

For example, suppose that you have a milestone billing plan with a milestone event for which the milestone source is *CA* and the milestone ID is *MS001.* The billing plan event status is *Ready.* Because the billing plan event status is *Ready,* each time that the billing plan is processed, assuming it's not on hold, the system checks the milestone status in the Milestone table. If you have run the Process Milestones Application Engine and the system has updated the milestone status to *Completed,* then the billing for that billing plan event can occur.

The Milestone Processing Application Engine does not automatically trigger the Billing or Revenue Recognition Application Engines. You can create a job that runs these processes after the Milestone process.

Application Engine Flow

When running the Milestone Processing Application Engine, the system creates rows in the table PS_CA_MS_TAO. This table contains all contracts for the criteria that you specified with a contract status of *Active* and a milestone status of *Ready.* This table is used as a basis for what is processed. The Milestone Application Engine then performs these steps:

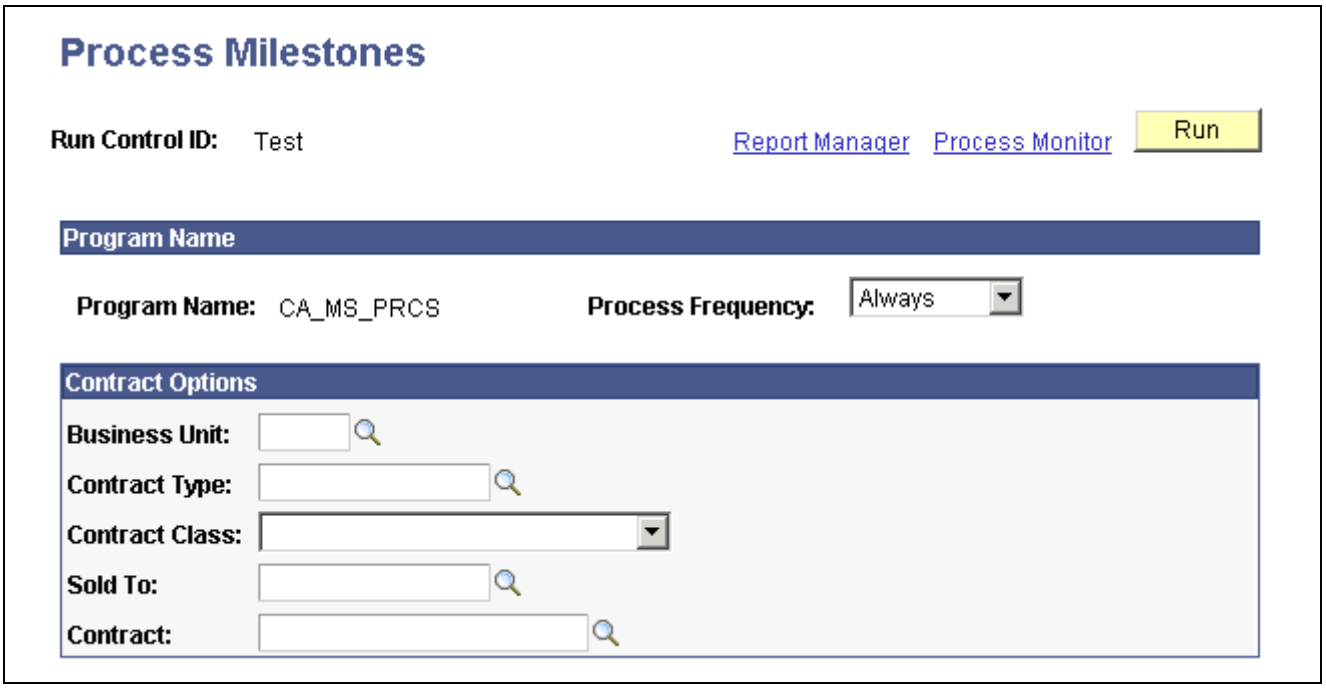
1. Processes all milestone conditions (CA_MS_COND) where type = *Date.*
2. Processes all milestone conditions (CA_MS_COND) where type = *SQL.*
3. Processes all milestone conditions (CA_MS_COND) where type = *Milestone* and source = *PC.*
4. Processes all milestones (CA_MILESTONE) based upon the required number of conditions:
    a. ONE condition
    b. ALL conditions
5. Processes all milestone conditions (CA_MS_COND) where type = Milestone and source = CA.
6. Repeats steps 4 and 5.

Page Used to Process Milestones

Page Name	Object Name	Navigation	Usage
Process Milestones	RUN_CA_MSTONE	Customer Contracts, Update Contract Progress, Process Milestones	Update milestone condition statuses from *Ready* to *Completed* for *Milestone, Date,* and *SQL* type conditions meeting the parameter criteria that you specify. This process also updates milestone statuses based on their conditions.

Processing Milestones

Access the Process Milestones page.



Process Milestones page

Enter values in any of the fields on this page to filter the milestones that you want the system to process. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. If you leave all fields blank, the process picks up all available milestone activity in Contracts.

Reviewing Project Milestones

This section discusses how to:

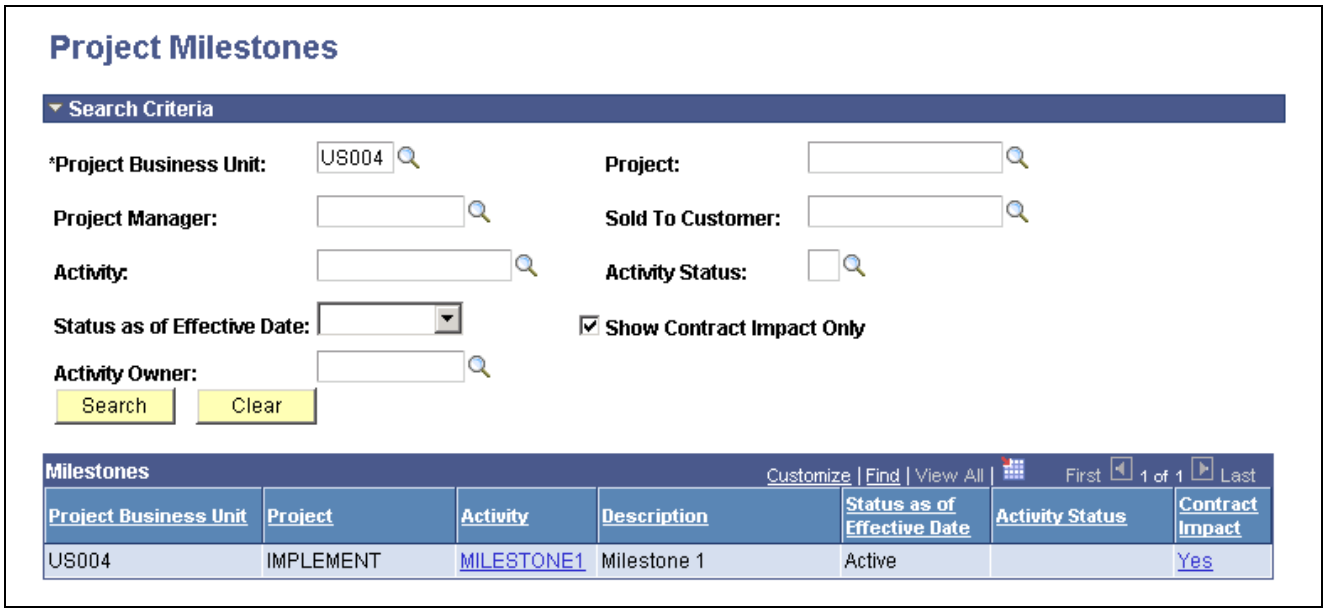
- Review project milestones.
- Review details of project milestones attached to contract billing or revenue plans.

Pages Used to Review Project Milestones

Page Name	Object Name	Navigation	Usage
Project Milestones	CA_PROJ_MLS	Project Costing, Project Definitions, Project Milestones	Search and view project milestones with an activity status of *Milestone* meeting selected search criteria. From this page you can navigate to details of contracts tied to the project milestone.
Impacted Contracts Details	CA_PROJ_MLS_IMP	Click *Yes* on the Project Milestones page.	View details of project milestones attached to contract billing plans, revenue plans, and contract milestones. From this page you can navigate to details of the associated billing plan, revenue plan, or milestone condition.

Reviewing Project Milestones

Access the Project Milestones page.



Project Milestones page

To filter search results, enter values in the fields in the Search Criteria group box. If you leave all fields blank, the search returns all project milestones within the system.

Search Criteria

Show Contract Impact Only Select to return search results for project milestones attached to contract billing plans, revenue, plans, or contract milestones only.

Milestones

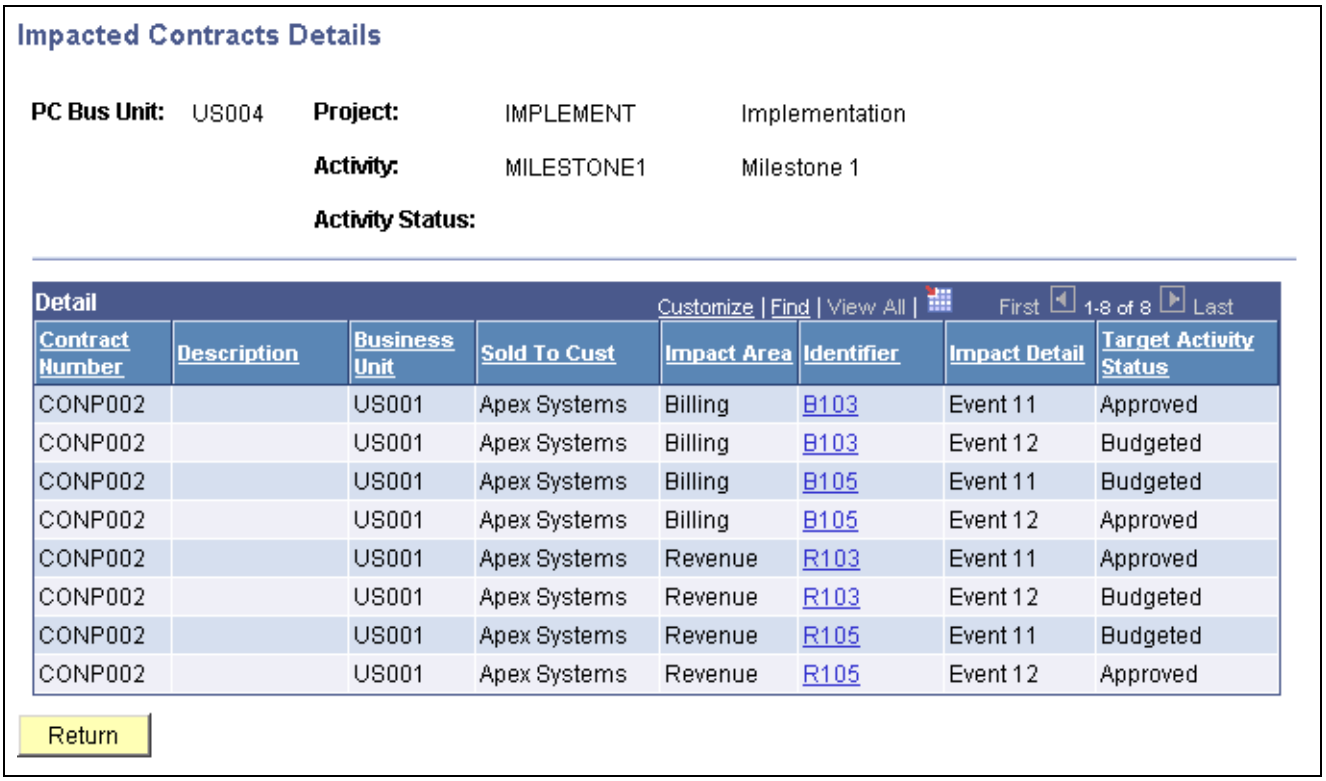
Activity Click to access the Activity Details page, where you can review details of the activity associated with this milestone.

Status as of Effective Date Displays the status of the activity (milestone) as of the effective date. Values include: *Active* or *Inactive.*

Contract Impact Indicates whether this milestone is associated with any contract lines. Values include: *Yes* or *No.* When the project milestone is referenced in any Contracts billing plan, revenue plan, or contract milestone, *Yes* appears in this field. Click the *Yes* link to access the Impacted Contract Details page.

Reviewing Details of Project Milestones Attached to Contract Billing or Revenue Plans

Access the Impacted Contracts Details page.



Impacted Contracts Details

PC Bus Unit: US004 Project: IMPLEMENT Implementation

Activity: MILESTONE1 Milestone 1

Activity Status:

Detail — Customize | Find | View All | First 1-8 of 8 Last

Contract Number	Description	Business Unit	Sold To Cust	Impact Area	Identifier	Impact Detail	Target Activity Status
CONP002		US001	Apex Systems	Billing	B103	Event 11	Approved
CONP002		US001	Apex Systems	Billing	B103	Event 12	Budgeted
CONP002		US001	Apex Systems	Billing	B105	Event 11	Budgeted
CONP002		US001	Apex Systems	Billing	B105	Event 12	Approved
CONP002		US001	Apex Systems	Revenue	R103	Event 11	Approved
CONP002		US001	Apex Systems	Revenue	R103	Event 12	Budgeted
CONP002		US001	Apex Systems	Revenue	R105	Event 11	Budgeted
CONP002		US001	Apex Systems	Revenue	R105	Event 12	Approved

Return

Impacted Contracts Details page

The system limits the list of project milestones that appear on this page to those that are attached to contracts billing plans, revenue plans, or contracts milestones and are in *Pending* status. *Completed* and *Cancelled* milestones do not appear on this page.

Pending milestones relate to billing events, revenue events, and milestone conditions as follows:

- Billing events: Includes billing events that are *Pending, Ready,* and *Recycled.*
- Revenue events: Includes revenue events that are *Pending* and *Ready.*
- Milestone conditions: Includes milestone conditions that are *Ready* only if the milestone status is *Pending* or *Ready.*

Impacted Contracts

Impact Area Displays which area of the contract is impacted by the project milestones. Values include: *Billing, Revenue,* or *Milestone.*

Identifier Displays the actual billing plan number, revenue plan number, or milestone ID where the project milestone and activity is referenced. Click the link in this field to access the associated billing plan, revenue plan, or milestone.

Impact Detail Displays the associated event number milestone condition number in the billing plan, revenue plan, or contract milestone.

Target Activity Status Displays the status of the project milestone specified for the billing or revenue event or for the contract milestone condition.

CHAPTER 15

Setting Up Revenue Plans

This chapter provides an overview of revenue plans and discusses how to:

- Define revenue plans.
- Assign contract lines to revenue plans.
- Preview revenue.

Understanding Revenue Plans

Revenue recognition can be managed by either Contracts or Billing. When Contracts manages revenue for a contract line, you associate each contract line with a revenue plan. The revenue plan contains a list of events defining when revenue is recognized for each contract line assigned to that revenue plan.

When Billing manages revenue for a contract line, you do not set up revenue plans. You only need to link the contract line to a billing plan. Billing then recognizes revenue for that contract line as the contract line is billed.

This section discusses:

- Revenue recognition setup.
- Revenue plans.
- Revenue recognition event types.
- Revenue recognition methods.
- Revenue plan and event statuses.
- Revenue plan assignment rules.
- Revenue preview.

Revenue Recognition Setup

Contracts enables you to capture revenue information on a contract and allocate amounts to specific contract lines within the Contracts system. As part of this process, you need to structure the accounting information. You associate a product or service defined on a contract line with a revenue recognition method, manage when the conditions for recognizing the revenue have been met, and generate journal entries to enter the revenue into your general ledger system.

Setting up Contracts to recognize revenue consists of several steps. Some steps are general and others are contract specific. The contract-specific steps are discussed later in this chapter.

At the system level, you:

- Select the revenue recognition method or deferred revenue overrides, if applicable.

- Select revenue plan templates, if applicable.
- Determine proration methods.
- Set up the Journal Generator (General Ledger) template.
- Set up distribution codes.
- Set up distribution rules and distribution sets.
- Associate distribution rules with Contracts business units.
- Associate distributions sets with products.

At the contract level, you:

- Allocate the contract value to all the contract lines.
- For each contract line, verify the distribution ChartFields—revenue, deferred revenue, and the unbilled accounts receivable accounting.
- Create revenue plans, including specifying a revenue recognition method for each plan, and assign them to contract lines.

  Or, verify revenue plans created by revenue plan templates, if applicable.

Once you have completed the previous steps, you are ready to begin managing revenue recognition. To manage revenue recognition:

- Review or update events.
- Run the processes to pick up and distribute revenue for "Ready" plans and events and post the revenue to ledgers.

See Also

Chapter 9, "Creating Contracts," page 77

Chapter 11, "Entering Accounting Distributions," page 135

Chapter 12, "Pricing Contracts," page 143

Chapter 16, "Processing Revenue Recognition," page 223

Revenue Plans

Contracts revenue plans enable you to define, administer, and maintain accounting schedules and rules for the products and services that you sell under a contract. Revenue plans are contract-specific; you cannot use the same revenue plan across multiple contracts.

After you have defined the revenue plans for a contract, data from Contracts drives the creation of accounting entries for amount-based contract lines. Data from Contracts and Project Costing drives the creation of accounting entries for rate-based contract lines. In both cases, Contracts creates accounting entries to send to General Ledger and creates bill lines to send to Billing. Contracts generates the revenue entries and sends these to General Ledger. Billing generates the offsetting entries. Billing also handles recurring revenue.

A contract can consist of multiple contract lines with complex and diverse revenue recognition requirements. In Contracts you assign each product to its own contract line and then associate each contract line with its own set of accounting distribution codes. You then associate each contract line for which Contracts manages revenue with a revenue plan. Revenue plans store the timing of revenue recognition, as well as any notes relating to individual revenue plan events. You can assign contract lines with similar revenue recognition requirements to the same revenue plan. When Contracts manages revenue, each contract has at least one revenue plan, and it may have more.

Revenue plans are often made up of a series of dated revenue recognition events that are associated with percentages or amounts. The percentage or amount reflects how much of the contract line's negotiated amount will be recognized upon a certain date, milestone, or user-initiated action. Should a revenue plan be tied to several contract lines, then the amount that is recognized for each event is based on the sum of negotiated amounts of all contract lines associated with that revenue plan.

You can optionally select revenue plan templates to automate the creation of revenue plans on your contract. You can also associate events with your revenue plan template depending on your plan method. Create revenue plan templates on the Billing/Revenue Plan Templates page and apply the templates to a contract line in one of these ways:

- Associate the product with a revenue plan template when setting up the product definition.

  The system creates the revenue plan automatically when you select the product onto a contract line.
- Associate the product with a revenue plan template upon adding a product to a contract line.
- Select a value in the Revenue Plan Template field on the Assign Revenue Plan page.

  The system creates the revenue plan automatically when you assign the contract line to your plan.

See Also

Chapter 15, "Setting Up Revenue Plans," Defining Revenue Plans, page 211

Chapter 7, "Structuring Contracts," Defining Revenue and Billing Plan Templates, page 36

Revenue Recognition Event Types

The event type that you select determines which of the fields in the Events group box on the Revenue Plan page are relevant to the event. This table discusses the event types that you can select and the fields that are relevant to them:

Event Type	Event Type Definition	Associated Fields for the Event Type
Milestone (Contracts)	Select an event type of *Milestone* and a milestone origin of *Contracts* (Contracts) to associate the revenue recognition event with a milestone that you have defined in Contracts.	Event Status MS Orig (milestone origin, also referred to as milestone source), Milestone Nbr (milestone number), Milestone Status, Description, Notes, Percentage Amount

Event Type	Event Type Definition	Associated Fields for the Event Type
Milestone (Project Costing)	Select an event type of *Milestone* and a milestone origin of *Projects* (Project Costing), to associate the revenue recognition event with a milestone that you have defined in Project Costing.	Event Status, MS Orig (milestone origin, also referred to as milestone source), Notes, Project, Percentage, Amount
Date	Select an event type of *Date* to associate the revenue recognition event with a specific calendar date.	Event Status, Date, Notes, Percentage, Amount

The criteria for a revenue plan event to be valid for booking is based on the event type that you select.

Events tied to *Milestone* event types are valid for booking when all of the following items are true:

- The revenue plan has a *Ready* status.
- The event has an event status of *Ready.*
- The milestone is complete.

  The way in which the system evaluates that a milestone is complete varies by the milestone origin, either Contracts or Project Costing.
- You have defined a percentage for the milestone event.

Events tied to a *Date* event type are valid for booking when all of the following items are true:

- The revenue plan has a *Ready* status.
- The event has an event status of *Ready.*
- The revenue recognition date qualifies for the date selection criteria in the Amount-based Revenue process.

Revenue Recognition Methods

Revenue recognition methods define the criteria that must be met before revenue can be recognized. In Contracts, you specify revenue recognition methods for products on the Product Definition component. The associated revenue recognition method appears when you select a product onto the contract line. In your Contracts business unit setup, you define your revenue management options to enable or disable a revenue recognition method override. If you selected the override check box during setup, the revenue recognition method from the product appears by default onto the contract line. You can change the method when linking the contract line to a revenue plan. You must assign contract lines to revenue plans that share the same revenue recognition method. You can assign multiple contract lines with same revenue recognition method to a single revenue plan.

Contracts supports four methods of revenue recognition: *As-incurred, Apportionment, Percent Complete,* and *Milestone.* An additional method is *Billing Manages Revenue.* You never associate the *Billing Manages Revenue* method with a plan because it indicates that Billing, and not Contracts, manages the revenue.

As Incurred Use this method to manage revenue on an as needed basis. The *As-incurred* method is transaction based revenue recognition—as the activity is incurred

and processed by Project Costing, revenue is recognized. This is the only method used for rate-based contract lines.

The advantage of managing as-incurred revenue through Contracts is that you can separate revenue from billing to enable revenue recognition based on fulfillment rather than a billing schedule. Additionally, Contracts enables you to place the as-incurred revenue plan on hold. This enables you to hold back revenue recognition without interrupting your billing process. You also have the option of defining events for as-incurred revenue plans.

Once you have booked all revenue associated with an as-incurred revenue plan, you must manually set the revenue plan's status to *Completed.*

Apportionment

Use this method to recognize a fixed amount of revenue over a predefined period of time. The parameters that you define when you select Apportionment as the method include start date, end date, and schedule. You can apportion your revenue over any number of uniquely-defined time segments with a different percent applied to each period.

The Apportionment method also uses the systemwide parameters of accounting date and proration method; these are defined on the Contracts Definition - Processing Options page during system setup.

When you click the Build Event button, the system generates the apportionment events and places them in the event grid on the revenue plan. If revenue recognition is not a straight line, you may update the percentages or amounts on the grid after the events are generated. You can define multiple proration schedules for a single revenue plan, as long as the total apportioned amount equals the total revenue plan amount.

Once you have generated an apportionment schedule and built the revenue plan events for a revenue plan, the system can automatically recognize revenue according to these events. You can use the Review Revenue - Events page to view revenue activities, both booked and pending entries. You can optionally place revenue plans on hold from the Revenue Plan page. When you place a revenue plan on hold, events that would normally be booked in the next run of the Amount-based Revenue process are skipped. When you remove the hold, these event can be picked up in the next run of the process.

Note. Use a schedule with a start date equal to the start date that you define for your apportionment events if you want your schedules to be in sync.

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining Financials and Supply Chain Management Common Definitions," Setting Up Schedules.

Percent Complete

Use this method to recognize revenue based on a manually entered percentage of completion or a system updated percentage of completion based on your associated project or project and activity combination. Parameters include percent completed and the accounting date for amount completed but not yet recognized.

Use this method for contract lines where you are entitled to book increments of revenue at different intervals, but there is no set list of intervals or percentages. A Percent Complete revenue plan can only have one *New* or *Ready* revenue plan event at a time. Over the life of the contract line, as you receive permission to book a percentage of revenue for that contract line, you navigate

to the Percent Complete revenue plan and generate a new event. Then, the system marks it *Ready.* Any additions to the percent complete will only update the single percent complete event in the *New* or *Ready* status. Once the event is set to *In Progress*, subsequent events can be created.

Milestone

Use this method to recognize a fixed amount of revenue spread over time and triggered as each milestone is met. The milestone may be a milestone defined in Contracts or in Project Costing. You may associate multiple milestones with the revenue plan. When you do this, you need to specify the portion of revenue that is to be recognized upon the completion of each milestone. Parameters include milestone, percent or amount to recognize, and accounting date.

When associating events with milestones, you have the option of leaving the event status as *New Event* or setting the event status to *Ready.* Which status you use depends upon how much control you want to exercise over revenue recognition for a particular event. When you leave the event status at *New Event,* after a milestone completes, you must use the Review Revenue - Events page each period to review and select those revenue plan events that are now eligible to be booked. When you set the event status at *Ready,* once the milestone completes, the system books the revenue associated with that revenue plan line the next time that you run the amount-based revenue process.

Billing Manages Revenue

Use this method when Billing, not Contracts, manages the revenue for a contract line. Only amount–based and recurring contract lines can use this method. You must always use this method with recurring price types. With this revenue recognition method, you do not set up a revenue plan. You assign the contract line to a billing plan only. Billing then recognizes revenue for the contract lines that are billed.

Note. For contracts with a contract classification of *Internal,* the system uses *Billing Manages Revenue* for the revenue recognition method.

This table discusses each available revenue recognition method:

	As Incurred	Percentage of Completion	Milestone	Apportionment
Basis (how to recognize revenue)	As-needed (can be scheduled).	Event-based (percent revised over time).	Event-based (percent or amount defined for each event).	Schedule-based (start and end dates known).
Amount	Rate-based (amount is based on transactions).	Fixed (amount defined in contract).	Fixed (amount defined in contract).	Fixed (amount defined in contract).
Business examples	Time & Material Consulting	Fixed-Price Consulting	Product or Fixed-Price Consulting	Maintenance on a product.

Associating a Product with a Revenue Recognition Method

When you define a product, you associate that product with a revenue recognition method. The revenue recognition method that you associate with the product depends upon the price type of the product. This table lists the four product pricing types that Contracts supports:

Price Type	Description	Available Revenue Recognition Methods
Amount	Used for products that have a fixed price.	Apportionment Percent Complete Milestone Billing Manages Revenue
Percentage	Used for products that are priced as a percent of one or more contract lines. For example, technical support is often priced as a percentage of the license price for the products being licensed under the contract.	Apportionment Percent Complete Milestone Billing Manages Revenue
Rate	Used for products, such as services, that have a rate-based pricing structure, such as $400 per hour worked. The actual monetary amount is not known until the hours have been worked and reported.	As Incurred
Recurring	Used for products that have a recurring pricing structure where a start date and schedule are defined.	Billing Manages Revenue

Changing Revenue Recognition Methods

If, on the Contracts Definition - Processing Options page, you specified that the change of revenue recognition parameters is allowed, you can change a contract line's revenue recognition method when assigning a contract line to a revenue plan. If you did not enable this option, you cannot change a contract line's revenue recognition method and can only associate a contract line with a revenue plan that is of the same revenue recognition method. This restriction provides a control to keep the revenue recognition method for a particular product consistent across all contracts in which it is used for accounting purposes.

If you have enabled this option, users will be able to change the revenue recognition method of a contract line when assigning it to a revenue plan. You must make your changes on the Assign Revenue Plan page. Here are the rules regarding when you can and cannot make changes to a revenue recognition method:

- You cannot change an as-incurred revenue recognition method (because price type equals rate, and rate has only one valid revenue recognition method).
- You cannot change from or to the Billing Manages Revenue method if the contract is *Active* and tied to a bill plan with a status other than *Pending* or *Ready* (because Billing has already begun processing).

- You cannot change the revenue recognition method on a revenue plan.

  You must first unassign the line on the Assign Revenue Plan page. Then, you can change the revenue recognition method when reassigning the line on the Assign Revenue Plan page.
- You cannot change the *Billing Manages Revenue* revenue recognition method for a contract line with a *Recurring* price type, because *Billing Manages Revenue* is the only valid revenue recognition method for this price type.
- You cannot change the *Billing Manages Revenue* revenue recognition method for a contract line with a *Internal* contract classification, because *Billing Manages Revenue* is the only valid revenue recognition method for this price type.

Revenue Plan and Event Statuses

There are two areas related to Contracts revenue recognition that have status fields: revenue plans and revenue plan events. Status fields exist for each area to initiate edit checking, enable processing, and indicate booking progress.

Understanding Revenue Plan Status

There are eight status values for a revenue plan:

Pending

Appears by default when you define a new revenue plan. When you save a revenue plan in *Pending* status, the system does not perform edit checking. This enables you to work on a revenue plan, save your work, and return to that revenue plan to finish your work at a later date. When you have completed entering data for a revenue plan, you manually set the status field to *Ready.*

Note. If you are using templates and you selected the *Activate Contract* option on the template, the system automatically sets the revenue plan status to *Ready* upon contract activation.

Ready

You can select this status for a revenue plan when the contract has an *Active* status. If all required conditions are met (see Changing a Revenue Recognition Status to Ready below), the revenue plan status becomes *Ready,* and one of the Revenue Recognition Application Engines (CA_LOAD_GL1 for amount-based revenue recognition and PSA_ACCTGGL for rate-based revenue recognition) may now process this revenue plan.

If you are using templates to automate your revenue plan process and you selected the *Activate Contract* option on the template, the system automatically sets the revenue plan status to *Ready* upon contract activation.

In Progress

Once revenue recognition has begun, the Revenue Recognition Application Engine changes the plan's status to *In Progress.*

At this point, the revenue plan status becomes display only and the system restricts revenue plan changes to events that have not yet been processed. Plans with a revenue recognition method of *% Complete* have only one event in this state.

Action Required

The system sets a revenue plan to an *Action Required* status if a contract line amendment is processed or an event is reversed. You must review the event inserted by the amendment or reversal process and re-allocate the plan to account for the amendment or reversal. Once you have reviewed the revenue plan and made any necessary changes, click the Reviewed button to signify to

the system that the plan is ready to continue with processing. The system validates that 100 percent of the revenue plan amount is defined on events and changes the status from *Action Required* to *In Progress.*

Note. When you create an amendment for a revenue plan that has a status of *Complete,* the system sets the revenue plan status to *In Progress* instead of *Action Required.*

Note. In the scenario where the contract line amount associated with the revenue plan is amended, and the new amount equals the total recognized amount for the revenue plan and all revenue events are in *Completed* status, when you click Reviewed, the system changes the revenue plan status from *Action Required* to *Completed.* This applies to Milestone, Apportionment, and Percent Complete revenue plans with events.

Cancelled

Revenue plans may be cancelled from a status of *Pending* or *Reversed.* Cancellation may occur due to the entire contract being terminated or superseded, a contract line being dropped, or to consolidate contract lines onto another revenue plan. Once cancelled, a revenue plan cannot be reopened.

Completed

For milestone, apportionment, and percent complete revenue recognition methods (amount-based revenue), once all revenue plan events are complete and total 100 percent of the plan's amount, the system updates the plan to *Completed* (through the Application Engine − CA_LOAD_UPD). This indicates that all revenue for this plan has been distributed.

For as-incurred revenue recognition (rate-based revenue), you must manually select the *Completed* status because the system does not know when the last transactions were accumulated in Project Costing and processed through to revenue recognition. If your as-incurred revenue plan has events associated with it, you must wait until all events are complete before you can select the *Completed* status.

Reversal In Progress

When you initiate the reversal of a revenue plan, the system changes the status of the revenue plan to *Reversal In Progress*.

Reversed

You can reverse a revenue plan from the Review Revenue page or the Contract Reversal page. When you first reverse a plan, the plan receives a status of *Reversal in Progress.* When all events have been reversed, the system updates the plan status to *Reversed.* You cannot reopen reversed plans.

Note. *Pending* and *Ready* revenue recognition events do not get reversed, so those events may appear on the revenue plan when the system sets the plan status to *Reversed.*

Note. You cannot close a contract if any associated revenue plans have a status of *In Progress* or *Action Required.*

If the revenue plan status is *Ready, In Progress,* or *Action Required,* you can select the Hold check box to temporarily hold the revenue plan from processing. The system stores the date on which you placed the revenue plan on hold for reference purposes.

The system performs specific edits when the revenue plan is moved from one status to another. A revenue plan must pass all edits for the status change to occur.

Auto Readying Revenue Plans

A check box on the revenue plan page indicates whether the system should mark the revenue plan *Ready* automatically upon contract activation. The value in this check box populates from the option defined on the Billing and Revenue Plan Template page. The default for this template option is to leave the plan *Pending*. Therefore, you must select this option on the template for the system to automatically set the revenue plan status to *Ready* upon contract activation. You also have the option to select this check box while in a revenue plan. Then, upon saving, the system automatically readies the plan.

Changing a Revenue Plan Status to Ready

When you move the revenue plan status to *Ready* and click the Save button, the system performs the following edit checks:

- The contract status is mapped to a processing status of *Active*.

  This ensures that the contract is fully captured, pricing is fully allocated, and all accounting distributions are defined and valid.
- At least one contract line is attached to the revenue plan.
- For Milestone and Apportionment method revenue plans, a minimum of one event is defined for the revenue plan and the sum of the events equals the plan amount.

Note. The same edits apply when the system automatically readies the revenue plan upon contract activation through the revenue template option.

Changing a Revenue Plan Status to Pending

You can manually move the status of a revenue plan from *Ready* to *Pending*. The system does not perform edit checking for this type of status change.

Changing a Revenue Plan Status to In Progress

For revenue plans containing events, the system automatically initiates a revenue plan status change from *Ready* to *In Progress* when the first revenue plan event status is moved to *In Progress*. The revenue recognition event status is moved to *In Progress* when you run the Revenue Recognition Application Engine (CA_LOAD_GL1 for amount-based revenue and PSA_ACCTGGL for rate-based revenue).

For as-incurred method revenue plans without events, the system automatically initiates a revenue plan status change from *Ready* to *In Progress* the first time that it processes billable lines for a project that is assigned to a contract line associated with that revenue plan. You cannot manually change the status to *In Progress*.

Changing a Revenue Plan Status to Action Required

The system set the revenue plan to a status of *Action Required* if a contract line amendment is processed or an event is reversed. The system also places the plan on hold. You must review the event inserted by the amendment or reversal process and reallocate the plan to account for the amendment or reversal. Once you have reviewed the revenue plan and made any necessary changes, click the Reviewed button to rebuild the revenue schedule and to signify to the system that the plan is ready to continue with processing. The system changes the status from *Action Required* to *In Progress*.

Note. When you create an amendment for a revenue plan that has a status of *Completed,* the system sets the revenue plan status to *In Progress* instead of *Action Required.*

Note. In the scenario where the contract line amount associated with the revenue plan is amended, and the new amount equals the total recognized amount for the revenue plan and all revenue events are in *Completed* status, when you click Reviewed, the system changes the revenue plan status from *Action Required* to *Completed.* This applies to Milestone, Apportionment, and Percent Complete revenue plans with events.

Changing a Revenue Plan Status to Completed

For amount-based revenue plans containing events, the system automatically changes the revenue plan status to *Completed* when all revenue plan events are *Completed.* The system does this when you run the Application Engine (CA_LOAD_UPD).

For as-incurred method revenue plans (both with and without events), you must manually initiate the status change because the system does not know when the last transactions were accumulated in Project Costing, and processed through to Billing. If your as-incurred revenue plan contains events, you cannot change the revenue plan status to *Completed* until all events have a status of *Event Booked.*

Changing a Revenue Plan Status to Reversed

You can reverse a revenue plan from the Review Revenue - Plans page or the Contract Reversal page. When you first reverse a plan, the revenue plan receives a status of *Reversal in Progress.* When CA_LOAD_UPD is run after the Journal Generator, the system sets the *Reversal in Progress* events to *Reversed.* When all events that were originally set to *Reversal in Progress* are updated to *Reversed,* the CA_LOAD_UPD process updates the revenue plan status from *Reversal in Progress* to *Reversed.*

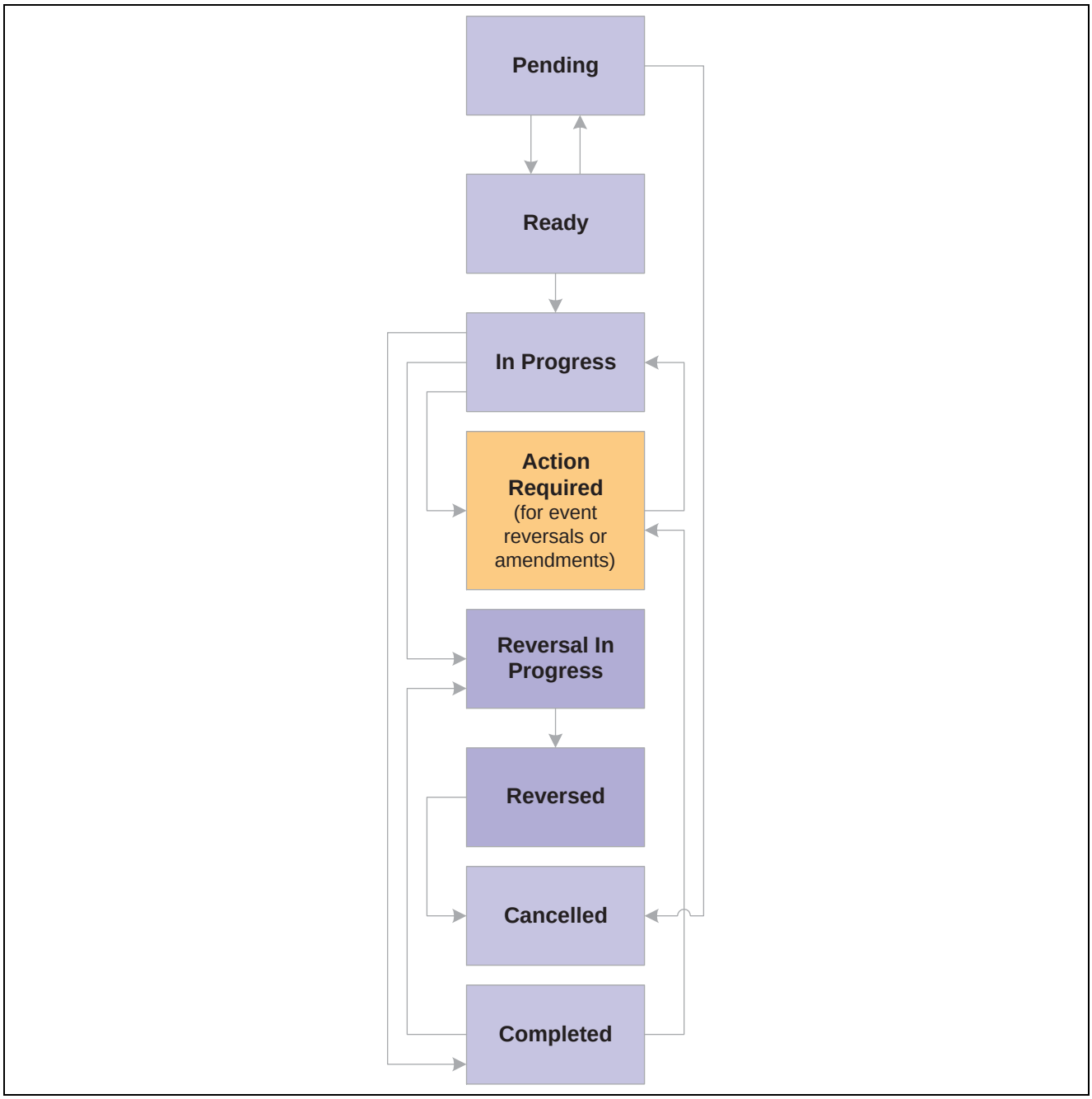
Note. *Pending* and *Ready* revenue recognition events do not get reversed, so those events may appear on the revenue plan when the system sets the plan status to *Reversed.*

Changing a Revenue Plan Status to Cancelled

You can change the revenue plan status to *Cancelled* from a *Pending* or *Reversed* status.

Revenue Plan Status Flow

This diagram depicts the flow between status values:



Revenue plan status

Understanding Revenue Plan Event Status

The revenue plan event status acts as the final gatekeeper to determine if the event can be released. The system will not mark a revenue plan complete until all associated events are complete (booked).

There are seven revenue plan event statuses:

Pending Appears by default status when you define a new revenue plan event. Revenue plan events with this status are not subject to system edit checking.

Ready Setting an event to *Ready* makes it available for processing. The system sets apportionment and percent complete events to a status of *Ready* by default.

In Progress Appears automatically once the revenue recognition event has been processed by the system by using the Revenue Recognition Application Engine process (CA_LOAD_GL1 for amount-based revenue and PSA_ACCTGGL for rate-based revenue). Events marked with this *In Progress* status are overlooked by future revenue processes.

Completed Appears for both amount-based and rate-based revenue when you run the Application Engine (CA_LOAD_UPD) process.

Reversal Initiated The system sets this status when you select the Reversal Initiated option and click the *Update Event Status* button on the Review Revenue - Events page. Selecting this option triggers the system to generate a reversal for the selected revenue plan events the next time that CA_LOAD_GL1 is run.

At the same time that the system sets the event status to *Reversal Initiated,* the system also changes the revenue plan status from *In Progress* or *Completed* to *Action Required.* This indicates that you need to manage the revenue plan events to ensure that you update or define events for event level reversal amounts.

Reversal In Progress The system sets this status when the application engine begins the reversal generation process.

Reversed Appears when you have completed the revenue plan event reversal. You cannot reuse a reversed event (in other words, you cannot set the status back to *Pending* or *Ready).* Instead, you must add new events to the revenue plan.

Note. You cannot reverse events for as-incurred revenue plans.

Understanding the Relationship Between the Revenue Plan Status and Revenue Plan Event Status

The ability to edit revenue plan events depends on the status of your revenue plan:

- When the revenue plan status is *Pending,* you can freely edit your revenue plan events.
- When the revenue plan status is *Ready* or *In Progress,* you can edit revenue plan events with a status of *Pending* or *Ready.*
- When you reverse an event and the status of the revenue plan changes to *Action Required,* you can add new revenue plan events or edit revenue plan events with a status of *Pending* or *Ready.*

In addition, the following relationships apply:

- Once the first revenue recognition event status changes to *In Progress,* the status of the revenue plan also changes to *In Progress.*
- An amount-based revenue plan cannot be set to *Completed* by the system until all associated events are either *Reversed* or *Completed* and the event totals sum to 100 percent.
- A rate-based revenue plan cannot be set to *Completed* by the user until all associated events, if any, are *Completed*.
- If you reverse a revenue recognition event, the status of the revenue plan changes to *Action Required.*

Changing a Revenue Plan Event Status to Ready

The process for changing a revenue plan event status from *Pending* to *Ready* differs based on the revenue recognition method you are using. The system sets the status of apportionment and percent complete events to *Ready* upon creation. For milestone and as incurred revenue recognition methods, you can change an event status to *Ready* from the Review Revenue - Events page. From this page you can view all events matching your search criteria, and then set individual events to *Ready* (or back to *Pending).*

For percent complete revenue plans, access the Revenue Plan page, where you can manually update the total percent complete as of the date on which you are making the entry. The system uses this entry to generate the event on the revenue plan. As a result, you must make this entry on the revenue plan itself.

Changing a Revenue Recognition Event Status to In Progress

The revenue recognition event status is moved to *In Progress* when you run the Revenue Recognition Application Engine (CA_LOAD_GL1 for amount-based revenue and PSA_ACCTGGL for rate-based revenue). The Journal Generator Application Engine books all revenue associated with a revenue plan event to General Ledger.

Changing a Revenue Recognition Event Status to Completed

When you run the post-Journal Generator process (CA_LOAD_UPD), the system updates the revenue recognition event status to *Completed* for both amount-based and rate-based revenue. For amount-based revenue, if all events for a revenue plan are booked and the event total equals 100 percent, the system also updates the revenue plan status to *Completed.* For rate-based revenue, the user must manually update the revenue plan status to *Completed.* (All revenue recognition events must have a status of *Completed.)*

Changing a Revenue Recognition Event Status to Reversal Initiated

The system sets this status when you select the Reversal Initiated option and click the *Update Event Status* button on the Review Revenue - Events page. Selecting this option triggers the system to generate a reversal for the selected revenue plan events the next time that CA_LOAD_GL1 is run.

At the same time that the system sets the event status to *Reversal Initiated,* the system also changes the revenue plan status from *In Progress* or *Completed* to *Action Required.* This indicates that you need to manage the revenue plan events to ensure that you update and define events for event level reversal amounts.

Changing a Revenue Recognition Event Status to Reversal in Progress

The system sets this status upon the reversal process picking up the events with a status of *Reversal Initiated* for processing.

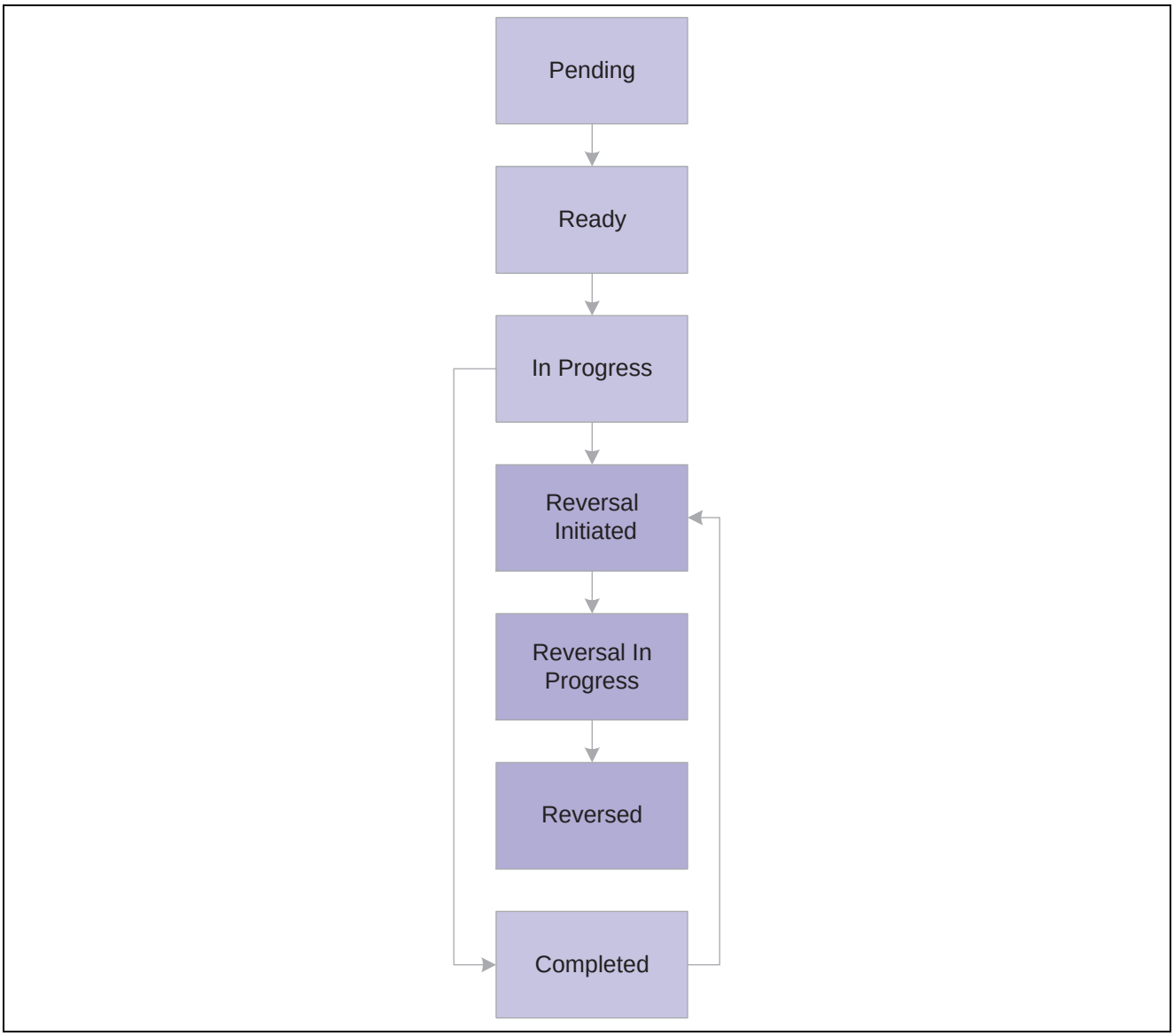
Changing a Revenue Recognition Event Status to Reversed

The system sets this status when you run the post-Journal Generator process (CA_LOAD_UPD). You cannot reuse a reversed event (in other words, you cannot set the status back to *Pending* or *Ready).* Instead, you must add new events to the revenue plan.

Note. You cannot reverse events for as-incurred revenue plans.

Revenue Event Status Flow

This diagram depicts the flow between event status values:



Revenue event status

Revenue Plan Assignment Rules

You assign contract lines to revenue plans on the Assign Revenue Plan page. From this page, you can either assign contract lines to existing revenue plans for that contract or you can create a revenue plan and assign contract lines at the same time. You can assign multiple contract lines to a single revenue plan. Each contract line for which Billing manages revenue, cannot be assigned to a revenue plan. These are the rules for assigning a contract line to a revenue plan:

- The contract lines must be active.
- The revenue recognition method must be valid for the price type.
- The contract lines must be of the same revenue recognition method as the revenue plan unless you have selected the revenue recognition override option for the associated business unit on the Contracts Definition - Processing Options page.
- When assigning an existing revenue plan, the revenue plan status must be *Pending*.

You can assign contract lines to revenue plans for contracts in *Pending* and *Active* statuses. When a contract is in *Pending* status, contract lines are still available for amount allocation. Assigning a contract line to a revenue plan does not impact your ability to perform amount allocation on that contract line. The system stores all amounts related to revenue plans and revenue plan events as a percentage of the revenue plan total. You can define events by percentage or amount. If you define by amount, you must manually update those amounts after making changes to the contract line amount. If you define by percentage, the changes to contract lines amounts made during the amount allocation step are automatically reflected on the revenue plan and revenue plan event amounts.

Note. You do not assign recurring contract lines to a revenue plan. Recurring contract lines use the Billing Manages Revenue method.

Assigning Revenue Plans

The following steps provide a high-level sequence of the activities that you need to perform when assigning contract lines to revenue plans.

To assign contract lines to revenue plans:

1. Create a new contract in *Pending* status.
2. Select products onto contract lines.

   Note. If you associated revenue plan templates with your products, upon selecting those products onto contract lines and clicking Save, the system creates revenue plans and assigns them to contract lines automatically.

3. Assign the active contract lines to revenue plans (could be step 5).

   You can assign a contract line to either a new revenue plan or a revenue plan that you have previously defined for the contract. You can define events for apportionment- and milestone-based revenue plans either before or after activating the contract.

4. Complete the amount allocation for all active contract lines.

   This could change the amount on any active line.

   Repeat steps 2–4 as needed.

5. Activate the contract.

   It is possible to activate the contract prior to assigning any or all of the active lines to revenue plans.

6. Ready the revenue plans.

   Note. If you selected the autoready option for this revenue plan, the system automatically changes the revenue plan status to *Ready* upon contract activation.

Unassigning Revenue Plans from Contract Lines

For a contract line to be unassigned from a revenue plan, its associated revenue plan status must be *Pending, Reversed,* or *Cancelled* to ensure that no processing has occurred. The revenue plan cannot have a status of *Ready* or *In Progress.*

See Also

Chapter 15, “Setting Up Revenue Plans,” Assigning Contract Lines to Revenue Plans, page 218

Revenue Preview

Preview Revenue is a read-only page that provides a view of amount-based revenue recognition events and their corresponding accounting entries before they are processed. The Preview Revenue page displays your accounting entries for a specific revenue plan on a specific contract. In addition, the Preview Revenue page displays amendment accounting entries.

The system builds and updates the schedule automatically whenever changes are made that impact the revenue plan's accounting entries. Once a line is distributed from the schedule, it is marked as distributed. If the schedule is rebuilt, that line does not change.

The schedule is rebuilt when:

- A revenue plan status is changed to *ready* (due to a reversal of an event).
- A new effective dated accounting distribution is added.
- A new accounting date is entered for an event, which changes the accounting distribution.
- The accounting distribution is changed on the Accounting Distribution page.
- An event is deleted from the revenue plan.

Note. If the revenue plan status is *Action Required* or *Reversal In Progress,* then the amounts on the Preview Revenue page are not up-to-date until the plan has been reviewed or processing is completed.

See Also

Chapter 15, "Setting Up Revenue Plans," Previewing Revenue, page 221

Prerequisites

At the system level:

1. Set up the Journal Generator (General Ledger) template.
2. Set up distribution codes.
3. Associate products with distribution sets and define distribution codes within the distribution sets.

Additionally, you must have created a contract and saved at least one active line to that contract.

Defining Revenue Plans

This section lists common elements and discusses how to:

- Define revenue plans.
- Use Project Costing milestones as revenue plan events.

Common Elements Used in This Section

Accounting Date Displays the date on which you recognize revenue for an event.

Contract Displays the contract number for the revenue plans. If you created the revenue plan from the Assign Revenue Plan page, the system assigns the revenue plan to the assigned contract line's contract number.

Event Displays a number unique to each event that is assigned sequentially by the system.

Internal Notes Click to create notes to associate with this event.

Revenue Plan Displays a unique identifier for each revenue plan.

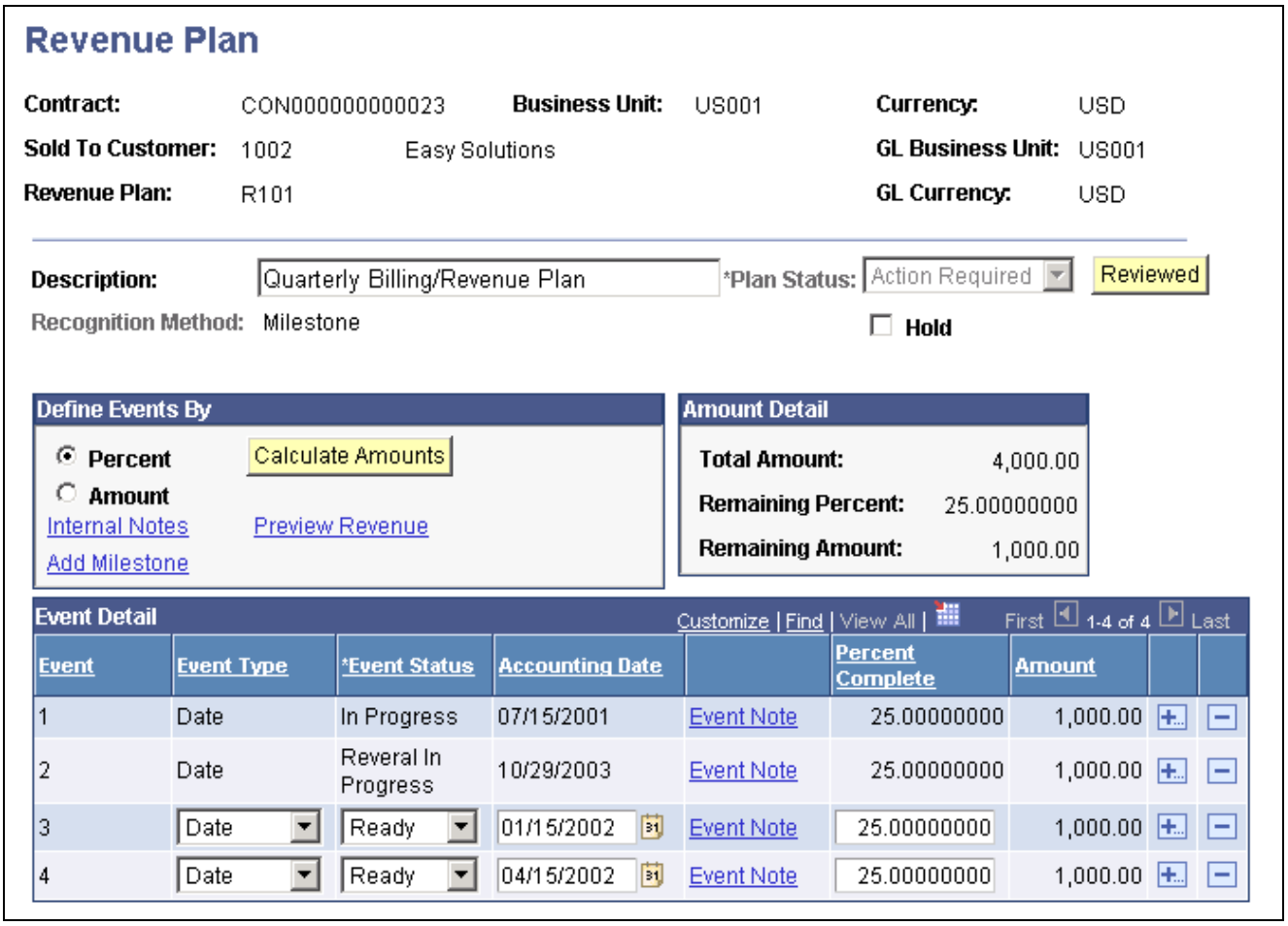
Plan Status *Pending, Ready,* and *Cancelled* are the only statuses that you can manually set; the other statuses are set as a result of a system process. The exception to this rule is that you must set the status to *Completed* for as-incurred revenue plans because they do not have amounts defined up front. This means that there's no way for the system to determine when revenue recognition has completed.

Pages Used to Define Revenue Plans

Page Name	Object Name	Navigation	Usage
Revenue Plan	CA_ACCTPLAN	Customer Contracts, Schedule and Process Revenue, Define Revenue Plan, Revenue Plan	Define a revenue plan for contract lines in which revenue is managed by Contracts. For each revenue plan that you define, you select a revenue recognition method for the revenue plan, and then define the events that trigger revenue recognition. You do not define revenue plans for contract lines with a revenue method of Billing Manages Revenue.
Revenue Plan Event Note	CA_AP_EVENTS_NOTE	Click Event Note on the Revenue Plan page.	Create internal notes that you can associate with a revenue plan event.
Project Information for Event	CA_AP_PROJ_SP	Click Project Info on the Revenue Plan page.	Click to link a revenue recognition event occurrence to a Project Costing milestone and designate when the revenue recognition event should consider that milestone achieved. You must have a milestone event with a milestone origin of *Projects*.

Defining Revenue Plans

Access the Revenue Plan page.



Revenue Plan page

Note. Defining a revenue recognition event is optional for revenue plans with a revenue recognition method of *As-incurred*. If you choose to define an event, the as-incurred revenue recognition method limits you to one *Ready* event at a time.

GL Currency (General Ledger currency) Displays the General Ledger business unit that you associated with this contract's Contracts business unit, on the Contracts Definition - BU Definition page. This is the business unit in which revenue generated by this revenue plan is recorded, with the exception of interunit accounting.

The default currency code is that of the primary ledger of the General Ledger business unit.

Recognition Method Displays the revenue recognition method, which describes the nature of the revenue recognition that applies to contract lines that are assigned to a revenue plan. The additional fields that appear on this page are specific to the events that you create for the previously selected revenue recognition method.

Amendment Amt (amendment amount) Displays the amount of the amended event.

Plan Status Controls your ability to enter information into, and the processing that occurs against, the revenue plan. The available revenue plan statuses that you can control are: *Pending, Ready,* and *Cancelled.*

Reviewed This button appears on the page when your revenue plan status is *Action Required.* This indicates that a contract line was amended or events were reversed and you must review the revenue plan events that were inserted by the amendment process. Click this button after you have reviewed your revenue plan events and made any necessary changes to *Pending* events. Clicking this button enables the system to continue processing your revenue plan and the system sets your revenue plan status back to *In Progress* to make it available for continued processing.

Note. In the scenario where the contract line amount associated with the revenue plan is amended, and the new amount equals the total recognized amount for the revenue plan and all revenue events are in *Completed* status, when you click Reviewed, the system changes the revenue plan status from *Action Required* to *Completed.* This applies to Milestone, Apportionment, and Percent Complete revenue plans with events.

Hold Select to place this revenue plan on hold. Any revenue recognition activity associated with the plan is not picked up by the Contracts application engine processes. You can view plans that are on hold from the revenue management pages; however, you can only initiate and remove a hold on a revenue plan from this page. This option is not available on revenue plans with a *Pending* status.

Ready at Activation Select this check box if you want the system to ready the revenue plan upon contract activation.

Define Events By

The fields that appear in this section vary depending on the revenue recognition method.

Add New Events Click to add an event. This field appears when no contract lines are assigned to the revenue plan.

Percent Select to define events by a percent of the total amount. This field is available for *Milestone* and *Apportionment* revenue plans only.

Amount Select to define events by a specific amount. This field is available for *Milestone* and *Apportionment* revenue plans only.

Calculate Amounts If *Percent* is selected, click this button to populate the Amount field in the Event Detail group box. This field is available for *Milestone* and *Apportionment* revenue plans.

Percent Source Select a value of *Project, Project/Activity,* or *Specify Percent.* Upon selection of *Project/Activity* or *Project,* if this contract line is attached to a project or activity, the system pulls the percentage from Project Costing and displays it in display-only format next to the Percent Source field. If you select the *Specify Percent* option, you must enter a specific percentage for building your event.

This field is available for *Percent Complete* revenue plans only.

Note. The *Project* and *Project/Activity* options appear only if you have defined a project and activity for the contract.

Build Event After you have selected a value for the Percent Source field, click this button to generate a revenue plan event. This field is available for *Percent Complete* revenue plans only.

Internal Notes Click this link to create a revenue note to apply to the contract.

Add Milestone Click to access the Milestone Entry page, where you can define a new milestone to add to a revenue plan event. This field is available for *Milestone* and *As Incurred* revenue plans only.

Preview Revenue Click to preview revenue recognition for amount-based plans. This field is not available for *As-incurred* revenue plans.

Amendment Event Detail Click to view the detail for the amended events associated with this revenue plan event.

Amount Detail

This group box is not available for *As-incurred* revenue plans.

Total Amount Displays the total negotiated amount of all contract lines assigned to this revenue plan.

Remaining Percent Displays the percentage of the total amount that is not yet associated with an event.

Remaining Amount Displays the total amount minus the sum of all amounts on any events that you have created for this revenue plan.

Apportionment Parameters

The fields in this group box apply to *Apportionment* revenue plans only.

Start Date Enter the start date for your apportionment schedule. If you have assigned only one contract line to the revenue plan, the system populates this field with the contract line's start date.

End Date Enter the end date for your apportionment schedule. The period between the start and end dates is the period in which you are spreading your revenue. If you have assigned only one contract line to the revenue plan, the system populates this field with the contract line's end date.

Number of Periods Enter the number of periods for your apportionment schedule.

Schedule ID Determines how often to recognize revenue. Generates the from and to dates for each period.

Note. The Schedule ID field is user-definable in Common Definitions.

Percentage Enter a percentage amount in this field to generate apportionment events based on a percentage of the revenue plan's total amount.

Note. If, after building your apportionment events, you make subsequent changes to the pricing of the contract lines associated with this revenue plan, the system updates the apportionment event amounts by their percentage of the new total amount.

Amount Enter a monetary amount in this field to generate apportionment events based on a specific amount.

Note. If, after building your apportionment events, you make subsequent changes to the pricing of the contract lines associated with this revenue plan, your amounts will not be updated. You must rebuild your plan.

Build Event Click to have the system generate event lines in the Event Detail group box based on the apportionment parameters that you entered.

If revenue recognition is not a straight line, you may update the percentages or amounts in the group box after the events are generated. You can define multiple schedules for a single revenue plan, as long as the total apportioned amount equals the total revenue plan amount.

Once you have generated an apportionment schedule and built the revenue plan events for a revenue plan, the system can automatically recognize revenue according to these events. The system calculates the amounts for each event using the revenue proration options that you selected on the Contract Definition - BU Options page.

Event Detail

Event Displays an event reference number.

The system assigns an event reference number to each event that you associate with a revenue plan ID.

Event Type For *Milestone* and *As-incurred* revenue plans, select an event type of either *Date* or *Milestone.* For *Percent Complete* revenue plans, the system populates this field with a value of *Date* because you cannot create any other type of event. Additional fields appear on the page based on your event type selection.

Note. The criteria for a revenue plan event to be valid for booking is based on the event type that you select.

Event Status Controls your ability to enter information into, and the processing that occurs against, the revenue recognition event. The available revenue recognition event statuses that you can control are: *Pending* and *Ready.*

Source Specifies whether you added the percentage through Contracts or Project Costing. Values include: *Manual* and *Auto.* When building your event, if you selected *Specify Percent* in the Define Events By group box, *Manual* appears. If you selected *Project* or *Project/Activity, Auto* appears. This field appears for *Percent Complete* revenue plans only.

Accounting Date Displays the date on which this event is valid for booking. For *Date* event types, this date determines when revenue can be recognized. For *Milestone* event types, this date and the completion of the milestone determine when revenue can be recognized.

This is the date that Contracts enters on the transaction prior to sending the transaction to General Ledger.

Milestone Origin Select from the following values:

Contracts: Ties the revenue recognition event to a milestone that was defined in Contracts.

Projects: Ties the revenue recognition event to a milestone that was defined in Project Costing.

Milestone Nbr (milestone number) — If you have a *Milestone* event type with an origin of *Contracts,* select a milestone number from the drop-down list box of all milestones that you have defined for this contract.

Days Lag — For *Milestone* event types, you can specify a positive number in this field. The days lag is the number of days after the milestone has completed that the system waits before processing the event.

Milestone Status — Displays the status of the selected milestone. Values are: *Pending, Ready, Completed,* and *Cancelled.*

Project Info — If you have a *Milestone* event type with an origin of *Projects,* click to select the project and activity and activity status containing the milestone to which you want to link this revenue event.

Event Note — Click to create an internal note for your revenue plan.

Percent Complete — If you chose to define events by percent, enter the percentage of this revenue plan's total amount that is to be booked upon completion of this event:

- For milestone revenue plans, if you chose to define events by percent, enter the percentage of the gross amount to be billed for this occurrence.
- For apportionment revenue plans, this field displays the percentage of the total amount represented by this event.

  If this event was generated with an apportionment parameters method of *Percent,* you can edit this value. When you update this field, the system recalculates the Remaining Percent and Remaining Amount values for this account plan. If this event was generated with an apportionment parameters method of *Amount,* you cannot change this value.
- For percent complete revenue plans, this field displays the percentage of the total amount that is represented by this event.

  If the event status is *Pending* or *Ready,* you can edit this value.

Amount — If you chose to define events by amount, enter the specific amount for this event. If you defined events by percent, this value equals the total amount multiplied by the value entered in the Percentage field. This field is not available for *As-incurred* revenue plans.

- For milestone revenue plans, if you chose to define events by amount, enter the specific amount for this event.

  If you defined events by percent, this value equals the gross amount multiplied by the value entered in the Percentage field.
- For apportionment revenue plans, this field displays the revenue amount to be booked by this event.

If this event was generated with an apportionment parameters method of *Amount,* you can edit this value. When you update this field, the system recalculates the values for this account plan in the Remaining Percent and Remaining Amount fields. If this event was generated with an apportionment parameters method of *Percent,* you cannot edit this value.

- For percent complete revenue plans, this field displays the revenue amount to be booked by this event.

Amendment Amt Displays the sum total of any amendments that impact the revenue plan. The system prorates the amount over the events that have occurred.

Incremental % Complete This field is only updated once revenue for an existing row has been booked. For example: If event 1 is 50% and event 2 is 75%, then 50% and 25% (75–50 is the increment for event 2) appear in this column. This field is for *Percent Complete* revenue plans only.

From Date Displays the start date of the proration period for this event. This field is for *Apportionment* revenue plans only.

To Date Displays the end date of the proration period for this event. This field is for *Apportionment* revenue plans only.

See Also

Chapter 15, "Setting Up Revenue Plans," Defining Revenue Plans, page 211

Using Project Costing Milestones as Revenue Plan Events

Access the Project Information for Events page.

See Also

Chapter 19, "Setting Up Billing Plans," Assigning Billing Events to Projects Milestones, page 311

Assigning Contract Lines to Revenue Plans

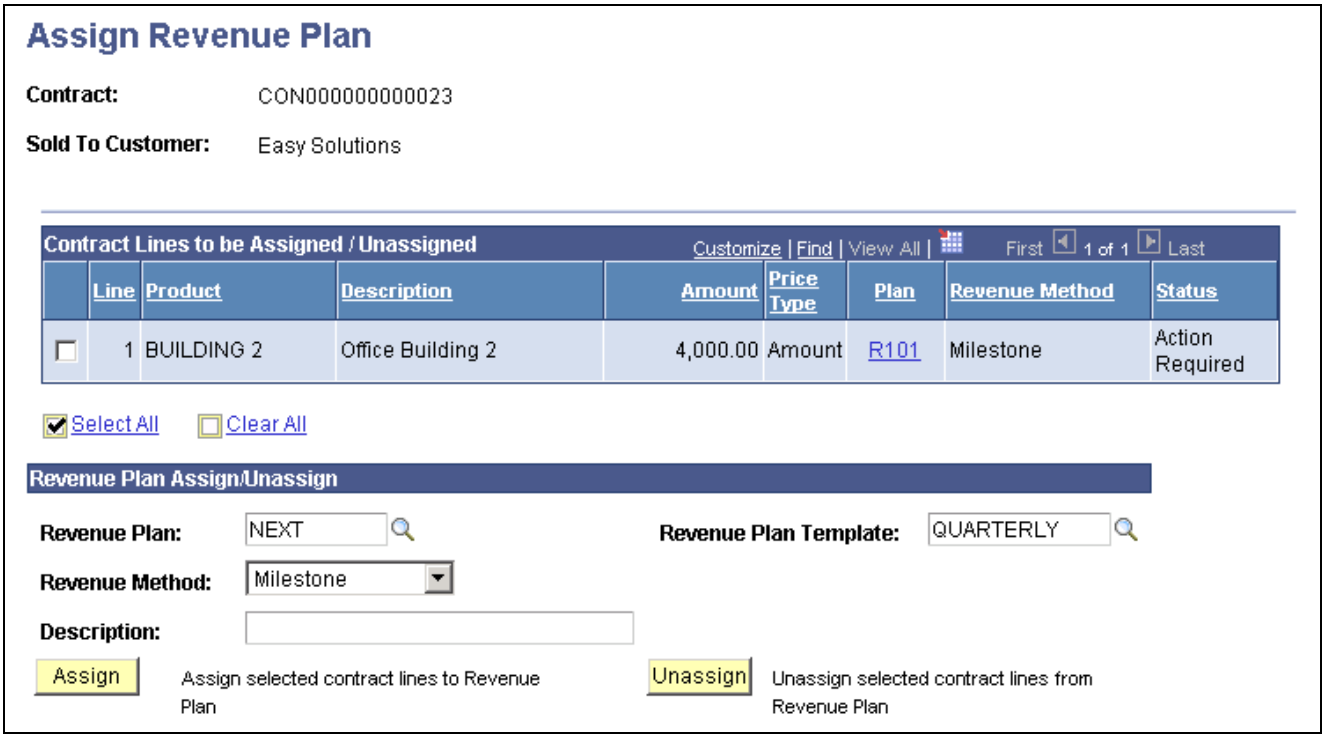
This section discusses how to assign contract lines to revenue plans.

Page Used to Assign Contract Lines to Revenue Plans

Page Name	Object Name	Navigation	Usage
Assign Revenue Plan	CA_AP_LINK	Customer Contracts, Schedule and Process Revenue, Assign Revenue Plan	Assign contract lines to or unassign contract lines from revenue plans. You can first define revenue plans and assign the contract lines to these existing revenue plans, or you can first assign the lines to a new revenue plan and then define the details of the revenue plan.

Assigning Contract Lines to Revenue Plans

Access the Assign Revenue Plan page.



Assign Revenue Plan page

Contract Lines to be Assigned/Unassigned

(select) Select the check box next to the contract lines that you want to assign to a revenue plan. When you click the Assign button, the system links this contract line to the revenue plan for those products that have the same revenue recognition method as the revenue recognition method that you select in the Revenue Method field in the Rev Rec Plan to Assign/Unassign grid. Also use this field to select contract lines that you want to unassign from a revenue plan. Select the check boxes next to the individual lines that you want to unassign, and then click the Unassign button.

Line Displays the contract line number of each active line for the contract number that you selected.

Amount Displays the negotiated amount for each line. This system takes this value from the line's negotiated amount that you allocated on the Amount Allocation page.

Price Type Displays the price type for the contract line. Values include: *Amount, Percent, Rate,* and *Recurring.*

Plan Displays the revenue plan IDs for lines that are assigned to a particular revenue plan. Click a revenue plan ID to access the revenue plan.

Revenue Method Displays the revenue recognition method for each line. Values are: *% Complete, Apportionment, As Incurred,* and *Milestone.*

Status Displays the status of the revenue plan. You can only add contract lines to revenue plans that are in *Pending* status.

(select all) Click to select all products.

(clear all) Click to clear all products.

Revenue Plan Assign/Unassign

Revenue Plan You can either assign contract lines to an existing revenue plan with a status of *Pending,* or you can select *NEXT* to assign the selected lines to a new revenue plan. When you select *NEXT,* you must enter a description for the new revenue plan. This field is for assigning purposes only.

Revenue Method Select a method for the revenue plan that you are assigning or creating. Values are: *% Complete, Apportionment, As Incurred,* and *Milestone.*

Note. You always have the ability to change the revenue recognition method for an ad hoc product regardless of whether or not you selected the *Revenue recognition method override* option on the Contracts Definition - Processing Options page. You can change the associated revenue recognition method when assigning the product to a revenue plan on the Assign Revenue Plan page. The default revenue recognition method appears on the Assign Revenue Plan page, but you can change it here before creating the revenue plan.

You can never change the revenue recognition method for a recurring product regardless of whether or not you selected the *Revenue recognition method override* option on the Contracts Definition - Processing Options page.

Revenue Plan Template To use a revenue plan template, select a contract line from the Contract Lines to be Assigned/Unassigned group box, and then select a revenue plan template. When you click Assign, the system builds the revenue plan and revenue recognition events as specified by the template.

Assign Click to assign the selected contract lines to the selected revenue plan.

To link a previously assigned contract line to a different revenue plan, you must unassign the contract line from its initial revenue plan before you can assign it to a different one.

Unassign Click to unassign the contract lines that you selected from the revenue plan ID.

For a contract line to be unassigned from a revenue plan, its associated revenue plan status must be *Pending, Cancelled,* or *Reversed* to ensure that no processing has occurred. The revenue plan cannot have a status of *Ready* or *In Progress*.

See Also

Chapter 15, "Setting Up Revenue Plans," Revenue Plan Assignment Rules, page 209

Previewing Revenue

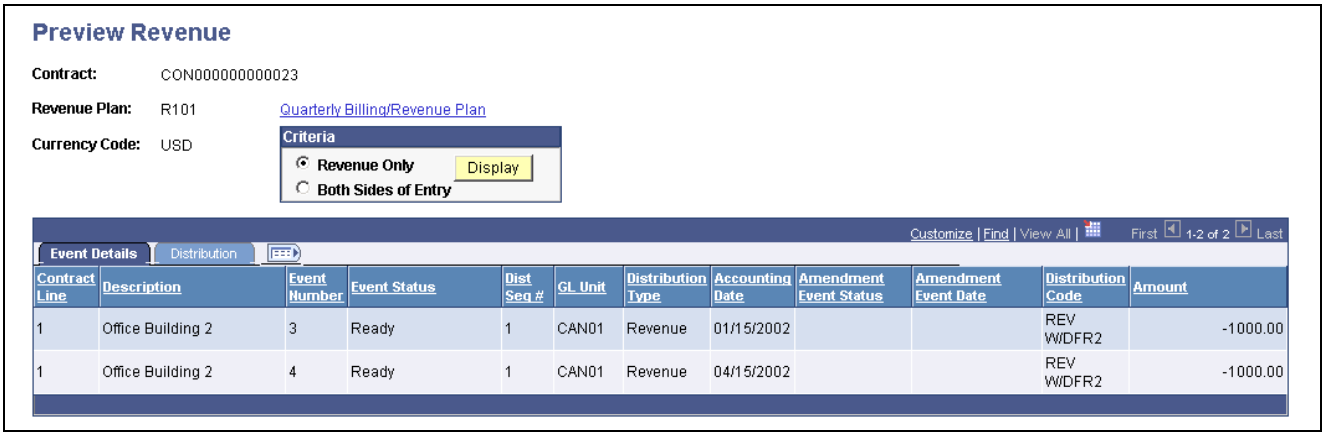
This section discusses how to preview revenue plans.

Page Used to Preview Revenue

Page Name	Object Name	Navigation	Usage
Preview Revenue	CA_PREVIEW_REVENUE	• Customer Contracts, Schedule and Process Revenue, Preview Revenue • Click Preview Revenue on the Revenue Plan page.	Preview revenue recognition amounts for amount-based plans before revenue is processed. This page is display-only.

Previewing Revenue Plans

Access the Preview Revenue page.



Preview Revenue page

Criteria

Revenue Only Select to view accounting distribution for the events on this revenue plan.

Both Sides of Entry Select to view both revenue and its offsetting accounting distribution for events on this revenue plan.

Display Click to populate the Event Details and Distribution scroll areas with the specified criteria.

Preview Revenue: Event Details Tab

Select the Event Details tab.

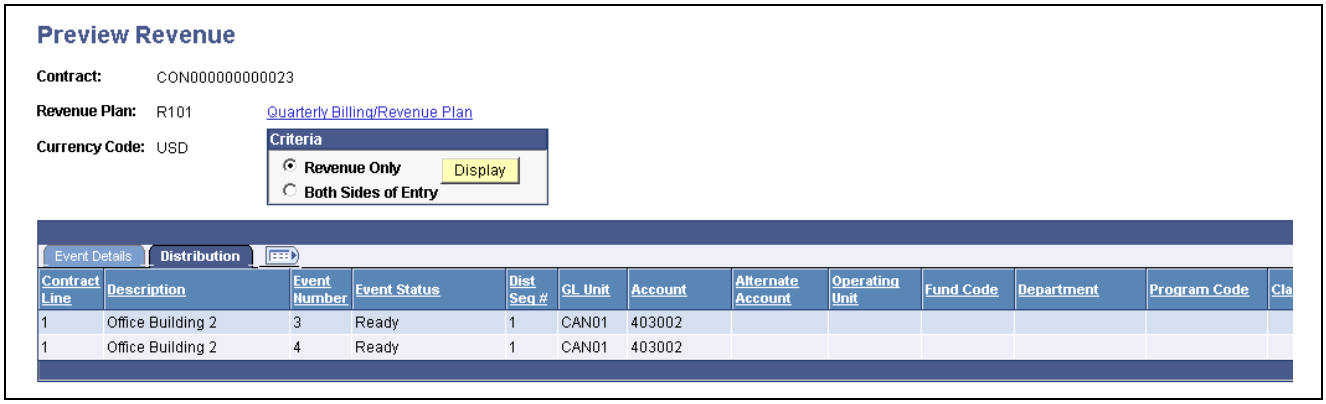
View details about events on this revenue plan.

Amount Displays the amount associated with this contract line.

Note. If the revenue plan status is *Action Required* or *Reversal In Progress,* then the amounts that appear here are not up-to-date until the plan has been reviewed or processing is completed.

Preview Revenue: Distribution Tab

Select the Distribution tab.



Preview Revenue page: Distribution tab

View accounting distribution details for events on this revenue plan.

See Also

Chapter 15, “Setting Up Revenue Plans,” Revenue Preview, page 211

CHAPTER 16

Processing Revenue Recognition

This chapter provides an overview of revenue plan processing and discusses how to:

- Process deferred revenue.
- Process amount-based revenue.
- Process rate-based revenue.
- Update revenue recognition statuses.

Understanding Revenue Plan Processing

Contracts uses three Application Engine processes to structure Contracts revenue information for entry into your General Ledger system. When you run the deferred revenue, amount-based revenue, and rate-based revenue (Accounting Rules Engine) processes, the system places entries in the historical accounting tables and in either the CA_ACCTG_LINE or CA_ACCTG_LN_PC tables to be sent to General Ledger. Contracts uses two accounting entry tables because the data from Project Costing is formatted differently than the data from Contracts. This table shows which Application Engine process to use for each price type:

Price Type	Revenue Method	Revenue Application Engine Process	Revenue Source System
Amount	Percent Complete Apportionment Milestone	CA_LOAD_GL1 (Amount-based Revenue process)	Contracts for amount-based revenue.
Percent	Percent Complete Apportionment Milestone	CA_LOAD_GL1 (Amount-based Revenue process)	Contracts for amount-based revenue.
Rate	As-Incurred	PSA_ACCTGGL (Accounting Rules Engine - rate-based revenue process)	Project Costing for rate-based revenue.
Recurring	Billing Manages Revenue	Not applicable	Billing for recurring revenue.

After you have run these Application Engine processes, you must run the Journal Generator process to load these accounting entries into General Ledger.

This section discusses:

- The Deferred Revenue process.
- The Amount-based Revenue process.
- The Rate-based Revenue (Accounting Rules Engine) process.
- The Project Progress process.
- Journal Generator and Update processes.
- Streamlined revenue.

The Deferred Revenue Process (CA_LOAD_DEF)

If you select the deferred revenue option for any amount-based contract lines on your contract, you must run the Deferred Revenue process (CA_LOAD_DEF) to book deferred revenue and the offsetting unbilled accounts receivable (AR) for fixed-amount contract lines when Contracts is managing revenue. The process picks up the CA_DETAIL amounts for active contracts and creates rows in the CA_ACCTG_LINE table debiting unbilled AR and crediting deferred revenue. You can control which contract lines (CA_DETAIL) are picked up by specifying the deferred revenue accounting date on the contract lines and then defining the accounting date range to be picked up on the process run control page.

The Deferred Revenue process also looks for any reallocation or amount changes made after the contract has been picked up and originally run through this process. Additionally, when the General Ledger currency is different from the contract currency, the process locks the exchange rate used for any multicurrency entries so that amortization of deferred revenue is done using the same exchange rate that the Deferred Revenue process used to initially populate the deferred revenue.

At this point, the program writes the currency-converted data to the CA_ACCTG_LINE table, and sets the deferred revenue processing flag for the processed contract lines from *N* to *Y.*

The Amount-based Revenue Process (CA_LOAD_GL1)

The Amount-based Revenue process writes revenue to CA_ACCTG_LINE for amount- and percent-based contract lines that are tied to Percent Complete, Milestone, and Apportionment revenue plans. The process marks the revenue entries with a General Ledger distribution status of *N* (not distributed). When you run the Amount-based Revenue process, the system scans all revenue plans with a status of *Ready* or *In Progress* and picks up all revenue plan events with an event status of *Ready* or *Reversal Initiated,* as well as all amendment generated events. The system picks up events in the current or prior accounting periods. Prior accounting periods are included because you may have placed some revenue plans or events on hold in previous periods and are now ready to process them.

Before running the Amount-based Revenue process, the system has already:

- Applied the appropriate contract line accounting distribution to the revenue plan events.
- Created the offsetting entry to either unbilled AR or deferred revenue.

  You initially establish the deferred revenue option when setting up your contract product groups. You can override the product group deferred revenue option on the contract line if you selected the Deferred Revenue Override check box on the Contracts Definition - Processing Options page for the associated contracts business unit.

The system performs the previous steps automatically as you create your revenue plans. By having the accounting entries staged before the revenue processes are run, you can view them by using Preview Revenue.

The Amount-based Revenue process then:

- Picks up the appropriate revenue and offsetting accounting entries previously created for Preview Revenue for the accounting period specified on the run control.
- Picks up the appropriate amendment event entries and reversal entries for the accounting period specified on the run control.
- Calls the interunit processor to determine which lines need interunit or intraunit entries created for a selected group of lines with an anchor flag.

  The anchor flag is either the deferred revenue (DFR) or unbilled AR row depending upon whether or not you are using deferred revenue.
- Converts entries, if needed, from the contract currency to the base currency of the primary ledger of the General Ledger business unit, and populates the Foreign Amount, Foreign Currency, Base Amount, Base Currency, Exchange Rate, and Exchange Rate Type fields.

  If deferred revenue is enabled, the process uses the historical exchange rate used for the original deferred revenue entry.
- Converts entries, if needed, for interunit processing, from the primary General Ledger business unit (GLBU) currency used for the balance sheet side of the entry to the primary GLBU currency of the revenue receiving GLBU, and populates the Foreign Amount, Foreign Currency, Base Amount, Base Currency, and Exchange Rate fields.
- Updates the revenue recognition event status from *Ready* to *In Progress* for applicable revenue recognition events.
- Updates applicable revenue plan statuses from *Ready* to *In Progress.*

The Rate-based Revenue (Accounting Rules Engine) Process (PSA_ACCTGGL)

For rate-based revenue, the Accounting Rules Engine process (PSA_ACCTGGL) writes revenue to CA_ACCTG_LN_PC for rate-based contract lines that are tied to as-incurred revenue plans. The process picks up the undistributed Project Costing PROJ_RESOURCE rows where the analysis types are defined to the PSREV or PSCST analysis group.

Warning! Rate-based revenue accounting comes from the accounting distribution set up on the Accounting Rules page. If you did not define any accounting rules for the Project Costing ChartFields and business unit combinations for the transactions that you are processing, the rate-based revenue process does not generate any accounting rows.

The process:

1. Creates the revenue entry and the offsetting entry to unbilled AR.
2. Determines if the General Ledger business unit of the debit and credit sides of an accounting entry differ, and, if so, creates interunit entries.
3. Converts entries, if needed, from the transaction currency to the base currency of the primary General Ledger currency, and populates the Foreign Amount, Foreign Currency, Base Amount, Base Currency, and Exchange Rate fields.

Note. The GL_DISTRIB_STATUS on the CA_ACCTG_LINE and CA_ACCTG_LN_PC tables are initially populated by *G* when the revenue is in process. When the revenue is final and posted in GL, the GL_DISTRIB_STATUS in both tables is populated by *D* (distributed).

4. Updates the revenue recognition event status from *Ready* to *In Progress* for applicable revenue recognition events.
5. Updates applicable revenue plan statuses to *In Progress*.

Note. The Project Costing Pricing Application Engine (PC_PRICING) generates eligible rows for projects/activities linked to contract lines. The rate-based revenue process (Accounting Rules Engine − PSA_ACCTGGL) picks up these rows to create journal entries in General Ledger based on the schedule defined on as-incurred revenue plans. The PC_CA_TO_PC process picks up the revenue accounting rows for amount-based contract lines with associated projects/activities. These amount-based revenue rows in Project Costing are for project tracking and comparison purposes and are not sent to billing or the general ledger (GL).

See Also

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Setting Up Accounting for Projects"

The Project Progress Process

The PeopleSoft system integrates with Project Costing to eliminate duplicate data entry for revenue that is tied to percent complete plans. You can automatically populate the percent complete for revenue plans in Contracts with a value generated in Project Costing. This value comes from the project or project and activity combination in Project Costing. You determine which auto populate method to use on the Revenue Plan page. After choosing an auto populate option, you can set up a run control that allows the processing of one or more plans at a time.

Note. You must have already linked your amount-based contract lines to a project or project and activity combination in order to have the project progress options available to you on the Revenue Plan page.

See Also

Chapter 13, "Working with Project Costing," Project Progress, page 163

Chapter 13, "Working with Project Costing," Processing Project Progress, page 171

Journal Generator and Update Processes

After running the Amount-based Revenue and Rate-based Revenue (Accounting Rules Engine) processes, you must run the Journal Generator and Update Journal Generator processes.

Journal Generator Process

The Journal Generator process picks up all account transactions in the CA_ACCTG_LINE and CA_ACCTG_LN_PC tables with a General Ledger distribution status of *N* (newly inserted) and creates journals for them. The Journal Generator process marks all CA_ACCTG_LINE and CA_ACCTG_LN_PC lines for which it has successfully created a journal line with a General Ledger status of *D* (distributed).

To run the Journal Generator process, you must have the General Ledger accounting entry definitions and journal entry templates set up. The PeopleSoft system delivers the accounting entry definitions. There are two accounting entry definitions—one for each CA_ACCTG table, which you do not update. The PeopleSoft system also delivers these sample journal entry templates:

- CA_DFR for deferred revenue.
- CA_REV for Contracts fixed-amount revenue.
- CA_PC for Contracts rate-based revenue based on transactions accumulated in Project Costing.

Define custom journal entry templates that are specific to your business requirements. On the Journal Generator Request page, specify the template that you want to run. Additionally, you can specify special journal entry templates for a specific accounting rule.

Note. Set up journal entry templates for each GL business unit before you process any Contracts revenue transactions, including deferred revenue.

Note. When running the General Ledger Journal Generator process, you may run into performance degradation over time. Depending on the database platform, volume, and distribution of data, the correct index can speed processing greatly. You may want to create new indexes within the General Ledger or Contracts products to increase performance. In regards to the Contracts product, the PS_CA_ACCTG_LN_PC table should be looked at for additional indexes. For further information on performance tuning the Journal Generator process, please see the *Optimizing General Ledger Performance* section in the *PeopleSoft Enterprise General Ledger PeopleBook.*

See *PeopleSoft Enterprise General Ledger 8.9 PeopleBook*, "Optimizing General Ledger Performance".

Contracts Journal Generator Update Process

The Contracts Journal Generator Update process makes the following updates for applicable revenue plans and events:

- Changes applicable revenue recognition events from *In Progress* to *Completed.*

  If all events for a revenue plan are booked, the system updates the revenue plan status to *Completed.*
- Changes applicable *Reversal In Progress* events to *Reversed.*

  If all events for a revenue plan are set to *Reversed* and the revenue plan status is *Reversal In Progress,* the process changes the revenue plan status to *Reversed.*
- Changes applicable *Reversal In Progress* revenue plans to *Reversed* if all events are *New, Ready,* or *Reversed.*

Note. The CA_LOAD_UPD process updates the GL distribution status to *D* (distributed) for the PROJ_RESOURCE rows associated with Contracts revenue (CA_ACCTG_LN_PC table).

See Also

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Using Journal Generator"

Streamlined Revenue

Utilize the streamlined revenue options to process transactions from Contracts to General Ledger and back to Contracts with one job. Set up the accounting definition defaults for the Journal Generator at the installation level on the Contracts Installation Options page.

The streamlined revenue job (CAREV) runs these processes together:

- Journal Generator (FS_GEN), which includes the Journal Generator, Journal Edit, and Journal Post processes.
- Contracts Load Update (CA_LOAD_UPD).

To activate streamlined revenue, select the Process Journal Entries check box on the Process Fixed Fee Revenue page or the Process Project Accounting page for amount-based and as-incurred revenue, respectively.

In addition to the streamlined revenue process outlined previously, you also have the option to select additional processes for the system to run in conjunction with the amount-based revenue process. On the amount-based run control page, if you select the Process Deferred Revenue, Process Milestones, or Process Project Progress check boxes, the system runs the selected processes prior to running the Amount-based Revenue process.

For more information about batch processing and using the Process Scheduler to personalize and streamline batch processing, see the *Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler*.

See *Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler*

Prerequisites

Before you can begin to process revenue with Contracts, you need:

- A contract with an *Active* processing status.
- A contract line with an *Active* status that is assigned to a revenue plan with a *Ready* status.
- Accounting rules set up for all project ChartField and business unit combinations.

Processing Deferred Revenue (CA_LOAD_DEF)

This section lists prerequisites and discusses how to process deferred revenue.

Prerequisites

You must have selected the *Deferred Revenue* option on the contract line. Only contract lines populated with a deferred revenue accounting date within the run control *From/Through Date* range are picked up by this process.

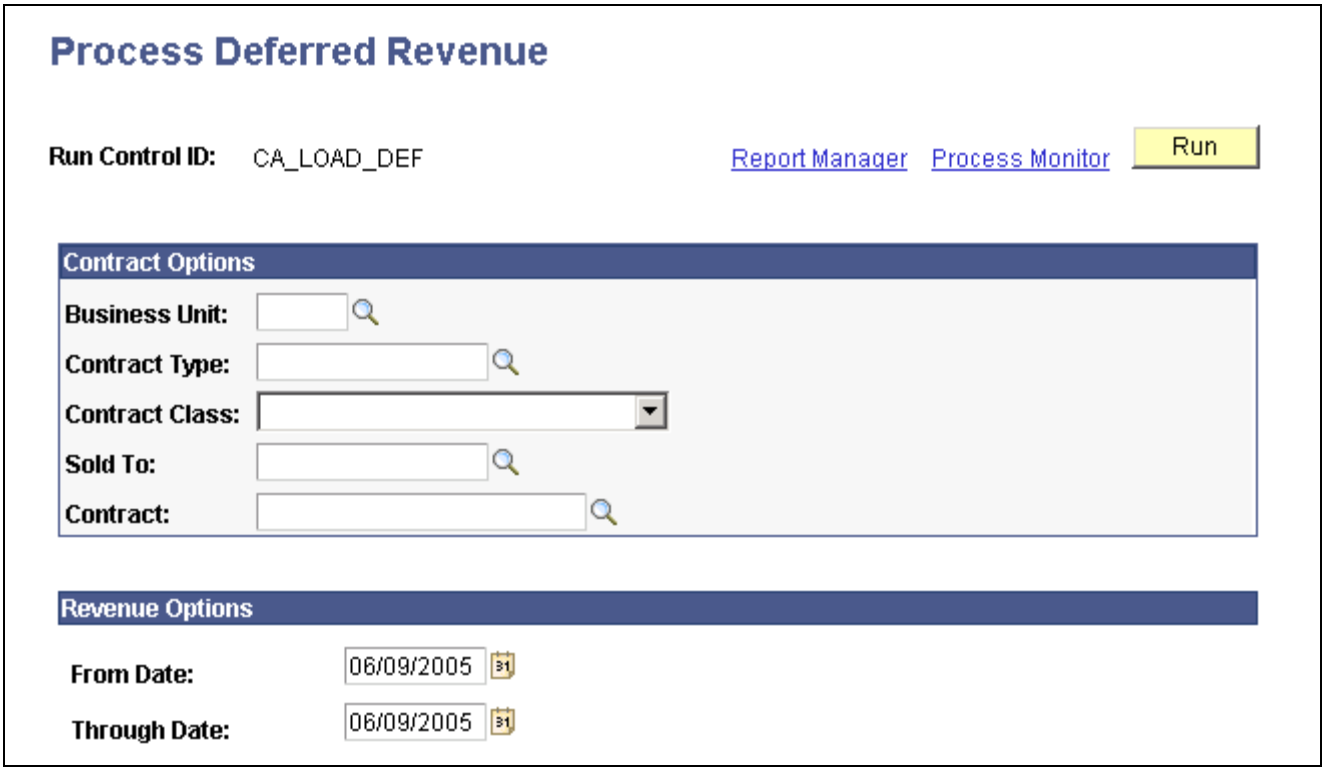
Page Used to Process Deferred Revenue

Page Name	Object Name	Navigation	Usage
Process Deferred Revenue	RUN_CA_LOAD_DFR	Customer Contracts, Schedule and Process Revenue, Process Deferred Revenue	Run this process to book deferred revenue for amount-based contract lines when Contracts is managing revenue. The process picks up the CA_DETAIL amounts for active contract lines in active contracts, and creates rows in the CA_ACCTG_LINE table debiting unbilled AR and crediting deferred revenue.

Processing Deferred Revenue

Access the Process Deferred Revenue page.

The tables updated by this process include: CA_AP_DFR, CA_AP_UAR, and CA_ACCTG_LINE.



Process Deferred Revenue page

Contract Options

Use the fields within this group box to filter the list of contracts on which this process runs. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. When you leave a field blank, the system runs the process for all values for that field.

Revenue Options

From Date and **Through Date** — The system picks up all active amount-based contract lines in active contracts with deferred revenue accounting dates on or within the range that you specify for the from and through dates. You specify the deferred revenue accounting date for contract lines on the Contract - Lines page: Deferred Revenue tab. You can set up your contract so that the system populates this date with the date on the Contract - General page.

Note. You can skip this deferred revenue processing step by selecting the Process Deferred Revenue check box on the Amount-based Revenue run control page. Selecting this check box enables the system to automatically run the Deferred Revenue process prior to running the Amount-based Revenue process.

Processing Amount-based Revenue (CA_LOAD_GL1)

This section discusses how to run the Amount-based Revenue process.

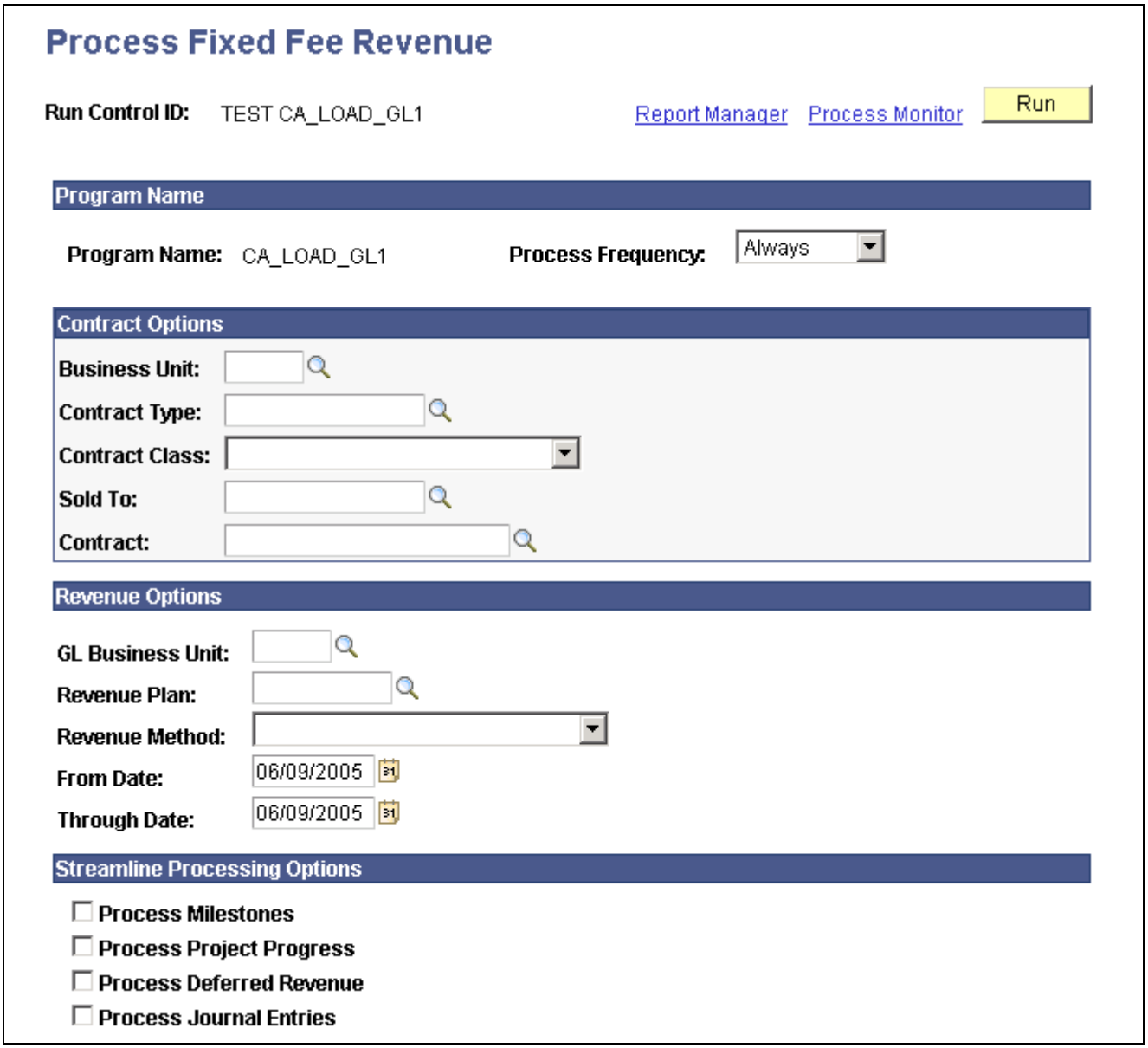
Page Used to Process Amount-based Revenue

Page Name	Object Name	Navigation	Usage
Process Fixed Fee Revenue	RUN_CA_LOADGL	Customer Contracts, Schedule and Process Revenue, Process Fixed Fee Revenue	Run this process to write contracts revenue to CA_ACCTG_LINE for events marked *Ready.* This process picks up amount- and percent-based contract lines that are assigned to percent complete, milestone, and apportionment revenue plans. The system sets the GL_DISTRIB_STATUS for lines that it writes to the CA_ACCTG_LINE table to *G* (generated).

Running the Amount-based Revenue Process

Access the Process Fixed Fee Revenue page.

The tables updated by this process include: CA_AP_DST, CA_AP_DFR, CA_AP_UAR, CA_ACCTG_LINE, and CA_AP_EVENT.



Process Fixed Fee Revenue page

Note. Before you run the Amount-based Revenue process, you must run the Deferred Revenue process if you selected the deferred revenue option for any applicable contract lines.

Before you run the Amount-based Revenue process, you may want to run the Process Milestones and Project Process processes to ensure that the system is picking up the most current milestone and percent complete event statuses.

If you select the Process Milestones, Process Project Progress, and Process Deferred Revenue check boxes in the Streamline Processing Options group box on this page, the system runs these processes for you automatically before running the Amount-based Revenue process.

Contract Options

Use the fields within this group box to filter the list of contracts on which this process runs. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. When you leave a field blank, the system runs the process for all values for that field.

Revenue Options

GL Business Unit Select a General Ledger business unit to run this process for all contracts within a specific General Ledger business unit.

Revenue Plan Select a revenue plan to run this process for all events within a specific revenue plan.

Revenue Method Select a revenue method to run this process for a specific revenue recognition method.

From Date and **Through Date** The system picks up all active amount-based contracts with *Ready* events and with accounting dates on or within the range that you specify for the from and through dates. Specify the revenue accounting date for each revenue recognition event on the Revenue Plan page.

Streamline Processing Options

Process Milestones Select this check box to set up the system to automatically run the Process Milestone process prior to running the Amount-based Revenue process.

Process Project Progress Select this check box to set up the system to automatically run the Percent Complete Update process prior to running the Amount-based Revenue process.

Process Deferred Revenue Select this check box to set up the system to automatically run the Deferred Revenue process prior to running the Amount-based Revenue process.

Process Journal Entries Select this check box to set up the system to automatically run the Journal Generator and Retrieve GL Updates processes after running the Amount-based Revenue process.

Processing Rate-based Revenue (PSA_ACCTGGL)

This section discusses how to run the Rate-based Revenue process.

Page Used to Process Rate-based Revenue

Page Name	Object Name	Navigation	Usage
Process Project Accounting	RUN_PSA_ACCTGGL	Customer Contracts, Schedule and Process Revenue, Process As Incurred Revenue	Run this process to write revenue for Project Costing to CA_ACCTG_LN_PC. This process picks up rate-based contract lines assigned to as-incurred revenue plans. The system sets the GL_DISTRIB_STATUS for lines that it writes to the CA_ACCTG_LN_PC table to *D* (distributed).

Running the Rate-based Revenue Process

Access the Process Project Accounting page.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Setting Up Accounting for Projects," Processing Transactions Using Accounting Rules.

Updating Revenue Recognition Statuses

This section discusses how to update the GL.

Page Used to Update Revenue Recognition Statuses

Page Name	Object Name	Navigation	Usage
Retrieve GL Updates	RUN_CA_LOAD_UPD	Customer Contracts, Schedule and Process Revenue, Retrieve GL Updates	Run this process after you have run Journal Generator. When Journal Generator completes, it sets the GL_DISTRIB_STATUS in CA_ACCTG_LINE and CA_ACCTG_LN_PC from *G* (generated) to *D* (distributed). The Journal Generator Update process then updates the status of your revenue plan events to *Completed* and updates the GL_DISTRIB_STATUS of the applicable revenue transactions in Project Costing PROJ_RESOURCE to *D*. This process also updates *Reversal In Progress* events to *Reversed*.

Updating the GL

Access the Retrieve GL Updates page.

CHAPTER 17

Managing Revenue Recognition

This chapter provides an overview of revenue management and discusses how to:

- Review revenue.
- Reverse revenue.
- Redistribute revenue.
- Reconcile billing and revenue.

Understanding Revenue Management

Contracts enables you to capture revenue information for a contract and allocate that information to specific contract lines within the Contracts system. You can associate revenue information with a revenue recognition method, manage when the conditions for recognizing revenue have been met, and generate journal entries to book revenue in your General Ledger system.

You can actively manage accounting activity that is generated by Contracts. You define accounting information (amounts and accounting distributions) within Contracts at the individual contract line level. You then assign these contract lines to revenue plans. A revenue plan has one of four possible revenue recognition methods: apportionment, milestone, percent complete, and as-incurred. How you manage a revenue plan depends upon its revenue recognition method.

Managing revenue consists of managing the revenue plan and revenue plan events, and managing the contract line. Managing the revenue plan and revenue plan events is part of your normal contract management cycle and is not governed by amendment processing. Changes to your contract line are generally governed by amendment processing, with the exception of changes to the accounting distributions for a contract line.

When we talk about managing revenue in Contracts, we are referring to what happens after you set up your contract, establish your contract lines, allocate your contract pricing, and activate your contract. Managing revenue is the process of setting up and readying your revenue plans and revenue plan events, and then managing these revenue plans and events as they become ready to book and are picked up by the Contracts revenue Application Engine processes.

This section discusses:

- Managing accounting for revenue plans.
- Managing the revenue process in Contracts.
- Placing a revenue plan on hold.
- Managing revenue plan event statuses.
- Changing accounting distributions for amount-based contract lines.
- Changing accounting distributions for rate-based contract lines.

- Adjusting amounts and cancelling contract lines.
- Changing revenue plan information.

Note. For contracts with a classification of *Government,* you can find additional revenue information in the *Contracts for Government Contracting PeopleBook.*

See Also

PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook, "Managing Revenue and Billing for Government Contracts"

Chapter 10, "Understanding Accounting Distributions," page 115

Chapter 11, "Entering Accounting Distributions," page 135

Chapter 15, "Setting Up Revenue Plans," page 195

PeopleSoft Enterprise Project Costing 8.9 PeopleBook, "Setting Up Accounting for Projects"

Prerequisites

Before you can begin to manage revenue, you need:

- A contract with an *Active* processing status.
- A contract line with an *Active* status that is assigned to a revenue plan with a *Ready* status.

Managing Accounting for Revenue Plans

There are several revenue inquiry/management pages that enable you to query on and manage accounting for revenue plans, revenue plan events, and projects that are assigned to revenue plans.

From the Review Revenue - Plans page you can query across all your contracts and review information, such as revenue plan status, the total revenue amount for a revenue plan, and the pending revenue amount for a revenue plan. From this page, you can:

- Navigate to the Revenue Plan page to edit revenue plan events, place or remove a hold on a revenue plan, or cancel a revenue plan.
- Navigate to the Fixed Fee Revenue History page to review the accounting transactions that have been processed for a fixed-fee revenue plan.
- Reverse a plan.
- Set the revenue plan status to *Pending* or *Ready.*

A more detailed level of management pages also exist that enable you to query across the revenue plan events and the projects or activities that are assigned to revenue plans. From these pages, you can review the status of individual events and the revenue that has been booked for these events. From these pages, you can:

- Navigate to the Revenue Plan page to edit revenue plan events.
- Reverse a revenue plan event on the Review Revenue - Events page.
- Set revenue plan events to *Pending* or *Ready* status from the Review Revenue - Events page.
- Initiate a redistribution of the revenue that has been booked for that revenue plan to date.

Additional revenue management pages enable you to reverse amount-based revenue for an entire contract (Contract Reversal page), to redistribute revenue that has been booked for an event (Redistribute Fixed Fee page) or for a project/activity (Redistribute As Incurred page), and to reconcile billing to revenue for rate-based contract lines *(value-based* and *as-incurred* billing plans).

Managing the Revenue Process in Contracts

You can view revenue that has been recognized to date and pending revenue recognition for any cross-section of your Contracts system. When managing revenue, you may need to perform the actions listed in the following table. The pages on which you perform each action are also listed:

Revenue Management Action	Revenue Recognition Method	Page
Putting the entire revenue plan on hold to freeze revenue recognition for all events within that revenue plan.	All	Revenue Plan
Changing a revenue plan event status to *Ready* to enable revenue recognition for that event.	All	Review Revenue - Events
Changing the accounting distribution of an amount-based contract line for future revenue entries.	Apportionment Milestone Percent Complete	Accounting Distribution
Changing the accounting distribution of a rate-based contract line for future revenue entries.	As-Incurred	Accounting Rules
Reversing revenue already recognized for a revenue plan.	Apportionment Milestone Percent Complete	Review Revenue - Plans
Reversing revenue already recognized for a revenue plan event.	Apportionment Milestone **Note.** For Percent Complete, enter a smaller total percent complete to calculate a negative incremental percent event.	Review Revenue - Events
Reversing amount-based revenue already recognized for an entire contract.	Apportionment Milestone Percent Complete	Contract Reversal

Revenue Management Action	Revenue Recognition Method	Page
Changing the accounting distribution for amount-based revenue already recognized (redistributing revenue).	Apportionment Milestone Percent Complete	Redistribute Fixed Fee
Changing the accounting distribution for rate-based revenue already recognized (redistributing revenue).	As-Incurred	Redistribute As Incurred
Defining or changing event conditions, schedule, or amounts to be recognized for a specific event.	All	Revenue Plan
Reassigning contract lines from one revenue plan onto another revenue plan.	Apportionment Milestone Percent Complete	• Reverse revenue recognized from the Review Revenue - Plans page (the revenue plan must be cancelled). • Unassign the contract line from its current revenue plan on the Assign Rev Rec Plan - Accounting Plan page. • Assign the contract line to a new revenue plan on the Assign Rev Rec Plan - Accounting Plan page.
Cancelling a revenue plan.	All	Revenue Plan

Placing a Revenue Plan on Hold

The revenue management pages enable you to perform a search for all revenue plans that have been placed on hold. For all revenue recognition methods, access the Revenue Plan page to either place a revenue plan on or remove a revenue plan from a hold.

Managing Revenue Plan Event Statuses

To expedite processing, you may set all revenue plan events to *Ready* upon creation of the events. You can then control the revenue recognition with the process's run control parameters or use the *Hold* feature on the plan itself.

Manage the revenue plan event status for all revenue recognition events from the Review Revenue - Events page. Set the status of individual events to *Ready* to enable revenue recognition processing for these events.

Changing Accounting Distributions for Amount-based Contract Lines

Contracts enables you to modify a contract line's accounting distribution for future revenue recognition that you book against the contract line. You do this on the Accounting Distribution page, which stores accounting distributions for fixed-amount contract lines. The Accounting Distribution page is effective dated; when you run the Amount-based Revenue process for any contract lines included in the process, the process uses the current accounting distributions prior to the event accounting date being processed to create revenue entries. Thus, if there are two effective-dated accounting distributions (01-01-01 and 03-01-01), and the revenue plan event has an accounting date of 02-15-01, the system uses the accounting distribution effective 01-01-01. The Accounting Distribution page also stores deferred revenue and unbilled accounts receivable (AR) accounting information for the fixed-amount contract lines. To ensure that the accounting remains consistent for the entire revenue recognition and billing cycle, do not change the deferred revenue and unbilled AR accounting information once you have set the contract processing status to *Active*.

Changing Accounting Distributions for Rate-based Contract Lines

For rate-based contract lines (except those attached to billing plans with value-based billing methods), change the accounting distributions on the Accounting Rules page. The Accounting Rules page is not effective-dated. Therefore, any changes that you make impact the revenue and billing accounting entries for transactions without regard to the transaction date. To ensure that the accounting remains consistent for the entire revenue recognition and billing cycle, do not change the unbilled AR accounting information once you have begun processing transactions.

Note. Additional rules can be set up for a specific contract, project and activity, and project ChartField combination if you want to change accounting for a particular set of transactions.

Note. For rate-based contract lines tied to billing plans with value-based billing methods, set up your unbilled AR on the Accounting Distribution page.

Adjusting Amounts and Cancelling Contract Lines

You can increase or decrease contract line amounts, as well as cancel contract lines as part of the amendment process. When increasing or decreasing contract line amounts, you must choose whether to adjust revenue and billing retroactively or to adjust revenue and billing for future events only. The adjust revenue and billing choices are independent of each other and are can be selected on the Amendment Amount Allocation page. When cancelling the contract line, you can select the Reverse Amounts option from the Amendment Amount Allocation page. This option applies to both billing and revenue. If you select the Reverse Amounts option, then you are indicating that you want to adjust revenue and billing retroactively for the cancelled contract lines. If you do not select the Reverse Amounts option, then for cancelled contract lines, the system adjusts revenue and billing for future events only.

See Also

Chapter 25, "Amending Contracts," Working with Amendments, page 449

Changing Revenue Plan Information

The system stores all accounting information (events, schedules, and percentages to be recognized per event) on the revenue plan. You can change the revenue plan only on the Revenue Plan page. The changes that you can make depend on the status of the revenue plan:

Revenue Plan Status	Changes
Pending	The first stage for the revenue plan. You can make any changes.
Ready	The system has validated all components of the plan, and most fields are unavailable for entry. However, you can reset the status to *Pending* and make changes.
In progress	One or more events has processed (a portion of revenue has been recognized). All fields are unavailable for entry. You cannot change any events that are *In Progress* or *Completed.* You can modify *Pending,* and *Ready* events and you can add events.
Completed	All events, if they exist, have been completed (all revenue has been recognized). You cannot make any changes. You can only reverse the plan's revenue, which sets the status to *Reversed.*
Cancelled	Cancellation may occur due to the entire contract being terminated or superseded, a contract line being dropped, or to consolidate contract lines onto another revenue plan. Once cancelled, a revenue plan cannot be reopened.
Action Required	A contract line amendment has been processed or an event reversed. The system set the revenue plan status to *Action Required.* You can edit all *Pending* and *Ready* events and add new events. Once you have reviewed the revenue plan and made any necessary changes, the system continues with revenue processing and changes the revenue plan status back to *In Progress.*
Reversal In Progress	When you initiate the reversal of a revenue plan, the system changes the status of the revenue plan to *Reversal In Progress.*
Reversed	This status indicates that you have reversed the revenue plan and that all processing has occurred.

Reviewing Revenue

This section provides an overview of reviewing revenue, lists common elements, and discusses how to:

- Review revenue plans.
- Review revenue plan events.
- Review as-incurred revenue plans.
- Review revenue details for accounting activities booked to the GL.
- Inquire about amount-based accounting journal entries.
- Inquire about rate-based accounting journal entries.

See Also

Chapter 15, "Setting Up Revenue Plans," page 195

Understanding Revenue Review

Use the Review Revenue - Plans, Review Revenue - Events, and Fixed Fee Revenue History pages to review revenue for fixed-fee contracts. Use the Review Revenue - As Incurred page to review revenue for rate-based contracts.

Revenue History

The Fixed Fee Revenue History page enables you to view the accounting distributions of the amounts that have been booked for all fixed-fee revenue plans for which Contracts is managing revenue. The Amount-based Revenue process loads this page with accounting information for the fixed-amount contract lines associated with apportionment, milestone, and percent complete revenue plans.

The data source for the Fixed Fee Revenue History page is the CA_AP_DST, CA_AP_DFR, and CA_AP_UAR tables.

The accounting distributions for fixed-amount revenue plans is real-time information, because all revenue information for these contract lines is stored within Contracts.

Warning! You should not make any revenue adjustments to the contract lines for fixed-amount revenue plans outside the Contracts system (for example, in Billing, Receivables, or General Ledger), as these changes will not flow back into Contracts.

Processes for Review Revenue - As Incurred Page

For as-incurred revenue plans, revenue amounts come from Project Costing and may be adjusted in Billing or Receivables. Therefore, the information on the Review Revenue - As Incurred page is not in real time. Any changes made in Billing are first written back to the revenue rows in Project Costing. These rows are then picked up by Contracts in the next run of the rate-based revenue process. Adjustments made in Receivables are sent to Project Costing, but Receivables handles all the accounting. This example walks you through the scenario:

1. In Contracts, you enter a contract with a rate-based contract line, and define a rate plan or rate set and project ID for that contract line.
2. In Project Costing, rows for that project ID come into the PROJ_RESOURCE table from source systems and get priced.

As work is performed, the system creates BIL rows in the PROJ_RESOURCE table. BIL is a Project Costing analysis type.

3. When the Contracts to Billing interface is run, Contracts sends rows to Billing, and the system creates bill lines on the Billing Worksheet.
4. When you run the rate-based revenue process (PSA_ACCTGGL), the system selects the BIL rows with a GL_DISTRIB_STATUS of *C* (contracts) from the PROJ_RESOURCE table, and creates accounting entries by using the accounting rules to recognize revenue for those rows.

   This process places these accounting rows in the CA_ACCT_LN_PC table (to be picked up when you run Journal Generator) and in the CA_AP_PC_DST and CA_AP_PC_UAR tables (to be accessed or displayed by the revenue management pages in Contracts).
5. In Billing, the billing administrator adjusts bill lines in the Billing Worksheet, and then marks the worksheet for acceptance.

   Once the system accepts the bill, all adjustment rows are written to the PROJ_RES_TMP_BI table. The billing administrator may further adjust the bill before finalization. Upon bill finalization, the additional adjustment rows are written to PROJ_RES_TMP_BI.
6. The Billing to Project Costing interface process picks up adjustment rows that were written to the PROJ_RES_TMP_BI table, and places them in the PROJ_RESOURCE table.

   Note. The accounting for the adjustment rows in PROJ_RESOURCE come from the Accounting Rules page setup for the adjustment row's analysis type (for example, BAJ). It is recommended that you use the same accounting in the adjustment accounting rules as you defined for the BIL and BLD analysis types.
7. When you run the rate-based revenue process (PSA_ACCTGGL), the system picks up adjustment rows from PROJ_RESOURCE with a GL_DISTRIB_STATUS of *C,* and books the revenue adjustment that was initiated from billing.

   Note. If an adjustment is made on that same bill in Receivables, Receivables writes adjustment rows to a temp table that the Receivables to Projects Application Engine process (PC_AR_TO_PC) picks up and places in the PROJ_RESOURCE table. The accounting is handled in Receivables.

Analysis Types in Project Costing

The Receivable Adjustment analysis type is specified on the Installation Options - Project Costing page. After you have selected an analysis type for receivable adjustments, you must then include that analysis type in the Revenue Analysis Group for it to be picked up by the rate-based revenue process.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Setting Up Project Costing Control Data," Defining Analysis Types.

Common Elements Used in This Section

Hold Select to search for all revenue plans that have been placed on hold.

Revenue or **Revenue Plan** Each contract can contain multiple revenue plans. You must select a contract number before you can search by revenue plan.

Plan Status Each revenue plan has a revenue plan status. The status controls the processing that can occur against a revenue plan.

Search Click this button to carry out a search based on the search criteria that you entered. Results appear in the Details or Event Details scroll area.

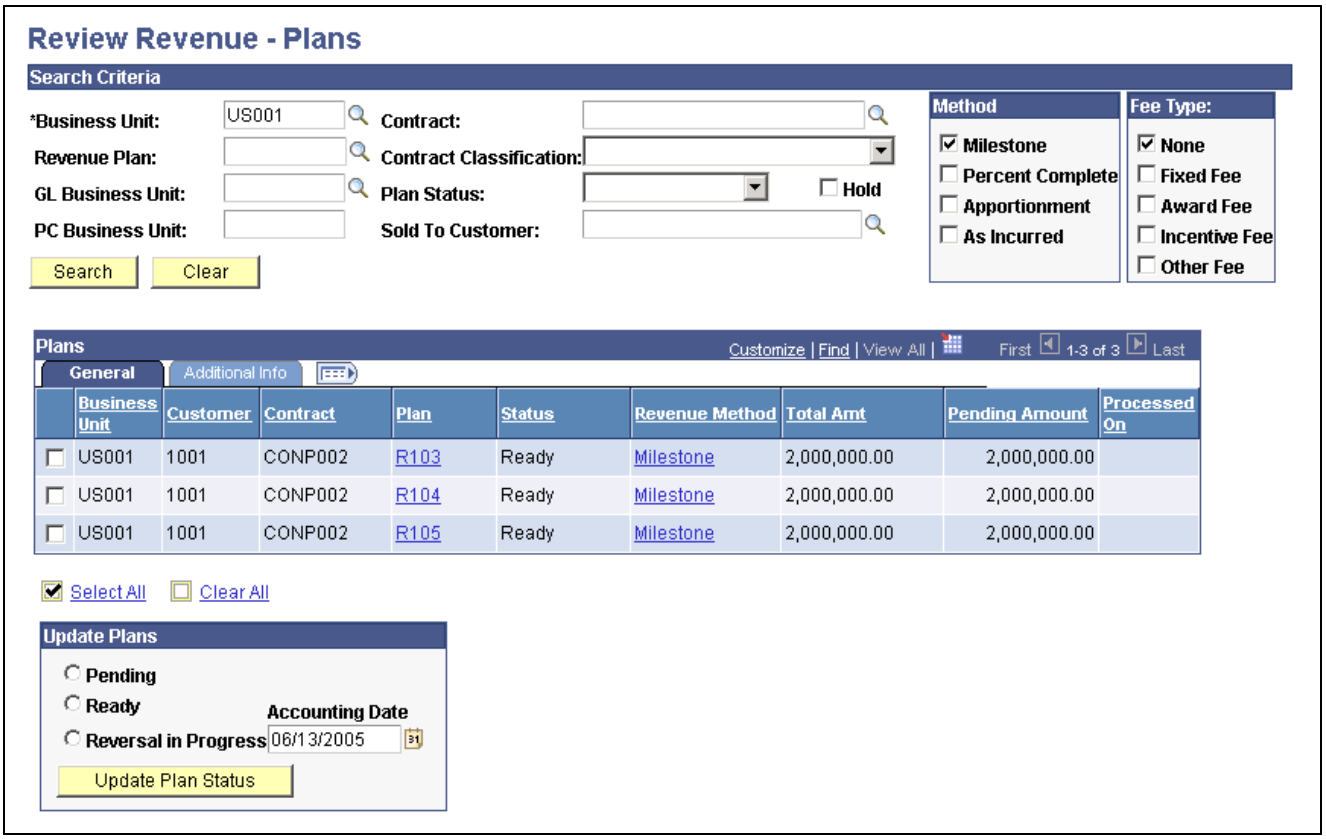
Business Unit or **BU** (business unit)	Contracts business unit.
Contract or **Contract No** (contract number)	Contract number.
Contract Classification	You can search for revenue plans attached to contracts with a specific contract classification. You select a value for the contract classification when creating a new contract. The contract classification selection determines the way that fields and pages are displayed in the Contracts application. Additional functionality is accessible depending on the classification type. Values for the Contract Classification field include: *Standard,Internal,Government,* and *Federal Reimbursable Agreement.*
Customer ID or **Cust ID** (customer ID)	Sold to customer ID.
GL Business Unit	General Ledger business unit.
PC Business Unit	Project Costing business unit.
Processed On	Last date upon which the system recognized revenue for this revenue plan or event.

Pages Used to Review Revenue

Page Name	Object Name	Navigation	Usage
Review Revenue - Plans	CA_AP_MANAGE1	Customer Contracts, Review Revenue, Plans	View revenue plan activity, both pending and recognized amounts, for any cross-section of the Contracts system. Update revenue plan status to *Pending, Ready,* or *Reversal in Progress*.
Review Revenue - Events	CA_AP_MGMT_EVENTS	Customer Contracts, Review Revenue, Events	View amounts by event, that have been recognized to date and are pending. You can update the status for an event, reverse the revenue that was booked for an event, and navigate to the Revenue Plan page.
Review Revenue - As Incurred	CA_AP_DTL_ASIN	• Customer Contracts, Review Revenue, As Incurred • Click the Method link for a specific revenue plan on the Review Revenue - Plans page.	Inquire about the details for revenue plans with an as-incurred revenue recognition method. From this page, you can review the details of the revenue that has been booked, and redistribute that revenue.
Fixed Fee Revenue History	CA_AP_EVENT_DTL	Customer Contracts, Review Revenue, History	Review the revenue details divided into deferred revenue, revenue, and unbilled AR for Contracts fixed-fee accounting activities that have been booked to the GL.
Ca Acct Line Jrnl	CA_ACCT_LINE_JRNL	Customer Contracts, Review Revenue, Fixed Fee Jrnl Acctg Lines	Inquire about the details of each journal entry after you've run the Contracts Fixed Amounts Revenue process and your accounting entries have gone through the Journal Generator process and have posted to the GL.
Acct Rate Jrnl	CA_ACCT_RATE_JRNL	Customer Contracts, Review Revenue, As Incurred Jrnl Acctg Lines	Inquire about the accounting entries after you've run the rate-based revenue process (Accounting Rules Engine) and your accounting entries have gone through the Journal Generator Update process and have been posted to the GL.

Reviewing Revenue Plans

Access the Review Revenue - Plans page.



Review Revenue - Plans page

Search Criteria

Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all revenue plans for all *Pending* and *Ready* contracts within your system. Results appear in the Revenue Detail scroll area. The system summarizes the results by revenue plan ID, and displays amounts in the contract or transaction currency. In the case of any as-incurred revenue plans, a row appears for every transaction currency found within a revenue plan.

Note. You must enter a value in the Business Unit field.

Method

Selecting the check box of a revenue recognition method limits your search to include only those revenue plans with a recognition method equal to the recognition methods that you selected. If you leave all check boxes cleared, the system returns all revenue plans matching the rest of your search criteria. Values include: *Milestone, Percent Complete, Apportionment,* and *As Incurred.*

Fee Type

To view revenue plans, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

Plans: General Tab

(select) Select this check box if you want to update the status for this revenue plan to *Pending, Ready,* or *Reversal in Progress.* Depending on your selection in the Update Plans group box, when you click the Update Plan Status button, the system updates the status of the revenue plan.

Plan Click this link to review and update revenue plan events or place the entire revenue plan on hold.

Status Displays the status of the revenue plan. The status controls the processing that can occur against a revenue plan.

Revenue Method For revenue plans with a revenue recognition method of *Apportionment, Milestone,* and *% Complete,* click to access the Review Revenue - Events page, where you can view and update the status of events or projects associated with the revenue plan.

For revenue plans with a revenue recognition method of *As Incurred,* click to access the Review Revenue - As Incurred page, where you can review booked revenue and redistribute revenue.

Total Amt (total amount) Displays the total amount for the revenue plan associated with this row. For as-incurred revenue plans, if the contract lines assigned to the plan have estimated amounts, the sum of those amounts appears here as the total amount.

Amt Recog (amount recognized) Amount of revenue that has been recognized to date for this revenue plan. Click the link to view the accounting entries made for this amount.

This link does not appear for revenue plans with a revenue recognition method of *As Incurred.*

Pending Amount Displays the pending revenue amount, which is the total amount minus the amount recognized.

Processed On Displays the last time the revenue was processed for the plan.

Update Plans

The status for each row in the Search Results half of the page can be changed from *Ready* to *Pending* or from *Pending* to *Ready.* You can update the status of multiple revenue plans at the same time by selecting the new status (either *Pending* or *Ready),* selecting the check box next to the appropriate revenue plans, clicking the Update Plan Status button, and saving. You also use this group box to reverse revenue plans.

Pending Select to update the status of the selected *Ready* event to *Pending.*

Ready Select to update the status of the selected *Pending* event to *Ready.*

Reversal in Progress Select to reverse a revenue plan. You can reverse plans in a status of *In Progress* or *Completed* only.

Accounting Date Enter a date for the system to use as the accounting date for the reversing entries.

Update Plan Status Click to update the revenue plan status of the selected contract lines in the Revenue Detail: General tab with the Pending, Ready, or Reversal in Progress status that you selected. If you selected the Reversal in Progress option, clicking this button initiates the reversal for the revenue plan.

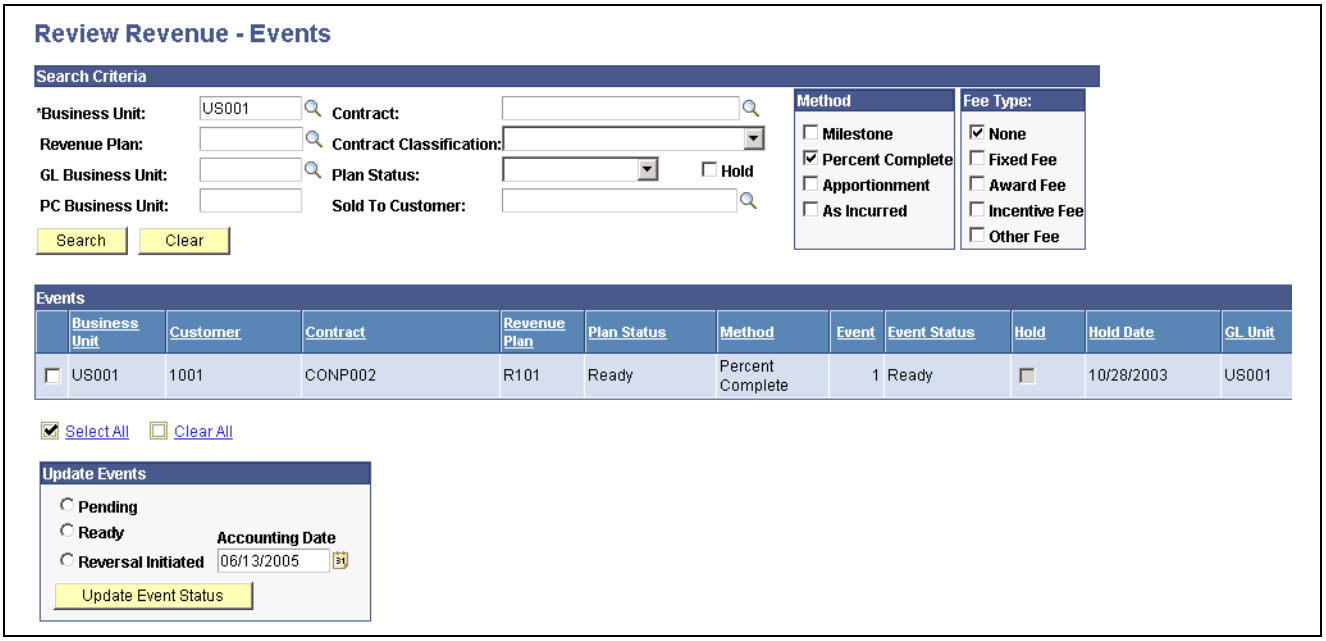
Plans: Additional Info Tab

Select the Additional Info tab.

Redistrib (redistribute revenue) Click this link to redistribute revenue for this revenue plan to a different set of General Ledger ChartFields.

Reviewing Revenue Plan Events

Access the Review Revenue - Events page.



Review Revenue - Events page

Search Criteria

Use the fields in the Search Criteria group box to filter search results by entering specific values in these fields. If you leave all fields blank, the search returns all revenue plan events for all *Ready* and *Pending* contracts within your system. Search results appear in the Revenue Detail scroll area. Amounts appear in the contract or transaction currency. In the case of any as-incurred revenue plan events, a row appears for every transaction currency found within a revenue plan event.

Note. You must enter a value in the Business Unit field.

Method

Selecting the check box of a revenue recognition method limits your search to include only those revenue plans with a recognition method equal to the recognition methods that you selected. If you leave all check boxes cleared, the system returns all revenue plans matching the rest of your search criteria. Values include: *Milestone, Percent Complete, Apportionment,* and *As Incurred.*

Fee Type

To view revenue plan events, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

Events

(select) Select this check box if you want to update the status for this revenue event to *Pending, Ready,* or *Reversal Initiated.* Depending on your selection in the Update Events group box, when you click the Update Event Status button, the system updates the status of the revenue event.

Revenue Plan Displays the revenue plan associated with the revenue event.

Plan Status Displays the status of the revenue plan. The status controls the processing that can occur against a revenue plan.

Method Displays the revenue recognition method associated with the revenue event.

Event Displays the event number for this revenue recognition event. Each revenue plan contains one or more revenue plan events. Revenue plan events depict how much revenue to recognize based on the revenue plan event status.

Event Status Displays the event status for the revenue event. Controls your ability to enter information for, and the processing that occurs against, an event. Available revenue plan event statuses are: *Pending, Ready, In Progress, Completed,* and *Reversed. Pending* and *Ready* are the only statuses that you can set manually. Other statuses are set as a result of a system process.

Hold Indicates whether this revenue event is tied to a revenue plan that has been placed on hold.

Hold Date Displays the date on which the revenue plan was put on hold, if this revenue event is tied to a revenue plan that has been placed on hold.

Amount Displays the total amount for the revenue recognition event associated with this row.

Update Events

The status for each row in the Search Results half of the page can be changed from *Ready* to *Pending* or from *Pending* to *Ready.* You can update the status of multiple revenue plan events at the same time by selecting the new status (either *Pending* or *Ready),* selecting the check box next to the appropriate revenue plans, clicking the Update Plan Status button, and saving. You also use this group box to reverse revenue plan events.

Pending Select to update the status of the selected *Ready* event to *Pending.*

Ready Select to update the status of the selected *Pending* event to *Ready.*

Reversal Initiated Select to reverse events. You can reverse events in a status of *In Progress* or *Completed* only.

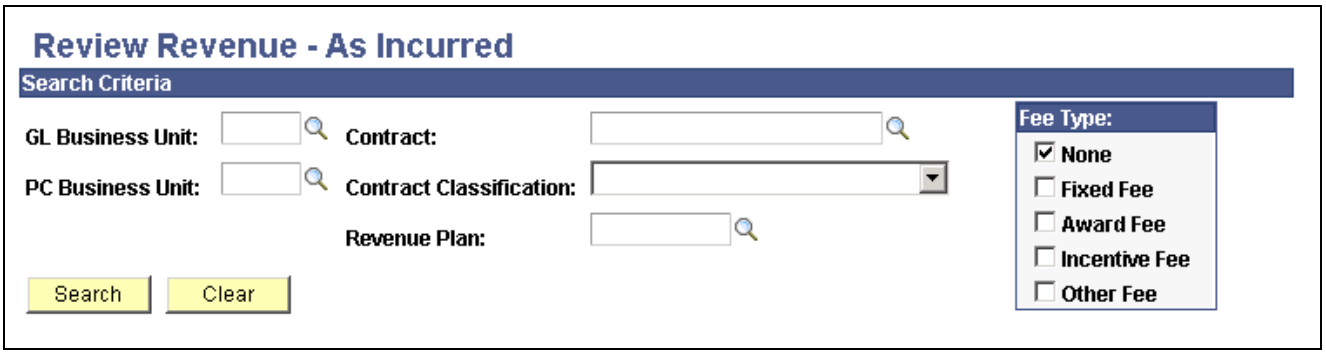
Note. You cannot events on *Percent Complete* revenue plans.

Accounting Date Enter a date for the system to use as the accounting date for the reversing entries.

Update Event Status Click to update the event status of the selected contract lines Events group box with the pending, ready, or reversal initiated status that you selected. If you selected the Reversal Initiated option, clicking this button initiates the reversal for the revenue event.

Reviewing As-Incurred Revenue Plans

Access the Review Revenue - As Incurred page.



Review Revenue - As Incurred page

Search Criteria

Use the fields in the Search Criteria group box to filter search results by entering specific values in these fields. If you leave all fields blank, the search returns all revenue plans for all *Active* contracts within your system. Click the Search button to carry out a search based on the search criteria that you entered. Search results appear in the Details scroll area. Amounts appear in the contract or transaction currency. For as-incurred revenue plan events, a row appears for every transaction currency found within a revenue plan event.

Fee Type

To view as incurred revenue, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

Detail: General Tab

(select) Select this check box if you want to redistribute the revenue that has been booked for a row.

PC Business Unit Displays the value that you specified in the Search Criteria group box.

Project Displays the name of the project with which this billing is associated. A single project can be associated with multiple contracts.

Activity ID Displays the ID with which this billing is associated. Contract lines are linked to projects at the activity level—directly or indirectly. Each activity ID can be associated with only one rate-based contract line.

Transaction ID Displays the ID with which this billing is associated.

Accounting Date Displays the accounting date, which reflects the accounting period in which entries were booked.

Discount ID Displays the discount ID, if this row is associated with a discount ID.

Amount Displays the amount of revenue that was recognized for this row.

Redistribute Click this button to redistribute the revenue for the rows that you selected on the General tab of the Detail scroll area.

Detail: Contract Tab

Contract Line Num (contract line number) — Displays the contract line that you associated with the revenue plan for this project/activity ID. Each project is linked to a contract line; each contract line is assigned to a revenue plan.

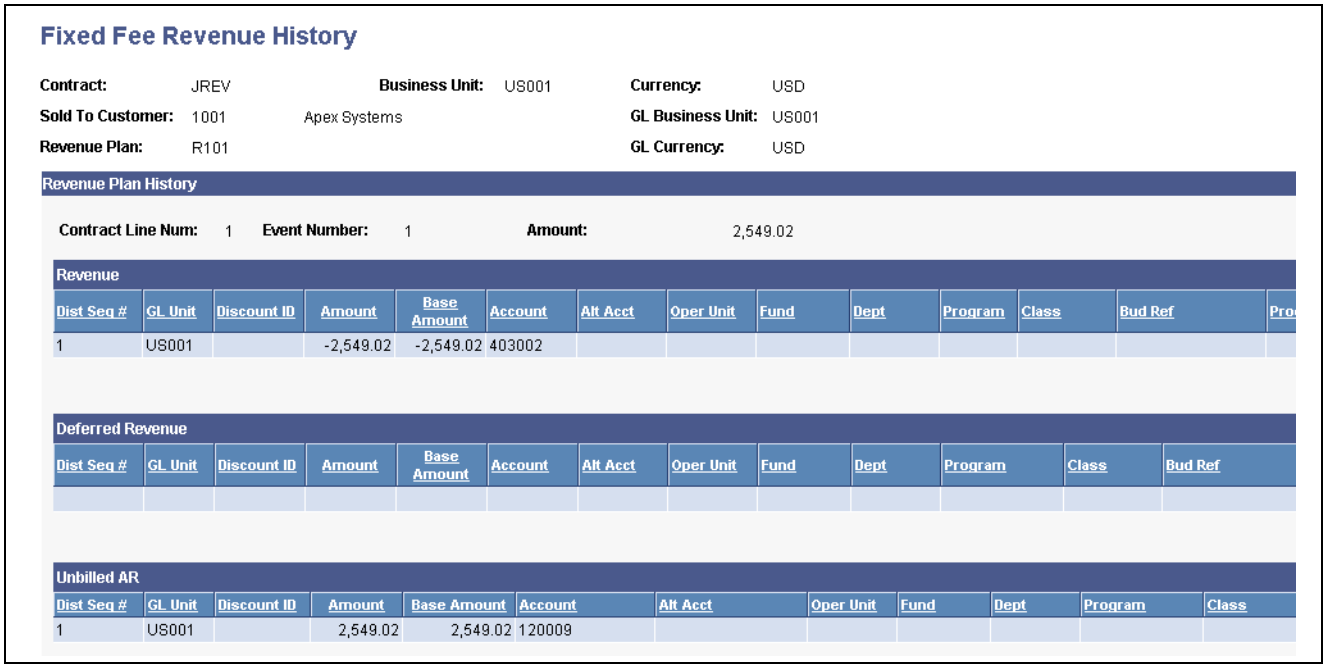
Distribution Type — Each different type of accounting distribution entry is distinguished by distribution type. Examples include revenue, deferred revenue, unbilled AR, interunit credit, and interunit debit.

PostSeq# (posting sequence number) — When you have multiple accounting entries for the same contract line, revenue recognition event, and distribution type, such as when you split revenue across departments, the system uses a posting sequence number to make them unique.

Reversing Entry — Indicates if this entry was redistributed.

Reviewing Revenue Details for Accounting Activities Booked to the GL

Access the Fixed Fee Revenue History page.



Fixed Fee Revenue History page

Note. The Fixed Fee Revenue History page displays accounting entries for amount-based contract lines only.

Currency — Displays the currency code for the contract.

GL Business Unit — Displays the General Ledger business unit established for the Contracts business unit.

Revenue Plan — Displays the revenue plan ID number. Each contract can contain multiple revenue plans.

GL Currency — Displays the currency code for the General Ledger business unit that is associated with the Contracts business unit.

Revenue Plan History

Dist Seq # (distribution sequence number) Each accounting distribution entry is identified by a unique distribution sequence number.

GL Unit Displays the General Ledger business unit where accounting was booked.

Discount ID Displays the discount ID, if this row is associated with a discount ID.

Amount Displays in the contract currency the amount of revenue that was recognized for this row.

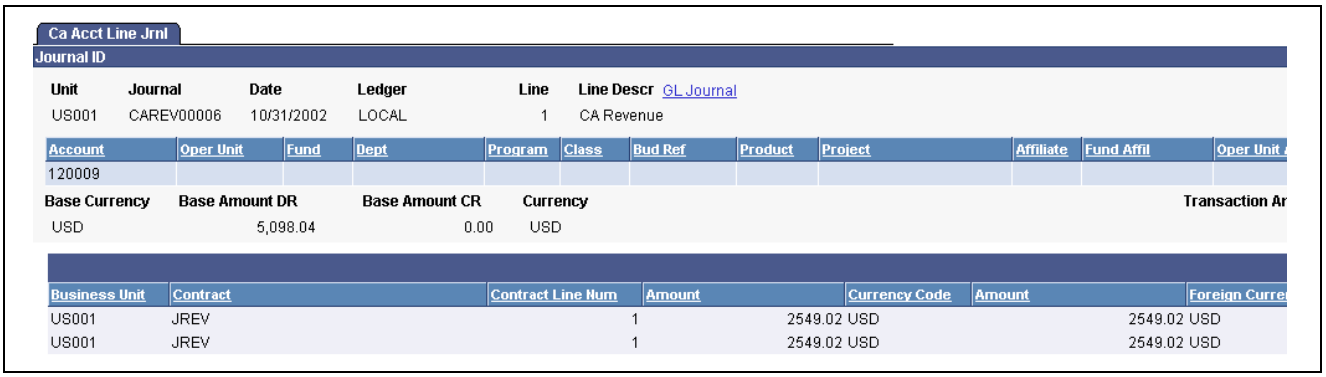
Base Amount Displays the amount of the line in the base currency of the General Ledger business unit.

Stat (statistics) Displays the statistics code, if you created statistical entries for the line.

Inquiring About Amount-Based Accounting Journal Entries

Access the Ca Acct Line Jrnl page.

Your contracts accounting entries must have posted successfully to the GL by the Journal Generator process in order to view them here.



Ca Acct Line Jrnl page

Unit Displays the General Ledger business unit.

Journal Displays the General Ledger journal ID.

Line Descr (line description) Displays the journal line description, if you entered a line description when you created the line.

GL Journal Click to access the journal for this accounting line.

Project Displays the Project Costing project ID.

Affiliate Displays the other General Ledger business unit for interunit accounting entries.

Statistic Amount and **Stat** Displays the statistical amount and statistical code if you created statistical entries for the line.

Base Amount Displays the amount of the line in the base currency of the General Ledger business unit unless you display debits and credits separately.

Base Amount DR (base amount debit) or **Base Amount CR** (base amount credit)	If you display debits and credits separately, these fields display the amounts in the base currency of the business unit.
Item Amount	Displays the item amount for each accounting line, unless you enabled the Display Separate Debit/Credit in Subsystem option on the Operator Preferences - Overall page.
Amount	Displays the monetary amount of the line in the base currency *(Currency Code),* if you are not displaying the debits and credits separately.
Transaction Amount DR (transaction debit amount) or **Transaction Amount CR** (transaction credit amount)	Displays the amounts in the base currency of the business unit, if you are displaying the debits and credits separately.
Amount	Displays the foreign amount in the amount of the transaction in the entry currency *(Foreign Currency Code)* unless you enabled the Display Separate Debit/Credit in Subsystem option on the User Preferences - Overall Preferences page. If you enabled the Display Separate Debit/Credit in Subsystem option, the *Debit Amount* or the *Credit Amount* and currency appear for each accounting line.

Note. If you are not displaying separate debits and credits, negative amounts indicate a credit to the account and positive amounts indicate a debit.

Inquiring About Rate-Based Accounting Journal Entries

Access the Acct Rate Jrnl page.

Note. Your contracts accounting entries must have successfully been posted to the GL by the Journal Generator process to view them here.

The fields on this page are the same as those on the Ca Acct Line Jrnl page.

Reversing Revenue

This section provides an overview of revenue reversal and discusses how to:

- Reverse accounting entries for amount-based contracts.
- Reverse deferred revenue accounting entries.

Understanding Revenue Reversal

Contracts enables you to reverse revenue that has been generated, by the amount and deferred revenue processes, or journaled by the Journal Generator process. When you reverse revenue, the system generates reversing entries that back out each original entry. You do not enter any new accounting information into the system.

You can reverse revenue previously recognized for an entire contract, a single revenue plan, or a single revenue plan event. You can reverse amount-based revenue previously recognized for a revenue plan event only when the status is *In Progress* or *Completed.* You can reverse revenue for an entire revenue plan only if the revenue plan status is *In Progress* or *Completed.*

When you reverse a revenue plan, the system sets the plan status to *Reversal In Progress.* The system sets revenue recognition events that are in progress or complete to *Reversal Initiated.* The LOAD_GL1 process picks up the Reversal Initiated (RIN) events and sets them to *Reversal In Progress.* The LOAD_UPD process updates Reversal In Progress (RIP) events to *Reversed.* If there are no events with *RIN* or *RIP,* then the LOAD_UPD process sets the revenue plan status to *Reversed.*

When you reverse a revenue recognition event, the system sets the events status to *Reversal Initiated* and the revenue plan status to *Action Required.* The LOAD_GL1 process picks up the event and creates the reversing accounting entry, and updates the event status to *Reversal In Progress.* Then, the LOAD_UPD process updates the status to *Reversed* when the Journal Generator has picked up the entry.

Warning! Before journal generating reversing accounting entries with the Journal Generator process, you must journal-generate the original accounting entries.

Note. If you want to create reversing entries for deferred revenue, you must run the LOAD_DEF process in addition to running the LOAD_GL1 process.

Any of these events may trigger a contract revenue reversal:

Reason	Effect
Change in revenue recognition method.	Revenue plan needs to be reversed.
Change in revenue plan event status.	Revenue plan event needs to be reversed.
Change in revenue plan schedule for previously booked events.	Revenue plan events need to be reversed.
Whole contract negated.	All accounting associated with the contract needs to be reversed.

This table takes a more detailed look at the field-level changes that need to occur to initiate a reversal, the pages where you make the field-level changes, and the Application Engine process that you need to run to process the change:

Reason	Action and Field Level	Initiated From
Change in revenue recognition method.	Revenue plan needs to be reversed.	Review Revenue - Plans page
Revenue plan event was incorrectly set to *Ready* and booked.	The revenue plan event needs to be reversed.	Review Revenue - Events page

Reason	Action and Field Level	Initiated From
Change accounting distribution for future bookings of a contract line.	The accounting distributions for the contract line must be updated. You must add a new effective-dated row.	Accounting Distribution page Accounting Rules page
Change start date, end date, or schedule on a revenue plan.	Revenue plan needs to be reversed. Then, unassign the contract lines and reassign them to another revenue plan. Alternatively, reverse the events on the plan instead of reversing the entire revenue plan.	Review Revenue - Plans page
Reverse contract (negate contract completely).	Entire contract needs to be reversed.	Contract Reverse Header page

Note. You cannot reverse revenue events for *Percent Complete* revenue plans. However, you can enter a smaller total percent complete, which initiates a negative incremental event.

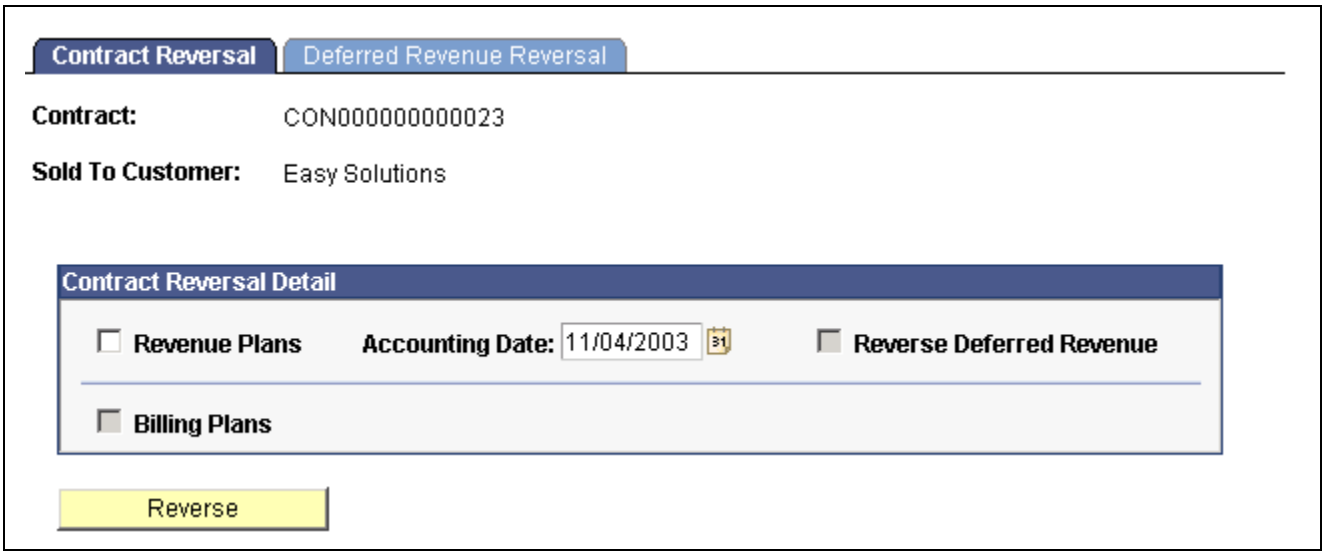
Warning! If you use the PeopleSoft Enterprise Commitment Control option in Receivables and you change the revenue distribution after payments have been posted in Receivables, you must create manual journal entries for the budget in order to keep the collected revenue in sync.

Pages Used to Reverse Revenue

Page Name	Object Name	Navigation	Usage
Contract Reversal	CA_REVERSE_HDR	Customer Contracts, Adjust Revenue and Billing, Reverse Contract, Contract Reversal	Reverse all accounting entries created for a specific amount-based (price type of *amount* or *percent*) contract. You can also reverse billing for an entire contract.
Deferred Revenue Reversal	CA_REVERSE_DFR	Customer Contracts, Adjust Revenue and Billing, Reverse Contract, Deferred Revenue Reversal	Reverse deferred revenue accounting entries created for a specific amount-based (price type of *amount* or *percent*) contract.

Reversing Accounting Entries for Amount-Based Contracts

Access the Contract Reversal page.



Contract Reversal page

Contract Reversal Detail

Revenue Plans Select this check box if you want to reverse revenue for all amount-based revenue plans associated with this contract.

Accounting Date Displays the date on which reversal entries are booked.

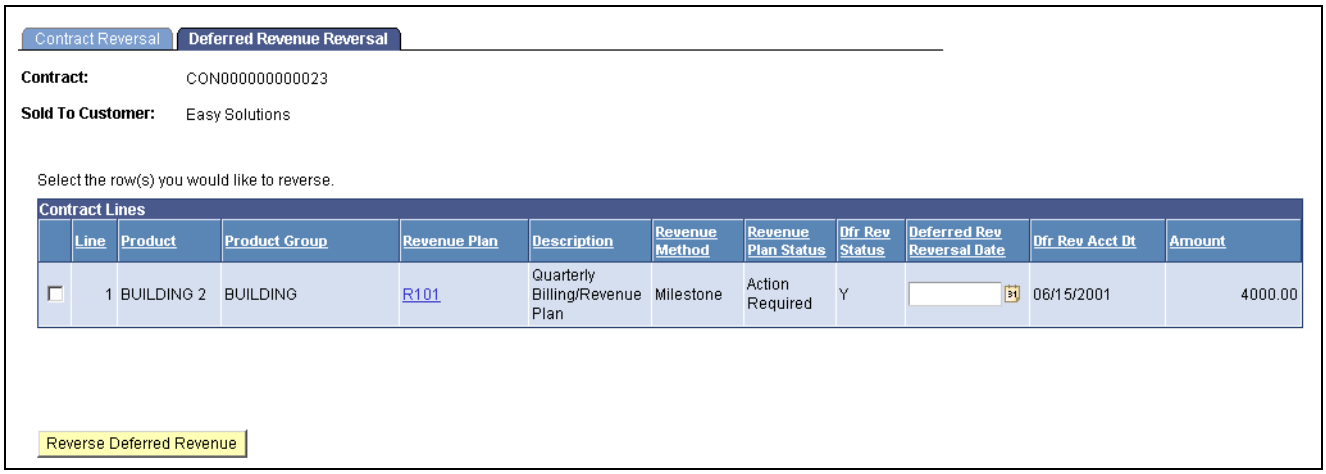
Reverse Deferred Revenue Select this check box if you want to reverse the deferred revenue associated with this revenue plan. This check box is available if your contract contains lines with deferred revenue already processed.

Billing Plans Select this check box if you want to reverse billing for all billing plans associated with this contract. The system generates bills with credit amounts only for billing plans with a method of *Percent Complete, Milestone,* and *Immediate.*

Reverse Click this button to enable the system to reverse revenue plans in a status of *In Progress* or *Complete.*

Reversing Deferred Revenue Accounting Entries

Access the Deferred Revenue Reversal page.



Deferred Revenue Reversal page

Select the deferred revenue rows that you want to reverse for this contract.

Revenue Plan Click the link to access the revenue plan for this contract line.

Revenue Method Displays the associated revenue method for this contract line.

Revenue Plan Status Displays the associated revenue plan status for this contract line.

Drf Rev Status (deferred revenue status) Displays the deferred revenue status for the contract line. When you reverse deferred revenue, the system sets the status to *Reversal Initiated.*

Deferred Rev Reversal Date (deferred revenue reversal date) Displays the date on which you processed the deferred revenue reversal.

Dfr Rev Acct Dt (deferred revenue accounting date) Displays the deferred revenue accounting date. For a contract line, this is the contract sign date. For an amendment, this is the amendment date. For renewals, this is the renewal cycle start date. Once you reverse deferred revenue, the system clears this field and it remains blank.

Amount Displays the amount of deferred revenue for this contract line.

Reverse Deferred Revenue Click to reverse the deferred revenue for the selected contract lines.

Note. For contract lines where the system has begun processing revenue, you cannot reverse the deferred revenue unless you also reverse the revenue.

Redistributing Revenue

This section provides an overview of revenue redistribution, lists common elements and discusses how to:

- Redistribute amount-based revenue.
- Redistribute rate-based (as-incurred) revenue.

Understanding Revenue Redistribution

This section discusses redistributing amount-based or as-incurred revenue.

Warning! If you have PeopleSoft Enterprise Commitment Control installed, do not redistribute revenue once the system updates the collected revenue amount in Commitment Control. If you do redistribute revenue after the collected revenue is updated, your recognized revenue and collected revenue amounts are out of sync.

If you use the Commitment Control option in Receivables and you change the revenue distribution after payments have been posted in Receivables, you must create manual journal entries for the budget in order to keep the collected revenue in sync.

Redistributing Amount-Based Revenue

If a contract line's specific accounting distribution needs to be changed, you can use the reversal methods previously explained or you can redistribute revenue. If you use the reversal method, reverse the revenue recognition event or plan or both. When reversing the event or plan, the system reverses the original entry—debiting revenue and crediting either unbilled AR or deferred revenue. To continue with the redistribution, you must then change the distribution for the contract line on the Accounting Distribution page, reset the revenue plan events to *Ready,* and rerecognize or redistribute revenue by using the Amount-based Revenue process. However, using the revenue redistribution process, you enter the new general ledger (GL) ChartFields for the transaction, and the system makes the required entries.

Revenue reversals differ from redistribution in two ways:

1. Revenue reversals reset the revenue plan or revenue plan event back as it was prior to the entry being created.

   The revenue plan or revenue plan event status is set to *Reversed* to indicate that this has been done. For redistributions, the revenue plan or revenue plan event status is not changed.

2. For revenue reversal entries, the system generates the entries to offset both sides of the original entry.

   For revenue redistribution entries, the system generates the entry for the reversal of the revenue row. You must specify the GL ChartField string for the offsetting entry.

You can initiate revenue reversals from the appropriate Revenue Management pages based on the level, event, plan, or contract that you need to reverse. Confirm the actual reversal on the Contracts Reversal page. Because reversals do not require you to enter the offsetting entry, you are required to enter an accounting date only.

You can generate reversals only for revenue plan events where the status is set to *Completed.* For revenue plans, you can initiate revenue reversal if the revenue plan status is *In Progress* or *Completed.*

The process for redistributing revenue accounting lines is:

1. On the Redistribute Fixed Fee page, you select the lines that need to be redistributed.
2. Click the Redistribute button.
3. For each row that you selected, the system creates a reversing row in CA_AP_DST.
4. For each reversed row, the system prompts you for the new ChartField values.
5. For each reversed row, the system enters a new row in CA_AP_DST to redirect revenue accounting to the wanted ChartFields.

Note. The amount or other information for each row that you are redistributing is not editable. Changes that you make as part of the redistribution process do not alter the status of the revenue plan or any events related to that revenue plan.

Note. When redistributing fixed-fee accounting entries, the system does not include discounts.

Redistributing As-Incurred Revenue

You can initiate a redistribution of the revenue accounting associated with a rate-based contract line (tied to Project Costing) from the revenue management pages in Contracts. For revenue plans that have an as-incurred revenue recognition method, the revenue management pages enable you to view all projects and activities for all contract lines associated with that revenue plan.

When you click the Redistribute button on the Redistribute As Incurred page, a query page appears with the following criteria:

- Date Range Entry fields (with a check box indicating transaction date or accounting date).
- A drop-down list box to select a specific project ID.
- A drop-down list box to select a specific activity ID.
- A drop-down list box to select a specific analysis type.
- A scroll area with all CA_AP_PC_DST lines with a check box on each line for selecting individual rows.

  If a check box on the scroll area is selected, then the drop-down list boxes are unavailable for entry, and vice versa.

When you are finished entering criteria, the system builds a where clause and queries CA_AP_PC_DST.

For each matching row, the system populates a reversing row into a work panel. At save time, the system creates a new row in CA_AP_PC_DST and in CA_ACCTG_LN_PC with seq_num = max (seq_num) + 1, and all other keys equal to the reversed row.

The system prompts you for a new account, department ID, and all other ChartFields to which revenue will be redistributed.

For each matching row, the system creates a new row with the new ChartFields and seq_num = max (seq_num) + 1 on the work panel. At save time, the system inserts the new row into CA_AP_PC_DST and into CA_ACCTG_LN_PC.

Note. If you selected the Project Organization option in Projet Costing for a contract line, you cannot redistribute your as-incurred revenue. When selecting this Project Organization option, you must be careful about any changes that you make here in the Contracts application so that you can reconcile your changes with the entries that are posted to General Ledger.

See Also

Chapter 17, “Managing Revenue Recognition,” Redistributing Revenue, page 256

Chapter 11, “Entering Accounting Distributions,” page 135

Common Elements Used in This Section

Discount ID Displays the discount ID, if a row is for a discount.

Distribution Type Each different type of accounting distribution entry is distinguished by distribution type. Examples include revenue, deferred revenue, unbilled AR, interunit credit, and interunit debit.

GL Business Unit General Ledger business unit.

GL Currency Currency specified for the General Ledger business unit that was associated with this contract's Contracts business unit.

PostSeq# (posting sequencing number) The system inserts a posting sequence number for each new row that is added to this table where the other keys for the row are the same.

Recognized Amount Amount of revenue that has been recognized to date for this revenue plan. You can redistribute only revenue that has already been recognized. If revenue for a revenue plan event has not yet been recognized, you can use the Accounting Distribution page to change the distribution accounts for the contract lines that are tied to this revenue plan.

Redistribute After you have selected the events or entries that you want to redistribute, click this button to initiate the redistribution process.

Redistribute Select this check box to redistribute revenue for that row.

Revenue Plan Revenue plan number for which you redistribute revenue.

Reversing Entry This field indicates if this entry was the result of a reversal.

Pages Used to Redistribute Revenue

Page Name	Object Name	Navigation	Usage
Redistribute Fixed Fee	CA_AP_SUMMARY	• Customer Contracts, Adjust Revenue and Billing, Redistribute Fixed Fee • Click the Redistrib link on the Review Revenue - Plans page.	Redistribute revenue accounting lines that the system has generated for a revenue plan event. The system limits redistribution of revenue to redistributing revenue to different departments.
Redistribute As Incurred	CA_AP_PC_SUMMARY	Customer Contracts, Adjust Revenue and Billing, Redistribute As Incurred	Redistribute revenue accounting lines that the system has generated for an as-incurred revenue plan. The system limits redistribution of revenue to departments only.

Redistributing Amount-Based Revenue

Access the Redistribute Fixed Fee page.



Redistribute Fixed Fee page

Redistribute Fixed Fee page: General Tab

Line # (line number) Displays the contract line number that you associated with the revenue plan for this event. As accounting distributions are stored at the contract line level, you may have multiple contract lines associated with a single event number.

Event Displays the revenue plan event number under which this revenue was booked.

Dist Seq # (distribution sequence number) Displays the distribution sequence number. Each accounting distribution entry is identified by a unique distribution sequence number.

Amount Displays the row amount in the transaction currency.

Base Amount Displays the row amount in the base currency of the contract's General Ledger business unit.

Redistribute Fixed Fee page: Chartfields Tab

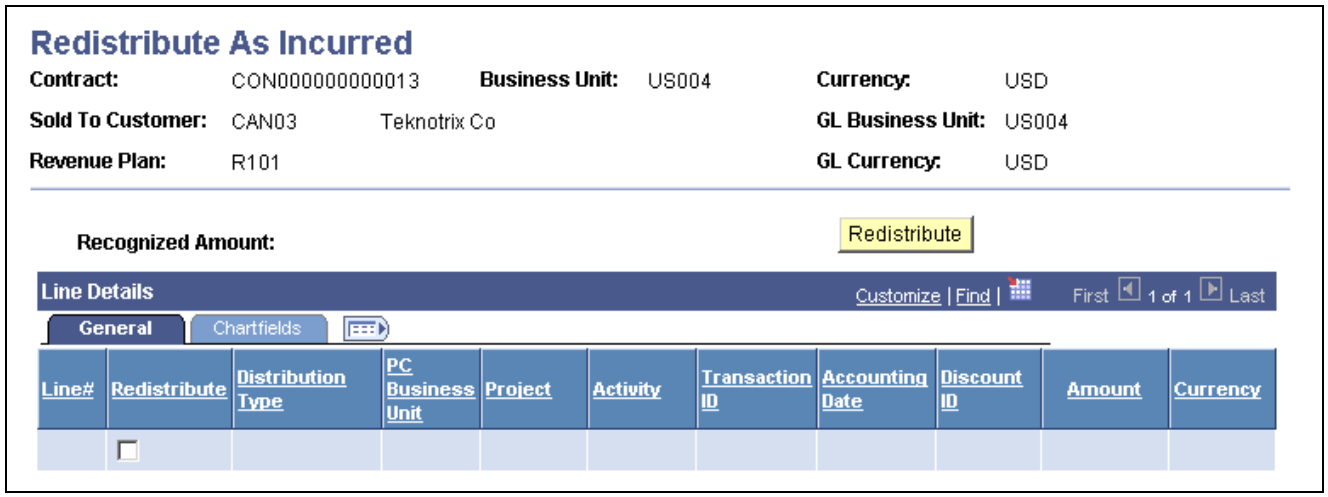
Select the Chartfields tab.

GL Unit Displays the General Ledger business unit to which this row is being booked.

Project Captures additional information useful for project accounting.

Redistributing Rate-Based (As-Incurred) Revenue

Access the Redistribute As Incurred page.



Redistribute As Incurred page

Redistribute As Incurred Page: General Tab

Line # Displays the contract line number that you associated with the revenue plan.

PC Bus Unit (Project Costing business unit) Displays the Project Costing business unit with which a contract line is associated. Each contract line is associated with only one Project Costing business unit. Each contract line and projects business unit combination is reflected in as many rows as there are unique ChartField string combinations for the project ID, activity ID, and resource ID.

Project Displays the ID with which this billing is associated. A single project ID can be associated with multiple contracts.

Activity ID Displays the ID with which this billing is associated. Contract lines are linked to projects at the activity level—directly or indirectly. Each activity ID can be associated with only one rate-based contract line.

Transaction ID Displays the ID with which this billing is associated.

Accounting Date Displays the accounting date, which reflects the accounting period in which the entries were booked.

Amount Displays the amount of revenue, in the General Ledger business unit's base currency that was booked for this row.

Redistribute As Incurred Page: Chartfields Tab

Select the Chartfields tab.

Reconciling Billing and Revenue

This section provides an overview of reconciliation and discusses how to:

- Define reconciliation options.
- Select a contract, contract line, project, or project/activity to reconcile.

- Redistribute revenue to an alternate account and offset the unbilled AR distribution.
- Summarize your reconciliations.

Understanding Reconciliation

For contracts containing rate-based contract lines (with either value-based or as-incurred billing plans), you can view both the revenue recognized and the total amount billed-to-date for these levels:

- Contract.
- Contract line.
- Project Costing business unit.
- Project.
- Project/Activity.

The level to which you can reconcile depends on the parameters specified on the Contracts Reconciliation Definition page and the information that you entered on the billing plan. You specify the search level (contract, contract line, project, or project/activity) and you specify how the data should be summarized. Your summarization choices are essential because these choices dictate how you can review and reconcile revenue transactions.

Revenue data is stored in the CA_ACCTG_LINE_PC table (where the accounting entries are stored), and billing data is stored in the BI_ACCT_ENTRY table. The data on the Reconcile Revenue and Billing page appears in the GL currency, but the accounting information is also available. The CA_ACCTG_LINE_PC table provides the revenue transactions in the actual amount currency booked to the GL, and it provides the interunit entries to reflect if revenue was transferred to another General Ledger business unit (potentially in another currency).

With the reconciliation tool, you can initiate revenue adjustments. From the Reconcile Entry page, you can redistribute revenue from the ChartFields displayed on a row on the page to another revenue account (for example, department or affiliate). You can also do this through the Review Revenue - Plans page. The unbilled AR Distribution section provides you with the ability to book the unbilled AR entry as the offset when revenue is decreased or increased.

Note. You can reconcile only on the ChartFields that were selected on the Contracts Reconciliation Definition page. If you did not *break on* those ChartFields, they do not appear.

Note. The Reconcile Revenue and Billing feature does not support prepaid amounts.

Note. Although you can reconcile rate-based contract lines with either value-based or as-incurred revenue plans, the Reconciliation page is used primarily for contract lines with the value-based billing method.

See Also

PeopleSoft Enterprise General Ledger 8.9 PeopleBook, “Using Inter/Intraunit Processing in General Ledger”

Pages Used to Reconcile Billing and Revenue

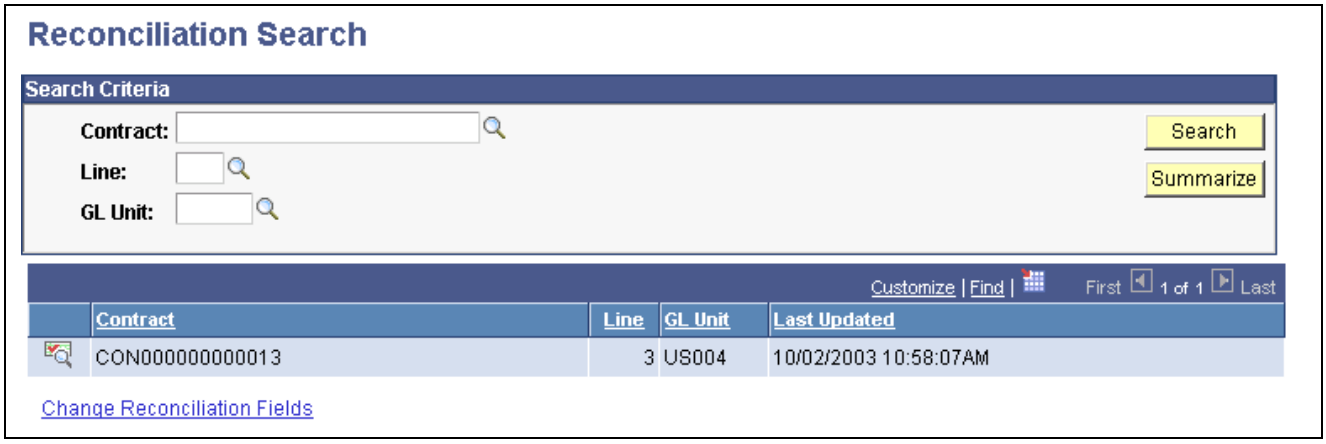
Page Name	Object Name	Navigation	Usage
Reconciliation Options by User	CA_RECON_DEFN	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Reconciliation Options by User	Specify your Review By and Break On parameters for reconciliation.
Reconciliation Search	CA_RECON_SEARCH	Customer Contracts, Adjust Revenue and Billing, Reconcile Revenue to Billing	Select a contract, contract line, project, or project/activity to reconcile. The fields that appear on this page depend on the parameters that you specified on the Contracts Reconciliation Definition page. You can change these parameters by clicking the Change Reconciliation Fields link. You can search only for rate-based contract lines *(value-based* or *as-incurred* billing plans; *as-incurred* revenue recognition method).
Reconciliation Entry	CA_RECON_ENTRY	 Click from the Reconciliation Search page.	Redistribute revenue to an alternate account and offset your unbilled AR distribution. You can book only to GL ChartFields that are included in the *break on* on the Contracts Reconciliation Definition page. ChartFields that you do not *break on* do not appear on this page.
Create Reconciliation Summary	RUN_CA_RECON_SUM	Customer Contracts, Adjust Revenue and Billing, Create Reconciliation Summary	Summarize your reconciliations by running the Reconciliation Summary process. When the reconciliation process completes, it populates the CA_RECON_REV and CA_RECON_BI tables.

Defining Reconciliation Options

See Chapter 7, “Structuring Contracts,” Defining Reconciliation Options, page 62.

Selecting a Contract, Contract Line, Project, or Project/Activity to Reconcile

Access the Reconciliation Search page.



Reconciliation Search page

Search Criteria

Use the fields in the Search Criteria group box to filter the list of contracts or projects for which the system will search. When you leave a field blank, the system runs the process for all values for that field. The search fields that appear on this page depend on the criteria that you specified on the Contracts Reconciliation Definition page.

GL Unit Enter the GL business unit for which you want to search.

Note. If you're using interunit accounting, the reconciliation needs to be shown in one currency. Therefore, enter the GL business unit that you want to view on the Reconciliation Entry page.

For interunit accounting:

- If you select the GL unit of the contract, you see revenue and interunit (I/U) payables that total all revenue for the entire contract, contract line, project, or project/activity.
- If you select a GL unit that distributed only a portion of the revenue, you see revenue and the interunit (I/U) receivable sent to that particular GL unit.

Search Click to initiate your search.

Summarize Click to start the summarization process.

Change Reconciliation Fields Click this link to modify your review by and break on criteria.

Search Results

The fields that appear depend on the criteria specified in the Search Criteria group box.



Click to run the Reconciliation Summary process on the fly for this particular contract, contract line, project, or project/activity. You can also run the process

from the Create Reconciliation Summary page. You can redistribute revenue or create offsets for a contract line.

Last Updated Displays the date on which this contract, contract line, project, or project/activity was last summarized.

Redistributing Revenue to an Alternate Account and Offsetting the Unbilled AR Distribution

This section discusses how to redistribute revenue to an alternate account and offset the unbilled distribution.

To make an adjustment:

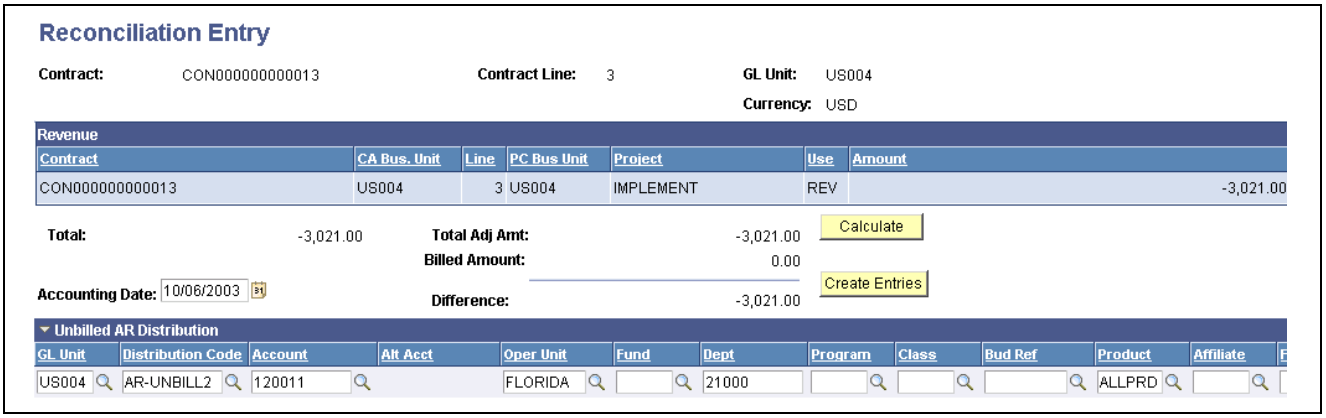
1. Enter the amount of the adjustment for your row.
2. Click the Calculate button.
3. Click the Create Entries button.

To redistribute revenue to an alternate account:

1. Enter the positive amount (debit revenue) for the row that you want to adjust.
2. Click the + button to add a new row.
3. Enter the new account, department ID, and affiliate on this new row, in addition to a negative amount (credit for revenue).
4. Click the Calculate button.
5. Click the Create Entries button.

Because the total adjusted amount equals 0.00 when you redistribute revenue (because the two rows net out), no unbilled AR offset is created.

Access the Reconciliation Entry page.



Reconciliation Entry page

The values that you searched on appear at the top of the page for the line that you selected. These values depend on the *review by* and *break on* criteria specified on the Defining Reconciliation Options page. The currency appears in the General Ledger currency.

Revenue

These values depend on the *review by* and *break on* criteria.

Use Displays the type of accounting for this contract, contract line, project, or activity. Values are:

REV: Revenue

IUR: Interunit receivable

IUP: Interunit payable

Adjustment Amount To redistribute revenue to an alternate revenue account, enter the positive amount (debit revenue) in this field for the row that you want to adjust.

To continue with the redistribution, click the + button to add a new row. Enter the new account, department ID, and affiliate on this new row, in addition to a negative amount (credit for revenue).

Note. You can book only to GL ChartFields that were included in the *break on* in the reconciliation page. ChartFields that you do not *break on* do not appear on this page.

Click the Calculate button, and then click the Create Entries button. Because the total adjusted amount equals 0.00 (because the two rows net out), no unbilled AR offset is created.

Total Displays the total revenue booked for this contract, contract line, project or project/activity.

Total Adj Amt (total adjusted amount) Displays the same value as in the Total field, when you first enter this page. This value changes as you make adjustments to this page.

Billed Amount Displays the total amount billed to date. This value appears in the contract (or billing) currency, if the currency differs from the GL currency.

Difference Displays the difference between the total adjusted amount and the billed amount.

Accounting Date Displays the current date, which appears by default as the accounting date. You have the option of selecting a different accounting date.

Caclulate Click to calculate distribution credits.

Create Entries Click to create accounting entries in the Unbilled AR Distribution group box.

Unbilled AR Distribution

The Unbilled AR Distribution group box provides you with the ability to book the unbilled AR entry as the offset when revenue is decreased or increased. For multiple contracts, contract lines, projects, or project/activities, you can offset to the same accounting distribution, or you can choose to offset each line separately. You may want to offset each line separately if you want to establish different accounting for each (for example, a different department ID). Select where the offset is applied.

The values under the Unbilled AR Distribution group box appear by default based on whether you are reviewing by contract, contract line, project, or activity:

Contract For a contract, displays the business unit by default.

Contract Line Displays the unbilled AR of the contract line by default.

Project If the all act (all activities) check box was selected on the Related Projects page for this project, then the project goes to one contract line, and the unbilled AR comes from that one line. If the project is split among multiple rows, then no value appears by default.

Activity Because activities can belong to only one contract line, the unbilled AR from the contract line appears by default.

The distribution code appears by default based on the contract line that you are reviewing. The distribution codes are restricted, and you are allowed to select only distribution codes with an unbilled AR account type. However, the general ledger ChartFields—Account, Alt Acct (alternate account), Oper Unit (operating unit), Fund, Dept (department ID), Program, Class, Bud Ref (budget reference), Product, Affiliate, Fund Affil (fund affiliate), and Oper Unit Affil (operating unit affiliate)—are not restricted to unbilled AR accounts. Therefore, you can change the account number under the Unbilled AR Distribution group box to another type of account (for example, revenue), but it never appears in the revenue numbers in the Revenue region of this page. Use the Unbilled AR Distribution group box to offset the adjustments with unbilled AR only.

GL Unit Displays the General Ledger business unit for your contract line. You can select a different business unit for the offset.

Distribution Code Displays the distribution code by default, based on whether you are reviewing by contract, contract line, project, or activity. You can select a different distribution code. The distribution codes are restricted to allow you to pick only distribution codes with an unbilled AR account type.

Account Displays the values for this unbilled AR account field by default from various sources, depending on whether you are reviewing by contract, contract line, project, or activity.

Summarizing Your Reconciliations

Access the Create Reconciliation Summary page.

Program Name

Process Frequency Specifies how often the Reconciliation Summary process runs. Values are:

Always: Processes reconciliation every time the Reconciliation Summary process runs.

Don't: Won't initiate the program, even if you click the Run button.

Once: Runs reconciliation once; *Don't* appears in the Process Frequency field.

Contract Options

Use the fields in the Contract Options group box to filter the list of contracts on which this process runs. When you leave a field blank, the system runs the process for all values for that field.

Project Options

Use the fields in the Project Options group box to filter the list of contracts on which this process runs. When you leave a field blank, the system runs the process for all values for that field.

Purging Options

Purge All Older Than Enter a number if you want the system to delete all reconciliation records that are older than a specified number of days. If you leave this field blank, the system overwrites only the existing data for the contract for which you are currently running this process.

CHAPTER 18

Forecasting Revenue

This chapter provides an overview of revenue forecasting and discusses how to forecast revenue.

Understanding Revenue Forecasting

Contracts enables you to forecast revenue backlog for both fixed-fee and rate-based contract lines. There are many delivered views that display the forecasted revenue data by organization, contract, accounting, customer, and product groupings. Using standard PeopleSoft Enterprise Analytic Calculation Engine functionality, you can analyze the information in many different ways with interactive reports. In addition, you can save Analytic Calculation Engine view data into Microsoft Excel spreadsheets.

This section discusses:

- Revenue forecasting functionality.
- Revenue forecasting parameters.
- Revenue forecasting calculations.
- Interactive reports.
- Analytic Calculation Engine configuration.

Revenue Forecasting Functionality

The Contracts revenue forecasting functionality enables you to:

- Search contracts to define forecast factors by criteria such as contract business unit, contract type, sold to customer, region, product group, product, price type, contract, and line status.
- Forecast on contracts with pending and active processing statuses.
- Choose to view your forecast in contract or general ledger (GL) currency.
- Specify the periods to forecast revenue by setting up the Detail and Summary calendars on the Contracts Installation Options page.
- Define probability percentages for each contract line included in the forecast.
- Define estimated start and end dates for contract lines for which there are no *Ready* plans linked or events defined.
- Define total estimated amounts for contract lines for which total amounts are not known (such as rate-based contract lines).
- Choose to view your forecast based on product, contract, accounting, customer, or organization information.
- Include or exclude contract lines from the forecast.
- Recalculate the revenue forecast when factors used in the forecast calculation change.

You define the forecasting calendar on the Contracts Installation Options page. With user-configurable budget period calendars, you can use a calendar for the entire application, enabling you to calculate revenue forecasts with a consistent time period.

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Setting Installation Options for PeopleSoft Applications," Defining Contracts Installation Options.

Revenue Forecasting Parameters

Contracts provides a work space to define or modify forecast parameters on the Create Forecast page. While many of these parameters appear by default, this page provides access to review and update that information as well as provide more detailed control over for which contract lines the system creates a forecast. Here is a list of editable parameters on the Create Forecast page:

- Estimated start date.
- Estimated completion date.
- Probability.
- Estimated amount.

The system populates by default from the contract line the estimated start and completion dates for rate-based contract lines. For amount-based contract lines, the estimated start and completion dates are hidden when a *Ready* revenue plan is linked because the plan's events are used in the forecast rather than the estimated start and completion dates. For amount-based contract lines, you must navigate to the Create Forecast page and enter estimated start and completion dates prior to a plan being readied.

For all contract lines, the system enters by default *100 percent* in the Probability field. Additionally, for contract lines that are generated by Proposal Management, the estimated start and completion dates, as well as the estimated amount, populate from the successful proposal.

Revenue Forecasting Calculations

There are four factors involved in the revenue forecast calculation: probability, amount, accounting distribution, and timing. The system applies the probability to the amount defined for the forecast. This amount is the contract line amount less revenue recognized to date. For rate-based contract lines, the contract line amount is the estimated amount defined on the Create Forecast page. The accounting distribution used in the forecast calculations comes from the Accounting Distribution page. Timing can be defined as the *buckets* to which the forecasted amount and distribution is calculated. The system calculates revenue forecasting buckets differently based on the revenue recognition method for the contract line. If no revenue plan is assigned to a contract line, then the system performs a standard straight line allocation from the user entered estimated start date to the estimated completion date defined for that contract line in detail and summary period *buckets* based on the defined installation options.

The system defines the timing for revenue forecasts in this way:

- For amount-based contract lines with no revenue plans or with *Pending* revenue plans, the system spreads the forecast evenly from the estimated start date to the estimated completion date defined for each contract line.
- For milestone and apportionment revenue plans that are *Ready* or *In Progress,* the Preview Revenue table is the basis for the forecast.

  For percent complete revenue plans that are *Ready* or *In Progress,* the system uses the ready event and then spreads the forecast for the remaining amount not yet defined to events evenly over the estimated start and estimated completion date entered by the user.
- For as incurred revenue plans, the system spreads the estimated amount evenly over the estimated start and estimated completion dates less the amount recognized to date.

The accounting comes from the Revenue Forecast group box on the Accounting Distribution page (not from the accounting rules).

Note. The rate-based contract lines are handled differently because the true amounts and accounting distributions are not known until the transactions actually occur and are applied to the accounting rules. However, for forecasting purposes, the basis for the forecast amount and the accounting distribution must come from data that you enter. Enter the accounting distribution for each rate-based contract line. You can split accounting distributions between General Ledger business units, accounts, and departments.

Note. If you enter an estimated start date that is earlier than the effective date on the accounting distribution, the system creates the forecast using the estimated start date. The system creates a revenue forecast, but generates only one row. The account, department, and general ledger business unit are blank and only the dollar amount appears for this time period. If the estimated start date is the same as or later than the effective date on the accounting distribution, the system creates the forecast with the proper number of rows for the accounting distribution. The system populates the account, department, general ledger business unit, and amounts for all periods.

Note. Contract revenue forecasting uses information only from plans that are in *Ready* or *In Progress* status for forecasting contract lines. The system excludes from the forecast contract lines plans that are in *Action Required, Completed, Reversal In Progress,* or *Reversed* status. For contract lines without plans or with plans in *Pending* status, the system uses information from the Create Forecast page in the forecast calculation.

Note. The system generates only one forecast at a time for any contract line. Once you rerun the forecast process, the system overwrites the previous forecast data with the most recent forecast information.

Interactive Reports

Contracts delivers a model containing 16 views that you can review as interactive reports through Analytic Calculation Engine. These views are broken down into five categories. Within each category there are summary and detail views based on the summary and detail calendars that you set up at the installation level.

Once in the Interactive Report, you can access the following views:

- Product views.

  The product views display product group, product ID, and amount or currency (GL or contract, depending on the view). The views also enable you to filter data by contract type, price type, and contract ID.

  Product views include the following interactive reports:

  - Contract Detail Revenue by Product.
  - Contract Summary Revenue by Product.
  - GL Detail Revenue by Product.
  - GL Summary Revenue by Product.

- Contract views.

  The contract views display CABU, contract type, contract ID, and amount or currency (GL or contract, depending on the view). The views also enable you to filter data by customer and contract status.

  Contract views include the following interactive reports:

  - Contract Detail Revenue by Contract.

- Contract Summary Revenue by Contract.
- GL Detail Revenue by Contract.
- GL Summary Revenue by Contract.

• Accounting views.

The accounting views display account, department, and GL amount or currency. The views also enable you to filter data by General Ledger business unit, and contract ID.

Accounting views include the following interactive reports:

- GL Detail Revenue by Account.
- GL Summary Revenue by Account.

• Customer views.

The customer views display customer, contract status, and contract amount or currency. The views also enable you to filter data by contract type, product group, and contract ID.

Customer views include the following interactive reports:

- Contract Detail Revenue by Customer.
- Contract Summary Revenue by Customer.

• Organization views.

The organization views display CABU, department, and amount or currency (GL or contract, depending on the view). The views also enable you to filter data by region and contract ID.

Organization views include the following interactive reports:

- Contract Detail Revenue by Organization.
- Contract Summary Revenue by Organization.
- GL Detail Revenue by Organization.
- GL Summary Revenue by Organization.

Note. Currency is a required filter for all views.

Note. You cannot edit the data within each report, but you can further filter and rearrange the data that appears on the report. The view is dynamic, thus the system does not save the changes that you make. However, you can download the data.

Analytic Calculation Engine Configuration

Analytic Calculation Engine enables you to view transactional data in multidimensional online reports and categorize information in several ways. You must first configure your Analytic Calculation Engine environment before using the forecast revenue feature. You must select the Enable Report box on the Interactive Report Definitions - Define Reports page to enable the Contracts Forecast Revenue report.

See *PeopleSoft Enterprise Components for PeopleSoft Enterprise Financial Management Solutions, Enterprise Service Automation, Asset Lifecycle Management, and Supply Chain Management 8.9 PeopleBook*, “Using Interactive Reports”.

Forecasting Revenue

This section discusses how to:

- Set up calendars for revenue forecasts.
- Create revenue forecasts.
- Process revenue forecasts.
- Forecast interactive reports.
- Analyze interactive reports.

Note. You must first configure your Analytic Calculation Engine environment before viewing forecast interactive reports. However, the data can be processed and is stored in a forecast table. Once calculated, the forecast appears as a summed amount on the Contract Summary page for each contract forecasted.

Pages Used to Forecast Revenue

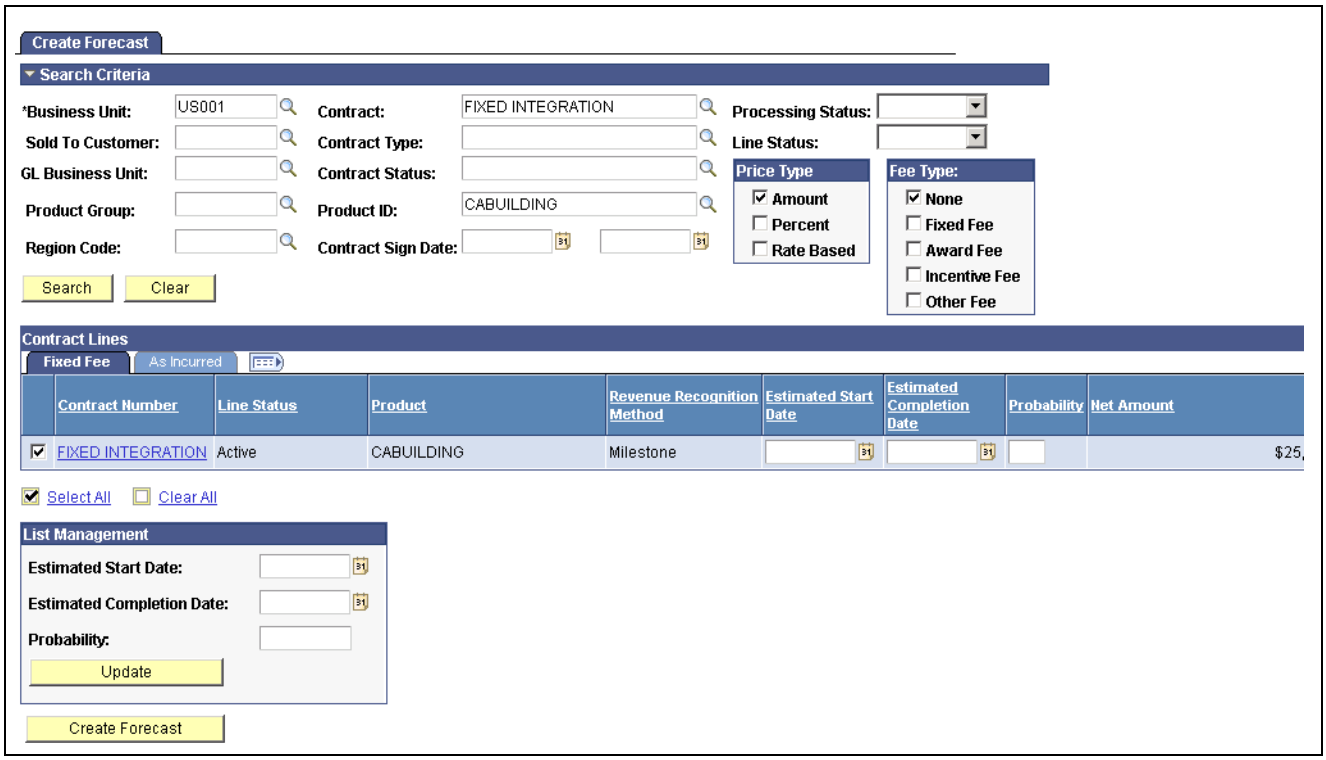
Page Name	Object Name	Navigation	Usage
Installation Options - Contracts	INSTALLATION_CA	Set up Financials/Supply Chain, Install, Installation Options, Contracts	Set up the detail and summary calendars for revenue forecasting.
Create Forecast	CA_FC_CREATE	• Customer Contracts, Forecast Revenue, Create Forecast • Click the Revenue Forecast link on any page in the Contract Entry component.	Review and establish forecasting parameters. You can build a revenue forecast for specific contract lines from this page.
Process Forecast	RUN_CA_FC	Customer Contracts, Forecast Revenue, Process Forecast	Run the revenue forecast process for all contract lines or for a subset of lines based on criteria defined on the page.
Forecast Interactive Reports	CA_FC_BAM	Customer Contracts, Forecast Revenue, Forecast Interactive Reports	Select or create run controls for the process that launches Interactive Reports.

Setting Up Calendars for Revenue Forecasts

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Setting Installation Options for PeopleSoft Applications," Defining Contracts Installation Options.

Creating Revenue Forecasts

Access the Create Forecast page.



Create Forecast page

Search Criteria

Use the fields in the Search Criteria group box to filter search results by entering specific values in these fields. If you leave all fields blank, the search returns all contract lines for all contracts within your system.

Note. You must enter a value in the Business Unit field.

Note. To view forecast results, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating Cost-Plus Government Contract Lines," Defining Cost-Plus Contract Fees.

Create Forecast page: Fixed Fee tab

(select) The system selects the contract line. Clear this check box if you do not want to update parameters or forecast revenue for this contract line.

Estimated Start Date Enter an estimated start date for the contract lines that are not linked to a *Ready* or *In Progress* apportionment or milestone revenue plan or do not have a start date defined.

Estimated Completion Date Enter an estimated completion date for the contract lines that are not linked to a *Ready* or *In Progress* apportionment or milestone revenue plan or do not have an end date defined.

Probability Enter a probability factor indicating the level of confidence in the amount and estimated completion date. The system populates this field with a default value of *100*.

Net Amount Displays the net amount for your amount-based contract lines.

Last Forecast Run Displays the last date on which a forecast was run for this contract line.

List Management

Estimated Start Date Enter an estimated start date for your contract lines, and click Update. The system populates the Estimated Start Date fields for the selected contract lines in the Search Results grid with your entered value.

Estimated Completion Date Enter an estimated completion date for your contract lines, and click Update. The system populates the Estimated Completion Date fields for the selected contract lines in the Search Results grid with your entered value.

Probability Enter a probability factor for your contract lines, and click Update. The system populates the Probability fields for the selected contract lines in the Search Results grid with your entered value.

Update Click to populate the Search Results grid with the option or options that you entered for the estimated start date, estimated completion date, and probability. This feature allows you to populate values for the selected contract lines in the Search Results grid at the same time, when you next save.

Create Forecast Click to create the revenue forecast for the selected contract lines. Clicking this button launches CA_FC_BUILD. This process serves the same function as the Process Forecast page, but only for the contract lines selected on this page.

Note. The system stores only one forecast per contract line. If you want to change any information on a contract line and rerun your forecast, the system overwrites the previous forecast information for the contract line.

Create Forecast page: As Incurred tab

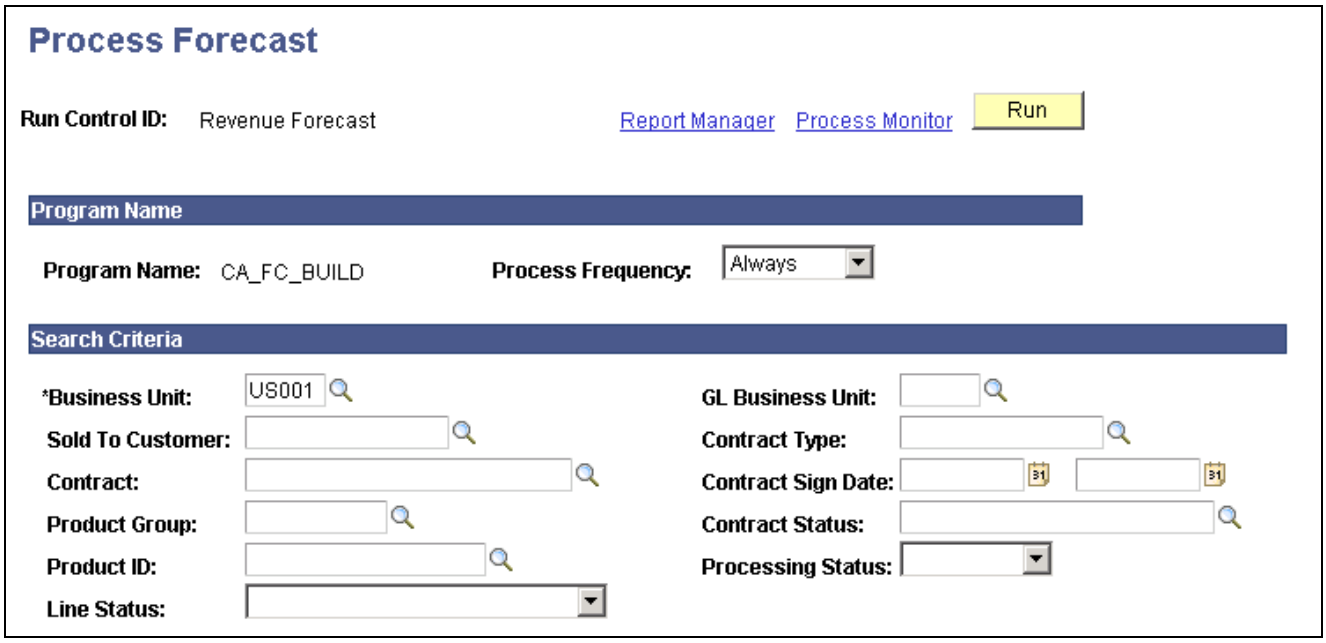
Select the As Incurred tab.

All fields are the same as those on the Fixed Fee tab of the Create Forecast page with the exception of:

Estimated Amount Enter the net amount for your rate-based contract line in the same currency as your contract. If the contract line was created from a proposal in Proposal Management, the amount from the successful proposal appears as the estimated amount.

Processing Revenue Forecasts

Access the Process Forecast run control page.



Process Forecast page

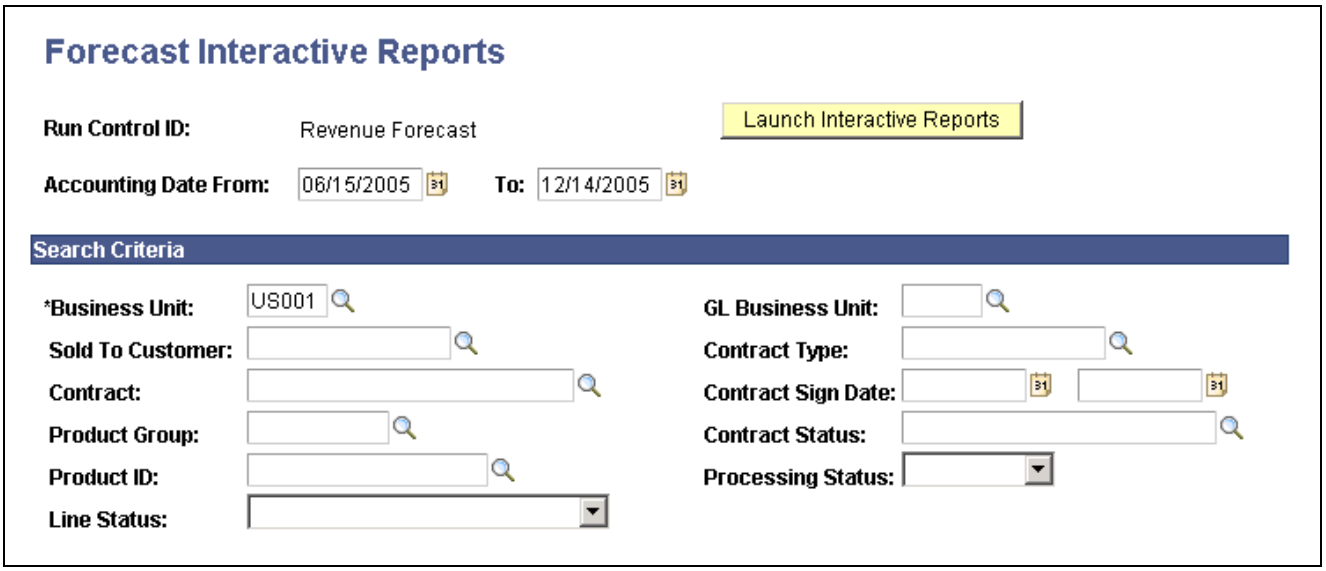
Select the parameters for your revenue forecast. You can limit your processing by factors such as contract status, processing status, and contract line status. If you leave all fields blank, the system processes all contracts. This process populates the CA_FC_MAIN table.

Note. You must enter a value in the Business Unit field.

Warning! If you build your forecast by filtering search criteria by General Ledger business unit, product group, product ID, or contract line status, the forecasted amount may represent only a portion of a contract, because the filters that you select can differ within any contract.

Forecasting Interactive Reports

Access the Forecast Interactive Reports run control page.



Forecast Interactive Reports page

Note. If you access this page from the Contract Entry component, the system populates the appropriate search criteria fields. Click the Launch Interactive Reports button to build the revenue forecast views in Analytic Calculation Engine for your selection criteria.

Select the parameters for your revenue forecast. You can limit your processing by factors such as contract status, processing status, and contract line status.

Note. You must enter a value in the Business Unit field.

Warning! If you build your forecast by filtering search criteria by General Ledger business unit, product group, product ID, or contract line status, the forecasted amount may represent only a portion of a contract, because the filters that you select can differ within any contract ID. Additionally, if the system calculates only a portion of the contract due to the selection criteria used to process the revenue forecast, your interactive reports are restricted by the forecast calculated even if you select a broader range of criteria on this page.

Accounting Date From and **To**

Select from and to dates for your report.

Note. When forecasting revenue, the system limits you to a maximum accounting period of one year.

Launch Interactive Reports

Click to launch Analytic Calculation Engine processing. Forecast data is transferred to Analytic Calculation Engine per your selection criteria. When Analytic Calculation Engine has processed the data, your views appear in a browser window.

Analyzing Interactive Reports

After clicking the Launch Interactive Reports button, you can select one of sixteen views from five categories:

- Product
- Contract
- Accounting

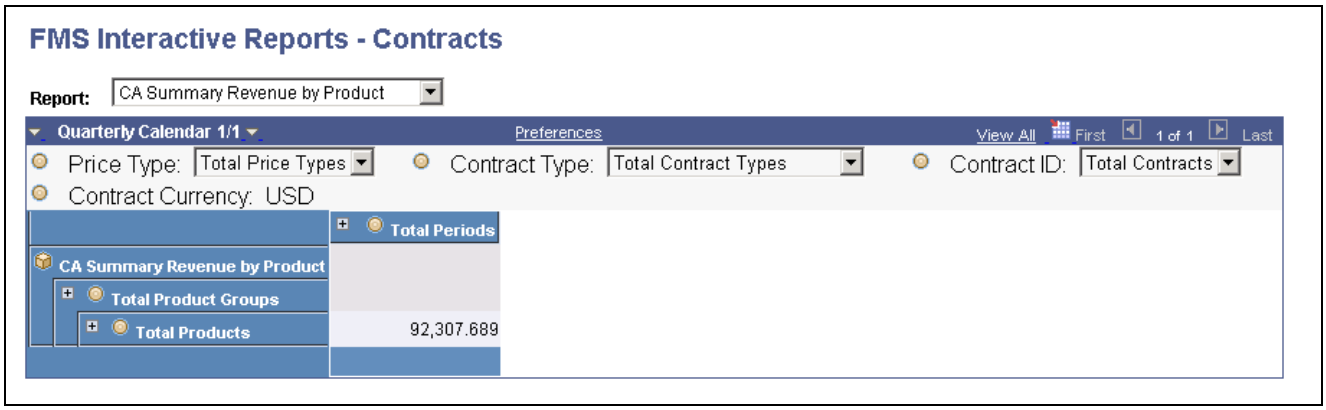
- Customer
- Organization

Within each table view, you can drag and drop the data cubes and dimensions to view the data in different ways.

Note. The fields that appear on the page vary based on the type of report that you are viewing.

Product View

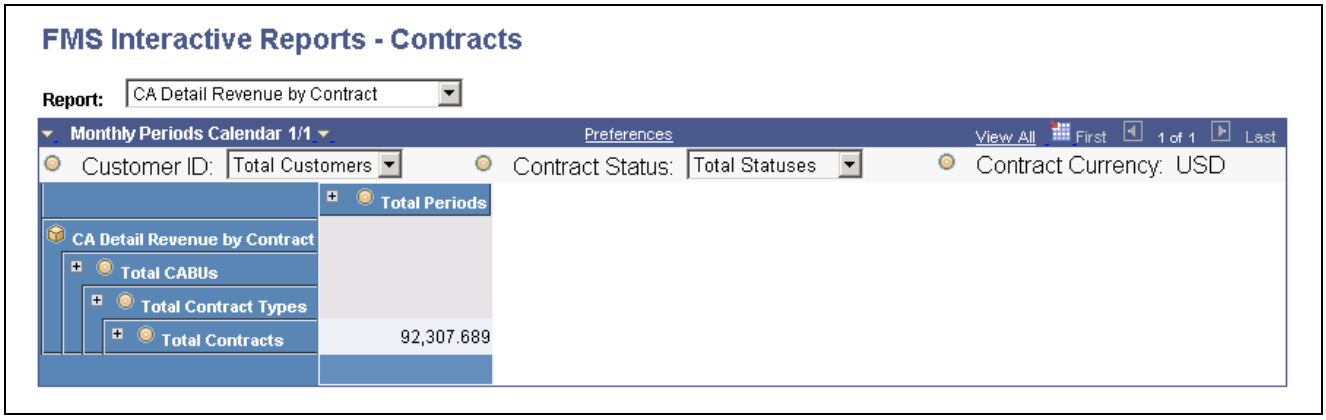
Select a product view.



Contract View - Contract Summary Revenue by Product

Contract View

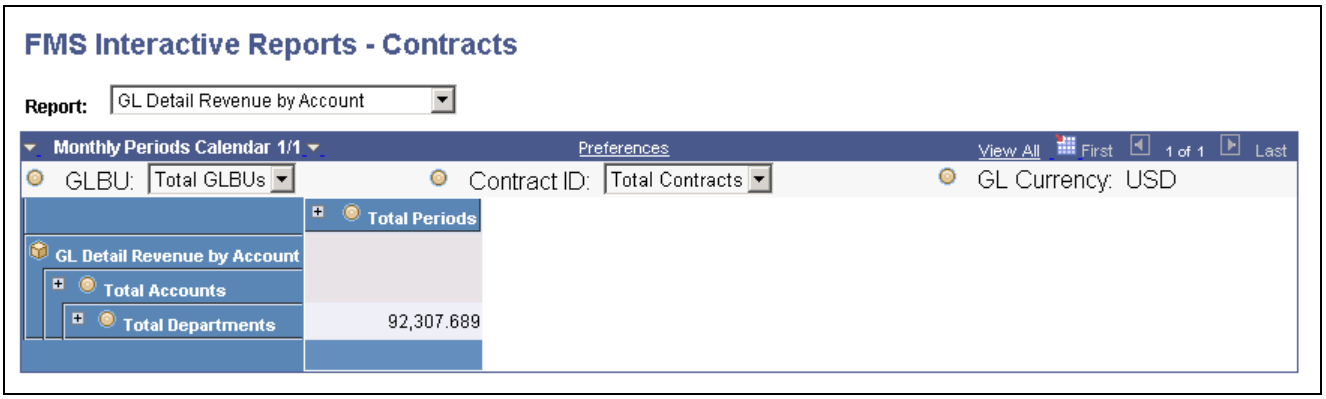
Select a contract view.



Contract View - Contract Detail Revenue by Contract

Accounting View

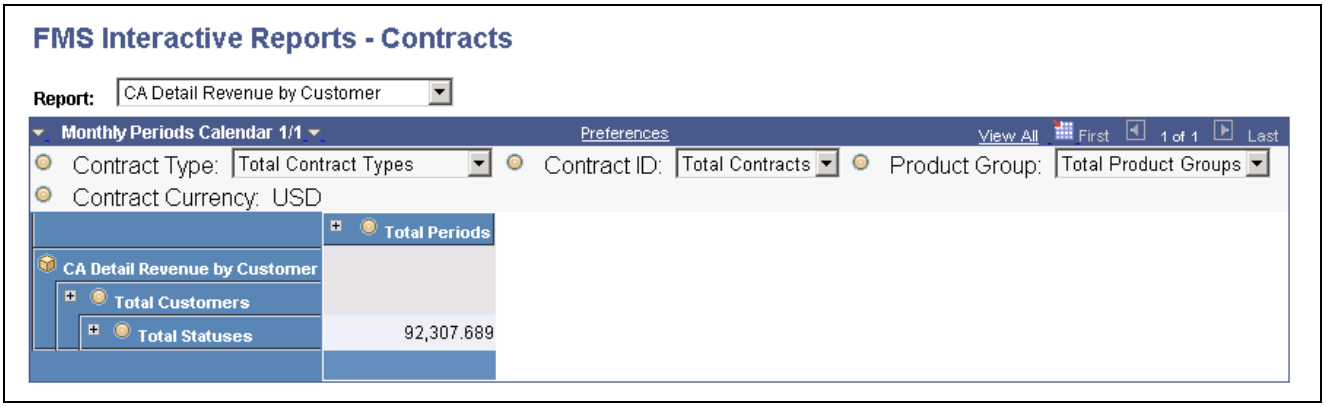
Select an accounting view.



Accounting View - GL Detail Revenue by Account

Customer View

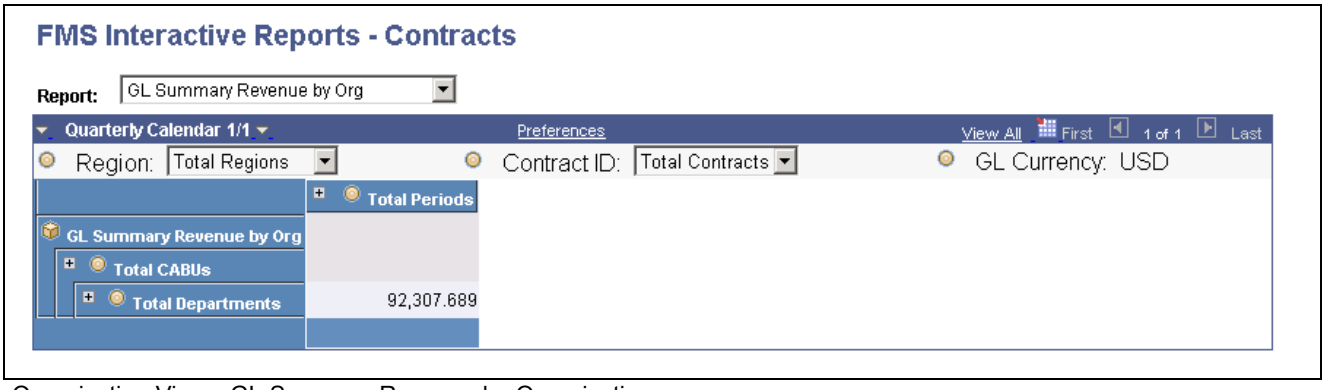
Select a customer view.



Customer View - Contract Detail Revenue by Customer

Organization View

Select an organization view.



Organization View - GL Summary Revenue by Organization

CHAPTER 19

Setting Up Billing Plans

This chapter provides an overview of billing in Contracts and discusses how to:

- Define billing plans.
- Assign contract lines to billing plans.

Understanding Billing in Contracts

Contracts enables you to define and administer the billing rules for the products and services that your customer has purchased under a contract. After you have defined the billing rules for a contract, data from Contracts drives the creation of bill lines for fixed-price contract lines. Data from Contracts and Project Costing drives the creation of bill lines for rate-based contract lines. In both cases, Contracts creates bill lines for the Billing Interface tables, and the Contracts Billing Interface process is then run to transfer the bill lines to Billing. Once the bill lines have been transferred to Billing, you can use the Billing comprehensive billing solution to customize your bills as needed. Contracts enables you to manage your billing activity, with full views into the billing related activity within Contracts, and information on the status of bill lines that interact with Billing.

A contract can consist of multiple contract lines with complex and diverse billing requirements. In Contracts, each product is assigned to its own contract line. You then associate each contract line with a billing plan. Billing plans store the timing of when billing occurs, how bill lines should appear, and what notes should relate to the bill. You can assign contract lines with similar billing requirements to the same billing plan. Each contract has at least one billing plan, and a contract may have more than one billing plan.

When you define your contract's business units and products, you define default billing options and billing rules for those business units and products. When you create a new contract, the billing options that you associated with the contracts billing unit appear by default on the contract header, where you can edit them if necessary. When you select a product onto the contract line, the billing options that you defined for that product are selected onto the contract line. When you define your billing plan, the billing options defined at the header and line levels populate the billing plan. You can edit them if necessary. The billing options that exist at the contract billing plan level take precedence over those defined at a higher level.

A series of high-level management pages enable you to review billing activity for contracts and to manage the activity by holding and releasing billing activity that is otherwise ready to bill according to the defined terms.

The Contracts Billing Interface process reviews contract billing activities, locates billing activity that is ready to be billed, and creates billing lines in the Billing interface tables to initiate billing of this activity.

This section discusses:

- Billing plans.
- Billing methods.
- Billing statuses.

- Billing plan assigning rules.
- Billing summarization.
- Billing notes.

Note. For contracts with a classification of *Government,* you can find additional billing information in the *Contracts for Government Contracting PeopleBook.*

See Also

Chapter 22, "Managing Contracts Billing," page 363

PeopleSoft Contracts for Government Contracting PeopleBook

Billing Plans

In Contracts, you assign billing schedules and rules to contract lines by creating billing plans. Billing plans are contract-specific. A billing plan stores the schedule of billing events (when to bill) and the corresponding bill lines (what to bill) for these events. Each contract line product is tied to a billing plan, and you can associate contract lines with similar billing requirements with the same billing plan. Each contract has at least one billing plan and may have more than one.

Before you define billing plans for a contract, you should first have established your contract header billing options. The information that you have entered at the contract header level migrates down to the billing plans created for the contract. Much of this information appears by default from the setup of the related Contract business unit.

When you are setting up your billing plans, you can either first define billing plans and then assign contract lines to them, or you can first assign your contract lines to undefined billing plans and then finish the billing plan definition.

You can optionally select billing plan templates to automate the creation of billing plans on your contract. You can associate events with your billing plan template depending on your plan method. In addition, you can create a billing plan detail template to override the billing defaults defined for a contracts billing business unit and contract header.

Regardless of which approach you take, you still need to complete these high-level steps:

- Define a billing plan method when entering a billing plan.
- Define billing options for the billing plan.
- Create billing plan lines for *Immediate, Milestone,* and *Percent Complete* billing methods.
- Define billing plan events.

  Events are required for *Milestone, Percent Complete,* and *Value-based* billing plans; optional for *As-incurred* billing plans; not used for *Immediate* and *Recurring* billing plans.
- Create billing plan lines for *Value-based* billing methods.

To simplify your billing process, you might limit the number of billing plans that you create for a contract. These are the rules for defining when you need to create a new billing plan:

- At least one billing plan is defined for each contract.
- A new billing plan must be added if the nature of billing differs for some contract lines.

  For example, if some contract lines are managed as-incurred and others are to be billed in association with milestones, then a minimum of two billing plans are needed—one *As-incurred* plan and one *Milestone* plan.

Also, amount-based contract lines cannot be assigned to *Value-based* billing plans. Rate-based contract lines cannot be assigned to *Milestone, Percent Complete,* or *Immediate* billing plans. And, recurring contract lines can be assigned only to *Recurring* billing plans.

The high-level step for linking contract lines to billing plans is to assign contract lines to billing plans.

When assigning contract lines to billing plans, assign lines with similar billing requirements to the same billing plan when possible. Contract lines must be put on different billing plans if one of these vary:

- Billing plan options.
- Bill to customer ID.
- Bill to address.
- Billing contact.
- Billing business unit.
- Bill type.
- Bill source.
- Bill currency option (for *as-incurred*).
- Bill by ID.
- Bill cycle.
- Billing specialist.
- Bill inquiry phone.
- Tax parameters (for *as-incurred*).

In addition, the contract lines must be put on different billing plans if any of the following apply:

- Billing the lines in association with a different set of milestones.
- Billing by amount versus percent.
- Billing a different percent for some lines than for others.
- Having a *recurring* price type.

  Recurring contract lines, even though they have the same price type, cannot share billing plans.

Billing Plan Templates

There are two types of billing templates:

- Billing Plan template
- Billing Plan Detail template

You can optionally select billing plan templates to automate the creation of billing plans on your contract. You can also associate events with your billing plan template depending on your plan method. Create billing plan templates on the Billing/Revenue Plan Templates page.

You can also create a billing plan detail template to override the billing defaults defined for a contracts billing business unit and contract header. Create billing plan detail templates on the Billing Plan Detail Template page.

See Chapter 7, “Structuring Contracts,” Defining Revenue and Billing Plan Templates, page 36.

Discounts

See these chapters for information regarding discounts: Pricing Contracts, Understanding Accounting Distributions, and Entering Accounting Distributions.

See Chapter 11, "Entering Accounting Distributions," page 135.

See Chapter 12, "Pricing Contracts," page 143.

Retainages

A retainage is any amount that is not to be billed unless and until you release it. Retainages, always defined as percentages, can be specified on rate-based contract lines to apply to all billable project transactions that are tied to the contract line and passed to Billing. Contract lines containing retainages can only be assigned to *As-incurred* billing plans.

Purchase Orders

You can have only one purchase order (PO) associated with a contract. However, for the appropriate billing plan method (percent complete, immediate, milestone, or value-based), you can have multiple POs on the billing plan.

The PO number is open and editable throughout the life of the billing plan, and you can override the default PO number at any time.

The PO number appears on varying pages of your contract depending on the billing plan type:

- For *As-incurred* and *Recurring* billing plans, the PO number appears on the Billing Plan General page.
- For amount-based billing plans *(Amount, Percent Complete,* and *Immediate),* the PO number appears on the billing plan line.
- For *Value-based* billing plans, the PO number appears on the Value Based Billing Plan lines page.
- For prepaids, the PO number appears on the Prepaid Balances page.

Billing Methods

The billing method describes the nature of the billing that applies to line products that are related to a specific billing plan. Contracts supports the following billing methods:

Milestone	For billing plans where billing is triggered by an event—such as a date, a milestone, or a user-initiated action—that you have associated with the billing plan. Define a schedule of events for the billing plan and spread the total billable amount over the events by percentage or amount. You associate amount-based contract lines with the *milestone* billing method.
% Complete (percent complete)	For billing plans where you generate bills over a period of time by updating the percent complete as needed. You manually generate these bill events by entering the percent complete for a given period on the Billing Plan - Percent Complete page. The total billable amount is spread over the events by percentage of completion. You associate amount-based contract lines with the *% complete* billing method. You bill based on a manually entered percentage of completion or a system updated percentage of completion based on your associated project or project and activity combination.

Immediate No events are defined for billing plans with a billing method of *Immediate.* Billing is eligible to be triggered as soon as the billing plan is marked *Ready.* You associate amount-based contract lines with the *immediate* billing method.

As-Incurred For billing plans where the associated line products correspond to services whose billable items accumulate in Project Costing. You do not have to set up events for an *As-incurred* billing plan. Billing occurs for whatever has been accumulated to date when you run the Contracts Billing Interface process. You can optionally schedule date or milestone events for *As-incurred* billing plans. This provides you with greater control over when billing occurs, because the events act as a floodgate. Once the events have been met, all accumulated, billable items in Project Costing that are not yet billed are processed. You associate rate-based contract lines with the *as-incurred* billing method.

Value Based For billing plans where you want to attach an amount-based billing plan to a rate-based contract line. A value-based billing plan lets you define and bill independent amounts other than the actual rate-based transactions processed for revenue recognition. Amount-based contract lines (amount) cannot be associated with value-based billing plans. Value-based billing plans cannot be associated with contract lines containing discounts or retainages. You must associate every value-based billing plan with an event. The system automatically populates the value-based billing plan with a default, pending event date using the current date. The current date makes the billing plan eligible for immediate processing.

Recurring Recurring billing does not utilize billing plan lines or events. You define the billing plan schedule, and each time that the billing plan is eligible for billing, the process generates the appropriate invoice lines and sends them to billing.

If you are using billing plan templates, add a product or service to your contract; the system automatically creates the billing plan. Your contract administrator enters the start date and schedule, and you can preview the recurring fees prior to running the billing process.

Here are the rules for using the recurring price type and billing method:

- Must have a bill plan method of Recurring with a recurring price type.
- Must have a revenue method of *Billing Manages Revenue* with a recurring price type.
- No billing plan lines for recurring billing method.
- No events for a recurring billing method.
- Only one project and activity allowed for each recurring contract line.
- No discounts and retainages for recurring billing method.
- No limits apply for recurring billing method.

Billing Statuses

There are four areas related to Billing that have status fields:

- Billing plans.
- Billing plan events.
- Prepaids.

- Billing cross-reference history.

Status fields exist for each of these areas to initiate edit checking, enable processing, and indicate billing progress.

Understanding Billing Plan Status

Billing plans define when to bill, how much to bill, the format of the invoices, and the number of bill lines to create on each invoice. There are nine status values for a billing plan:

Pending

Default status when you define a new billing plan. When you save a billing plan that is in *Pending* status, the system does not perform edit checking. This allows you to work on a billing plan, save your work, and return to that billing plan to finish your work at a later date. When you have completed entering data for a billing plan, you set the status field to *Ready.* You can also set the status field to *Cancelled.*

Note. If you are using templates and selected the *Activate Contract* option on the template, the system automatically sets the billing plan status to *Ready* upon contract activation.

Ready

You may select this status when the contract is in *Active* status. If all required conditions are met (see below), the billing plan status becomes *Ready,* and the Contracts Billing Interface process may now select this billing plan for processing.

For *% Complete* billing plans, once the plan is *Ready,* you can update the percent complete on the Billing Plan - Events page.

Note. If you are using templates and selected the *Activate Contract* option on the template, the system automatically sets the billing plan status to *Ready* upon contract activation.

In Progress

Once billing activity has been generated from this billing plan, the Contracts Billing Interface process (CA_BI_INTFC) changes the status of the billing plan to *In Progress.* At this point, the billing plan status becomes display-only. Billing plans that are *In Progress* may be moved to *Cancelled* by using a button if the billing cross-reference history for the billing plan nets to a zero dollar amount—that is, if all bills have been credited. You can delete or add billing plan events to *In Progress* billing plans.

Action Required

The system sets a billing plan to an *Action Required* status when a contract line amendment is processed or an event is reversed. You must review the event and reallocate the plan to account for the amendment or reversal. Once you have reviewed the billing plan and made any necessary changes, click the Reviewed button to rebuild the billing schedule and to signify to the system that the plan is ready to continue with processing. The system changes the status from *Action Required* to *In Progress.*

Note. When you create an amendment for an Immediate billing plan or for a billing plan that has a status of *complete,* the system sets the billing plan status to *In Progress* instead of *Action Required.*

Note. In the scenario where the contract line amount associated with the billing plan is amended, and the new amount equals the total billed amount for the billing plan, when you click Reviewed, the system changes the billing plan status from *Action Required* to *Completed.* This applies to Milestone and Percent Complete billing plans with events.

Cancelled

Billing plans may be cancelled from any status value. Cancellation may occur due to the entire contract being terminated or superseded, a contract line being dropped, or to consolidate contract lines onto another billing plan. Once cancelled, a billing plan cannot be reopened.

When you change the status to *Cancelled,* the system performs edit checking to ensure that all rows in the billing cross-reference history net in total amount to zero or have a cross-reference status of *Cancelled.*

Completed

For fixed-amount billing methods containing events, once all billing plan events are complete, the system updates the billing plan to *Completed.* This indicates that all billing has been generated and finalized. For the *as-incurred* billing method, you must manually move the billing plan status to *Completed* because the system has no way to evaluate when a plan with no amount and no events is complete. For the *recurring* billing method, once the end date is reached and the bills for that cycle are generated, the system sets the billing plan to *Completed* when the Projects/Contracts Interface process is run. For the *value-based* billing method, you must manually move the billing plan status to *Completed* because the system has no way to evaluate when you have finished adding lines to a billing plan. Completed billing plans may be moved to *Cancelled* by using a button if the net monetary amount on the billing cross-reference history is zero—that is, if all bills have been credited.

Recycled

For fixed-amount billing methods containing events, once the billing event status is marked *Recycled,* the system changes the billing plan status to *Recycled.* Billing plans that are *Recycled* may be moved to *Cancelled* by using a button if the billing cross-reference history for the billing plan nets to a zero dollar amount (all bills have been credited). You cannot reverse a *Recycled* billing plan.

Note. The *Recycled* status applies to *Immediate* billing plans only.

Reversal In Progress

When you initiate the reversal of a billing plan, the system changes the status of the billing plan to *Reversal In Progress.*

Reversed

The system changes the billing plan to a *Reversed* status after completing the reversal process.

In addition to the above status values, a Hold check box is available on the billing plan. If the billing plan status is *Ready* or *In Progress,* you have the option to temporarily hold the billing plan for processing. For reference, the system stores the date on which you placed the billing plan on hold.

The system performs specific edits when the billing plan is moved from one status to another. A billing plan must pass all edits for the status to change.

Auto Readying Billing Plans from Templates

A check box on the billing plan page indicates whether the system should mark the billing plan *Ready* automatically upon contract activation. The value in this check box populates from the option defined on the Billing and Revenue Plan Template page. The default for this template option is to leave the plan *Pending.* Therefore, you must select this option on the template for the system to automatically set the billing plan status to *Ready* upon contract activation.

Changing a Billing Plan Status to Ready

When you move the billing plan status to *Ready* and click the Save button, the system performs these edits:

- Contract status is mapped to a processing status of *Active.*

  This ensures that the contract has been fully captured and that pricing has been fully allocated.
- At least one contract line is attached to the billing plan.
- The following fields on the billing plan must have valid values: Bill to Cust ID, Bill to Address, Billing Business Unit, Bill Type, and Bill Source.
- For *Milestone* billing plans, a minimum of one event must be defined for the billing plan, and the percent total must equal 100 percent.
- For *As-incurred* billing plans, event definition is optional.
- For *Value-based* billing plans, you must define at least one event.
- Billing lines are required for *Milestone, % Complete, Immediate,* and *Value-Based* billing plans.

  Except for value-based billing, all contract lines tied to these billing plans must map to a billing plan line. You do not map contract lines to value-based billing lines because these billing lines are free-form and are created manually as needed.
- For *As-incurred* billing plans, if one of the contract lines has a prepaid balance associated with it, the billing currency option must be set to *Default.*

Note. For a contract line to be cancelled, the billing plan status must be *Pending* or *Cancelled* to ensure that there is no pending processing.

Once you, or the system if you are using the autoready feature from the billing template, have set the billing plan status to *Ready,* the following fields are unavailable for entry: Billing BU, Billing Method, and Billing Currency Option.

Changing a Billing Plan Status to Pending

You can manually move the status of a billing plan from *Ready* to *Pending.* The system does not perform edit checking for status changes of this type.

Changing a Billing Plan Status to In Progress

For billing plans containing events, the system automatically initiates a billing plan status change from *Ready* to *In Progress* when the first billing plan event status is moved to *In Progress.* See the Billing Plan Event Status section for more details. For those billing plans with no events, the status is changed upon different actions.

For *As-incurred* billing plans, the system automatically initiates a billing plan status change from *Ready* to *In Progress* when the billing cross-reference history is populated with its first finalized row for this billing plan.

For *Immediate* billing plans, the system automatically initiates a billing plan status change from *Ready* to *In Progress* when the billing cross-reference history is populated with its first *Accepted* status row for this billing plan. See the Understanding Billing Cross-Reference History Status section below.

For *Value-Based* billing plans, the system automatically initiates a billing plan status change from *Ready* to *In Progress* when the Contracts Billing Interface Application Engine process (CA_BI_INTFC) runs.

For *Recurring* billing plans, the system changes the billing plan status from *Ready* to *In Progress.*

Changing a Billing Plan Status to Cancelled

You change a billing plan's status to *Cancelled* on the Billing Plan - Billing Plan General page. When you change the status to *Cancelled,* the system performs edit checking to ensure that all rows in the billing cross-reference history net in total amount to zero or have a cross-reference status of *Cancelled.*

Changing a Billing Plan Status to Completed

For billing plans containing events, the system automatically changes the billing plan status to *Completed* when all billing plan events are *Completed.* For those billing plans with no events, the status is changed upon different actions.

For *As-incurred* billing plans, you must manually initiate this status change because the system doesn't know when the last transactions have been accumulated in Project Costing and processed through to Billing.

For *Value-Based* billing plans, you must manually initiate this status change because the system doesn't know that you have finished adding rows to the billing plan.

For *Immediate* billing plans, only one set of bill lines is generated for the billing plan. The system automatically changes the billing plan status to *Completed* when the billing cross-reference history is populated with a finalized row for the billing plan. See the Understanding Billing Cross-Reference History Status section below.

For *Recurring* billing plans, once the end date is reached and the bills for that cycle are generated, the system sets the billing plan status to *Completed* after running the Projects/Contracts Interface process (BIPCC000).

Changing a Billing Plan Status to Action Required

The system sets the billing plan to a status of *Action Required* when amendment processing against a contract line or an event reversal occurs. You must review the event inserted by the amendment or reversal process, and reallocate the plan to account for the amendment or reversal. Once you have reviewed the billing plan and made any necessary changes, click the Reviewed button to rebuild the billing schedule and to signify to the system that the plan is ready to continue with processing. The system changes the status from *Action Required* to *In Progress.*

Note. When you create an amendment for an Immediate billing plan or for a billing plan that has a status of *Completed,* the system sets the billing plan status to *In Progress* instead of *Action Required.*

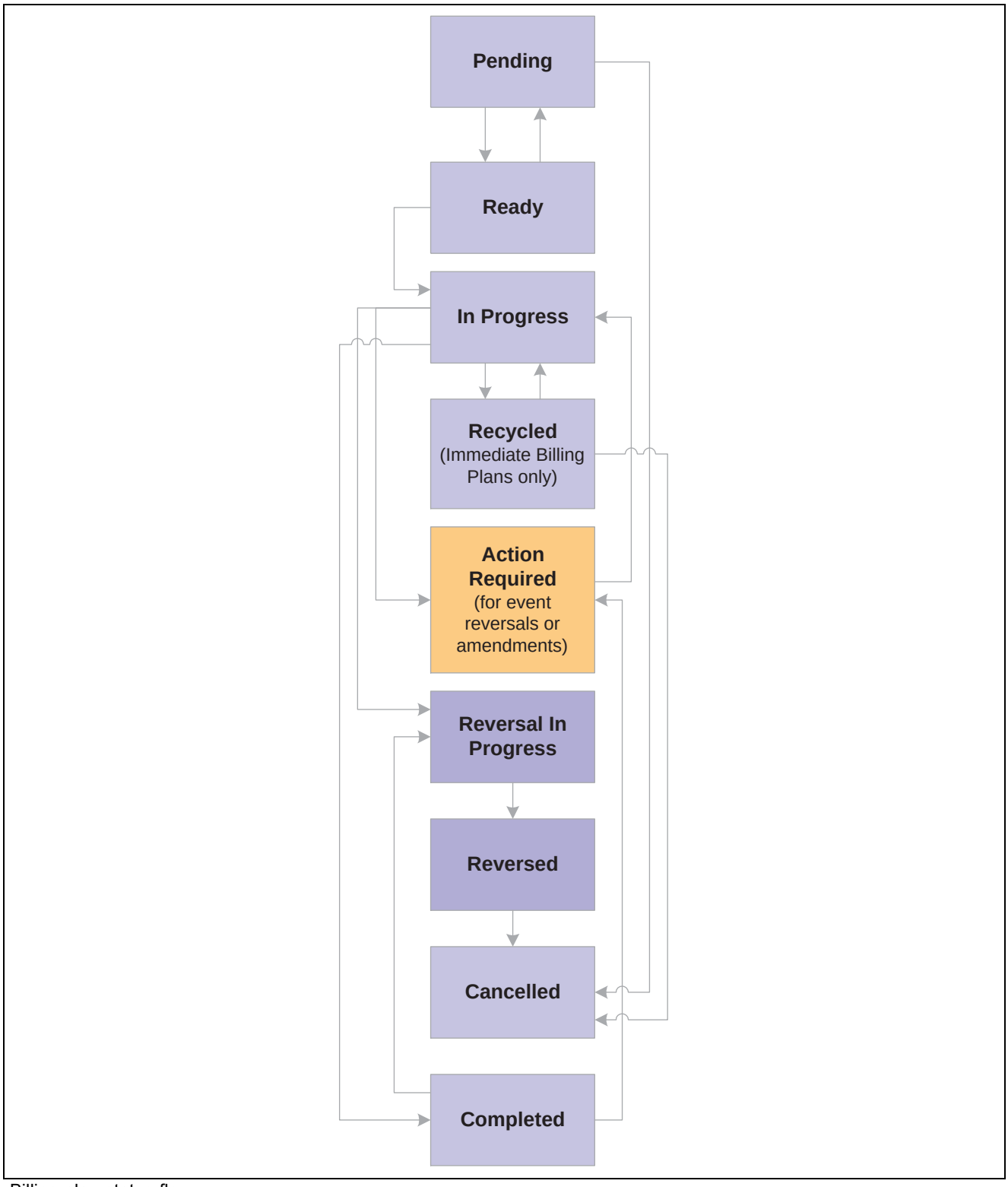
Note. In the scenario where the contract line amount associated with the billing plan is amended, and the new amount equals the total billed amount for the billing plan, when you click Reviewed, the system changes the billing plan status from *Action Required* to *Completed.* This applies to Milestone and Percent Complete billing plans with events.

Changing a Billing Plan Status to Reversed

The system autonomically changes the billing plan status to *Reversed* when all billing plan events that were set to *Reversal Initiated* have a status of *Reversed.*

Billing Plan Status Flow

This diagram depicts the flow between status values:



Billing plan status flow

Understanding Billing Plan Event Status

Depending on the billing method for the billing plan, you define zero or more billing plan events. Billing plan events depict how much to bill based on a percentage of the billing plan total, and when to bill using the event status. Events are used with billing methods *Milestone, % Complete,* and *Value-based.* Billing methods *Immediate* and *Recurring* do not have billing plan events. You can optionally associate billing plan events with *As-incurred* billing plans to maintain greater control over the timing of as-incurred billing. There are eight billing plan event statuses:

Pending Default status when you define most billing plan events. Billing plan events in *Pending* status are not subject to system edit checking.

Note. The system inserts *Percent Complete* billing plan events in *Ready* status.

Ready There are two methods that you can use to set the billing plan event status to *Ready.* First, you can set the billing plan event status to *Ready* after you have finished defining the event for the billing plan. This method enables you to automate the billing process. For example, you can define a milestone billing plan event and set it to *Ready* status. Then, when the milestone is reached, the system automatically generates the corresponding bill line. The second method is to leave the billing plan event in *Pending* status until the activity associated with the bill event is ready to be billed. For example, you can define a milestone billing plan event and leave it in *Pending* status. Then when the milestone is reached, you can update the billing plan event status to *Ready* to initiate billing. This method enables you to enforce greater control over what bills are generated. Regardless of the method that you choose, when you set the billing plan event status to *Ready,* the system performs edit checks to ensure that all required event fields have been defined (Milestone ID, Milestone Number, and Percentage).

In Progress Once the billing plan event has been processed by the system and the associated activity sent to Billing, the Contracts Billing Interface process (CA_BI_INTFC) updates the event to *In Progress.* Once an event is marked with *In Progress* status, that event is overlooked by future billing processes.

Recycled The *Recycled* status is set by Billing if one or more of the billing plan lines associated with the event is canceled in the billing worksheet.

Note. Invoices cancelled in bill entry are not updated to *Recycled* in Contracts 8.

Individual billing plan lines are processed if an event is marked as recycled and the billing plan line is cancelled in the Billing Cross-Reference History table. (Cancelled billing plans have a *Deleted* Billing Cross-Reference History status.)

Completed Once all bill lines associated with a billing plan event are marked *Finalized* in the Billing Cross-Reference History, the Projects/Contracts Interface process (BIPCC000) updates the billing plan event status to *Completed.*

Reversal Initiated The system sets this status when you select the Reversal Initiated option and click the Update Event Status button on the Review Billing - Events page. Selecting this option triggers the system to generate a reversal for the selected billing plan events.

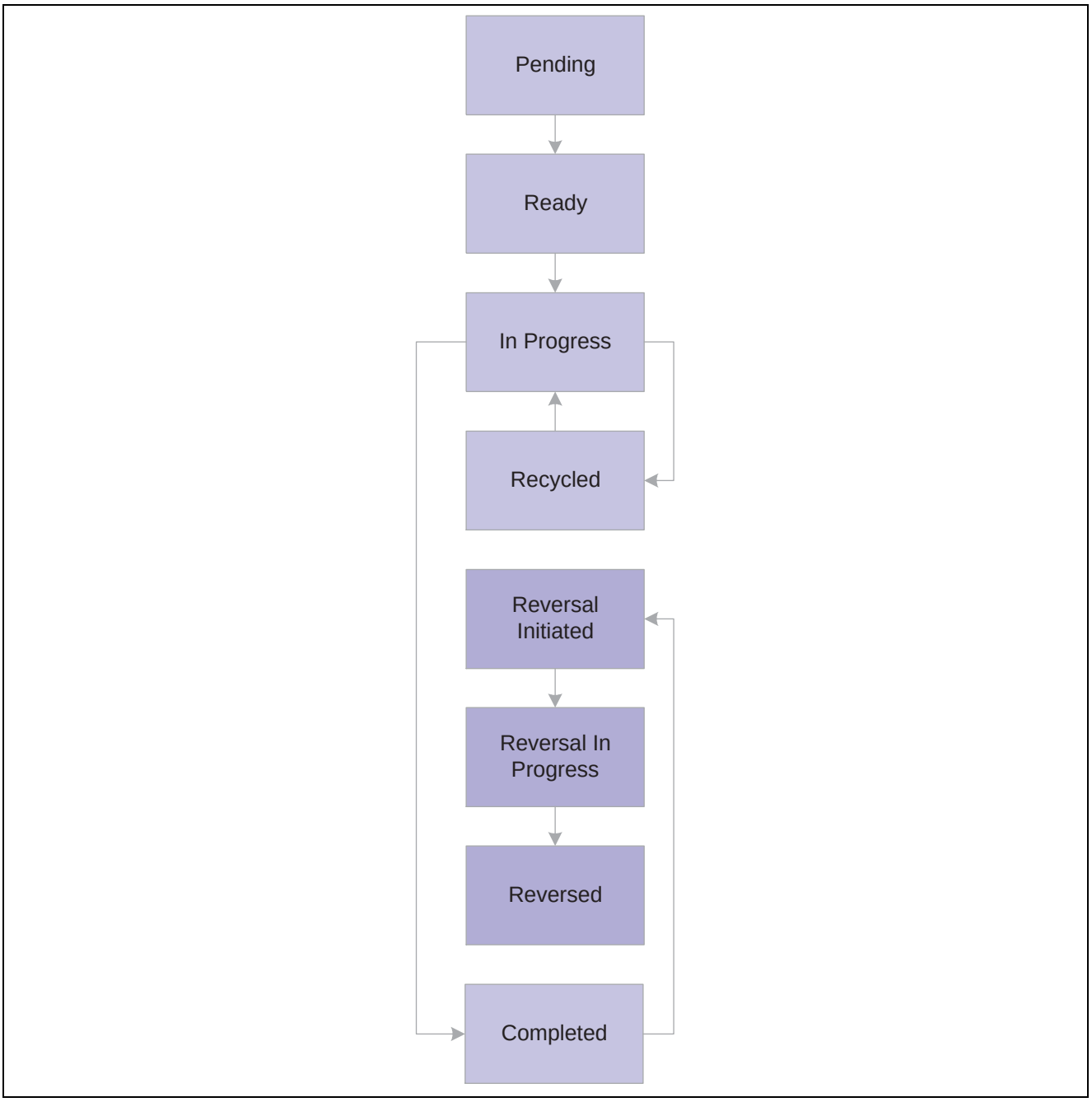
	At the same time that the system sets the event status to *Reversal Initiated,* the system also changes the billing plan status from *In Progress* or *Completed* to *Action Required.* This indicates that you need to manage the billing plan events to ensure that you process 100 percent for event-level reversals.
Reversal in Progress	The system sets this status when the application engine begins the reversal generation process.
Reversed	The system changes the billing plan event status to *Reversed* with the next run of the Contracts Billing Interface process (CA_BI_INTFC).

Changes between statuses are controlled manually by you or programmatically by the system. You control the billing plan event statuses of *Pending* and *Ready.* All other changes to the billing plan event statuses are controlled by the system.

Understanding the Relationship Between the Billing Plan Status and Billing Plan Event Status

When the billing plan status is *Pending,* you can freely edit your billing plan events. When the billing plan status is *Ready* or *In Progress,* you can edit billing plan events with a status of *Pending* or *Ready.*

This diagram depicts the billing plan event status flow:



Billing plan event status flow

Understanding Prepaid Status

Prepaids are fixed amounts defined in a contract and pertain only to rate-based contract lines. The prepaid amount is defined for a specific use and can have an expiration date. The time frame and exact transactions applied to the prepaid are not known at the time of entry.

See Chapter 23, “Establishing Prepaid Amounts,” page 391.

Understanding Billing Cross-Reference History Status

The billing cross-reference history stores all the billing history for any contract. For fixed-amount contract lines, the record is tracked from when Contracts sends bill rows to Billing through finalization of the bill in Billing. For rate-based contract lines, this information is stored upon finalization of the bill.

The billing cross-reference table provides a link between billing activity in Contracts and billing activity in Billing. There are six billing cross-reference history status values. The following statuses apply only to fixed-amount billing plans *(milestone, % complete, immediate,* and *value-based)*.

New When you run the Contracts Billing Interface process, a billing cross-reference row with the status of *New* is created for each billing plan event that is on a billing plan with a status of *Ready* or *In Progress* and that has a billing plan event status of *Ready* or *Recycled* (with deleted cross-reference rows).

Received When the Billing Interface process (BIIF0001) is run in Billing, the billing cross-reference status is updated to *Received* for rows that successfully complete the Billing Interface process; the status is not updated for records that appear as errors in the interface.

The Billing Interface process loads the Billing Worksheet with Contracts and Project Costing billing activity. For billing activity coming from billing plans where you selected direct invoicing and Pre-approved, the billing activity skips the Billing Worksheet process. This is the only situation in which the status would move directly from *Received* to *Finalized.*

Accepted Once the billing activity is populated into the Billing Worksheet, the billing administrator can accept or cancel the fixed-amount billing activity. If accepted, the billing cross-reference row status corresponding to that billing activity is updated to *Accepted.*

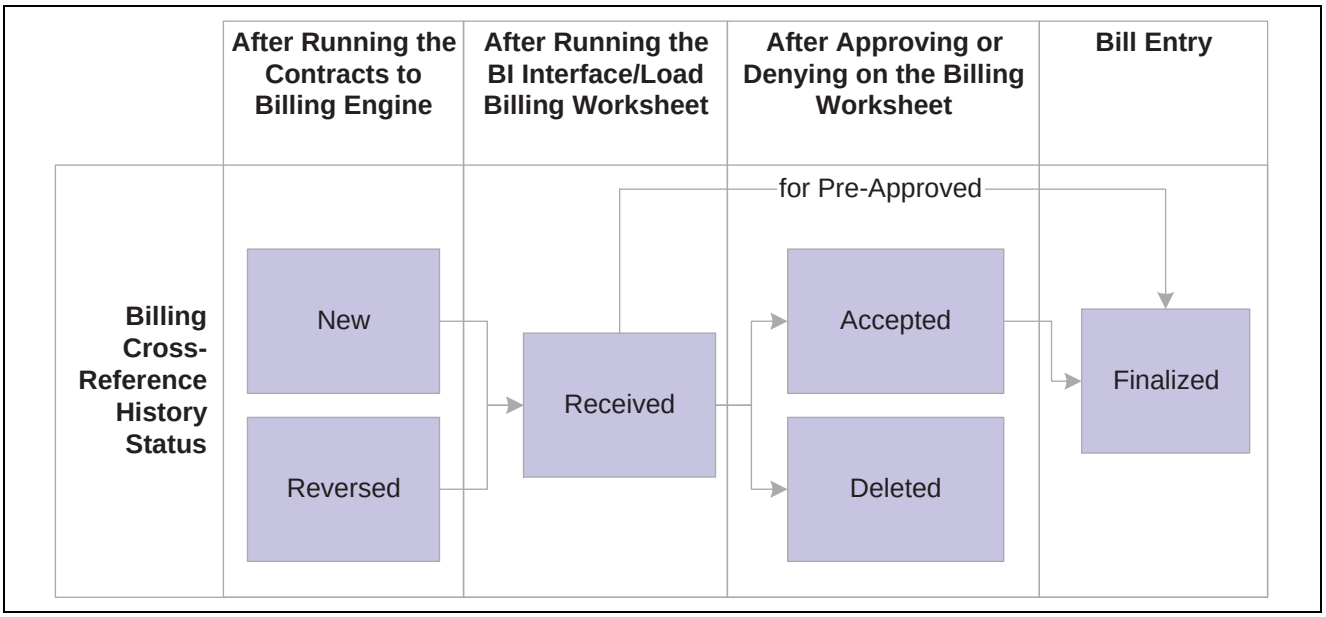
Deleted Once the billing activity is populated into the Billing Worksheet, the billing administrator can accept or cancel the fixed-amount billing activity. If cancelled, the billing cross-reference row status corresponding to that billing activity is updated to *Deleted.*

Finalized For billing activity related to fixed-amount and recurring billing plans, upon finalization of billing activity, the billing cross-reference row status corresponding to that billing activity is updated to *Finalized* for fixed-amount and recurring activity. For billing activity related to rate-based billing plans, upon finalization of billing activity a row is created in the billing cross-reference table with a *Finalized* status. Any credits, rebills, or manual bills initiated directly in Billing are reflected on the billing cross-reference row if they were made in reference to an existing Contract and Billing Plan.

Note. Rate-based billing activity *(as-incurred* billing method), which comes from Project Costing, is not populated into the Contracts billing cross-reference table until after the bills have been finalized in Billing; therefore, rows for rate-based billing can appear only on billing cross-reference rows with a status of *Finalized.*

Reversed For billing activity related to fixed-amount billing plans, upon reversal of billing activity, the billing cross-reference row status corresponding to that billing activity is updated to *Reversed* for fixed-amount activity.

The system controls how the status values change based on the following application engines:



System status changes affected by Application Engine processes

See Also

Chapter 22, “Managing Contracts Billing,” Reviewing the Cross-Reference Table, page 364

Billing Plan Assigning Rules

Each contract must contain at least one billing plan. While the contract is in pending status, you can perform negotiated amount allocation on a contract line that you have already assigned to a billing plan. This is possible because all amounts stored at the billing plan level are stored as a percentage of the contract line amount. Once the contract is active, amendment control is in effect, and any changes to contract lines must be made using Amendment Processing.

Assigning Billing Plans − Steps

The following steps provide a high-level sequence of the activities that you need to perform when assigning contract lines to billing plans.

To assign contract lines to billing plans:

1. Create a new contract in pending status.
2. Select products onto contract lines.
3. Link the active contract lines to pending billing plans (could be step 4).
4. Define the billing plan parameters.
5. Complete the negotiated amount allocation for all active contract lines; this could change the amount on any active line.

   Repeat steps 2–5 as needed.
6. Activate the contract.

   It is possible to activate the contract prior to assigning any or all of the active lines to billing plans.
7. Ready the billing plans.

Note. If you selected the autoready option for this billing plan, the system automatically changes the billing plan status to *Ready* upon contract activation.

Billing Summarization

Billing summarization allows you to summarize bill lines downstream in Billing for printing on the invoice. Summarization templates are assigned at the billing plan level for amount-based and rate-based contract lines. You can associate a billing summarization template on the billing plan detail template or directly on the billing plan. When the Contracts/Billing Interface process is run, the system passes the summarization template to Billing to combine contract line transaction data and create the summarized invoice. For immediate, milestone and percent complete billing plans, you can specify additional criteria on the billing plan to print summarized billing plan lines, while leaving other billing plan lines at the detail level. You can select one billing summarization template per billing plan.

Before you can utilize the billing summarization functionality, you must set up the billing summarization components in Billing. To set up billing summarization criteria for Contracts billing, complete the following steps:

1. Define summarization group types.
2. Define summarization identifiers.
3. Define summarization templates.
4. Assign summarization templates to billing plans manually or using the Billing Plan Detail Template.
5. Assign summarization group types to billing plan lines for immediate, milestone and percent complete billing plans manually or using the Billing Plan Detail Template.

Note. Summarization templates cannot be assigned to billing plans that use the Value-Based or Recurring billing method.

Important! Summarization group types and summarization group Id's must be included as attributes in the summarization template setup before Billing can create summarized billing plan lines.

See Chapter 7, "Structuring Contracts," Defining Billing Summarization Templates, page 43.

See *PeopleSoft Enterprise Billing 8.9 PeopleBook*, "Structuring Bills," Setting Up Bill Summarization.

Billing Notes

Attach notes to your billing plans to display on the invoice. Billing notes can be attached at three different levels. These include:

Billing Header Notes Attach a note to a billing plan header on the Billing Plan General page. This note flows to billing as a header note and appears on the header of any bill associated with this billing plan.

Billing Line Notes Attach one or more notes to a billing plan line on the Bill Plan Line Note page. Bill line notes are notes associated with a particular line.

Note. For recurring billing plans, the note is passed to Billing and is printed on every line of the billing invoice.

Billing Event Notes Attach a note to a billing plan event on the Bill Plan Event Note page. Select the *Print Note on Invoice Line* check box if you want to display the note on the billing invoice line. Otherwise, the note displays on the billing invoice header.

Defining Billing Plans

Contracts manages the billing process through the creation of billing plans. Billing plans are contract specific. The billing plan stores the schedule of billing events and the corresponding bill lines for these events. Each contract line product is tied to a billing plan; contract lines with like bill requirements may be tied to the same billing plan. Each contract has at least one billing plan and may have more than one.

This section lists prerequisites and common elements and discusses how to:

- Define high-level billing plan information.
- Create billing events.
- Assign billing events to Projects milestones.
- Create billing plan lines.
- View billing plan line details.
- Create value-based billing plan lines.
- Define recurring billing plan schedules.
- Update tax information.
- View billing history.

Prerequisite

Before defining billing plans, you must have created a contract and saved at least one active line to that contract.

Common Elements Used in This Section

Amount Amount that appears on the invoice for this bill event. The amount equals the percent changed multiplied by the negotiated amount.

Billing Currency Currency code of the invoices that are generated for this billing plan.

Billing Line Note Click this link to add notes to appear on the bill lines of the invoice.

Billing Plan Unique identifier for each billing plan.

Bill To Customer Customer receiving the invoice.

Note. For contracts with a contract classification of *Internal,* you must select an interunit Bill To Customer for this field.

BI Unit Billing business unit.

BP Line or **Bill Plan Line Number** The system assigns each billing plan line that you create a sequential billing plan line number.

Contract Line The system displays the contract line number for each contract line that you have associated with this billing plan.

Cross Reference Sequence No. (cross-reference sequence number) The system generates a number for each row that is added to the Billing Plan - History page.

Cross Reference Status The system updates this field to identify where each row of data is within the process:

New: Billing line has been created in the Billing Interface staging record by the Contracts Billing Interface process (CA_BI_INTFC), but has not been picked up by the Billing Interface process.

Received: Billing Interface process (BIIF0001) has run, sending this bill plan line to the Billing Interface table. The bill plan line is now available to the billing administrator to work on in the billing worksheet.

Accepted: Billing worksheet for this bill plan line has been accepted in Billing, and Billing is now in the process of creating a real bill for this bill plan line.

Deleted: Billing administrator in Billing rejected the billing worksheet for this bill plan line. The system marks the associated event as recycled. The next time that the process runs, it processes the recycled event; only those rows that were marked in the history table as deleted are picked up.

*Finalized:*Billing has generated an invoice for this bill plan .

Reversed: The billing plan has been reversed and CA_BI_INTFC has been run.

Event (event number) The system assigns each event that you associate with a billing plan ID an event number.

Event Status or **Status** Controls how the application processing treats each occurrence. The event statuses are: *Pending, Ready, In Progress, Recycled, Completed, Reversal Initiated, Reversal in Progress,* and *Reversed.*

Event Total Summary of the amounts defined for each event.

Event Type Determines which of the fields in the Events group box are relevant to an event. Select one of the following event types:

Milestone: Billing plan event occurrences that are tied to milestone event types are valid for billing when all of the following items are true:

- The billing plan has a *Ready* status.
- The occurrence has an event status of *Ready.*
- The milestone conditions have been met.
- You have defined a percentage or amount for the milestone occurrence.

Date: Billing plan event occurrences that are tied to a date event type are valid for billing when all of the following items are true:

- The billing plan has a *Ready* status.
- The occurrence has an event status of *Ready.*
- The event date qualifies the date for selection in the Contracts Billing Interface process.

- You have defined a percentage or amount for the date occurrence.

Exemption Certificate An exemption certificate must be entered for any contract line that you have designated as tax exempt.

Negotiated Amount or Negotiated Amt Equal to the sum of the assigned line's negotiated amounts. This field does not appear for billing plans with rate-based contract lines.

Percent Total Sum of the percents of each event occurrence that you have defined for this billing plan ID.

Physical Nature Select *Goods* or *Services.*

Product ID Billing uses the product ID on the Billing Plan - Tax Parameters page for value-added tax processing.

Product Tax Group Tax groups help you identify specific related tax charge information associated with individual charge codes when you take advantage of either of the third-party tax solutions that PeopleSoft supports: Taxware or Vertex. Tax Group is not required.

Note. Tax groups are not used if you install the delivered Billing tax solution.

Ship To Customer Location where products are delivered or services are received.

Ship From Location Location from which the product is shipped.

Tax Code Tax codes are applied and calculated at the bill line level so that each bill line can be taxed at a different rate.

Tax Exempt Flag This check box is selected for products that you designated as tax exempt. If a contract line is incorrectly designated as tax exempt, clear the check box, and then optionally select a tax group and tax code. To designate a contract line as tax exempt, select the Tax Exempt check box, and enter an exemption certificate.

Transaction Sub Type (Optional) If you have Vertex installed, select a transaction sub type.

Transaction Type (Optional) If you have Taxware or Vertex installed, select a transaction type.

Pages Used to Define Billing Plans

Page Name	Object Name	Navigation	Usage
Billing Plan - Billing Plan General	CA_BP_GEN_INFO	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Billing Plan General	Define the high-level billing information for a billing plan. The system associates the information that you define on this page with all billing lines that you create under this billing plan. This information is then sent to Billing.

Page Name	Object Name	Navigation	Usage
Bill To Customer Address	CABP_ADDR_INQ	Click the Go To Address button on the Billing Plan - Billing Plan General page.	View the address to which bills are sent for a billing plan. The values that appear are based upon the values that you selected for the address sequence number and bill to contact on the Billing Plan - Billing Plan General page.
Billing Plan Header Note	CA_BP_NOTE	Click Billing Header Note on the Billing Plan - Billing Plan General page.	Attach a note to a billing plan header. This note flows to billing as a header note and appears on the header of any bill associated with this billing plan.
Billing Plan - Events	CA_BP_EVENTS	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Events	Define billing plan events for *Milestone, Percent Complete, Value-based,* and *As-incurred* billing plans.
Project Information for Event	CA_BP_PROJ_SP	Click the Project Info link on the Billing Plan - Events Page.	Link a billing event occurrence to a Projects milestone, and designate when the billing event should consider that milestone achieved.

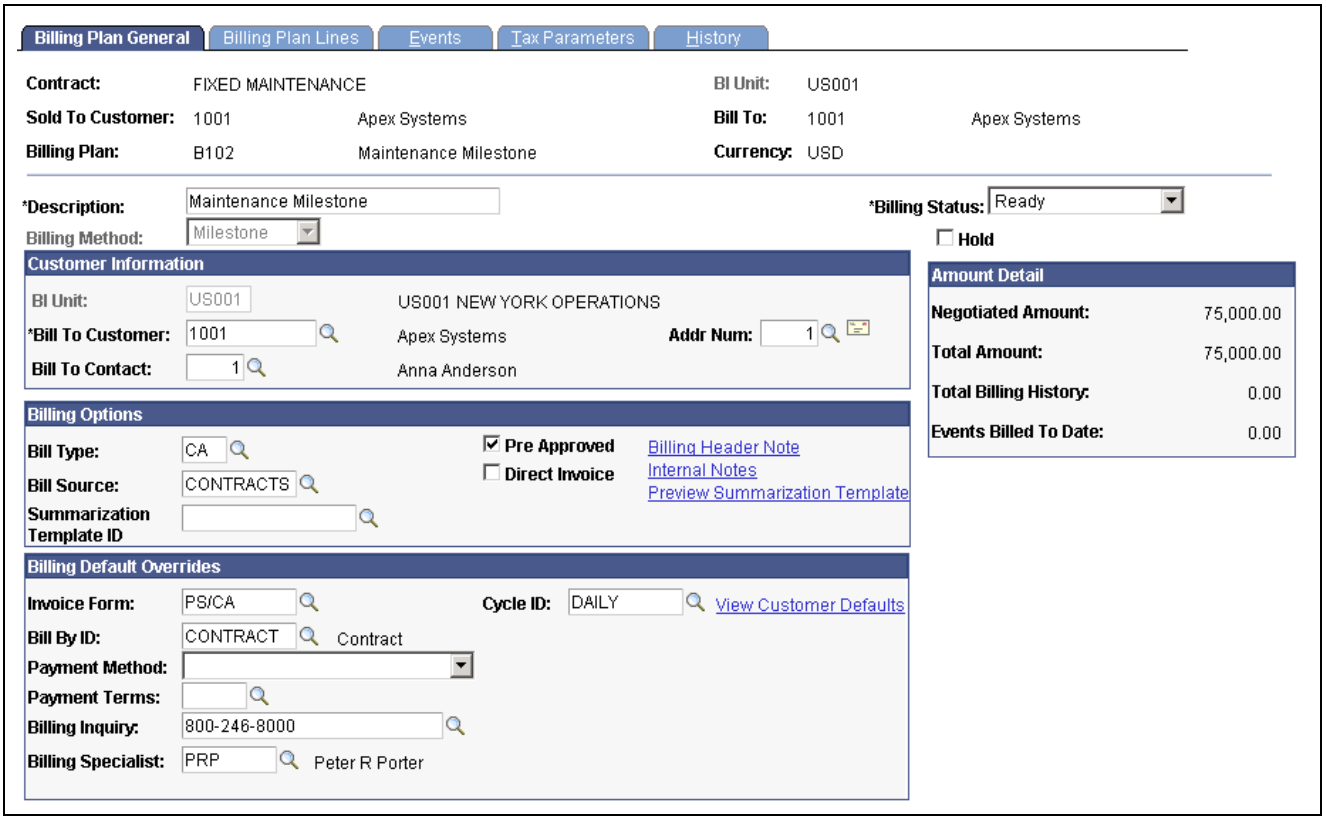
Page Name	Object Name	Navigation	Usage
Billing Plan - Billing Plan Lines	CA_BP_LINE_LNK	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Billing Plan Lines	Create billing plan lines. You can create billing plan lines until the bill plan is marked *In Progress.* Once the billing plan is marked *In Progress,* the system allows no changes to the bill plan lines. For billing plans with a billing method of *Value-based,* you create billing plan lines on the Billing Plan - Value Based Lines page. A billing plan can consist of multiple contract lines. When you create bill lines for a billing plan, you can select one of the following options: • Create a separate bill line for each individual contract line assigned to the billing plan. • Summarize all contract lines under one summary bill plan line. • Summarize some lines and create individual bill plan lines for others.
Billing Plan Line Details	CA_BP_LINE_DTL	Click the View Details link on the Billing Plan - Billing Plan Lines page.	View the bill plan lines that you defined for this bill plan ID. On this page you can adjust the description that appears on the invoice for each bill plan line that you created for this bill plan ID.
Bill Plan Line Note	CA_BP_LINE_NOTE	Click the Billing Line Note link on the Billing Plan - Billing Plan Lines page.	Attach a note to a billing plan line. Bill line notes are notes associated with a particular line.
Billing Plan Event Note	CA_BP_EVENTS_NOTES	Click the Event Note link on the Billing Plan - Events Page.	Attach a note to a billing plan event. Select the *Print Note on Invoice Line* check box if you want to display the note on the billing invoice line. Otherwise, the note displays on the billing invoice header.

Page Name	Object Name	Navigation	Usage
Billing Plan - Value Based Lines	CA_BP_LINE_VBB	Click the Define Lines link on the Billing Plan - Events page for a value-based billing plan.	Create billing plan lines for billing plans with a billing method of *Value-based.* A value-based billing plan can link only to one rate-based contract line. No amount-based contract lines can be associated with a value-based billing plan. Value-based billing plans cannot be associated with contract lines containing discounts or retainages.
Billing Plan - Recurring Detail	CA_BP_RECUR_DTL	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Recurring Detail	Prior to running the billing process, preview recurring fees that will bill in the future. Update schedule changes for future billing.
Recurring Bill Plan Line Note	CA_BP_RECURLN_NOTE	Click the Billing Line Note link on the Billing Plan - Recurring Details page.	Attach a note to a recurring billing plan line. The note is passed to Billing and is printed on every line of the billing invoice.
Billing Plan - Tax Parameters	CA_BP_TAX	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Tax Parameters	Update tax information for contract lines associated with fixed-fee (milestone, percent complete, and immediate) and value-based billing plans. You can update the tax parameters for any contract lines for which you have not created a bill plan line. Tax codes are applied and calculated at the bill line level so that each bill line can be taxed at a different rate.
Billing Plan - Tax Parameters	CA_BP_TAX_AI	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Tax Parameters	Update tax information for contract lines associated with as-incurred and recurring billing plans.

Page Name	Object Name	Navigation	Usage
Billing Plan - History	CA_BP_XREF	Customer Contracts, Schedule and Process Billing, Define Billing Plan, History	View the status for all billing activity related to this bill plan ID. You cannot update the system-inserted (CBI and PBI) rows. You can manually insert rows into the Billing Plan - History page to account for any bills generated against this billing plan by, for example, a third-party billing system.

Defining High-Level Billing Plan Information

Access the Billing Plan - Billing Plan General page.



Billing Plan - Billing Plan General page

Billing Method Displays the billing method that you selected for this billing plan. The required fields that appear on this page depend upon the billing plan's billing method.

Percent Complete For billing plans with a billing method of *Percent Complete,* this field displays the percent of the net amount completed for all events associated with this billing plan.

Billing Status Controls your ability to enter information into, and the processing that occurs against, the billing plan. The available billing plan statuses that you can control are: *Pending, Ready,* and *Cancelled.*

Ready at Activation Select this check box if you want the system to ready the billing plan upon contract activation.

Hold Select to place this billing plan on hold. Any billing activity associated with the plan is not picked up by the Contracts Application Engine processes. You can view plans that are on hold from the billing management pages; however, you can only initiate and remove a hold on a billing plan from this page. This option is not available on billing plans with *Pending* status.

Reviewed This button appears on the page when your billing plan status is *Action Required.* This indicates that a contract line was amended and you must review the billing plan events that were inserted by the amendment process. Click this button after you have reviewed your billing plan events and made any necessary changes to *Pending* events. Clicking this button enables the system to continue processing your billing plan, and the system sets your billing plan status back to *In Progress* to make it available for continued processing.

Note. In the scenario where the contract line amount associated with the billing plan is amended, and the new amount equals the total billed amount for the billing plan, when you click Reviewed, the system changes the billing plan status from *Action Required* to *Completed.* This applies to Milestone and Percent Complete billing plans with events.

When you first open a new billing plan, several fields in the Customer Information, Billing Options, and Billing Default Overrides group boxes are populated with the values that you defined at the contract level on the Billing Options page or in the Billing Plan Detail template. If no values were specified there and you leave these fields blank on this page, the system uses the values for the Billing business unit, bill type, and bill source that you defined for this contract's Contracts business unit on the Contracts Definition - BU Definition page.

Customer Information

BI Unit (Billing business unit) Accept the default value, or select a new billing business unit. The list of valid values contains only those billing business units that share the same General Ledger business unit as the billing plan's Contracts business unit.

Bill To Contact Displays the name of the person to whose attention the invoice is sent. The bill to contact appears by default from the value that you selected on the Billing Options page. You can either accept this default or you can click the magnifying glass to select a different bill to contact.

Addr Num (address sequence number) Displays the customer address to which the invoice is to be sent. Accept the default value or select a different address sequence number.

(go to address) Click this button to access the address that is associated with the address sequence number that you selected.

Billing Options

Billing uses a hierarchical system of defaults to determine billing options. Billing options that you do not specifically define for a billing plan appear by default from a higher level. Billing options that you do select here impact other aspects of your bills. For example, the selections that you make for Bill Type and Bill Source impact the format of your final invoice.

Bill Type Accept the default value, or select a new bill type. The bill type is used by Billing to categorize the activity being billed.

Bill Source Displays the bill source, which is used by Billing to identify where the billing activity came from, and to then associate default billing information with that billing activity. Accept the default value, or select a new bill source.

Summarization Template ID Select a summarization template ID. If one was specified on the billing plan detail template or on the Billing Options page of the contract entry component, that value displays in this field. When the billing plan is processed, Contracts passes the template Id to Billing using the Contracts/Billing Interface process. The summarization template defines how bill lines should be summarized and printed on the invoice.

This field does not appear for *Value-based* and *Recurring* billing plans.

Purchase Order For *As-incurred* and *Recurring* billing plans, enter a PO number to associate with your billing plan. This field is not available for *Percent Complete, Milestone, Immediate*, and *Value-based* billing plans. For those billing methods, you make your PO associations with the billing plan lines.

Pre Approved Select this check box to bypass the billing worksheet review and approval process. Selecting this check box sends the invoices directly to billing without first creating a temporary bill. Selecting this check box does not bypass the invoice approval process within Billing.

Note. To use the streamline billing process, you must select this check box.

Direct Invoice This check box is available if you have selected the Pre Approved check box for this bill plan ID. Select the Direct Invoice check box to bypass the invoice approval process within Billing. Doing this creates bills in *RDY* status and bypasses the billing worksheet.

Note. To use the streamline billing process, you must select this check box.

Billing Header Note Click this link to create notes to attach to the billing plan header. These notes flow to Billing as a header note and appear on the header of any bill associated with this billing plan.

Internal Notes Click this link to create an internal billing note to apply to the contract.

Preview Summarization Template Click this link to see an intuitive view of how the bill line summarization will appear on the invoice.

This field does not appear for *Value-based* and *Recurring* billing plans.

Billing Default Overrides

For the fields in this group box, select from the list of valid values (optional). If you leave these fields blank, when you run the Contracts Billing Interface process, the system populates the value by default according to the default specified within Billing's default hierarchy.

Invoice Form Specifies the invoice format for the bills that you generate from this billing plan. Accept the default value, or select a new invoice format.

Cycle ID Allows you to associate a billing plan with a bill cycle that you have defined on the Bill Cycle page. When you run the Contracts Billing Interface process, you can specify that it should process only billing plans of a specific billing cycle type.

Note. If you enter a cycle ID, you must also specify a value for the Bill By ID field.

Bill By ID Allows you to group bill lines on invoices.

Note. If you specify a bill by ID that has *Bill Cycle* as a *Bill By* field, you must specify a value in the Cycle ID field.

Payment Method Indicates the type of payment method such as *check* or *credit card.*

Enter a value in this field only if you wish to override the default in Billing's default hierarchy. This makes your payment method specific to the billing plan instead of specific to the customer or Billing business unit.

Note. If you created this billing plan through a billing plan template, the value that you specified for the payment method on the billing plan detail template populates this field here. Similarly, this field can also be pre-populated from the equivalent field on the Billing Options page within the contract entry component.

Payment Terms Indicates the payment terms.

Enter a value in this field only if you wish to override the default in Billing's default hierarchy. This makes your payment terms specific to the billing plan instead of specific to the customer or Billing business unit.

Note. If you created this billing plan through a billing plan template, the value that you specified for the payment method on the billing plan detail template populates this field here. Similarly, this field can also be pre-populated from the equivalent field on the Billing Options page within the contract entry component.

View Customer Defaults Click this link to review a customer's name and level information. You can also assign associated roles.

Billing Inquiry Select a billing inquiry phone number to associate with this billing plan. Bill inquiry phone numbers are established on the Bill Inquiry Phone page.

Billing Specialist Specialists are established on the Billing Specialist page. An example of a billing specialist is a functional user whose daily job includes filling out billing plans.

Billing Authority A billing specialist who is responsible for approving invoices. An approver might be a manager who is not necessarily the person responsible for entering bills daily. To indicate that a billing specialist is a billing authority, select the Bill Approver option for the corresponding bill specialist on the Billing Specialist page.

The field appears for *As-Incurred* billing plans only.

Amount Detail

Negotiated Amt (negotiated amount) — Displays the negotiated amount, which is equal to the sum of the assigned line's negotiated amounts. This field does not appear for *Value-based* and *As-Incurred* billing plans.

Total Amount — Displays the total amount, which is equal to the sum of the assigned line's net amount or sum of entered value-based billing lines. This field does not appear for *Value-based* and *As-incurred* billing plans.

Total Billing History — Displays the sum of the amounts appearing in the Billing Cross Reference table.

This field does not appear for *Value-based* and *As-incurred* billing plans.

Events Billed to Date — This field does not appear for *Recurring, Value-based, Immediate,* and *As-incurred* billing plans.

Transaction Options

Billing plans with a billing method of *As-Incurred* are used for billing plans where the associated line products correspond to services whose billable items accumulate in Project Costing. For these billing plans, define the following options.

Bill Currency — Select a value in this field to define the billing currency that is used for billing activity generated by this billing plan:

Contract Currency: Select if you want the invoices created from this billing plan to be billed in the contract currency.

Transaction Currency: Select if you want the invoices created from this billing plan to be billed in the transaction currencies associated with the Project Costing data.

Note. For contracts with a classification of *government,* the value in the Bill Currency field must be *Contract Currency.*

Retainage Options

Billing plans with a billing method of *As-Incurred* are used for billing plans where the associated line products correspond to services whose billable items accumulate in Project Costing. Select an option for your items previously held as retainages:

Bill — Release the retainage (amounts previously retained) and bill it.

Write-off — Release the retainage as a write-off bill line.

Hold — Don't release the retainage yet. This is the system default. If you keep this option, at some later date you must choose to either write off or bill the retainage.

Tolerance Options

For billing plans with a method of *As-Incurred,* define the following options:

Minimum Bill Amount Enter a minimum bill amount for this billing plan. If the project rows are below the minimum bill amount, the rows are not passed onto billing. This check takes place after discounts, limits, and retainages are applied.

Final Bill Select this check box to indicate that this is the last bill for the contract. If this check box is selected, the system bypasses checking for the tolerance amount.

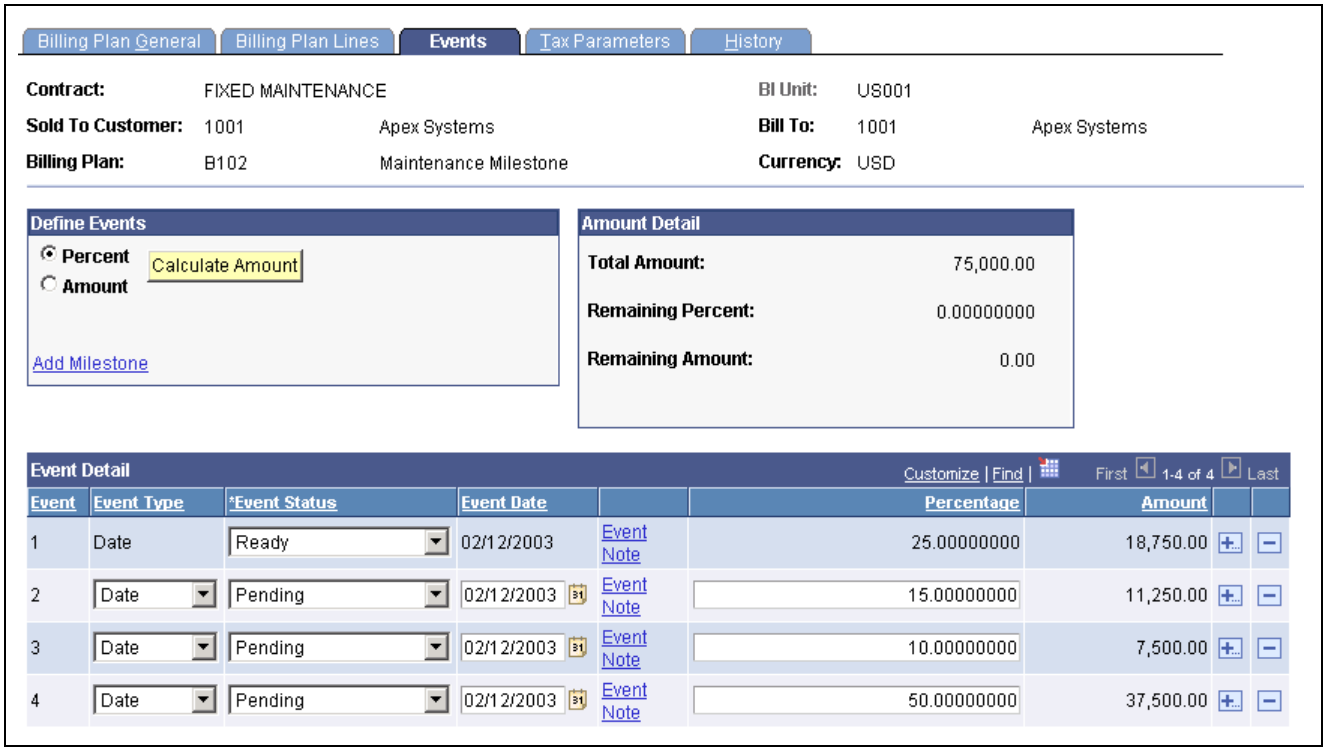
See Also

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Structuring Bills"

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Preparing to Implement," Establishing Default Levels for PeopleSoft Billing Options

Creating Billing Events

Access the Billing Plan - Events page.



Billing Plan - Events page

Note. Defining billing events is optional for billing plans with a billing method of *As-incurred.* You do not define billing events for billing plans with a billing method of *Immediate* or *Recurring.*

The fields that appear on this page vary depending on the billing method.

Amendment Total Displays the total amount of all amendment events. This field appears on the page only if amendment processing has occurred for billing plan events on this billing plan.

Amendment Event Detail Click to view the detail for the amended events associated with this billing plan event.

Define Events

Add New Event Click this button to add an event to your billing plan. The Event Detail grid appears, and you can start defining your events. This Add New Event button does not appear if events already exist for the billing plan. You can add additional events to a billing plan with existing events by clicking the plus button next to an existing event in the Event Detail grid.

Percent Select to define your events by a percent of the total amount. This field is available for *Milestone* billing plans only.

Amount Select to define your events by a specific amount. This field is available for *Milestone* billing plans only.

Calculate Amount If *Percent* is selected, click this button to populate the Amount field in the Event Detail group box for *Milestone* billing plans. This field is available for *Milestone* billing plans only.

Add Milestone Click to access the Milestone Entry page, where you can define a new milestone to add to a billing plan event. This field is available for *Milestone, Value-Based,* and *As-incurred* billing plans only.

Percent Type Select a value of *Project, Project/Activity,* or *Specify Percent.* Upon selection of *Project,* if this contract line is attached to a project/activity, the system pulls the percentage from the Project Costing project and displays it in display-only format next to the Percent Source field. If you select *Project/Activity,* the system pulls the percentage from the activity. If you select the *Specify Percent* option, you must enter a specific percentage for building your event.

This field is available for *Percent Complete* billing plans only.

Note. The *Project* and *Project/Activity* options appear only if you have defined a project and activity for the contract.

Build Event After you have selected a value for the Percent Source field, click this button to generate a billing plan event. This field is available for *Percent Complete* billing plans only.

Limit Amount Detail

This group box is available for *Value-based* billing plans only.

Limit Amount Displays the limit amount for this value-based billing plan.

Available Amount Displays the available amount, which equals the limit amount minus the event total.

Amount Detail

This group box is available for *Milestone* and *Percent Complete* billing plans only.

Total Amount Displays the total negotiated amount of all contract lines assigned to this billing plan. This field is available for *Milestone* and *Percent Complete* billing plans only.

Remaining Percent Displays the percentage of the total amount that is not yet associated with an event. This field is available for *Percent Complete* billing plans only.

Remaining Amount Displays the total amount minus the sum of all amounts on any events that you have created for this billing plan. This field is available for *Percent Complete* billing plans only.

Event Detail

Event The system assigns an event reference number to each event that you associate with a billing plan ID.

Event Type For *Milestone, Value-based,* and *As-incurred* billing plans, select an event type of either *Date* or *Milestone.* For *Percent Complete* billing plans, the system populates this field with a value of *Date,* because you cannot create any other type of event. Additional fields appear on the page based on your event type selection.

Event Status Select *Pending* or *Ready.*

Percent Source Specifies whether you added the percentage through Contracts or Project Costing. Values include: *Manual* and *Auto.* If you select *Specify Percent* in the Define Events group box, *Manual* appears. If you select *Project* or *Project/Activity, Auto* appears. This field appears for *Percent Complete* billing plans only.

Event Date For *Date* event types, select an event date. When the system date equals or is greater than the event date, you can set the event status to *Ready.* Billing is contingent upon the following criteria being met:

- Billing plan has a *Ready* status.
- Billing plan event has a *Ready* status.
- System date is equal to or greater than the event date.

Milestone Origin For *Milestone* event types, select the milestone origin:

- *Contracts:* Ties the billing event to a milestone that you defined in Contracts.
- *Projects:* Ties the billing event occurrence to an activity's status change in Project Costing.

Milestone Nbr (milestone number) When you select a milestone origin of *Contracts,* you must associate this billing event with a Contracts milestone. Select a milestone number from the list of all milestones that you have defined for this contract on the Milestone Entry page.

When you select a milestone number, the system displays both the milestone ID with which the milestone number is associated and the description for the milestone number.

Milestone ID After selecting a milestone number, the system populates this field with a link to the corresponding milestone.

Milestone Status Displays the milestone status, which corresponds to the status of the selected milestone. Values are: *Pending, Ready, Complete,* and *Cancelled.*

This field appears on the page if you have selected a *Milestone* event type.

Days Lag For *Milestone* event types, you can specify a positive number in this field. The days lag is the number of days after the milestone has completed that the system waits before processing the event.

Project Info Click this link to select the Project Costing business unit or project/activity status to which you want to link this billing event. This option is available only for *Milestone* event types with an origin of *Projects.*

Event Note Click this link to enter billing event notes on the Billing Plan Event Note page. Event notes flow to Billing as a header or line note and appear on the header or line of any bill associated with this billing plan event. Once on the Billing Plan Event Note page, select the *Print Note on Invoice Line* check box if you want to display the note on the billing invoice line. Otherwise, the note displays on the billing invoice header.

Percentage For *Milestone* billing plans, if you chose to define events by percent, enter the percentage of the gross amount to be billed for this occurrence. This field is available for *Milestone* billing plans only.

Amount If you chose to define events by amount, enter the specific amount for this event. For *Milestone* billing plans, if you defined events by percent, this value equals the gross amount multiplied by the value entered in the Percentage field. This field is available for *Milestone* and *Percent Complete* billing plans only.

Amendment Amt (amendment amount) Displays the amount of the amended event. This field is available for *Milestone, Value-based,* and *As-incurred* billing plans only.

Define Lines Click to access the Billing Plans - Value Based Lines page for the associated event. This field is available for *Value-based* billing plans only.

Event Total Displays the sum of all value-based billing plan lines that are associated with the event. This field is available for *Value-based* billing plans only.

Percent Complete Displays the sum of the percentages of any prior events that you created. This field is available for *Percent Complete* billing plans only.

Incremental % Complete (incremental percent complete) This field is only updated once billing for an existing row has been billed. For example: If event 1 is 50% and event 2 is 75%, 50% and 25% (75–50 is the increment for event 2) appear in this column. This field is for *Percent Complete* billing plans only.

See Also

Chapter 14, “Setting Up Milestones,” page 175

Assigning Billing Events to Projects Milestones

Access the Project Information for Event page.



Project Information for Event page

PC Business Unit (Project Costing business unit) Select a Project Costing business unit.

Project ID Select a project ID. Only projects associated with the contract are available for selection.

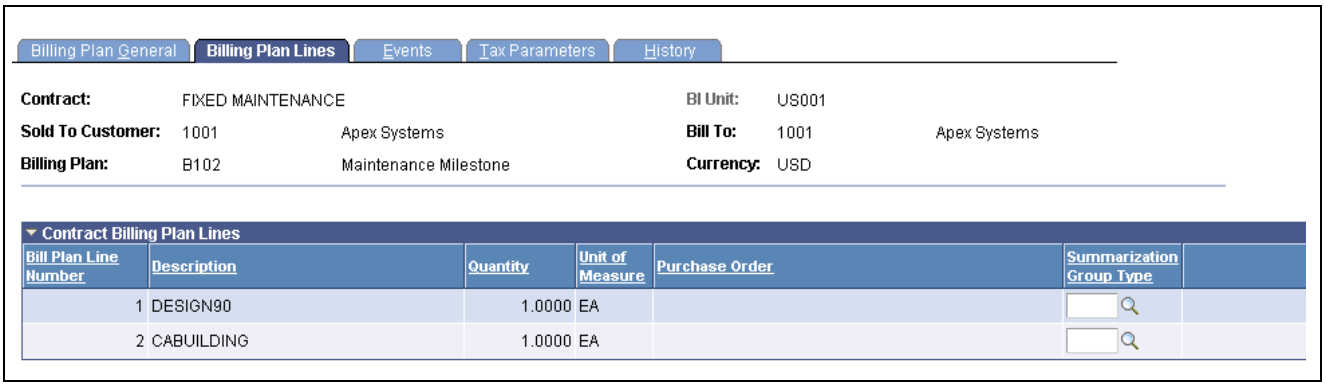
Activity ID Select an activity ID. Only activities that were designated as milestone activities in Project Costing are available for selection.

Activity Status When defining a Project Costing milestone, you must determine the status that the activity ID must reach for the milestone to be fulfilled. The milestone conditions are considered met when the status of the activity ID is equal to the activity status that you selected for the earliest effective dated row with that status value, and the effective date is before or equal to the processing date.

Note. For activity milestones to work properly, the appropriate milestone status cannot be skipped; in addition, you cannot go back and forth between statuses. Once the appropriate status has been inserted, the milestone is processed. A workaround is to set the status to *Inactive.* Once it is in *Inactive* status, the milestone isn't processed; however, marking the status *Inactive* doesn't retroactively undo milestone billing.

Creating Billing Plan Lines

Access the Billing Plan - Billing Plan Lines page.



Billing Plan - Billing Plan Lines page

You must have a billing plan with at least one contract line assigned to it.

Contract Lines Not Associated with Billing Plan Lines — Line Details Tab

The system displays a row for each contract line that you have associated with this billing plan. The fields within this grid display the attributes of a contract line that you want to take into account when deciding how you want that contract line to appear on the bill plan.

(select) Select the check box next to contract lines for which you want to create billing plan lines.

Product Displays the product that you previously selected onto the contract line.

Purchase Order The system populates this field with the PO on the contract header. This field is display-only.

Gross Amount Displays the negotiated amount that you allocated to this contract line on the Negotiated Amount Allocation page.

Contract Lines Not Associated with Billing Plan Lines — Projects Tab

Select the Projects tab.

PC Bus Unit Displays the Project Costing business unit that you defined for this contract line on the Related Projects page.

Project Displays the project ID that you defined for this contract line on the Related Projects page.

Activity Displays the activity ID that you defined for this contract line on the Related Projects page.

Source Type Displays the source type that you defined for this contract line on the Related Projects page.

Category Displays the category that you defined for this contract line on the Related Projects page.

Subcategory Displays the subcategory that you defined for this contract line on the Related Projects page.

Contract Lines Not Associated with Billing Plan Lines — Taxes Tab

Select the Taxes tab.

See *PeopleSoft Enterprise Billing 8.9 PeopleBook*, "Structuring Bills," Establishing Tax Groups.

Contract Billing Plan Lines

Purchase Order Enter a PO number to associate with the billing plan line.

Summarization Group Type Select a summarization group type for immediate, milestone and percent complete billing plans. If one was specified on the billing plan detail template, that value displays in this field. Summarization group types filter the Summarization Group Identifiers that can be selected.

This field does not appear for *Value-based, Recurring,* and *As-Incurred* billing plans.

Important! Summarization group types must be included as an attribute in the summarization template setup before Billing can create summarized billing plan lines

Summarization Group ID Select a Summarization Group Identifier associated with the Summarization Group Type for immediate, milestone and percent complete billing plans. If one was specified on the billing plan detail template, that value displays in this field. Billing plan lines assigned to the same summarization group Identifier attribute will be summarized in Billing on the invoice.

This field does not appear for *Value-based, Recurring,* and *As-Incurred* billing plans.

Important! Summarization group Id's must be included as an attribute in the summarization template setup before Billing can create summarized billing plan lines.

View Details Click this link to review the details of this billing plan line. This link does not appear until you have values in the Contract Billing Plan Lines group box.

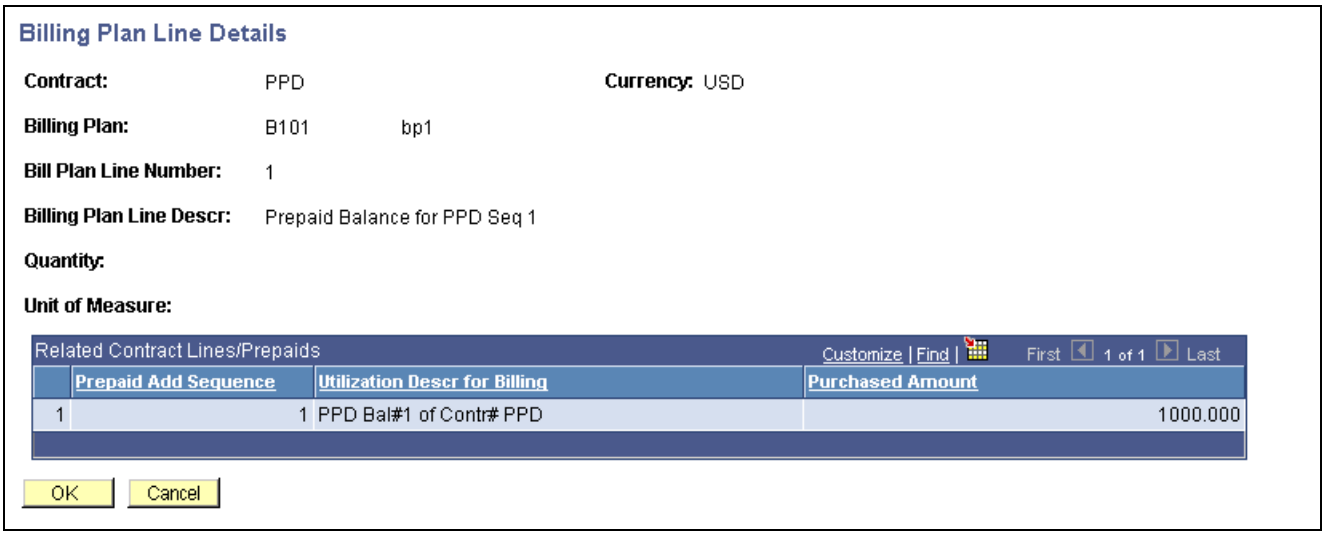
Billing Line Note Click to create a billing plan line note to associate with this billing plan line. The note is passed to Billing and is printed on the invoice. This link does not appear until you have values in the Contract Billing Plan Lines group box.

See Also

Chapter 13, "Working with Project Costing," page 159

Viewing Billing Plan Line Details

Access the Billing Plan Line Details page.



Billing Plan Line Details page

Related Contract Lines/Prepaids

If a contract line, instead of a prepaid is tied to this billing plan, the fields that appear are different. For example, with prepaids you see prepaid sequence numbers instead of contract line numbers.

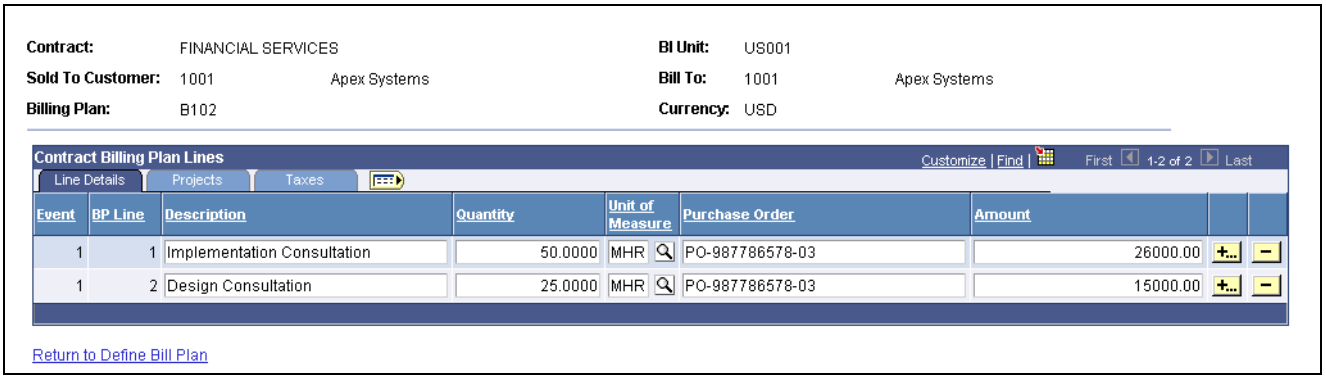
Prepaid Add Sequence The system displays the prepaid add sequence for prepaid balances that are associated with bill plan lines.

Utilization Descr for Billing (utilization description for billing) Displays the utilization description for billing. The system generates this value by concatenating the prepaid use sequence number with the contract number. You have the option to enter a custom description on the Prepaids page: Utilization tab. This description is used on the utilization line that is included in the bill.

Purchased Amount Displays the full amount of the prepaid that was purchased by the customer.

Creating Value-based Billing Plans Lines

Access the Billing Plan - Value Based Lines page.



Billing Plan - Value Based Lines page

These fields are primarily for informational purposes. However, to enable revenue and billing reconciliation by project or project/activity, you must provide this information here. This allows your projects or projects/activities to be assigned to amounts in billing. If you do not enter values on this page, you can still reconcile at the contract and contract line level, but your bill line amounts cannot be broken down to the project or project/activity level.

The information on this page remains editable until the Billing Application Engine process (CA_BI_INTFC) has picked up the billing lines for processing, or you set the billing plan to *Completed.*

Contract Billing Plan Lines — Line Details Tab

Event Occurrence Displays the event number.

BP Line (billing plan line) Displays the billing plan line number.

Purchase Order Displays the PO number, which appears by default from the contract header.

Amount Enter an amount for this contract line.

Contract Billing Plan Lines — Projects Tab

Select the Projects tab.

Project Select a project ID for this contract line. You must have a project ID in this field if you want the project ID to be associated with its corresponding amount in Billing. You can edit or select a new project ID here.

Activity ID Select an activity ID for this contract line. You must have an activity ID here if you want the activity ID to be associated with its corresponding amount in Billing. You can edit or select a new activity ID here.

Source Type Select a source type for this contract line. You must have a source type here if you want the source type to be associated with its corresponding amount in Billing. You can edit or select a new source type here.

Category Select a category for this contract line. You must have a category here if you want the category to be associated with its corresponding amount in Billing. You can edit or select a new category here.

SubCategory Select a subcategory for this contract line. You must have a subcategory here if you want the subcategory to be associated with its corresponding amount in Billing. You can edit or select a new subcategory here.

Note. If you do not enter values on this page for the Project Costing business unit, project ID, and activity ID, you are unable to later reconcile at the project or activity level. You are forced to reconcile your amounts at the contract line level.

Contract Billing Plan Lines — Taxes Tab

Select the Taxes tab.

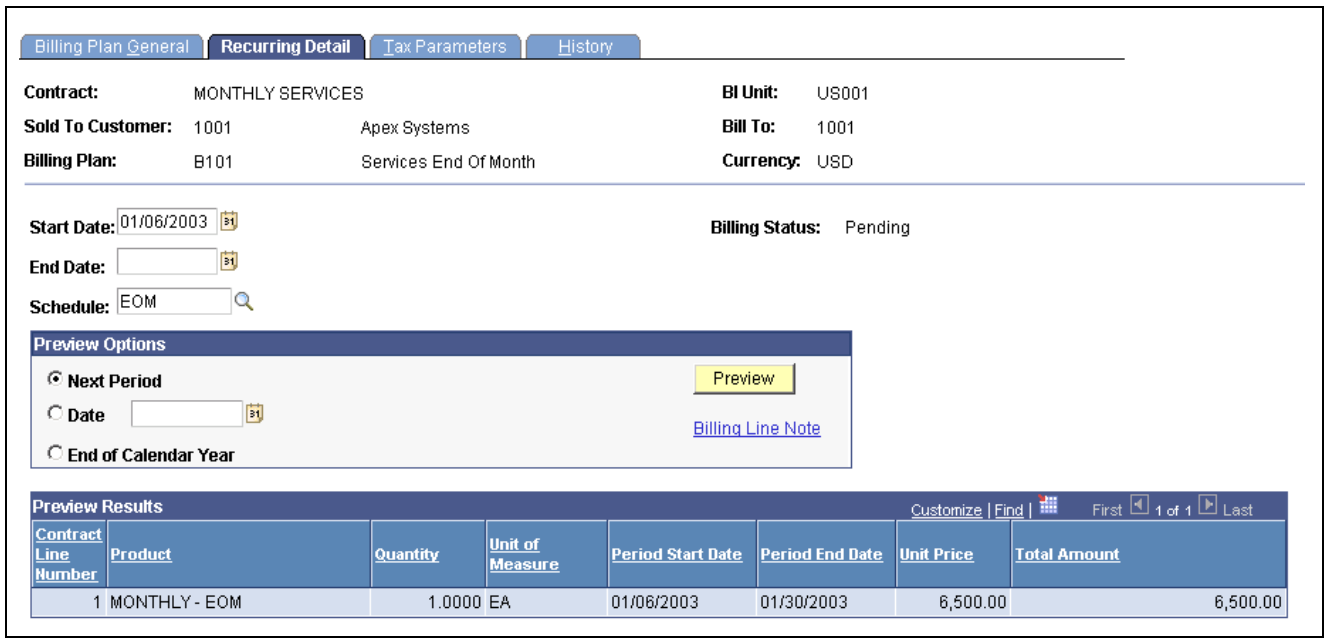
See Also

Chapter 21, “Creating and Managing Limits,” page 347

Chapter 17, “Managing Revenue Recognition,” Reconciling Billing and Revenue, page 261

Defining Recurring Billing Plan Schedules

Access the Billing Plan - Recurring Detail page.



Billing Plan - Recurring Detail page

Start Date The system populates this field with the start date on the associated contract line.

End Date The system populates this field with the end date on the associated contract line. This field is available and editable throughout the life of the billing plan.

Schedule Select a value to specify how often to bill for the recurring billing plan. This is the frequency of the bill. The values that you have to select from, such as *Monthly* and *Weekly,* come from the Schedule component.

Note. Use a schedule with a start date equal to the start date that you define for your recurring period if you want your schedules to be in sync.

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining Financials and Supply Chain Management Common Definitions," Setting Up Schedules.

Billing Status Displays the current billing plan status.

Bill Thru Date Displays the date through which the recurring bill has been billed. The Contracts Billing Interface process (CA_BI_INTFC) populates this field after processing.

Note. The system uses the start date, end date, and bill through date to determine the periods to build. These periods turn into billing lines during the CA_BI_INTFC process, determining what lines and prices should be sent to Billing.

Preview Options

Next Period Select to preview your billing schedule based on the next period. The system adds one day to the bill through date to determine the start date of the next period. Then, depending on the schedule setup, the system calculates the end date of that period.

Date Select to preview your billing schedule based on a specific date. The system adds one day to the bill through date to determine the start date of the next period. The date that you select determines the end date for the period.

End of Calendar Year Select to preview your billing schedule based upon the end of the calendar year. The system uses December 31st of the current year as the end of calendar year date.

Preview Click to populate the Preview Results grid with your billing schedule. You cannot save this information. Every time that you enter this page, you must create a new preview.

Billing Line Note Click to create a recurring billing plan line note to associate with this billing plan line. The note is passed to Billing and is printed on every line of the billing invoice associated with this billing plan line.

Preview Results

Period Start Date Displays the start date for this billing schedule. The system derives this value based on your selected preview option.

Period End Date Displays the end date for this billing schedule. The system derives this value based on your selected preview option.

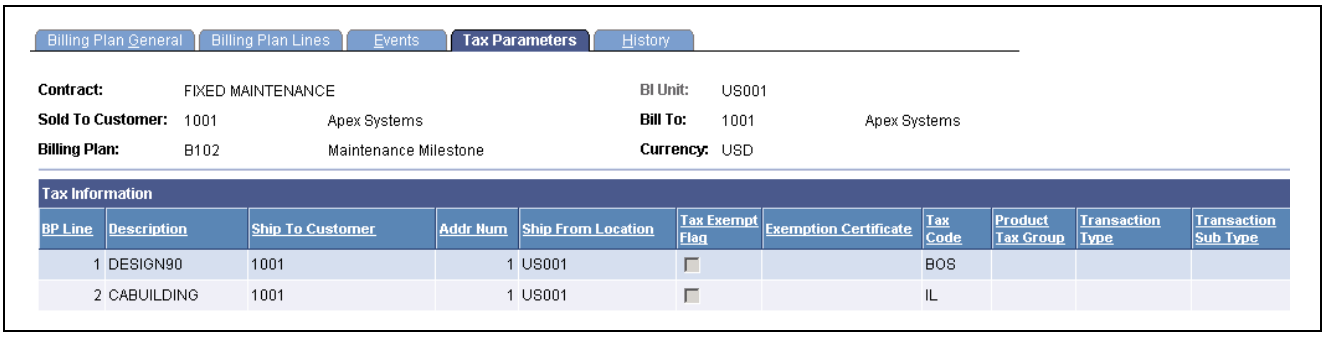
Amount Displays the amount to be billed for this contract line. Proration occurs for the following situations:

- If the schedule start date is different from the start date on the contract line, the system prorates the difference for the first period.
- If the end date on the recurring billing plan is not the exact end date of a period, than the system prorates the difference.

Note. The Preview Results grid displays dynamic results. It is a view of the current values at the time that you select the *Preview* button. However, if price changes occur after you preview the data, you may see different prices on the bill.

Updating Tax Information

Access the Billing Plan - Tax Parameters page.



Billing Plan - Tax Parameters page

Tax Information

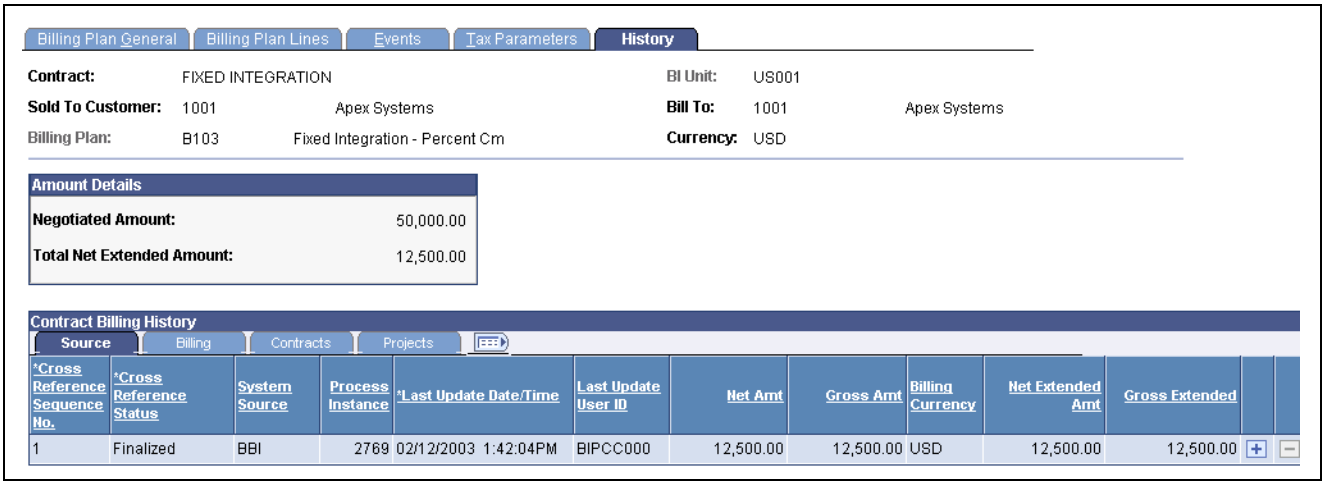
The tax information for a contract line appears by default based on the parameters that you defined for the product that you selected onto the contract line. You can override the default parameters on this page. The tax information specified on this page flows to Billing through the Contracts Billing Interface process.

See Also

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Structuring Bills," Establishing Tax Groups

Viewing Billing History

Access the Billing Plan - History page.



Billing Plan - History page

Amount Details

Negotiated Amount Displays the negotiated amount, which is equal to the sum of the contract line's negotiated amounts. This field does not appear for *Value-based* and *As-incurred* billing plans.

Total Net Extended Amt (total net extended amount) Displays the actual amount that was invoiced by Billing for all contract lines. This amount includes discounts and surcharges, but does not include taxes.

Billing Plan - History: Source Tab

System Source Identifies where this row was generated. The system source controls the actions that you can perform on a particular row. The two most common system sources are *CBI* and *PBI. CBI* lines originate in Contracts. *PBI* lines originate in Project Costing. The system inserts *CBI* and *PBI* rows into the CA_BI_XREF table, and then provides updates to these rows as the invoice is processed in Billing. Rows with *CBI* or *PBI* system source are not editable.

You can manually insert rows into this grid for bills where the bill was initiated in Billing or some other system and Billing did not have the proper information (contract number and billing plan ID) to feed back into the CA_BP_XREF table. A system source of PCA is populated for these rows; you can update any rows that have been manually inserted into this grid.

Process Instance Displays the instance for the Contracts Billing Interface process run that inserted the row into the Billing Interface tables, for rows sent from Contracts to Billing.

Last Update Date/Time Each time that the row is updated, the system stamps the row with the last updated date and time.

Last Updated User ID Each time that the row is updated, the system stamps the row with the user ID of the person who last updated the row.

Net Amt (net amount) Reflects the net amount of all contract lines linked to the billing plan sent by Contracts to Billing. No tax is included in this amount. The net amount is required for rows being inserted by the Contracts Billing Interface process; the net amount is not set for transactions with a billing method of *As-incurred* or for transactions originating in Billing.

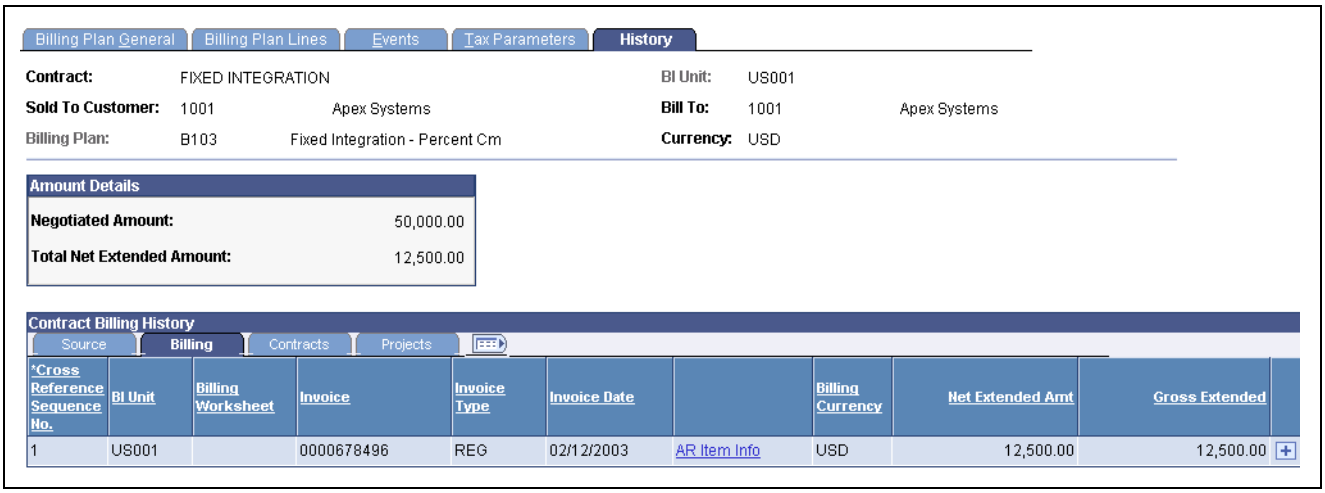
Gross Amt (gross amount) Reflects the gross amount sent by Contracts to Billing. No tax is included in this amount. The gross amount is required for rows being inserted by the Contracts Billing Interface process; the gross amount is not relevant for transactions with a billing method of *As-incurred* or for transactions originating in Billing.

Net Extended Amt (net extended amount) Displays the actual amount that was invoiced by Billing. This amount includes discounts and surcharges, but does not include taxes.

Gross Extended Displays the gross amount of all contract lines linked to the billing plan on the invoice; tax and freight are not included. Gross extended is the same value as the gross amount when it's first generated and sent to Billing. The system resets the gross extended amount after the invoice has been finalized to reflect the actual amount on the invoice line.

Billing Plan - History: Billing Tab

Select the Billing tab.



Billing Plan - History page: Billing tab

Billing Worksheet Displays the worksheet number created by Billing for rows sent from Contracts to Billing.

Invoice Displays the number for the invoice generated in Billing.

Invoice Type The system sets the invoice type after the invoice has been finalized. Values include:

Credit Bill: Full bill adjustment credit.

Adjustment Only Bill: Do not add bill line adjustments to an already existing bill, but choose to create a new bill with adjustment lines only.

Rebill Bill: Full rebill.

Regular Bill with Adjustments: Add bill line adjustments to an already existing regular bill.

Regular Bill: Regular bill entered through online bill entry or imported through the interface.

Invoice Date Displays the value in the date field of the invoice. The system sets the invoice date after the invoice has been finalized.

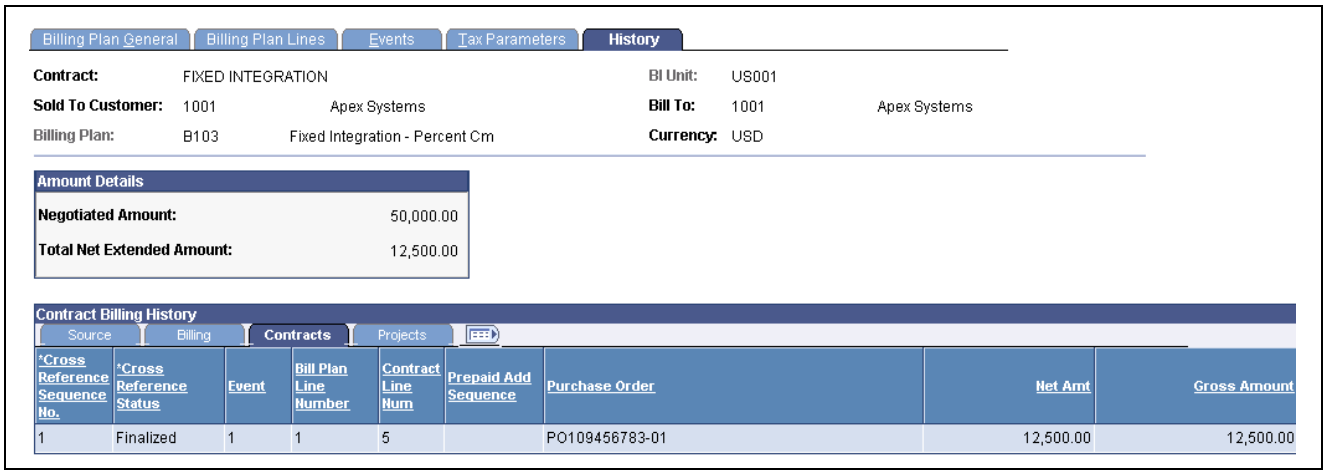
AR Item Info (Receivables item information) Click to access Receivables, where you can review any outstanding amounts.

Net Extended Amt (net extended amount) Displays the actual amount that was invoiced by Billing. This amount includes discounts and surcharges, but does not include taxes.

Gross Extended Displays the gross amount of all contract lines linked to the billing plan on the invoice; tax and freight are not included. Gross extended is the same value as the gross amount when it's first generated and sent to Billing. The system resets the gross extended amount after the invoice has been finalized to reflect the actual amount on the invoice line.

Billing Plan - History: Contracts Tab

Select the Contracts tab.



Billing Plan - History page: Contracts tab

Event Displays the number assigned by the system to each event that you associate with a billing plan ID. Events are required for *Milestone, Percent Complete,* and *Value-based* billing plans, and optional for *As-incurred* billing plans.

Bill Plan Line Number Displays the number associated with this event. Billing plan line numbers are required for *Milestone, Percent Complete,* and *Value Based* billing plans.

Contract Line Num (contract line number) For rows with a billing method of *As-incurred,* the system displays the contract line number corresponding to a particular cross-reference sequence number row.

Prepaid Add Sequence Displays the prepaid add sequence for prepaid balances that are associated with bill plan lines.

Purchase Order Enter a PO reference number so that you can track the POs sent to billing.

Net Amount Reflects the net amount of all contract lines linked to the billing plan sent by Contracts to Billing. No tax is included in this amount. The net amount is required for rows being inserted by the Contracts Billing Interface process; the net amount is not set for transactions with a billing method of *As-incurred* or for transactions originating in Billing.

Gross Amount Reflects the gross amount sent by Contracts to Billing. No tax is included in this amount. The gross amount is required for rows being inserted by the Contracts Billing Interface process; the gross amount is not relevant for transactions with a billing method of *As-incurred* or for transactions originating in Billing.

Billing Plan - History: Projects Tab

Select the Projects tab.

PC Business Unit For rows with a billing method of *As-incurred,* the system inserts the Project Costing business unit of the project with which the row is associated.

Project For rows with a billing method of *As-incurred,* the system inserts the project ID of the project with which the row is associated.

Net Amount Reflects the net amount of all contract lines linked to the billing plan sent by Contracts to Billing. No tax is included in this amount. The net amount is

required for rows being inserted by the Contracts Billing Interface process; the net amount is not set for transactions with a billing method of *As-incurred,* or for transactions originating in Billing.

Gross Amount Reflects the gross amount sent by Contracts to Billing. No tax is included in this amount. The gross amount is required for rows being inserted by the Contracts Billing Interface process; the gross amount is not relevant for transactions with a billing method of *As-incurred* or for transactions originating in Billing.

See Also

Chapter 22, "Managing Contracts Billing," Reviewing the Cross-Reference Table, page 364

Assigning Contract Lines to Billing Plans

This section lists prerequisites and discusses how to assign contract products to billing plans.

Prerequisite

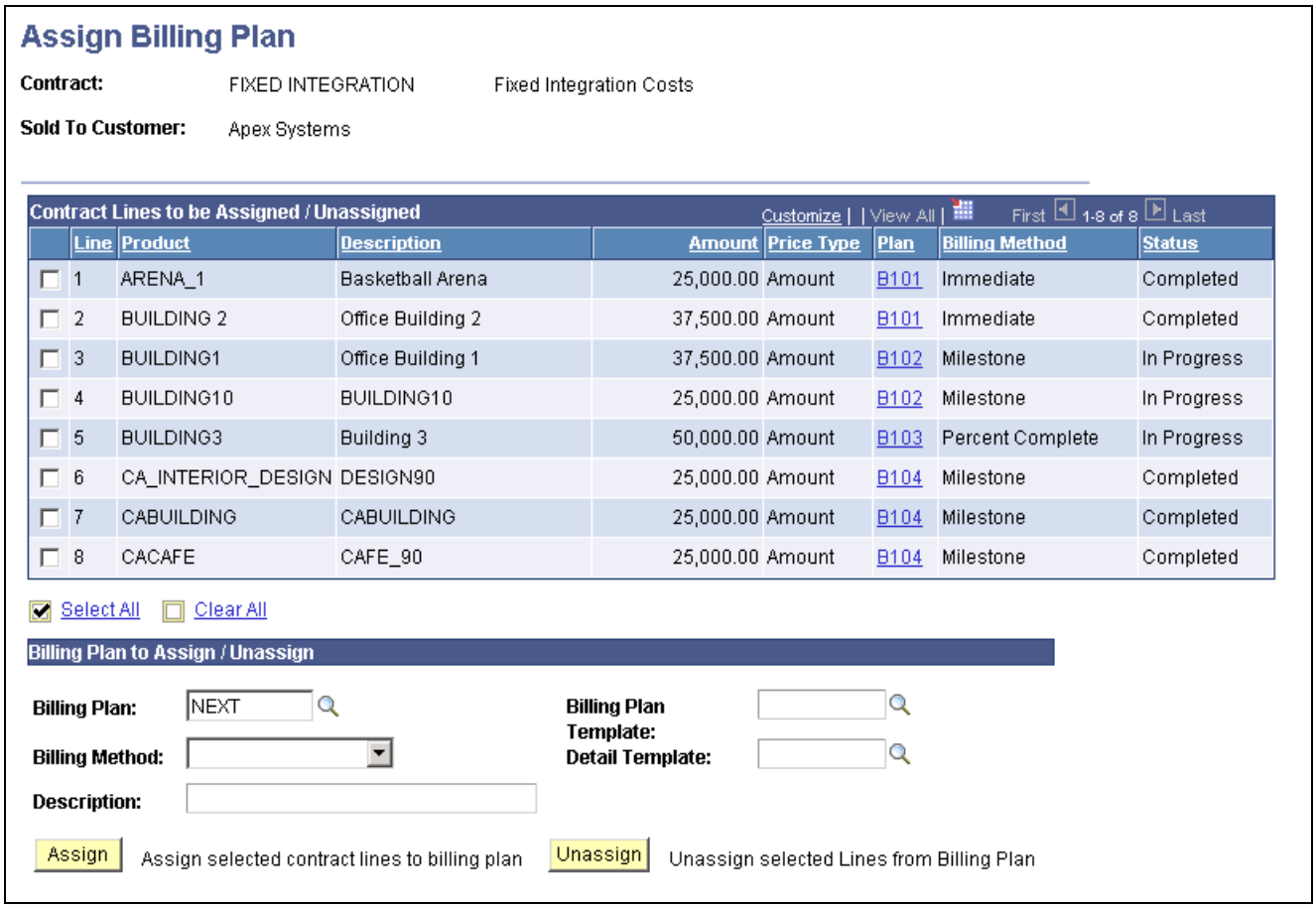
Before assigning contract lines to billing plans, you must have created active lines for this contract.

Page Used to Assign Contract Lines to Billing Plans

Page Name	Object Name	Navigation	Usage
Assign Billing Plan	CA_BP_LINK	Customer Contracts, Schedule and Process Billing, Assign Billing Plan	Assign contract products to billing plans. You can assign products to billing plans that you have previously defined, or you can assign products to a new billing plan and then set up that billing plan in the Billing Plan component.

Assigning Contract Products to Billing Plans

Access the Assign Billing Plan page.



Assign Billing Plan page

Contract Lines to be Assigned / Unassigned

(select) Select the check box next to the contract lines that you want to assign to a contract. You can only select those products with a pricing structure compatible with the billing method that you selected. When you click the Assign button, this contract line is assigned to the contract. Also use this field to select products that you want to unassign from a contract. Select the check boxes next to the individual lines that you want to unassign, and then click the Unassign button.

Line Displays the contract line number of each active line for the contract number that you selected.

Amount Displays the negotiated amount for each line. This system takes this value from the line's negotiated amount on the Negotiated Amount Allocation page.

Price Type Displays the price type for the contract line. Values include: *Amount, Percent, Rate,* and *Recurring.*

Plan Displays the billing plan IDs for lines that are assigned to a particular billing plan. Click a billing plan ID to manage the details of the plan.

Billing Method Displays the billing method of the billing plan to which the product is assigned.

Status Displays the status of the billing plan. You can only add contract lines to new billing plans or billing plans that are in a *Pending* status.

(Select All) Click to select all products with a pricing structure that is compatible with the billing method that you selected and that are unassigned, or that are assigned to billing plans in a *Pending* or *Cancelled* status. Any contract lines that have already been assigned to a billing plan with a status of *Ready, In Progress,* or *Complete* are unavailable for selection.

Note. You can only assign *Value-based* billing plans to one contract line.

(Clear All) Click to clear all products in the grid.

Billing Plan to Assign / Unassign

Billing Plan You can either assign contract lines to an existing billing plan with a status of *Pending* or select *NEXT* to assign the selected lines to a new billing plan. When you select *NEXT,* you must enter a description. This field is for assigning purposes only.

Billing Method Select a method for the billing plan that you are assigning (or that you are creating). Billing method values are: *As-incurred, Value-based, Milestone, Percent Complete, Immediate,* and *Recurring.*

Billing Plan Template To use a billing plan template, select a contract line from the Contract Lines to be Assigned/Unassigned group box, and then select a bill plan template. When you click Assign, the system builds the billing plan and billing plan lines as specified by the template.

Detail Template To use a billing plan detail template, select a contract line from the Contract Lines to be Assigned/Unassigned group box, select a bill plan template, and select a detail template. When you click Assign, the system builds the billing plan and billing plan lines as specified by the billing templates.

Assign Click this button to assign the contract lines that you selected to the billing plan that you selected.

If the contract lines selected had previously been associated with billing plan lines from another billing plan, the system deletes the billing plan lines. If additional contract lines (aside from the ones selected) had been previously assigned to the billing plan line in question, these too are unassigned and the system generates a message notifying you that this has occurred.

Note. You cannot assign *Value-based* billing plans to rate-based contract lines for which prepaid utilization criteria applies. This prepaid utilization criteria is defined on the Utilization Criteria page.

Note. You cannot assign a *Value-based* billing plan to a rate-based line for which a retainage or discount ID was defined on the Related Projects page.

Note. You can only assign *Recurring* billing plans to contract lines with a recurring price type.

Unassign Click this button to unassign the contract lines that you selected from the billing plan ID to which they are assigned. When you click *Unassign,* the

system deletes any billing plan lines that it had created for the detail lines that you selected.

CHAPTER 20

Processing Contracts Billing

This chapter provides an overview of the Contracts billing process and discusses how to run the Contracts Billing Interface process (CA_BI_INTFC).

Understanding the Contracts Billing Process

This section discusses:

- Contracts integration with Billing and Project Costing.
- The Contracts Billing Interface process.
- Streamlined billing.
- Direct invoicing and preapproved activity.
- The Project Progress process.
- Tax parameters.
- Invoices.
- Discounts, surcharges, and retainages.
- Fixed-fee recycled billing.
- Prepaid amounts.
- Interunit billing.

Note. For contracts with a classification of *Government,* you can find additional billing process information in the Contracts for Government Contracting PeopleBook.

See Also

PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook, "Processing the Contracts Billing Interface"

Contracts Integration with Billing and Project Costing

Contracts integrates with Billing and Project Costing, enabling you to generate invoices for all of your contract lines. Contracts sends billing information for fixed-amount and recurring contract lines to Billing. Project Costing sends billing information for rate-based contract lines to Billing. Billing then generates invoices for the contract lines and sends information regarding the invoices back to Contracts and Project Costing.

The Contracts Billing Interface process selects billing plan lines (for fixed-fee, value-based, and recurring billing methods), or resource rows (for as-incurred billing methods) that have been marked in Contracts as ready to bill, and it creates bill lines in the Billing interface tables. For rate-based billing methods, the Contracts Billing Interface process selects Project Costing transaction rows that have analysis types in the PSWKS analysis group and have been priced. Once the Contracts Billing Interface process has staged the billing data in these tables, the Contracts Billing Interface processes the data to create bills.

The Contracts Billing Interface can create two types of bills: temporary bills and real bills. Temporary bills are routed to the billing worksheet, where the billing administrator can review and, for rate-based bills, amend the bills as needed before real bills are created. You cannot amend fixed-amount bills in the billing worksheet. However, it is still beneficial to view temporary fixed-amount bills in the billing worksheet, because temporary bills show the bill amount with the taxes calculated and with all activity grouped in the same invoices. Real bills become invoices that are sent to the customer. You have the option to create temporary or real bills for individual billing plans on the Billing Plan - Billing Plan General page by selecting or clearing the Pre Approved check box.

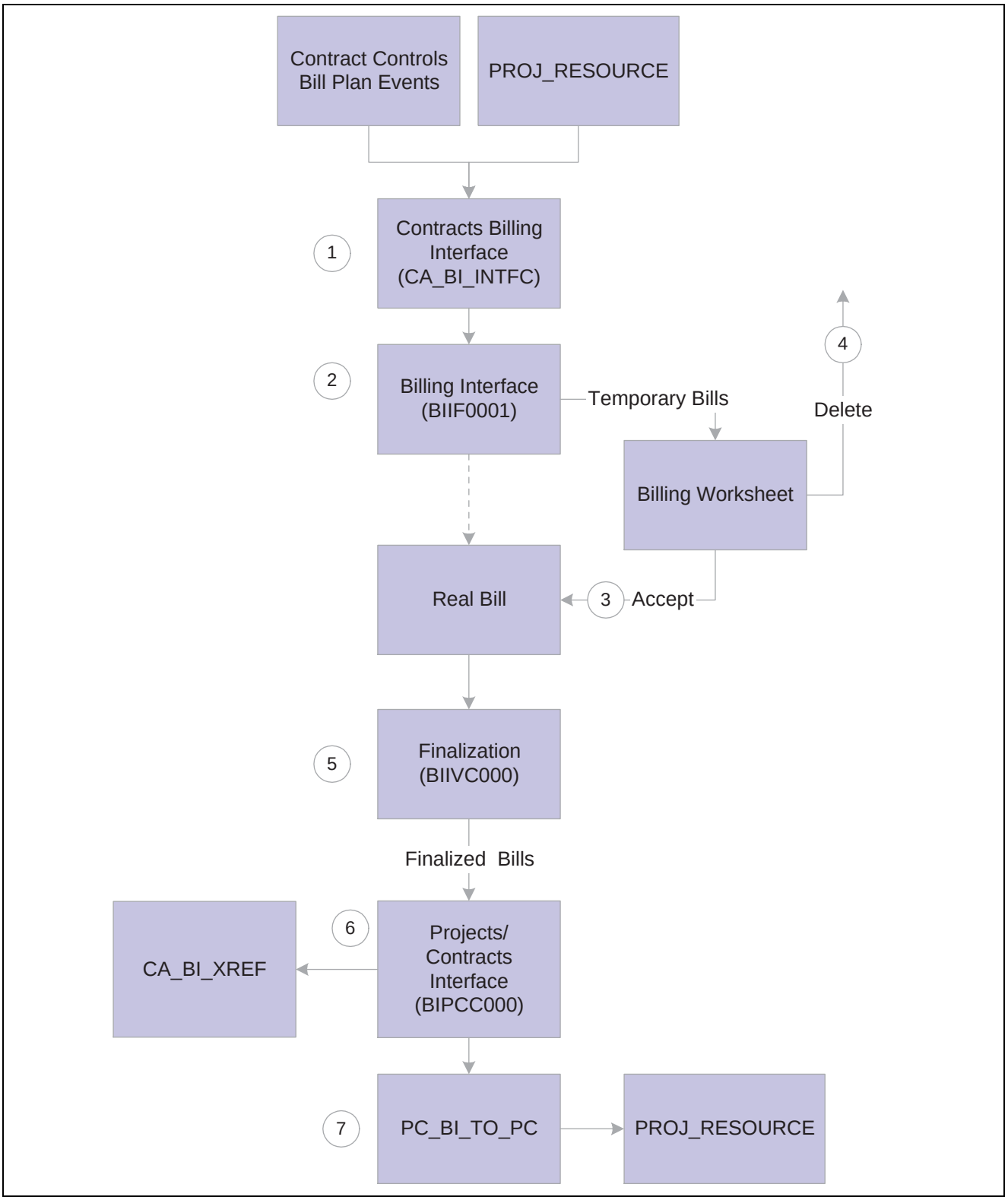
You can use the billing worksheet to cancel temporary bills. When you cancel a temporary bill from within the billing worksheet, the system updates Project Costing (if applicable) and Contracts accordingly.

When you have finished reviewing a temporary bill in the billing worksheet, a real bill is created. When the bill is finalized, the system updates the Project Costing PROJ_RESOURCE table, if applicable, and Contracts CA_BP_XREF table.

The numbers in the following flowchart correspond to the updates that occur to the Contracts controls (billing plans and billing events), the Billing Cross-reference table (CA_BI_XREF), and the Project Costing table (PROJ_RESOURCE).

Warning! It is not recommended for you to make any billing adjustments to the contract lines outside the Contracts system (for example, in Billing or Project Costing), as these changes will not flow back into Contracts.

Here is the billing flowchart:



Contracts billing process flow

The billing process consists of these steps:

1. Run the Contracts Billing Interface process Contracts- and Project Costing-related billing activity to Billing.

2. Run the Billing Interface process (BIIF0001) in Billing to create temporary bills that you can work on in the billing worksheet.

   The billing worksheet is a temporary work area where you can review and adjust resource lines that come from Project Costing before you create an actual bill. For bill lines that are generated from fixed-amount contract lines, you can approve or delete the worksheet based on your review.

3. Approve the billing worksheet.

   When you accept a billing worksheet, the system creates a real bill with an assigned invoice number and updates Contracts and Project Costing accordingly.

4. Delete the billing worksheet.

   When you delete a billing worksheet, the system cancels the bill and updates Contracts and Project Costing accordingly.

5. Run the Finalization process (BIIVC000).

   Run the Finalization process on the real bills that you have created. The Finalization process performs a variety of tasks, including calculating taxes, setting the invoice date, and calculating the due date.

6. Run the Projects/Contracts Interface process (BIPCC000).

   After you have run the Finalization process, you run the Projects/Contracts Interface process. This process updates Contracts and Project Costing with the finalized bill information from Billing and updates the billing plan event statuses to *event billed.*

7. Run the Billing to Projects process (PC_BI_TO_PC).

   Run the Billing to Projects process for rate-based contract lines to update Project Costing tables with billing data.

Note. You can utilize streamlined billing to reduce the number of steps for invoicing bills. Streamlined billing enables you to process transactions from Contracts to Billing and back to Contracts, with one job.

See Chapter 20, "Processing Contracts Billing," Streamlined Billing, page 332.

Updates in Contracts

Fixed-fee, value-based, and recurring bill rows are inserted into the Contract Billing cross-reference table as soon as the Contracts Billing Interface process is run; the status is then updated throughout the other processes: the Billing Interface process, Accept Worksheet process, Delete Worksheet process, and Projects/Contracts Interface process. Rate-based bill rows are inserted into the cross-reference table upon the running of the Projects/Contracts Interface process. This is because rate-based row amounts are subject to change throughout the billing process; fixed-fee rows are not to be changed, only accepted or deleted.

See Also

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Understanding the Billing Interface Structure"

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Integrating with PeopleSoft Contracts, Project Costing, Grants, and Pay/Bill Management," Using the Billing Worksheet Component

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Integrating with PeopleSoft Contracts, Project Costing, Grants, and Pay/Bill Management," Running the PeopleSoft Billing to Projects/Contracts Interface Process (BIPCC000)

PeopleSoft Enterprise Billing 8.9 PeopleBook, "Generating Invoices," Running the Pro Forma, Finalization, Print, and Reprint Processes

The Contracts Billing Interface Process (CA_BI_INTFC)

The Contracts Billing Interface process is divided into three major parts: rate-based contract line billing (controlled by Project Costing), fixed-amount and value-based contract line billing (controlled by Contracts), and recurring billing (controlled by Contracts).

In billing for rate-based contract lines, the flow of data is controlled by Contracts, but the data source is Project Costing. You control the flow of billing in Contracts by attaching projects to contract lines, associating the contract lines with billing plans, readying or holding the billing plans, and possibly creating billing events. When the particular billing plan and event is ready, the resource rows that are associated with the designated project are selected for billing. In addition, Contracts controls much of the header information that is sent to billing, such as the bill to customer, bill by date, and tax information.

In billing for fixed-amount contract lines, Contracts provides both the data source and the control over billing. You associate dollar amounts with the contract lines. You control the flow of billing in Contracts by associating the contract lines with billing plans and billing plan lines, readying or holding the billing plans, and possibly creating billing events.

In billing for recurring contract lines, Contracts provides both the data source and the control over billing. Products are priced by Enterprise Pricer or through the list price that is associated with the product. Pricing for recurring contract lines occurs dynamically when you view the billing plan or when you process the bill.

In all cases, the information that is sent to billing is structured as required by the interface staging table. Each billable row creates a LINE transaction containing the bill amount, billing parameters, and descriptive information. Each billable row also creates at least one AE transaction containing the amount that is to be charged to each ChartField distribution. In addition, a billable row may contain one or more DS (discount) transactions (except for recurring contract lines), and one or more NOTE transactions.

Rate-based Billing

When a PROJ_RESOURCE row is selected for billing, the data from this row, including the amount and project string data, and data from the billing plan, including bill to customer, bill by, and bill type, combine to create the basis for a LINE transaction.

Because the revenue for all rate-based contract lines is handled through Contracts, the accounting information source for this row is the Accounting Rules table (PSA_RULES_LN) for as-incurred billing plans. This table holds the accounting distribution for PROJ_RESOURCE rows. The unbilled accounts receivable (unbilled AR) side of the accounting rules entry is selected by the Contracts/Billing process. This data is stamped on the AE row.

The process then checks for discounts or retainages that are specified on the corresponding contract line. A DS row is created if a discount is specified, and another DS row is created if a retainage is specified. The process also checks the tolerance amount to see if the sum of the rows for a billing plan meet the minimum amount billed. If the rows for a billing plan do not pass the tolerance check, the rows are not sent on to billing.

Billing currency is determined according to the value that the users selected for the Bill Currency Option field for the billing plan on the Billing Plan - Billing Plan General page. If the user selected billing currency, the row is billed in the contract currency; if the user selected transaction, the row is billed in the transaction currency that is in the PROJ_RESOURCE table.

Once all data is finalized, the LINE rows are considered for prepaid utilization and the LINE row is written to the billing cross-reference table (CA_BP_XREF) with a status of *New*.

See Chapter 23, “Establishing Prepaid Amounts,” Prepaid Amounts: Billing and Utilization, page 393.

Fixed-fee Billing

There are three fixed-fee, or amount-based, billing methods. In all three cases, some data comes from the billing plan, including the bill to customer, bill by, and bill type, some data comes from the contract line itself, including the basis for the amount and taxes, and other data comes from the bill plan lines, including the description. In the case of the *Immediate* billing method, this is the only data that makes up a LINE transaction. In the case of the *Percent Complete* and *Milestone* billing methods, the billing events determine the percentage of the base amount that is to be included in the LINE transaction.

Once a LINE transaction is created, the process creates the accounting that is associated with the line. Because fixed-fee bill lines may hold multiple accounting distributions, the accounting must be separated into AE entries. Any number of AEs may be created. The accounting distribution source depends on the revenue recognition method of the contract lines. If the method is *Billing Manages Revenue,* then the accounting distribution comes from CA_DETAIL_DST. In all other cases, the accounting distribution comes from CA_DETAIL_UAR.

The process then checks for discounts or surcharges that are specified on the corresponding contract lines. One or more DS rows may result.

Value-based Billing

When running the Contracts Billing Interface Application Engine process (CA_BI_INTFC), value-based billing acts similar to fixed-fee billing. However, discounts do not apply to value-based billing plans. Most data for value-based billing plans comes from the billing plan lines (amount, description, quantity, and so forth). Other data also comes from the billing plan and contract line. The accounting distribution comes from CA_DETAIL_UAR. As with immediate billing plans, this is the only data that makes up a LINE transaction. Every value-based billing plan is associated with at least one event.

Recurring Billing

When running the Contracts Billing Interface Application Engine process (CA_BI_INTFC), recurring billing processes similar to fixed-fee and value-based billing. However, discounts and surcharges do not apply and no events are associated with recurring billing plans. The data for recurring billing comes from the billing plan and contract line. Because the revenue recognition method must be *Billing Manages Revenue* for recurring billing plans, the accounting distribution comes from CA_DETAIL_DST.

Streamlined Billing

Streamlined billing is a simplified billing process that reduces the number of steps for invoicing bills. You can run streamline processing from the Billing Review page in Project Costing or from a run control page in Contracts. This job runs all processes that are required to take billable transactions to a finalized invoice. Streamlined billing enables you to process transactions from Contracts to Billing and back to Contracts, with one job once the necessary streamline billing parameters have been defined in your system.

Important Setup Parameters

You must set up billing parameters correctly for streamline billing to process through to a final invoice:

- Set up the billing plan correctly.

  Select the Direct Invoicing and Pre approved check boxes on the billing plan. Also, the billing plan must be in *Ready* status, with any events in *Ready* status. The Direct Invoicing check box determines whether streamlined billing can occur. Only those bill plans that have this check box selected process through to an invoice.

- Specify the range selection ID and direct invoicing option on the Bill-By Identifier page during setup.
- Establish billing user preferences.

The system uses the user ID that you specify on the Billing User Preferences page to determine which group of billing jobs will run, Load or No Load.

- Specify an NT server on the Billing User Preferences page during setup.

  To use the direct invoicing functionality, you must have a Windows NT server. Crystal reports run on a Windows NT server only.

Note. If you fail to complete any part of the required setup for billing transactions, the job does not process through to a final invoice. The job stops at either the worksheet or a new invoice that needs to be readied. You can view the process monitor to determine the status of your job.

Streamlined Process

The streamlined billing process consists of one of two Contracts jobs, CABIDIR1 or CABIDIR2, to run all Contracts, Billing and Project Costing processes to get transactions billed and Contracts and Projects updated. The Contracts Billing Interface process (CA_BI_INTFC) determines whether to call the Load process (BIDIRIVC) or No Load process (BIDIRIV2) if the direct invoicing option is selected on the billing plan. The specification on the billing user defaults determine which process the Contracts Billing Interface process selects. Then, the Contracts Billing Interface process schedules the job accordingly. The system flow from Contracts is a bill plan to a printed invoice. After running the Load or No Load process, the system runs the Projects/Contracts Interface (BIPCC000) and Billing to Projects (PC_BI_TO_PC) processes, respectively. The Projects/Contracts Interface updates status in Contracts. As long as all data is set up correctly, the jobs process without any manual intervention.

Load Versus No Load

The system uses two processes for streamlined billing:

- Load (BIDIRIVC).
- No Load (BIDIRIV2).

The *PeopleSoft Enterprise Billing PeopleBook* contains detailed information regarding the application engines that are processed by the Load and No Load processes.

Note. For *Load* processing, the system initiates the Commitment Control process only if Commitment control is enabled on the Installation Options - Installed Products page.

For *Load* processing, the system does not print Federal Invoice Formats 1080 and 1081 for direct invoice jobs.

See *PeopleSoft Enterprise Billing PeopleBook.*

Project Costing Issues

If you initiate streamlined billing from the Billing Review page in Project Costing, note that:

- All reviewed transactions for the particular BU/PROJECT ID are eligible for billing.
- The contracts billing plan dictates how far the billing transactions go (to worksheet or finalization).
- Because each project can have multiple activities and each activity can be assigned to a different contract line and billing plan, there may be multiple invoices created.

See *PeopleSoft Enterprise Project Costing PeopleBook.*

Additional Streamlining Options

In addition to the streamlined billing processes previously outlined, you can also select additional jobs for the system to run in conjunction with the Contracts Billing Interface process. On the Processing Billing - All Other Methods run control page, if you select the Process Milestones or Process Project Progress check boxes, the system runs the selected processes prior to running the Contracts Billing Interface process.

For more information about batch processing and using PeopleSoft Enterprise Process Scheduler to personalize and streamline batch processing, see the *Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler*.

See *Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler*.

Direct Invoicing and Preapproved Activity

You set the direct invoicing and preapproved options on the billing plan. The Contracts Billing Interface process maps the preapproval flag to the TMP_BILL_FLG in Billing.

This table shows the effect of the different direct invoicing and preapproved settings:

Direct Invoicing Flag	Preapproval Flag	Resulting Functionality
N	*N*	Temporary bills are created. Users need to approve the temporary bills in the billing worksheet to make them real bills.
N	*Y*	Real bills are created. Bills created in *Pending* status aren't picked up for invoicing until the bill status is changed to *Ready*. This method bypasses the billing worksheet.
Y	*N*	Not allowed.
Y	*Y*	Real bills are created. Bills are created in *RDY* status. This method bypasses the billing worksheet. **Note.** This is streamlined billing.

Note. To use the direct invoicing functionality, you must have a Windows NT server. Crystal reports run on a Windows NT server only.

See *Enterprise PeopleTools PeopleBook: Crystal Reports for PeopleSoft*.

See *Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler*.

The Project Progress Process

Contracts integrates with Project Costing to eliminate duplicate data entry for billing that is tied to project progress or milestones. You can automatically populate the percent complete for billing plans in Contracts with a value that is generated in Project Costing. This value comes from the project or project and activity combination in Project Costing. You determine which autopopulate method to use on the Billing Plan - Events page. After choosing an autopopulate option, you can set up a run control that allows the processing of one or more plans at a time.

See Also

Chapter 13, "Working with Project Costing," Project Progress, page 163

Chapter 13, "Working with Project Costing," Processing Project Progress, page 171

Tax Parameters

Contracts enables you to associate tax parameters with products. When you select a product onto a contract line, the contract line inherits the tax parameters that you defined for the products. When you assign a contract line to a billing plan, you can then review the contract line's tax parameters and adjust them, along with the ship to and ship from IDs and addresses, if necessary. These billing plan tax parameters then flow to Billing when you run the Contracts Billing Engine. All tax calculations for Contracts billing plan items are then handled by Billing.

For amount-based billing plans and initial bills for prepaids, tax parameters are stored on the billing plan. For as-incurred and recurring billing plans, tax parameters are stored on CA_DETAIL.

Bills that are generated from the Contracts Projects interface are compatible with the Billing tax calculation options. For sales and use tax, Billing offers three options:

- Calculate taxes using PeopleSoft tax tables.
- Calculate taxes using Vertex (third-party tax vendor).
- Calculate taxes using Taxware (third-party tax vendor).

Contracts sends the billing information that you define for a billing plan to Billing. Billing, depending upon the tax solution that you are using, either performs the tax calculations or makes a call to one of the third-party tax vendors for the tax calculation.

Value-added tax (VAT) is calculated using common PeopleSoft routines.

See Also

Chapter 13, "Working with Project Costing," Processing Project Progress, page 171

Invoices

Contracts enables customers to generate billing activity and create bills for a billing plan with or without intervention from billing staff.

Invoicing from Contracts and Project Costing with Billing Intervention

In some cases, business practices may dictate that billing specialists manage the taxation of invoices rather than contract specialists. In this scenario, it is not necessary to provide tax parameters for your contract lines and billing plans. Contracts can send billing information to Billing where no tax parameters are defined in Contracts for that billing activity. In this case, the billing specialists must review invoices for correct tax parameters before finalization of the bill.

Invoicing from Contracts and Project Costing with no Billing Intervention

To have no intervention from billing staff, you must define the tax parameters for all lines on the billing plan. You establish tax parameters at the customer level, and the system populates the billing plan with these default values. The system then runs these processes:

- The Contracts Billing Interface process, which creates the billing interface activity.
- The Billing Interface process, which creates the bills.
- The Billing VAT Defaulting process, which assigns appropriate VAT default values.
- The Finalization process in Billing, which uses the tax parameters that are sent over by Contracts to call the third-party tax vendors and calculate taxes.

Discounts, Surcharges, and Retainages

You can establish discounts and surcharges for fixed-amount contract lines. You can establish discounts for rate-based contract lines. Discounts and surcharges do not apply to recurring contract lines. How the discount and surcharge information flows to Billing depends upon the price type of the contract line.

Fixed-Amount Contract Lines: Discounts and Surcharges

The Contracts Billing Interface process handles discounts and surcharges for fixed-amount contract lines in this manner:

- The system creates one row for each discount or surcharge corresponding to a bill line on the billing plan.

  This may include discounts or surcharges for more than one contract line if the billing plan contains multiple contract lines and is summarizing them on a single bill line.
- The system maps CA_LN_REDUCTS.DISC_SUR_ID to INTFC_BI_AEDS.DISC_SUR_ID.
- The system maps CA_LN_REDUCTS.DESCR to INTFC_BI_AEDS.DESCR as the description for the discount.
- All fixed-amount activities for discount or surcharge rows are created as discount or surcharge amounts in Billing, even if they were originally defined by percentage.
- All discount or surcharge rows that are created for fixed-amount activities are created as level-one discounts for the bill line in Billing.
- The discount or surcharge accounting distribution that is sent to Billing depends upon the revenue recognition method that is defined for the contract line to which the reduction corresponds.

  If the revenue recognition method is *Billing Manages Revenue,* the accounting distribution comes from the discount table: CA_DETAIL_REDUC. For all other revenue recognition methods, the accounting distribution comes from the Unbilled AR table for the related contract line: CA_DETAIL_UAR.
- Billing writes the discount or surcharge back to Project Costing with a DSC analysis type.

Note. You can establish discounts and surcharges at the header level. Header discounts or surcharges must be allocated down to individual contract lines.

See Chapter 12, “Pricing Contracts,” Discounts and Surcharges, page 145.

See Chapter 10, “Understanding Accounting Distributions,” Accounting Distributions for Discounts and Surcharges, page 123.

Rate-Based Contract Lines: Discounts and Retainages

The Contracts Billing Interface process handles discounts and retainages for rate-based contract lines in this manner:

- Discount rows are created as Discount Surcharge Level 1, and retainage rows are created as Discount Surcharge Level 2.

  When Billing calculates the discount and retainage amounts, the discount is applied against the gross amount of the line. The retainage is then applied to the discounted line amount.

- The system maps discounts DISCOUNT_ID to DISC_SUR_ID and retainages RETAINAGE_ID to DISC_SUR_ID.
- Discounts and retainages are stored as percentages, not amounts.
- The accounting distribution for discounts and retainages always comes from the CA_DETAIL_UAR table for the corresponding contract line.

  The accounting distribution for discounts and retainages for rate-based rows comes from the accounting rules. The system uses the same accounting rule that was selected for the billable (BIL) row to apply as the accounting rule for the discount and retainage row.

- Billing distinguishes between discounts and retainages according to a flag (RETAINAGE_FLG) in the BI_DISC_SUR table.

  If the flag is marked Y (yes), the system writes the DS row back to projects as a retainage with a *BRT* analysis type. If the flag is marked N (no), the system writes the DS row back to projects as a discount with a *DSC* analysis type.

Note. Rate-based contract lines containing discounts and retainages cannot be associated with value-based billing plans.

See Chapter 13, “Working with Project Costing,” page 159.

Rate-based Retainage Rows

For the *as-incurred* billing method, you can choose to withhold a portion of the billable amount for each transaction; this is referred to as a retainage. When the billing for these transactions is finalized, these new items (portion of the original) are written back to projects as BRT (analysis type) rows and may be handled in one of three ways, depending on the selection that you make for the Items previously held as Retainage option on the Billing Plan - Billing Plan General page:

- Hold the items in Project Costing.

  This is not a long-term solution.

- Bill the items at a later date.
- Write the items off at a later date.

If you choose to hold the items, the Contracts Billing Interface process ignores these rows.

If you choose to write off the items, the Contracts Billing Interface process sends the rows to Billing with an analysis type of WTO.

If you choose to bill for the items, the items may or may not be applied against limits. How the system handles this is based on the setting that you define for the Apply Released Retainage field on the Installation Options - Contracts page. If you do not select the Apply Released Retainage field, then all rows are sent to Billing with an analysis type of BIL. If you selected the Apply Released Retainage field, then each row is checked against the limit. If the row falls under the limit, the row is sent to Billing as RRT; otherwise, the row is sent as over-the-limit (OLT).

Note. No discounts or additional retainages are applied to retainage rows.

Fixed-Fee Recycled Billing

When a billing worksheet is cancelled, it is unknown whether that billing worksheet contains all bill lines that are associated with a particular event. Due to the flexibility of the Billing bill-by functionality, two items from the same billing plan may end up on separate bills—if they have different projects, for example. As a result, the system cannot reset the billing plan event back to *Ready* when worksheet cancellation occurs. Instead, the system sets the event to *Recycled* and updates the cross-reference row status (in the CA_BP_XREF table) to *Deleted.* Then, when the Contracts Billing Interface process considers billable items, it selects recycled events with cancelled cross-reference rows. In addition, the system checks that the deleted row is the most recent row that is inserted into the cross-reference table for that bill line and event combination. When the bill line and event is rebilled, a new cross-reference row is created with a *New* status; the old row remains in the table with a *Deleted* status.

Consider this scenario:

1. Contract tables prior to the Contracts Billing Interface process.

   CA_BP_EVENTS table:

Contract	Billing Plan	Occurrence	Status
1000	*BP001*	*1*	*DON*
1000	*BP001*	*2*	*RDY*

   CA_BP_LINES table:

Contract	Billing Plan	Line	Amount (USD)	(Project)
1000	*BP001*	*1*	*100*	*ABC*
1000	*BP001*	*2*	*500*	*ABC*
1000	*BP001*	*3*	*700*	*DEF*

2. The Contracts Billing Interface process and the Billing Interface create these bill worksheets:

Worksheet #1 – Project ABC
(100 USD) + (500 USD) = (600 USD)

Worksheet #2 – Project DEF
700 USD

3. Worksheet #2 is cancelled (Worksheet #1 has not yet been approved).

   The following updates are made:

   CA_BP_EVENTS table:

Contract	Billing Plan	Occurrence	Status
1000	*BP001*	*2*	*RCL* (recycled)

   CA_BP_XREF table:

Sequence	Contract	Billing Plan	Line	Occurrence	Amount	Status
1	*1000*	*BP001*	*1*	*2*	*100*	*RCV* (received)
2	*1000*	*BP001*	*2*	*2*	*500*	*RCV*
3	*1000*	*BP001*	*3*	*2*	*700*	*DEL* (deleted)

4. After the Projects/Contracts Interface runs, the following updates occur:

   CA_BP_EVENTS table:

Contract	Billing Plan	Occurrence	Status
1000	*BP001*	*2*	*PRG* (in progress)

   CA_BP_XREF table:

Sequence	Contract	Billing Plan	Line	Occurrence	Amount	Status
1	*1000*	*BP001*	*1*	*2*	*100*	*RCV*
2	*1000*	*BP001*	*2*	*2*	*500*	*RCV*

Sequence	Contract	Billing Plan	Line	Occurrence	Amount	Status
3	*1000*	*BP001*	*3*	*2*	*700*	*DEL*
4	*1000*	*BP001*	*3*	*2*	*700*	*NEW*

The system uses this criteria when selecting the recycled item:

- Event status is recycled.

  (BP_EVENT_STATUS = *RCL*).

- The event keys (contract, billing plan, and event occurrence) match between the recycled event and the XREF table.
- The status on the XREF table is deleted.

  (XREF_STATUS = *DEL*).

- Only the maximum sequence row for the contract, billing plan, line, and occurrence combination is considered.

  (MAX (XREF_SEQ_NUM)).

- Event conditions are not considered because they have already been met.

5. Worksheet #1 is cancelled. The following updates are made:

   CA_BP_EVENTS table:

Contract	Billing Plan	Occurrence	Status
1000	*BP001*	*2*	*RCL*

   CA_BP_XREF table:

Sequence	Contract	Billing Plan	Line	Occurrence	Amount	Status
1	*1000*	*BP001*	*1*	*2*	*100*	*DEL*
2	*1000*	*BP001*	*2*	*2*	*500*	*DEL*
3	*1000*	*BP001*	*3*	*2*	*700*	*DEL*
4	*1000*	*BP001*	*3*	*2*	*700*	*NEW*

6. Billing plan line one changes to 200 USD, and billing plan line two changes to 400 USD.

   When the Projects/Contracts Interface process runs, it only picks up lines one and two, not three, because it already has a new row. The results are:

Contract	Billing Plan	Occurrence	Status
1000	*BP001*	*2*	*PRG*

CA_BP_XREF table:

Sequence	Contract	Billing Plan	Line	Occurrence	Amount	Status
1	*1000*	*BP001*	*1*	*2*	*100*	*DEL*
2	*1000*	*BP001*	*2*	*2*	*500*	*DEL*
3	*1000*	*BP001*	*3*	*2*	*700*	*DEL*
4	*1000*	*BP001*	*3*	*2*	*700*	*NEW*
5	*1000*	*BP001*	*1*	*2*	*200*	*NEW*
6	*1000*	*BP001*	*2*	*2*	*400*	*NEW*

Note. In the case of immediate billing methods in which there are no events, the billing plan status is set back to *In Progress.* The Contracts Billing Interface process processes the in-progress plans if the maximum row for that plan has been deleted in the cross-reference.

Prepaid Amounts

The initial billing of a prepaid amount is handled in the fixed-fee portion of the Contracts Billing Interface process. Prepaid billing differs from regular fixed-fee billing only in terms of the source of some data—amount data comes from the prepaid table instead of the contract line table, accounting data comes from the prepaid table instead of a child table to the contract line table.

See Also

Chapter 23, “Establishing Prepaid Amounts,” page 391

Interunit Billing

Contracts with a classification type of *Internal* support interunit billing. You have the ability to process interunit bills by selecting *Internal* in the Contract Classification field when creating a contract. You can process interunit bills only by selecting *Internal* in the Contract Classification field on the Process Billing run control page.

Note. For as incurred processing, the Contracts Billing Interface passes a revenue row instead of an unbilled AR row to Billing.

You cannot set up more than one revenue row in the accounting rules for as-incurred billing. If more than one revenue row is set up, the billable rows are not sent to Billing and the Rate-based Accounting process (PSA_ACCTGGL) does not pass any rows back to the Contracts Billing Interface.

See Also

Chapter 9, "Creating Contracts," Contract Classifications, page 78

Running the Contracts Billing Interface Process (CA_BI_INTFC)

This section lists common elements and discusses how to:

- Run the Contracts Billing Interface process for as-incurred billing.
- Run the Contracts Billing Interface process for recurring billing.
- Run the Contracts Billing Interface process for amount-based and value-based billing methods.

Common Elements Used in This Section

Program Name Displays *CA_BI_INTFC*.

Billing Plan Select a billing plan ID to run the Contracts Billing Interface process for a specific billing plan.

Billing Method For *As-Incurred* and *Recurring* billing processing, displays the appropriate billing method. You cannot override the billing method.

For *All Other Methods* of billing processing, select a billing method of *Immediate, Milestone, Percentcmp* (percent complete), or *Value Base* (value-based).

Billing Business Unit Select a Billing business unit to run the Contracts Billing Interface process for a specific billing business unit.

Billing Specialist Select a billing specialist to run the Contracts Billing Interface process for a specific billing specialist.

Billing Cycle Identifier or **Billing Cycle ID** Select to filter your processing parameters by the billing cycle ID.

If you have Grants installed, once you select a value, the system automatically populates the From Date and To Date fields. For Grants customers, these dates are informational only; no processing depends on these dates.

Bill Thru Date Used for *Recurring* and *All Other Methods* to determine which contract lines the system processes and sends to Billing. Displays by default the current date. You can accept or override the default value. You can also future-date this field.

Invoice Date Used for *Recurring* and *All Other Methods*. Displays by default the current date, which you can change. The system does not use this date for processing.

Event Date Enter a date to run this process for billing plan events that occur before the specified date. This field appears on the run control pages for *As Incurred* and *All Other Methods*. This field does not appear for *Recurring* billing.

Pages Used to Run the Contracts Billing Interface Process

Page Name	Object Name	Navigation	Usage
Process As Incurred Billing	RUN_CA_BI	Customer Contracts, Schedule and Process Billing, Process As Incurred Billing	Run this process to load *As-Incurred* billing information from Contracts and Project Costing into Billing to create bills.
Process Recurring Billing	RUN_CA_RB	Customer Contracts, Schedule and Process Billing, Process Recurring Billing	Run this process to load *Recurring* billing information from Contracts and Project Costing to Billing to create bills.
Process Other Billing Methods	RUN_CA_FF	Customer Contracts, Schedule and Process Billing, Process All Other Billing Methods	Run this process to load amount-based and value-based billing information from Contracts into Billing to create bills.

Running the Contracts Billing Interface Process for As-Incurred Billing

Access the Process As Incurred Billing page.

Contract Options

Use the fields in this group box to limit the billing data that is included in the run of this process. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. If you leave all fields blank, the process picks up all available billing activity in Contracts.

Project Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in Project Costing.

Select values for any of the project costing ChartFields to filter processing criteria: PC Business Unit, Project, Activity ID, Project Type, and Project Manager.

Bu/Proj/Act Option (business unit/project/activity option) Select an option to filter the information that is pulled from Project Costing. Options are:

All: Run this process for all available Project Costing business units, projects, and activities.

Selected BU / Proj / Activity (selected business unit/project/activity): Filter the Project Costing source data by adding values to these fields: PC Business Unit, Project ID, and Activity ID.

Selected BU / Project (selected business unit/project): Filter the Project Costing source data by adding values to these fields: PC Business Unit and Project ID.

Selected Business Unit: Filter the Project Costing source data by adding values to the PC Business Unit field. You may further filter the data by adding values to the Project Type and Project Manager fields.

Billing Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in Contracts and Project Costing.

Bill To Select to filter your processing parameters by the customer receiving the invoice.

Billing Cycle ID Select to filter your processing parameters by the billing cycle ID.

If you have Grants installed, once you select a value, the system automatically populates the From Date and To Date fields. For Grants customers, these dates are informational only; no processing depends on these dates.

Cycle From Date Enter the cycle from date. The date that you enter in this field appears by default in the From Date field. You can override the from date.

Cycle To Date Enter the cycle to date. The date that you enter in this field appears by default in the Through Date field. You can override the through date.

Date Option Select a date option to narrow this process to billing activity within a certain time frame. Options are:

Acct Date (accounting date): Run this process for billing activity that occurs within an accounting (general ledger period) date. You must enter values in the From Date and Through Date fields.

Trans Date (transaction date): Run this process for billing activity that has occurred within a transaction (system date) date. You must enter values in the From Date and Through Date fields.

All: Run this process for all available billing activity. If you select this option, you do not need to enter a value in the Through Date field.

From Date Displays the first date on which the process should look for available billing activity. The system uses this field for accounting and transactional date purposes only.

Through Date Displays the last date on which the process should look for available billing activity. The cycle through date must be equal or greater than the cycle from date. The value that you entered in the Cycle To Date field appears by default in this field. You can override the default value. The system uses this field for accounting and transactional date purposes only.

Ignore Tolerance Amount Select this check box to allow project rows to process through to billing even if the minimum tolerance amount that is set on the billing plan has not been reached.

Use the following fields to limit the Grants billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in Contracts and Project Costing. These fields are for Grants customers only.

Billing Authority Person responsible for the overall approval of the billing plan. Select a billing authority to run this process for a specific billing authority.

Letter of Credit ID Select a letter of credit reference number to run this process for a specific letter of credit.

Running the Contracts Billing Interface Process for Recurring Billing

Access the Process Recurring Billing page.

Contract Options

Use the fields in this group box to limit the billing data that is included in the run of this process. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. If you leave all fields blank, the process picks up all available billing activity in Contracts.

Note. If you select a Contract Classification of *Internal* on the run control page, only internal contracts are sent to Billing. In order to process more than one classification type at a time from one run control page, you must insert a second run control sequence.

Billing Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in Contracts.

Running the Contracts Billing Interface Process for Amount-based and Value-based Billing Methods

Access the Process Other Billing Methods page.

Contract Options

Use the fields in this group box to limit the billing data that is included in the run of this process. Filter by Contracts business unit, contract type, contract classification, sold to customer, or contract number. If you leave all fields blank, the process picks up all available billing activity in Contracts.

Note. If you select a Contract Classification of *Internal* on the run control page, only internal contracts are sent to Billing. In order to process more than one classification type at a time from one run control page, you must insert a second run control sequence.

Billing Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in Contracts.

Streamline Processing Options

Process Milestones Select this check box to set up the system to automatically run the Process Milestones process prior to running the Contracts Billing Interface process.

Process Project Progress Select this check box to set up the system to automatically run the Percent Complete Update process prior to running the Contracts Billing Interface process.

CHAPTER 21

Creating and Managing Limits

This chapter provides an overview of limits and discusses how to:

- Set up limits.
- Set up transaction limits.
- Process limits.
- Review and release limits.

Understanding Limits

Contracts enables you to enter line-level and transaction-level billing limits. The billing limit amount defined for a contract line represents the maximum amount that can be billed. Limit processing is associated with this amount, which represent the "limit ceiling" for the contract line. However, within the overall billing limit, you may have sublimits on certain transactions such as travel, labor, or materials. Contracts enables you to set up transaction level billing limits, in addition to overall billing limits, for your contract lines. Transaction limits enable you to apply multiple limit amounts to multiple transactions for a specific contract line.

You associate both types of limits to a contract line. You can view billing limits on the Contract Summary page as well as at the contract line level. Transaction limits are only visible and must be managed at the contract line level. Once you define your limits and the contract is active, any limit changes must be performed using amendment processing.

This section discusses:

- Line limits.
- Transaction limits.
- Limit processing.

Limits work differently for contracts with a classification of *Government.*

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating and Managing Limits".

Line Limits

For as-incurred and value-based billing methods on rate-based contract lines, Contracts enable you to set a maximum amount that can be billed; this is referred to as a limit. You establish a line limit on the Related Projects page.

Line limit amounts are visible on the contract summary and line, and can also be viewed and managed using the Limits Review online inquiry page. Any changes made to the limits over the life of the contract must be performed at the contract line level.

Transaction Limits

Transaction limits enable you to apply multiple limit amounts to multiple transactions for a specific contract line. Transaction limits are only visible and must be managed at the contract line level.

Transaction limits consist of the following main elements:

- Transaction identifiers.
- Transaction limit amounts and sequence numbers.

Transaction Identifiers

Transaction identifiers are configuration elements that enable you to set up limits on specific transactions. You define the transaction identifier using a combination of Project Costing ChartField values (source type, category, and subcategory).

The transaction identifier is associated with a transaction limit, which is subsequently associated with a contract line. Transaction identifiers enable you to apply specific limits to transactions with Project Costing ChartField values matching the contents of the transaction identifier for a specific contract line. Transactions matching the contents of a transaction identifier for a transaction limit for a contract line must first pass the transaction limit before they can be checked against the contract line billing limit. Transactions that do not match the contents of a transaction limit transaction identifier are only applied to the contract line limit that you define on the Related Projects page.

Warning! Once a transaction identifier is defined and associated with a transaction limit, it should not be modified, as data conflicts may occur for any transactions already processed using the transaction identifier.

Note. You must select a transaction identifier before the system enables you to enter a transaction limit amount.

Transaction Limit Amounts and Sequence Numbers

After you have defined transaction identifiers, you assign them to the transaction limit. A contract line can have multiple transaction limits, each with its own associated transaction identifier and limit to enable you to stack limit processing and perform more complex limit processing scenarios.

If assigning multiple transaction limits to one contract line, the system utilizes sequence numbers that you assign to the transaction identifier and limit amount row to determine the order in which a limit amount is applied to a transaction. This enables you to accommodate overlapping limit scenarios by identifying which transaction limit should be drawn against first. Multiple transaction limits need not be overlapping, however, depending on the specific contents of the transaction identifiers used. The sequence numbers must be unique.

Limits (CA_LIMIT) processing always considers transaction level limits first, and then contract line level limits, when determining if a transaction can pass limit checking. Only transactions passing transaction limits or transactions for which transaction limits are not applicable are checked against overall billing limits for the contract line. Depending on your limit setup, when a transaction is processed, a portion of the transaction could be determined to be over-the-limit for the transaction level limit, even though it might have been within the available overall billing limit for the contract line.

Note. In multi-limit scenarios, the sequencing setup that you define controls how the limit process applies transactions against the transaction limit amounts. Because the over-the-limit transactions that can result from overlapping transaction limits can vary based on the order in which the limits are applied, it is important that you carefully consider your setup and any potential negative results if defining overlapping limits.

Limit Processing

The Limits (CA_LIMIT) Application Engine process enables you to apply the transaction and overall limits that you define for your rate-based contract lines to transactions. The Limits process can be run using the following options:

- Manually run the Limits process, or schedule it to run automatically, as a standalone process.

  When you run the Limits process as a standalone process, you can select specific run control criteria to apply limits for specific business units, contracts, or other criteria to billing transactions or recalculate limit amounts when totals are changed.

- Manually run the Limits process for a specific contract line.

  When you are managing limits for a specific contract line, you can manually run the limit process by clicking the Perform Limit Checking button on the Related Projects or Transaction Limits pages when limits have been changed in amendment mode and the amendment has been processed.

- Automatically run the Limits process when performing pricing or repricing.

  When the Pricing (PC_PRICING) process is run using the Pricing run control page, the Limits (CA_LIMIT) process is automatically called.

- Automatically run the Limits process when processing transactions from feeder systems.

  Cost transactions for your contract lines will generally originate from within other PeopleSoft Enterprise applications, such as Expenses or Payables. When transactions are sent from these feeder systems to Project Costing, the Pricing (PC_PRICING) engine is automatically called, which also automatically calls the Limits (CA_LIMIT) process.

- Automatically run the Limits process when processing billing.

  When the Contracts Billing Interface (CA_BI_INTFC) process is run, the Limits (CA_LIMIT) process is automatically called.

No matter from where the Limits (CA_LIMITS) process is run, once initiated, the system evaluates any transaction-level limits first, then line-level limits, using the criteria that you have defined for limit processing.

Limit processing examines each PROJ_RESOURCE row that represents a contract line for which you have specified billing limits. If the amount on the row falls below the limit less the amount previously billed or set to be billed in this process, the row is marked BIL. If the amount on the row exceeds the limit less the amount previously billed or set to be billed, the row is marked OLT (over-the-limit).

The OLT transaction rows will not be billed nor recognized as revenue. The over-the-limit rows are excluded from billing and revenue processing until you release the OLT transaction or increase the limit and rerun the Limits process. Once you release the OLT transaction on the Limit Details page, the system converts the OLT row back to a BIL so it can be sent to billing and booked to revenue the next time that the billing and revenue processes are run.

Note. If you rerun the Limits process prior to billing the released OLT row (now BIL row), the row reverts back to an OLT row because the system limit checks it again and the row is still over the limit.

If a discount is specified for a rate-based contract line, the amount on the BIL resource row is decreased by the discount amount prior to comparing it against the limit. In addition, you can choose to retain a portion of the billable amount as a retainage. If so, the amount on the BIL resource row is decreased by an estimate of the retainage amount prior to comparing it against the limit, if the Reduce by retainage first option in the Limit Processing Management Options group box on the Installation Options - Contracts page is selected.

For rate-based lines, when the row is billed and fed back to Project Costing, the analysis type is updated from *OLT* to *BLD*.

If additional funding is received later in the contract life cycle, you can use amendment processing to increase the limit amount and process the appropriate over-the-limit rows through to Billing and General Ledger.

Note. In the case of contract lines that are associated with value-based billing plans, billed amounts are initiated from the billing plan and not the transaction.

Note. For contracts with a classification of *Government,* additional parameters apply to Limit Processing such as separating billing and revenue limits.

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating and Managing Limits".

Splitting Over-the-Limit Rows

You have the option to split OLT transactions so that the portion under the limit amount can continue with billing and revenue processing. The option to split transactions is configurable on the Installation Options - Contracts page by selecting the Split to Match Limit Exactly option. When this option is selected, the system splits a BIL row into one BIL row and one OLT row. This enables you to reach the limit amount exactly with the BIL line, and the system places the remaining transaction amount onto an OLT line.

Note. With retainages, the Contracts Billing Interface optionally checks for limits when retainages are released, depending on the value of the Apply retainage upon release Contracts Installation option. If the row is over-the-limit, it is returned to Project Costing as OLT rather than RRT. With the Split to Match Limit Exactly option selected, the RRT is split into an RRT and an OLT, if there is some available limit left, but not enough for the release to fully pass limit checking.

When splitting OLT rows, the system prorates the quantity across the two new transactions. For example, if a 100.00 USD BIL, with a quantity of 10.00, was split into a 60.00 USD BIL and a 40.00 USD OLT, the BIL receives a quantity of 6.00 and the OLT receives a quantity of 4.00. The quantity is rounded to two decimal places.

The system handles OLT rows differently depending on whether revenue and billing processing has occurred:

- When no billing or revenue processing has occurred, both parts of a split transaction are eligible for repricing.

  If the transaction is no longer over the limit, the split rows are deleted and replaced with a single BIL row.

- When billing and revenue processing has occurred (processed by either the Contracts Billing Interface or the Contracts Revenue process) for the BIL half of a split transaction, the system cannot reprice the corresponding OLT row.

  However, that OLT row is still eligible for consideration against the limit. If the limit amount is increased or other activity occurs that makes a remaining limit amount available, and the OLT becomes under limit, the system converts it to a BIL row.

Setting Up Limits

This section discusses how to set up limits.

Page Used to Define Limits

Page Name	Object Name	Navigation	Usage
Related Projects	CA_DETAIL_PROJ	• Customer Contracts, Determine Price and Terms, Contract Terms, Related Projects • Click the Contract Terms link on the Detail tab of the Contract - Lines page.	Enter limit amounts for contract line-level limits or transaction limits. **Note.** For contracts with a classification of *Government,* you do not enter limits on the Related Projects page. See the *Contracts for Government Contracting PeopleBook.* See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating and Managing Limits," Setting Up Limits for Government Contracts.

Entering Limits

Access the Related Projects page.

See Chapter 13, "Working with Project Costing," Assigning Projects and Activities to Contracts, page 164.

Note. For limits, all Project Costing transactions are matched to contract lines using the contract number and contract line number on the Project Transaction record (PROJ_RESOURCE) to the contract number and contract line number on the Contract Line record (CA_DETAIL). This is done instead of using the project ID and activity ID on the Project Transaction record to the project ID and activity ID on the Contract Line Related Project record (CA_DETAIL_PROJ). This matching may result in billed project transactions that predate the removal of a related project and activity from a contract line and its addition to another contract line, being included in the processed amount of the original contract number and line. In addition, billed or billable project transactions that occur after the removal of a related project and activity from a contract line and its addition to another contract line, may be included in the processed or to-be-limit-checked amounts of the new contract number and line.

Setting Up Transaction Limits

This section discusses how to define and modify transaction limits.

Pages Used to Define Transaction Limits

Page Name	Object Name	Navigation	Usage
Transaction Identifiers	PC_TRANS_IDENTIFY	• Set Up Financials/Supply Chain, Product Related, Project Costing, Transaction Options, Transaction Identifiers • Click the Transaction Identifiers link on the Transaction Limits page.	View details for existing transaction identifiers or create new transaction identifiers. A transaction identifier consists of one or more combinations of Project Costing ChartField values. You must select a transaction identifier before you can enter a limit amount on the Transaction Limits page. See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating and Managing Limits," Setting Up Transaction Identifiers.
Transaction Limits	CA_LMT_TXN	• Customer Contracts, Determine Price and Terms, Transaction Limits • Click the Transaction Limits link on the Related Projects page.	Define transaction level limits for a rate-based contract line.

Entering and Modifying Transaction Limits

Access the Transaction Limits page.



Transaction Limits page

Note. For contracts with a classification of *Government,* you can access this page from the Contracts Amounts page instead of the Related Projects page.

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating and Managing Limits," Setting Up Contract Amounts.

Amend Contract Click this button to add a new, or increase an existing, transaction limit for a contract that has already been activated.

Transaction Identifier Enter the predefined transaction identifier to identify the transactions to which the limit will apply. The transaction identifier is a configuration element that defines a set of transactions. Each transaction identifier may contain multiple transaction ChartField criteria and each contract line may be associated with multiple transaction identifiers.

Description Displays the description entered for the transaction identifier. You can accept the default description or enter a new description.

Limit Amount Enter the limit amount that should be applied to the transactions associated with the transaction identifier.

Use Sequence Enter the use sequence number to indicate which limit the system should draw down first in the case of overlapping limits. Sequence numbers must be unique.

This field enables overlapping limits. For example, let's say that the limit on *Airfare* is a subset of a limit on *Total Travel.* Then, the limit on *Direct Travel Costs* may partially overlap a limit on *Airfare.* These types of limits are overlapping limits. However, by processing transaction limits in order of a use sequence number, the system enables you to indicate which limit it should use first.

Transaction Identifiers Click to access the Transaction Identifiers page where you can view details for existing transaction identifiers or create a new one.

Perform Limit Checking Click to launch limit processing for the contract line after limit changes are made during amendment processing.

Processing Limits

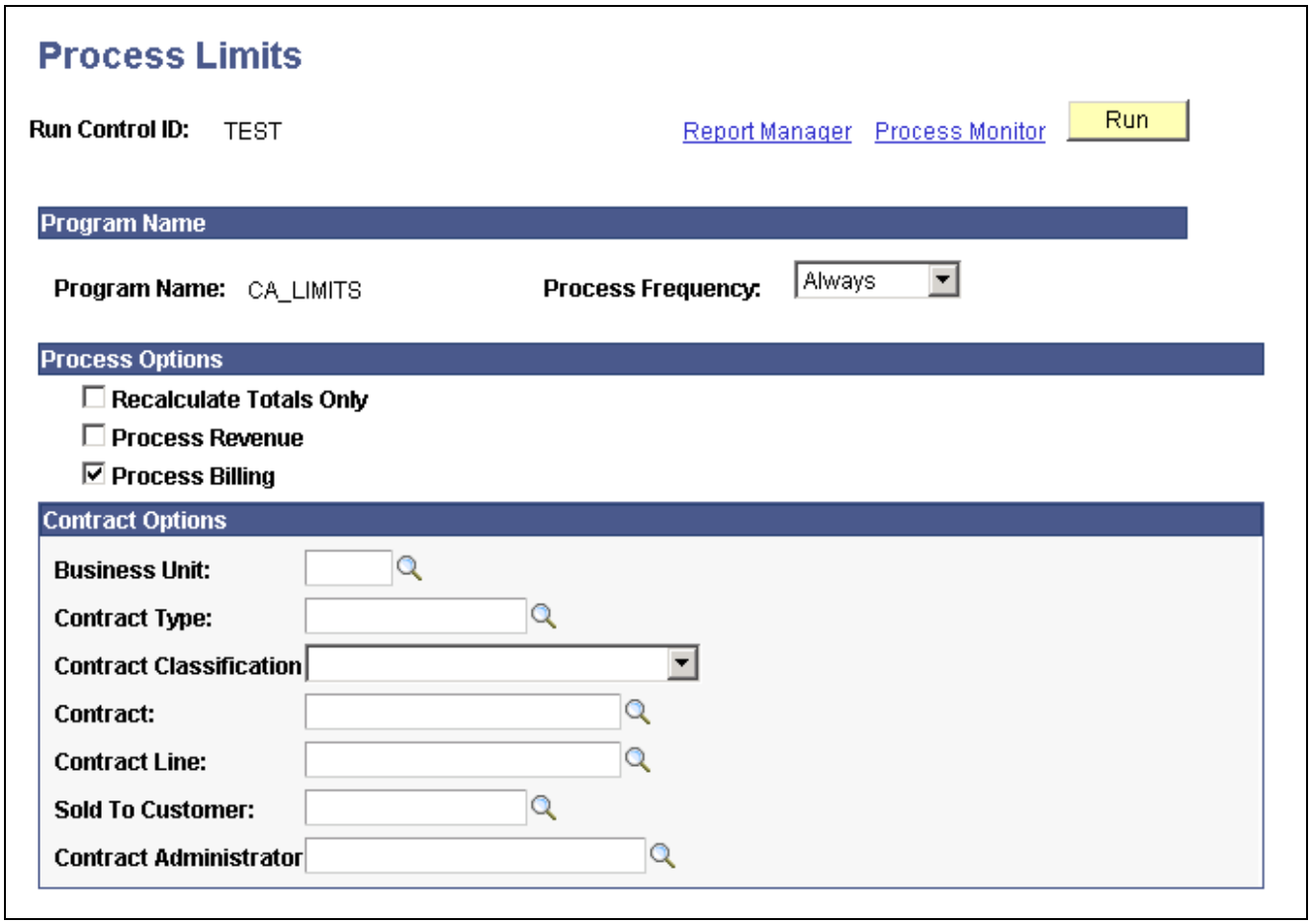
This section discusses how to process limits.

Page Used to Process Limits

Page Name	Object Name	Navigation	Usage
Process Limits	RUN_CA_LMT	Customer Contracts, Update Contract Progress, Process Limits	Run the Limits Process as a standalone process for a specific parameters such as business unit, contract, contract line, or contract type. Optionally, run this process to recalculate totals only.

Running the Limits Process

Access the Process Limits run control page.



Process Limits

Process Options

Recalculate Totals Only Select to recalculate totals only and not run the limit checking part of the Limits process. Selecting this option allows recalculation of the inception-to-date processed and excess amounts stored on the limits-related records. The totals may need updating if bills were manually adjusted in Billing.

Process Revenue Select to run the Limit process for revenue limits.

Note. The field is for contracts with a contract classification of *Government* only.

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Creating and Managing Limits," Running the Limit Process.

Process Billing Select to run the Limit process for funding and billing limits. Funding limits apply to contracts with a classification of *Government* only. Billing limits apply to all other contracts.

Note. Either the Process Revenue option, Process Billing option, or both options must be selected before this page can be saved and the process run.

Contract Options

Use the fields in this group box to limit the billing data that is included in the run of this process. Filter by Contracts business unit, contract type, contract classification, sold to customer, contract line, or contract administrator. If you leave all fields blank, the process picks up all available billing activity in Contracts.

Reviewing and Releasing Limits

This section provides an overview of reviewing and releasing limits and discusses how to:

- Review limits.
- Review limit details and release limits.

Understanding Reviewing and Releasing Limits

Throughout the life of your contract, you may need visibility to the limit amounts for your contract lines, including the amount of the limits that have been used to date, the amounts remaining, and any amounts that have exceeded your limits. Contracts delivers an online inquiry page that provides both a summarized and detail view of this information, with filtering capabilities, that enables you to view only the information that you need to effectively manage the limits that you have defined for your contract lines.

Use the Limit Details page when a limit has been breached to select the desired OLT transactions and release them to be billed and booked for revenue. Only rows with the OLT analysis type are visible on this page. To release OLT transactions, manually select the desired OLT transactions and click the Release button. This converts the OLT transactions into BIL transactions that are available for billing or revenue processing and launches the Limits process for the specific contract number and contract line number. The process runs with the Recalculate Totals Only option selected on the Limits Process run control which updates the Processed Amount and Excess Amount values for both the line level (CA_LMT_FEE_DTL) and transaction level limit (CA_LMT_TXN) records.

Note. If you want to bill or book for revenue the manually released transactions, you must run the Contracts Billing Interface (CA_BI_INTFC) with the streamlining options selected. Or, you must also run all the Billing processes prior to rerunning the Limits process with the Recalculate Totals Option cleared. If you rerun the Limits process with the Recalculate Totals Only option clear prior to running the Contracts Billing Interface with the streamlining options selected, or also prior to all the Billing processes, then the manually released transaction becomes an excess transaction once again.

Common Elements Used in This Section

Contract Displays the contract number.

Line Displays the contract line number.

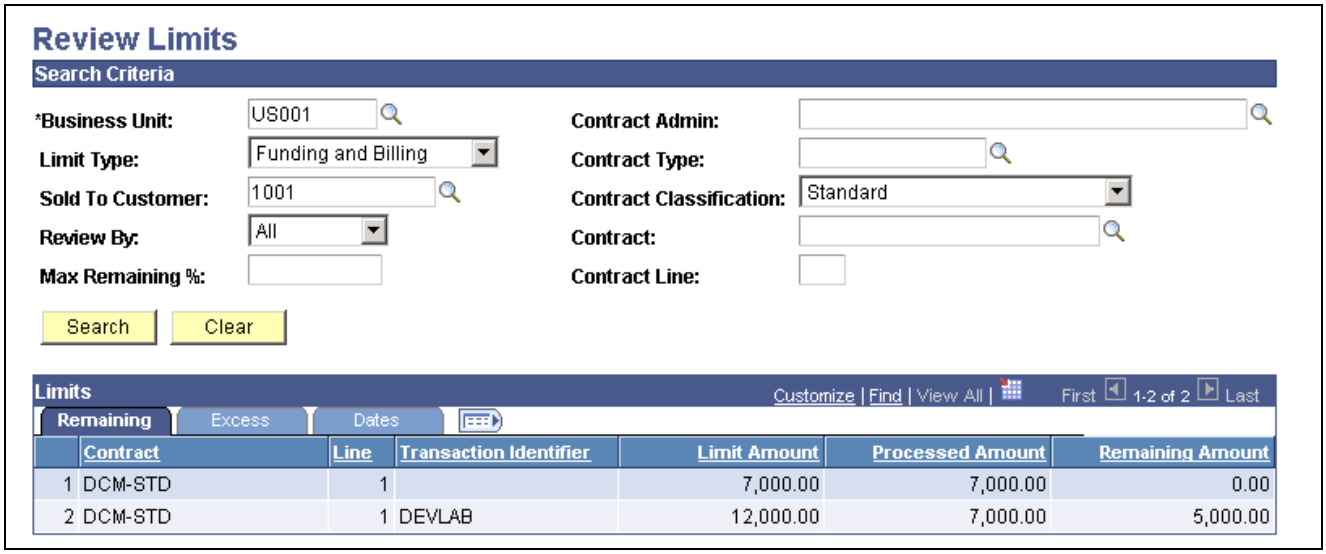
Transaction Identifier Displays the transaction limit's associated transaction identifier. A blank transaction identifier indicates that the limit is at the contract line level. A nonblank transaction identifier indicates that the limit is a transaction limit.

Pages Used to Review and Release Limits

Page Name	Object Name	Navigation	Usage
Review Limits	CA_LMT_REVIEW	• Customer Contracts, Adjust Revenue and Billing, Review and Manage Limits • Click the Review Limits link on the Related Projects page.	Displays limit and transaction limit information for rate-based contract lines.
Limit Details	CA_LMT_DETAIL	Click the value in the Excess Amounts column of the Review Limits page.	Displays the details of over-the-limit transactions. Use this page to release excess transactions to be billed or booked for revenue.

Reviewing Limits

Access the Review Limits page.



Review Limits page

Search Criteria

Use the fields in the Search Criteria group box to filter search results by entering specific values in these fields. Values in the Business Unit, Limit Type, Sold To Customer, and Review By fields are required search criteria. Search results appear in the Limits scroll area. Amounts appear in the contract currency.

Limit Type

Select a limit type to have the system retrieve all limits with the specified limit type. Limit type values include: *Funding and Billing* and *Revenue.* With the *Funding and Billing* limit type option, funding limits apply to contracts with a classification of *Government* only and billing limits apply to all other contracts.

Note. The *Revenue* limit type applies to contracts with a contract classification of *Government* only.

Sold To Customer Select a sold to customer to have the system retrieve all limits with the specified sold to customer. This field is required for the search.

Review By Select the Review By criteria that the system will use to display your results. The options are:

- *All:* Select this option to view all limit amounts including any remaining amounts and amounts that have exceeded the limits for contract lines meeting your selection criteria.
- *Excess:* Select this option to view only those amounts that have exceeded the limit amount for contract lines meeting your selection criteria. If you select this option, only the Excess and Date tabs of the Limits grid display.
- *Remaining:* Select this option to see the remaining available limit amounts for contract lines meeting your selection criteria. If you select this option, only the Remaining and Dates tabs of the Limits grid display.

Max Remaining % (maximum remaining percentage) Enter a maximum remaining percentage if you selected *Remaining* in the Review By field. Enter a maximum remaining amount percentage to restrict the results to only those contract lines with that limit amount percentage or less remaining.

Review Limits: Remaining Tab

Limit Amount Displays the line and transaction limit amounts for this contract line.

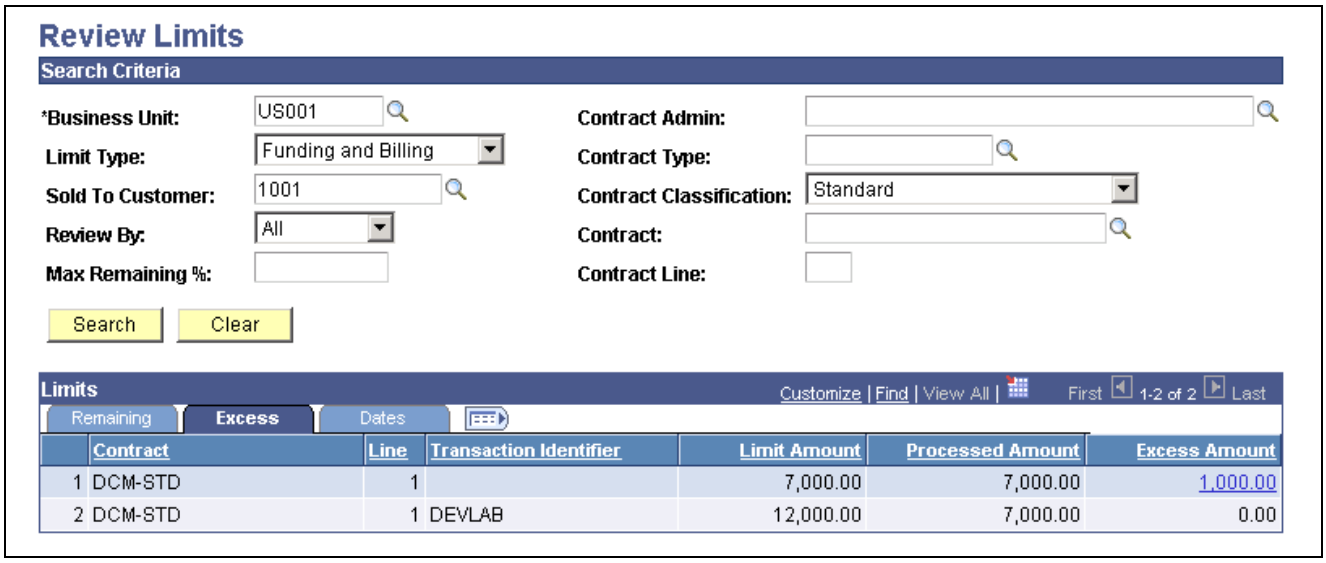
Processed Amount Displays the processed amounts for the contract line and transaction limits. These amounts include the totals of all billable and billed transactions.

Note. This field is updated during the Limits process from the previous balance to a new balance. This field is impacted by any manual adjustments of bills within Billing, but it may not be in sync with the manual adjustments unless the totals are recalculated.

Remaining Amount Displays the remaining amounts for the contract line and transaction limits. These are the calculated totals of the limit amount less the processed amount. If this difference is a negative amount, the value that displays in the field is zero.

Review Limits: Excess Tab

Select the Excess tab.



Review Limits page: Excess tab

Limit Amount Displays the contract line and transaction limit amounts for this contract line.

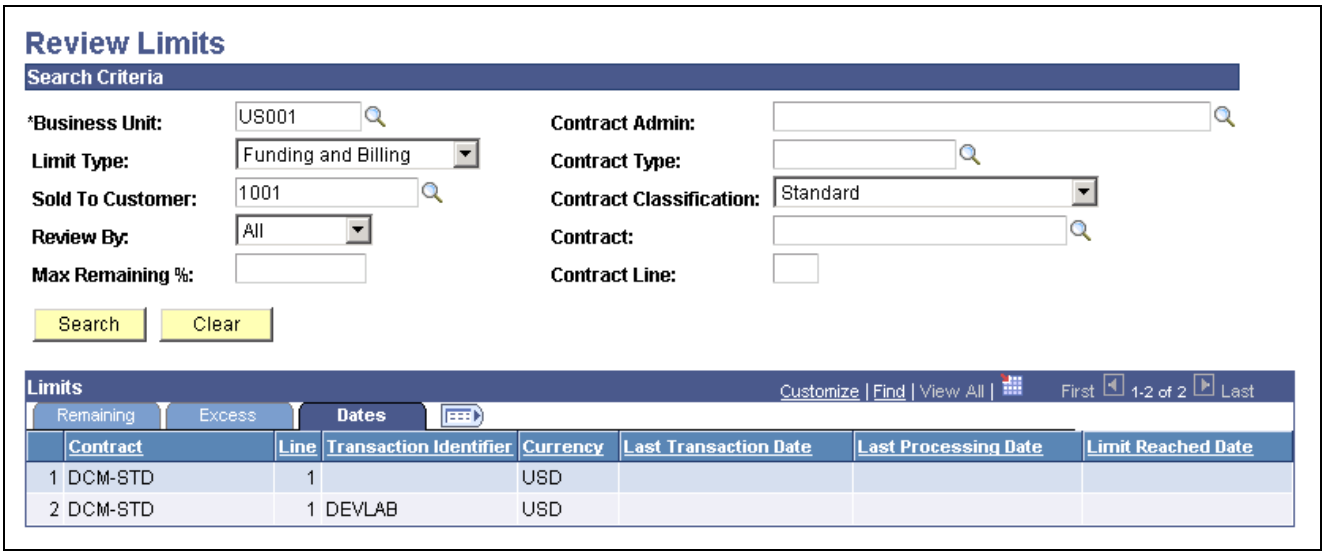
Processed Amount Displays the processed amounts for the contract line and transaction limits. These amounts include the totals of all billable and billed transactions.

Note. This field is updated during the Limits process from the previous balance to a new balance. This field is impacted by any manual adjustments of bills within Billing, but it may not be in sync with the manual adjustments unless the totals are recalculated.

Excess Amount Displays the excess amounts for the contract line and transaction limits. These amounts indicate all over-the-limit transactions. Click the value in this field to access the Limit Details page where you can view details for the OLT transactions and release these transactions to be billed or booked for revenue.

Review Limits: Dates Tab

Select the Dates tab.



Review Limits page: Dates tab

Currency Displays the contract currency. If a transaction is processed in a different currency from the contract currency, the transaction is converted to the contract currency by the Pricing Engine and then applied to the limit in the contact currency.

Last Transaction Date Displays the date of the last transaction.

Last Processing Date Displays the date that the Limit Processing Application Engine was last run for this contract line.

Limit Reached Date Displays the date that the limit amount was reached. If limits are increased using amendment processing such that all over-the-limit transactions will now pass limit checking, this field will clear when the Limits process is next run with the Recalculate Total Only check box clear.

Reviewing Limit Details and Releasing Limits

Access the Limit Details page.



Limit Details page

This page displays the limit type, transaction identifier, limit amount, processed amount, remaining amount, and excess amount for the specific limit.

Use the following fields to further filter search results by entering specific values in these fields. If you leave all fields blank, the search returns all over-the-limit transactions for the selected Excess Amount within your system.

Date Type Select a date type to have the system retrieve all OLT transactions within the specified date range for the specified date type. If you leave this field blank, the system retrieves OLT transactions. Date type values include:

- *Trans Date* (transaction date): Select to display all over-the-limit transactions by transaction date using the date range specified.
- *Acctg Date* (accounting date): Select to display all over-the-limit transactions by transaction accounting date using the date range specified.

From Date and **Through Date** Select specific from and through dates to have the system retrieve all OLT transactions within the specified date range. If you leave this field blank, the system retrieves all OLT transactions.

Search Click to carry out a search based on the search criteria that you entered. Search results appear in the Excess Transactions group box.

Note. The Excess Transactions grid does not appear until you click Search.

Limit Details: Amounts Tab

The page displays the transaction date, accounting date, foreign amount, and Projects business unit amount for each OLT transaction.

(select) Select this check box if you want to release the over-the-limit transaction to be billed and booked as revenue.

Transaction Date Displays the transaction date of the original cost transaction from the feeder subsystem.

Accounting Date Displays the accounting date of the original cost transaction from the feeder subsystem.

Foreign Amount Displays the transaction OLT amount in the original cost transaction currency.

Projects Business Unit Amount Displays the transaction OLT amount in the Project Costing business unit base currency.

Release Click this button to release the selected over-the-limit transactions. Clicking this button converts the over-the-limit transactions into billing transactions that are available for billing and revenue processing. In addition, the system runs the Limits process with the Recalculate Totals Only option selected to update the processed, remaining, and excess amounts on the Review Limits page to which you are returned.

Note. To bill or book for revenue the manually released transactions, you must run the billing processes before running the Limits Process with the *Recalculate Totals Only* check box cleared again.

Note. This button is not available for contracts with a classification of *Government.*

Limit Details: ChartFields Tab

Select the ChartFields tab.

The page displays the Project Costing business unit, project, activity, source type, category, subcategory, and description for each OLT transaction. The description comes from the Target row defined for the transaction analysis type on the rate set or rate plan associated with the contract line.

Limit Details: Transaction IDs Tab

Select the Transaction IDs tab.

Transaction ID Displays the identifier of the OLT transaction.

Original Transaction ID Displays the identifier of the original cost transaction.

CHAPTER 22

Managing Contracts Billing

This chapter provides an overview of billing management and discusses how to:

- Review the cross-reference table.
- Review and reverse billing activity.

Note. For contracts with a classification of *Government,* you can find additional billing information in the *Contracts for Government Contracting PeopleBook.*

See Also

PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook, "Managing Revenue and Billing for Government Contracts"

Understanding Billing Management

The billing management pages in Contracts provide you with an overview of your contract billing activity within Contracts. From the billing management pages, you can review multiple contract billing plans together, navigate to individual billing plans to update information that controls Contracts billing activity, and reverse billing activity.

Contracts also provides you with a view of any billing activity that you entered manually from an external source. This includes the following type of invoices:

- Billing (for all billing methods) that was initiated in Contracts and sent to Billing.
- A credit or rebill where the original invoice was initiated in Contracts.
- Basic invoice data that you entered manually from another source such as:
  - A third-party billing system.
  - A Microsoft Word document.
  - A Billing module without Contracts cross-reference information.

The system stores the billing schedule for a contract in three tables: CA_BILL_PLAN, CA_BP_EVENTS, and CA_BP_LINES. Each table stores a piece of billing information for a contract. The CA_BILL_PLAN table defines high-level information about the billing plan. The CA_BP_EVENTS table defines when payments are due. The CA_BP_LINES table defines how Contracts should group contract lines when sending invoice lines to the Billing Interface. In the case of as-incurred billing, the invoice lines are not defined in Contracts but are fed in detail to Billing from individual transactions in Project Costing.

Reversing Billing Activity

You can reverse any billing plan that contains events. You can reverse the entire billing plan for billing plans with the following billing plan methods: *Milestone, Percent Complete, Value-Based,* and *Immediate.* You initiate a reversal of a billing plan from the Review Billing - Plans page. You can reverse an entire contract, but only those contract lines with a billing plan method of *Milestone, Percent Complete, Value-Based,* or *Immediate* are reversed on the contract. You initiate a reversal of the entire contract from the Contract Reversals page.

Note. If you reverse a billing plan that includes a prepaid, until you enter and finalize the new initial billing plan, utilization does not occur against the prepaid.

Warning! It is not recommended for you to make any billing adjustments to the contract lines outside the Contracts system (for example, in Billing or Project Costing), as these changes will not flow back into Contracts.

Adjusting Amounts and Cancelling Contract Lines

You can increase or decrease amount-based contract line amounts, as well as cancel contract lines as part of the amendment process. When increasing or decreasing contract line amounts, you must choose whether to adjust billing and revenue retroactively or to adjust billing and revenue for future events only. The adjust billing and revenue choices are independent of each other and are can be selected on the Amendment Amount Allocation page. When cancelling an amount-based contract line, you can select the Reverse Amounts option from the Amendment Amount Allocation page. This option applies to both billing and revenue. If you select the Reverse Amounts option, then you are indicating that you want to adjust billing and revenue retroactively for the cancelled contract lines. If you do not select the Reverse Amounts option, then for cancelled contract lines, the system adjusts billing and revenue for future events only.

See Also

Chapter 25, “Amending Contracts,” Understanding Contract Amendments, page 443

Chapter 25, “Amending Contracts,” Working with Amendments, page 449

Reviewing the Cross-Reference Table

This section provides an overview of the cross-reference table and discusses how to:

- Set fields in the cross-reference table.
- Update the cross-reference table: Contracts Billing Interface process.
- Update the cross-reference table: Projects/Billing Interface process.
- Update the cross-reference table: manually entered invoices.
- Review billing examples.

Understanding the Cross-Reference Table

The cross-reference table (CA_BP_XREF) enables Contracts to have visibility of all billing activity that relates to contracts. This includes billing activity originating both within and outside of Contracts.

For billing activity originating in Contracts, these inserts occur:

- Fixed-fee bill lines (with a system source of *CBI*) are initially inserted by the Contracts Billing Interface process.

  They are updated throughout the billing cycle and are marked *FIN* after the invoice has been finalized. This includes billing plans with a billing method of milestone, percent complete, immediate, and value-based.

- Rate-based bill lines (with a system source of *PBI*) are inserted by the Update Contract/Projects Data process (BIPCC000) in Billing after the invoice has been finalized.

  Rate-based bill lines are summarized by project, billing currency, and invoice ID.

- Recurring bill lines (with a system source of *CBI*) are initially inserted by the Contracts Billing Interface process.

  They are updated throughout the billing cycle and are marked *FIN* after the invoice has been finalized.

For billing activity originating in Billing, if the bill line specifies a valid contract number and billing plan, the row is inserted by the update Contract/Projects Data process (BIPCC000) in Billing after the invoice has been finalized.

Note. If you reverse a billing plan that includes a prepaid, until you enter and finalize the new initial billing plan, utilization does not occur against the prepaid.

This table describes the use of the fields in CA_BP_XREF:

Field	Key	Required	Description
CONTRACT_NUM	Key	Yes	Contract number.
BILL_PLAN_ID	Key	Yes	Billing plan ID.
XREF_SEQ_NUM	Key	Yes	Sequential number. Assigned by CONTRACT_NUM, BILL_PLAN_ID.
XREF_STATUS		Yes	Identifies where this row of data is within the xref lifecycle. Values are: NEW (new), RCV (received by the billing interface), ACP (worksheet accepted), DEL (worksheet rejected or deleted), FIN (finalized), RVS (reversed).

Field	Key	Required	Description
SYSTEM_SOURCE		Yes	Identifies where this row was generated. Values are: CBI (contracts billing interface—milestone and percent complete), PBI (projects billing interface—as-incurred), PCA (page entry in contracts), BBI (initiated in Billing).
EVENT_OCCURRENCE	Altern	No	One of the keys from CA_BP_EVENTS. May not be set for as-incurred billing.
BPLAN_LN_NBR	Altern	No	One of the keys from CA_BP_LINES. Not set for as-incurred billing.
CONTRACT_LINE_NUM	Altern	No	Contract line number.
NET_AMOUNT		No	Amount sent to Billing from Contracts. No tax. Not set for transactions originating in Billing with the invoice types of ACR, ADJ, ARB, or RAD, for as-incurred billing.
GROSS_AMOUNT		No	Amount sent to Billing from Contracts. No tax included. Not set for transactions originating in Billing with the invoice types of ACR, ADJ, ARB, or RAD, for as-incurred billing.
BI_CURRENCY_CD		Yes	Currency code of the invoice.
BUSINESS_UNIT_BI		Yes	Billing business unit.

Field	Key	Required	Description
PROCESS_INSTANCE		No	The process instance for the Contracts Billing Interface process run that inserted the row. Populated only for CBI rows.
TEMP_INVOICE		No	Invoice number for the temporary invoice. Populated only for CBI rows. Set when the Billing Interface is run, then cleared out when the worksheet is accepted and an invoice is assigned.
INVOICE		No	Invoice number for the actual invoice.
INVOICE_TYPE		No	Values are: REG, ACR, ARB, ADJ, and RAD. Set after finalization.
INVOICE_DT		No	The date the invoice has as the invoice date. Set after finalization.
NET_EXTENDED_AMT		No	Net amount actually on the bill. No tax or freight included. Set after finalization in Billing.
GROSS_EXTENDED_AMT		No	Gross amount actually on the bill. No tax or freight included. Set the same as GROSS_AMOUNT by the Contracts Billing Interface process when the row is first created. Reset after finalization in Billing.

Field	Key	Required	Description
CONTRACT_PPD_SEQ		No	The prepaid sequence number. Set here if the CA_BP_LINES has it set.
BUSINESS_UNIT_PC		No	Projects business unit.
PROJECT		No	Project.
LASTUPDDTTM		Yes	Date and time last updated. Reset every time the record is updated.
LASTUPDOPRID		Yes	Operator ID last updated or process that updated the row. For example, BIPCC000 appears in this field after the process runs. Reset every time the record is updated.
CHG_ID		No	Passed for amended lines or events.
PO_REF		No	Purchase order (PO) reference number. For fixed-fee if a PO number is associated with the billing plan line.

Setting Fields in the Cross-Reference Table

When running the Contracts Billing Interface process for amount-based products, the system inserts Contracts billing (CBI) rows into the CA_BP_XREF table. Billing updates the status of these CBI rows throughout the billing cycle until billing is finalized, at which point the system marks these CBI rows as *Finalized.*

When running the Contracts Billing Interface process for rate-based products, the process sends billing rows for as-incurred billing plans directly to Billing based on data accumulated in Project Costing. The system inserts these Project Costing billing (PBI) rows into the CA_BP_XREF table only after the invoice is finalized, during the Update Contract/Projects Data process (BIPCC000).

When running the Contracts Billing Interface process for recurring billing, the process is similar to that for fixed-fee. The system inserts rows into the CA_BP_XREF table as a *New* status.

Updating the Cross-Reference Table: Contracts Billing Interface Process

Contracts billing (CBI) rows are initially inserted in the CA_BP_XREF table by the Contracts Billing Interface process. The system then updates these rows at various stages in the billing process. This table shows which fields are updated at each stage:

Field	NEW	RCV	ACP	DEL	FIN
CONTRACT_NUM	X				
BILL_PLAN_ID	X				
XREF_SEQ_NUM	X				
XREF_STATUS	X	X	X	X	X
SYSTEM_SOURCE	X				
EVENT_ OCCURRENCE	X				
BPLAN_LN_NBR	X				
CONTRACT_LINE_ NUM					
NET_AMOUNT	X				
GROSS_AMOUNT	X				
BI_CURRENCY_CD	X				
BUSINESS_UNIT_BI	X				
PROCESS_INSTANCE	X				
TEMP_INVOICE		X	X		
INVOICE			X		
INVOICE_TYPE					X

Field	NEW	RCV	ACP	DEL	FIN
INVOICE_DT					X
NET_EXTENDED_ AMT					X
GROSS_EXTENDED_ AMT					X
CONTRACT_PPD_SEQ	Maybe				
BUSINESS_UNIT_PC					
PROJECT					
LASTUPDDTTM	X	X	X	X	X
LASTUPDOPRID	X	X	X	X	X
CHG_ID	X				

Updating the Cross-Reference Table: Projects/Billing Interface Process

The system inserts PBI rows into the CA_BP_XREF table after the invoices represented by those rows have been finalized in Billing. The system inserts one row for each combination of CONTRACT_NUM, BILL_PLAN_ID, EVENT_OCCURRENCE, CONTRACT_LINE_NUM, BUSINESS_UNIT_PC, PROJECT, BI_CURRENCY_CD, and INVOICE.

Note. Although only certain project activities pertain to particular contract lines, the system does not store the activity in CA_BP_XREF. Activities are summarized by project and billing currency.

This table shows which fields are updated at each stage:

Field	NEW	RCV	ACP	DEL	FIN
CONTRACT_NUM					X
BILL_PLAN_ID					X
XREF_SEQ_NUM					X

Field	NEW	RCV	ACP	DEL	FIN
XREF_STATUS					X
SYSTEM_SOURCE					X
EVENT_OCCURRENCE					Maybe
BPLAN_LN_NBR					
CONTRACT_LINE_ NUM					X
NET_AMOUNT					
GROSS_AMOUNT					
BI_CURRENCY_CD					X
BUSINESS_UNIT_BI					X
PROCESS_INSTANCE					
TEMP_INVOICE					
INVOICE					X
INVOICE_TYPE					X
INVOICE_DT					X
NET_EXTENDED_AMT					X
GROSS_EXTENDED_ AMT					X
CONTRACT_PPD_SEQ					
BUSINESS_UNIT_PC					X
PROJECT					X

Field	NEW	RCV	ACP	DEL	FIN
LASTUPDDTTM					X
LASTUPDOPRID					X

Updating the Cross-Reference Table: Manually Entered Invoices

If you manually entered an invoice directly into Billing, the system can still automatically insert rows for that invoice into the CA_BP_XREF table as long as the necessary fields have valid values. Billing enables entry of CONTRACT_NUM, BILL_PLAN_ID, EVENT_OCCURRENCE, BPLAN_LN_NBR, CONTRACT_LINE_NUM, BUSINESS_UNIT_PC, and PROJECT. Only CONTRACT_NUM and BILL_PLAN_ID must be set for the information to be inserted into CA_ BP_XREF. The system inserts rows for manually entered invoices into the CA_BP_XREF table after the invoice has been finalized in Billing.

Reviewing Billing Examples

Review the following examples to see how data flows from a billing plan in Contracts to the Billing Worksheet in Billing and from the Billing Worksheet to the finalized bill and update of Contract/Projects data. You can also see the updates that the system makes to the rows in the CA_BP_XREF table during this process.

Milestone Billing Example

Percent Complete works the same way.

Create a billing plan with two billing plan events and two billing plan lines.

CA_BILL_PLAN:

CONTRACT_NUM	BILL_PLAN_ID	AMOUNT
CA1	BP1	1000

CA_BP_LINES:

CONTRACT_NUM	BILL_PLAN_ID	BPLAN_LN_NBR	GROSS_AMT
CA1	BP1	1	400
CA1	BP1	2	600

CA_BP_EVENTS:

CONTRACT_ NUM	BILL_PLAN_ID	EVENT_ OCCURRENCE	EVENT_DATE	PERCENTAGE
CA1	BP1	1	1/1/99	50
CA1	BP1	2	10/31/99	50

According to BP1, these are the invoice due dates and amounts:

- On January 1, 1999, the following amount is due: (0.5*400) + (0.5*600).
- On October 31, 1999, the following amount is due: (0.5*400) + (0.5*600).

Mark the first event *RDY,* and then run the Contracts Billing Interface process. When you run this process, the system creates the following entries in the CA_BP_XREF table:

Field	Row 1	Row 2
CONTRACT_NUM	CA1	CA1
BILL_PLAN_ID	BP1	BP1
XREF_SEQ_NUM	1	2
XREF_STATUS	NEW	NEW
SYSTEM_SOURCE	CBI	CBI
EVENT_OCCURRENCE	1	1
BPLAN_LN_NBR	1	2
CONTRACT_LINE_NUM		
NET_AMOUNT	200	300
GROSS_AMOUNT	200	300
BI_CURRENCY_CD	USD	USD
BUSINESS_UNIT_BI	EAST	EAST
PROCESS_INSTANCE	123123	123123

Field	Row 1	Row 2
TEMP_INVOICE		
INVOICE		
INVOICE_TYPE		
INVOICE_DT		
NET_EXTENDED_AMT		
GROSS_EXTENDED_AMT	200	300
CONTRACT_PPD_SEQ		
BUSINESS_UNIT_PC		
PROJECT		
LASTUPDDTTM	1-DEC-1998 10:30:22	1-DEC-1998 10:30:22
LASTUPDOPRID	OPRID that ran the Contracts Billing Interface process	OPRID that ran the Contracts Billing Interface process

After you have successfully run the Contracts Billing Interface process, run the billing interface process in Billing. This process updates the CA_BP_XREF rows to an XREF_STATUS of RCV (received). This process also adds a TEMP_INVOICE number and inserts the date into the LASTUPDDTTM field:

Field	Row 1	Row 2
CONTRACT_NUM	CA1	CA1
BILL_PLAN_ID	BP1	BP1
XREF_SEQ_NUM	1	2
XREF_STATUS	RCV	RCV
SYSTEM_SOURCE	CBI	CBI

Field	Row 1	Row 2
EVENT_OCCURRENCE	1	1
BPLAN_LN_NBR	1	2
CONTRACT_LINE_NUM		
NET_AMOUNT	200	300
GROSS_AMOUNT	200	300
BI_CURRENCY_CD	USD	USD
BUSINESS_UNIT_BI	EAST	EAST
PROCESS_INSTANCE	123123	123123
TEMP_INVOICE	TMP-000234	TMP-000234
INVOICE		
INVOICE_TYPE		
INVOICE_DT		
NET_EXTENDED_AMT		
GROSS_EXTENDED_AMT	200	300
CONTRACT_PPD_SEQ		
BUSINESS_UNIT_PC		
PROJECT		
LASTUPDDTTM	1-DEC-1998 12:43:02	1-DEC-1998 12:43:02
LASTUPDOPRID	OPRID that ran the billing interface	OPRID that ran the billing interface

The billing administrator accepting the Billing Worksheet to which these rows were written triggers the next update to the CA_BP_XREF table. The system updates the XREF_STATUS for rows that were accepted in the Billing Worksheet to a status of *ACP* (accepted). The system also inserts the actual invoice number, inserts the date in the LASTUPDDTTM field, and adds the user ID of the user who accepted the bills to the LASTUPDOPRID field:

Field	Row 1	Row 2
CONTRACT_NUM	CA1	CA1
BILL_PLAN_ID	BP1	BP1
XREF_SEQ_NUM	1	2
XREF_STATUS	ACP	ACP
SYSTEM_SOURCE	CBI	CBI
EVENT_OCCURRENCE	1	1
BPLAN_LN_NBR	1	2
CONTRACT_LINE_NUM		
NET_AMOUNT	200	300
GROSS_AMOUNT	200	300
BI_CURRENCY_CD	USD	USD
BUSINESS_UNIT_BI	EAST	EAST
PROCESS_INSTANCE	123123	123123
TEMP_INVOICE	TMP-000234	TMP-000234
INVOICE	112233	112233
INVOICE_TYPE		
INVOICE_DT		

Field	Row 1	Row 2
NET_EXTENDED_AMT		
GROSS_EXTENDED_AMT	200	300
CONTRACT_PPD_SEQ		
BUSINESS_UNIT_PC		
PROJECT		
LASTUPDDTTM	3-DEC-1998 09:43:20	3-DEC-1998 09:43:20
LASTUPDOPRID	OPRID that accepted the worksheet	OPRID that accepted the worksheet

Once the billing administrator has finalized the invoice in Billing, the last update to the CA_BP_XREF table occurs when the Update Contract/Projects Data process (BIPCC000) in Billing is run. The system updates the XREF_STATUS to *FIN* (finalized), INVOICE_TYPE, and inserts values for the billing currency code (BI_CURRENCY_CD), the net extended amount (NET_EXTENDED_AMT), and gross extended amount (GROSS_EXTENDED_AMT). The system then inserts the date in the LASTUPDDTTM field and adds the user ID of the user who finalized the invoice:

Field	Row 1	Row 2
CONTRACT_NUM	CA1	CA1
BILL_PLAN_ID	BP1	BP1
XREF_SEQ_NUM	1	2
XREF_STATUS	FIN	FIN
SYSTEM_SOURCE	CBI	CBI
EVENT_OCCURRENCE	1	1
BPLAN_LN_NBR	1	2
CONTRACT_LINE_NUM		
NET_AMOUNT	200	300

Field	Row 1	Row 2
GROSS_AMOUNT	200	300
BI_CURRENCY_CD	USD	USD
BUSINESS_UNIT_BI	EAST	EAST
PROCESS_INSTANCE	123123	123123
TEMP_INVOICE	TMP-000234	TMP-000234
INVOICE	112233	112233
INVOICE_TYPE	REG	REG
INVOICE_DT	5-DEC-1998	5-DEC-1998
NET_EXTENDED_AMT	200	300
GROSS_EXTENDED_AMT	200	300
CONTRACT_PPD_SEQ		
BUSINESS_UNIT_PC		
PROJECT		
LASTUPDDTTM	5-DEC-1998 10:08:02	5-DEC-1998 10:08:02
LASTUPDOPRID	OPRID that finalized the invoice	OPRID that finalized the invoice

Milestone Billing Example Part Two The Credit/Rebill

On January 10, 1999, the customer calls the billing department to complain that tax was charged on line two when it was a nontaxable item. The billing department issues a line level adjustment. Here are the CA_BP_XREF entries for these transactions.

Note. The system does not make entries to the cross-reference table for adjustments until the invoices for those adjustments are finalized and the Update Contract/Projects Data process is run.

Field	Row 3	Row 4
CONTRACT_NUM	CA1	CA1
BILL_PLAN_ID	BP1	BP1
XREF_SEQ_NUM	3	4
XREF_STATUS	FIN	FIN
SYSTEM_SOURCE	FBI	FBI
EVENT_OCCURRENCE	1	1
BPLAN_LN_NBR	2	2
CONTRACT_LINE_NUM		
NET_AMOUNT		
GROSS_AMOUNT		
BI_CURRENCY_CD		
BUSINESS_UNIT_BI	EAST	EAST
PROCESS_INSTANCE		
TEMP_INVOICE		
INVOICE	112234	112234
INVOICE_TYPE	RAD	RAD
INVOICE_DT	10-JAN-1999	10-JAN-1999
NET_EXTENDED_AMT	300	300
GROSS_EXTENDED_AMT	300	300

Field	Row 3	Row 4
CONTRACT_PPD_SEQ		
BUSINESS_UNIT_PC		
PROJECT		
LASTUPDDTTM	10-JAN-1999 12:15:23	10-JAN-1999 12:15:23
LASTUPDOPRID	OPRID that finalized the invoice	OPRID that finalized the invoice

Note that the amount here does not show any change. This is because the tax amount is handled strictly in Billing.

As-incurred Billing Example

Define two rate-based contract lines.

CA_DETAIL:

CONTRACT_NUM	CONTRACT_LINE_NUM	DESCR	OTHER FIELDS
CA2	1	Consulting Services	…
CA2	2	Consulting Services	…

CA_BILL_PLAN

You must associate the rate-based lines with an as-incurred billing plan. The as-incurred billing plan does not have an amount associated with it. You bill as work is performed:

CONTRACT_NUM	BILL_PLAN_ID	AMOUNT
CA2	BP1	

CA_BP_EVENTS

Billing plan events are optional for as-incurred billing plans. If no billing plan events are defined, you bill for work performed to date when you run the Contracts Billing Interface process:

CONTRACT_ NUM	BILL_PLAN_ID	EVENT_ OCCURRENCE	EVENT_DATE	PERCENTAGE

CA_BP_LINES

You do not define billing plan lines for as-incurred billing.

CA_DETAIL_PROJ

This table stores Project Costing information related to contract lines. You relate projects to contract lines on the Related Projects page:

CONTRACT_ NUM	CONTRACT_ LINE_NUM	BUSINESS_ UNIT_PC	PROJECT_ID	ACTIVITY_ID
CA2	1	PCBU	PC1	A1
CA2	1	PCBU	PC2	A1
CA2	2	PCBU	PC1	A2

CA_BP_XREF

The Billing Plan - History page displays one row per combination of contract line, business unit, and project, even though the billing for that contract line may have included billing for multiple activities. The system inserts this row into the cross-reference table only after the invoice has been finalized in Billing and the Update Contract/Projects Data process is run:

Field	Row 1	Row 2
CONTRACT_NUM	CA2	CA2
BILL_PLAN_ID	BP1	BP1
XREF_SEQ_NUM	1	2
XREF_STATUS	FIN	FIN
SYSTEM_SOURCE	PBI	PBI
EVENT_OCCURRENCE		
BPLAN_LN_NBR	1	1

Field	Row 1	Row 2
CONTRACT_LINE_NUM	1	2
NET_AMOUNT		
GROSS_AMOUNT		
BI_CURRENCY_CD	USD	USD
BUSINESS_UNIT_BI	EAST	EAST
PROCESS_INSTANCE		
TEMP_INVOICE		
INVOICE	112236	112236
INVOICE_TYPE	REG	REG
INVOICE_DT	31-OCT-1999	31-OCT-1999
NET_EXTENDED_AMT	400	200
GROSS_EXTENDED_AMT	400	200
CONTRACT_PPD_SEQ		
BUSINESS_UNIT_PC	PCBU	PCBU
PROJECT	PC1	PC2
LASTUPDDTTM	31-OCT-1999 07:22:14	31-OCT-1999 07:22:14
LASTUPDOPRID	OPRID that finalized the invoice	OPRID that finalized the invoice

Reviewing and Reversing Billing Activity

This section lists prerequisites and common elements and discusses how to:

- Review or reverse billing activity for billing plans.
- Review billing events.
- Review statuses for as-incurred billing plans.

See Also

Chapter 19, “Setting Up Billing Plans,” Understanding Billing in Contracts, page 281

Prerequisite

Before reviewing and reversing billing activity, you must first assign your contract lines to a billing plan and define bill lines and billing events for that billing plan.

Common Elements Used in This Section

Billing Business Unit Billing business unit.

Billing Plan ID Each contract can contain multiple billing plans. You must select a contract number before you can search by billing plan ID.

Billing Plan Status You can search for billing plans with a specific billing plan status.

Bill To Customer Customer receiving the invoice.

Business Unit Contracts business unit.

Contract Classification You can search for billing plans attached to contracts with a specific contract classification. You select a value for the contract classification when creating a new contract. The contract classification selection determines the way that fields and pages are displayed in the Contracts application. Values for the Contract Classification field include: *Standard, Internal, Government,* and *Federal Reimbursable Agreement.*

Detail Click this link to view pending and billed amounts, events, or milestones associated with a billing plan.

History Click to view the billing history for events or projects associated with this billing plan.

Hold Select to search for all billing plans or events that have been placed on hold.

Hold Date If you or the system holds a billing plan or event, the system populates this field with the current system date.

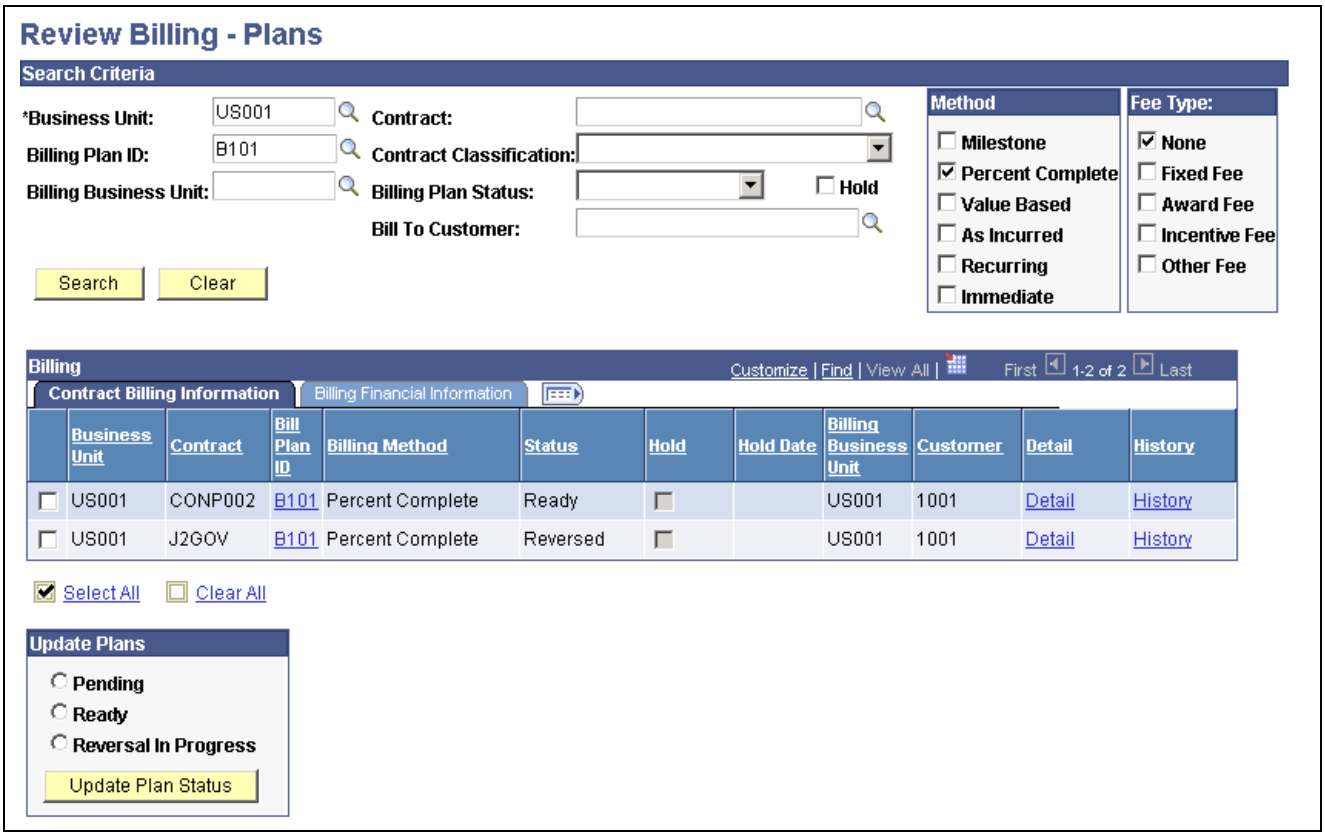
You can place a billing plan on hold once the billing plan is in a status greater than *Ready.* In addition, the system automatically places a boiling plan on hold when you initiate a reversal or when amendment processing affects events.

Pages Used to Review and Reverse Billing Activity

Page Name	Object Name	Navigation	Usage
Review Billing - Plans	CA_BI_MGMT_INQ_PNL	Customer Contracts, Review Billing, Plans	View billing plan activity or update plan status for both pending and billed amounts, for any cross-section of the Contracts system. Update plan status to *Pending* or *Ready.* Reverse billing for *Milestone, Percent Complete, Value-Based,* and *Immediate* billing plans. **Note.** To reverse billing for an entire contract, access the Contract Reversal page.
Review Billing - Events	CA_BI_MGMT_EVENTS	Customer Contracts, Review Billing, Events	From this page, you can view amounts by event that have been billed to date and are pending. Inquire on the status of billing events. Place billing plan events on hold, update event statuses, and navigate to more detailed information. Reverse billing for billing plan events.
Review Billing - As Incurred	CA_BI_MGMT_AI_PNL	Customer Contracts, Review Billing, As Incurred	Inquire on the status of as-incurred billing plans. From this page, you can view the amounts that have been billed to date and the amounts that are pending. You can place billing plans on hold and you can navigate to more detailed information.

Reviewing or Reversing Billing Activity for Billing Plans

Access the Review Billing - Plans page.



Review Billing - Plans page

Search Criteria

Use the fields in the search criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all billing plans for all active contracts within your system.

Method

Select the check box of a billing plan - billing method to limit your search to include only those billing plans with a billing method equal to the billing methods that you selected. If you leave all check boxes blank, the system returns all billing plans matching the remainder of your search criteria. Billing method choices include: *Milestone, Percent Complete, Value Based, As Incurred, Recurring,* and *Immediate.*

Fee Type

To view billing plans, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

Review Billing - Plans Page: Contract Billing Information Tab

(select) Select a check box to update the status for this billing plan to *Pending, Ready,* or *Reversal in Progress.* Depending on your selection in the Update Plans group box, when you click the Update Plan Status button, the system updates the status of the billing plan.

Bill Plan ID Click to view details pertaining to this billing plan ID.

Billing Method Displays the billing method of the billing plan.

Status Displays the status of the billing plan.

Hold Indicates whether this billing plan has been placed on hold.

Update Plans

The status for each row in the Search Results region of the page can be changed from *Ready* to *Pending* or from *Pending* to *Ready.* You can update the status of multiple billing plans at the same time by selecting the new status (either *Pending* or *Ready),* selecting the check box next to the appropriate billing plans, clicking the Update Plan Status button, and saving.

Pending Select to update the status of the selected event to *Pending.*

Ready Select to update the status of the selected event to *Ready.*

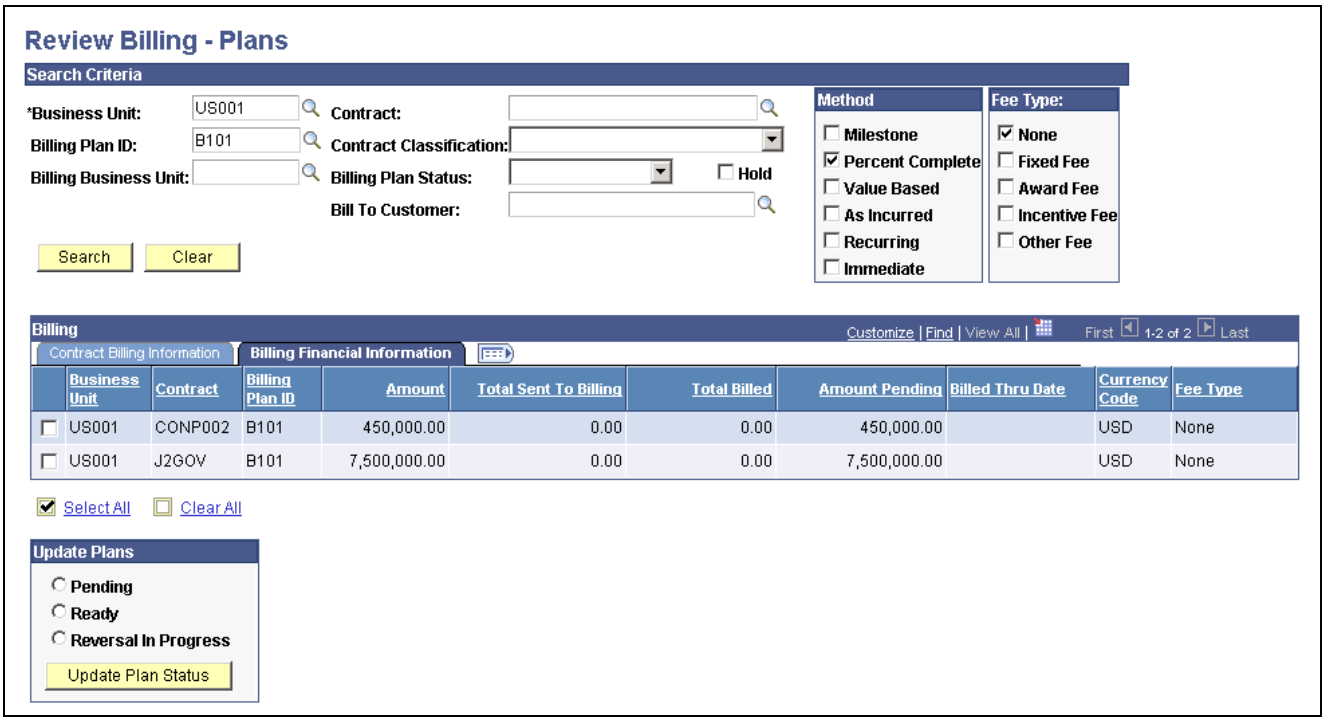
Reversal in Progress Select to reverse all or a portion of the billing that has been billed for the selected billing plan. Click the Update Plan Status button to reverse the billing. If the billing plan status is *Completed,* and all billing plan lines have been successfully reversed, the next time that you run CA_BI_INTFC, the system updates the plan's status to *Reversed.*

Note. This selection does not apply to recurring billing plans. The system does not allow you to reverse recurring billing plans.

Update Plan Status Click to update the billing plan status of the selected contract lines in the Contract Billing Information group box with the pending, ready, or reversal in progress status that you selected. If you selected the Reversal In Progress option, clicking this button initiates the reversal for the billing plan.

Review Billing - Plans Page: Billing Financial Information Tab

Select the Billing Financial Information tab.



Review Billing - Plans page: Billing Financial Information tab

Amount For billing plan IDs associated with fixed-amount contract lines, displays the net amount for this billing plan ID.

Total Sent to Billing Displays the amount for a billing plan ID that has been picked up by the Contracts Billing Interface process and sent to Billing. This field does not apply to recurring billing plans.

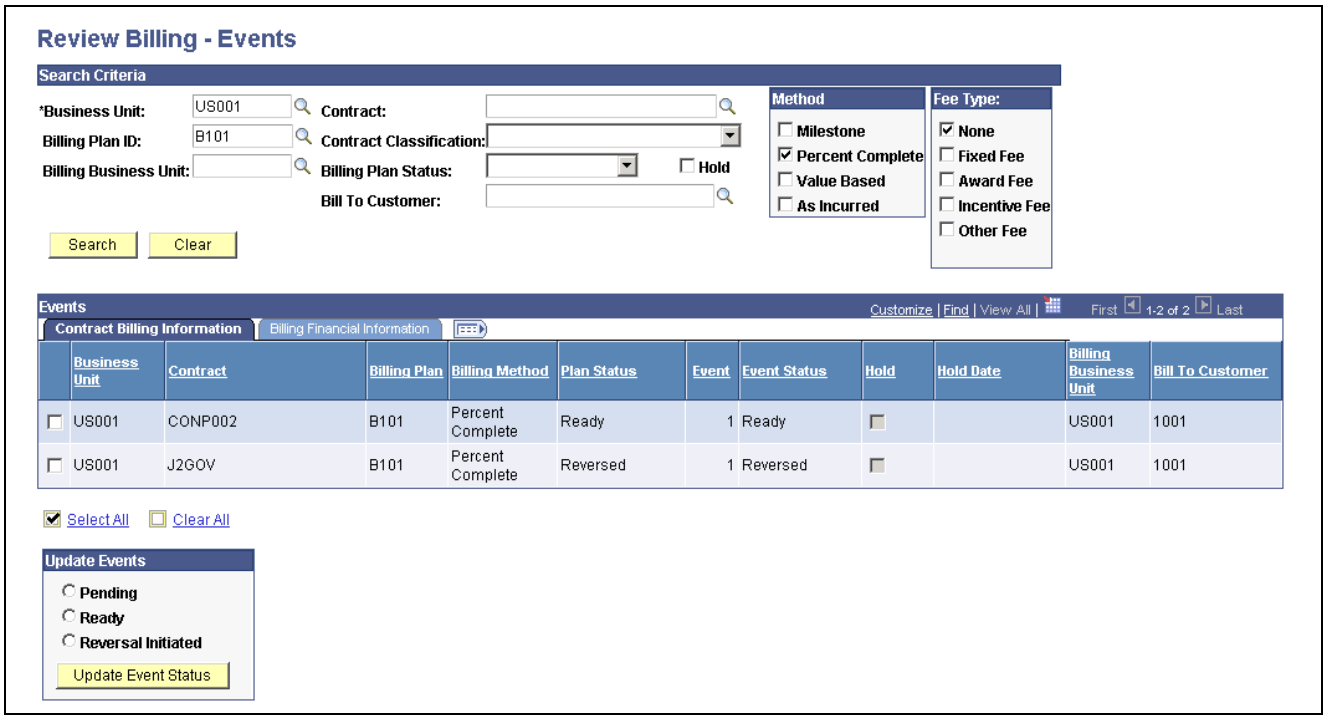
Total Billed Displays the amount that has been finalized and billed by Billing and then written back by Billing to the Contracts billing cross-reference table.

Amount Pending For billing plan IDs associated with fixed-amount contract lines, the amount pending equals the total sent to billing minus the total billed. This field does not apply to recurring billing plans.

Billed Thru Date For recurring contract lines, displays the date through which the bill has billed.

Reviewing Billing Events

Access the Review Billing - Events page.



Review Billing - Events page

Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all billing events for all active contracts within your system.

Method

Select the check box of a billing event - billing method to limit your search to include only those billing events with a billing method equal to the billing methods that you selected. If you leave all check boxes blank, the system returns all billing events matching the remainder of your search criteria. Your billing method choices include: *Milestone, Percent Complete, Value Based,* and *As Incurred.*

Fee Type

To view billing events, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

Review Billing - Events Page: Contract Billing Information Tab

(select) Select this check box to update the status for this billing event to *Pending, Ready,* or *Reversal Initiated.* Depending on your selection in the Update Events group box, when you click the Update Event Status button, the system updates the status of the billing event.

Event Status Displays the billing plan event status associated with this contract line.

Update Events

The event status for each row in the Search Results region of the page can be changed from *Ready* to *Pending* or from *Pending* to *Ready.* You can update the status of multiple billing plan events at the same time by selecting the new status (either *Pending* or *Ready),* selecting the appropriate events, clicking the Update Event Status button, and saving. The event status works in conjunction with the billing plan status to control when the amounts that you associated with an event are ready to bill.

Pending Select to update the status of the selected event to *Pending*.

Ready Select to update the status of the selected event to *Ready*.

Reversal Initiated Select to reverse the billing that has been billed for the selected billing event. When the event status equals *Completed* and all processing is complete for the event, clicking the Update Event Status button reverses the billing that was billed for this billing event. When the Contract Billing Interface (CA_BI_INTFC) runs, the system generates a reversal entry and updates the event's status to *Reversal In Progress*. This reversal is then available to be picked up by the billing process. Once the event is sent to Billing and processed all the way through billing, the next run of the CA_BI_INTFC process changes the event status to *Reversed.* Once all events for a billing plan are in a status of *Reversed,* the CA_BI_INTFC process sets the billing plan's status to *Reversed.*

Note. This selection does not apply to *Percent Complete*events.

Update Event Status Click to update the event status of the selected contract lines in the Contract Billing Information group box with the pending, ready, or reversal initiated status you selected.

Review Billing - Events Page: Billing Financial Information Tab

Select the Billing Financial Information tab.

Plan Status Displays the associated billing plan status for this billing event.

Event Status Displays the billing plan event status.

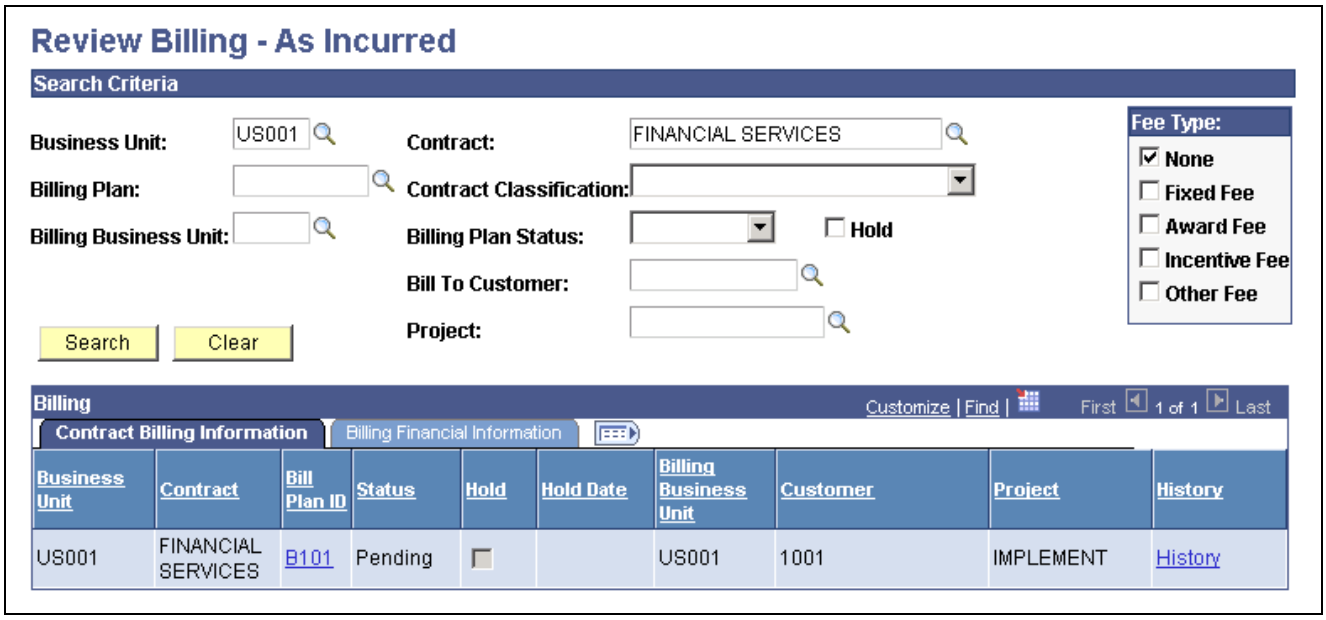
Event Amount For billing plan events associated with fixed-amount contract lines, displays the net amount for this billing plan event. This is the total amount that is to be billed.

Total Sent to Billing Displays the amount for a billing plan event that has been picked up by the Contracts Billing Interface process and sent to Billing. This amount has been sent to Billing, but is not yet billed.

Total Billed Displays the amount that has been finalized and billed by Billing and then written back by Billing to the Contracts billing cross-reference table.

Reviewing Statuses for As-Incurred Billing Plans

Access the Review Billing - As Incurred page.



Review Billing - As Incurred page

Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all billing information for all active contracts within your system.

Project When defining rate-based contract lines, you link the contract lines to Project Costing projects.

Fee Type

To view as incurred billing, you must select a value of *None* in the Fee Type group box. For contracts with a classification of *Government*, you can select other values in this field.

Review Billing - As Incurred Page: Billing Financial Information Tab

Select the Billing Financial Information tab.

The following amounts appear in the billing currency.

Total Billed Displays the amount that has been finalized and billed by Billing and then written back by Billing to the contracts billing cross-reference table.

Amount Pending Displays the billable amount in Project Costing that has not yet been invoiced.

CHAPTER 23

Establishing Prepaid Amounts

This chapter provides an overview of prepaid amounts and discusses how to:

- Establish prepaid amounts.
- Define and view utilization of prepaid amounts.
- Monitor administrative activity for prepaid amounts.

Understanding Prepaid Amounts

Customers can prepay for rate-based goods and services. The prepaid amount may be applied to one or more rate-based contract lines. In addition, the amount may be used against all or a portion of the billing activity for the applicable contract lines.

Note. You cannot have prepaid amounts on internal contracts.

This section discusses:

- Prepaid balance types.
- Prepaid statuses.
- Prepaid amounts: billing and utilization.
- Prepaid accounting.
- Prepaid balance processing.
- Prepaid amounts: tracking.
- Example of a prepaid.

Prerequisite

Before you can set up prepaid amounts for a contract, you must have first set up a contract.

Prepaid Balance Types

Prepaid balance types are:

Inclusive Prepaid amount that is included in the negotiated amount of other goods or services. Inclusive prepaids are deducted from the amount to allocate on the Negotiated Amount Allocation page. You may bill for an inclusive prepaid amount by using a billing plan that combines the billing for the inclusive

prepaid amount with the billing for those goods or services with which this prepaid amount is included.

For example, you sell a software license for 500,000.00 USD, and included in that license price is 50,000.00 USD for your consulting group to install the software.

Non-Inclusive Noninclusive prepaid amounts are not reflected in the negotiated amounts of your amount-based contract products. You can combine a noninclusive prepaid with a billing plan that also has amount-based contract lines.

For example, you offer customers a more favorable service rate if they prepay for 100,000.00 USD of consulting services.

Prepaid Statuses

Prepaid status values are:

Pending When first creating a prepaid amount, *Pending* appears by default as the status. All fields on a pending prepaid amount are fully editable. No processing occurs against pending prepaids, so they are not subject to system edit checking. You can delete a pending prepaid.

Ready Manually update the status of a prepaid to *Ready* after you have captured all information associated with the prepaid and assigned it to a billing plan. After you update a status to *Ready,* the system performs edit checks, the majority of fields become unavailable, and the prepaid is eligible for initial billing and utilization.

Note. Inclusive prepaids are included in the negotiated amount allocation once they have a status of *Ready.* You cannot mark allocation complete for the contract unless all inclusive prepaids have a *Ready* status.

Completed Upon depletion of the prepaid balance, update the status to *Completed.* Once complete, you cannot update the status. You must change billing and utilization directly in Billing.

Cancelled Prepaids may be cancelled from any status value. You can manually change the status of a prepaid to cancelled, provided that the following are true:

- The remaining prepaid balance equals the original prepaid balance.

  This implies that no utilization has been finalized in Billing.

- The committed prepaid balance equals zero.

  This implies that no utilization exists in a pending bill in Billing.

- The billing cross-reference history for the initial billing plan nets to zero or has a status of deleted.

  This implies that the initial bill was either credited or cancelled in Billing.

- Once cancelled, a prepaid cannot be reopened.

This table shows the relationship between billing plan status and prepaid status:

Billing Plan Status	Prepaid Status
Pending	You can change prepaid status to any status except *Completed.* If you no longer want the prepaid, set it to a status of *Cancelled.*
Ready	You can change prepaid status to *Cancelled* only.
In Progress	Prepaid status is *Ready* and cannot be changed.
Action Required	Prepaid status is *Ready* and cannot be changed.
Cancelled	You can set prepaid status to *Cancelled.* However, if utilization has occurred, all amounts must first be "backed out."
Completed	You can set prepaid status to *Completed.* However, the prepaid must first be fully depleted.
Recycled	Prepaid status is *Ready* and cannot be changed.
Reversal In Progress	Prepaid status is *Ready* and cannot be changed.
Reversed	Prepaid status is *Ready* and cannot be changed.

Note. You cannot ready a prepaid without first assigning it to a billing plan.

Prepaid Amounts: Billing and Utilization

When establishing a prepaid amount, you must assign it to a billing plan. Either create a new billing plan for the prepaid amount or assign the prepaid amount to an existing billing plan associated with fixed-amount contract lines. The billing plan determines the timing and parameters of the initial prepaid billing.

Note. You can relate prepaid utilization criteria only to rate-based contract lines. You link rate-based contract lines to a different billing plan than that of the prepaid. The billing plan linked to the prepaid is used for the initial billing of the prepaid amount. The billing plan linked to the rate-based line is used for the perpetual billing activity that occurs with the utilization of the prepaid.

Determine the parameters against which the prepaid balance can be utilized. You may choose to use the prepaid balance against any of these activities:

- All billing activity for all (or some) rate-based contract lines contained in the contract.
- All billing activity for one rate-based contract line contained in the contract.
- All billing activity for a particular project or activity associated with a rate-based contract line contained in the contract.

- A portion of the billing activity (based on project string—that is, resource type or resource category) for any of the above.

  When Contracts sends rate-based billing activity to Billing, Contracts creates additional utilization rows and sends those to Billing to net out billable amounts. As these rows are sent to Billing, the prepaid *committed* amount is increased. After billing is finalized by the Billing to PC/CA Interface process (BIPCC000), the prepaid *committed* amount is removed and the prepaid *remaining* amount is decremented appropriately. In addition, the utilization rows are sent back to Project Costing for analysis and to adjust the balance sheet accounting. The utilization process continues until the prepaid balance is fully decremented (remaining amount equals zero).

Note. A value-based billing plan allows users to define and bill independent amounts other than the actual rate-based transactions processed for revenue recognition. Value-based billing plans can be assigned only to rate-based contract lines. Prepaids are applied to rate-based contract lines based on the utilization controls. One of the utilization control options is to use the prepaid against all contract lines. However, even if you select this option, prepaids are not applied to any rate-based contract line tied to a value-based billing plan. (Value-based amounts are fixed in nature.)

Prepaid Accounting

Prepaids have two components: the initial prepaid billing and the utilization of the prepaid balance. Both components have accounting requirements associated with them.

When setting up the prepayment, you must define the deferred revenue accounting distribution to which the initial prepayment amount is to be booked. This accounting distribution is passed to Billing; after finalization, Billing creates an accounting entry to debit billed accounts receivable (AR) and credit deferred revenue.

Note. The accounting specified in the prepaid table is not dependent upon your selection of the deferred revenue option on the contract line.

The system generates accounting entries for utilization in two parts:

1. The first accounting entry occurs in Billing.

   The accounting distribution on utilization rows sent to Billing is the same unbilled AR distribution found on the corresponding billing row. Once the bill is finalized, Billing creates two accounting entries: one for the billable amount and another for the utilization. The utilization entry debits unbilled AR and credits billed AR; this entry nets out the billing entry that debits billed AR and credits unbilled AR. In Billing and General Ledger, the nets out if the utilization covers the entire billable amount.

2. The second accounting entry occurs in Contracts.

   After the bill is finalized, the utilization row is inserted into PROJ_RESOURCE. The rate-based revenue Accounting Rules Engine process (PSA_ACCTGGL) picks up the utilization row and the corresponding billing row (this can occur at separate times) and creates two accounting entries. The utilization entry debits deferred revenue (as established in the Prepaid table) and credits unbilled AR; the regular entry debits unbilled AR and credits revenue.

   Note. Because all entries are derived from the source transaction row or prepaid table, you cannot set up accounting distributions for regular utilization (UTL) and utilization adjustments (UAJ) rows on the Accounting Rules page.

Prepaid Balance Processing

Processing prepaids involves the following Application Engine processes throughout the system:

- Contracts Billing Interface process.
- Utilization Engine process, which is called automatically from the Contracts Billing Interface process.
- Billing to Projects process.
- Prepaid Update process, which is called automatically from the Billing to PC/CA Interface process.
- Contracts to GL process (rate-based revenue process).

Initial Prepaid Billing Process (Contracts Billing Interface process)

This process handles the initial prepaid much like a fixed-amount contract line. The timing and percentage to be billed depends on the status and events of the billing plan assigned to the prepaid. The amount itself, as well as the deferred revenue accounting information, comes from the CA_PREPAID_TBL. The billing information is then sent to INTFC_BI, where it awaits the Billing Interface (BIIF0001).

See Chapter 20, "Processing Contracts Billing," Running the Contracts Billing Interface Process (CA_BI_INTFC), page 342.

Prepaid Utilization Process

After the Contracts Billing Interface process selects and processes project billing activity, but prior to sending the activity to billing, the Prepaid Utilization process is called. This process considers all active prepaid balances and the utilization criteria defined. Then, of the active prepaids, the process selects only the prepaid balances that have had at least one event on the initial billing plan where the invoice has been finalized. The billing activity is then matched up against this data. If a match is found and there is an available balance, a new utilization row is created. If more than one match is found, the prepaid balance with the lowest-use sequence number is selected. As utilization rows are created, the committed amount in the CA_PREPAID_TBL is updated to reflect the prepaid amount committed to be utilized. Once the process completes, the Contracts Billing Interface process inserts the utilization rows, along with the billing rows, into the INTFC_BI table.

Note. The Prepaid Utilization process also considers prepaid tax implications. If the initial prepaid includes ship to and ship from countries that are different from that of the billing activity, utilization rows are not created. For complex tax situations, where the utilization may span many ship to and ship from combinations and you choose to tax upon the initial prepaid, split the prepaid into separate prepaid amounts and define utilization for each amount to specific contract lines.

Billing to Projects Process

After a bill is finalized, you run the Billing to PC/CA Interface process to update Project Costing with actual billing information. This may include billing adjustments, credits, rebills, or utilization. Utilization data is ultimately written back to PROJ_RESOURCE as analysis types UTL and UAJ.

Prepaid Update Process

During the Billing to PC/CA Interface Process, the Prepaid Update Process is called. This process reduces the committed amount and remaining amount in the CA_PREPAID_TBL, based on the utilization being sent back to Project Costing.

Contracts to GL Process (Rate-Based Revenue Process)

In addition to creating accounting entries for PROJ_RESOURCE revenue rows, the rate-based revenue process (Accounting Rules Engine) creates accounting entries for utilization rows (UTL, UAJ).

See Chapter 20, "Processing Contracts Billing," Running the Contracts Billing Interface Process (CA_BI_INTFC), page 342.

Prepaid Amounts: Tracking

When adding a prepaid amount to a contract, the system tracks three amounts associated with that prepaid balance: purchased amount, remaining amount, and committed amount. The following steps define how these amounts are used:

1. A prepaid balance of 100,000 USD is established.

Purchased Amount	Remaining Amount	Committed Amount
100,000.00 USD	100,000.00 USD	0

2. A utilization of 25,000 USD is sent to Billing through the Contracts Billing Interface process.

Purchase Amount	Remaining Amount	Committed Amount
100,000.00 USD	100,000.00 USD	25,000.00 USD

3. A utilization of 25,000 USD is finalized in Billing.

Purchase Amount	Remaining Amount	Committed Amount
100,000.00 USD	75,000.00 USD	0

Prepaid Example

This example shows the accounting implications of a 100,000.00 USD prepaid and the utilization against it. Column headings are abbreviated. Full spellings are as follows: billed accounts receivable (Billed AR), deferred revenue (Deferred Rev), and unbilled accounts receivable (UAR).

Steps	Billed AR	Deferred Rev	UAR	Revenue
Initial prepayment is billed. Billing creates the following entries:	100,000.00	(100,000.00)		
20,000.00 USD of billable transactions sent to Billing. Billing creates the following entries:	20,000		(20,000.00)	
20,000.00 USD of billable transactions are utilized. Billing creates the following entries:	(20,000.00)		20,000.00	

Steps	Billed AR	Deferred Rev	UAR	Revenue
The Contract-to-GL process sends billable transactions to General Ledger. Contracts creates the following entries:			20,000.00	(20,000.00)
The Contract-to-GL process sends utilization rows to General Ledger. Contracts creates the following entries:		20,000.00	(20,000.00)	
81,000.00 USD of billable transactions are sent to Billing. Billing creates the following entries:	81,000.00		(81,000.00)	
80,000.00 USD of billable transactions are utilized. (1,000.00 USD cannot be utilized because prepaid balance is fully decremented.) Billing creates the following entries:	(80,000.00)		80,000.00	
The Contract-to-GL process sends billable transactions to General Ledger. Contracts creates the following entries:			81,000.00	(81,000.00)

Steps	Billed AR	Deferred Rev	UAR	Revenue
The Contract-to-GL process sends utilization rows to General Ledger. Contracts creates the following entries:		80,000.00	(80,000.00)	
Totals	101,000.00 awaiting cash collection	0	0	(101,000.00)

Establishing Prepaid Amounts

You can associate each prepaid amount that you add to a contract with one, all, or several active rate-based contract lines on a contract. This section describes how to:

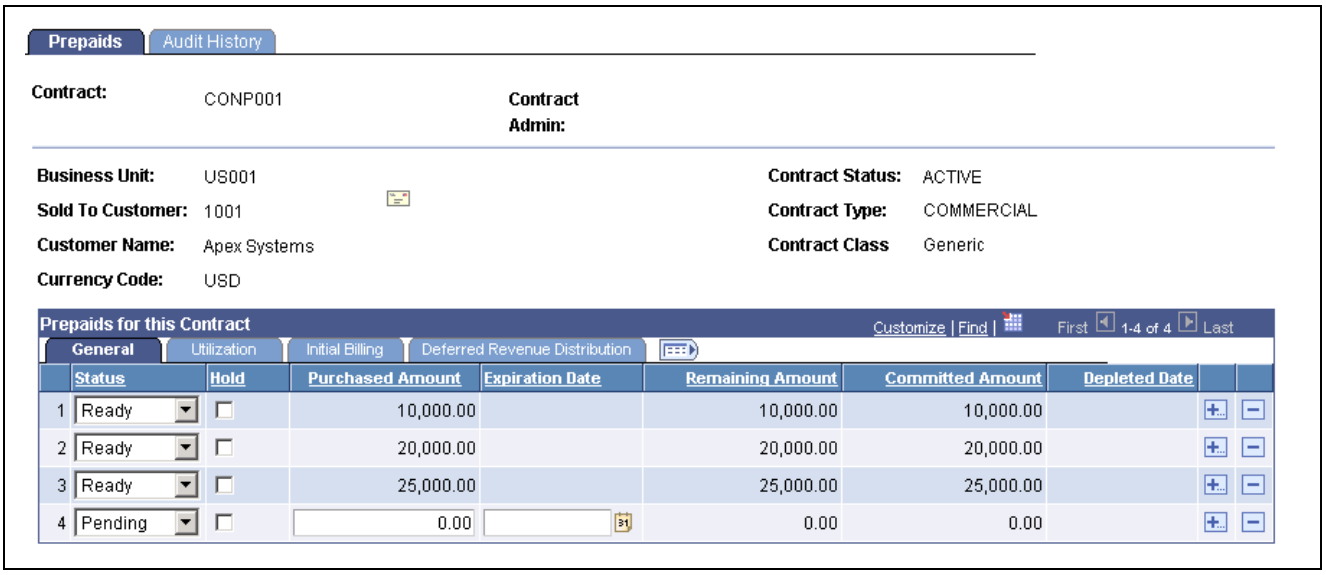
- Define prepaid amounts.
- Associate prepaid with contract lines.
- Set up initial billing.
- Set up deferred revenue distribution.

Page Used to Establish Prepaid Amounts

Page Name	Object Name	Navigation	Usage
Prepaids	CA_PPD_CONTRACT	• Customer Contracts, Determine Price and Terms, Prepaid Balances, Prepaids • Click the Prepaids link in the Go To drop down list box on any page of the Contract component.	Establish prepaid balance amounts.

Defining Prepaid Amounts

Access the Prepaids page. Select the General tab.



Prepaids page: General tab

Status Select a status, which controls the actions that you can perform and the system processing that can occur against a prepaid amount. Values are: *Pending, Ready, Completed,* and *Cancelled.*

Hold Select to place a prepaid amount on hold. When a prepaid amount is on hold, no utilization processing occurs against that amount.

Purchased Amount Enter the full amount of the prepaid that was purchased by the customer.

Inclusive Select if the prepaid amount is included in the negotiated amount of a fixed-amount contract line. For example, you might have a prepaid amount of 50,000.00 USD representing a mandatory consulting fee that was included in the purchase of a 1,000,000.00 USD software license. Clear this check box if the prepaid amount is a noninclusive amount.

Expiration Date Enter an expiration date. This field is for informational purposes only; no processing is keyed off of the value that you enter.

Remaining Amount Displays the *purchased amount* less any utilized amounts that have been finalized in Billing.

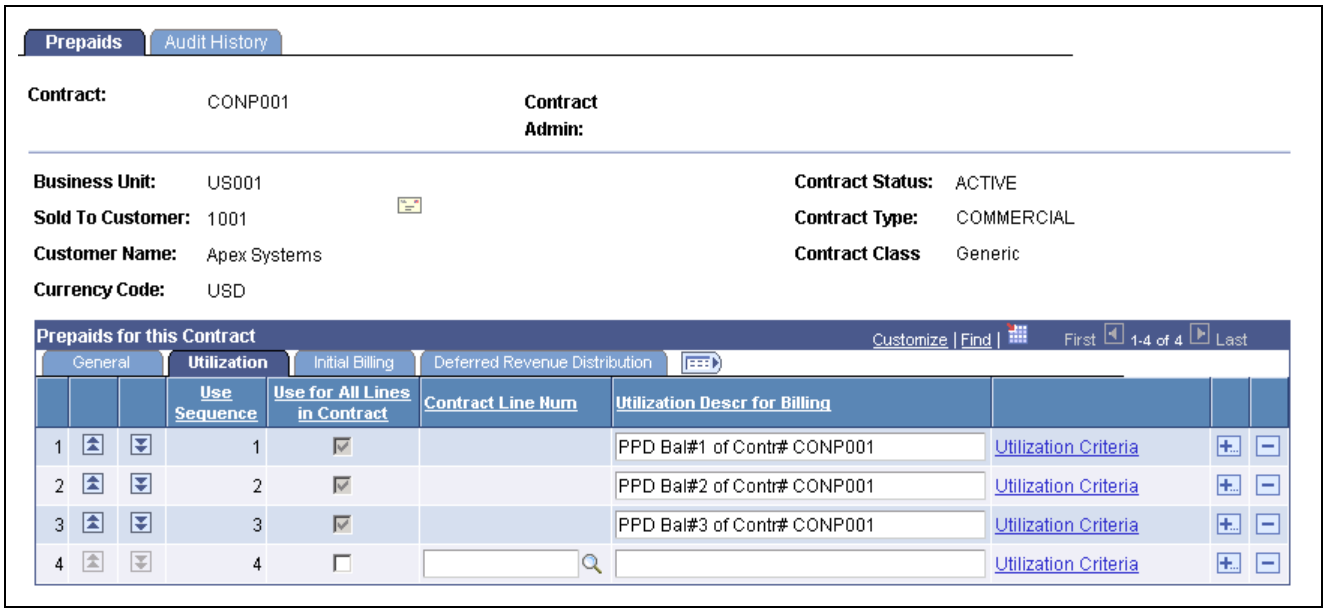
Committed Amount Displays the amount that has been utilized, but the bills have not been finalized in Billing. When a bill is finalized in Billing, the amount for that bill is backed out of the Committed Amount field and is then reflected in the Remaining Amount field.

The balance available for subsequent utilization is the *remaining amount* less the *committed amount.*

Depleted Date Displays the system date on which the *remaining amount* of the prepaid became zero.

Associating Prepaids with Contract Lines

Access the Prepaids page. Select the Utilization tab.



Prepaids page: Utilization tab

(move item use sequence up) Click this button to increase a prepaid's Use Sequence number. The prepaid must be in a *Ready* status for it to be moved.

(move item use sequence down) Click this button to decrease a prepaid's Use Sequence number. The prepaid must be in a *Ready* status for it to be moved.

(prepaid sequence number) Contracts can contain multiple prepaid amounts. When adding a prepaid amount to a contract, the system assigns a prepaid sequence number to that prepaid amount. The contract number and contract prepaid sequence comprise the unique key of the prepaid sequence table.

Use Sequence Displays the use sequence number. If multiple prepaid amounts are associated with the same billable activity, the system uses this value to determine which prepaid amount is depleted first. The system processes the prepaids in order of lowest to highest.

The use sequence number may differ from the prepaid sequence number.

Use for All Lines in Contract Select if this prepaid amount should be applied against all rate-based lines on this contract.

Note. If you have value-based billing or recurring plans assigned to this contract, the prepaid is not applied to the contract lines associated with any value-based billing plans. The system applies prepaids to rate-based contract lines assigned to as-incurred billing only.

Contract Line Num (contract line number) Select a contract line number to apply this prepaid amount against a specific rate-based contract line number.

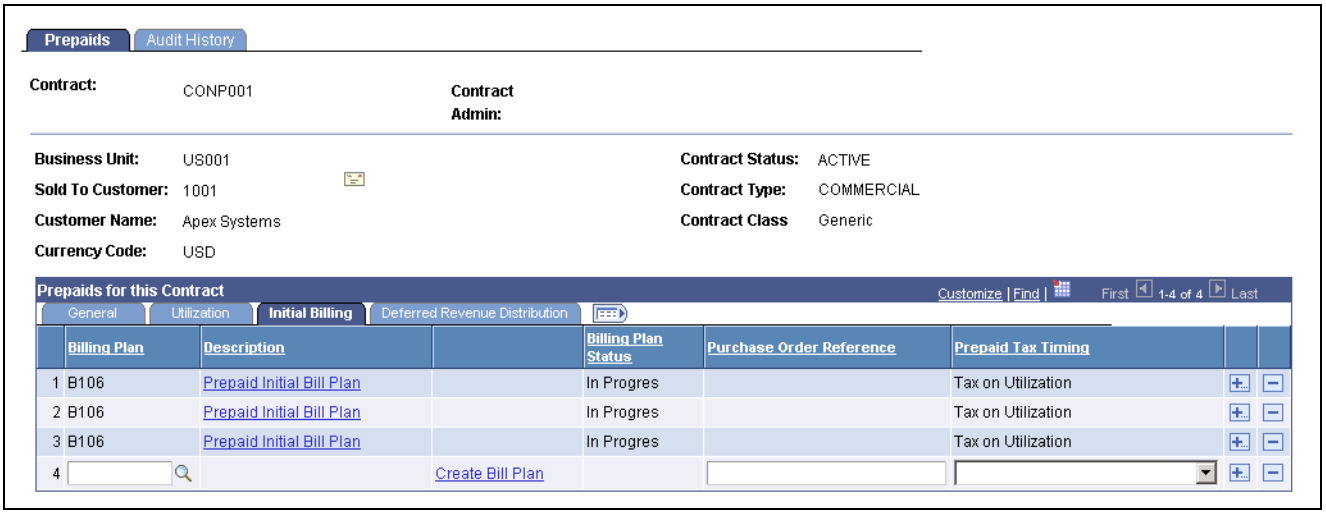
Note. If you want to assign more than one contract line to the prepaid, leave this field blank. You can then assign multiple contract lines to a prepaid on the Utilization Criteria page.

Utilization Descr for Billing (utilization description for billing) The system generates the utilization description for billing by concatenating the prepaid use sequence number with the contract number. You can accept this description or enter a custom description. This is the description used on the utilization line that is included in the bill.

Utilization Criteria Click to access the Utilization Criteria component, where you can define the specific projects transactions against which this prepaid amount can be applied and where you can view the utilization history for this prepaid amount.

Setting Up Initial Billing

Access the Prepaids page. Select the Initial Billing tab.



Prepaids page: Initial Billing tab

Billing Plan Select the plan that is to be used to bill for the prepaid amount. Prepaid amounts should be associated with one of these billing plans of method: *Milestone, Percent Complete,* or *Immediate.*

Create Bill Plan Click to access the billing plan component, where you can create a new billing plan with which to associate this prepaid amount. *Immediate* appears by default as the billing method for the new billing plan.

Description Click the link in this column to access the billing plan component, where you can manage the billing plan.

Billing Plan Status Displays the status of the associated billing plan.

Purchase Order Reference If this prepaid amount is associated with a purchase order, enter the purchase order reference information. This information is included on the bill when utilization occurs.

Prepaid Tax Timing Select when to tax the prepaid. Values are:

Tax on Initial Bill: Tax prepaid at time of initial bill. The initial prepaid bill is taxed, and when the row is utilized, the tax is backed out of the UTL row.

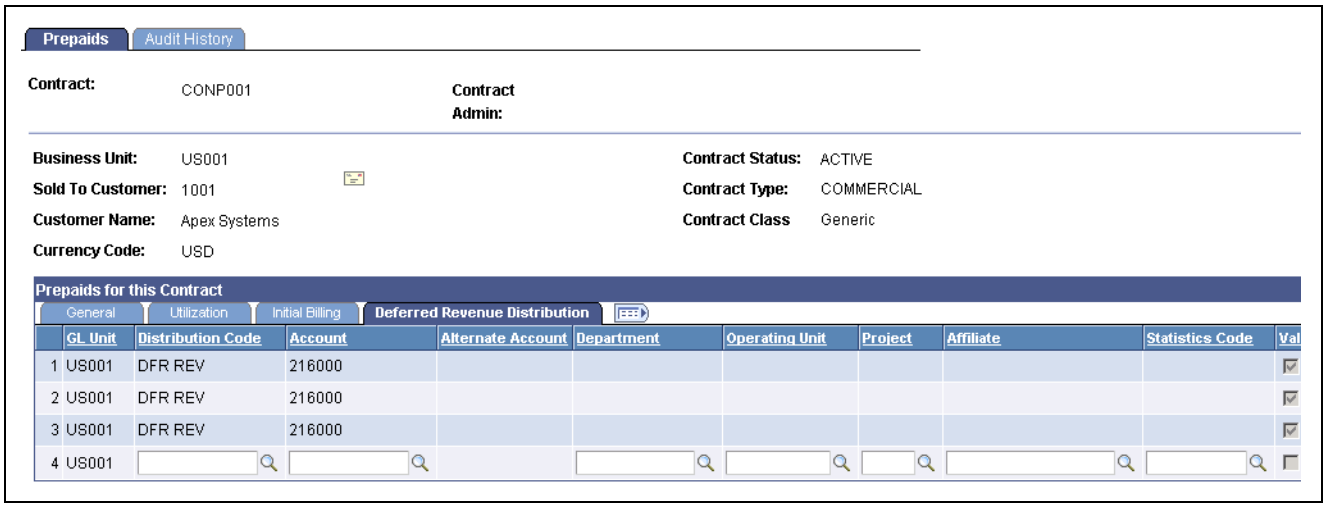
Tax on Utilization: Tax prepaid when utilization occurs. No tax information is sent to Billing on the initial bill. When the row is utilized, the BIL row is taxed, but there is no backing out of taxes on the UTL row.

To view or edit tax information, access the billing plan.

Note. If you select *Tax on Initial Bill,* and the tax parameters that you populate on the initial prepaid billing plan include the value-added tax (VAT) applicable Billing business unit, ship to country, and ship from country, then utilization is restricted to services that occurred in the same ship to country, ship from country, and VAT registered entity as the initial prepaid.

Setting Up Deferred Revenue Distribution

Access the Prepaids page. Select the Deferred Revenue Distribution tab.



Prepaids page: Deferred Revenue Distribution tab

Note. The system books the prepaid to deferred revenue as specified here, whether or not you selected the deferred revenue accounting check box on the contract line.

Distribution Code Represents a combination of General Ledger ChartField values.

Alternate Account Classifies the nature of a transaction for regulatory authorities. Used for statutory accounts.

Department Used to indicate who is responsible for or affected by the transaction.

Operating Unit Used to indicate a location, such as a distribution warehouse or a sales center. Or it is used for responsibility reporting, such as a profit center.

Product Captures additional information useful for profitability and cash flow analysis, for example.

Project Captures additional information useful for project accounting. When the deferred revenue accounting entry is made, the Project field is populated from the project associated with the billing activity (from PROJ_RESOURCE); this project is not used.

Affiliate Used as one approach for interunit journal processing and consolidated reporting. Provides a way to map transactions between business units while using a single intercompany account.

Statistics Code Identifies non monetary amounts. Statistic codes are associated with a specific unit of measurement.

Defining and Viewing Utilization of Prepaid Amounts

The actual utilization of the prepaid balance is based on the billing rows that are collected in Project Costing. All projects or activities associated with a contract line are subject to utilization unless a specific project or activity is defined on the Utilization Criteria page. In addition, users may define a lower level of utilization by specifying a certain project string. For example, the prepaid may apply only to time charged on a project, not expenses.

This section discusses how to:

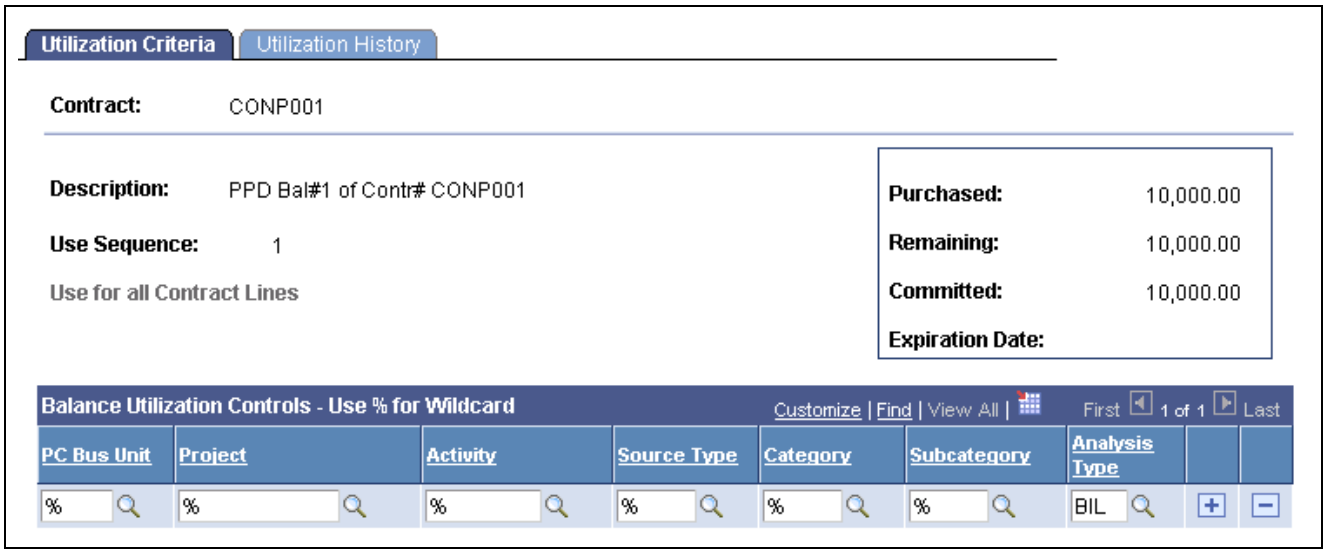
- Define utilization criteria.
- View utilization history.

Pages Used to Define and View Utilization of Prepaid Amounts

Page Name	Object Name	Navigation	Usage
Utilization Criteria	CA_PPD_UTL_PNL	• Customer Contracts, Determine Price and Terms, Prepaid Utilization Rules, Utilization Criteria • Click the Utilization Criteria link on the Utilization tab of the Prepaids page.	Define utilization criteria by restricting the billable activities in PROJ_RESOURCE that are candidates for utilization of a prepaid amount.
Utilization History	CA_PPD_UTL_DTL	• Customer Contracts, Determine Price and Terms, Prepaid Utilization Rules, Utilization History • Click the Utilization Criteria link on the Utilization tab of the Prepaids page.	View the utilization history for each prepaid amount use sequence, including the utilization amounts that have been finalized in Billing and sent to Project Costing.

Defining Utilization Criteria

Access the Utilization Criteria page.



Utilization Criteria page

The utilization description for billing, use sequence number, purchased amount, remaining amount, committed amount, and expiration date that you defined for this prepaid amount on the Prepaids page appear.

The system displays whether you designated this prepaid amount *Use for all Contract Lines* or if you specified *Use only for Contract Line* number x, where number *x* equals the contract line number that you specified.

Balance Utilization Controls - Use % for Wildcard Grid

Use the fields in this area to select a specific set of project items to which the prepaid amount can be applied. When you first access this page, each field, with the exception of Line Num (line number), contains a % symbol. The % symbol, or wildcard, indicates that the prepaid amount will be applied to all project items associated with the contract line numbers that you specify. Alternatively, you can select specific values for these fields.

Line Num

If you specified use for a specific line number, that line number appears. Otherwise, you can select as many active rate-based lines on the contract as required.

Note. If you chose to apply utilization against all contract lines in the contract, this field does not appear on the page.

PC Bus Unit (Project Costing business unit)

Select a Project Costing business unit for this contract line. The list of Project Costing business units consists of those that share the same general ledger business unit as the contract's Contract business unit. Each contract line can be associated with only one Projects business unit. The Projects business unit that you select filters the list of projects that you can associate with this contract.

Note. You must select the same Projects business unit that you defined for this contract line number on the Related Projects page.

Project

Select to limit the projects to which the system can apply the prepaid amount. The list contains all projects for the selected Projects business unit that you have linked to this contract line.

Activity

To associate your contract line with a Project Costing activity identifier, select an activity ID. The list contains all activities defined for the project that you

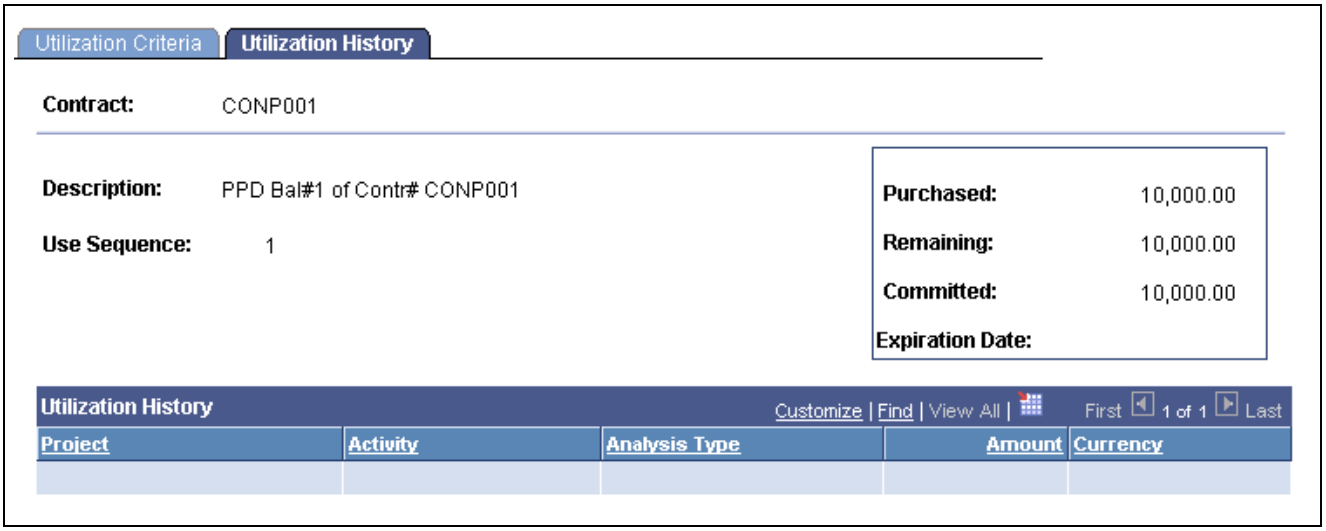
	selected. Activities are the individual tasks or events that comprise a project. A single activity can be associated with only one contract line.
Analysis Type	Analysis types are assigned to individual resources to identify the different types of transactions in your system, such as estimated costs, budgeted costs, actual costs, and billed costs.
Source Type	Assign source types to individual resources to enable you to track, analyze, and report all costs—both actual and planned—for a particular resource.
Category and **SubCategory**	Use resource categories and resource subcategories to track resources at a finer level of detail.

See Also

Chapter 13, "Working with Project Costing," page 159

Viewing Utilization History

Access the Utilization History page.



Utilization History page

When billing utilization is finalized in Billing, the system inserts the rows into Project Costing. The Utilization History scroll area is a view of PROJ_RESOURCE. The amount that was utilized appears. The sum of all rows in the Amount column plus the remaining amount equals the purchased amount.

Monitoring Administrative Activity for Prepaid Amounts

This section discusses how to monitor prepaid activity.

After you enter a prepaid balance onto a contract, these actions are tracked in the CA_PREPAID_AUD table:

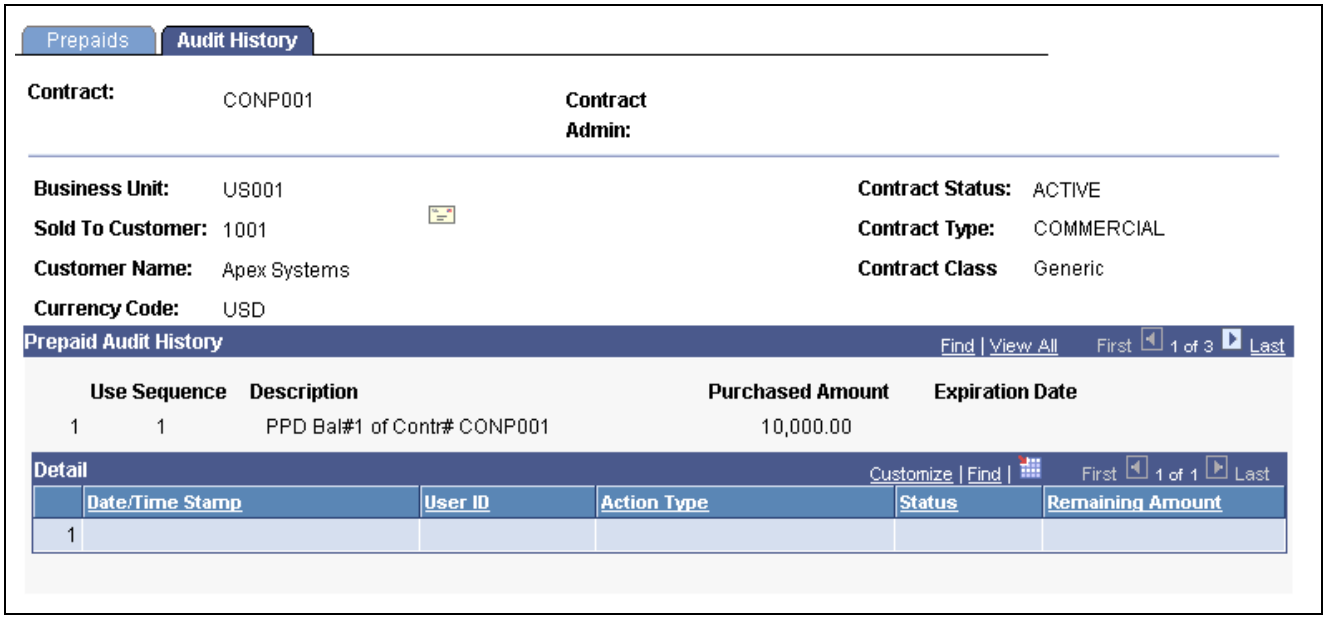
- Changing the status to *Ready.*
- Placing the prepaid balance on hold.
- Changing the use sequence number.

Page Used to Monitor Administrative Activity for Prepaid Amounts

Page Name	Object Name	Navigation	Usage
Prepaid Balances - Audit History	CA_PPD_HISTORY	Customer Contracts, Determine Price and Terms, Prepaid Balances, Audit History	Monitor prepaid activity, such as changes in prepaid status that have occurred for each contract prepaid amount.

Monitoring Prepaid Activity

Access the Prepaid Balances - Audit History page.



Prepaid Balances - Audit History page

Purchased Amount Displays the full amount of the prepaid that the customer purchased.

Date/Time Stamp Displays the system date on which the change was made.

User ID Displays the name of the user who made the change.

Action Type Displays a description of the change that was made.

Status Displays the prepaid amount status after the change has been made.

Remaining Amount Displays the prepaid amount that has not yet been utilized.

CHAPTER 24

Entering Renewals

This chapter provides an overview of renewals and discusses how to:

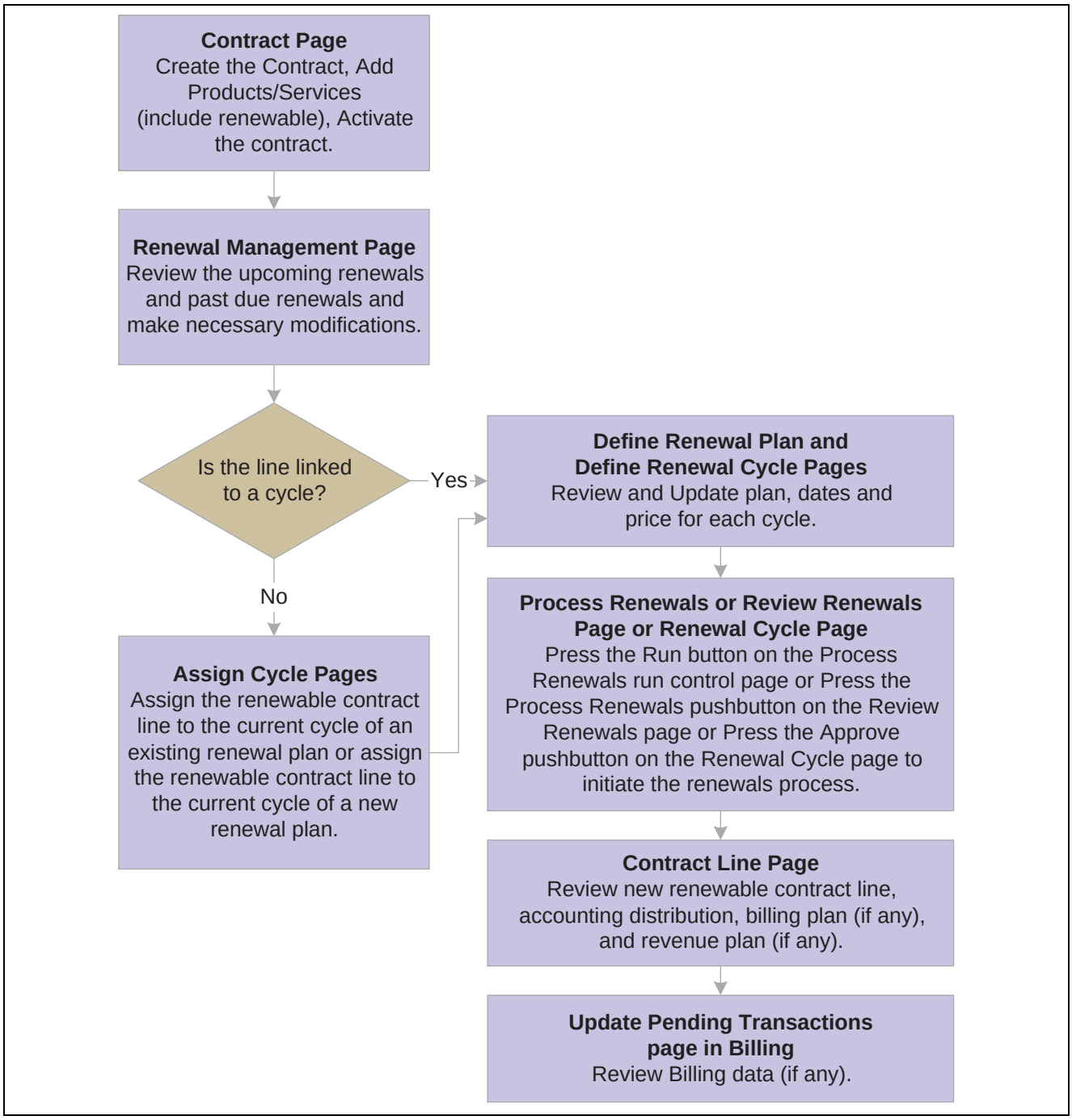
- Define renewable products, templates, and contract lines.
- Define renewal plans and renewal cycles.
- Assign contract lines to renewal plans.
- Price renewals plans.
- Review renewals.
- Process renewals.

Understanding Renewals

Contracts enables you to renew contract lines outside of amendment processing. A renewable contract line is for a fixed-amount product or service, such as maintenance, where you license the product for a set period of time and provide the customer with the option of extending the licensing period once the initial period expires.

When defining a fixed-amount product, you can designate that product as renewable, select the renewal action (manual versus automated renewal), and optionally select a default renewal plan template. When selecting a renewable product onto a contract line, define a start and end date for the contract line, and establish a future renewal plan. If you select a renewal plan template for a product, the system creates a renewal plan upon your saving of the contract line.

This flowchart illustrates the renewals process flow:



Renewal process flow

Defining Renewable Products, Templates, and Contract Lines

This section provides an overview of renewal actions, renewal plan templates, and renewable contract lines and lists the pages used to define renewable products, templates, and contract lines.

Understanding Renewal Actions, Renewal Plan Templates, and Renewable Contract Lines

You must designate a product as renewable when defining the product on a contract line in order to associate the product with a renewal plan. At that time you select the renewal action (manual versus automated), and you can optionally select a renewal plan template. You can designate only fixed amount products (those with *amount* or *percent* price types) as renewable.

This section discusses:

- Renewal actions.
- Renewal plan templates.
- Renewable contract lines.

Renewal Actions

When defining a fixed amount product, you designate the product as renewable and select a renewal action of *Manual* or *Automatic*. You designate the renewal action on the Product Definition - Contracts Options page; however, you can override the renewal action when adding the product to a contract line on the Add Contract Lines page.

Manual A manual renewal requires you to confirm with the customer before converting the renewal to a new sale. To process a renewal manually, click the Approve button on the Define Renewal Cycle page. Before processing renewals, you may want to click the Reprice button to ensure that you have the correct price.

Automatic Automatic renewals enable you to take a previously successful sale of a renewal and convert it to a new sale without the need for customer confirmation. To have the system process a renewal automatically, click the Process Renewals button on the Review Renewals page or use the Process Renewals run control page.

Renewal Plan Templates

Renewal plan templates automate renewal processing through the creation of renewal plans and cycles and the assignment of contract lines to renewal cycles. When a renewal plan is created, the system assigns the first cycle to the original contract line. All renewed products are assigned to the next cycle upon approval of the previous cycles.

Create renewal plan templates on the Renewal Plan Template page.

Note. You can assign renewal templates to fixed-amount products only.

With renewal templates, you can:

- Choose a default renewal template when setting up a renewable product.
- Specify whether or not to ready the billing and revenue plans upon renewal processing.
- Create a renewal plan manually by clicking the Create Plan button.
- Select an accounting distribution option to determine whether to create the accounting distribution for the new contract line from the default or the source renewable contract line.
- Select the amount for the system to pass to PeopleSoft Enterprise Pricer to calculate the renewal price.

Here are the rules for renewal templates:

- Templates are for fixed fee renewals only.
- You can set up renewal templates prior to defining the renewal product.
- If you specify a renewal template for a product, and the start and end dates are defined on the contract line, the system creates a renewal plan when the contract line is saved.

  The system links the first cycle of this plan to the contract line.

Renewable Contract Lines

Select a renewable product for a contract line on the Add Contract Lines page. The setup steps for the contract line are the same as those for nonrenewable contract lines, with one exception: for renewable contract lines, you must enter a start date and an end date for the renewable contract line.

See Also

Chapter 8, “Setting Up Products,” Setting Up Products and Product Groups, page 71

Chapter 7, “Structuring Contracts,” Defining Renewal Plan Templates, page 47

Pages Used to Define Renewable Products, Templates, and Contract Lines

Page Name	Object Name	Navigation	Usage
Product Definition - Contracts Options	PROD_CONTRACTS	Products, Identify Product Details, Definition, Contracts Options	Define a product or service as renewable for use on your contract lines. You can optionally select a renewal plan template on this page. See *PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook*, "Setting Up Products," Establishing Product Contract Options.
Renewal Plan Template	CA_RNW_TEMPLATE	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Renewal Templates	Create renewal plan templates to use on your contract lines. See Chapter 7, "Structuring Contracts," Defining Renewal Plan Templates, page 47.
Hold Reason	CA_HOLD_RSN	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Hold Reason	Define hold reasons by setID to use when placing renewal cycles on hold.
Add Contract Lines	CA_OFFERING_SRCH	Customer Contracts, Create and Amend, General Information, Contract - Lines, Add Contract Lines	Select renewable products to add to your contract lines. Add products to contract lines, and specify which of those products are renewable. See Chapter 9, "Creating Contracts," Defining Contract Lines, page 94.

Defining Renewal Plans and Renewal Cycles

This section provides an overview of renewal plans, renewal cycles, and renewal statuses, lists prerequisites and common elements, and discusses how to:

1. Create renewal plans.
2. Define renewal cycle parameters.
3. View renewable contract line details.

Understanding Renewal Plans, Renewal Cycles, and Renewal Statuses

This section discusses:

- Renewal plans and renewal cycles.
- Renewal statuses.

Renewal Plans and Renewal Cycles

Renewal plans and renewal cycles are the main components of the renewal feature. A renewal plan contains one or more renewal cycles. Each cycle represents a period of time. You must define the product and amount corresponding to this period of time. When you assign renewable contract lines to a renewal cycle and approve the cycle, the system generates a new contract line.

A renewal cycle can comprise the following:

- A single contract line.
- A group of contract lines on the same contract.
- A group of contract lines spanning two or more contracts.

You can generate one or multiple contract lines from a single renewal plan. You can also assign multiple contract lines to one renewal cycle. If you do so, the resulting contract line represents a consolidated version of the original, renewed contract lines. For example, if your original contract has two separate lines for software upgrade (Payables upgrade and General Ledger upgrade), and you want to renew both lines but end up with only one new contract line named *Financials Upgrade,* assign both products to the same renewal cycle to obtain a consolidated contract line. If, instead, you choose to keep the products separated, assign each product to a separate renewal cycle to obtain a new contract line for each renewed product.

You can assign a contract line to the current cycle of an existing renewal plan or you can assign a contract line to the current cycle of a new renewal plan. When assigning a contract line to a new renewal plan, the system retrieves information by default from the contract line to the renewal plan and autogenerates the first renewal cycle based on the contract line parameters.

The renewal plan determines the contract number on which the renewal line is placed. A renewal plan can consist of multiple renewal cycles, enabling you to specify for each cycle a new product ID and amount. When you assign a contract line to a renewal plan, you always link to the current renewal cycle on that renewal plan.

The renewal cycle determines the start date, end date, product ID, and pricing for the new contract line created by the renewal process. You can define the details for a renewal cycle on the Define Renewal Plan page. However, you can only approve a renewal cycle on the Define Renewal Cycle page.

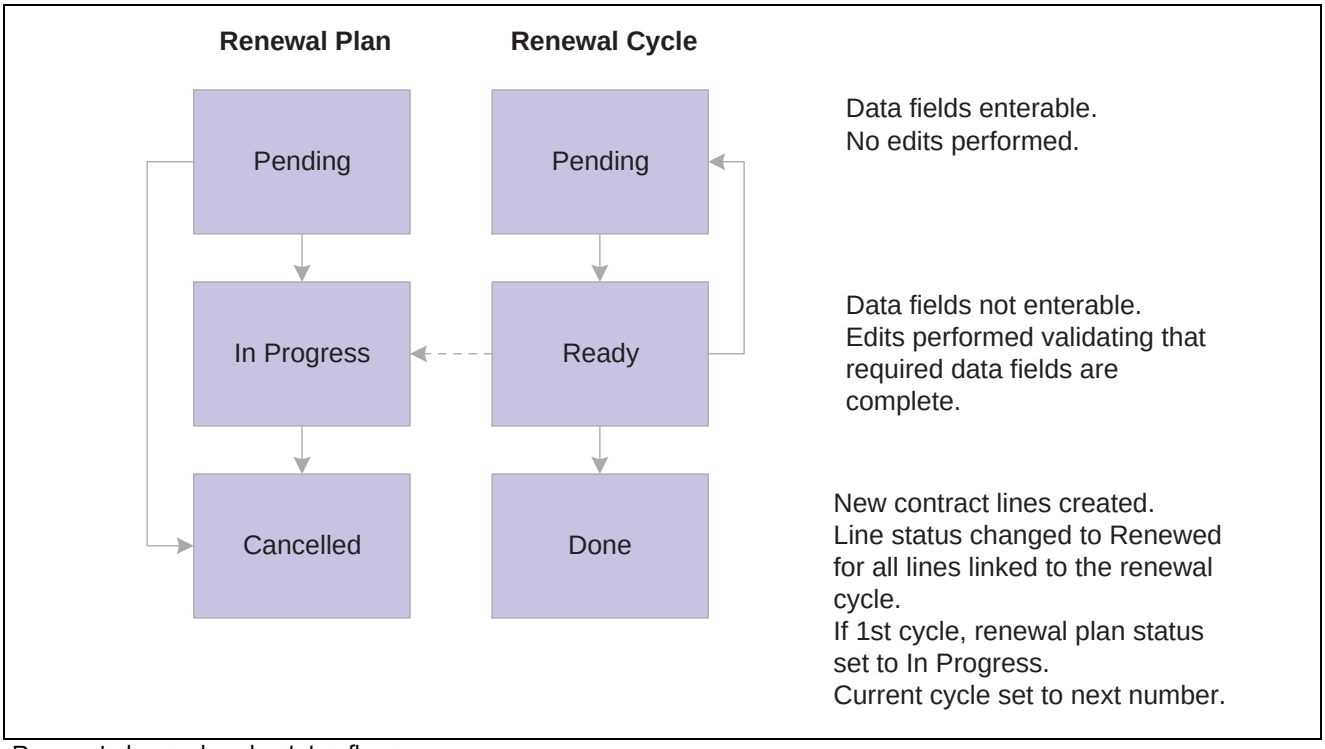
Additional pages in Contracts display view-only values pertaining to renewal lines:

- For renewable contract lines with a price type of *Percent,* view the contract lines to which the renewable line applies on the Renewable Line Detail page.
- For each renewal cycle, view the terms of the renewal on the Renewal Terms page.

Once you associate a contract line with a renewal plan cycle and approve the renewal cycle, the system sets the status of the contract line to *Renewed.* The system creates a new contract line based on the parameters established for the renewal plan and cycle with which you associated the contract line. The new contract line has its own accounting distributions and must be assigned to a revenue plan and billing plan.

Renewal Statuses

Status values exist at the renewal plan and renewal cycle levels. This diagram depicts the flow between the status values and the functionality related to the renewal plan cycle status:



Renewal plan and cycle status flows

Renewal plan status values are:

Pending When you create a renewal plan, the system sets the status to *Pending.* The system does not edit-check *Pending* renewal plans when saved.

In Progress The system sets the renewal plan to *In Progress* once you approve the first cycle.

Cancelled You can close the renewal plan manually if you determine that the product or services associated with this renewal plan will not be renewed in the future, or if the product or services are to be assigned to a different renewal plan.

Renewal cycle status values are:

Pending When you create a renewal plan, the system generates a renewal cycle for that renewal plan. *Pending* appears by default as the status. You can save your new renewal plan cycles without having to meet the edit-checking requirements that the system enforces on renewal plan cycles with a *Ready* status. You can only assign contract lines to cycles in *Pending* status.

Ready Once you enter data into a renewal plan cycle and assign contract lines to it, you can manually change the status to *Ready.* The system edit-checks the data. To make changes to a renewal plan cycle in *Ready* status, reset the status back to *Pending.* Once you complete the changes, change the status back to *Ready* (at which point edit checking validates any updates). Once you save the page in *Ready* status, the Approve button appears.

Note. The Approve button is available for renewals with a renewal action of *Manual* only.

Done The system updates the cycle status to *Done* when you click the Approve button. Clicking this button indicates that the products specific to the renewal plan cycle were accepted or approved by the customer for the renewal period. Upon completion of the cycle, the system sets the status of the original contract line to *Renewed* and generates a new, active line for the renewal period specified by the renewal cycle.

Prerequisite

Select a renewable product for a contract line with an *Active, Pending,* or *Cancelled* line status.

Common Elements Used in This Section

Assign Renewable Contract Lines Click to select renewable lines to assign to a renewal plan or renewal cycle.

Cycle in Progress Corresponds to the cycle number in the Renewal Cycles grid on the Define Renewal Plan page and indicates which cycle is open for assignment. When assigning to a renewal plan, always assign to the cycle in progress.

Cycle Status Controls which updates can be made to, and what processing can occur against, a renewal cycle. *Pending* appears by default as the cycle status upon creation of a new cycle. Only pending cycles can be assigned. After assigning a renewal cycle to the renewal plan, you can update the status to *Ready.*

When you save a renewal cycle to a cycle status of *Ready,* the system displays the Approve button.

Note. The Approve button is available for renewals with a renewal action of *Manual* only.

End Date (renewable lines) Displays the end date for the original contract line.

End Date (renewal cycles) Displays the end date for the cycle number. This becomes the end date on the contract line created from renewable products linked to this renewal cycle.

Gross Amount Enter a gross amount for the renewal cycle if the associated price basis is *User-entered Amount* and the option to create one contract line *for all renewable lines* was selected for the cycle. The value in this field becomes the renewal amount on the new contract line generated by the renewals process.

Product ID Select a renewable product. This becomes the product ID on the contract line created from the renewal plan cycle.

Select an amount- or percent-based product. If you select a percent-based product for the renewal line, the system sets the price type of the new line to *Amount.*

Note. The product on the renewal cycle may differ from the product on the renewable contract line.

Renewal Cycle Displays a sequential renewal cycle number. Represents a period of time.

Renewal Plan Displays a unique renewal plan ID. Contains one or more renewal cycles.

Start Date (renewable lines) Displays the start date for the original contract line. If you have deferred revenue for this renewable line, the deferred revenue accounting date appears in this field. The deferred revenue accounting date appears by default from the product, and you must accept the default value. If this value is not correct, use amendment processing to change the start date.

Start Date (renewal cycles) Displays the start date for the cycle number. This becomes the start date on the contract line created from renewable products linked to this renewal cycle. The start date must be at least one day after the end date of the renewable product.

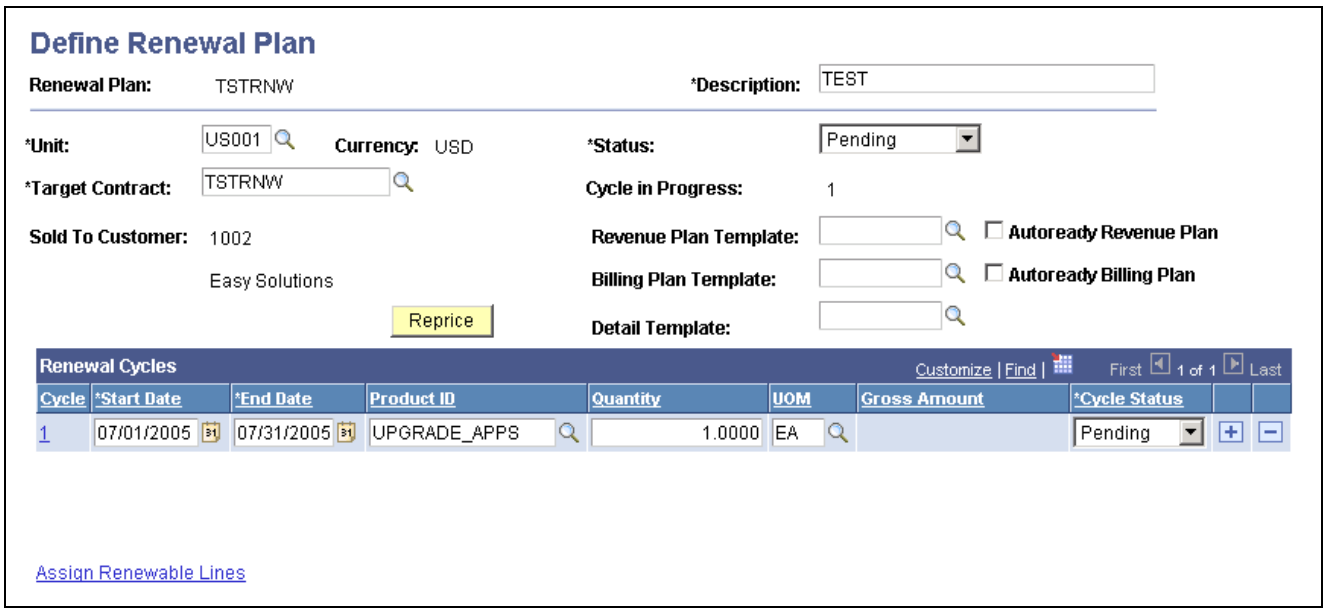
Target Contract Displays the contract on which the renewal plan creates the renewed contract line. The target contract number does not need to match the contract number of the contract line containing the renewable product that you are assigning to this renewal plan.

Pages Used to Define Renewal Plans and Renewal Cycles

Page Name	Object Name	Navigation	Usage
Define Renewal Plan	CA_RNW_PKG_PNL	• Customer Contracts, Define Renewals, Plan, Define Renewal Plan • Click the Create Plan button on the Renewals tab of the Contract - Lines page.	Create a new renewal plan or update an existing renewal plan if it has not been associated with a contract (that is, the status of the renewal plan is *Pending*).
Define Renewal Cycle	CA_RNW_CYCLE2_PNL	Customer Contracts, Define Renewals, Cycle, Define Renewal Cycle	Define the parameters for a renewal cycle and ready and approve the renewal cycle status. You can also view all contract lines associated with this renewal cycle.
Renewal Terms Notes	CA_RNW_TERMS_NOTES	Click the Terms and Conditions link on the Define Renewal Cycle page.	Enter internal contract notes for your renewal plan.
Renewable Line Detail	CA_RNW_LINE	Customer Contracts, Define Renewals, Contract Lines	Define and update the renewal details of a contract line. For percent-based contract lines, review and edit the list of contract lines to which this contract line applies—for example, a percent-based contract line for a warranty that originally applied to two contract line items, but is being renewed for a single contract line item.

Creating Renewal Plans

Access the Define Renewal Plan page.



Define Renewal Plan page

Unit Select the Contracts business unit to which this renewal plan applies.

Status Displays the plan status, which controls what updates can be made to, and what processing can occur against, a renewal plan.

Revenue Plan Template Select a revenue plan template to associate with this renewal plan. If you previously selected a revenue plan template on the associated renewal plan template, that revenue plan template displays. This field is optional.

Autoready Revenue Plan Select to have the system automatically set the status of the associated revenue plan to *Ready* upon renewal cycle approval.

This field displays the value that was entered as a default on the renewal plan template for auto creation of the renewal plan and renewal cycle. You can override the default value here. If you select this check box, the system automatically set the status of the associated revenue plan to *Ready* upon renewal cycle approval. If you do not select this check box, the system creates the revenue plan in *Pending* status.

Note. This option applies only if you selected a revenue plan template.

Bill Plan Template Select a bill plan template to associate with this renewal plan. If you previously selected a bill plan template on the associated renewal plan template, that revenue plan template displays. This field is optional.

Autoready Billing Plan Select to have the system automatically set the status of the associated billing plan to *Ready* upon renewal cycle approval.

This field displays the value that was entered as a default on the renewal plan template for auto creation of the renewal plan and renewal cycle. You can override the default value here. If you select this check box, the system automatically set the status of the associated billing plan to *Ready* upon

renewal cycle approval. If you do not select this check box, the system creates the billing plan in *Pending* status.

Note. This option applies only if you selected a billing plan template.

Detail Template Select a billing plan detail template to associate with this renewal plan. If you previously selected a billing plan detail template on the associated renewal plan template, that revenue plan template displays. This field is optional.

Reprice Click to have the system price all cycles with a status of *Ready* or *Pending.* If you have set up rules for Enterprise Pricer, the system calculates the price for the cycles. Otherwise, the system returns the list price.

The amount that Contracts passes to Enterprise Pricer is different based on the price basis option for the associated renewal cycle. Enterprise Pricer uses the amount passed from Contracts to calculate the new price.

Note. At least one renewable contract line must be linked to a renewal cycle in order to use the reprice functionality.

If the option to create one contract line *for all renewable lines* was selected for the renewal cycle and you select the Reprice button, the system reprices the current cycle only.

You cannot use the Reprice functionality if you selected the option to create one contract line *for each renewable line* for the renewal cycle.

Renewal Cycles

In the Renewal Cycles grid, define the products and product attributes specific to this renewal plan.

Cycle Displays the system generated cycle number for each line that you add to a renewal plan. Click the cycle number to administer and approve details for the renewal cycle.

Quantity Displays the quantity for the product on the contract line assigned to this renewal cycle if the associated renewal cycle status is *Done.* If the renewal cycle status is *Pending* or *Ready,* the target contract line does not yet exist and this field is available for entry.

UOM (unit of measure) Displays the unit of measure for the product on the contract line assigned to this renewal cycle if the associated renewal cycle status is *Done.* If the renewal cycle status is *Pending* or *Ready,* the target contract line does not yet exist and this field is available for entry.

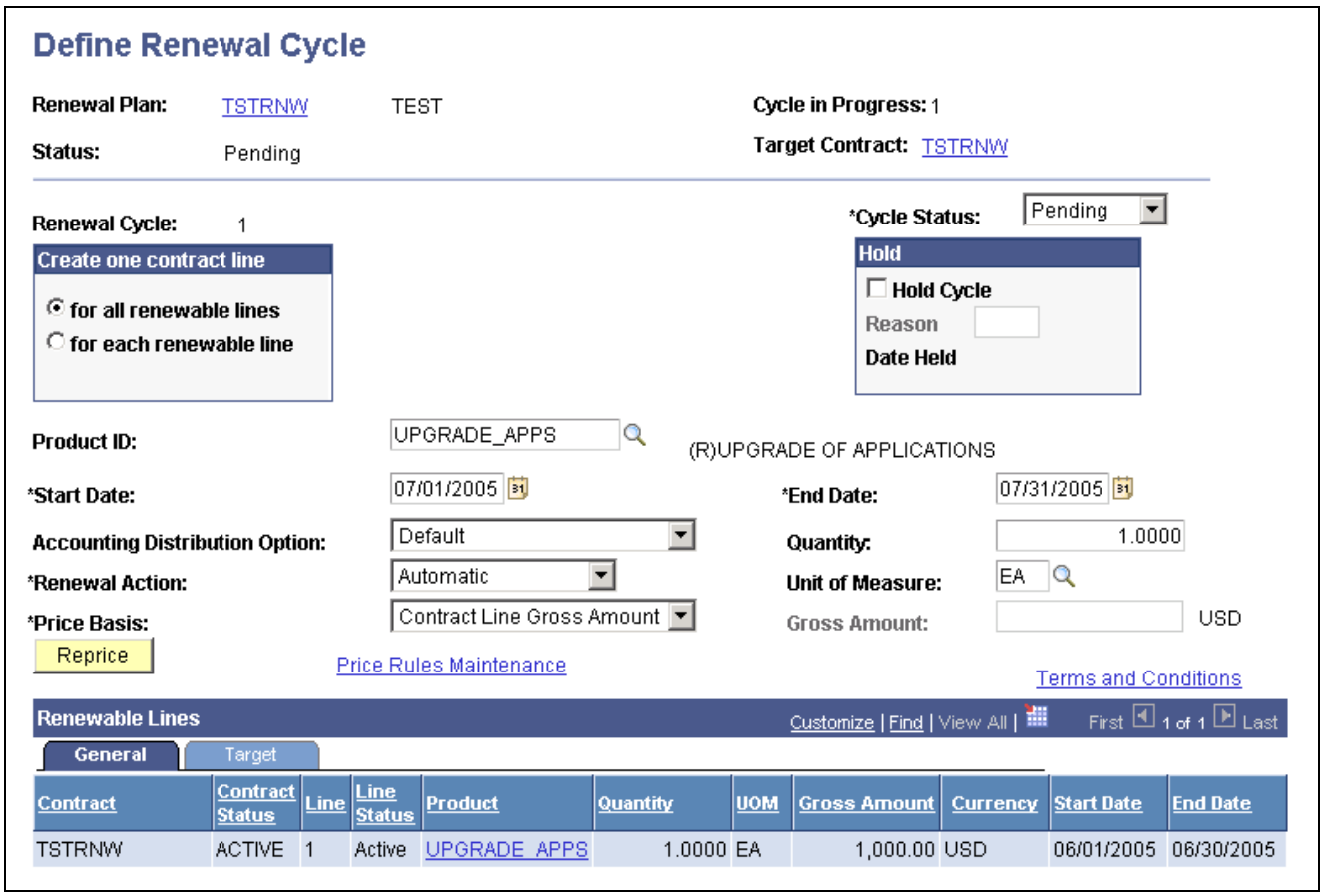
Gross Amount Enter a gross amount for the renewal cycle if the associated price basis is *User-entered Amount* and the option to create one contract line *for all renewable lines* was selected for the cycle. The value in this field becomes the renewal amount on the new contract line generated by the renewals process.

Note. This field is blank and not available for entry if the option to create one contract line *for each renewable line* was selected for the cycle or if the price basis is any value other than *User-entered Amount.*

Assign Renewable Lines Click to assign renewable lines to renewal plans.

Defining Renewal Cycle Parameters

Access the Define Renewal Cycle page.



Define Renewal Cycle

Renewal Plan Click to view and manage the details of all renewal cycles associated with the renewal plan.

Target Contract Click to view and manage the header level details for this contract.

Create One Contract Line

Select a value to indicate how the renewals process generates new contract lines. Values include:

for all renewable lines Select for the renewals process to generate one new contract line for one or multiple renewable contract lines that are linked to the same renewal cycle.

for each renewable line Select for the renewals process to generate a new contract line for each renewable contract line that is linked to the renewal cycle.

Hold

Hold Cycle Select to place the renewal cycle on hold. Selecting this check box enables you to enter a hold reason in the Reason field and the system populates the Date Held field with the current date.

Reason Select a hold reason code for putting the renewal cycle on hold. This field is accessible only if you selected the Hold Cycle check box.

Date Held Displays the date that the renewal cycle was put on hold. A value appears in this field only if you selected the Hold Cycle check box.

Product ID If you selected the option to create one contract line *for all renewable lines,* this field is available for entry. The value selected for this field becomes the product ID on the new contract line generated by the renewals process.

Note. If you selected the option to create one contract line *for each renewable line,* this field is blank and not available for entry.

If you change the product ID and the product has a unit of measure (UOM) default associated with it, the system populates the Unit of Measure field with this value. If you change the product ID and the product does not have a UOM associated with it, no value appears in the Unit of Measure field.

Accounting Distribution Option Appears by default from the value specified on the associated renewal plan template for automatic creation of renewal plans and cycles. For manual creation of renewal plans and cycles, *Default* appears by default in this field.

The renewals process uses the value in this field to determine whether to create the accounting distribution for the new contract line from the default or the source renewable contract line. You can accept the default value or override it here. Values include:

- *Default:* Select to associate the accounting distribution for the new contract line with the default.
- *Inherit from Line:* Select to associate the accounting distribution for the new contract line with the source renewable contract line.

Note. This field is available for entry if the option to create one contract line *for all renewable lines* was selected for the cycle and only one renewable line is linked to the renewal cycle. If the option to create one contract line *for all renewable lines* was selected and multiple renewable contract lines are linked to the renewal cycle, the system populates the value is this field with *Default* and the field is unavailable for entry. In addition, if the option *for each renewable line,* was selected for the cycle, the field is blank and unavailable for entry.

Quantity Displays the quantity for the product. The value in this field defaults from the contract line quantity. If you want to specify a different quantity, enter a new value here.

Note. If you selected the option to create one contract line *for each renewable line,* this field is blank and not available for entry.

Renewal Action Appears by default from the value specified on the associated contract line for automatic creation of renewal plans and cycles. For renewal plans and cycles not yet assigned to a contract line, *Automatic* appears by default in this field. Possible values include *Automatic* and *Manual.*

The renewal action drives the behavior of the renewal plan tied to the contract line. With automatic renewals, the system processes the renewal when the specified criteria is met.

Note. If you change the value in this field, the system updates the renewal action of the cycle and all renewable contract lines that are linked to the renewal cycle with the new renewal action that you selected.

Unit of Measure

Displays the default UOM of the renewable contract line. For manual renewals, you can override the default and enter a new value here. This field is available for entry or edit for manual renewals if you selected the option to create one contract line *for all renewable lines.*

Note. If you selected the option to create one contract line *for each renewable line,* this field is blank and not available for entry.

Price Basis

Appears by default from the value specified on the associated renewal plan template for automatic creation of renewal plans and cycles. For manual creation of renewal plans and cycles, *Contract Line Gross Amount* appears by default in this field. The renewals process and reprice functionality use the value in this field to determine the amount to pass to Enterprise Pricer as the base price to calculate the renewal price for the new contract line. You can accept or override the default value. Possible values include:

- *Contract Line Gross Amount:* The system passes the contract line gross amount for each renewable contract line to Enterprise Pricer.
- *Contract Line List Price:* The system passes the contract line list price for each renewable contract line to Enterprise Pricer.
- *Contract Line Net Amount:*The system passes the contract line net amount for each renewable contract line to Enterprise Pricer.
- *Then Current List Price:* The system does not pass any amount to Enterprise Pricer.

  The system uses the list price in Enterprise Pricer or the product's list price based on the start date of the cycle.
- *User-entered Amount:* The system passes the gross amount to Enterprise Pricer if you selected the option to create one contract line *for all renewable lines.*

  However, if you selected the option to create one contract line *for each renewable line,* the system passes the target gross amount on the grid for each renewable contract line to Enterprise Pricer.

Approve

Click to have the system update the status of the renewal cycle from *Ready* to *Done.* The system calls the Renewals Process to create the new renewable contract line as well as the accounting distributions, billing plan, and revenue plan for the new contract line. The process is same as that for the Process Renewals page, but the process is run only for the renewal cycle and associated renewable contract line selected on this page.

Note. This field does not appear on the page until the cycle is in *Ready* status. This field appears for renewal cycles with a renewal action of *Manual* only.

Billing and revenue plans are created only if a billing plan template and revenue plan template were specified for the renewal plan or product.

Reprice Click to reprice the cycle. When clicking this button, the system passes all price-by fields to Enterprise Pricer to retrieve the current price. The amount passed to Enterprise Pricer varies based on the price basis option for the associated renewal cycle. Enterprise Pricer uses the amount passed from Contracts to calculate the new price.

Note. At least one renewable contract line must be linked a renewal cycle in order to use the reprice functionality.

Price Rules Maintenance Click to access the Price Rules Maintenance page in Enterprise Pricer to identify conditions and formulas that must be met to apply pricing.

Click to access the Price Rules Maintenance page in Enterprise Pricer to identify conditions and formulas that define what price the system will assign.

Terms and Conditions Click to access the Renewal Terms Notes page, where you can enter terms for your renewal cycle.

Renewable Lines - General Tab

Contract Displays the contract number of the contract line assigned to this renewal cycle. This contract number may not match the target contract number, depending upon whether you want to create the renewal line on the original contract or create the renewal line on a new contract.

Line Displays the contract line number assigned to this renewal cycle.

Product Displays the product on the contract line assigned to this renewal cycle. This product may not match the product that you previously specified, depending upon whether you want to create a renewal line with the existing product ID or create a renewal line with a new product. Click a product to access the Renewable Line Detail page, where you can review the details for this contract line.

Quantity Displays the quantity for the product on the contract line assigned to this renewal cycle.

Unit of Measure Enter a unit of measure if you selected the option to create one contract line *for each renewable line* for the cycle.

Note. If you selected the option to create one contract line *for all renewable lines,* this field is blank and not available for entry.

Gross Amount Displays the contract line gross amount. This enables you to compare the original contract line gross amount to the gross amount specified for the renewal cycle.

Renewable Lines - Target Tab

Select the Target tab.

Target Product ID

Appears by default from the value in the Product ID field in the grid if the option to create one contract line *for each renewable line* was selected for the cycle. The value in this field becomes the product ID on the new contract line generated by the renewals process.

Note. This field is blank and not available for entry if the option to create one contract line *for all renewable lines* was selected for the cycle.

If you change the associated product and the new product has a unit of measure (UOM) default associated with it, the system populates the Unit of Measure field in the grid with this value. If you change the product ID and the product does not have a UOM associated with it, no value appears in the Unit of Measure field in the grid.

Target Quantity

Displays the target quantity for the target product on the contract line assigned to this renewal cycle.

Note. If you change the value in this field, click the Reprice button for the system to update the value in the Target Gross Amount field.

Target UOM

Displays the target unit of measure if you selected the option to create one contract line *for each renewable line* for the cycle.

Target Gross Amount

Appears by default from the value in the Gross Amount field if the option to create one contract line *for each renewable line* was selected for the cycle.

Note. This field is unavailable for entry if the option to create one contract line *for each renewable line* was selected for the cycle, but the price basis is any value other than *User-entered Amount.* This field is blank and not available for entry if the option to create one contract line *for all renewable lines* was selected for the cycle.

Accounting Distribution Option

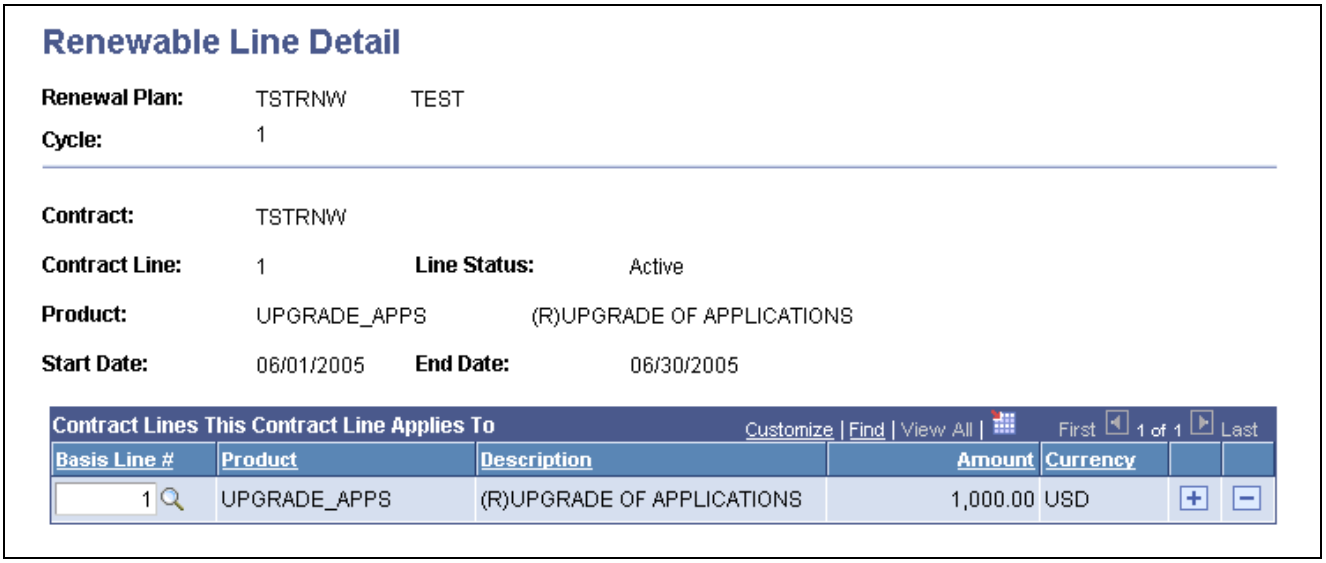
Select the accounting distribution option for the renewals process to use to determine whether to create the accounting distribution for the new contract line comes from the default or the source renewable contract line. Values include:

- *Default:* Select to associate the accounting distribution for the new contract line with the default.
- *Inherit from Line:* Select to associate the accounting distribution for the new contract line with the source renewable contract line.

Note. This field is available for entry if the option to create one contract line *for each renewable line* was selected for the cycle. This field is blank and unavailable for entry if the option to create one contract line *for all renewable lines* was selected for the cycle.

Viewing Renewable Contract Line Details

Access the Renewable Line Detail page.



Renewable Line Detail page

Basis Line # (basis line number) For percent-based renewable products, select the contract lines to which the renewable product applies. For example, you might renew a contract line that originally provided a warranty for two contract lines, but the renewed warranty applies to a single contract line.

Amount Displays the gross amount for the selected basis line number.

Assigning Contract Lines to Renewal Plans

This section discusses how to assign renewable contract lines to renewal plans.

See Also

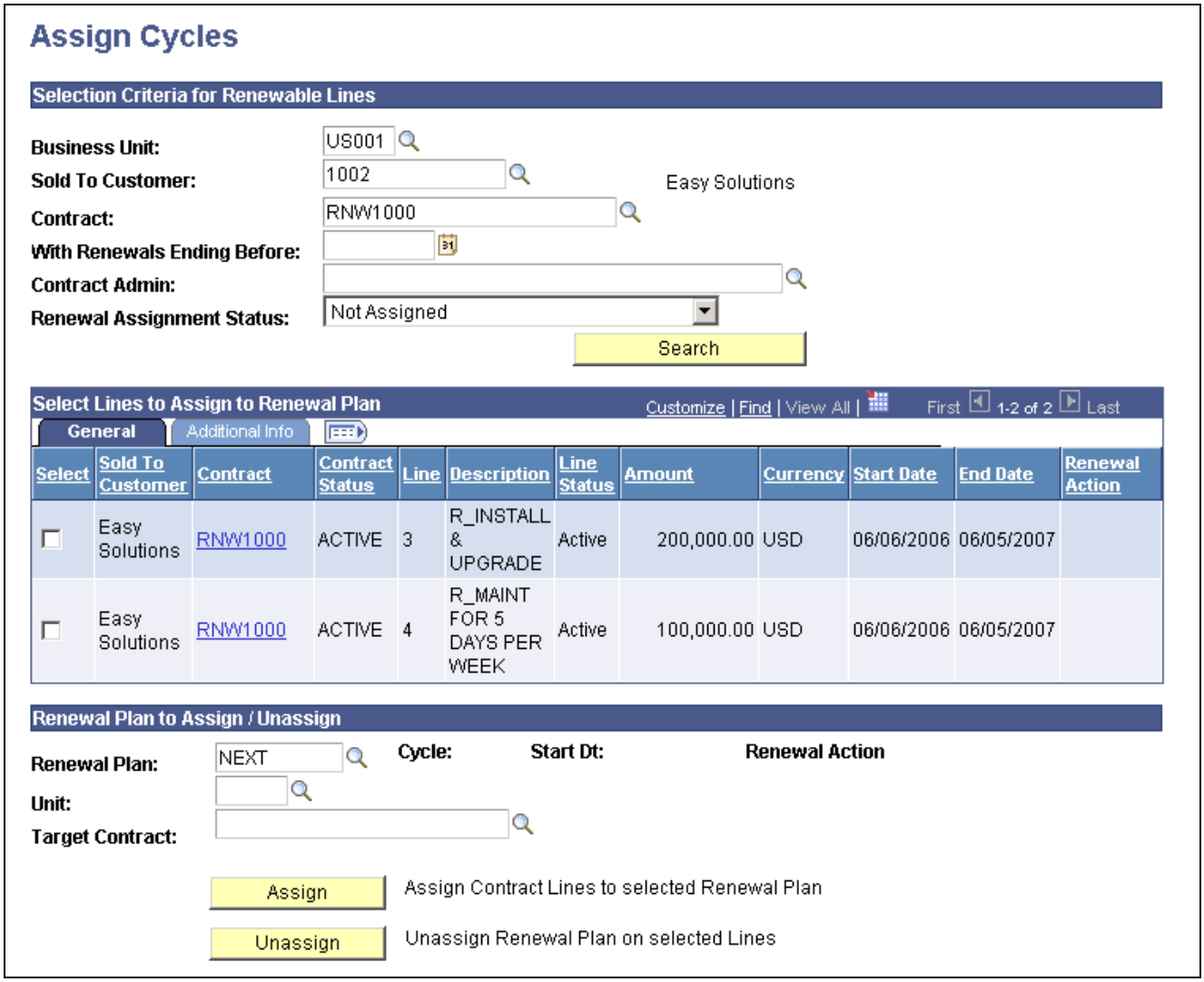
Chapter 9, “Creating Contracts,” Defining Contract Lines, page 94

Page Used to Assign Contract Lines to Renewal Plans

Page Name	Object Name	Navigation	Usage
Assign Cycles	CA_RNW_MGMT	• Customer Contracts, Define Renewals, Assign Cycles • Click the Assign Renewable Lines link on the Define Renewal Plan page.	Assign renewable contract lines to renewal plans.

Assigning Renewable Contract Lines to Renewal Plans

Access the Assign Cycles page.



Assign Cycles page

When assigning renewable contract lines to a renewal plan, you can assign one or multiple renewal contract lines to one cycle in that renewal plan.

Selection Criteria for Renewable Lines

If you accessed this page by clicking a link on the Contract - General, Contract - Lines, or Define Renewal Plan pages, the system populates these fields based on the information on the precursory page.

Filter search results by Contracts business unit, sold to customer, contract, or renewal period end date. If you leave all fields cleared, the search retrieves all active, pending, and cancelled renewable contract lines matching the selected renewal assignment status in your system.

Renewal Assignment Status Enables you to filter search results by the following criteria:

Both Assigned and Not Assigned: Search results include renewable lines not assigned to a renewal cycle and renewable lines assigned to a renewal cycle that is in *Pending* or *Ready* status.

Note. You can reassign only contract lines that are currently assigned to a cycle in *Pending* status.

Assigned: Search results include only renewable contract lines that have been assigned to a renewal cycle, and the cycle status is *Pending* or *Ready.*

Not Assigned: Search results include only renewable contract lines that have not been assigned to a renewal cycle.

Search Click to search for renewable contract lines based on the entered criteria.

Select Lines to Assign to Renewal Plan - General Tab

The system creates a line in the search results scroll area for each contract line that matches your search criteria.

Select Select the check box in this column for the contract lines that you want to assign to a particular renewal plan. You can select a contract line that is already assigned to a renewal plan; when you click Assign, the contract line is unassigned from the existing plan and then assigned to the value that you select in the Renewal Plan field.

Contract Click the contract number for a contract line to transfer to the Contract - General page for that contract.

Line Displays the contract line number.

Amount Displays the gross amount for this contract line.

Renewal Action Displays the renewal action of the renewable contract line. Values include *Manual* and *Automatic.* This field is display-only.

Select Lines to Assign to Renewal Plan - Additional Info Tab

Select the Additional Info tab.

Source Renewal Displays the source renewal plan number, if the system created a contract line as part of a renewal cycle. If you created the contract line during contract entry, the system clears this field.

Target Renewal Displays the renewal plan under which this line is set to be renewed.

For contract lines assigned to a renewal plan, the renewal plan number appears. If you have not assigned the contract line to a renewal plan, the system clears this field.

Cycle Click this number to view the cycle details. If you have not assigned the contract line to a renewal plan, this field is blank.

Status Displays the renewal cycle status if the contract line is currently assigned to a renewal plan and cycle.

Renewal Plan to Assign/Unassign

Use the fields in the Renewal Plan to Assign/Unassign region to assign the renewable contract lines that you selected in the Select Lines to Assign to Renewal Plan scroll area to an existing renewal plan or a new plan, or to remove them from a renewal plan to which they were assigned.

Renewal Plan Link contract lines to an existing renewal plan, or select *NEXT* to link the selected lines to a new renewal plan.

Cycle Displays the current cycle for the renewal plan, if you are assigning an existing renewal plan.

Start Dt (start date) Displays the start date for the cycle of the renewal plan that you are assigning, if you are assigning an existing renewal plan.

Renewal Action Displays the renewal action of the renewal cycle. Values include *Manual* and *Automatic*. This field is display-only.

Unit Enter a contracts business unit, if you are assigning a new renewal plan.

Target Contract Enter a target contract, if you are assigning a new renewal plan.

Assign Click to assign contract lines to the selected renewal plan. The system assigns the renewable contract line to the current cycle of a new renewal plan or to the current cycle of an existing renewal plan.

Note. If the renewal action of the selected renewable contract line is different from the renewal action of the renewal cycle, the system warns you that the renewal action of the renewable contract line will be changed to the renewal action of the renewal cycle.

Unassign Click to remove contract lines from a renewal plan to which they were previously assigned.

Pricing Renewal Plans

This section provides and overview of renewal pricing and lists the pages used to price renewal plans. Here are the steps required to set up Enterprise Pricer for renewals pricing:

1. Set up price list (optional).
2. Set up price rules.
3. Set up arbitration plan.
4. Select price basis option.

Understanding Renewal Pricing

You can price renewals with or without Enterprise Pricer. With Enterprise Pricer rules set up for your system, you have additional pricing flexibility. Without Enterprise Pricer, Contracts uses the list price of the product for pricing.

If you have set up rules for Enterprise Pricer, renewal pricing enables you to specify the price basis and percent increase or decrease for the renewal cycle to calculate the renewal amount. You specify the price basis on the Define Renewal Cycle page. A link on the Renewals Cycle page takes you to the Price Rules Maintenance page in Enterprise Pricer where you can enter the percent increase or decrease field. The Renewals process uses the price returned from the Enterprise Pricer as the renewal amount for the new contract line. If you do not have rules for Enterprise Pricer set up for your system, the Renewals process uses the list price as the renewal amount for the new contract line.

The renewal price can be based on one of the following price basis:

- A renewal amount itself (you cannot increase or decrease this renewal amount).
- Percent increase or decrease of:
  - *Contract Line Gross Amount*
  - *Contract Line List Price*
  - *Contract Line Net Amount*
  - *Then Current List Price*
  - *User-entered Amount*

For pricing renewals, additional Enterprise Pricer setup may be required. If you want to use the price increase or decrease option, you must setup the Price Rule and Arbitration Plan in Enterprise Pricer for pricing to function correctly. If you select *Then Current List Price* for the price basis on the Define Renewal Cycle page, you have the option to setup the Price List in Enterprise Pricer. If you do not set up the Price List in Enterprise Pricer, the system uses the list price defined for the product as the base price.

When pricing manual renewals by clicking the Reprice button on the Define Renewal Cycle page, Contracts passes the renewal plan, cycle number, product, and renewal start date to Enterprise Pricer. The amount passed to Enterprise Pricer differs for the different price basis options:

- If you select the *for each renewable line* option, the system overwrites the value in the Target Gross Amount field in the grid on the Define Renewal Cycle page with the price returned from Enterprise Pricer.
- If you select the *for all renewable lines* option and the price basis is *Contract Line Gross Amount,Contract Line List Price,* or *Contract Line Net Amount,* the system overwrites the value in the Gross Amount field on the Define Renewal Cycle page with the sum of the returned price of the renewable contract lines.
- If you select the *for all renewable lines* option and the price basis is *Then Current List Price* or *User-entered Amount,* the system overwrites the value in the Gross Amount field with the price returned from Enterprise Pricer.

Note. You must click the Reprice button on the Define Renewal Cycle page to price the renewable contract lines before running the manual Renewals process (click the Approve button on the Define Renewal Cycle page).

The automatic renewals process passes the same parameters when calling to Enterprise Pricer as the manual process discussed above.

Enterprise Pricer Pricing Elements

Enterprise Pricer consists of pricing elements that you use to create your pricing structure:

Price Lists These enable you to select products and conditions where the price list applies to a transaction. During a transaction, the system either determines the product price based on your predefined search hierarchy for the transaction or the

product's lowest price on any associated active price lists. This price is used as the basis for any further discounts and surcharges.

Price Rules These define the conditions that must be met in order for the adjustments to be applied to the base price. Multiple rules can apply when conditions of each rule are met.

Warning! When setting up price rules for Enterprise Pricer, select the *Line* option in the Rollup By field in the Rules Attributes section of the Formulas page. Contracts supports this *Line* option only.

Arbitration Plans These define how the price rules are to be applied to the base price when the transaction is priced.

See Chapter 12, "Pricing Contracts," PeopleSoft Enterprise Pricer, page 147.

See *PeopleSoft Enterprise Pricer 8.9 PeopleBook*, "Understanding Enterprise Pricer".

Price Basis for Enterprise Pricer

Contracts price-by fields include: business unit, contract number, contract type, region code, sold to customer ID, address sequence number, product group, renewal plan, renewal plan cycle, ship to customer ID, and contract sign date. In addition, if you select the *for each renewable contract line* option, Contracts passes the TARGET_PRODUCT_ID of the renewable line. If you select the *for all renewable lines* option, Contracts passes the PRODUCT_ID of the renewal cycle.

The following table shows the information that passes back and forth between Contracts and Enterprise Pricer based on the price basis:

Price Basis	Information Flow Between Contracts and Enterprise Pricer
Contract Line Gross Amount	1. Contracts passes all Contracts price-by fields, renewal cycle start date, previous contract line start date, quantity, and contract line gross amount for each renewable contract line to Enterprise Pricer. 2. Enterprise Pricer uses the contract line gross amount as the base price. Enterprise Pricer uses the base price, price rule, and arbitration plan to calculate the price for the renewal amount for the new contract line. 3. Enterprise Pricer returns the calculated price for each renewable contract line to Contracts. • If you selected the *for each renewable line* option, on the Define Renewal Cycle page, the system overwrites the Target Gross Amount on the grid with the calculated price. The calculated price becomes the renewal amount of the new contract line. The Target Gross Amountfield on the grid is no longer accessible. • If you selected the *for all renewable lines* option on the Define Renewal Cycle page, the system overwrites the Gross Amount on the grid with the sum of the calculated price. The calculated price becomes the renewal amount of the new contract line. The Gross Amount field is no longer accessible. • If you are renewing multiple contract lines together to create a single contract and the start and end dates for the contract lines that are being renewed are different, the Enterprise Pricer returns the same amount that Contracts passed to the Enterprise Pricer back to Contracts.
Contract Line Net Amount	1. Contracts passes all Contracts price-by fields, renewal cycle start date, previous contract line start date, quantity, and contract line net amount for each renewable contract line to Enterprise Pricer. 2. Enterprise Pricer uses the contract line net amount as the base price. Enterprise Pricer uses the base price, price rule, and arbitration plan to calculate the price for the renewal amount for the new contract line. 3. Same as Step 3 for *Contract Line Gross Amount.*
Contract Line List Price	1. Contracts passes all Contracts price-by fields, renewal cycle start date, previous contract line start date, quantity, and contract line list price for each renewable contract line to Enterprise Pricer. 2. Enterprise Pricer uses the contract line list price as the base price. Enterprise Pricer uses the base price, price rule, and arbitration plan to calculate the price for the renewal amount for the new contract line. 3. Same as Step 3 for *Contract Line Gross Amount.*

Price Basis	Information Flow Between Contracts and Enterprise Pricer
Then Current List Price	1. Contracts passes all Contracts price-by fields, renewal cycle start date, quantity, and previous contract line start date for each renewable contract line to Enterprise Pricer. 2. If you defined the list price for the product in Enterprise Pricer, Enterprise Pricer uses the Enterprise Pricer list price based on the start date of the cycle as the base price. If you did not define the List Price in Enterprise Pricer, the system uses the product's list price based on the start date of the cycle as the base price. Enterprise Pricer uses the base price, price rule, and arbitration plan to calculate the price for the renewal amount for the new contract line. 3. Same as Step 3 for *Contract Line Gross Amount.*
User-entered Amount	1. If you selected the *for all renewable lines* option on the Define Renewal Cycle page: • Contracts passes all Contracts price-by fields, renewal cycle start date, previous contract line start date, quantity, and user-entered amount for each renewable contract line to Enterprise Pricer. • Enterprise Pricer uses the user-entered gross amount as the base price. Enterprise Pricer uses the base price, price rule, and arbitration plan to calculate the price for the renewal amount for the new contract line. • Enterprise Pricer returns the calculated price for each renewable contract line to contracts. The system overwrites the Gross Amount with the calculated price. The calculated price becomes the renewal amount of the new contract line. The Gross Amount field is accessible. • If you are renewing multiple contract lines together to create a single contract and the start and end dates for the contract lines that are being renewed are different, the Enterprise Pricer returns the same amount that Contracts passed to the Enterprise Pricer back to Contracts. 2. If you selected the *for each renewable line* option on the Define Renewal Cycle page: • Contracts passes all Contracts price-by fields, renewal cycle start date, Previous Contract Line Start Date, and the Target Gross Amount in the grid on the Define Renewal Cycle page for each renewable contract line to Enterprise Pricer. • Enterprise Pricer uses the Target Gross Amount as the base price. Enterprise Pricer uses the base price, price rule, and arbitration plan to calculate the price for the renewal amount for the new contract line. • Enterprise Pricer returns the calculated price for each renewable contract line to contracts. The system overwrites the Target Gross Amount on the grid with the calculated price. The calculated price becomes the renewal amount of the new contract line. The Target Gross Amount field on the grid is accessible.

Note. If you do not set up the price rule and arbitration plan in Enterprise Pricer, Step 2 in the table above does not occur. Instead, Enterprise Pricer returns the same amount for each renewable contract line that Contracts passed to Enterprise Pricer back to Contracts.

Pages Used to Price Renewal Plans

Page Name	Object Name	Navigation	Usage
Price List	EOEP_PRICE_LIST	Pricing Configuration, Create Pricing Information, Price List Maintenance	Define a price list. You can set up price lists in multiple currencies and create start and end dates for each product's price. Set up this page if you want to use list price in Enterprise Pricer instead of the product's list price. See *PeopleSoft Enterprise Pricer 8.9 PeopleBook*, "Creating Price Lists," Setting Up Price Lists.
Price Rules Maintenance - Conditions	EOEP_CONDITION	Pricing Configuration, Create Pricing Information, Price Rules Maintenance, Conditions	Select the price-by fields, values for the price-by fields, and the operator that determines how the price-by fields are related to the transaction. See *PeopleSoft Enterprise Pricer 8.9 PeopleBook*, "Creating Price Rules," Setting Up Price Rule Conditions.
Price Rules Maintenance - Formulas	EOEP_FORMULA	Pricing Configuration, Create Pricing Information, Price Rules Maintenance, Formulas	Define the actions that take place when the price rule conditions are met. See *PeopleSoft Enterprise Pricer 8.9 PeopleBook*, "Creating Price Rules," Setting Up Price Rule Formulas.
Arbitration Plan	EOEP_ARB_PLAN	Pricing Configuration, Create Pricing Information, Arbitration Plan	Define how price rules apply to the base or list price when pricing a transaction. See *PeopleSoft Enterprise Pricer 8.9 PeopleBook*, "Using the Arbitration Plan," Setting Up an Arbitration Plan.
Renewal Cycle	CA_RNW_CYCLE2_PNL	Customer Contracts, Define Renewals, Cycle, Define Renewal Cycle	Select the price basis option. See Chapter 24, "Entering Renewals," Defining Renewal Cycle Parameters, page 418.

Reviewing Renewals

This section provides an overview of renewal management and discusses how to review renewal plans.

Understanding Renewal Management

You can display and modify all renewable contract lines within Contracts by navigating to the Review Renewals page. This page displays all renewable contract lines from active contracts where the renewable contract lines end dates are equal to or before the timing defined. The pages does not include any contract lines that have already been renewed.

Actions that you can perform on the Review Renewals page include:

- Navigating to the renewal plan/renewal cycle already assigned to the line through the Renewal Plan/Cycle link for each renewable contract line.
- Changing the renewal action.
- Marking a renewal *Not To Be Renewed.*
- Changing the review timing for visibility of the renewals depending upon the setup configuration.

  If review timing is set up as a control, then timing can only be increased. If review timing is set up as a default, then the timing can be increased or decreased for a line.
- Changing the start and end dates of the upcoming renewal period.
- Initiating the process for auto-renewals.

  Click the Process Renewals button on the Review Renewals page.
- Placing a renewal on hold, specify the date placed on hold, and select a hold reason code.

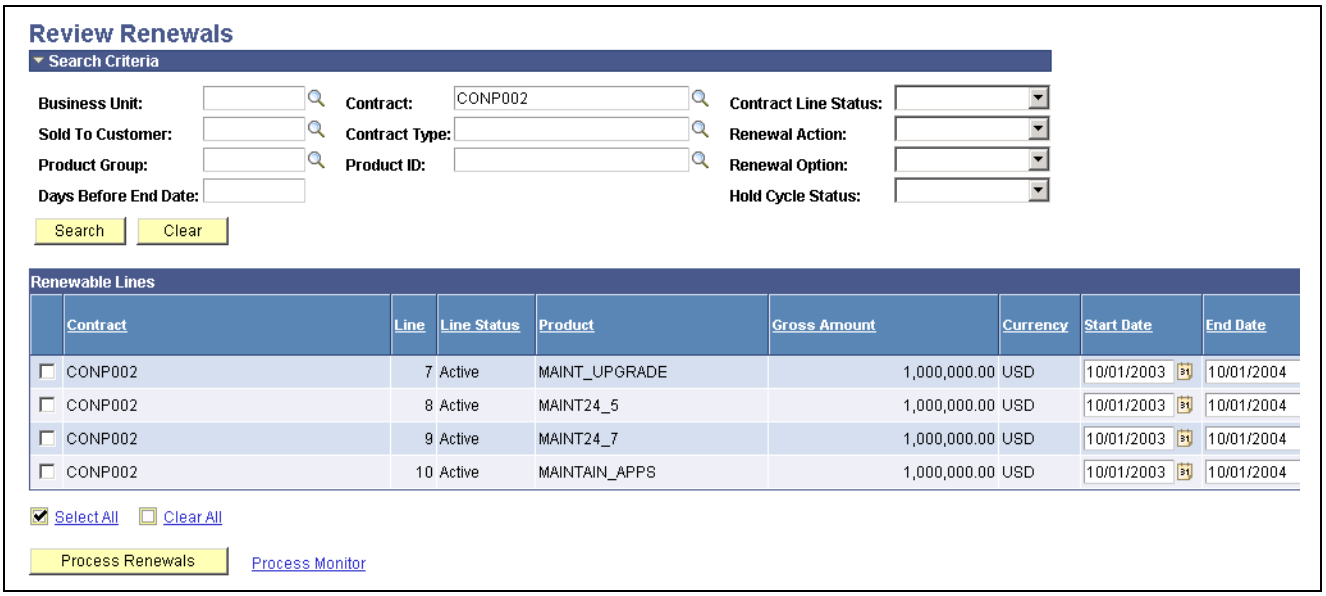
  Click the Renewal Plan/Cycle link to access the Define Renewal Cycle page to select the Hold Cycle check box and enter the hold reason code.
- Selecting or deselecting all renewable contract liens in the list.

Page Used to Review Renewals

Page Name	Object Name	Navigation	Usage
Review Renewals	CA_REVIEW_RENEWALS	Customer Contracts, Define Renewals, Review Renewals	View and modify renewable contract lines from *active* contracts where the end dates of the renewable contract lines are equal or prior to the timing that you define. You can change the renewal action, change start and end dates of upcoming renewal periods, initiate the processing for automatic renewals, and place renewals on hold from this page.

Reviewing Renewal Plans

Access the Review Renewals page.



Review Renewals page

Search Criteria

Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all renewable contract lines from active contracts within your system. Results appear in the Renewable Lines scroll area.

You can view and modify all renewable contract lines from active contracts where the end dates of the renewable contract lines are equal or prior to the timing that you define. The page does not display any contract lines that have already been renewed.

Days Before End Date Enter a value to have the system retrieve all renewable contract lines with an end date less than or equal to the current date plus the number of days that you enter here. If you leave this field blank, the system retrieves all renewable contract lines with an end date less than or equal to the current date.

Contract Line Status Select a contract line status of *Active, Cancelled, Pending,* or *All* to filter your search results. If you leave this field blank, the system retrieves all renewable contract from active contracts.

Renewal Action Select a renewal action of *Manual, Automatic,* or *All* to filter your search results. If you leave this field blank, the system retrieves all renewable contract lines with all renewal actions from active contracts.

Renewal Option Select a renewal option of *Renew, Not to be renewed,* or *All* to filter your search results. If you leave this field blank, the system retrieves all renewable contract lines with all renewal options from active contracts.

Hold Cycle Status Select a hold cycle status of *Hold, Not on hold,* or *All* to filter your search results. If you leave this field blank, the system retrieves all renewable contract lines with all hold cycle statuses from active contracts. If you select *Hold,* the system retrieves all renewable contract lines linked to the renewal cycle that has been placed on hold.

Renewable Lines

(select) Select the check box next to a renewable contract line to signify that you want to include this contract line in renewal processing. Processing occurs when you click the Process Renewals button.

Contract Displays the contract number. This field is display-only.

Line Displays the contract line number. This field is display-only.

Line Status Displays the contract line status. This field is display-only.

Product Displays the product ID of the renewable contract line. This field is display-only.

Gross Amount Displays the gross amount of the renewable contract line. This field is display-only.

Start Date Displays the start date of the renewable contract line. You can change the start date if the system date is not within the start and end dates of the renewable contract line. However, if the system date is within the start and end dates of the renewable contract line, you cannot change this date.

End Date Displays the end date of the renewable contract line. You can change the end date if the system date is not within the start and end dates of the renewable contract line. However, if the system date is within the start and end dates of the renewable contract line, you cannot change this date.

Not to be Renewed Select this check box to indicate that the renewable contract line is not to be renewed. If you select this check box and the contract line is already linked to a renewal cycle, the system unassigns the line from the cycle. The Renewals Process does not process any contract lines for which this check box selected.

Renewal Action Select a renewal action or accept the default value. Possible values include: *Automatic* and *Manual.* If you change the value in this field for a renewable contract line that is linked to a renewal cycle with a different renewal action, the system unassigns the renewable contract line from the renewal cycle.

Review Timing Days Enter a value for the review timing. The number of days that you can enter in this field depends on the option that you specified for the Review Timing field on the Contracts Definition - Processing Options page. If you selected *Control* on the Contracts Definition - Processing Options page, you cannot enter a value here that is less than the review timing specified for the Contracts business unit. If you selected *Default* on the Contracts Definition - Processing Options page, you can enter any value in this field.

Renewal Plan/Cycle Click to access the Define Renewal Cycle page for the renewable contract line.

Hold Cycle Indicates whether or not the renewal cycle is on hold. This field is display-only.

Hold Reason Displays the reason that the cycle was placed on hold. This field is display-only.

Process Renewals Click to initiate the Renewals process for renewals with an *Automatic* renewal action.

Note. If multiple renewable contract lines are linked to the renewal cycle, you must select all lines linked to that cycle for renewal processing. In addition, you cannot select any renewable contract lines that are not linked to a renewal cycle, that are marked *Not to be Renewed,* or that have a renewal action of *Manual.*

Processing Renewals

This section provides an overview of renewal processing and discusses how to run the Renewals process.

Understanding Renewal Processing

The Renewals Application Engine (CA_RNW_PRCS) process creates the new renewable contract line, accounting distributions for the new contract line, billing plan, and revenue plan for the new contract line. After the system renews all contract lines and if there is at least one billing plan with a *Ready* status associated to the new contract line, the Renewals process schedules the Contracts Billing Interface (CA_BI_INTFC) process. After the Renewals process completes successfully, the system changes the renewal cycle status to *Done* on the Define Renewal Cycle page.

You can process renewals manually or have the system process them automatically. You can initiate the Renewals process from three locations:

- Process Renewals run control page.

  Initiate the Renewals process from this page. The program selects all renewal cycles and associated renewable contract lines to be processed that meet the selection criteria on the run control, have a renewal action of the renewal cycle that is *Automatic,* have a contract line status of *Active, Pending,* or *Cancelled,* have a renewal cycle that is not on hold, and have all renewable contract lines linked to the cycle selected.

  Note. The renewal process initiated from this page processes *Automatic* renewals only.

- Review Renewals page.

  Initiate the Renewals process by clicking the Process Renewals button on this page. The application engine processes the renewable contract lines that were selected on the Review Renewals page.

  Note. The renewal process initiated from this page processes *Automatic* renewals only.

- Define Renewal Cycle page.

  Initiate the Renewals process by clicking the Approve button on this page. The system calls the Renewals process to create the data for the new contract line.

  Note. The renewal process initiated from this page processes *Manual* renewals only.

Renewals Process Flow

Here are the steps that the system performs when processing renewals:

1. Retrieves all eligible renewable contract lines:
   - For automatic renewal processing, the system retrieves eligible renewable contract lines based on selection criteria or selected lines for automatic renewal processing.

- For manual renewal processing, the system processes the selected renewal cycle and associated renewable contract lines.

2. Updates the cycle status for all the renewal cycles to which the renewable contract lines are attached. If the cycle status is *Pending,* the system sets the cycle status to *Ready.*

Note. This step applies to *Automatic* renewals only.

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3. Updates the status of all the renewal plans to which the cycle is attached to *In Progress*.
4. Calls Enterprise Pricer to obtain the price for the new contract line. The system passes all Contracts price-by fields as well as the renewal cycle start date to Enterprise Pricer. The amount passed to Enterprise Pricer differs based on the price basis options.

Note. This step applies to *Automatic* renewals only.

---

5. Creates new renewable contract lines:
   - If one or multiple renewable contract lines are linked to the same cycle and the option *for each renewable line* is selected for the renewal cycle, the system creates a new contract line for each renewable contract line.
   - If one or multiple renewable contract lines are linked to the same cycle and the option *for all renewable lines* is selected for the renewal cycle, the system creates one new contract line.
6. Updates the source renewable contract line status to *Renewed.*
7. Assigns the next cycle to the new contract line that the system created. This step occurs only if more cycles are defined for the renewal plan.
8. Creates the accounting distribution for the new contract lines:

   The renewals process uses the value in the Accounting Distribution Option field on the Define Renewal Cycle page to determine whether to create the accounting distribution for the new contract line from the default or the source renewable contract line:

   - If the value in the Accounting Distribution Option field for the renewal cycle is *Inherit from Line,* the system uses the renewal cycle start date and the valid effective-dated row of the source renewable contract line's revenue, deferred revenue (if any), and unbilled Accounts Receivables (AR) accounting distribution based on the cycle start date to create revenue, deferred revenue, and unbilled AR accounting distribution for the new contract line.

     The renewal cycle start date replaces the effective date of the accounting distribution associated to the new contract line. The system also copies future-effective dated revenue, deferred revenue (if any), and unbilled AR accounting distribution of the source renewable contract line as the new contract line's accounting distribution.

- If the value in the Accounting Distribution Option field for the renewal cycle is *Default,* the system examines the distribution rule for the Contracts business unit to determine which distribution set to use for creating the revenue accounting distribution.

  If the deferred revenue recognition option is enabled at the product group level, the renewals process uses the revenue distribution code for a related deferred revenue distribution code when creating the deferred revenue accounting distribution. If no deferred revenue distribution code is associated with the revenue distribution code, no deferred revenue accounting distribution is created. If the unbilled AR distribution code is defined at the product group level and at the Contracts business unit level, the renewals process uses the unbilled AR accounting distribution code defined at the product group level for creating the unbilled AR accounting distribution. If no unbilled AR is defined at the product group level, the renewals process uses the unbilled AR distribution code define at the Contracts business unit level for creating the unbilled AR accounting distribution.

9. Calls the ChartField combination editing process to validate all accounting distributions.
10. If a billing plan template is defined on the run control (when the process is initiated from the Process Renewals run control page), the Renewals process uses this template to create the billing plan.

    Otherwise, the Renewals process uses the billing plan template defined for the renewal plan. If no billing plan template is defined for the renewal plan, the system uses the billing plan template defined for the product to create the billing plan. When the process is initiated from the Review Renewals page or Define Renewal Cycle page, if a billing plan template is defined for the renewal plan, the Renewals process uses this template to create the billing plan.

    If the Autoready Billing Plan option is selected for the renewal plan, the Renewals process creates the billing plan with a *Ready* status for the new contract line. Otherwise, the process creates the billing plan with a *Pending* status for the new contract line.
11. If a revenue plan template is defined on the run control (when the process is initiated from the Process Renewals run control page), the Renewals process uses this template to create the revenue plan.

    Otherwise, the Renewals process uses the revenue plan template defined for the renewal plan. If no revenue plan template is defined for the renewal plan, the system uses the revenue plan template defined for the product to create the revenue plan. When the process is initiated from the Review Renewals page or Define Renewal Cycle page, if a revenue plan template is defined for the renewal plan, the Renewals process uses this template to create the revenue plan.

    If the Autoready Revenue Plan option is selected for the renewal plan, the renewals process creates revenue plan with a *Ready* status for the new contract line. Otherwise, the process creates a revenue plan with a *Pending* status for the new contract line.
12. If a billing plan detail template override is defined on the run control (when the process is initiated from the Process Renewals run control page), the Renewals process uses this template for the billing overrides in the billing plan.

    Otherwise, the Renewals process uses the billing plan detail template ID defined for the renewal plan. If no billing plan detail template is defined for the renewal plan, the system uses the billing plan detail template defined for the product for the billing overrides in the billing plan. When the process is initiated from the Review Renewals page or Define Renewal Cycle page, if a billing plan detail template ID override is defined for the renewal plan, the Renewals process uses this template for the billing overrides in the billing plan.
13. Sets the renewal cycle status to *Done.*
14. If the Process Billing streamlining option is selected on the run control (when the process is initiated from the Process Renewals run control page) and there is at least one billing plan with a *Ready* status associated with the new contract line, the Renewals process schedules the Contracts Billing Interface (CA_BI_INTFC) through the Process Scheduler after all contract lines are renewed.

When the process is initiated from the Review Renewals page or Define Renewal Cycle page, if there is at least one billing plan with a *Ready* status associated with the new contract line, the Renewals process schedules the Contracts Billing Interface (CA_BI_INTFC) through the Process Scheduler after all contract lines are renewed.

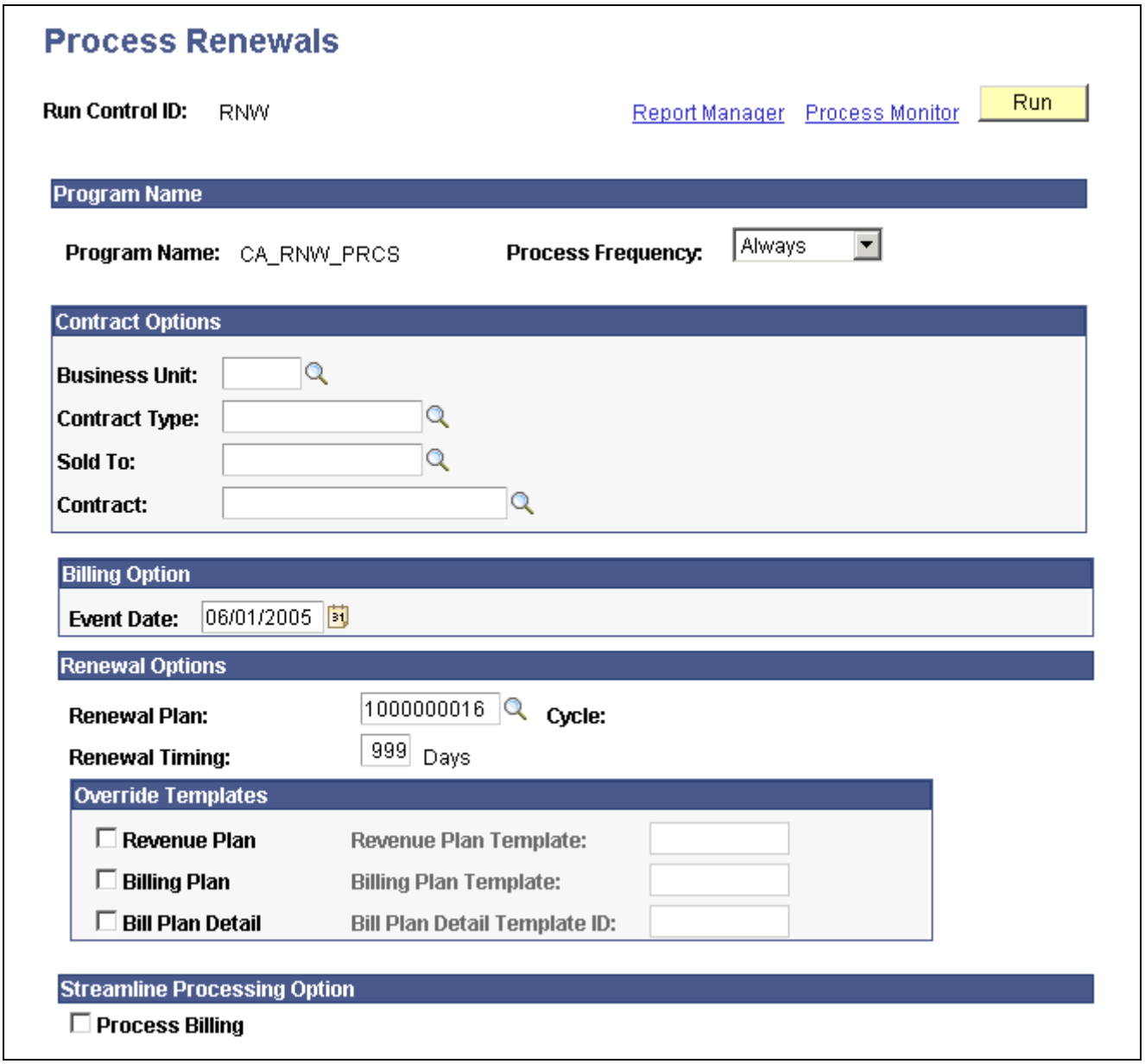
Note. When the Contracts Billing Interface (CA_BI_INTFC) is scheduled by the Renewals process, only the billing plans for the newly created contract lines are processed.

Page Used to Process Renewals

Page Name	Object Name	Navigation	Usage
Process Renewals	RUN_CA_RENEWALS	Customer Contracts, Schedule and Process Renewals, Process Renewals	Initiate the Renewals Process for automatic renewals.

Running the Renewals Process

Access the Process Renewals run control page.



Process Renewals run control page

Note. You can process only renewals with a renewal action of *Automatic* from this page. You process renewals with a renewal action of *Manual* from the Define Renewal Cycle page.

Contract Options

Use the fields in this group box to limit the renewals data that is included in the run of this process. Filter by Contracts business unit, contract type, sold to customer, or contract number. If you leave all fields blank, the process picks up all available renewals activity in Contracts.

Billing Option

Event Date Select an event date to run the Renewals process for a specific billing event date. The system populates this field by default with the current date. The

system uses this field to determine the billing plan events to pick up when running the Contracts Billing Interface (CA_BI_INTFC).

Renewals Options

Use the fields in this group box to limit the renewals data that is included in the run of this process. If you leave all fields blank, the process picks up all available renewals activity in Contracts.

Renewal Plan Select a renewal plan to run the Renewals process for a specific renewal plan. The fields in the Contract Options group box are based on the target contract defined in the renewal plan.

Cycle Displays the current cycle of the selected renewal plan.

Renewal Timing Specify the number of days for the renewal timing or leave this field blank. If you leave this field blank, the system processes all renewable contract lines that are linked to the renewal cycle and have a start date less than or equal to the current date. If you enter a value in this field, the system processes all renewable contract lines that are linked to the renewal cycle with a start date less than or equal to the current date plus the specified number of days that you entered here.

Override Templates

Revenue Plan Select this check box to override any previously defined revenue plan template for the renewal plan. If you select this check box, the Renewals process uses the revenue plan template that you specify in the Revenue Plan Template field on this page to create the revenue plan for the new contract line.

Revenue Plan Template Select a revenue plan template for the Renewals process to use to create the revenue plan for the new contract line.

The revenue plan template that you define here overrides any previously defined revenue plan template for the renewal plan. If you do not select a revenue plan template here, the Renewals process uses the revenue plan template previously defined for the renewal plan to create the revenue plan. If no revenue plan template was previously specified for the renewal plan and you do not select one here, the Renewals process uses the revenue plan template defined for the product to create the revenue plan for the new contract line.

Billing Plan Select this check box to override any previously defined billing plan template for the renewal plan. If you select this check box, the Renewals process uses the billing plan template that you specify in the Billing Plan Template field on this page to create the billing plan for the new contract line.

Billing Plan Template Select a billing plan template for the Renewals process to use to create the billing plan for the new contract line.

The billing plan template that you define here overrides any previously defined billing plan template for the renewal plan. If you do not select a billing plan template here, the Renewals process uses the billing plan template previously defined for the renewal plan to create the billing plan. If no billing plan template was previously specified for the renewal plan and you do not select one here, the Renewals process uses the billing plan template defined for the product to create a billing plan for the new contract line.

Bill Plan Detail Select this check box to override any previously defined billing plan detail template for the renewal plan. If you select this check box, the Renewals process uses the billing plan detail template that you specify in the Billing Plan Detail Template field on this page to define the billing overrides in the billing plan for the new contract line.

Bill Plan Detail Template ID Select a billing plan detail template ID. The Renewals process uses the values defined in this template for the Billing Overrides in the billing plan for the new contract line.

The billing plan detail template that you define here overrides any previously defined billing plan detail template for the renewal plan. If you do not select a billing plan detail template here, the Renewals process uses the billing detail plan template previously defined for the renewal plan to define the billing overrides in the billing plan. If no billing plan detail template was previously specified for the renewal plan and you do not select one here, the Renewals process uses the billing plan detail template defined for the product for the new contract line.

Streamline Processing Option

Process Billing Select to have the Renewals process call the streamline billing process for renewals. If you select this check box and there is at least one billing plan with a *Ready* status associated to the new contract line, the Renewals process will schedule the Contracts to Billing Interface (CA_BI_INTFC) process after all the contract lines are renewed.

CHAPTER 25

Amending Contracts

This chapter provides an overview of contract amendments and discusses how to work with amendments.

Understanding Contract Amendments

A contract amendment is any change made to an active contract where you are altering the fundamental obligations and entitlements of the contract; that is, you are changing or adding to the contract values that you specified in the Contract Entry component, on the Special Payment Terms page, or on the Related Project page. You make amendments to a contract by using the Amendment Processing feature.

Once a contract is active, you can create a new amendment or retrieve an existing pending amendment for additional editing by clicking the Amend Contract button on any page within the Contract Entry component, Special Payment Terms page, or Related Projects page. When you click the Amend Contract button, you access the Amendments page. If a pending amendment exists, your changes are added to it. If there is no existing pending amendment, the system creates a new amendment. On the Amendments page you can define the high-level details of the amendment, including the amendment type and amendment reason. The edits that you can make through Amendment Processing include activating *pending* contract lines, cancelling *active* contract lines, changing amounts on *active* contract lines, adding new contract lines, specifying new early out options, and so forth. You make changes to the contract's negotiated amount on the Amendment Details page. These high-level amendment details remain editable on the Amendment Details page as long as an amendment is in *pending* status.

When you save contract amendments, the system saves the new data in separate amendment tables and assigns the amendment an amendment number. The amount fields are updated with any changes that you make to the amended amount on the Amendment Amount Allocation page.

After you finish entering amendment data, set the status of the amendment to *ready*. If the amendment's process date is less than or equal to the amendment processing run date, the amendment is eligible to be applied by the Amendment Processing engine. You can process an individual amendment by clicking the Process Amendment button on the Amendment Details page, or you can process multiple amendments through the Amendment Processing page. When an amendment is processed, the system sets the amendments status to *completed,* and the values that you specified for that amendment become the current active contract values.

This section discusses:

- Amendment statuses
- Status flow for amendments
- Contract line cancellation
- Contract line amount changes
- Amendment processing
- Amendment example

Note. For contracts with a contract classification of *Government,* additional amendment rules apply.

See Also

PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook, "Managing Government Contracts," Understanding Amendments for Government Contracts

PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook, "Managing Government Contracts," Amending a Contract

Amendment Statuses

Amendment status controls when you can enter data into the system for an amendment, when the system can process an amendment, and when an amendment has been made effective. There are four status values for an amendment: pending, ready, complete, and cancelled.

Pending

Default status when you first create an amendment. All fields on a contract that are available for amendment processing are editable. A contract can have only one pending amendment at any given time. You manually update the status of an amendment from *pending* to either *ready* or *cancelled.* Once you have saved an amendment as *cancelled,* you cannot set the status back to *pending.*

Ready

A contract can have only one *ready* amendment at a time. You manually update the status of an amendment to *ready* on the Amendment Details page after you have captured all the information associated with the amendment.

When you select a status of *ready* and click Save, the system performs edit checks to ensure that the following are true:

- If the amendment added a fixed amount contract line, you must have selected the Allocation is Complete check box on the Amendment Amount Allocation Page.

  You do not need to select this check box for rate-based contract lines. You access the Amendment Amount Allocation page by clicking the Amendment Amount Allocation link on either the general tab of the Contract - Amendments page or the Amendment Details page.

- If the amendment added a contract line, the accounting distributions on the Accounting Distribution page must reference a valid general ledger ChartField combination.

You can manually update the status of a *ready* amendment to *pending* (if there are no current pending amendments for that contract) or *cancelled.* Once you have saved an amendment to a *cancelled* status, you cannot set the status back to *ready.*

Completed

The system updates the amendment status from *ready* to *completed* through Amendment Processing. For an amendment to be picked up by Amendment Processing, the status of the amendment must equal *ready,* and the amendment process date must be less than or equal to the run date that you specify on the Processing Amendments page.

Once an amendment is completed, the details that you specified within that amendment are added to the contract. You can think of an active contract as the sum of the original contract plus any subsequent *completed* amendments

applied to that contract. You can review the details of past amendments on the Contract - Amendments page.

Note. When you first activate a contract, the system considers that activation the first contract amendment (amendment number 0000000000).

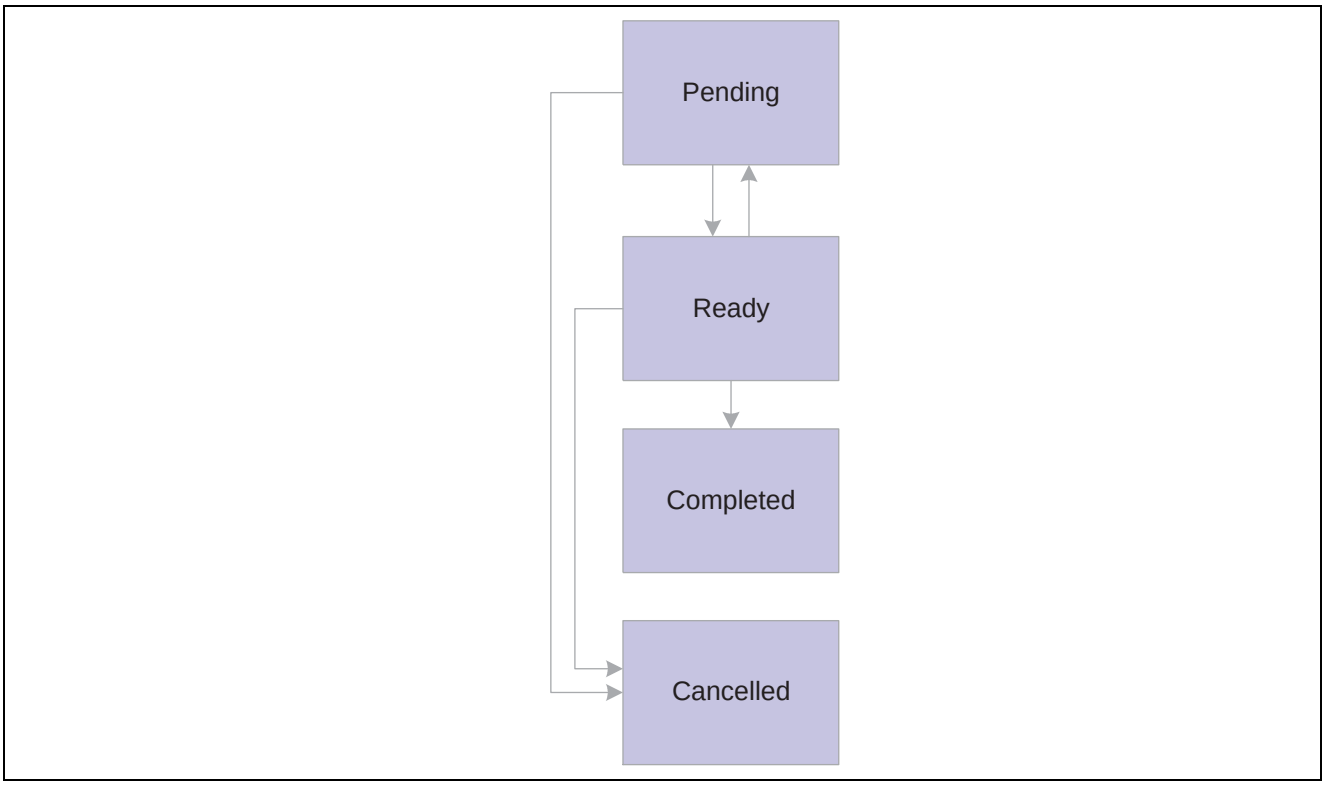
Cancelled

You can manually change the status of an amendment from *pending* or *ready* to *cancelled.* Once you have set an amendment to *cancelled* and clicked Save, that amendment is no longer editable.

Once an amendment has been set to a status of *complete,* it has become part of the active contract. You cannot change the status of an amendment from *complete* to *cancelled.* To cancel the effect of a completed amendment, you must initiate a new amendment to reverse the completed amendment.

Status Flows for Amendments

This diagram depicts the flow between amendment status values and the functionality for each value:



Status flow for contract amendments

Contract Line Cancellation

Canceling a contract line involves the following general steps:

- Choose to amend an active contract.
- Change a contract line’s status to cancelled.
- Choose whether to reverse amounts for billing and revenue events in progress.

When creating an amendment, you can cancel a contract line without unlinking billing and revenue plans if the contract lines are either amount or percent based. You have the option to reverse the amounts for current billing or revenue events using the Reverse Amounts option on the Amendment Amount Allocation page. If you select the Reverse Amounts option, you are indicating that you want to adjust billing and revenue retroactively for the cancelled contract lines and the system takes the contract line amounts back to zero. If you do not select the Reverse Amounts option, the system cancels the contract line and the amount that has been billed or recognized up to that point becomes the final value for the contract line at cancellation time.

These additional rules apply for cancelling renewable contract lines:

- You can cancel a renewable contract line.

  However, if a contract line is cancelled, you cannot renew that contract line.

- You can cancel a line from which a renewal has been created.

Note. To cancel a contract line with an associated billing plan that is 100 percent billed, you must select the Reverse Amounts option on the Amendment Amount Allocation page.

Note. If you have a shared *Immediate* billing plan, you can cancel the individual contract lines.

See Chapter 19, "Setting Up Billing Plans," Creating Billing Events, page 308.

Contract Line Amount Changes

You can increase or decrease a contract line amount for an amount/percent based contract line. General steps for changing a contract line amount are as follows:

- Choose to amend an active contract by selecting the Amend Contract button on the Contract - General page.
- Modify the contract line amount as a part of the amendment.
- Choose whether to retroactively adjust the billing and revenue events to match the new contract line amount or to affect future events only.

  When increasing or decreasing contract line amounts, you must choose whether to adjust billing and revenue retroactively or to adjust billing and revenue for future events only. If you choose to retroactively adjust the billing and revenue events to match the new contract line amount, the system automatically adjusts the current billing events based on the new amount. If you do not select this option, the system enables you to adjust future billing and revenue events only. The adjust billing and revenue choices are independent of each other and are can be selected on the Amendment Amount Allocation page.

- Review the billing plan and revenue plan to ensure they have been modified accordingly.

Note. You cannot decrease a contract line amount to be less than what has already been billed.

You can temporarily suspend services by cancelling the original contract line without selecting the Reverse Amounts option and adding a new contract line for the reinstatement (un-suspension) of the services.

Note. If the amount of revenue recognized is less than the amount billed and you make a change to the contract line amount, then the system sets the status of both the revenue plan and billing plan to *Action Required.*

If the amount of revenue recognized is greater than the amount billed, you cannot make a change to the contract line amount.

Amendment Processing

When all of the business rules are met, an amendment is processed and its status is set to complete.

Amendment processing differs depending on whether you are changing a contract line amount, or canceling a contract line. Reverse amount and retroactive options affect the billing plan events and revenue events differently depending on the type of plans attached to the contract line.

Here are some rules that apply to amendment processing:

- If a contract line has an associated billing plan that is *In Progress,* then the contract line cannot be amended or cancelled until the billing plan reaches a status of *Completed.*
- If a contract line has an associated revenue plan that is *In Progress,* then the contract line can be amended or cancelled.
- If a contract line has an associated billing plan that is *In Progress* and an associated revenue plan that is *In Progress,* then the contract line cannot be amended or cancelled until the billing plan reaches a status of *Completed.*
- If a contract line has an associated billing plan that is not yet *In Progress* or is already *Completed,* and an associated revenue plan that is *In Progress,* then the contract line can be amended or cancelled.

Amendment Example

In the following example, an amount-based contract line is amended by increasing the contract line amount. Two billing events are associated with the contract line. The system sets the billing plan to a status of *Action Required.* The system also automatically updates the percentage of the first event based on the new contract line amount. Then, the system adjusts the amount for the second billing event based on the adjusted percentage. See the example below:

- The contract line has two billing events associated with it.
- The billing plan has a method of *Milestone* using the percent functionality for the event.
- There has been no revenue processed against the revenue plan that is associated with this contract line.
- The billing plan on the amended contract line is not attached to any other contract line.

Here is the contract line:

Contract Amount	Contract Line	Billing Plan	Revenue Plan
1000.00 USD	1000.00 USD	*Milestone*	*Milestone*

Here are the billing plan events:

Event	Amount	Percent	Status	Amount per contract line
001	500.00 USD	50	*Complete*	Line 1: 500
002	500.00 USD	50	*Ready*	Line 1: 500

Here are the contract line amendment details after the system has processed the amendment:

Line Number	Amount	Adjust Retroactively
001	1500.00 USD (increased by 500.00 USD)	No (for billing plan)

Here are the event details after the system has processed the amendment:

Event	Amount	Percent	Status
001	500.00 USD	33.33	*Complete*
002	750.00 USD	50	*Ready*
003	250.00 USD	16.67	*Ready*

Note. The system sets the billing plan to a status of *Action Required* when the contract line amendment is processed. You must review the event and reallocate the plan to account for the amendment. Once you have reviewed the billing plan and made any necessary changes, click the Reviewed button to rebuild the billing schedule and to signify to the system that the plan is ready to continue with processing. Then, the system changes the billing plan status from *Action Required* to *In Progress*.

In the example above, when reallocating the plan, a third event with the remaining total of 250 USD was created (1500 USD – 500 USD – 750 USD = 250 USD). You must add the third event in order to take the plan out of *Action Required* status.

Common Elements Used in This Chapter

Amend Contract Click this button on any page within the Contract Entry component, Related Projects page, or Special Payment Terms page, to create an amendment or edit an existing pending amendment for an active contract.

Amendment or **Pending Amendment** Displays an amendment number. Upon the initial entry of a new amendment, the system automatically assigns the amendment a value.

The system records when you activate the contract as amendment number 0000000000. This represents the beginning of the amendment audit trail.

An active contract always shows the latest completed amendment in the Amendment field. The Pending Amendment field appears when you are in amendment mode. If you have a pending contract, these fields do not appear.

Amendment Amount Allocation Click to allocate the amendment amount to new lines.

Amendment Reason Displays an amendment reason, which provides viewers with a quick reference as to why an amendment was initiated. This field is for informational purposes only; no processing is keyed off of it.

Amendment Type Displays an amendment type, which is a high-level indicator that enables you to create categories of amendments. This field is informational only; no processing is keyed off of it.

Internal Notes Click to associate custom note text with this amendment.

Process Date	Displays the date on which the amendment is eligible for processing. When you run amendment processing, the system picks up any amendments with a status of *ready* and a process date less than or equal to the system run date.
Processing Status	Displays the contract's processing status.
Adjustment Type	Determines the type of adjustment needed. This is used when you process amendments. This term is used in the context of Billing and Revenue processing.
Retroactive Adjustment	Adjusts the Billing and Revenue events, which were processed (including in process) in the past only. It is implied here that future adjustments need manual intervention. This term is used in context of Billing and Revenue processing while processing amendments.
No Retro Adjustment	No adjustments are made to the Billing/Revenue events, which were processed (including "in process") in the past. The changes in amounts are adjusted by using future billing/revenue events only. This term is used in context of Billing and Revenue processing while processing amendments.
View Current	Click this button on any page within the Contract Entry component, Related Projects page, or Special Payment Terms page, to edit a pending amendment.

Working with Amendments

This section discusses how to:

- Create and edit amendments.
- Enter amendment details.
- Review and manage amendment details.
- Perform amendment allocation changes.
- Process amendments.

See Also

Chapter 7, "Structuring Contracts," Defining Amendments, page 66

Pages Used to Work with Amendments

Page Name	Object Name	Navigation	Usage
Contract - General	CA_HDR_PNL	Customer Contracts, Create and Amend, General Information, Contract - General	Click the Amend Contract button on any page within the contract component to create an amendment.
Special Payment Terms	CA_TERMS_PNL	Customer Contracts, Create and Amend, Special Payment Terms	Click the Amendment button to create an amendment.
Related Projects	CA_DETAIL_PROJ	Customer Contracts, Determine Price and Terms, Contract Terms, Related Projects	Click the Amendment button to create an amendment for rate-based contract lines.
Contract - Amendments	CA_CHG_HDR_PNL	Customer Contracts, Create and Amend, General Information, Contract - Amendments	Enter the initial amendment details when you first begin an amendment. View a list of all amendments made to a contract and navigate to the details of those amendments.
Amendment Details	CA_CHG_DTL_PNL	• Customer Contracts, Create and Amend, General Information, Contract - Amendments, Amendment Details • Click the Detail link on the General tab of the Contract - Amendments page.	Review and manage amendment details. Make changes to the amendment amount.
Amendment Amount Allocation	CA_AMEND_PRICE_PNL	Customer Contracts, Determine Price and Terms, Amendment Amount Allocation	Allocate the amended negotiated change amounts and discounts to the amended contract lines.
Process Amendments	RUN_CA_CHG	Customer Contracts, Create and Amend, Process Amendments	Process amendments with a status of *ready.*

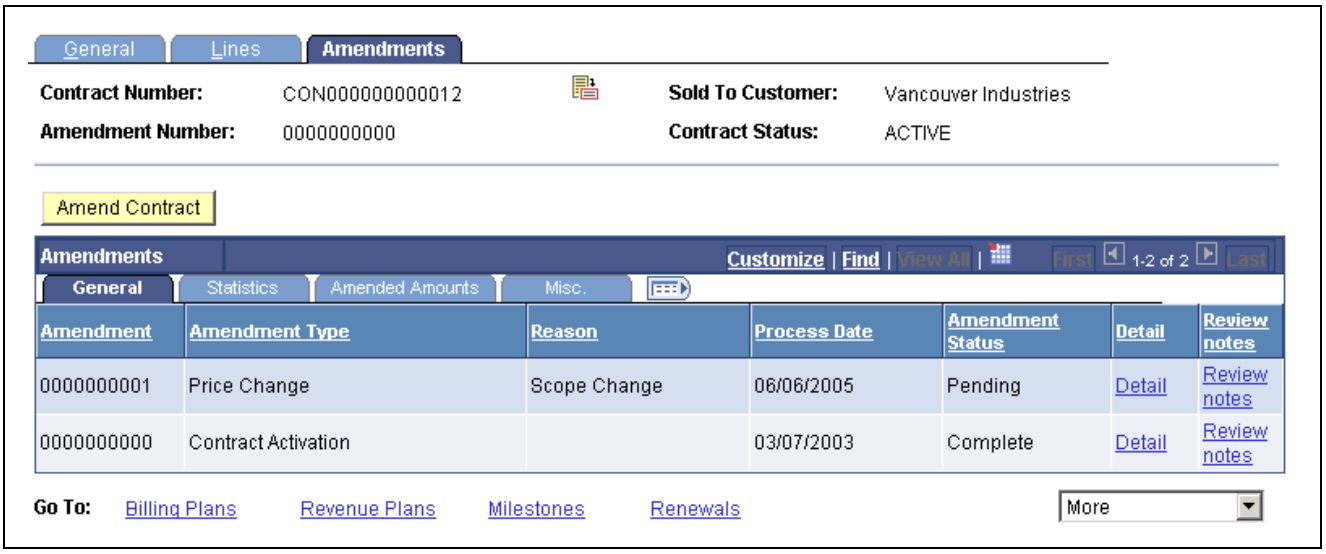
Creating and Editing Amendments

Access the Contract - General, Special Payment Terms, or Related Projects page.

Click the Amend Contract button.

Entering Amendment Details

Access the Contract - Amendments page.



Contract - Amendments page

Amendments - General

Select the Amendments - General tab.

Detail Click to enter details, such as the negotiated amount and discount change of the contract attributes that are being amended.

Review Notes Click to review notes attached to this amendment.

Amendments - Statistics

Select the Amendments - Statistics tab.

Entered On Displays the system date and time indicating when an amendment was first saved.

Entered by Displays the ID of the user who entered the amendment.

Change Received By Displays the ID of the user who received this amendment.

Change Received Date Displays the system date and time indicating when an amendment was received.

Amendments - Amended Amounts

Select the Amendments - Amended Amounts tab.

The negotiated amount, discount or surcharge change, cancelled negotiated amount, cancelled discount amount, net change, and deferred revenue accounting date that you defined for this amendment on the Amendment Details page appear. The system automatically sums the totals for the cancelled negotiated amount and cancelled negotiated discount amount based on the lines that you cancelled with this amendment.

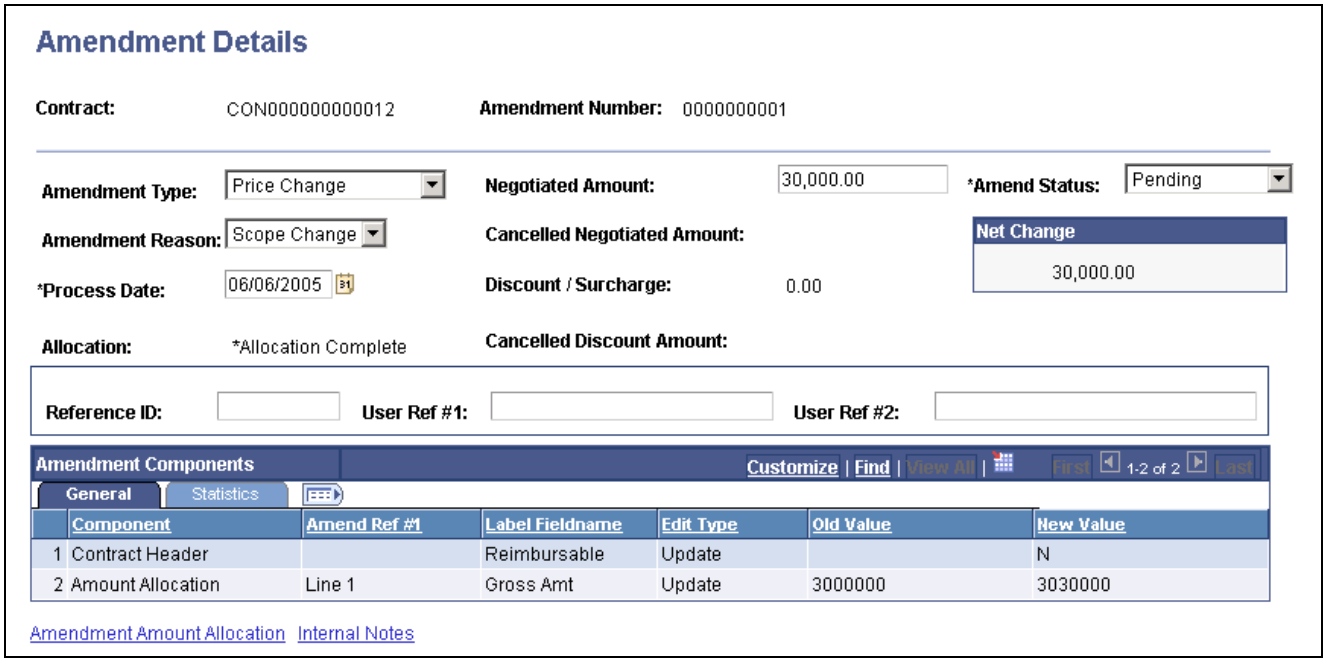
Amendments - Misc.

Select the Amendments - Misc. (amendments - miscellaneous) tab.

Use the Reference ID, User Ref #1 (user reference number 1), and User Ref #2 (user reference number 2) fields to add additional reference information to an amendment. The data that you enter in these fields is informational only; no processing is keyed off of these values.

Reviewing and Managing Amendment Details

Access the Amendment Details page.



Amendment Details page

Amend Comp. Dt. (amendment completion date) — Displays the date on which the amendment status is set to *Complete.* This date is set by the amendment processing engine. This field appears only if the amendment is set to *Complete.*

Process Amendment — Click to process this amendment online. This button appears only if you have an amendment that is set to *ready.*

Negotiated Amount — Enter any additions being made to the contract's negotiated value by this amendment. You can edit this value when the contract is in *pending* status.

Amend Status (amendment status) — Displays the current amendment status.

Cancelled Neg. Amount (cancelled negotiated amount) — Displays the sum of the negotiated amounts of all contract lines that you have cancelled as part of this amendment.

Discount Change — Displays any discount amounts being added to the contract by this amendment. You can enter a discount on the Amendment Amount Allocation page for new contract lines added through the current amendment.

Allocation — When you have selected the Allocation is Complete check box on the Amendment Amount Allocation page, the system populates this field with *Allocation Complete.*

Cancelled Neg. Disc Amt (cancelled negotiated discount amount) Displays the sum of the discounts of all contract lines that you have designated as *cancelled* as part of this amendment.

Dfr Rev Acct Dt (deferred revenue accounting date) Enter the date to be used as the accounting date for the deferred revenue associated with any amended amounts.

The following fields that were established on the Contract - Amendments page are editable as long as the amendment status is *pending:*

- Amendment Type
- Amendment Reason
- Process Date
- Amend Status

In addition, these fields that were established on the Misc. tab of the Contract - Amendments page are editable as long as the amendment status is *pending:*

- Reference ID
- User Ref #1
- User Ref #2

Amendment Components - General

Select the Amendment Components - General tab.

Component Displays a description of the record where the change occurred. For example, if you made a change on the Contract - Lines page, the system displays *Contract Line* in this field.

Amend Ref #1 Displays additional information about each change, to provide context for the amendment when you view amendment details out of context. You can have multiple changes for a single amendment. The system captures each individual change that you make and stores it in a consolidated amendment detail table.

For example, if you changed the status of contract line number 1, the system stores the description of the product on line number 1 along with the new status value. The values in this column therefore vary depending on what you changed.

Label Fieldname Displays the label from the page associated with the field that you changed.

Edit Type Displays the action performed on the field that you changed. Values are:

Insert: You added a new row.

Update: You changed an existing row.

Old Value Displays the original value that is being changed by the amendment for *Update* edit types.

New Value Displays the new value that is the result of the amendment for *Update* edit types.

Amendment Components - Templates

Select the Amendment Components - Templates tab.

Select Revenue Plan, Billing Plan, or Billing Plan Detail templates to automate the creation of revenue and billing plans.

Amendment Components - Statistics

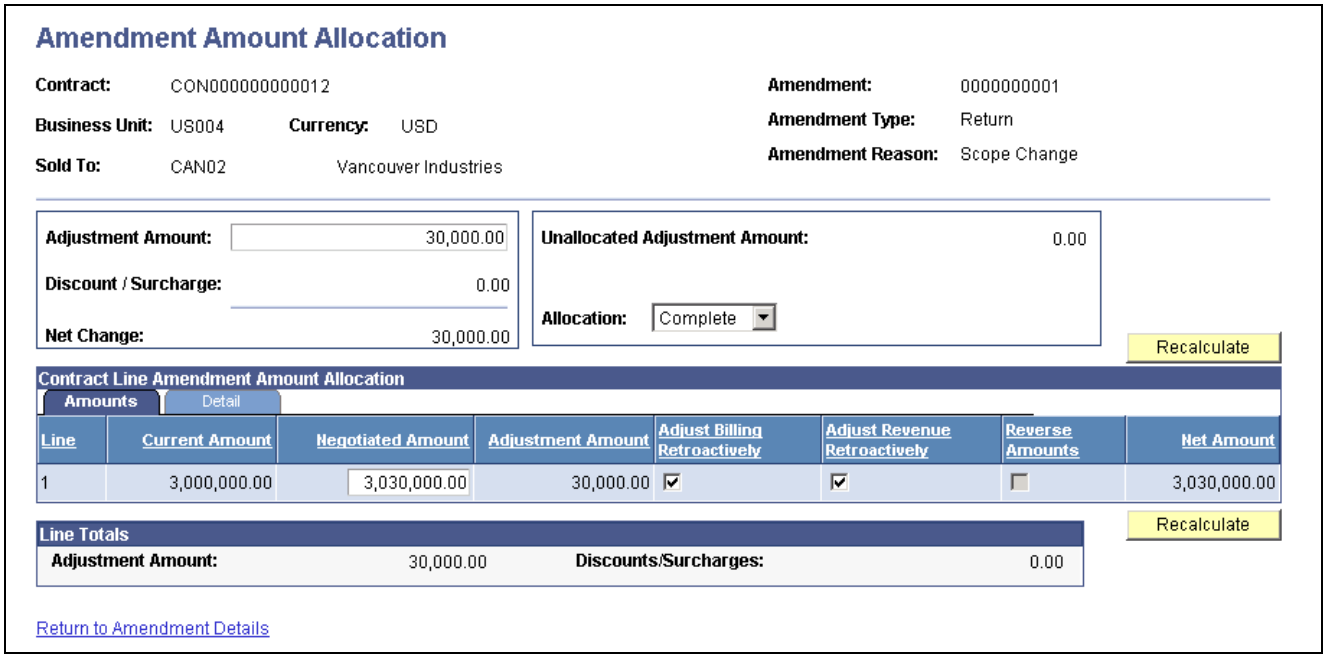
Select the Amendment Components - Statistics tab.

Entered by Displays the ID of the user who entered the amendment.

Entered On Displays the system date and time indicating when an amendment was first saved.

Performing Amendment Allocation Changes

Access the Amendment Amount Allocation page.



Amendment Amount Allocation page

Adjustment Amount Displays the total amendment amount. This total can be an amount increase or decrease. The amount in this field must equal the sum of the Adjustment Amount values for all contract lines before you can select *Complete* in the Allocation field.

Discount/Surcharge Displays the total discount or surcharge amount for this amendment.

Net Change Displays the net amount, which the system calculates by subtracting the discount amount from the adjustment amount.

Unallocated Adjustment Amount Displays the total contract negotiated amount that you have not allocated to a specific contract line. When you have finished allocating the negotiated contract amount to the contract lines, the value of this field equals zero.

Allocation Select the status of amount allocations. Values include:

- *Incomplete:* This value appears by default and indicates that amount allocation has not been completely performed for amended amounts.
- *Complete:* Select this value once you have allocated any contract line amount changes across all eligible amount-based contract lines. Selecting *Complete* initiates system edit checking to ensure that you have fully allocated all adjustment amounts and discounts to the amendment contract products. An error message appears if the page fails edit checking.

Note. If you allocate to contract lines based on their percentages of the total contract negotiated amount, after entering and applying percentages that total 100, you may be required to allocate the rounding difference as a fixed amount to one of the contract lines before you can select *Complete* in the Allocation field.

Note. You cannot ready the amendment until you have successfully set the Allocation option to *Complete* and saved the page.

Recalculate When you click Recalculate, the system calculates the adjustment amount by summing the gross amounts that you have allocated to the individual contract lines.

Contract Line Amendment Amount Allocation - Amounts

The system displays all amendment contract lines with an active status.

Note. Contract lines representing rate-based and recurring products are informational only; you do not perform allocations on these contract lines or link them to header or line discounts.

Line Displays the contract line number for each product that you selected onto a contract line and saved with an active status.

Current Amount Displays the contract line's current amount.

Negotiated Amount If the value of a contract line is equal to a fixed amount, enter that amount. When you first access this page, the negotiated amount is set to the current amount that you defined for the product.

Adjustment Amount Displays the amount adjusted for the contract line. The sum of the adjustment amounts for all contract lines must equal the amendment's negotiated amount.

Adjust Billing Retroactively You can select this option when changing an amount or percent-based contract line. When selected, this option updates amounts that have already been billed, and sets the bill plan status to *Action Required.* When this option is not selected, the system does not touch already billed amounts, and updates percentages for *Completed* bill plan events. Any bill plan event that is *In Progress* will prevent the amendment from being processed. The option can also be selected at the business unit level, and overridden at the contract line level.

Note. This field is available for entry once you have entered a value in the Negotiated Amount field.

Note. When the billing plan status is *Action Required,* you must access the billing plan and manually update the plan by adding or reversing events.

Adjust Revenue Retroactively When selected, this option enables the system to update revenue plan amounts. The revenue plan status for events is set to *Action Required.* You must then manually update the revenue plan. When this option is not selected, the system does not touch already recognized revenue amounts. Percentages are updated for *Completed* revenue events. For pending and ready events, the system will not change percentage amounts calculated on the new amount total.

Note. This field is available for entry once you have entered a value in the Negotiated Amount field.

Note. When the revenue plan status is *Action Required,* you must access the revenue plan and manually update the plan by adding or reversing events.

Reverse Amounts This option is only available when canceling an amount- or percent-based contract line. When selected, the contract line is brought down to zero. The system cancels discounts and surcharges for the contract line, the system puts the billing plan on hold and updates the bill plan event status to *Action Required.* Finally, adjustments are made to already billed amounts. When this option is not selected, and a contract line is canceled as part of an amendment the system checks whether there are any bill plan events in progress and whether the revenue plan has been completed. Amounts are adjusted accordingly.

Note. To cancel a contract line with an associated billing plan that is 100 percent billed, you must select Reverse Amounts.

D/S (discounts and surcharges) Click to access the Line Discounts and Surcharges page, where you can assign line-specific discounts and surcharges to the contract line. You can add discounts and surcharges only to new contract lines added through the current amendment.

Note. When you assign discounts and surcharges to a contract line, the system generates discount- and surcharge-specific accounting distributions on the Accounting Distributions Discounts and Surcharges page.

Net Amount Displays the net amount, which the system calculates by subtracting the total discounts that you specified for an product from the negotiated amount that you allocated to that product.

Recalculate When you click Recalculate, the system recalculates the adjustment amount, net change, and line total adjustment and discount amounts.

Contract Line Amendment Amount Allocation - Details

Price Type Dictates the processing that can occur against the product. Options include:

Amount: You can allocate the negotiated amount to an amount-based product by either specifying the percent to allocate of the total contract amendment negotiated amount represented by an individual contract line, or by entering the specific amount represented by an individual contract line in the Negotiated Amount field.

Percent: If you have any percent based products (Price Type equals *PCT*) on your amendment, the system converts the products to amount based products (Price Type equals *AMT*) and gives them a value of $0.

Rate or *Recurring:* Rate-based and recurring products are not factored into the contract-negotiated amount.

Fee Type This field appears for contracts with a contract classification of *Government.*

See *PeopleSoft Enterprise Contracts for Government Contracting 8.9 PeopleBook*, "Managing Government Contracts".

Extended Price Displays the list price multiplied by quantity.

Line Totals

Adjustment Amount Displays the total allocated adjusted amount for all contract lines for this amendment.

Discounts/Surcharges Displays the total line level discounts and surcharges associated with this amendment.

See Also

Chapter 12, "Pricing Contracts," page 143

Processing Amendments

Access the Process Amendments page.

Process all Ready amendments Select the range of amendments on which this process will run:

All: Include all contract amendments with an amendment status of *ready* and a process date that is less than or equal to the run date.

Value: Include only a specific contract. If you select *Value,* you must then specify a contract number. The process then includes only all amendments belonging to the specified contract number, with an amendment status of *ready,* and with a process date less than or equal to the run date.

CHAPTER 26

Maintaining Support Teams

This chapter provides an overview of support teams and discusses how to use support teams for email notification.

Understanding Support Teams

This section discusses:

- Support team maintenance.
- Email notification.
- Email lists.

Use support teams to better track the employees at a company that are associated with a contract. When setting up employees as team members, associate them with a function. When you add a support team to a contract, you gain visibility for who in your company is associated with a contract and in what capacity. For example, you can associate the contract with a salesperson, sales support person, contract administrator, project manager, receivables contact, and billing contact.

See Also

Chapter 7, "Structuring Contracts," Defining Email Notifications, page 63

PeopleSoft Enterprise Order to Cash Common Information 8.9 PeopleBook, "Maintaining Additional Customer Information," Setting Up Customer Support Personnel

Enterprise PeopleTools PeopleBook: PeopleSoft Enterprise Workflow

Support Team Maintenance

Once you associate a support team with a contract, you can make contract-specific edits to the support team, adding or deleting team members as applicable to the given contract. You can associate multiple support teams to the contract header. For example, you might set up several support teams to reflect different contract cycles. You might have a sales support team consisting of the salesperson, sales support person, and so on. You might have an administration support team consisting of the contract administrator, the billing contact, the support contact, and so forth.

The support team for a contract can change during the lifetime of a contract. You can edit a support team at any time. Effective dating of the support team ensures that you always have a record of changes made to the support team. When making a change to a support team, the system reflects the change immediately in Contracts.

Email Notification

Use email notification in PeopleSoft Enterprise Workflow to notify employees of a change to the status of a contract or to the status of one of the contract components. You can define separate email notifications for each status of a given component, or you can use a wildcard (%) in the status field to define email notification for a change to any status levels of a given component.

When configuring your Contracts system, you optionally designated email notifications at the Contracts business unit level and at the contract type level. When creating a contract, you can optionally enable email notification at the contract level. The system uses the following hierarchy to determine which established set of email notification parameters to use:

1. Contract number.
2. Contract type.
3. Contract business unit.

When you enable email notification for Contracts, you can trigger email notes to all team members or just the team manager, or you can skip email altogether. Additionally, you can send email to anyone else not on the support team by adding a list of email addresses onto the Support Team by Contract page.

Email Lists

When creating email lists for Contracts email notification, you can use support team functionality, enter individual email addresses onto the email notification pages, or use a combination of the two. We recommend that you use support team functionality to more easily manage the contract support personnel across your organization. You can maintain a support team that you use across multiple contracts from a single location.

For example, let's say you define a support team code of WESTREGCONS to support your western region consulting practice. The support team code contains the practice manager, contract administrator, and finance manager. You create 100 contracts for this consulting practice. For each contract, at the contract level you enable email notification for the WESTREGCONS support team. If the contract administrator leaves and you hire a new contract administrator, you replace the old contract administrator with the new contract administrator in the WESTREGCONS support team code and the new contract administrator is immediately added to the email notification lists for the consulting practice's contracts. If you had manually added the old contract administrator to receive email notification for component status changes of each contract, you must manually update the email list on each of the 100 contracts.

Note. If you change the contract administrator in your support team code, the system does not automatically change the value in the contract administrator field on the contract component.

Using Support Teams for Email Notification

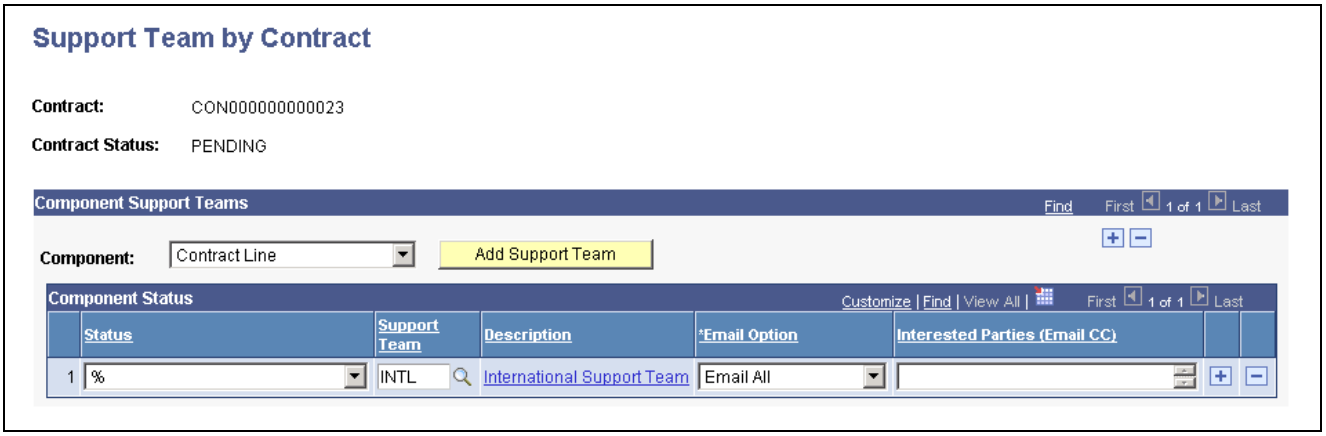
This section discusses how to set up support teams for email notification.

Page Used to Use Support Teams for Email Notification

Page Name	Object Name	Navigation	Usage
Support Team by Contract	CA_EMAIL_CONTR	Customer Contracts, Create and Amend, Support Teams	Define the support teams and email lists to be used for the workflow that you associate with the different activities within Contracts.

Defining Support Teams

Access the Support Team by Contract page.



Support Team by Contract page

Contract The support team and email address that you establish on this page is specific to this contract number.

The fields on this page are identical to those on the Support Teams by Contract Business Unit page.

See Also

Chapter 7, “Structuring Contracts,” Defining Email Notifications, page 63

CHAPTER 27

Creating Notes

This chapter provides an overview of contract notes and discusses how to:

- Create notes for Contracts components.
- Create notes to include on bills.

Understanding Contract Notes

Contracts enables you to associate notes with Contracts components, including the contract header, contract line, amendment, contract milestone, bonus or penalty, early out option, revenue plan, and billing plan. Unlike the notes that you associate for billing plans from within the billing plan component (where the notes flow to Billing for inclusion on the bill that is sent out to customers), these internal notes do not flow outside of the Contracts system. Use these notes to create reminders for a contract administrator, or to add additional details to a contract that might not otherwise be captured.

Creating Notes for Contracts Components

When entering notes for Contracts components, either create standard notes by selecting a standard note code that you defined on the Standard Notes page, or create custom notes by keying in custom text on the Notes page. Any notes that you create for a contract are visible to Contracts users from the Notes page.

This section discusses how to define notes for Contracts components.

Page Used to Create Notes for Contracts Components

Page Name	Object Name	Navigation	Usage
Notes	CA_NOTES	You can access the Notes page through multiple navigation paths. This list presents the 4 most frequently used paths. The primary path appears first. • Customer Contracts, Create and Amend, Contract Notes • Click the Internal Notes link from any page in the Contract component. • Click the Internal Notes link on the Revenue Plan page. • Click the Internal Notes link on the Billing Plan General page.	Add, view, or modify associated notes to the contract components. The notes that you define for these components are informational only; no processing occurs against these notes.

Defining Notes for Contracts Components

Access the Notes page.



Notes page

Contract Displays the number of the contract component from which you clicked the Notes button. From this page you can view existing notes and add new notes to the contract number and contract component combination.

Notes Contents

Component Select the contracts component for which you want to associate a note. Additional fields appear on the page based on your selection in this field. Values are:

- *Amendments:* Select an amendment number.
- *Billing:* Select a billing plan.
- *Bonus/Penalty:* Select an incentive identification number.
- *Contract Header:* There are no additional fields.
- *Contract Line:* Select a contract line number.
- *Contract Milestone:* Select a milestone number.
- *Early Out Options:* Select an early out option code.
- *Revenue:* Select a revenue plan.

Classification Select a classification. Values are:

Custom: Select to create a custom note. With this option, you must manually enter your custom note in the Text field.

Standard: If you select a classification of *Standard,* you must select a standard note code.

Standard Note Code Select a standard note code. The text defined for the standard note code appears in the Text field. This text is display-only.

Last Update and **Last Changed By** The system stamps the note with the system date, time, and your user ID when you click *Save.*

Creating Notes to Include on Bills

In addition to creating notes for internal contract components, Contracts enables you to associate notes with billing plans and billing plan events from within the billing plan component. The system sends billing plan component notes to Billing for inclusion on customer invoices.

See Also

Chapter 19, “Setting Up Billing Plans,” Pages Used to Define Billing Plans, page 299

CHAPTER 28

Managing Contracts

This chapter provides an overview of contracts and discusses how to:

- Create a personal contract list.
- Review contract summaries.
- Review contract details.

Understanding Contracts

The information within a contract controls multiple business processes. Users within different departments might be responsible for setting up a contract, administering the billing for the contract, administering the revenue recognition for the contract, processing any amendments for that contract, and so forth.

Effective contract management requires the ability to analyze contracts quickly and easily to gain insight into the specifications of the contract. The My Contracts page provides you with a view of a contract's status and the customer, as well as a drill-down link to that contract. The Contract Summary page provides a more detailed view of contract specifications, such as products or services being sold, as well as the value of the contract. Inquiry pages enable you to review contract details.

Creating a Personal Contract List

This section discusses how to use the My Contracts page to:

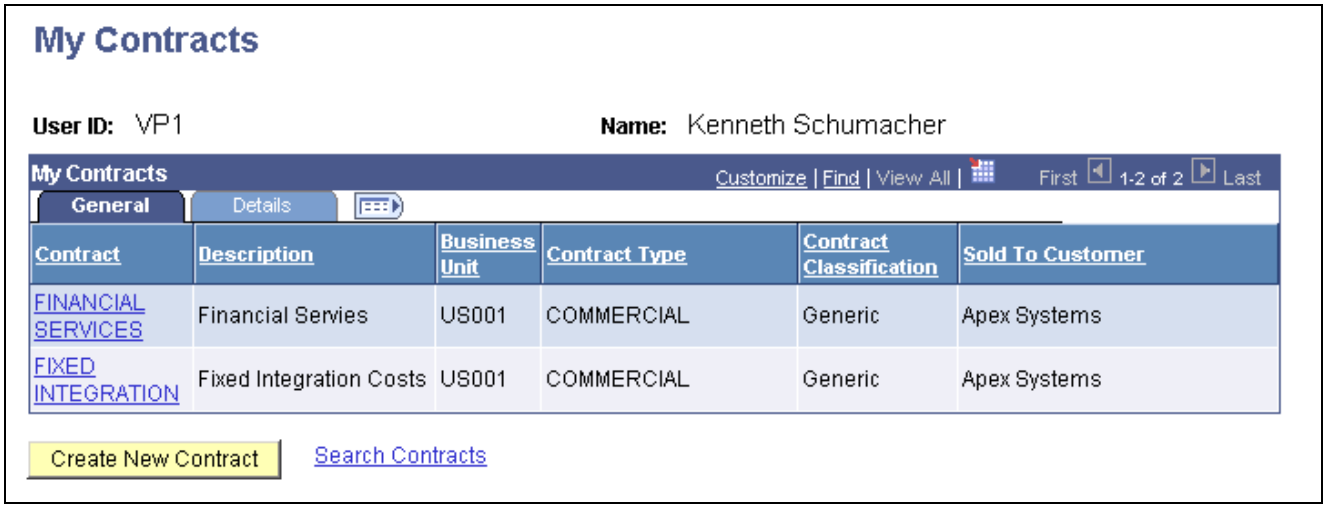
- View your contracts.
- Create a personal contract list by grouping contracts on a single page for quick access.

Pages Used to Create a Personal Contract List

Page Name	Object Name	Navigation	Usage
My Contracts	CA_MYCONTRACTS	Customer Contracts, My Contracts	View a list of contracts that you are actively tracking or managing. The My Contracts page provides you with a view of a contract's status and customer, and a drill-down link to that contract.
Search Contracts	CA_MYCONTRACT_LIST	Click the Search Contracts link on the My Contracts page.	Create a list of contracts that you are actively tracking or managing. Use this page to add contracts to your My Contracts page. Use search criteria at the top of the page to view list of existing contracts matching the specified criteria. You can then add the displayed contracts to the My Contracts page.

Viewing My Contracts

Access the My Contracts page.



My Contracts page

When you first access this page, the system displays only those contracts that you previously selected into your My Contracts list.

Contract Click the links in this column to access the General Information page for more information on a specific contract.

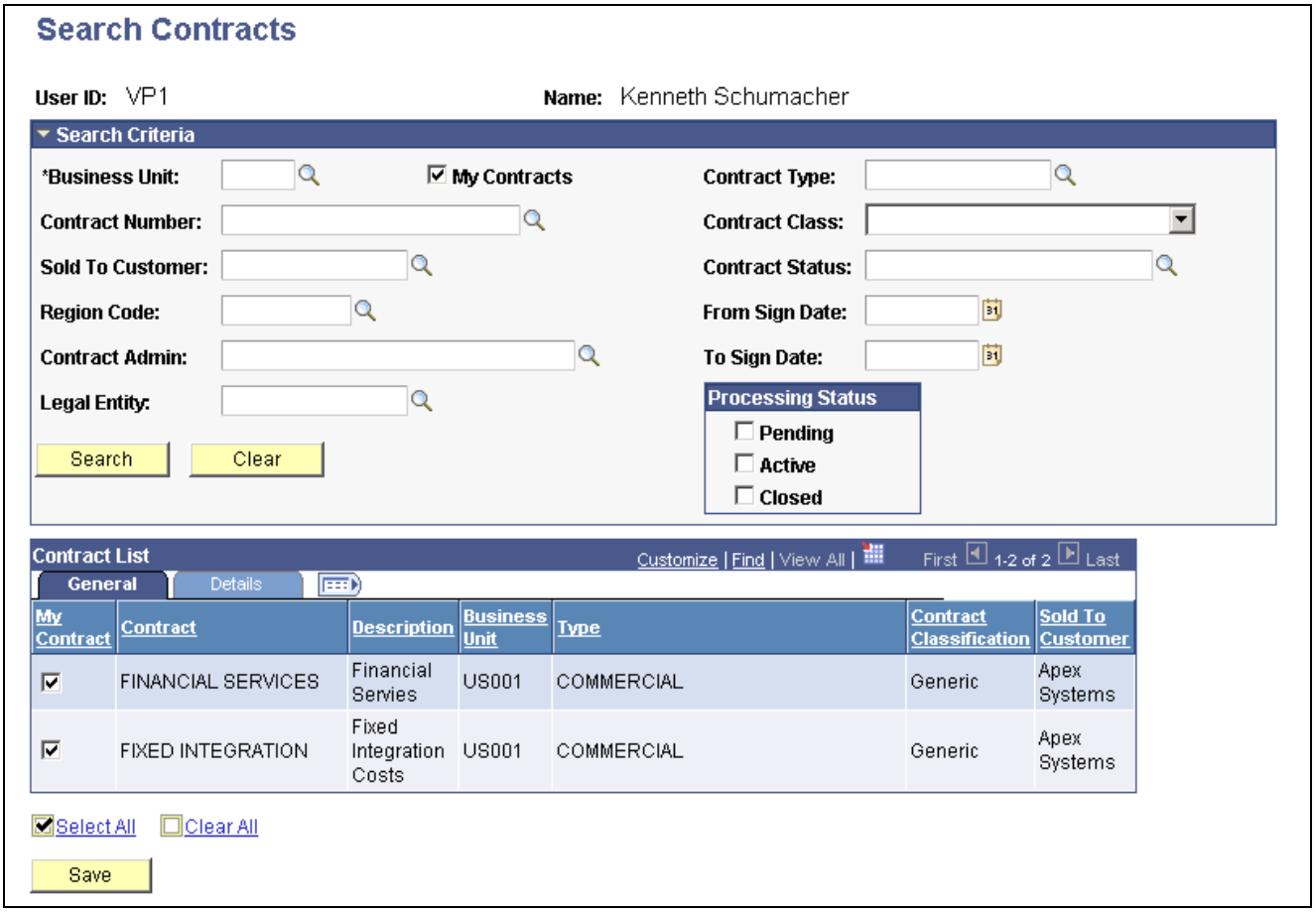
Create New Contract Click this button to add a new contract on the Contract - General page.

Search Contracts Click this link to open the Search Contracts page that enables you to view a list of contracts based on specified search criteria. You can select contracts to add to your My Contracts page from this location.

Contract Total Displays the contract's current total amount. This is the same value that displays in the Estimated Total field on the Contract - General page (Estimated Total equals the Revised Gross minus the Revised Discount (or plus the Surcharge) plus Non-inclusive Prepaids plus the Estimated Amount).

Creating a Personal Contract List

Access the Search Contracts page.



Search Contracts page

When you first access this page, the system displays only those contracts that you previously selected into your My Contracts list.

Search Criteria

Enter specific search criteria to filter the results. If you leave these fields blank, the search returns all contracts. If you've enabled security, the system limits the list of returned contracts to those that you have permission to access.

My Contracts If you select this check box in addition to other search criteria, the system searches for only those contracts that are included in your My Contracts list. When you access this page, the system automatically selects this check box.

Processing Status Select a check box to limit the search to contracts that are *Pending, Active,* or *Closed.* You can select multiple processing statuses.

Contract List - General Tab

Select the General tab.

My Contract Select or clear to add or remove a contract to your My Contracts list.

Contract List - Details Tab

Select the Details tab.

My Contract Select or clear to add or remove a contract to your My Contracts list.

Edit Click to access the Contract - General page where you can manage the details of the specific contract.

Contract Total Displays the contract's current total amount. This is the same value that displays in the Estimated Total field on the Contract - General page (Estimated Total equals the Revised Gross minus the Revised Discount (or plus the Surcharge) plus Non-inclusive Prepaids plus the Estimated Amount).

Reviewing Contract Summaries

Contract summaries are vital pieces of information for all organizations. The Contract Summary page enables you to view existing contract-related information, such as where the contract is in its lifecycle, associated amendments, and contract amounts (including total amount invoiced, total cash collected, total revenue recognized, and total forecasted revenue).

This section discusses how to:

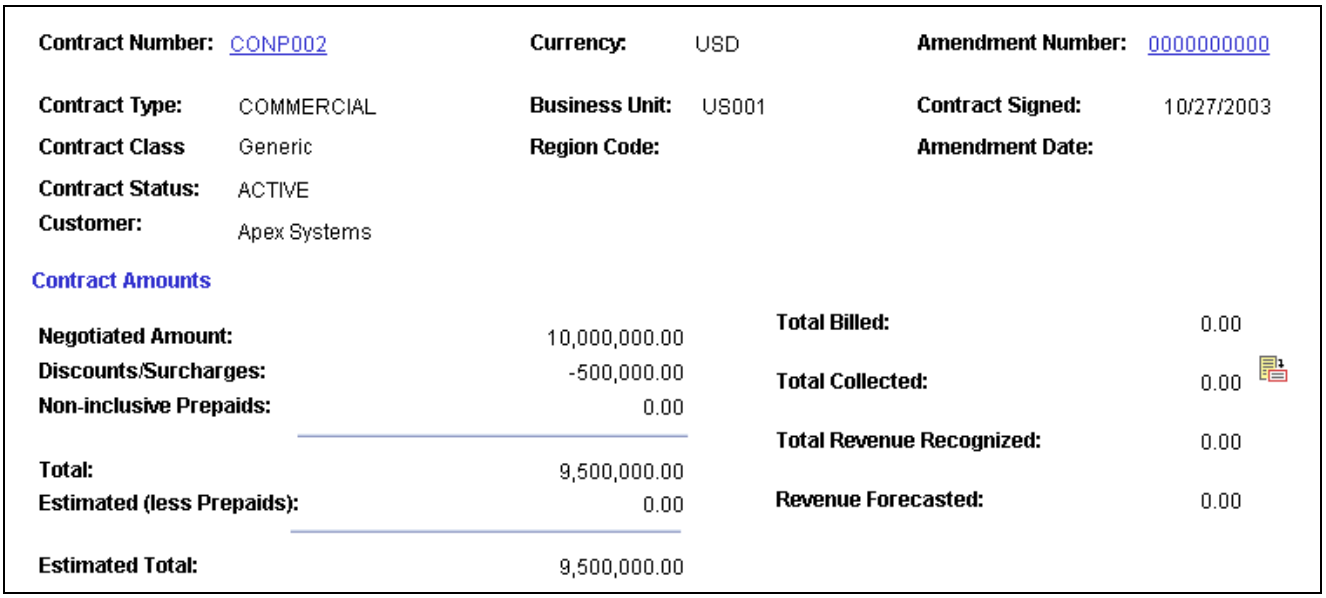
- Review contract summaries.
- Review contracts AR items.

Pages Used to Review Contract Summaries

Page Name	Object Name	Navigation	Usage
Contract Summary	CA_CONTR_SUM_PNL	Customer Contracts, Review Contract Summary, Contract Summary	Review contract summary details.
Contracts AR Items	CA_CONTR_ITEM	 Click the Contracts AR Items button on Contract Summary page.	Review and edit AR item information.

Reviewing Contract Summaries

Access the Contract Summary page.



Contract Number: CONP002 **Currency:** USD **Amendment Number:** 0000000000

Contract Type: COMMERCIAL **Business Unit:** US001 **Contract Signed:** 10/27/2003

Contract Class Generic **Region Code:** **Amendment Date:**

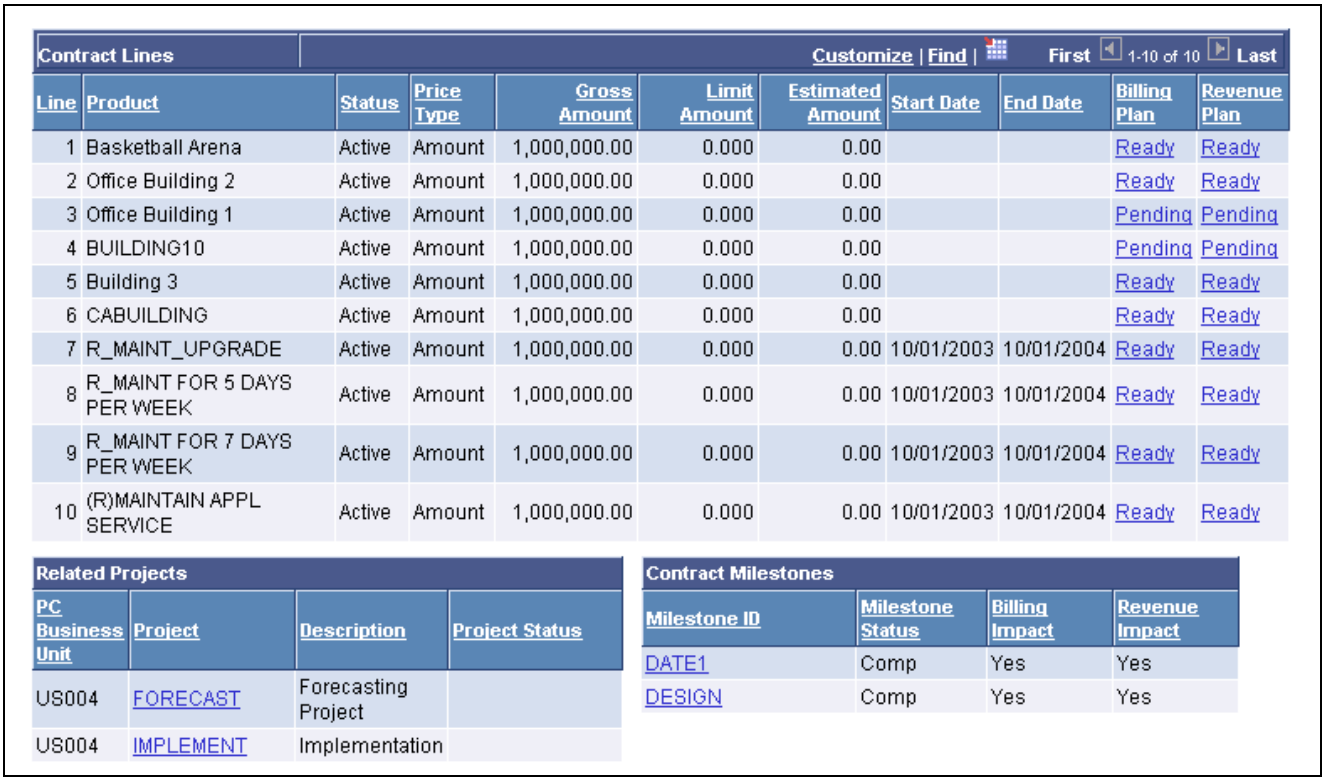
Contract Status: ACTIVE

Customer: Apex Systems

Contract Amounts

Negotiated Amount:	10,000,000.00	**Total Billed:**	0.00
Discounts/Surcharges:	-500,000.00	**Total Collected:**	0.00
Non-inclusive Prepaids:	0.00	**Total Revenue Recognized:**	0.00
Total:	9,500,000.00		
Estimated (less Prepaids):	0.00	**Revenue Forecasted:**	0.00
Estimated Total:	9,500,000.00		

Contract Summary page (1 of 2)



Contract Lines Customize | Find | First 1-10 of 10 Last

Line	Product	Status	Price Type	Gross Amount	Limit Amount	Estimated Amount	Start Date	End Date	Billing Plan	Revenue Plan
1	Basketball Arena	Active	Amount	1,000,000.00	0.000	0.00			Ready	Ready
2	Office Building 2	Active	Amount	1,000,000.00	0.000	0.00			Ready	Ready
3	Office Building 1	Active	Amount	1,000,000.00	0.000	0.00			Pending	Pending
4	BUILDING10	Active	Amount	1,000,000.00	0.000	0.00			Pending	Pending
5	Building 3	Active	Amount	1,000,000.00	0.000	0.00			Ready	Ready
6	CABUILDING	Active	Amount	1,000,000.00	0.000	0.00			Ready	Ready
7	R_MAINT_UPGRADE	Active	Amount	1,000,000.00	0.000	0.00	10/01/2003	10/01/2004	Ready	Ready
8	R_MAINT FOR 5 DAYS PER WEEK	Active	Amount	1,000,000.00	0.000	0.00	10/01/2003	10/01/2004	Ready	Ready
9	R_MAINT FOR 7 DAYS PER WEEK	Active	Amount	1,000,000.00	0.000	0.00	10/01/2003	10/01/2004	Ready	Ready
10	(R)MAINTAIN APPL SERVICE	Active	Amount	1,000,000.00	0.000	0.00	10/01/2003	10/01/2004	Ready	Ready

Related Projects

PC Business Unit	Project	Description	Project Status
US004	FORECAST	Forecasting Project	
US004	IMPLEMENT	Implementation	

Contract Milestones

Milestone ID	Milestone Status	Billing Impact	Revenue Impact
DATE1	Comp	Yes	Yes
DESIGN	Comp	Yes	Yes

Contract Summary page (2 of 2)

This page displays the contract type, contract status, customer, business unit, region code, and other vital contract information at a glance.

Note. This page does not support revenue from contract lines where Billing instead of Contracts manages revenue. Therefore, revenue from contract lines with a revenue method of *Billing Manages Revenue* does not appear on this page.

Contract Number Click to access the General contract definition page. The contract number is vital for recordkeeping. The number is defined when you set up the contract.

Amendment Number Click to access the Contract Amendment page. If an amendment is associated with this contract, the current amendment number appears. If no amendment is associated with this contract, *0000000000* appears. Click this link to access the Contracts Amendment page to create a new amendment.

Note. If this is a contract in *Pending* status, no amendment number or link appears since an amendment is needed for a contract that is in an *Active* processing status only.

Contract Amounts

This group box provides a summary of amounts for the contract's negotiated amount, discounts and surcharges, and noninclusive prepaids. In addition, the system displays the total, estimated (less prepaids), and estimated total.

Total Billed View the total amount after billing finalization (BIIVC000) and the Projects/Contracts Interface process (BIPCC000) are complete. This is the actual amount sent to the customer which includes the extraction of any discounts.

Total Collected View the total amount that is collected or click the Accounts Receivable button for more detailed information. The total collected amount includes sales tax.

Note. There may be a difference between the Total Billed and Total Collected amounts since the Total Collected amount includes sales tax.



Click to access the Contracts AR Items page.

This button does not appear on the page if you do not have access to Receivables or if your user profile does not provide you with access to the Contracts AR Items page.

Total Revenue Recognized View the total amount of revenue recognized in the general ledger for both amount-based and rate-based contract lines. This amount includes any discounts or surcharges.

Note. This amount does not include revenue from any contract lines with a revenue method of *Billing Manages Revenue.*

Contract Lines

This group box lists information about contract lines: products and services sold, limits on the contract line, and the status of billing and revenue plans (if assigned).

Billing Plan If you have a billing plan, then you can click the link displaying the billing plan status. Click the link to access the Billing Plan General page, where you can view more detailed information about the contract's billing plan.

Revenue Plan If you have a revenue plan, then you can click the link displaying the revenue plan status. Click the link to access the Revenue Plan page, where you can view more detailed information about the contract's revenue plan.

Related Projects

This region includes information about the project description and project status.

Project If you have a project and activity attached to this contract, then you can click this link. Click the link to access the Project Summary page for the associated project and activity.

Contract Milestones

This region includes information about contract milestones, the status of the milestone, and whether the milestone impacts billing or revenue.

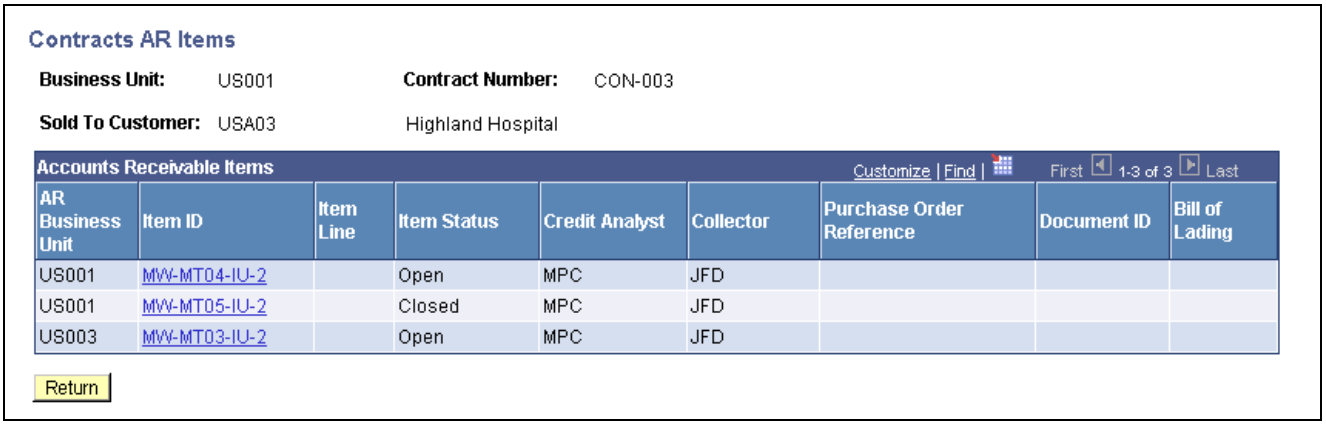
Milestone ID To view more detailed information on each milestone, click the milestone located in the Milestone ID column.

Billing Impact Indicates whether this milestone impacts billing plans that are tied to this contract.

Revenue Impact Indicates whether this milestone impacts revenue plans that are tied to this contract.

Reviewing Contracts AR Items

Access the Contracts AR Items page.



Contracts AR Items page

Business Unit Contracts business unit.

Accounts Receivable Items

The fields that appear in this group box are the same as those on the Item Maintenance pages in Receivables.

See *PeopleSoft Enterprise Receivables 8.9 PeopleBook*, "Maintaining and Reviewing Item Information," Changing and Reviewing Item Information.

AR Business Unit Receivables business unit.

Item ID Click to access the Item Maintenance pages for the item.

Note. If you do not have security access to a particular business unit, items for that business unit do not appear in this list.

Reviewing Contract Details

This section lists the pages used to review contract details.

Pages Used to Review Contract Details

Page Name	Object Name	Navigation	Usage
Inquire Contracts - Contract Details	CA_CNTR_HDR_IC	Customer Contracts, Review Contract Information, Contracts, Inquire Contracts - Contract Details	Review the details of existing contracts. From this page, you can navigate to the details of different contract attributes.
Inquire Contract Amendments	CA_INQ_AMEND_PNG	• Customer Contracts, Review Contract Information, Amendments, Inquire Contract Amendments • Click the Inquire Contract Amendments link on the Inquire Contracts - Contract Details page.	Review the amendment details of a specific contract amendment.
Inquire Attachments	CA_ATTACHMENTS_SS	Customer Contracts, Review Contract Information, Attachments, Inquire Attachments	Review the attachments that are connected to the contract.
Contract Notes	CA_INQ_NOTES_IC	Customer Contracts, Review Contract Information, Notes, Contract Notes	Review internal notes that have been added to a contract.
Inquire Contract Milestones	CA_MS_LIST_SS	Customer Contracts, Review Contract Information, Milestones, Inquire Contract Milestones	Review the milestones that you associated with a contract. From this page, you can navigate to the details for a specific milestone.
Inquire Project/Activities	CA_PROJ_ACT_PNL_IC	Customer Contracts, Review Contract Information, Projects/Activities, Inquire Project/Activities	Review the project and activities that are associated with a contract.
Reimbursable Agreement Inquiry Criteria	INQ_RMC18_CRITERIA	Customer Contracts, Review Contract Information, Reimbursable Agreement, Reimbursable Agreement Inquiry Criteria	For federal government customers, select criteria and review reimbursable agreements.

Page Name	Object Name	Navigation	Usage
Contract Addresses	CA_CONTR_ADDR_SS	Click the Customer Addresses link on the Inquire Contracts - Contract Details page.	Review the contract header defaults for these address items: bill to customer, bill to contact, and sold to customer.
Contract Discounts	CA_CONTR_REDUC_PNL	Click the Contract Discounts link on the Inquire Contracts - Contract Details page.	Review any discounts that are associated with fixed-amount contract lines.
Inquire Contracts - Contract Lines	CA_CNTR_LN_SS	Click the Contract Lines link on the Inquire Contracts - Contract Details page.	Review all active contract lines on a contract. From this page, you can navigate to the contract line details.
Inquire Contracts - Contract Line Detail	CA_CONTR_LN_DTL_SS	Click the product link for a contract line from the Inquire Contracts - Contract Lines page.	Review the details for a contract line.
Inquire Contracts - Contract Notes	CA_NOTE_LIST_SS	Click the Contract Notes link on the Inquire Contracts - Contract Details page.	Review internal notes that have been added to a contract.
Inquire Contract Milestones (milestone detail)	CA_MS_COND_SS	Click the Milestone link for an individual milestone on the Inquire Contract Milestones page.	Review the details that are defined for a specific milestone. From this page, you can navigate to the conditions that are defined for a milestone.
Inquire Contract Milestones - Milestone Conditions	CA_MS_COND_DTL_SS	Click the Conditions link on the Inquire Contract Milestones (milestone detail) page.	Review the conditions that are defined for a milestone. Milestones use milestone conditions to determine when a milestone can be marked by the system as completed.

CHAPTER 29

Working with Federal Reimbursable Agreements

This chapter provides an overview of federal reimbursable agreements and discusses how to:

- Set up federal reimbursable agreements.
- Inquire on federal reimbursable agreements.

Note. This chapter discusses features designed to meet federal reimbursable agreement requirements. However, these features are available for use by any customers. If you select the federal reimbursable agreement functionality at the installation level, all contracts that you create appear by default as *reimbursable agreements.* Also, this chapter only provides information on federal reimbursable agreements as they relate to Contracts.

Understanding Federal Reimbursable Agreements

Federal reimbursable agreements allow federal agencies as well as the Department of Defense to perform work on behalf of others and then be reimbursed for the work performed. The reimbursement agreement amount is established by a negotiation process between the federal agency and an outside party. The federal agency is only reimbursed the amount agreed upon by both parties; therefore, it is imperative that reimbursable agreements are tracked separately from other types of funding.

This section discusses:

- Reimbursable contract functionality.
- Related Projects page edits.
- Reimbursable amounts.

Reimbursable Contract Functionality

Reimbursable agreement functionality differs from the core contract functionality. Reimbursable agreements are subject to additional edits. Here are the specific characteristics of reimbursable contracts and contract lines:

- You designate a contract as reimbursable when creating a new contract. Select a Contract Classification of *Federal Reimbursable Agreement.* This option appears only if you selected the Federal Reimbursable Agreement check box on the Contracts - Installation Options page.
- You can add only rate-based products to contract lines on reimbursable agreements.
- When adding contract lines to the contract, the system sets all lines to *Active* status.

  You can change this status, but the system picks up only *Active* contract lines in the Federal Reimbursable Agreement processes.
- An amount is required on the Contract - General page upon activation.

This amount is open and editable prior to activation only if the Apportionment Amount Restricted check box is not selected at the installation level. If the Apportionment Amount Restricted check box is selected on the Contracts - Installation Options page, the system sets the amount value for you automatically. The system populates the amount upon save of the project on the Related Projects page for the first contract line.

- If you enter an amount on the Contract - General page (when the Apportionment Amount Restricted check box is not selected at the installation level), the system does not overwrite the amount upon save of the first limit and project combination on the Related Projects page.
- When the system derives the apportionment amount for the contract header from General Ledger (the Apportionment Amount Restricted check box is selected at the installation level), the system uses the following criteria: the project ID from the Related Projects page, General Ledger business unit (GLBU) from the GLBU associated with the Contracts business unit of the contract, the accounts from the setup page mapping General Ledger accounts to the apportionment amount definition, and the ledger or ledger group from the setup page.

  The amount for the contract header is the sum of amounts using the above criteria on the table specified by General Ledger.
- You must specify a limit and project/activity combination on the Related Projects page upon save of that page for each contract line.
- For reconciliation purposes, you may want to structure your projects and contracts so that one project does not span multiple contracts.

  You can associate a project/activity combination with a single contract line only.
- Upon save of the Related Projects page, the sum of the limits on all contract lines must be less than or equal to the amount on the Contract - General page.

  If the amount on the Contract - General page is left blank, the system retrieves the amount from General Ledger to populate on the Contract - General page and uses that amount in the edit check. If the new contract line that you are adding has a limit that makes the sum of all contract lines exceed the amount on the Contract - General page, the system does not allow you to add the limit and project/activity to the Related Projects page. Also, if the same circumstances apply, but you are adding the contract line in an amendment, the system will not let you *ready* the amendment to process into the contract.
- When adding a contract line to a contract after activation (in amendment mode), you must add the line first.

  Process the amendment with the new contract line. Add a project to the Related Projects page of that line and then, on another amendment, specify the limit for the contract line. This is a two-step process requiring the creation of two amendments. First, enter one amendment to add a contract line, ready the amendment, and process the amendment into the contract. Then, enter a second amendment to add a limit to the newly added contract line. Upon save of the second amendment, (or upon changing the second amendment's status to *ready),* edit checks occur.
- Upon adding a contract line to the contract after activation (in amendment mode), in the amendment where the limit is added, the limit of that contract line plus the sum of the limits already on the contract must be less than or equal to the amount on the Contract - General page.

  If the sum of the amounts exceeds the contract amount, the system does not allow you to save the new Related Projects page information and, therefore, you cannot set the amendment to *ready* status.
- The amount on the Contract - General page is not editable after activation unless a) the contract is a reimbursable agreement and b) the customer is Federal.

  Thus, for nonfederal customers, once a contract is activated, you cannot change the header amount. This is true whether or not you select the Apportionment Amount Restricted check box at the installation level.
- All advances for federal reimbursable agreements are noninclusive prepaids.

- If the sold to customer on the contract is nonfederal, an additional edit takes place upon adding a limit to a contract line prior to activation or in an amendment.

  The edit ensures that the sum of all limits on the contract lines is less than or equal to the sum of all *ready* prepaids on the contract.

- Upon deletion of a prepaid (when the Federal Reimbursable Agreements option is selected at the installation level, the contract has the reimbursable agreement check box selected on the Contract - General page, and the customer on the contract is nonfederal), you may receive a warning.

  If the sum of all limits on all contract lines is less than the sum of all *ready* prepaids, the system warns you that the deletion of the prepaid will result in the limit amounts being greater than the prepaids for this customer's contracts.

- When you select the Federal Reimbursable Agreements option at the installation level, the Accounting Rules page points to the General Ledger tables (which include budgetary ChartField values).

  When this option is not selected, the system limits your selection to exclude budgetary ChartFields.

Related Projects Page Edits

Upon save of the Related Projects page, the system may make information unavailable for the following reasons:

- Upon save, you did not input both the limit and the project/activity combination.
- You did not define the apportioned amount accounts on the Account Mapping page in General Ledger.

  This resulted in the system not being able to find an apportioned amount in the General Ledger ledgers.

- No amount is booked in General Ledger to the specified project ID.

  The journal may not be posted or the entry was posted under a different project ID than the one entered on the Related Projects page.

- The amount posted in General Ledger was posted to a different General Ledger business unit (GLBU) than to the GLBU associated with the contract's Contracts business unit (CABU).

  You must specify both to the same GLBU, and the currencies must be the same.

- The amount posted to General Ledger was less than the sum of the existing limits plus the limits being added on the Related Projects page.
- The customer on the contract header is classified as a nonfederal customer on the customer record and there are no prepaids associated with the contract.

  Or, the sum of the *ready* prepaids is less than the sum of the existing limits plus the limit being added on the Related Projects page.

Reimbursable Amounts

Each reimbursable amount that the system displays on the Reimbursable Agreement Inquiry page depends upon whether the detail amount for an account is either added or deducted to calculate the higher level amount for each amount type. You must set up these amounts and accounts in General Ledger. The accounts that you use in your organization may differ.

Note. The account numbers referenced in the amount definitions are configurable to reflect the descriptions noted here and are based on your account structure. These configuration formulas are recommendations using JFMIP standards. Set up your own account structure on the Reimbursable Agreement Account page.

Advanced Amount Equals account 2310 + (account 5200 + unbilled AR) for the search criteria specified for the inquiry. Unbilled AR (UAR) is an account between revenue

recognition and billing for transactions processed by Project Costing and Contracts, and should be included in the calculation.

The advanced amount is paid in advance by the government agency to the company that has a reimbursement agreement with them for providing the product or service. It is unearned revenue (prepaid balance) because the company that receives the funds has not performed any services or provided any products yet. It is reduced by the amounts that are earned by the company through providing a service or product (account 5200) and UAR.

Advanced Amount Remaining

Equals the sum of account 2310 for the specified inquiry search criteria.

Also known as account 2310: Advances From Others. This is the amount that still remains in account 2310 (Advanced Amount) that is offset by the revenue recognized for services performed or products provided by the company that is subject to the reimbursement agreement.

Earned Amount

Equals the sum of account 5200 for the specified inquiry search criteria.

Also known as account 5200: Revenue From Services Provided. This account represents revenue that you can recognize because the company has performed a service or provided a product to the government agency that is eligible for the reimbursement. This account reduces account 2310: Advanced Amount.

Billed Amount

Equals the *Advanced Amount* minus account 2310.

This is the amount that you bill to the government agency because the company provided a service or product that was eligible for reimbursement. If the advanced amount account no longer has funds available, then you must invoice this amount to the government agency because the services or product provided were subject to the reimbursement agreement. If the advanced amount account still has funds available, then you apply the bill to the account.

Reimbursable Agreement Amount

Equals the total contract amount for the contract ID linked to a specific project ID.

This is the total negotiated reimbursement amount that was agreed to by the company and the government agency for the service or product to be provided. It is the total contract amount for the contract ID that is linked to a specific project ID.

Unbilled Amount

Equals the sum of the UAR account for the specified inquiry search criteria.

This represents the sum of UAR. UAR is a holding account that is used to manage the timing differences between revenue recognition and billing. It is used as an offset to the advanced amount account.

Obligated Amount

Equals the sum of accounts 4802, 4872, 4882, 4801, 4871, and 4881 for the specified inquiry search criteria.

This is the amount that the government agency is obligated to pay to the company for providing a service or product that was under the reimbursable agreement. This amount has not been paid to the company yet. It is the sum of the following accounts:

- 4802: Unexpended Obligations - Prepaid/Advanced
- 4872: Downward Adjustments of Prior-Year Prepaid/Advance Unexpended Obligations Refunds Collected

- 4882: Upward Adjustments of Prior-Year Prepaid/Advanced Unexpended Obligations
- 4801: Unexpended Obligations - Unpaid
- 4871: Downward Adjustments of Prior-Year Unpaid Unexpended Obligations
- 4881: Upward Adjustments of Prior-Year Unpaid Unexpended Obligations

Expended Amount Equals the sum of accounts 4902, 4972, 4982, 4901, 4971, and 4981 for the specified inquiry search criteria.

This is the amount that the government agency paid to the company for providing a service or product that was under the reimbursable agreement. It is the sum of the following accounts:

- 4902: Expended Authority - Paid
- 4972: Downward Adjustments of Prior-Year Paid Expended Authority Refunds Collected
- 4982: Upward Adjustments of Prior-Year Paid Expended Authority
- 4901: Expended Authority - Unpaid
- 4971: Downward Adjustments of Prior-Year Unpaid Expended Authority
- 4981: Upward Adjustments of Prior-Year Unpaid Expended Authority

Collected Amount Equals the sum of account 1030 for the specified inquiry search criteria.

It is the sum of account 1030, which is the fund balance for the company. It is the amount that the company has collected from the government agency for providing a service or product that was subject to the reimbursable agreement.

Apportionment Amount User-defined amount.

Based upon an allotment of funds, the apportionment amount is used specifically for a certain project or company.

See Also

PeopleSoft Enterprise General Ledger 8.9 PeopleBook, "Setting Up and Generating Federal Government Reports," Setting Up Federal Reimbursable Agreement Accounts in General Ledger

Setting Up Federal Reimbursable Agreements

This section lists the pages used to set up federal reimbursable agreements.

Pages Used To Set Up Federal Reimbursable Agreements

Page Name	Object Name	Navigation	Usage
Installation Options - Contracts	INSTALLATION_CA	Set Up Financials/Supply Chain, Install, Installation Options, and then click the Contracts link.	Select the Federal Reimbursable Agreements check box so that contracts created will have a reimbursable agreement indicator that allows you to tag a contract as a reimbursable agreement. Select the Apportioned Amount Restricted check box (optional). **Note.** The Apportioned Amount Restricted check box does not appear on the page until you select the Federal Reimbursable Agreements check box and save the page.
Reimbursable Agreement Account	RMC18_SETUP	General Ledger, Federal Reports, Define Reimbursable Account, Reimbursable Agreement Account	Define accounts for amount advanced, amount advanced remaining, amount billed, amount earned, amount unbilled, amount obligated, amount expected, and amount collected.
Contract - General	CA_HDR_PNL	Customer Contracts, Create and Amend, General Information	Set up and manage contract header information. Specify a reimbursable amount.
Prepaid Balances - Prepaids	CA_PPD_CONTRACT	Click the Prepaids link in the Go To drop-down list box on the Contract - General page.	Establish prepaid balance amounts.
Billing Plan - Billing Plan General	CA_BP_GEN_INFO	Click the Create Bill Plan link on the Initial Billing tab of the Prepaid Balances - Prepaids page.	Define the high-level billing information for a billing plan. The system associates the information you define on this page to all billing lines that you create under thus billing plan. This information is then sent to Billing.
Contract - Lines	CA_OBLIGATIONS	Customer Contracts, Create and Amend, General Information, Lines	Add products to create a contract. Each product appears on the contract as a distinct contract line number.

Page Name	Object Name	Navigation	Usage
Related Projects	CA_DETAIL_PROJ	Click the Contract Terms link on the Details tab of the Contract - Lines page.	Record an order against the reimbursable amount as a limit. Create a project/activity combination for the contract line. Attach a rate set to a contract line.

See Also

PeopleSoft Enterprise General Ledger 8.9 PeopleBook, "Setting Up and Generating Federal Government Reports," Setting Up Federal Reimbursable Agreement Accounts in General Ledger

PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook, "Setting Installation Options for PeopleSoft Applications," Defining Contracts Installation Options

Inquiring On Federal Reimbursable Agreements

Reimbursable agreements are vital pieces of information for federal agencies and the Department of Defense. It is important for these agencies to have access to the current status, reimbursable amount, billing limit, amount expended against the agreement, and amounts collected against the agreement. This section discusses how to:

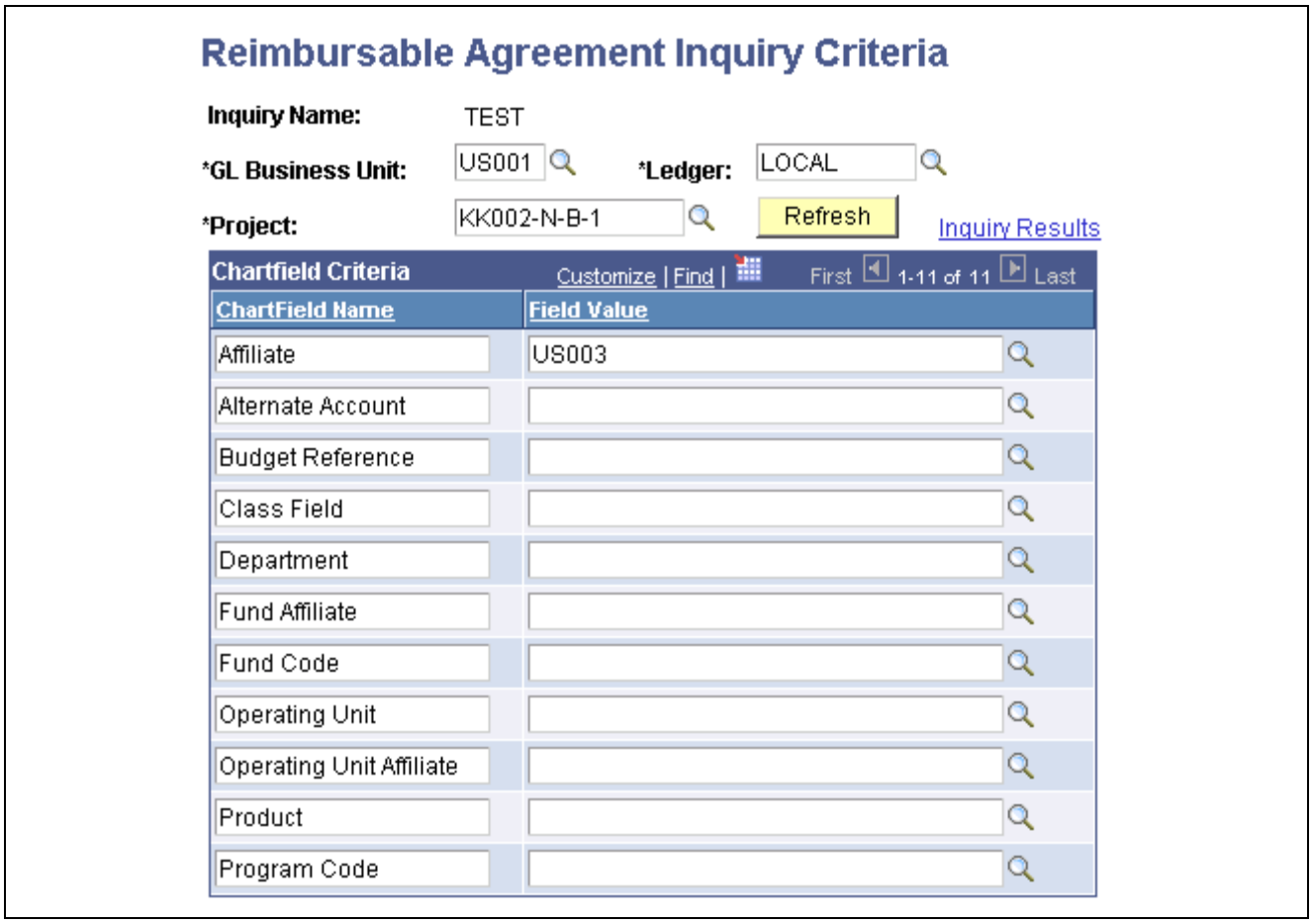
- Specify reimbursable agreement inquiry criteria.
- View reimbursable agreement inquiries per contract.

Pages Used to Inquire On Federal Reimbursable Agreements

Page Name	Object Name	Navigation	Usage
Reimbursable Agreement Inquiry Criteria	INQ_RMC18_CRITERIA	Customer Contracts, Review Contract Information, Reimbursable Agreement	Select criteria to view reimbursable agreements.
Reimbursable Agreement Inquiry Results	INQ_RMC18_RESULTS	Customer Contracts, Review Contract Information, Reimbursable Agreement, and then click the Inquiry Results link.	View reimbursable agreement information.

Specifying Reimbursable Agreement Inquiry Criteria

Access the Reimbursable Agreement Inquiry Criteria page.



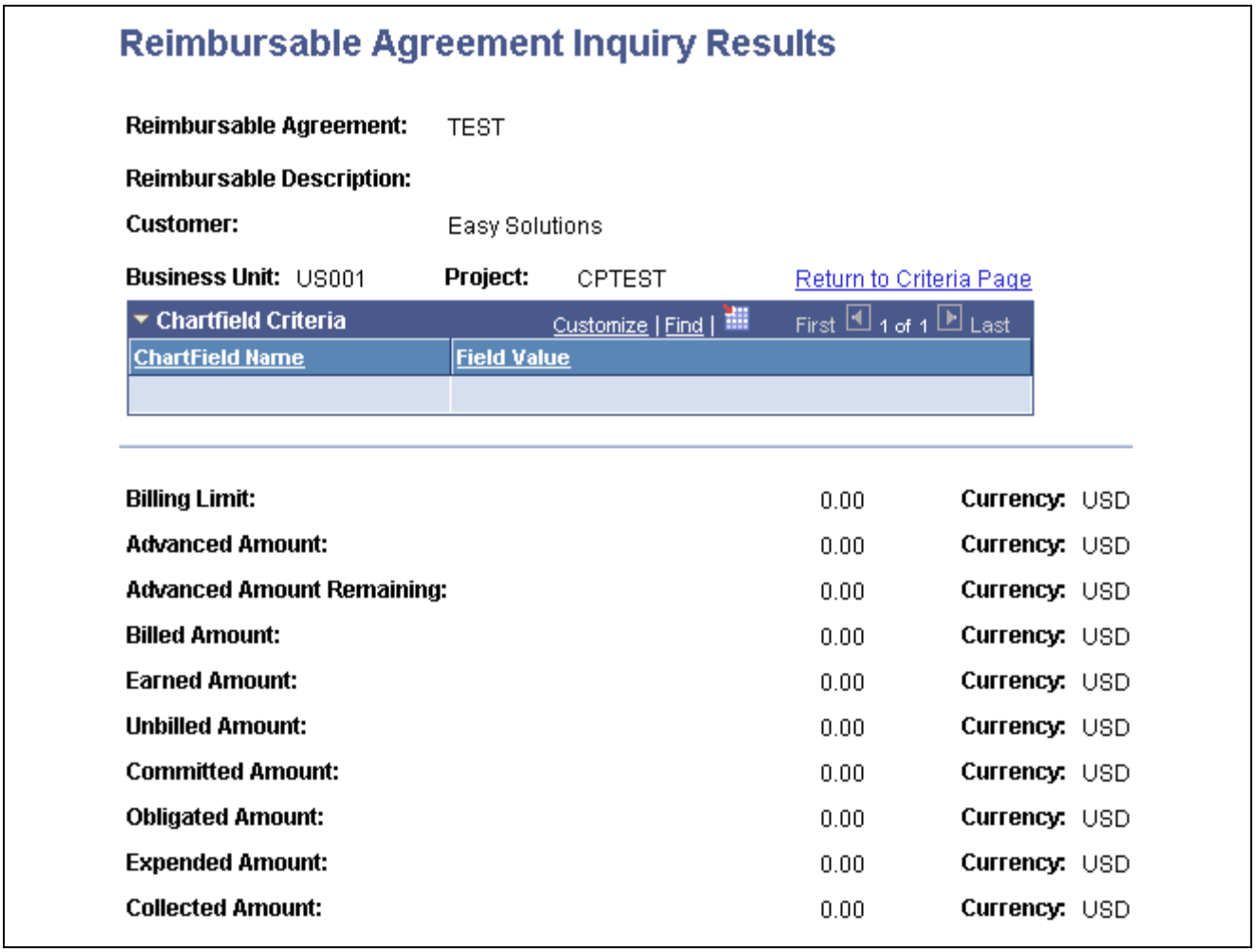
Reimbursable Agreement Inquiry Criteria page

This page enables you to specify inquiry criteria.

Inquiry Name	Displays the name entered in the search.
GL Business Unit	Select a General Ledger business unit.
Ledger	Select a ledger. This value represents the ledger to which all the contract accounting entry lines are posted; it appears by default as the primary ledger of the default ledger group for the business unit.
Project	Select a Project Costing ID. This value represents the project ID related to this contract.
ChartField Criteria	Enter optional ChartField criteria in addition to the required criteria.
Refresh	Click to reload the ChartFields in the ChartField grid.
Inquiry Results	Click to run the inquiry and view results.

Viewing Reimbursable Agreement Inquiries per Contract

Access the Reimbursable Agreement Inquiry Results page.



Reimbursable Agreement Inquiry Results page

This page enables you to view reimbursable agreements based on the selections that you made on the Reimbursable Agreement Inquiry Criteria page.

Note. Your General Ledger business unit currency and contract currency must be the same.

Reimbursable Agreement	Displays the reimbursable agreement, which represents the contract ID.
Reimbursable Description	Displays the contract description.
Customer	Displays the sold to customer stated in the contract.
Project	Displays the project related to this contract.
ChartField Criteria	Represents the results of the criteria entered on the Reimbursable Agreement Inquiry Criteria page.

The reimbursable agreement amount fields represent the monetary amount in the prospective currency.

CHAPTER 30

Working with Transaction Billing Processor

This chapter provides an overview of the Transaction Billing Processor and the integration messages for transaction billing, and discusses how to:

- Set up Transaction Billing Processor.
- Manage billing plans.
- Manage revenue plans.
- Process billing.
- Process revenue.
- Track contracts.

Understanding the Transaction Billing Processor

The Transaction Billing Processor enables FieldService, Support, Order Capture, and Real Estate Management to integrate with Billing and General Ledger through the use of the Contracts architecture. The integration enables PeopleSoft Customer Relationship Management (PeopleSoft Enterprise CRM) users to bill and book revenue for recurring, one-time, and on-demand services. This integration enables Real Estate Management users to bill and book revenue for on-demand services.

This section discusses:

- Integration with PeopleSoft products.
- Integration across databases.
- Transaction Billing Processor statuses.
- Contracts functionality used by Transaction Billing Processor.

See *PeopleSoft Enterprise CRM Services Foundation PeopleBook, "Transaction Billing Processor Integration."*

See *PeopleSoft Enterprise Real Estate Management 8.9 PeopleBook*, "Integrating with Other Applications," Integrating with Transaction Billing Processor.

Integration with PeopleSoft Products

This section provides an overview of the integration between the Transaction Billing Processor and the following products:

- FieldService and Enterprise Support
- Order Capture

- Real Estate Management

FieldService and Support

The Transaction Billing Processor enhances FieldService and Support by providing the functionality to bill customers and account for their services. FieldService and Support send recurring, one-time, and on-demand transactions to the Transaction Billing Processor. Various fees are sent to the Transaction Billing Processor including agreement fees, service order fees, and case fees. The recurring and one-time transactions from FieldService and Support are always tied to an agreement. The on-demand transactions are not tied to an agreement.

See *PeopleSoft Enterprise Integrated Field Service PeopleBook.*

See *PeopleSoft Enterprise CRM Call Center Applications PeopleBook.*

Order Capture

The Transaction Billing Processor integrates with Order Capture and enables you to create invoices and recognize revenue for Order Capture's service products. Order Capture integrates with the Transaction Billing Processor in a similar way to FieldService and Support with the exception that Order Capture transactions do not have to be tied to an agreement.

Order Capture sends recurring and one-time transactions to the Transaction Billing Processor. Order Capture does not use on-demand transactions.

Note. Order Capture never shares the same contract with FieldService or Support even if they have the same sold to customer.

Here are the highlights of the Order Capture integration with the Transaction Billing Processor that are unique to Order Capture:

- Order Capture can send several types of product fee transactions such as recurring and one-time fees.

  You can include all transactions in one order or you can send them on separate orders.

- Order Capture does not send the start date and end date in the contract request message for the contract line.

  This allows the contract line to last indefinitely.

- The Transaction Billing Processor controls the timing of sending Order Capture recurring fee transactions to Billing for invoicing and to GL for revenue recognition.

- Order Capture does not send a message to the Transaction Billing Processor to close the contract.

  This is a manual process that must occur in the Transaction Billing Processor.

- Order Capture's hard good products are billed through Order Management and their engagement services are billed through Proposal Management.

  These transactions are not billed through the Transaction Billing Processor.

See *PeopleSoft Enterprise CRM Order Management PeopleBook.*

Real Estate Management

The Transaction Billing Processor enhances Real Estate Management by providing the functionality to bill and book revenue for lease transactions. Real Estate Management focuses on lease management where a company can be the lessee and/or the lessor. And, based upon this relationship, you can bill and book revenue for the related transactions through the integration with Transaction Billing Processor.

Real Estate Management sends three types of transactions to the Transaction Billing Processor:

Invoices Invoices utilize the Transaction Billing Processor's on-demand process to perform billing functions. This involves sending transactions through the Transaction Billing Processor's interface programs which create a contract and billing plan and automatically initiates the Contracts Billing Interface process (CA_BI_INTFC).

Note. You must set up accounting rules prior to sending transactions to the Transaction Billing Processor.

Straightline Accounting Straightline accounting utilizes the Transaction Billing Processor's accounting rules only. Real Estate Management uses the accounting rules to determine the accounting entries for the accruals and deferrals that result from straight-lining Real Estate Management transactions. Real Estate Management obtains the appropriate accounting entries from the accounting rules and handles the processing to send the entries to General Ledger.

Payments Payments utilize the Transaction Billing Processor's accounting rules only. Real Estate Management obtains the appropriate accounting entries from the accounting rules and handles the processing to send the entries to Accounts Payable.

See *PeopleSoft Enterprise Real Estate Management PeopleBook.*

Integration Across Databases

The integration begins outside of the Transaction Billing Processor application. Upon saving a transaction in CRM or Real Estate Management, the system creates a corresponding contract and contract line in Contracts through the Transaction Billing Processor. Transactions are sent from CRM and Real Estate Management to the Transaction Billing Processor and stored in the Contracts Interface tables. Transaction Billing Processor utilizes the Contracts rate-based functionality and bills charges on an as-incurred basis. The transaction information is then forwarded to Billing as bill lines for invoice generation. The Transaction Billing Processor manages the appropriate timing of sending these transactions to Billing.

The following table provides the correlation between the PeopleSoft product that integrates with the Transaction Billing Processor and the applicable transaction types for the product:

Product	Recurring	One-Time	On-Demand
FieldService	X	X	X
Support	X	X	X
Order Capture	X	X	
Real Estate Management			X

From CRM and Real Estate Management transactions, the system creates contracts and contract lines in the Transaction Billing Processor application. The contract lines are associated with revenue plans for revenue recognition. For one-time transactions, the revenue method is as-incurred. However, recurring and on-demand transactions do not utilize revenue plans for revenue recognition. Billing manages revenue for those transactions.

The following table provides the correlation between transaction type, product that manages revenue, and the Contracts revenue recognition method:

Transaction Type	Product Managing Revenue	Revenue Recognition Method
Recurring	Billing	Billing Manages Revenue
One-time	Contracts	As-Incurred
On-Demand	Billing	Billing Manages Revenue

This section discusses the following transaction types:

- Recurring transactions
- One-time transactions
- On-demand transactions

Recurring Transactions

CRM uses the Transaction Billing Processor for the *Billing Manages Revenue* revenue recognition structure, billing cycle, schedule details, and accounting rules for their recurring transactions. Through this integration, CRM can create invoices and recognize revenue to the general ledger. In addition, you can apply agreement-based uplifts or discounts as separate transactions, as well as taxes to the billable amount and process the transactions through user-defined invoice formats.

The system uses the information contained in the CRM agreement or order as default values to create the contract header, contract line, billing plan, and revenue plan in the Transaction Billing Processor.

Once created, the Transaction Billing Processor sends the contract and contract line number back to CRM to add this information to the CRM agreement or order. In addition, the contract line stores the CRM agreement and renewal numbers, if applicable, and uses this information for processing.

When CRM sends recurring transactions to the Transaction Billing Processor, the transactions are sent with an amount, start date, end date, and schedule. Based on this information, the Transaction Billing Processor expands the transactions for each schedule. The schedules allow the user to book deferred revenue when the transaction is billed and later recognize the appropriate amount of revenue for each period.

For adjustments to transactions *after* billing has occurred or revenue has been recognized, the Transaction Billing Processor creates reversal transactions for the original amounts, and creates new transactions for the adjusted amounts. Both the reversal and the new transactions will appear on the invoice. Therefore, the net amount on the invoice is the difference between what has already been billed and the adjustment that has been made.

For adjustments to transactions *before* billing has occurred or revenue has been recognized, the Transaction Billing Processor replaces the original transactions with the new transactions for the adjusted amounts.

Note. For recurring transactions, you must define a schedule on the Schedules page and select your revenue proration options on the Contracts Definition - Processing Options page for the Transaction Billing Processor to process the transactions.

Note. In the case of a CRM renewal, the Transaction Billing Processor adds a new contract line to the existing contract instead of creating a new contract and contract line.

Note. Recurring transactions are applicable to Field Service, Support, and Order Capture.

One-Time Transactions

CRM uses the Transaction Billing Processor for the *As-Incurred* revenue recognition structure, billing and accounting rules for their one-time transactions. Through this integration, CRM can create invoices and recognize revenue to the general ledger. In addition, you can apply agreement-based uplifts or discounts as separate transactions, as well as taxes to the billable amount and process the transactions through user-defined invoice formats.

The functionality for one-time transactions is similar to that for recurring transactions. However, for one-time transactions, revenue is managed by Contracts through the Transaction Billing Processor instead of by Billing. Managing revenue through Contracts provides you with the option to recognize revenue before processing billing. For one-time transactions, you process billing and revenue through the Process As Incurred Billing and Process Project Accounting (as incurred revenue) run control pages respectively.

Note. One-time transactions are applicable to Field Service, Support, and Order Capture.

On-Demand Transactions

FieldService, Support, and Real Estate Management send on-demand-fee transactions to the Transaction Billing Processor in order to utilize the Contracts functionality to bill and book revenue. The Transaction Billing Processor initiates billing processing, sends the transactions to Billing, and Billing completes both revenue and billing processing for on-demand transactions. On-demand transactions are one-time transactions and are never associated with an agreement.

On-demand transactions use functionality similar to recurring and one-time transactions. The same messages and interface tables are used and much of the same setup is required. However, revenue recognition for all on-demand transactions is managed by Billing through the Contracts Billing Interface (CA_BI_INTFC) process. In addition, deferred revenue is not applicable for on-demand transactions.

For on-demand transactions, the Transaction Billing Processor launches the revenue and billing processes immediately after the on-demand transaction loads into the contract staging table (INTFC_CA) without any manual intervention.

Note. On-demand billing is specific to FieldService, Support, and Real Estate Management.

Note. On-demand transactions differ from other one-time transactions, because they are never tied to an agreement and the revenue is managed by Billing instead of Contracts. In addition, there is no visibility or access to on-demand contracts from within the Contracts application.

Transaction Billing Processor Statuses

Here are the contract statuses:

Active A contract is created in *Active* status if the associated billing and revenue plans are in *Ready* status and no errors exist for the associated transaction in CRM or Real Estate Management. The contract can now accept transactions from CRM and Real Estate Management.

Note. CRM and Real Estate Management initiate the transaction that sets the contract to *Active* status by sending a message to the Transaction Billing Processor.

Closed

A contract can be set to *Closed* status when the agreement and agreement lines associated with the contract are in *Closed* status (all transactions associated with the agreement have been sent to Billing and General Ledger).

When you attempt to set a contract to *Closed* status, the system checks to ensure the revenue and billing plans associated with the contract are complete.

You initiate the closure of a contract from the Transaction Billing Processor. You have the option of closing a contract when all associated transactions have been billed and have had their revenue recognized. Closing a contract is a manual process.

The agreement becomes read-only when the status is set to *Closed* for the contract and agreement.

Note. A contract can no longer accept transactions from CRM once it has been closed.

Note. An on-demand contract never reaches *Closed* status, because you cannot access it from the Transaction Billing Processor.

Contracts Functionality Used by the Transaction Billing Processor

The Transaction Billing Processor shares architecture and limited functionality with Contracts. Here is a list of Contracts functionality that the Transaction Billing Processor supports.

- Accounting rules.
- GL Journal inquiry.
- As-incurred billing plans.
- As-incurred billing processing.
- As-incurred billing management.
- Contract entry and amendments.
- Internal notes.
- Product IDs.
- Contract Summary.
- My Contracts.
- As-incurred revenue plans.
- As-incurred revenue processing.
- As-incurred revenue management.
- Revenue redistribution.
- Email notifications.

See *PeopleSoft Enterprise Contracts PeopleBook.*

Understanding Integration Messages for Transaction Billing

The integration between CRM or Real Estate Management and the Transaction Billing Processor is transaction-based. A CRM agreement or Real Estate Management transaction creates a contract and contract line, and then all activity that is associated with that agreement is billed and recognized through that contract line.

This section discusses:

- Asynchronous and synchronous messages.
- Billing Interface tables.

Note. Real Estate Management does not integrate in the same way with the Transaction Billing Processor as CRM does. Real Estate Management does not use Integration Broker and Application Messaging. Instead, integration is accomplished through application classes.

See *Enterprise PeopleTools PeopleBook: Integration Broker*

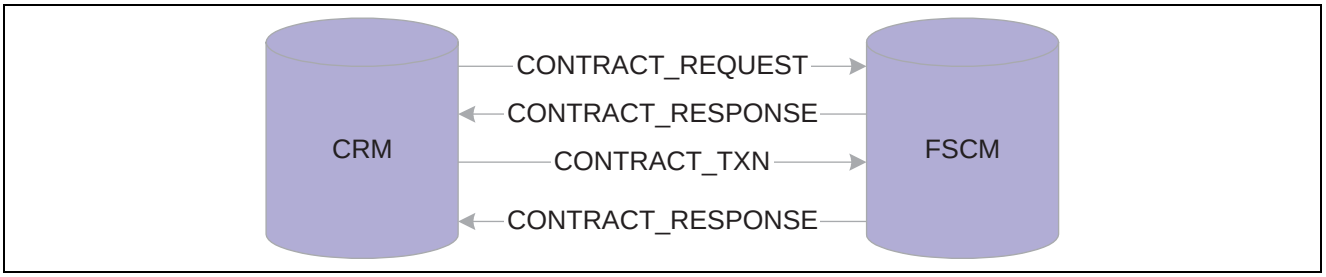
Asynchronous and Synchronous Messages

The integration between CRM and Transaction Billing Processor consists of three asynchronous request-response messages, as well as one synchronous message. The asynchronous messages include the Contract Request (CONTRACT_REQUEST), Contract Response (CONTRACT_RESPONSE), and Contract Transaction (CONTRACT_TXN) messages. Additionally, there is one synchronous message to verify that no pending activity (PENDING_ACTIVITY) exists in CRM for a contract revenue plan or billing plan.

Note. Real Estate Management does not use these messages.

Asynchronous Request-Response Messages

The following figure shows the asynchronous messages that pass between the Transaction Billing Processor and CRM:



Asynchronous messaging

The asynchronous messages used in the integration process include:

Contract Request Prompts the system to create a new contract. The contract request is initiated by CRM. CRM performs an internal scan to determine if a contract already exists. If no contract exists, then CRM sends the contract request message.

Note. In the case of a renewal, CRM sends the contract request message with a different request type indicating that Transaction Billing Processor should add a new contract line to the existing contract instead of creating a new contract and contract line. The addition of a new contract line to the existing contract takes place through amendment processing functionality.

Note. The minimum required fields to request a contract are the Contracts business unit and Sold To Customer.

Contract Response The Contract Response message is initiated by the Transaction Billing Processor. For recurring and one-time transactions, this message is sent only once. For on-demand transactions, this message is sent twice. For on-demand transactions, the system sends the contract response message for a second time once the Contracts Billing Interface (CA_BI_INTFC) process is complete to provide the status of the transactions to CRM.

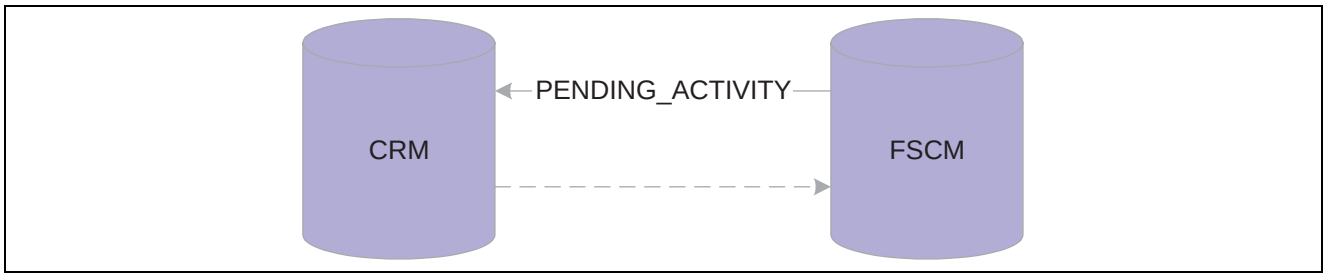
Transaction Populates the Transaction Billing Processor Interface tables.

CRM calls the contract transaction message after the contract is created, and it is ready to receive bills.

In addition, when CRM performs an internal scan to determine whether a contract already exists and it finds that a contract does exist, instead of sending a contract request message, CRM sends the contract transaction message.

Synchronous Messages

The following figure shows the synchronous message that passes between the Transaction Billing Processor and CRM:



Synchronous messaging

The synchronous message used in the integration process includes:

Pending Activity The pending activity message (PENDING_ACTIVITY) identifies whether any pending activity exists for a contract revenue plan or billing plan. The message is triggered by the status of a billing or revenue plan changing to *Complete.* Only plans with a transaction source (CA_TXN_SOURCE) of *CRM* invoke this check.

The system completes the following checks to determine whether the billing or revenue plan status can change to *Completed:*

1. Is the corresponding plan complete? For the billing plan, the system checks the revenue plan; for the revenue plan, the system checks the billing plan.

2. Is there pending activity in the Transaction Billing Processor Interface tables?
3. Is there pending activity in CRM?

Billing Interface Tables

CRM sends fields to the Transaction Billing Processor to create the contract, contract line, and revenue and billing plans. Real Estate Management sends fields to the Transaction Billing Processor to create the contract, contract line, and billing plan. For CRM transactions, many of these fields can be changed manually on the contract. In addition, the Transaction Billing Processor receives sales and use and value-added tax (VAT) tax parameters if they are sent by CRM as overrides to the tax that appears by default from Billing.

The Interface_CA tables store the transactions from CRM and Real Estate Management. The Transaction Billing Processor interface tables (INTFC_CA, INTFC_CA2, INTFC_CA_HDR, and INTFC_CA_NOTE) mirror the Billing interface tables. However, the first two keys on the billing table, INTFC_ID and INFC_LINE_NUM, have been changed to the single key CA_TXN_ID on the Transaction Billing Processor tables.

See *PeopleSoft Enterprise Billing 8.9 PeopleBook*, “Understanding the Billing Interface Structure”.

Prerequisites

Prerequisite products for the Transaction Billing Processor include:

- Order Capture, Support, FieldService, or Real Estate Management.
- Billing.
- General Ledger.

Common Elements Used in This Chapter

Agreement Code Displays the name of the selected agreement.

Agreement Line Number Displays the agreement line number.

Agreement Renewal Number Displays the renewal version of the agreement. The value is set to *1* when the agreement is first created and increments every time the agreement is renewed.

Agreement SetID Displays the setID associated with the agreement. An identification code that represents a set of control table information or TableSets. A TableSet is a group of tables (records) that are necessary to define your company’s structure and processing options.

Billing BU Billing business unit. Select a Billing business unit to associated with your Contracts business unit on the Contracts Definition - BU Definition page. The system uses the value that you associate with the Contracts business unit for billing processing.

Billing Currency Displays the currency code of the invoices that are generated for this billing plan.

Billing Plan ID or **Bill Plan ID** Stores billing schedules and rules for contract lines. Billing plans are contract-specific. Each contract line product is tied to a billing plan, and you can associate contract lines with similar billing requirements with the same billing plan. Each contract has at least one billing plan and may have more than one.

Billing plan ID associated with the contract line.

Billing Plan Status or **Billing Status** Controls your ability to enter information into, and the processing that occurs against, the billing plan. The available billing plan statuses that you can control for one-time and recurring transactions are: *Pending, Ready, Completed,* and *Cancelled.*

Note. The system creates the billing plan in *Ready* status.

Business Unit Contracts business unit.

Call Center Business Unit Call Center business unit used by Support.

Case ID Unique identifier associated with a case.

Cross Reference Sequence No. (cross reference sequence number) The system generates a number for each row that is added to the Billing Plan - History page.

Field Service Business Unit FieldService business unit.

GL Business Unit General Ledger business unit.

GL Currency (General Ledger currency) Currency associated with the General Ledger business unit.

This is the business unit in which revenue generated by this revenue plan is recorded with the exception of interunit accounting.

Gross Amt (gross amount) Reflects the gross amount sent by the Transaction Billing Processor to Billing. No tax is included in this amount.

Installed Product ID Tracks the products installed at a customer's site or the products issued to an internal worker. In Order Capture, installed products can limit orders to a specific set of products and determine whether a warranty is in effect for an installed product.

Net Amt (net amount) Reflects the net amount of all contract lines linked to the billing plan sent by the Transaction Billing Processor to Billing. No tax is included in this amount. This is the amount that is on the Contract Interface tables.

Product ID Displays the unique identifier for the product associated with the transaction.

Order Capture Business Unit or **Order Capture BU** Order Capture business unit.

Order ID Unique identifier associated with an Order Capture order.

Revenue Plan or **Revenue Plan ID** Enables you to define, administer, and maintain accounting schedules and rules for the products and services that you sell under a contract. Revenue

plans are contract-specific; you cannot use the same revenue plan across multiple contracts.

Revenue plan ID associated with the contract line.

Revenue Status Controls your ability to enter information into and the processing that occurs against the revenue plan. The available revenue plan statuses that you can control for one-time and recurring transactions are: *Pending, Ready, Completed,* and *Cancelled.*

Note. The system creates the revenue plan in *Ready* status.

Service Order ID Unique identifier associated with a service order.

Setting Up the Transaction Billing Processor

This section provides an overview of setting up the Transaction Billing Processor and the accounting rules and discusses how to set up the Transaction Billing Processor.

This section discusses how to:

- Set up installed products.
- Define legal entities.
- Define Contract business units.
- (Optional) Select combination editing.
- Set up schedules.
- Define proration options.
- Define Contracts GL Options.
- Define contract statuses.
- Set up accounting rules for CRM.
- Set up accounting rules for Real Estate Management.
- Create billing plan detail templates (optional for on-demand transactions).
- (Optional for on-demand transactions) Assign billing plan overrides.

Other optional setup includes how to:

- Set up third-party tax.
- Set up PeopleSoft simple tax.
- Define the bill by identifier.
- Set up VAT.

See *PeopleSoft Enterprise CRM Services Foundation PeopleBook, Transaction Billing Processor Integration, Setting Up an Integration to PeopleSoft Transaction Billing Processor.*

See *PeopleSoft Enterprise Global Options and Reports 8.9 PeopleBook*, “Working with VAT”.

See *PeopleSoft Enterprise Billing 8.9 PeopleBook*, “Structuring Bills”.

See *PeopleSoft Enterprise Real Estate Management 8.9 PeopleBook*, "Establishing Real Estate Management Business Units and Accounting Rules".

Transaction Billing Processor Setup

The Transaction Billing Processor shares architecture with Contracts. Much of the setup for the Transaction Billing Processor is the same as the setup for Contracts. In addition, you may choose to set up optional global features such as VAT and features in Billing.

Accounting Rules and Transaction Identifiers

You match accounting rules to transactions with identifier fields. The rate-based revenue accounting comes from the accounting distribution set up on the Accounting Rules for CRM and Accounting Rules for Lease Administration pages. If you do not define accounting rules for the identifier fields for the transactions, then the Rate-based Revenue process (Accounting Rules Engine) does not generate any accounting rows. You can establish the accounting rules across all identifiers, or define them specifically for one contract with different accounting rules for each identifier combination.

For all types of transactions, you must define the accounting rules:

Recurring A *DRV* (deferred revenue) accounting row and a *REV* (revenue) accounting row must be entered. Billing manages revenue for these transactions and both the *DRV* and *REV* accounting rows are sent to Billing.

One-time *REV* (revenue) accounting rows and the *UAR* (unbilled Accounts Receivable) row can be defined. Since the Transaction Billing Processor manages revenue with an as-incurred revenue method and books the revenue separately from the billing, you can enter multiple sets of debit and credit pairs as long as the UAR is limited to one side of the entry. The system sends only the *UAR* row to Billing.

On-demand (CRM) You must enter both sides of the entry a *REV* (revenue) accounting row and a *UAR* (unbilled accounts receivable) row. Since Billing manages revenue for on-demand transactions only one *REV* row is sent to Billing.

On-demand (Real Estate Management) You must define three sets of debit and credit pairs in the accounting rules for Real Estate Management:

- When using an accounting rule with the transaction destination of *BI* (Billing), you must enter a credit to the *REV* (revenue) accounting row. Since Billing manages revenue for on-demand transactions, Billing retrieves the revenue side of the entry that is specified in the credit row.
- When using an accounting rule with the transaction destination of *AP* (Accounts Payable), you must enter a debit to the *EXP* (expenses) accounting row. The Transaction Billing Processor does not call or post these entries. Real Estate Management calls the accounting rules and populates tables in Real Estate Management with this entry so that Real Estate Management can mange the sending of this accounting entry to Accounts Payable. The credit side of the entry is not needed, so the accounting rule is not available for entry for the credit row on the accounting rules. And, the field reflects that Accounts Payable is in charge of the creation of the credit side of this accounting entry.
- When using an accounting rule with the transaction destination of *GL* (General Ledger), you must enter a debit and credit. The Transaction Billing Processor does not call or post these entries. Real Estate Management calls

the accounting rules and populates tables in Real Estate Management with this entry so that Real Estate Management can manage the sending of this accounting entry to General Ledger.

Pages Used to Set Up the Transaction Billing Processor

Page Name	Object Name	Navigation	Usage
Installation Options - Installed Products	INSTALLATION_FS	Set Up Financials/Supply Chain, Install, Installation Options Click the Products link in the General Options group box.	Select the Transaction Billing Processor check box to indicate that this product is installed on your system.
Legal Entity	CA_LEGAL_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Legal Entity	Define legal entities to associate with Contract business units. You use legal entities on the Contract - General page to identify the legal entity within your company that owns (that signed) the contract. This value, once associated with a Contracts business unit, automatically populates the appropriate field on the contract header.
Contracts Definition - BU Definition (contracts definition - business unit definition)	BUS_UNIT_TBL_CA	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, BU Definition	Create a new Contracts business unit definition or manage an existing business unit.

Page Name	Object Name	Navigation	Usage
Contracts Definition - Processing Options	BUS_UNIT_OPT_CA2	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Processing Options	Select the Edit Combinations check box if you want the Accounting Rules process (PSA_ACCTGGL) to run combination editing. This step is optional. For recurring transactions, define the parameters in the Proration Options group box so that the Transaction Billing Processor can process the CRM recurring transactions. For on-demand transactions, select a bill plan detail template ID to use to override the fields on the billing plan (optional). If you select a template on this page, when the billing plan is created, the billing plan detail template overrides the corresponding fields on the billing plan.
Schedules	SCHEDULE	Set Up Financials/Supply Chain, Common Definitions, Calendars/Schedules, Schedules	Create schedules that automate and control the generation of recurring journal entries.
Contracts GL Options	CA_BUGL_OPT	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Contracts GL Options	Select the TBP Revenue Doc. Type (TBP revenue document sequencing type) for the General Ledger business unit. You must enter a document type if you are using the Document Sequencing feature for the General Ledger unit. Set up the document sequencing type for one-time transactions only.
Contract Status	CA_STATUS_PNL	Set Up Financials/Supply Chain, Product Related, Contracts, General Options, Contract Status	Define contract statuses and map them to processing statuses. The system uses the contract status to control all processing that can occur against a contract.
Accounting Rules for CRM	CA_ACCT_RULES	Customer Contracts, Create and Amend, CRM Acctg Distribution	Define the accounting rules to apply to CRM transactions.

Page Name	Object Name	Navigation	Usage
Accounting Rules for Lease Administration	CA_ACCT_RULES	Set Up Financials/Supply Chain, Business Unit Related, Lease Administration, LA Accounting Rules	Define the accounting rules to apply to Real Estate Management transactions.
Billing Plan Detail Template	CA_BP_DTL_TMPL	Set Up Financials/Supply Chain, Product Related, Contracts, Templates, Billing Plan Detail Templates	Capture detailed information for populating fields in the billing plan that do not appear by default from the contract business unit. Or, override existing billing plan fields. This applies to on-demand contracts only.

Setting Up Installed Products

Access the Installation Options - Installed Products page.

Select the Transaction Billing Processor check box.

Defining Legal Entities

Access the Legal Entity page.

See Chapter 7, "Structuring Contracts," Defining Legal Entities, page 54.

Defining Contracts Business Units

Access the Contracts Definition - BU Definition page.

See Chapter 6, "Defining Contracts Business Units," page 21.

Selecting Combination Editing

Access the Contracts Definition - Processing Options page.

ChartField Editing - CRM

Edit Combinations Select this check box to indicate that you want the Accounting Rules process (PSA_ACCTGGL) to run combination editing.

Note. This step is optional. If you want to use combination editing, set up the ChartField combination editing rules in General Ledger.

See Chapter 6, "Defining Contracts Business Units," page 21.

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Editing ChartField Combinations," Setting Up Combination Editing.

Setting Up Schedules

Access the Schedules page.

Set up schedules for the Transaction Billing Processor to use when processing recurring transactions from CRM.

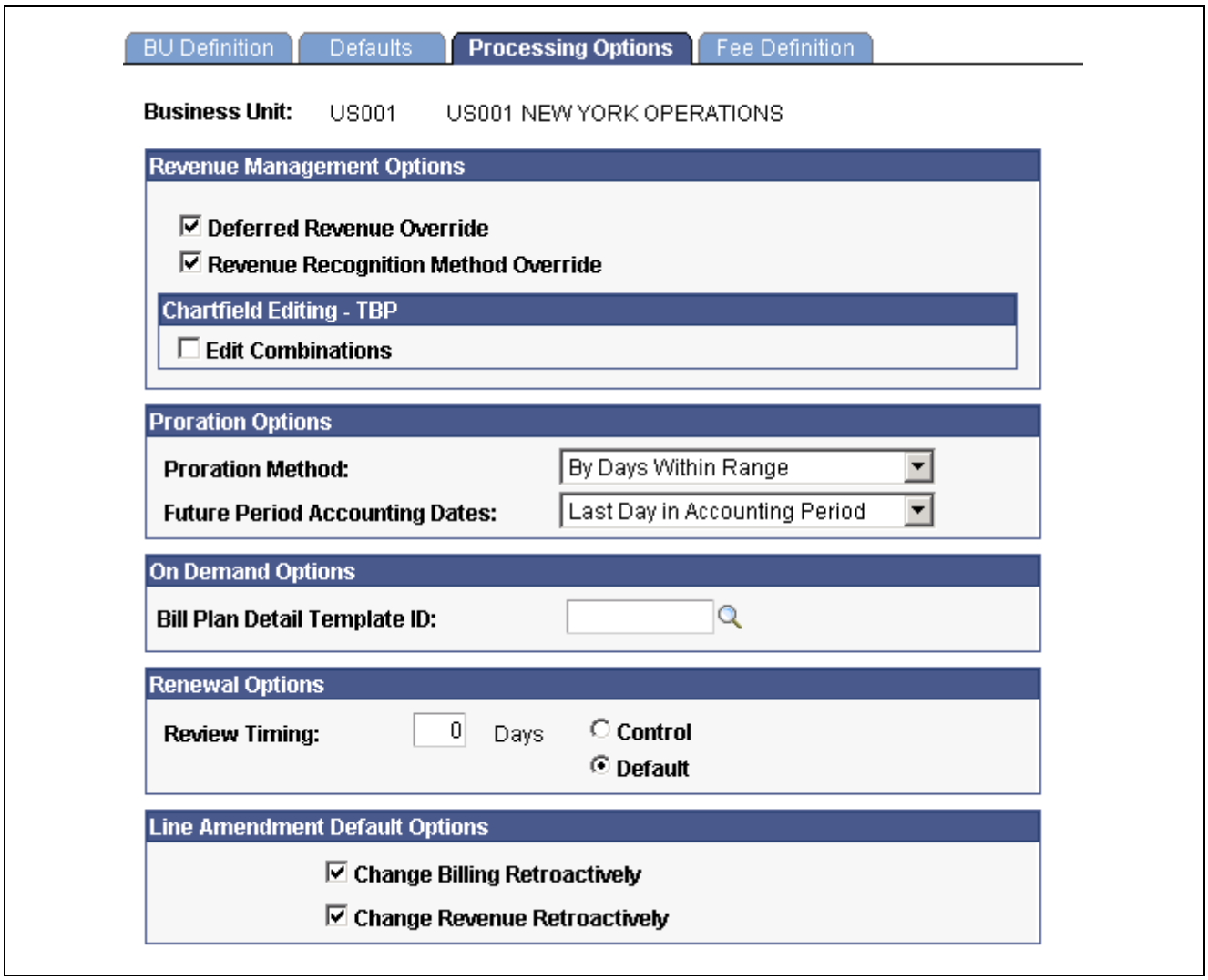
Note. Use this page when setting up recurring transactions from CRM. This page is not used for one-time and on-demand transactions.

Note. Transaction Billing Processor supports the following schedules: annually, daily, monthly and weekly.

See *PeopleSoft Enterprise Application Fundamentals 8.9 PeopleBook*, "Defining Financials and Supply Chain Management Common Definitions," Setting Up Schedules.

Defining Proration Options

Access the Contracts Definition - Processing Options page.



Contracts Definition - Processing Options page

Proration Options

Proration Method Values are:

- *By Days Within Range:* The system divides the number of days in the schedule period by the number of days in range.
- *Evenly Using all Pds:* The system divides the total amount by the total number of periods in the range. Billing and revenue are recognized in equal portions for each transaction created, regardless of the number of days in each schedule period.

Future Period Accounting Dates Values are:

- *First Day in Accounting Period:* Select this option to use the first day in the calendar month of the *from date* as the accounting date for the transactions created when CRM sends a recurring transaction to the Transaction Billing Processor.
- *Last Day in Accounting Period:* Select this option to use the last day in the calendar month of the *to date* as the accounting date for the transactions created when CRM sends a recurring transaction to the Transaction Billing Processor.

Note. Use this page when setting up recurring transactions from CRM. This page is not used for one-time and on-demand transactions.

See Chapter 6, "Defining Contracts Business Units," page 21.

Defining GL Options

Access the Contracts GL Options page.

Set up the TBP Revenue Doc. Type (TBP revenue document sequencing type) for one-time transactions only.

Note. This page is not used for recurring and on-demand transactions as revenue for those transactions is managed by Billing.

TBP Revenue Doc. Type

Revenue Select the document sequencing document type for the General Ledger business unit.

You must enter a document type if you are using the Document Sequencing feature for the general ledger business unit. Document types represent the business purpose of a financial transaction. Within the domestic sales journal code, for example, you may have document types such as domestic customer invoices, customer credit memos, and customer debit memos. Document types are assigned to one and only one journal code.

This field appears on this page only if you have installed the Transaction Billing Processor.

The rest of the fields on this page are discussed in the *PeopleSoft Enterprise Contracts PeopleBook.*

See Chapter 7, "Structuring Contracts," Defining Contract Document Sequencing Options, page 53.

See *PeopleSoft Enterprise General Ledger PeopleBook.*

Defining Contract Statuses

Access the Contract Status page.

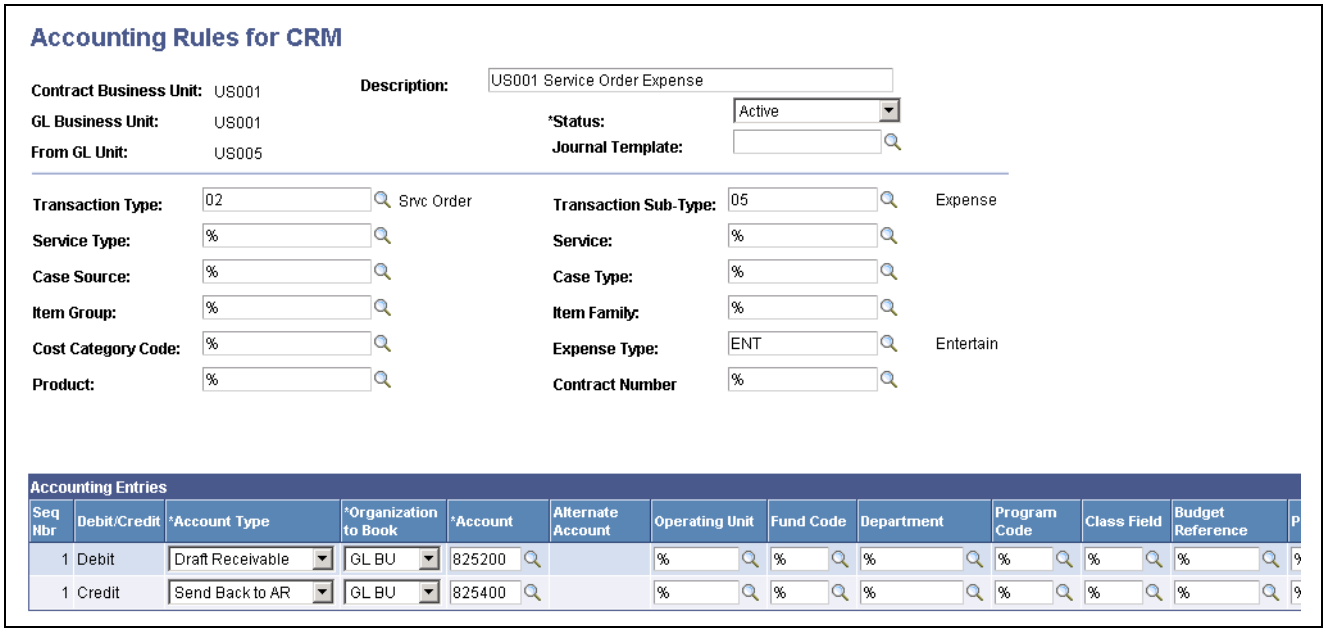
Select the processing status to which the contract status should be mapped.

You must define a default active status.

See Chapter 7, "Structuring Contracts," Defining Contract Statuses, page 30.

Setting Up Accounting Rules for CRM

Access the Accounting Rules for CRM page.



Accounting Rules for CRM page

Note. You can select or deselect combination editing for the Accounting Rules process (PSA_ACCTGGL) on the Contracts Definition - Processing Options page.

Note. Wildcarding—use of the percent sign symbol to indicate any possibility (%)—is supported on this page. Partial wildcarding—the use of alphanumeric symbols in combination with the percent sign symbol—is not.

The fields and functionality of this page are similar to those on the Accounting Rules page in the *Project Costing PeopleBook.*

Contract Business Unit Displays the Contracts business unit.

Description Enter a description for the accounting rules.

GL Business Unit (General Ledger business unit) Displays the General Ledger business unit (GLBU) of the sending application. The GLBU defines where the accounting entry is booked. This field is display-only.

Status Displays the status of the accounting rules. The user controls this status.

From GL Unit (from general ledger unit) Displays the source General Ledger business unit. With the exception of employee-related transactions (service orders), this value should always be the same as the value in the GL Business Unit field. This field is display-only.

This field applies to FieldService and Support only. This flexibility exists to enable cross-charging revenue to the General Ledger business unit of the resource who performed the service.

Journal Template Enter the journal template to attach to accounting entries when they are sent to the General Ledger system.

Copy Accounting Entries to Click to copy the accounting entries that you specify in the Accounting Entries group box for use with another set of header criteria.

Accounting Entries

Use this grid to define the accounting debits and credits to create for the specified CRM transaction. There must be an equal number of debits and credits. When defining accounting rules for billable activity for one-time transactions, you must specify one unbilled accounts receivable (UAR) accounting distribution. This accounting distribution is stamped on the row when it is sent to Billing. If you do not establish an UAR, the system does not send the row to Billing.

During the Accounting Rules process (PSA_ACCTGGL), all transactions are converted to currency based on the General Ledger currency.

Note. The As Incurred revenue recognition process (PSA_ACCTGGL) is only applicable to one-time transactions.

Seq Nbr (sequence number) Displays the sequence in which these accounting lines are applied. the sequence number groups the debit and credit together and is used to determine whether interunit entries should be created.

Debit/Credit Displays whether this accounting line is a debit or credit.

Account Type Select the type of accounting entry.

Billing Business Unit Enter a business unit that matches the business unit entered in the GL Business Unit field. This ensures that the receivables accounting entries are booked to the same General Ledger business unit as the unbilled receivables account.

This field appears only if the account type is *UAR*.

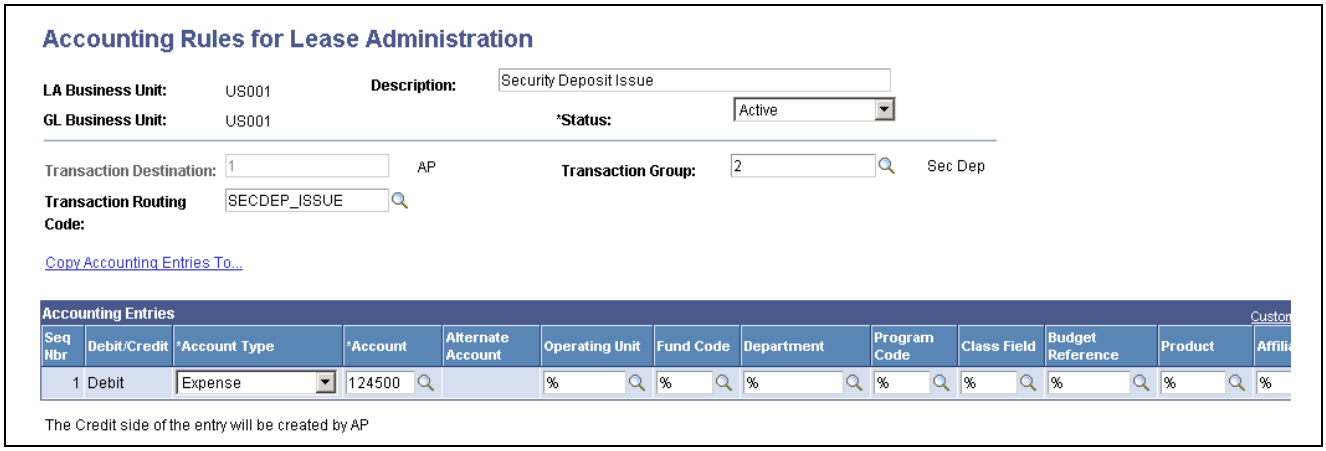
Organization to Book Values are:

- *GL BU:* Select this value to have the accounting line booked to the General Ledger business unit specified in the GL Business Unit field in the header area of this page.
- *From GL BU:* Select this value to have the accounting line booked to the General Ledger business unit specified in the From GL Unit field in the header area of this page. This field may represent the General Ledger business unit of the resource who performed the service. By specifying *From GL BU* here, the system books the accounting to the resource's organization.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Setting Up Accounting for Projects," Defining Accounting Rules.

Setting Up Accounting Rules for Real Estate Management

Access the Accounting Rules for Lease Administration page.



Accounting Rules for Lease Administration page

Note. You can select or deselect combination editing for the Accounting Rules process (PSA_ACCTGGL) on the Contracts Definition - Processing Options page.

Note. Wildcarding—use of the percent sign symbol to indicate any possibility (%)—is supported on this page. Partial wildcarding—the use of alphanumeric symbols in combination with the percent sign symbol—is not.

The fields and functionality of this page are similar to those on the Accounting Rules page in the *Project Costing PeopleBook.*

LA Business Unit Displays the Real Estate Management (Lease Administration) business unit that was entered when creating the accounting rules.

Description Enter a description for the accounting rules.

GL Business Unit (General Ledger business unit) Displays the General Ledger business unit (GLBU) of the sending application. The GLBU defines where the accounting entry is booked. This field is display-only.

Status Displays the status of the accounting rules. The user controls this status. Inactive rules are not used during rules matching.

Transaction Destination Identifies where the system sends the transaction. If the value in the Transaction Destination field is *BI* (Billing), then Billing manages revenue for on-demand transactions. Billing uses the accounting rule to retrieve the revenue credit side of the accounting entry that it needs to offset the Accounts Receivable side of the entry. If the value in the Transaction Destination field is *AP* (Accounts Payable manages expense) or *GL* (General Ledger), during processing, Real Estate Management calls the accounting rules to populate specific accounting rule entries in the Real Estate Management tables. Real Estate Management then sends the accounting entries in this table to either Accounts Payable or General Ledger.

Note. You select the transaction destination value when adding a new accounting rule prior to reaching the Accounting Rules for Lease Administration page. You cannot change this value.

This field is not enterable.

Transaction Group Select a transaction group to indicate the type of Real Estate Management transaction. The system uses the value in this field to create journal entries. Possible field values include: *Base Rent, Security Deposit, Straight-line Accounting, Operating Expense, Percent Rent, Miscellaneous Rent,* and *Manual Fee.*

Transaction Routing Code Select a transaction routing code. You can define unique accounting rules by specifying the transaction routing code for a specific transaction group.

Copy Accounting Entries to Click to copy the accounting entries that you specify in the Accounting Entries group box for use with another set of header criteria.

Accounting Entries

Use this grid to define the accounting debits and credits to create for the specified Real Estate Management transaction. There must be an equal number of debits and credits.

During the Accounting Rules process (PSA_ACCTGGL), all transactions are converted to currency based on the General Ledger currency.

Note. The As Incurred revenue recognition process (PSA_ACCTGGL) is only applicable to one-time transactions.

Seq Nbr (sequence number) Displays the sequence in which these accounting lines are applied. the sequence number groups the debit and credit together and is used to determine whether interunit entries should be created.

Debit/Credit Displays whether this accounting line is a debit or credit. This field corresponds with your Account Type field selection.

Note. For Real Estate Management, the system allows a credit entry only if the value in the Transaction Destination field is *BI* and a debit entry only if the value is *AP.*

Account Type Select the type of accounting entry.

Account Select the account for this transaction.

Alternate Account Select the alternate account for this transaction.

Note. Select optional ChartField values for additional fields on this page. The values that you select here override the values in the transaction record.

Creating Billing Plan Detail Templates

Access the Billing Plan Detail Template page.

Note. Selecting the Pre Approved and Direct Invoicing check boxes have no processing effect for on-demand contracts. The system processes all on-demand contracts with the pre approved and direct invoicing functionality whether or not you select the option here.

Note. This page is available for on-demand transactions only.

Billing Default Overrides

For the fields in this group box, select from the list of values (optional). If CRM or Real Estate Management do not send these values over as part of the transactions and if you leave these fields blank, when you run the Contracts Billing Interface process, the system populates the values by default according to the bill to customer. If CRM or Real Estate Management do not send these values to the Transaction Billing Processor and you populate these fields for the billing plan, the system uses the values that you enter here on the billing plan. However, if you enter values here and CRM or Real Estate Management do send billing defaults, the system uses the defaults sent from CRM or Real Estate Management.

See Chapter 7, "Structuring Contracts," Defining Billing Plan Detail Templates, page 40.

Assigning Billing Plan Overrides

Access the Contracts Definition - Processing Options page.

On Demand Options

Bill Plan Detail Template ID Select a bill plan detail template ID to use to override the fields on the billing plan. If you select a template on this page, when the billing plan is created, the billing plan detail template overrides the corresponding fields on the billing plan.

Note. This page is available for on-demand transactions only.

See Chapter 6, "Defining Contracts Business Units," page 21.

Managing Billing Plans

This section provides an overview of billing plans and discusses how to:

- Define billing plans
- Review billing history
- Manage billing plans

Note. The pages discussed in this section are available for recurring and one-time transactions. These pages are not available for on-demand transactions. For those transactions, Billing manages revenue.

Understanding Billing Plans

This section discusses billing plans created through the CRM and the Transaction Billing Processor integration. This discussion includes:

- Billing plans
- Billing history
- Billing management

Billing Plans

The system creates a billing plan with an *As-incurred* billing method for the service transactions sent from CRM to the Transaction Billing Processor. Contract lines are linked to the billing plan. Although these billing plans contain rules defined by default upon contract creation, you can manually override the system defaults.

FieldService, Support, and Order Capture send credit card information to the Transaction Billing Processor. This information is passed to Billing for processing. The Transaction Billing Processor does not validate the credit card numbers.

See Chapter 19, “Setting Up Billing Plans,” page 281.

Billing History

The Billing Plan - History page enables you to view the status for all billing activity related to the billing plan. You can manually insert rows into the Billing Plan - History page to account for any bills generated against this billing plan by, for example, a third-party billing system.

Billing Management

The Review Billing Services for CRM page is summary view of the billing cross-reference table (CA_BP_XREF). This table stores all the billing history for a contract. Three ways that information can flow into the billing cross-reference table include:

- The Contracts Billing Interface process inserts a row.
- If you enter an invoice manually into Billing, and you enter a valid contract number and bill plan ID on the bill, the Billing program inserts the rows into the cross-reference table
- You can manually enter a row in the history table.

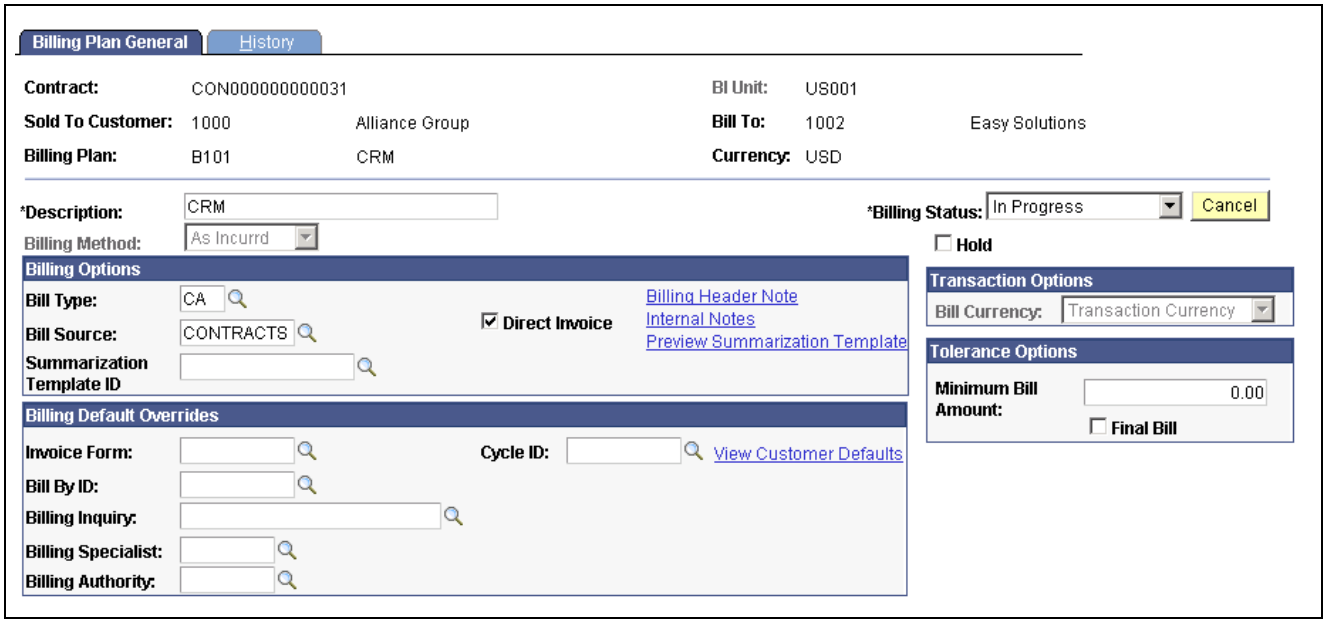
From the Review Billing Services for CRM page, you have visibility to the agreement number, service order ID, case ID, and order ID. You can navigate to the Billing Plan - General and Billing Plan - History pages from the Review Billing Services for CRM page.

Pages Used for Managing Billing

Page Name	Object Name	Navigation	Usage
Billing Plan - Billing Plan General	CA_BP_GEN_INFO	• Customer Contracts, Schedule and Process Billing, Define Billing Plan, Billing Plan - Billing Plan General • Click the Bill Plan ID link on the Review Billing Services for CRM page. Select the Contract tab.	Define the high-level billing information for a billing plan. The system associates the information on this page with all the billing lines associated with this billing plan. This information is sent to Billing.
Billing Plan - History	CA_BP_XREF	• Customer Contracts, Schedule and Process Billing, Define Billing Plans, History • Click the History link on the Review Billing Services for CRM page. Select the Contract tab.	View the status for all billing activity related to this billing plan.
Review Billing Services for CRM	CA_BI_MGMT_AI_CRM	Customer Contracts, Review Billing, Services for CRM	Review billing plans with the *As-incurred* billing method for CRM.

Defining Billing Plans

Access the Billing Plan - Billing Plan General page.



Billing Plan - Billing Plan General page

The system populates the fields on this page upon contract creation from an agreement from CRM. The system populates the Billing Method field with the *As Incurred* billing method. You cannot change this value.

Note. For CRM-related contracts, the Tax Parameters and Events tabs are not available.

Note. This page is not available for on-demand transactions.

The fields on this page are discussed in the "Setting Up Billing" chapter of the *PeopleSoft Enterprise Contracts PeopleBook.*

See Chapter 19, "Setting Up Billing Plans," page 281.

Billing Options

Billing uses a hierarchical system of defaults to determine billing options. Billing options that you do not specifically define for a billing plan appear by default from a higher level. Billing options that you do select here impact other aspects of your bills. For example, the selections that you enter for the Bill Type and Bill Source fields impact the format of your final invoice.

Bill Type Accept the default value which is populated from the contracts business unit table, or enter a new bill type. The bill type is used by Billing to categorize the activity being billed.

Bill Source Displays the bill source, which is used by Billing to identify where the billing activity came from, and to then associate default billing information with that billing activity. Accept the default value which is populated from the contracts business unit table, or select a new bill source.

Direct Invoice Select the Direct Invoice check box to process all billing processes and create bills in *RDY* status. By selecting this check box, the system bypasses the invoice approval process within Billing. If you do not select this check box, the system creates an invoice in *NEW* status.

Billing Header Note Click to create notes to attach to the billing plan header. These notes flow to Billing as a header note and appear on the header of any bill associated with this billing plan.

Internal Notes Click to create an internal billing note to apply to the contract.

Billing Default Overrides

For the fields in this group box, select from the list of values (optional). If CRM did not send these values over as part of the transaction and if you leave these fields blank, when you run the Contracts Billing Interface process, the system populates the values by default according to the bill to customer. Click the View Customer Defaults link to view the billing defaults specified for the customer.

If CRM did not send these values to the Transaction Billing Processor and you populate these fields for the billing plan, the system uses the values that you enter here on the billing plan. However, if you enter values here and CRM does send billing defaults, the system uses the defaults sent from CRM.

Transaction Options

For *As-Incurred* billing plans from CRM, define the following option:

Bill Currency Populated by the system with the default value of *Trans Cur* (transaction currency). This is the billing currency that is used for billing activity generated by this billing plan

You can change the billing currency option when the billing plan is in *Pending* status:

Bill Cur (billing currency): Select if you want the invoices created from this billing plan to be billed in the billing plan currency.

Trans Cur (transaction currency): Select if you want the invoices created from this billing plan to be billed in the transaction currencies associated with the CRM data.

Tolerance Options

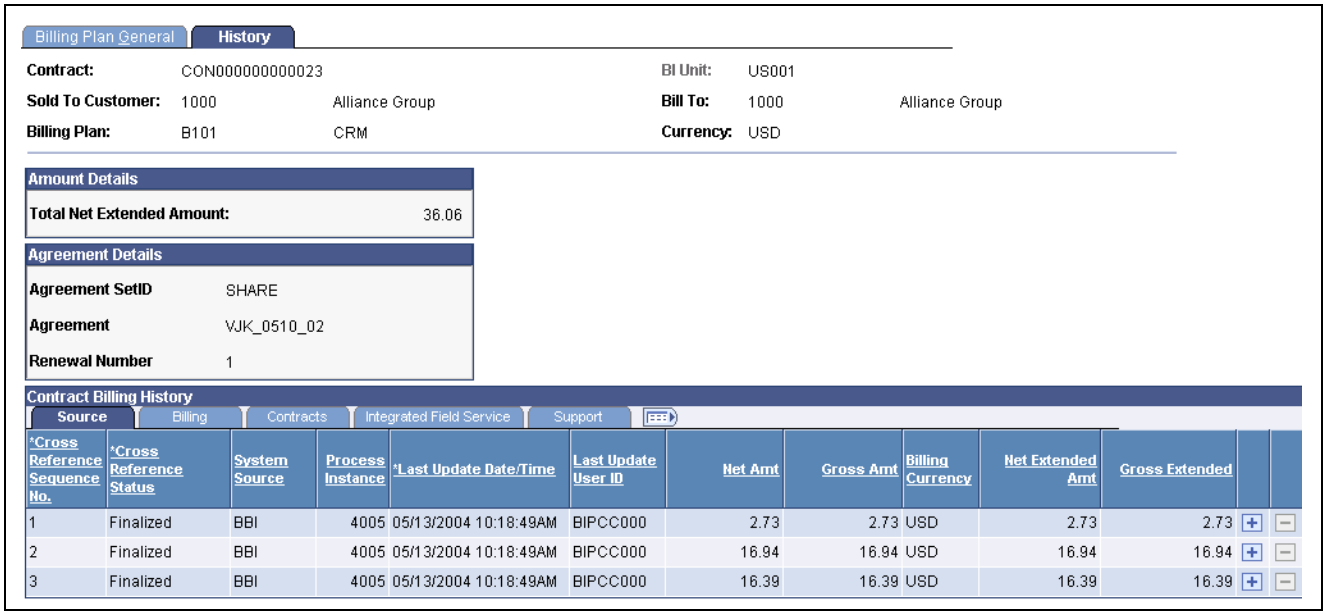
For billing plans created from CRM transactions, you can define the following values:

Minimum Bill Amount Enter a minimum bill amount for this billing plan. If the CRM rows are below the minimum bill amount, the rows are not passed onto billing.

Final Bill Select this check box to indicate that this is the last bill for the contract. If this check box is selected, the system bypasses checking for the tolerance amount.

Viewing Billing History

Access the Billing Plan - History page.



Billing Plan - History page

Note. This page is not available for on-demand transactions.

Amount Details

Total Net Extended Amount Displays the actual amount that was invoiced by Billing for all contract lines associated with this billing plan. This amount does not include taxes.

Agreement Details

This group box appears for billing plans created from FieldService and Support transactions only. This group box does not appear for transactions from Order Capture.

Agreement SetID Displays the associated agreement SetID for the billing plan.

Agreement Displays the associated agreement description for the billing plan.

Renewal Number Displays the associated renewal number.

Billing Plan - History: Source Tab

Select the Source tab.

See Chapter 19, "Setting Up Billing Plans," Viewing Billing History, page 319.

Billing Plan - History: Billing Tab

Select the Billing tab.

See Chapter 19, "Setting Up Billing Plans," Viewing Billing History, page 319.

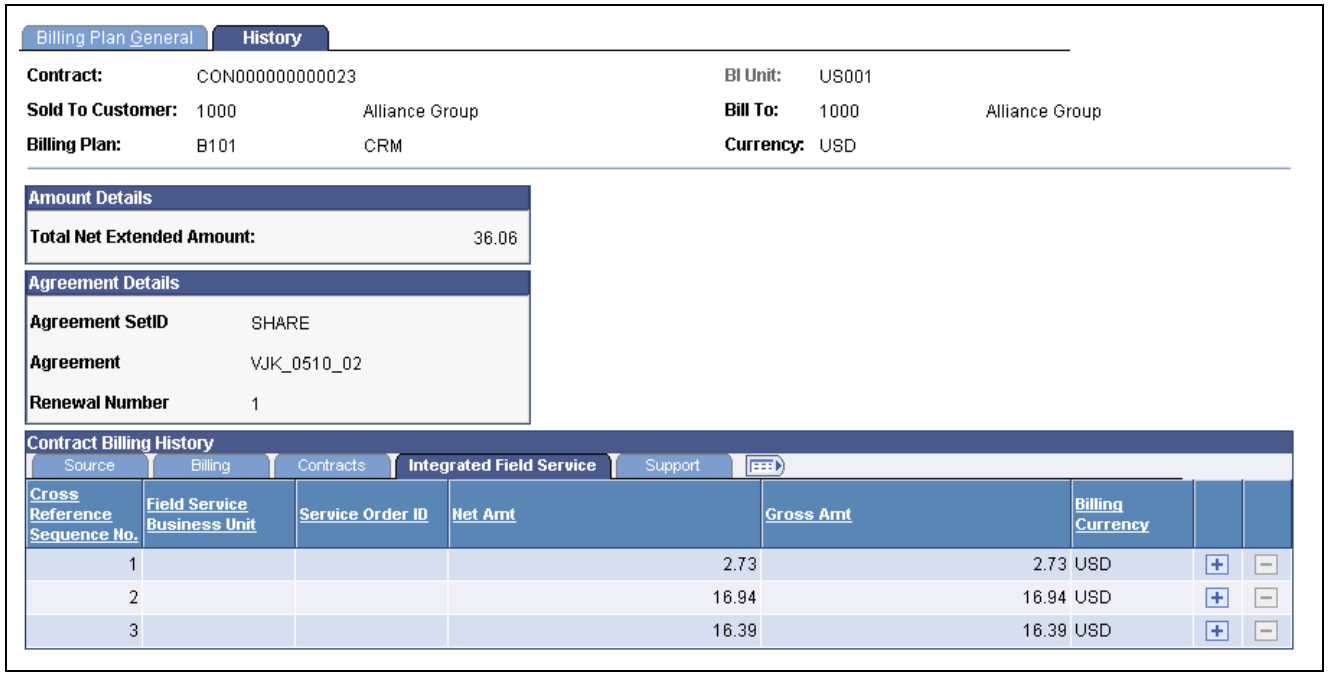
Billing Plan - History: Contracts Tab

Select the Contracts tab.

See Chapter 19, "Setting Up Billing Plans," Viewing Billing History, page 319.

Billing Plan - History: Integrated Field Service Tab

Select the Integrated Field Service tab.

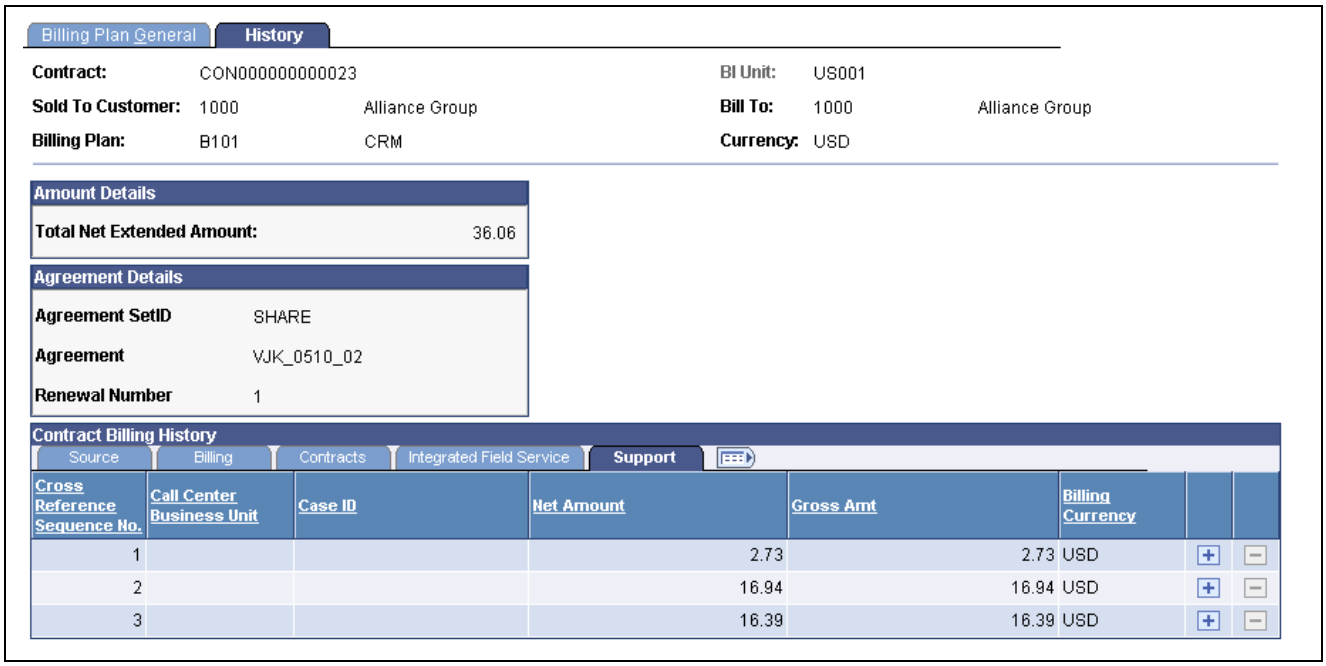


Billing Plan - History page: Integrated Field Service tab

Note. This tab appears for billing plans created from FieldService and Support transactions only. This tab does not appear for transactions from Order Capture.

Billing Plan - History: Support Tab

Select the Support tab.

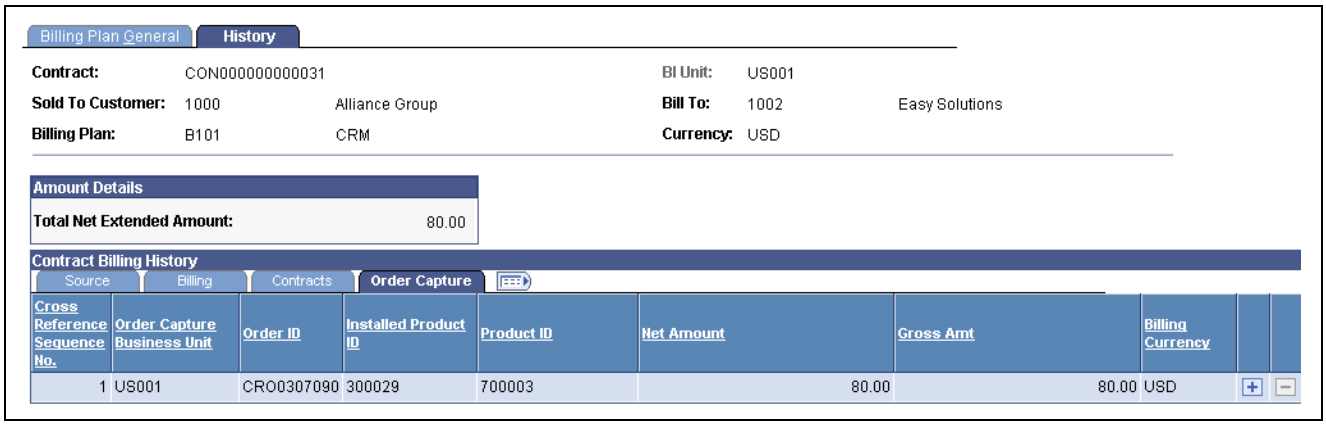


Billing Plan - History page: Support tab

Note. This tab appears for billing plans created from FieldService and Support transactions only. This tab does not appear for transactions from Order Capture.

Billing Plan - History: Order Capture Tab

Select the Order Capture tab.

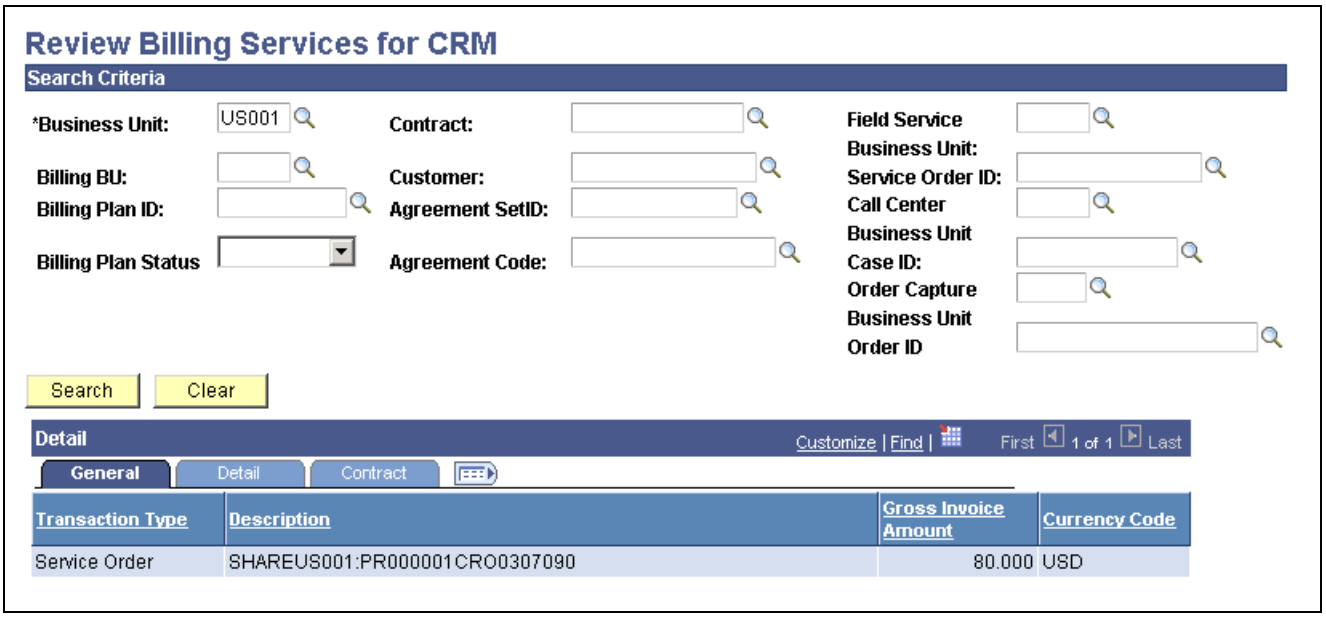


Billing Plan - History page: Order Capture tab

Note. This tab appears for billing plans created from Order Capture transactions only. This tab does not appear for transactions from FieldService or Support.

Managing Billing

Access the Review Billing Services for CRM page.



Review Billing Services for CRM page

Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all billing plans for all active contracts within your system.

Note. This page is not available for on-demand transactions.

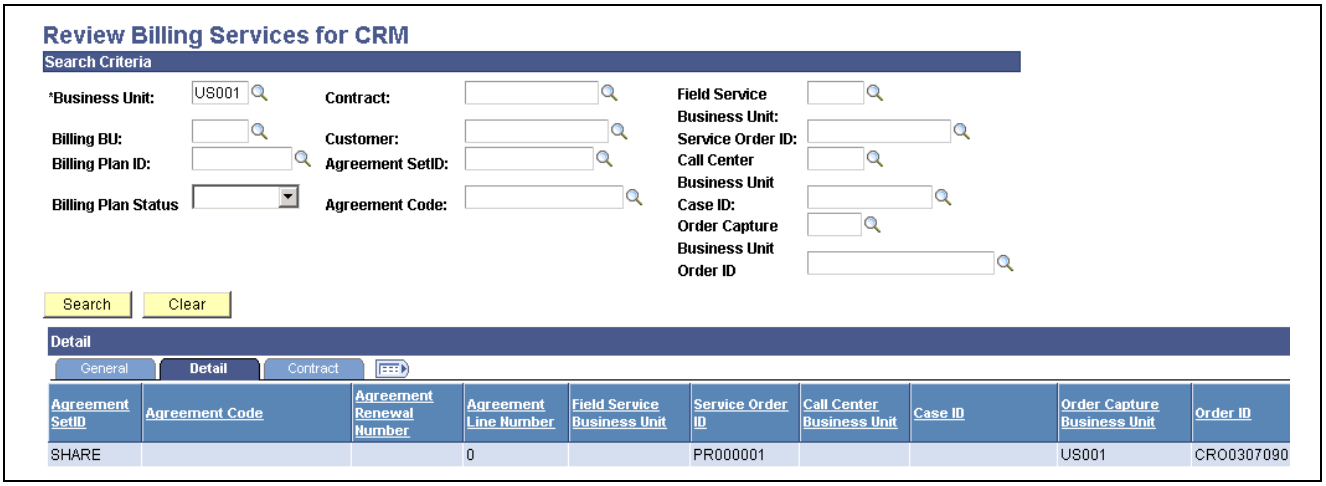
Review Billing Services for CRM: General Tab

Transaction Type Indicates the type of CRM transaction. Values may include: *Agreement, Service Order, Order Capture,* and *Case.*

Gross Invoice Amount Displays the gross amount for this billing plan. This is the invoiced amount without discounts and taxes.

Review Billing Services for CRM: Detail Tab

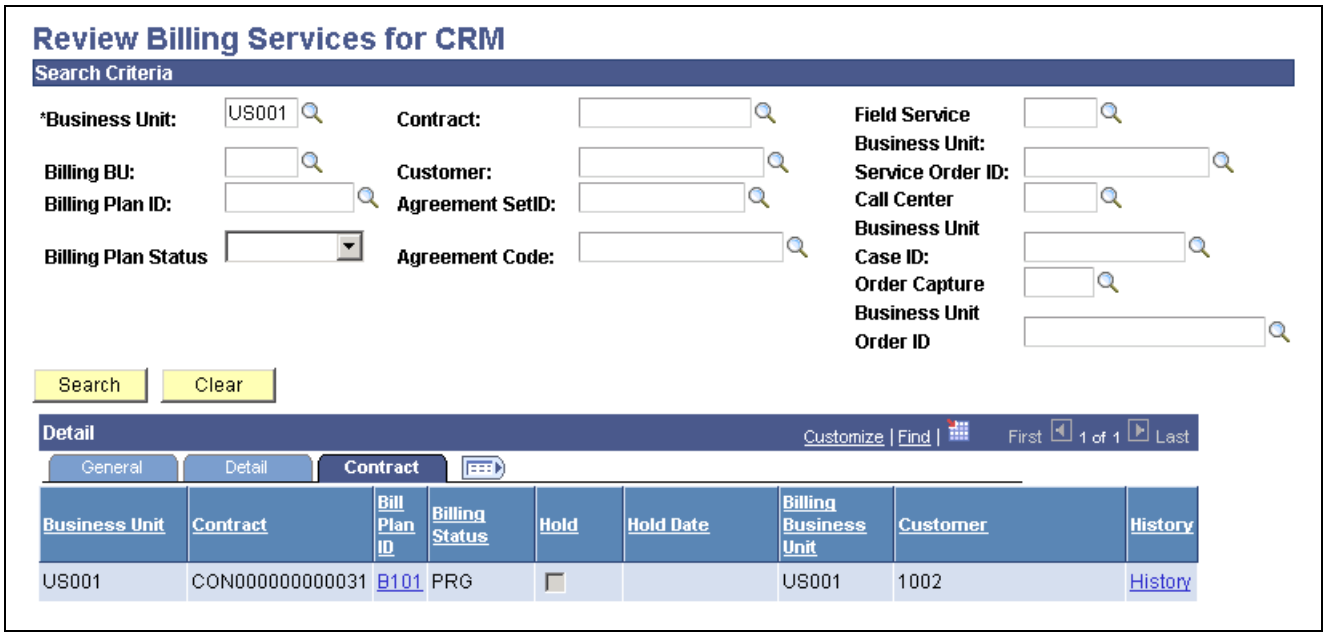
Select the Detail tab.



Review Billing Services for CRM page: Detail tab

Review Billing Services for CRM: Contract Tab

Select the Contract tab.



Review Billing Services for CRM page: Contract tab

Business Unit Displays the Contracts business unit associated with the billing plan.

Contract Displays the Contracts contract number.

Bill Plan ID Click to access the Billing Plan - Billing Plan General page to view details pertaining to this billing plan ID.

Billing Status Displays the status of the billing plan.

Hold Indicates whether this billing plan has been placed on hold.

Hold Date Displays the date that the billing plan was placed on hold.

Billing Business Unit Displays the Billing business unit associated with the billing plan.

Customer Displays the customer buying the products and services specified on the contract that is associated with this billing plan.

History Click to access the Billing History page for this billing plan.

Managing Revenue Plans

This section provides an overview of revenue plans and discusses how to:

- Define revenue plans
- Manage revenue
- Review revenue
- Redistribute revenue

Note. The pages discussed in this section are available for transactions where Contracts manages revenue. This includes one-time transactions only. These pages are not available for recurring and on-demand transactions. For those transactions, Billing manages revenue.

Understanding Revenue Plans

This section discusses:

- Revenue plans
- Revenue management
- Revenue review
- Revenue redistribution

Revenue Plan

The system creates a revenue plan with an *As-incurred* revenue method for the one-time transactions sent from CRM to the Transaction Billing Processor. Contract lines related to the CRM transaction are linked to the revenue plan. Since Contracts manages revenue for these transactions, you can manage the revenue plan fields on the contract.

You can place or remove a *hold* on a revenue plan or cancel a revenue plan from the Revenue Plan page. When you place a revenue plan on hold, any revenue recognition activity associated with this plan is not processed.

No revenue plans are created for transactions where Billing manages revenue. This includes recurring and on-demand transactions.

See Chapter 15, "Setting Up Revenue Plans," page 195.

Revenue Management

The revenue management page (Review Revenue Services for CRM) determines where to retrieve amounts from, depending on the revenue method. The *As-incurred* method evaluates the transaction source (TXN_SOURCE) of the plan to determine from where to retrieve amounts.

The Review Revenue Services for CRM page is summary view of the accounting entry table (CA_ACCTG_LN_TXN). From this page, you have visibility to the agreement number, service order ID, case ID, or capture ID.

Review Revenue

You can review revenue that has been recognized to date and pending revenue recognition for any cross-section of your system.

Redistribute Revenue

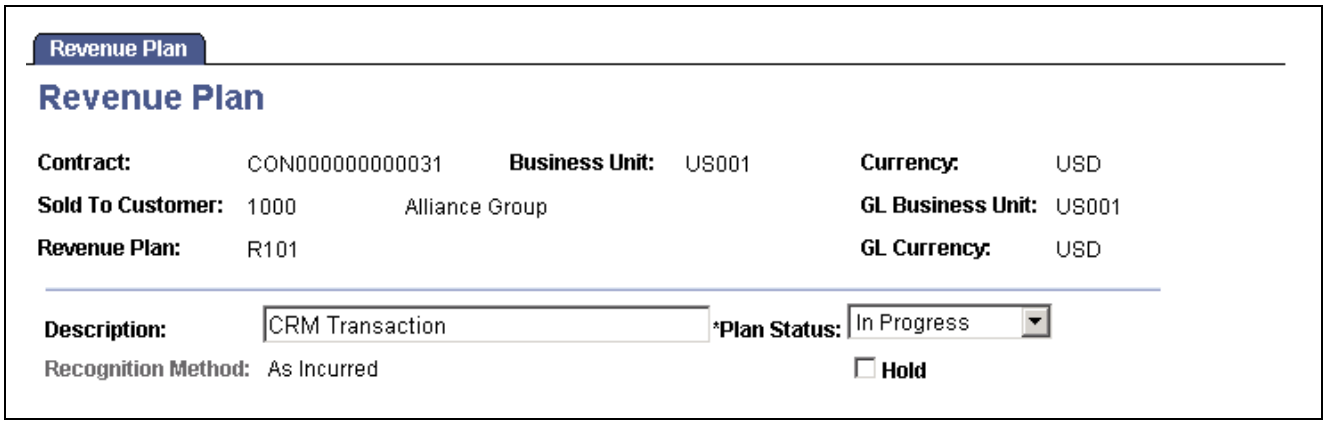
You can initiate the redistribution of revenue accounting associated with CRM transactions on the Redistribute CRM page in the Transaction Billing Processor. You can redistribute CRM transactions that are associated with an *As-incurred* revenue plan only. You cannot redistribute recurring and on-demand transactions since Billing manages revenue for those transactions. The Redistribute CRM page enables you to view all transactions for all contract lines associated with that revenue plan.

Pages Used to Manage Revenue Plans

Page Name	Object Name	Navigation	Usage
Revenue Plan	CA_ACCTPLAN	Customer Contracts, Schedule and Process Revenue, Define Revenue Plan	Define a revenue plan for contract lines in which revenue is managed by Contracts. Place revenue plans on hold from this page.
Review Revenue Services for CRM	CA_AP_MGMT_AI_CRM	Customer Contracts, Review Revenue, Services for CRM	Review revenue plans with the *As-incurred* revenue recognition method for CRM.
Ca Acct Line Txn (CRM Journal Accounting Lines)	CA_ACCT_LINE_TXN	Customer Contracts, Review Revenue, CRM Jrnl Acctg Lines	Review CRM contract line journal entry details for one-time transactions. Inquire about the accounting entries after you have run the Accounting Rules Engine and your accounting entries have gone through the Journal Generator Update process and have been posted to the general ledger.
Redistribute CRM	CA_AP_CRM_SUMMARY	Customer Contracts, Adjust Revenue and Billing, Redistribute CRM	Redistribute revenue accounting lines that the system has generated for an as-incurred revenue plan. The system limits redistribution of revenue to departments only.

Defining Revenue Plans

Access the Revenue Plan page.



Revenue Plan page

Plan Status Controls your ability to enter information into, and the processing that occurs against, the revenue plan. The available revenue plan status that you can control are: *Pending, Ready, Completed,* and *Cancelled.*

Hold Select to place this revenue plan on hold. Any revenue recognition activity associated with this plan is not processed. You can view plans that are on hold from the revenue management page; however, you can only initiate and remove a hold on a revenue plan from this page. This option is not available on revenue plans with a *Pending* status.

Note. If there is a credit hold on a customer in CRM, then the contract administrator must set the revenue plan to hold to prevent transactions from occurring. If the Hold check box is selected, then the contract administrator must manually release the hold when revenue can again be recognized.

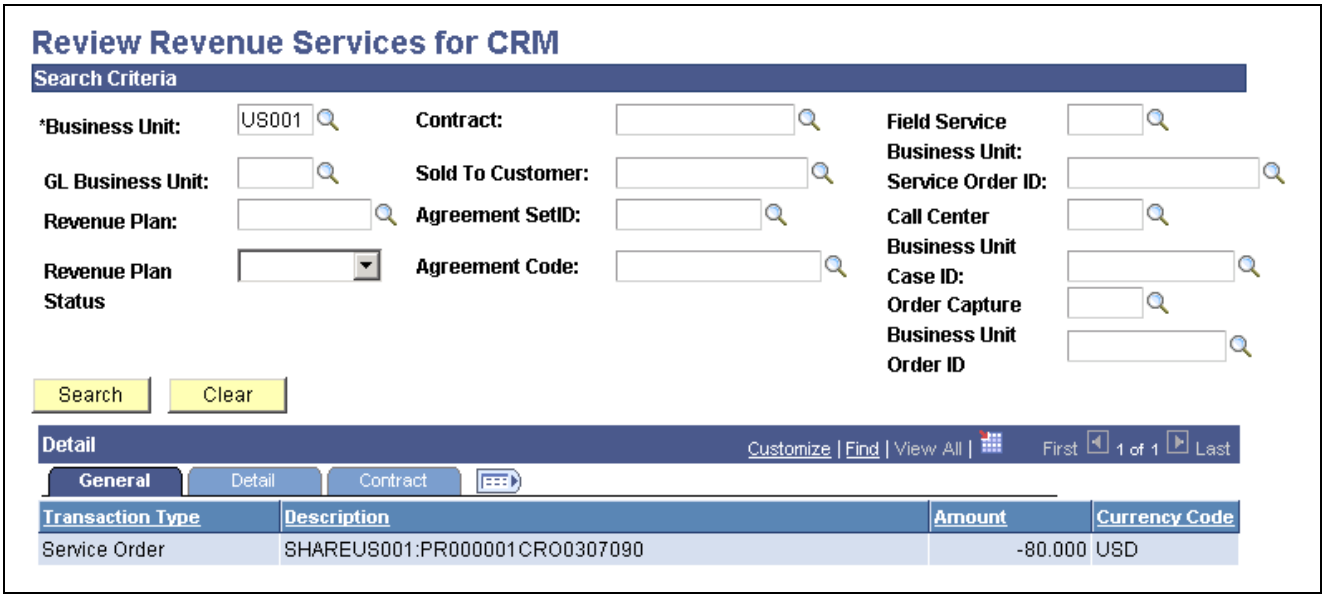
CRM transactions cannot be processed while the revenue plan is on hold.

Note. For CRM transactions where Contracts manages revenue, the revenue method is *As-incurred.* This page is not available for recurring and on-demand transactions.

See Chapter 15, "Setting Up Revenue Plans," page 195.

Managing Revenue

Access the Review Revenue Services for CRM page.



Review Revenue Services for CRM page

Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all revenue plans for all active contracts within your system.

Note. This page is available for CRM transactions with an *As-incurred* revenue recognition method. This page is not available for recurring and on-demand transactions.

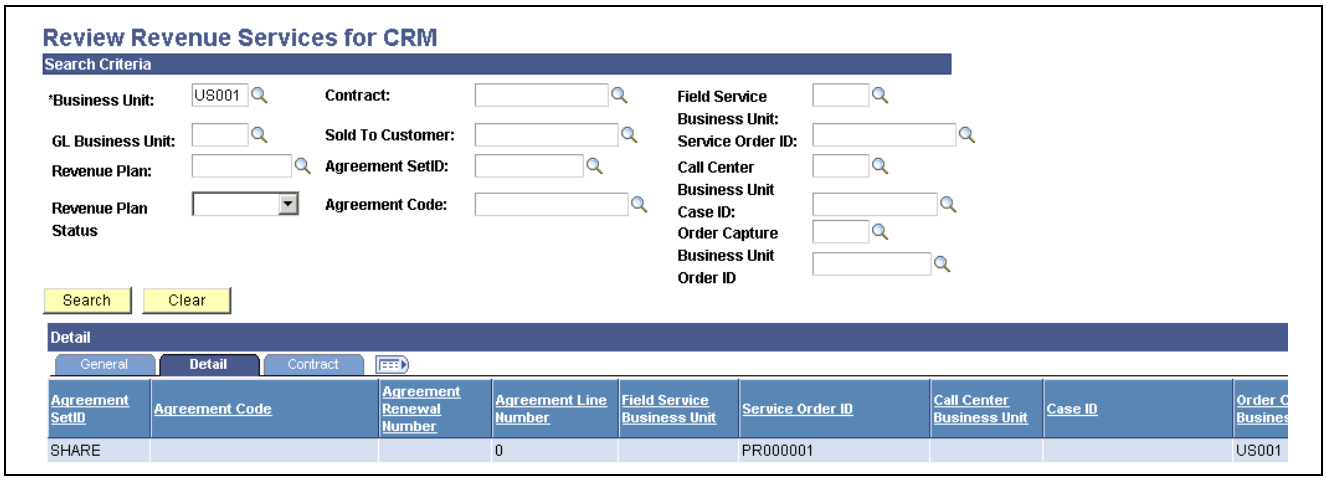
Review Revenue Services for CRM: General Tab

Transaction Type Indicates the type of CRM transaction. Values may include: *Agreement, Service Order, Order Capture,* and *Case.*

Amount Displays the total amount for the revenue plan associated with this row.

Review Revenue Services for CRM: Detail Tab

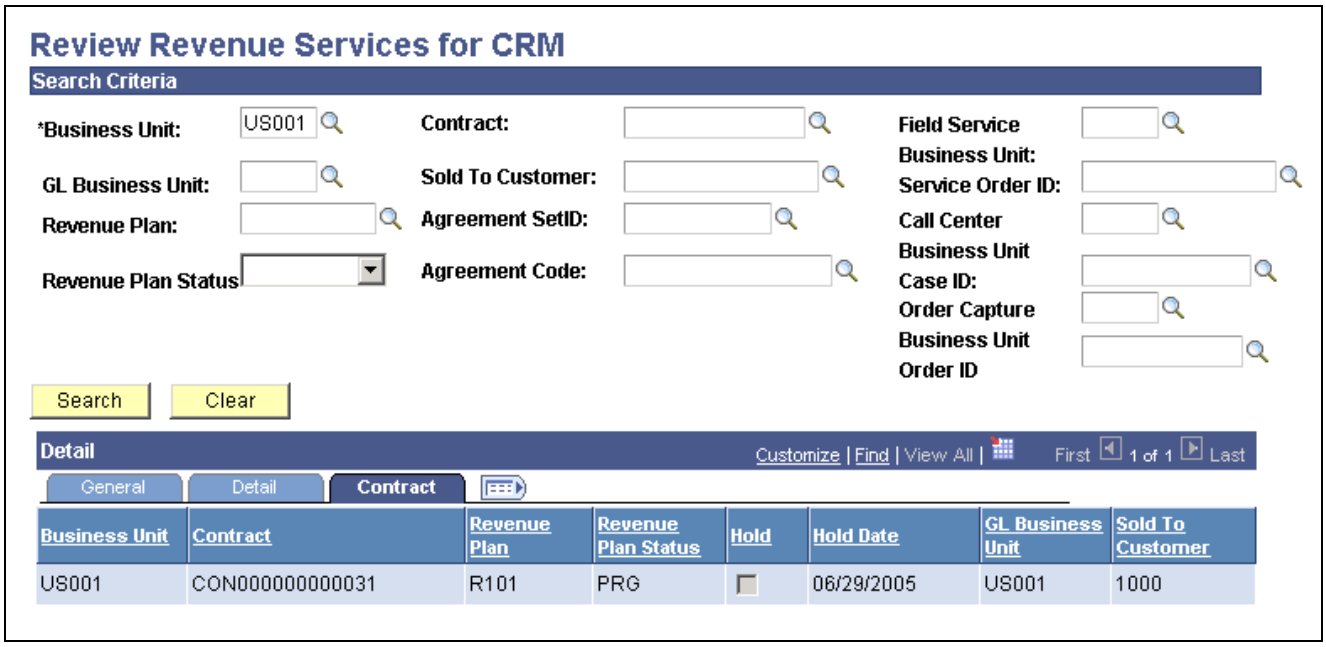
Select the Detail tab.



Review Revenue Services for CRM page: Detail tab

Review Revenue Services for CRM: Contract Tab

Select the Contract tab.



Review Revenue Services for CRM page: Contract tab

Business Unit Displays the Contracts business unit associated with the revenue plan.

Contract Displays the contract associated with the revenue plan.

Revenue Plan Click this link to access the Revenue Plan page to review the revenue plan.

Revenue Plan Status Displays the status of the revenue plan.

Hold Indicates whether this revenue plan has been placed on hold.

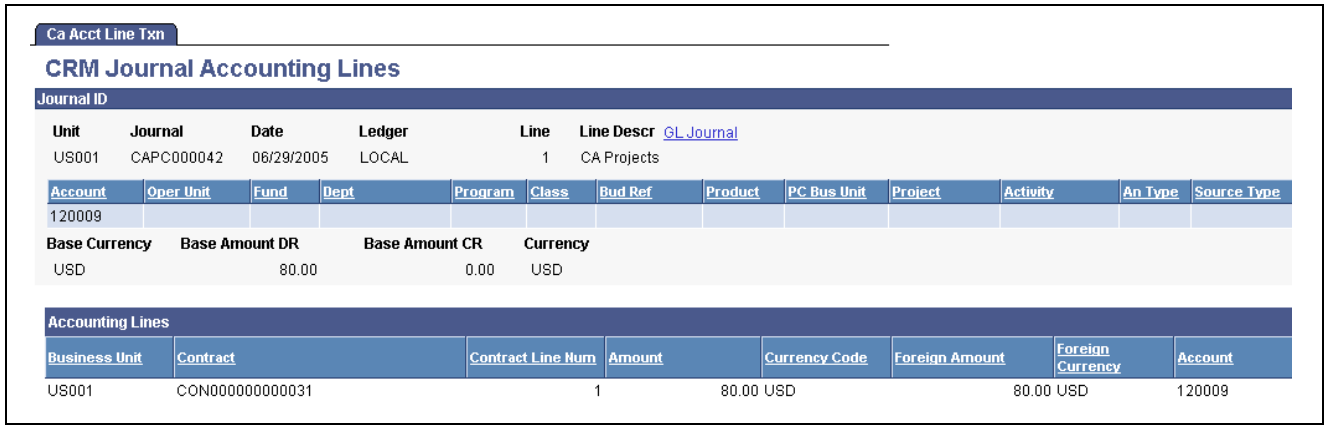
Hold Date Displays the date that the revenue plan was placed on hold.

GL Business Unit Displays the General Ledger business unit associated with this revenue plan.

Sold To Customer Displays the customer buying the products and services specified on the contract that is associated with this revenue plan.

Reviewing Revenue

Access the CRM Journal Accounting Lines page.



CRM Journal Accounting Lines page

Note. Your contract accounting entries must have posted successfully to the GL by the Journal Generator process to view them here.

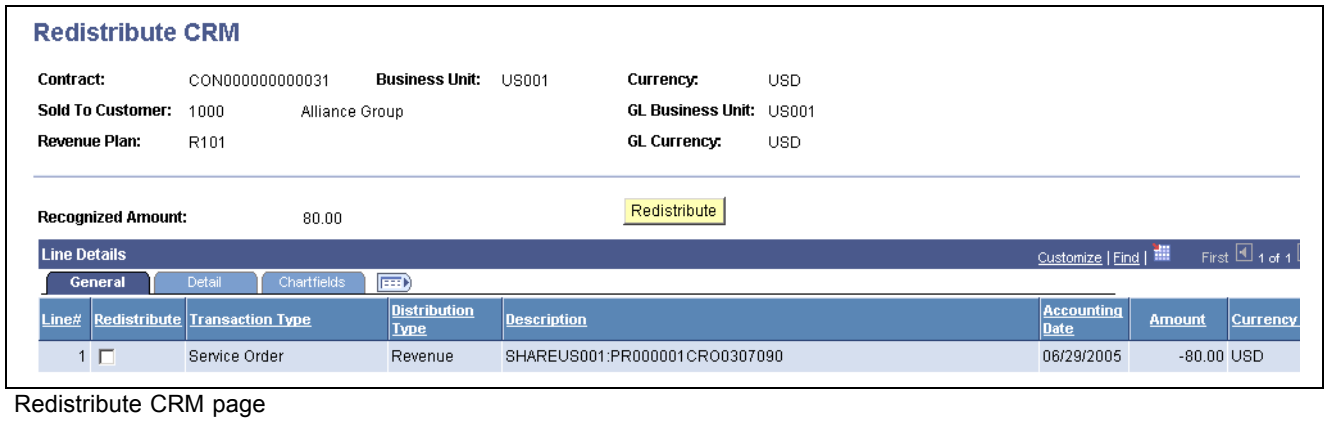
Note. No data appears on this page for transactions where Billing Manages revenue. Billing handles the booking of the revenue for recurring and on-demand transactions.

The fields on this page are the same as those on the Ca Acct Line Jrnl page in the *PeopleSoft Enterprise Contracts PeopleBook.*

See Chapter 17, "Managing Revenue Recognition," Reviewing Revenue, page 241.

Redistributing Revenue

Access the Redistribute CRM page.



Redistribute CRM page

Note. This page is available for CRM transactions with an *as-incurred* revenue recognition method. This page is not available for recurring and on-demand transactions.

Recognized Amount Amount of revenue that has been recognized to date for this revenue plan. You can redistribute only revenue that has already been recognized.

Redistribute After you have selected the transactions or entries that you want to redistribute, click this button to initiate the redistribution process.

CRM Redistribution: General Tab

Line# (line number) Displays the contract line number that you associated with the revenue plan for this transaction. A contract line can have multiple transactions.

Redistribute Select this check box to redistribute revenue for the row.

Transaction Type Indicates the type of CRM transaction. Values may include: *Agreement, Service Order, Order Capture,* and *Case.*

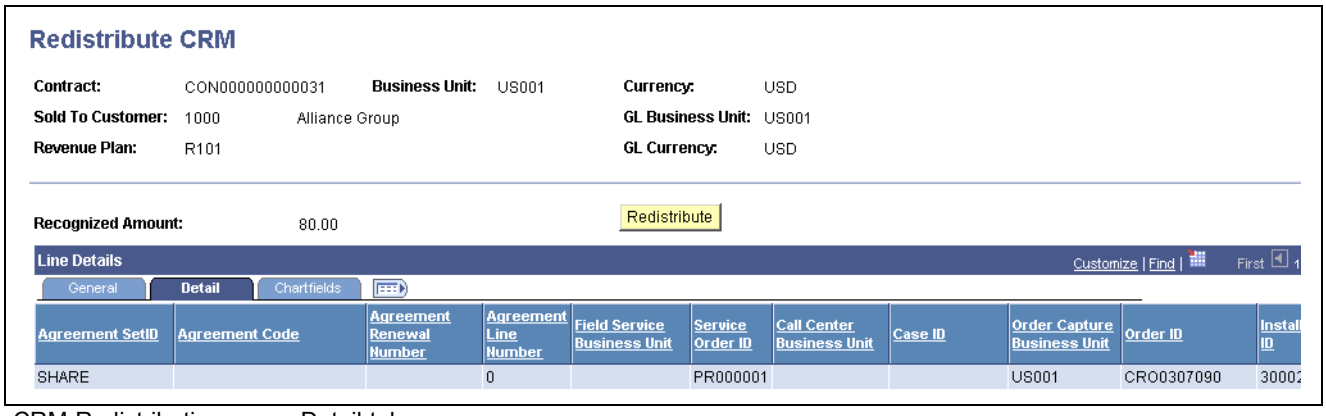
Distribution Type Each different type of accounting distribution entry is distinguished by distribution type. Examples include revenue, deferred revenue, unbilled AR, interunit credit, and interunit debit.

Accounting Date Displays the accounting date, which reflects the accounting period in which the entries were booked.

Amount Displays the amount of revenue, in the General Ledger business unit's base currency that was booked for this row.

CRM Redistribution: Detail Tab

Access the Detail tab.



CRM Redistribution page: Detail tab

CRM Redistribution: ChartFields Tab

Select the ChartFields tab.

PostSeq# (posting sequence number) The system inserts a posting sequence number for each new row that is added to this table where the other keys for the row are the same.

Account Classifies the nature of a transaction. Used for corporate accounts.

Alternate Account	Classifies the nature of a transaction for regulatory authorities. Used for statutory accounts.
Operating Unit	Used to indicate a location, such as distribution warehouse or a sales center. It can also be used for responsibility reporting, such as a profit center.
Fund Code	ChartField that represents structural units for education and government accounting. Can also represent a divisional breakdown in your organization.
Department	ChartField that indicates who is responsible for or affected by the transaction.
Program Code	ChartField that identifies groups of related activities, cost centers, revenue centers, responsibility centers, and academic programs. Tracks revenue and expenditures for programs.
Class Field	ChartField that identifies a particular appropriation when you combine it with a Fund, DeptID, Program Code, and Budget Reference.
Budget Reference	ChartField that identifies unique control budgets when individual budgets share budget keys and overlapping budget periods.
Product	Captures additional information useful for profitability and cash flow analysis, for example.
Affiliate	Used as one approach for interunit journal processing and consolidated reporting. Provides a way to map transactions between business units while using a single intercompany account.
Fund Affiliate	ChartField that is used to correlate transactions between funds when using a singe intraunit account.
Operating Unit Affiliate	ChartField that is used to correlate transactions between operating units when using a singe intraunit account.
Statistics Codes	ChartField that identifies non-monetary statistical amounts.
Reversing Entry	This field indicates whether this entry was the result of a redistribution.

Processing Billing

This section provides an overview of processing billing and discusses how to run the billing process.

Understanding Processing Billing

Products that integrate with the Transaction Billing Processor use the contracts *As-incurred* billing method.

This section discusses:

- Contracts Billing Interface process (CA_BI_INTFC)
- Billing process flow - one-time transactions.
- Billing process flow - recurring transactions.
- Billing process flow - on-demand transactions.

Contracts Billing Interface Process

The Contracts Billing Interface process (CA_BI_INTFC) processes billing plans created from CRM and Real Estate Management transactions similar to how it processes normal *As-incurred* billing plans. However, for the CRM and Real Estate Management contracts, the Contracts Billing Interface process pulls data from the Contracts Interface tables (INTFC_CA) instead of the PROJ_RESOURCE table. In addition, the Contracts Billing Interface puts rows directly into the CA_BP_XREF table for CRM contracts. All other processing remains similar to *As-incurred* processing.

Billing Process Flow - One-time Transactions

Here are the billing process steps for one-time transactions:

1. CRM integrates with the Transaction Billing Processor to generate invoices for their transactions. Billing information for rate-based contract lines is sent from CRM to the Transaction Billing Processor as transactions
2. The Contracts Billing Interface process (CA_BI_INTFC) selects billing plans with the as incurred billing method that have a status of *Ready to Bill* and creates bill lines for the Billing Interface tables for the CRM transactions.
3. Once the Contracts Billing Interface process has staged the billing data in these tables, the Billing Interface processes the data to create bills.
4. When a transaction is selected for billing, the data from this and the data from the billing plan combine to create the basis for a bill line.
5. Billing then groups bill lines based on the *Billing Options* specified in the billing plan and generates invoices for the transactions. Upon finalization, Billing sends the invoice information back to the Transaction Billing Processor.

Note. One-time transactions are applicable to Field Service, Support, and Order Capture.

Billing Process Flow - Recurring Transactions

Here are the billing process steps for recurring transactions:

1. CRM completes the pricing and creates transactions based on schedules so that the appropriate transactions are created and sent to the Transaction Billing Processor.

   This enables the Transaction Billing Processor to know how to create the appropriate billing lines needed for the transaction. CRM sends one transaction and the Transaction Billing Processor breaks the transaction into multiple billing lines based on the start date, end date, and schedule.
2. The start date, end date, schedule, and amount are required for billing and revenue to be processed correctly.
3. Based on what is specified in the transactions, the Transaction Billing Processor manages the sending of this data to Billing to ensure that the transactions are invoiced and recognized at the appropriate times.

Note. Recurring transactions are applicable to Field Service, Support, and Order Capture.

Billing Process Flow - On-Demand Transactions

The four major steps in the integration process between either CRM or Real Estate Management and Contracts for on-demand contracts include:

1. Creating a contract.
2. Creating a billing plan.

3. Populating the Contracts interface tables.
4. Processing billing.

Creating a contract, creating a billing plan, and populating the interface table are the same steps that occur with recurring transaction processing. For CRM, these steps use the contract request (CONTRACT_REQUEST), contract response (CONTRACT_RESPONSE), and transaction (CONTRACT_TXN) messages. The last step, processing billing, differs from recurring and one-time transactions, because billing for on-demand contracts takes place immediately through Billing. With recurring and one-time billing, you have control over the billing plan in Contracts and you can make changes to the contract before it goes to Billing for processing.

With on-demand transactions, the Transaction Billing Processor retrieves the transaction data from CRM or Real Estate Management and loads the on-demand transaction into the contract staging tables (INTFC_CA).

Loading the contract staging tables triggers the billing process to generate the invoice to run. The transaction populates the contract interface tables, initiates the Billing Interface process (CA_BI_INTFC), and prepares the transaction for billing processing.

Note. On-demand billing is specific to FieldService, Support, and Real Estate Management.

Note. On-demand transactions differ from other one-time transactions, because they are never tied to an agreement and the revenue is managed by Billing instead of Contracts. In addition, you cannot access and there is no visibility to on-demand contracts from within the Contracts application.

Warning! In situations where the application engine fails due to an environment or PeopleTools issue, the system does not send a response indicating a failure. In this situation, you must view the Process Scheduler to find the problem, fix the issue, and restart the process.

See Also

PeopleSoft Enterprise Real Estate Management 8.9 PeopleBook, "Processing Invoices for Receivables Leases"

PeopleSoft Enterprise Real Estate Management 8.9 PeopleBook, "Processing Invoices for Receivables Leases," Running Manage Interface to AP/Billing

Pages Used to Run the Billing Process

Page Name	Object Name	Navigation	Usage
Process As Incurred Billing	RUN_CA_BI	Customer Contracts, Schedule and Process Billing, Process As Incurred Billing	Run this process to load *As-incurred* billing information from the Transaction Billing Processor into Billing to create bills.

Running the Contracts Billing Interface Process

Access the Process As Incurred Billing run page.

Note. You must have set up your accounting rules prior to running the Contracts Billing Interface process for *As-incurred* billing.

Billing Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in the Transaction Billing Processor.

Bill Thru Date Used to determine which contract lines the system processes and sends to Billing. Displays by default the current date. You can accept or override the default value. You can also future-date this field

This date indicates to the system what transactions should be picked up from the transaction table. The billing date is compared with the billing date on CA_TXN_TBL.

See Chapter 20, "Processing Contracts Billing," Running the Contracts Billing Interface Process (CA_BI_INTFC), page 342.

Processing Revenue

This section discusses processing revenue and discusses how to run the revenue process.

Understanding Processing Revenue

For recurring or on-demand transactions, the Transaction Billing Processor uses the *Billing Manages Revenue* revenue method. All revenue processing for recurring and on-demand transactions occurs in Billing.

For one-time transactions, Contracts manages revenue. The Transaction Billing Processor uses the contracts *As-incurred* revenue method and the Accounting Rules Engine (PSA_ACCTGGL) to recognize revenue.

This section discusses:

- Accounting Rules Engine (PSA_ACCTGGL).
- Accounting rules business process flow.

Note. The Accounting Rules Engine and accounting rules business process flow apply to one-time transactions only.

Accounting Rules Engine

The Accounting Rules Engine (PSA_ACCTGGL) creates accounting entries for transactions from CRM. The transactions are stored in CA_TXN_TBL and CA_TXN_CRM while the associated rules are stored in CA_RULES_CRM_HD, CA_RULES_CRM_LV, and CA_RULES_CRM_LN.

For CRM, the Accounting Rules Engine inserts the entries into the accounting line table (CA_ACCT_LN_TXN). The accounting entry definition and journal generator template allow the CRM entries to be processed by the Journal Generator.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, "Setting Up Accounting for Projects".

Accounting Rules Business Process Flow

The Accounting Rules Engine (PSA_ACCTGGL) applies accounting rules to the one-time transactions according to the revenue plan and populates the CA_ACCT_LN_TXN table with the transactions. The system sends the rows that are ready to recognize revenue to the general ledger through the Journal Generator process.

Here are the steps for the revenue process:

1. Creates the revenue entry and the offsetting entry to unbilled accounts receivable.
2. Determines if the general ledger business unit (GLBU) of the debit and credit sides of an accounting entry differ, and if so, creates interunit entries.

   The process converts entries, if needed, to the base currency of the primary General Ledger currency and populates the Foreign Amount, Foreign Currency, Base Amount, Base Currency, and Exchange Rate fields.
3. Populates the general ledger distribution status (GL_DISTRIB_STATUS) on the CA_TXN_TBL tables with *G* for generated.
4. Updates applicable revenue plan statuses to *In Progress.*
5. Runs the General Ledger processes and the Contracts Journal Generator Update process (CA_LOAD_UPD).

Note. If the streamline option of Process Journal Entry is selected on the Process Project Accounting (as incurred revenue) page, then the system calls the Journal Generator and Contracts Journal Generator Update process (CA_LOAD_UPD). The Journal Generator updates the GL_DISTRIB_STATUS of CA_ACCTG_LN_TX to *D* for distributed. The Contracts Journal Generator Update process sets the GL_DISTRIB_STATUS of CA_TXN_TBL to *D* for distributed once the entry is complete.

Page Used to Process Revenue

Page Name	Object Name	Navigation	Usage
Process Project Accounting	RUN_PSA_ACCTGGL	Customer Contracts, Schedule and Process Revenue, Process As Incurred Revenue	Run this process to write revenue for transactions in the Transaction Billing Processor to the CA_ACCT_LN_TXN table. This process picks up one-time transactions assigned to as-incurred revenue plans.

Running the Revenue Process

Access the Process Project Accounting page.

See *PeopleSoft Enterprise Project Costing 8.9 PeopleBook*, “Setting Up Accounting for Projects,” Processing Transactions Using Accounting Rules.

Tracking Contracts

Contract summaries are vital pieces of information for all organizations. The Contract Summary page enables you to view existing contract-related information including contract status and contract amounts.

This section discusses how to use the Contract Summary page.

Page Used for Tracking Contracts

Page Name	Object Name	Navigation	Usage
Contract Summary	CA_CONTR_SUM_PNL	Customer Contracts, Review Contract Summary, Contract Summary	Review contract summary details. Track the status of past transactions for service orders, service agreements, and cases. Drill down into the contract header from this page.

Tracking Contracts

Access the Contract Summary page.

Note. This page is available for recurring and one-time transactions only. This page is not available for on-demand transactions.

See Chapter 28, "Managing Contracts," Reviewing Contract Summaries, page 470.

CHAPTER 31

Archiving Transactions

This chapter provides an overview of archive objects definitions, PSQuery definitions, and template definitions and discusses how to:

- Archive data.
- Restore archived data.

Note. You can archive Contracts-related data from all tables that have an integral relationship to a contract. Any contracts with a user-defined status that maps to a processing status of *Closed* is available for archiving. You cannot archive contracts with a user-defined status that maps to a processing status of *Pending* or *Active.*

See Also

Enterprise PeopleTools PeopleBook: Data Management, "Using PeopleSoft Data Archive Manager"

Understanding Archive Objects Definitions, Query Definitions, and Template Definitions

Contracts delivers history tables, archive object definitions, archive query definitions, and archive template definitions to archive contract data. You can modify the archive definitions, if needed, using the Data Archive Manager. You can also create your own archive definitions to archive other types of data.

Archive Object Definitions

Each table from which you archive data must be associated with a history table. An archive object definition identifies the tables that contain the data to archive and the history tables that are updated for each table.

Base tables contain all key fields by which data is archived from all other tables in the archive object. Each archive object has only one base table. Contracts delivers one archive object that contains multiple archiving records. The CA_CONTR_HDR is the base table for the multiple archiving records.

Contracts delivers the following archive object and corresponding description:

Archive Object CA_ARCHIVE_001

Archive Object Description Contracts Archive Object

The table lists the archiving records and corresponding archiving history tables for the archive object (CA_ARCHIVE_001). Contracts updates the relevant history tables (based on the type of data that you are archiving) when you run the selection process:

Archiving Record	Archive History Table
CA_CONTR_HDR (base table)	CA_CONTR_HDR_H (base table)
CA_ACCTG_LINE	CA_ACCTG_LINE_H
CA_ACCTG_LN_PC	CA_ACCTG_LN_P_H
CA_ACCTG_LN_TXN	CA_ACCTG_LN_T_H
CA_ACCTPLAN	CA_ACCTPLAN_H
CA_ACCTPLN_LANG	CA_ACCTPLN_LA_H
CA_AP_DFR	CA_AP_DFR_H
CA_AP_DST	CA_AP_DST_H
CA_AP_EVENT	CA_AP_EVENT_H
CA_AP_EVENT_DTL	CA_AP_EVENT_D_H
CA_AP_EVT_CHG	CA_AP_EVT_CHG_H
CA_AP_FEE_ADJ	CA_AP_FEE_ADJ_H
CA_AP_FEE_WS	CA_AP_FEE_WS_H
CA_AP_PC_DFR	CA_AP_PC_DFR_H
CA_AP_PC_DST	CA_AP_PC_DST_H
CA_AP_PC_UAR	CA_AP_PC_UAR_H
CA_AP_SCHEDULE	CA_AP_SCHEDUL_H
CA_AP_TXN_DST	CA_AP_TXN_DST_H
CA_AP_TXN_UAR	CA_AP_TXN_UAR_H
CA_AP_UAR	CA_AP_UAR_H
CA_ATTACHMENTS	CA_ATTACHMENT_H
CA_BILL_PLAN	CA_BILL_PLAN_H
CA_BILLPLN_LANG	CA_BILLPLN_LA_H
CA_BONUS_PENALTY	CA_BONUS_PENAL_H
CA_BP_EVENTS	CA_BP_EVENTS_H
CA_BP_EVT_CHG	CA_BP_EVT_CHG_H
CA_BP_EVT_LN	CA_BP_EVT_LN_H

Archiving Record	Archive History Table
CA_BP_FEE_ADJ	CA_BP_FEE_ADJ_H
CA_BP_FEE_WS	CA_BP_FEE_WS_H
CA_BP_LINES	CA_BP_LINES_H
CA_BP_NOTE	CA_BP_NOTE_H
CA_BP_SCHEDULE	CA_BP_SCHEDUL_H
CA_BP_XREF	CA_BP_XREF_H
CA_CHG_DTL	CA_CHG_DTL_H
CA_CHG_HDR	CA_CHG_HDR_H
CA_CONTR_HDR_DC	CA_HDR_DC_H
CA_DETAIL	CA_DETAIL_H
CA_DETAIL_APPOR	CA_DETAIL_APP_H
CA_DETAIL_DC	CA_DETAIL_DC_H
CA_DETAIL_DFR	CA_DETAIL_DFR_H
CA_DETAIL_DST	CA_DETAIL_DST_H
CA_DETAIL_LANG	CA_DETAIL_LAN_H
CA_DETAIL_PRICE	CA_DETAIL_PRI_H
CA_DETAIL_PROJ	CA_DETAIL_PRO_H
CA_DETAIL_REDUC	CA_DETAIL_RED_H
CA_DETAIL_UAR	CA_DETAIL_UAR_H
CA_DST_ERR	CA_DST_ERR_H
CA_DTL_DST_DATE	CA_DTL_DST_DA_H
CA_DTL_RED_DATE	CA_DTL_RED_DA_H
CA_EARLY_OPTION	CA_EARLY_OPTI_H
CA_EMAIL_CONTR	CA_EMAIL_CONT_H
CA_EMAIL_CONTR2	CA_EMAIL_CON2_H
CA_FC_MAIN	CA_FC_MAIN_H
CA_FC_STG_RUN	CA_FC_STG_RUN_H

Archiving Record	Archive History Table
CA_HDR_AE_ACCT	CA_HDR_AE_ACC_H
CA_HDR_COMM	CA_HDR_COMM_H
CA_HDR_REDUCTS	CA_HDR_REDUCT_H
CA_HDRRED_LANG	CA_HDRRED_LAN_H
CA_LMT_FEE_DTL	CA_LMT_FEE_DT_H
CA_LMT_TXN	CA_LMT_TXN_H
CA_LMT_TXN_LG	CA_LMT_TXN_LG_H
CA_LN_REDUCTS	CA_LN_REDUCTS_H
CA_LNRED_LANG	CA_LNRED_LANG_H
CA_MILESTONE	CA_MILESTONE_H
CA_MS_COND	CA_MS_COND_H
CA_NOTE	CA_NOTE_H
CA_NOTE_DETAIL	CA_NOTE_DETAI_H
CA_NOTE_TRANS	CA_NOTE_TRANS_H
CA_OPRID_CONTR	CA_OPRID_CONT_H
CA_PGP_COSTS	CA_PGP_COSTS_H
CA_PGP_PROJ	CA_PGP_PROJ_H
CA_PGP_TERMS	CA_PGP_TERMS_H
CA_PGP_WKS	CA_PGP_WKS_H
CA_PREPAID_AUD	CA_PREPAID_AU_H
CA_PREPAID_PROJ	CA_PREPAID_PR_H
CA_PREPAID_TBL	CA_PREPAID_TB_H
CA_PROJ_SUMMARY	CA_PROJ_SUMMA_H
CA_RATE	CA_RATE_H
CA_RECON_BI	CA_RECON_BI_H
CA_RECON_REV	CA_RECON_REV_H
CA_RNW_APPLIES	CA_RNW_APPLIE_H

Archiving Record	Archive History Table
CA_RNW_LN_LINK	CA_RNW_LN_LIN_H
CA_SUPPORT_TEAM	CA_SUPPORT_TE_H
CA_WTH_REL_LANG	CA_WTH_REL_LA_H
CA_WTH_RELEASE	CA_WTH_RELEAS_H

The archive history tables are identical copies of the transaction tables. Data in archive history tables is keyed by the archive template—also known as archive ID—and batch number for an archive run. You can run a query on the archive history tables if you want to see all transactions that are selected to archive.

You may not want to delete data from the history tables each time that you select and delete data from the transaction tables. This way the data will be available for a period of time to enable you to restore the data into the transaction tables. We recommend that you create a schedule for deleting data from the history tables. Before you delete data from the history tables, use a database utility to copy the contents to a flat file.

Important! If you select incorrect data to archive, use the Data Archive Manager to remove the data from the archive history tables before you rerun the archive selection process.

Archive Query Definitions

Each archive query definition defines the selection criteria to archive data from transaction tables. The following table lists the archive query definitions that Contracts delivers.

Query Name	Description
CA_BY_BU	Archive Contracts By BU
CA_BY_BU_AND_CONTRACT_LIST	Archive By Contract List
CA_BY_BU_AND_SOLD_TO_CUSTOMER	Archive By Sold to Customer

Review these queries to determine whether you want to add additional selection criteria for the transactions that are to be archived.

Archive Template Definitions

To archive data, you select an archive template definition on the Archive Data to History run control page. Each archive template definition includes one or more archive object definitions and archive query definitions that are used to select the data.

This table lists the archive template definition that Contracts delivers:

Archive Template	Description	Archive Object	Query Name
CA_001	Contracts Archive Template	CA_ARCHIVE001 (base object)	CA_BY_BU CA_BY_BU_AND_ CONTRACT_LIST CA_BY_BU_AND_ SOLD_TO_CUSTOMER

Users manage historical data by archive template and batch number of the run control. This granularity enables users to selectively roll back an archive process, if necessary, rather than rolling back all of the data in the history table.

Archiving Data

This section provides an overview of the archive process flow and lists the pages used to archive data.

Understanding the Archive Process Flow

Use the Data Archive Manager to archive transactions. You use the same run control page for each step in the process except for auditing the archive selection.

Perform these tasks to archive data:

1. Archive transaction data to the history tables by selecting the archive template and query for the data type that you want to archive on the Archive Data to History page.

   Also, enter the archive date used to select the transactions by clicking Reset Query Bind Variables on the Define Query Bind Variables page.

   Note. You can run the process multiple times to create various "what-if" scenarios based on the archive date.

2. (Optional) Review the number of rows that were selected for archiving for each table on the Audit Archiving page.

   This page lists the number of rows that were selected for archiving for each archive ID (template), archive batch number, and table combination.

   Note. This page displays data only if you selected the Audit Row Count check box on the Archive Data to History page.

3. Delete the data from the transaction tables for a specific archive ID (template) and batch number on the Archive Data to History page.
4. (Optional) Roll back the transaction data from the history tables for a specific archive ID (template) and batch number on the Archive Data to History page to recover deleted data.
5. Remove the transaction data from the history tables for a specific archive ID (template) and batch number on the Archive Data to History page.

Pages Used to Archive Data

Page Name	Object Name	Navigation	Usage
Archive Data to History	PSARCHRUNCNTL	PeopleTools, Data Archive Manager, Archive Data to History	Select an archive template, query, and action that you want to take in the archiving process.
Define Query Bind Variables	PSARCHRUNQRYBND	Click Define Binds on the Archive Data to History page.	Enter the date used to select the transactions to archive by clicking the Reset Query Bind Variables button.
Audit Archiving	PSARCHIVEAUDIT	PeopleTools, Data Archive Manager, Audit Archiving	View the number of rows selected to be archived for each table for a specific archive run.

Restoring Archived Data

This section provides an overview of data restoration and lists the page used to restore data.

Understanding Data Restoration

The Selection option on the Archive Data to History run control page places a copy of the transaction data from the transaction tables into the archive history tables. The Delete option removes the transaction data from the transaction tables if it has been archived.

Always delete data from transaction history tables for a specific archive template and batch number combination after you successfully archive the batch to the archive tables. If you delete data from the transaction history tables, you can restore the data from the archive history tables by using the Rollback option on the Archive Data to History run control page. The rollback process restores all data for a specific archive template and batch number.

Note. Do not run the rollback process for an archive template and batch number combination without first removing the data from the transaction and history tables. Doing so causes a SQL error because the Data Archive Manager will be trying to restore data that already exists.

You cannot restore a subset of data from a particular batch. For example, you cannot specify that you want to restore data for a specific contract signed date or sold to customer.

You can restore data into transaction history tables as long as it remains in the archive history tables.

Important! Always use a database utility to copy data to a flat file before you delete it from the archive history tables. To restore data to the transaction tables after you delete it from the archive history tables, you first must manually restore the data to the transaction tables from a flat file.

See Also

Chapter 31, “Archiving Transactions,” Understanding Archive Objects Definitions, Query Definitions, and Template Definitions, page 529

Page Used to Restore Archived Data

Page Name	Object Name	Navigation	Usage
Archive Data to History	PSARCHRUNCNTL	PeopleTools, Data Archive Manager, Archive Data to History	Restore data from an archive template and batch number to transaction tables. Select an archive ID (template) and the batch number for the process run of the data that you want to restore.

APPENDIX A

Configuring Batch Processes

This appendix discusses how to configure temporary tables for batch processing.

Configuring Temporary Tables for Batch Processing

When you run batch processes in parallel, you risk data contention and deadlocks on temporary tables. To avoid this, PeopleTools enables you to dedicate specific instances of temporary tables for each process. When PeopleSoft Application Engine manages a dedicated temporary table instance, it controls the locking of the table before use and the unlocking of the table after use.

When you decide how many temporary table instances to dedicate for a process, consider the number of temporary tables that the process uses. More instances result in more copies of the temporary tables on the system. For example, if a process uses 25 temporary tables and you have 10 instances for a process, you will have 250 temporary tables on the system.

If you run processes in parallel and all of the dedicated temporary table instances are in use, the performance of the process decreases. You need to find a balance that works for your organization.

Note. When you specify the number of instances, PeopleSoft Application Designer displays a list of the temporary tables for the process. Use the list to determine how many temporary tables each process uses.

Specify how many temporary table instances to dedicate for each of the following batch PeopleSoft Application Engine processes that can run in parallel in Contracts:

- Milestone Process (CA_MST_PRCS).
- Project Progress Process (CA_PCT_UPD).
- Prepaid Utilization Process (CA_PPD_UTL).
- Accounting Distribution for Billing (PSA_ACCTGBI).
- Rate-Based Revenue Process (PSA_ACCTGGL).
- Renewals Process (CA_RNW_PRCS).
- Contracts Billing Interface Process (CA_BI_INTFC).
- Limits Process (CA_LIMITS).

The PeopleTools documentation discusses the usage of temporary tables in detail and describes how to specify the number of instances.

If you run any of the PeopleSoft General Ledger COBOL processes, also configure the temporary tables for those processes. The *PeopleSoft Enterprise General Ledger PeopleBook* discusses how to do this in detail.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Application Engine

APPENDIX B

Contracts Web Libraries

This appendix provides an overview of web libraries and discusses Contracts web libraries.

Understanding Web Libraries

A web library is a derived or work record whose name starts with WEBLIB_. PeopleSoft embeds all internet scripts (iScripts) in records of this type. An iScript is a specialized PeopleCode function that generates dynamic web content. Administrators must make sure that users have the proper access to web libraries. For example, the default navigation system for PeopleSoft Enterprise Pure Internet Architecture users is implemented by using a web library. If users do not have the proper authorization to the web library and its associated scripts, then they won't have proper access to the system. If users are not authorized to a particular web library or iScript, then they can't invoke it. After you add a web library, you set the access for each script function individually. Invoking an iScript requires the assembly of a URL. Developers assemble the URL by using PeopleCode.

See Also

Enterprise PeopleTools 8.46 PeopleBook: PeopleCode API Reference

Enterprise PeopleTools 8.46 PeopleBook: Security Administration

Enterprise PeopleTools 8.46 PeopleBook: Internet Technology

Contracts Web Libraries

This table lists the web libraries that are used and delivered with Contracts:

Web Library Name	Description
WEBLIB_IB **Note.** This web library is for Transaction Billing Processor only.	Generates PeopleSoft Integration Broker functions.
WEBLIB_MSGWSDL **Note.** This web library is for Transaction Billing Processor only.	This is the record behind the page for the enterprise integration point (EIP) Web Services Description Language (WSDL) generation.

Web Library Name	Description
WEBLIB_PORTAL	Contains the following six fields with FieldFormula iScript PeopleCode, each of which relate to a functional area of the portal: PORTAL_HOMEPAGE: Support for homepage runtime interaction, including the homepage version of the menu navigation. PORTAL_NAV: Main support routines for navigation. PORTAL_HEADER: Support for the header portion of the page and some generic routines. PORTAL_DYN_TEMP: Support for the dynamic template. PORTAL_PGLT_PREV: Support for the pagelet preview functionality.
WEBLIB_PT_NAV	Contains iScripts for the menu pagelet and left-hand navigation for transaction pages.
WEBLIB_RPT	Contains iScript for the Run report to window output option. Supports access to the new browser window.
WEBLIB_PTPP_SC	Renders navigation pages and Main Menu navigation pagelet.
WELIB_PTPP_PGT	Renders navigation pagelets without Pagelet Wizard.
WEBLIB_PTPPB	Contains iScript for displaying Pagelet Wizard pagelets as homepage pagelets and template pagelets.
WEBLIB_PTPPB1	Contains an iScript for displaying Pagelet Wizard pagelets as WSRP portlets.
WEBLIB_PPM	Generates Performance Monitor functions.
WEBLIB_PTDIAG	Generates Diagnostic Framework functions.
WEBLIB_QUERY	Contains the PeopleCode to generate a URL for running queries.
WEBLIB_SOAPTOCI	This is the entry point for ExcelToCI and the WSDL Discovery.
WEBLIB_TIMEOUT	Generates an inactivity timeout warning script.

APPENDIX C

Contracts Reports

This appendix provides an overview of Contracts reports and enables you to view summary tables of all reports.

Note. For samples of these reports, see the Portable Document Format (PDF) files that are published on CD-ROM with your documentation.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler

Contracts Reports: A to Z

This table lists the Contracts reports, sorted alphanumerically by report ID.

Report ID and Report Name	Description	Navigation	Run Control Page
CA_BILL Contracts Billing Management Report	Displays details of billing plans, including the events associated with those plans, the status of the events, and the amount of future billings. **Note.** This report displays billing plans with open events only.	Customer Contracts, Reports, Billing Management	RUN_CA_BIL_RPT
CA_LMT Active Contracts Limit Amount Management Report	Displays details of a contract's limits and the amount of the limit remaining.	Customer Contracts, Reports, Limit Amount	RUN_CA_LMT_RPT
CA_MS Contracts Milestone Event Management Report	Displays details of contract milestones, including the milestone's ID, description, status, and conditions.	Customer Contracts, Reports, Milestone Management	RUN_CA_MS_RPT
CA_PP Contracts Prepaid Management Report	Displays details on prepaid balances, including the status, the date the balances are expected to expire, and the amount remaining.	Customer Contracts, Reports, Prepaid Management	RUN_CA_PPD_RPT

Report ID and Report Name	Description	Navigation	Run Control Page
CA_REV Contracts Revenue Management Report	Displays revenue plans, including the status of these plans and the events associated with them. The report also displays the status of the events and the amount of future revenue. **Note.** This report displays revenue plans with open events only.	Customer Contracts, Reports, Revenue Management	RUN_CA_REV_RPT
CA_RNWL Contracts Renewal Report	Displays details of renewable contract lines, including whether they have been assigned to a renewal plan, what status they are in, and the amount of future revenue associated with them.	Customer Contracts, Reports, Renewal Management	RUN_CA_RNW_RPT

Glossary of PeopleSoft Terms

absence entitlement This element defines rules for granting paid time off for valid absences, such as sick time, vacation, and maternity leave. An absence entitlement element defines the entitlement amount, frequency, and entitlement period.

absence take This element defines the conditions that must be met before a payee is entitled to take paid time off.

academic career In PeopleSoft Enterprise Campus Solutions, all course work that a student undertakes at an academic institution and that is grouped in a single student record. For example, a university that has an undergraduate school, a graduate school, and various professional schools might define several academic careers—an undergraduate career, a graduate career, and separate careers for each professional school (law school, medical school, dental school, and so on).

academic institution In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.

academic organization In PeopleSoft Enterprise Campus Solutions, an entity that is part of the administrative structure within an academic institution. At the lowest level, an academic organization might be an academic department. At the highest level, an academic organization can represent a division.

academic plan In PeopleSoft Enterprise Campus Solutions, an area of study—such as a major, minor, or specialization—that exists within an academic program or academic career.

academic program In PeopleSoft Enterprise Campus Solutions, the entity to which a student applies and is admitted and from which the student graduates.

accounting class In PeopleSoft Enterprise Performance Management, the accounting class defines how a resource is treated for generally accepted accounting practices. The Inventory class indicates whether a resource becomes part of a balance sheet account, such as inventory or fixed assets, while the Non-inventory class indicates that the resource is treated as an expense of the period during which it occurs.

accounting date The accounting date indicates when a transaction is recognized, as opposed to the date the transaction actually occurred. The accounting date and transaction date can be the same. The accounting date determines the period in the general ledger to which the transaction is to be posted. You can only select an accounting date that falls within an open period in the ledger to which you are posting. The accounting date for an item is normally the invoice date.

accounting split The accounting split method indicates how expenses are allocated or divided among one or more sets of accounting ChartFields.

accumulator You use an accumulator to store cumulative values of defined items as they are processed. You can accumulate a single value over time or multiple values over time. For example, an accumulator could consist of all voluntary deductions, or all company deductions, enabling you to accumulate amounts. It allows total flexibility for time periods and values accumulated.

action reason The reason an employee's job or employment information is updated. The action reason is entered in two parts: a personnel action, such as a promotion, termination, or change from one pay group to another—and a reason for that action. Action reasons are used by PeopleSoft Human Resources, PeopleSoft Benefits Administration,

PeopleSoft Stock Administration, and the COBRA Administration feature of the Base Benefits business process.

action template In PeopleSoft Receivables, outlines a set of escalating actions that the system or user performs based on the period of time that a customer or item has been in an action plan for a specific condition.

activity In PeopleSoft Enterprise Learning Management, an instance of a catalog item (sometimes called a class) that is available for enrollment. The activity defines such things as the costs that are associated with the offering, enrollment limits and deadlines, and waitlisting capacities.

In PeopleSoft Enterprise Performance Management, the work of an organization and the aggregation of actions that are used for activity-based costing.

In PeopleSoft Project Costing, the unit of work that provides a further breakdown of projects—usually into specific tasks.

In PeopleSoft Workflow, a specific transaction that you might need to perform in a business process. Because it consists of the steps that are used to perform a transaction, it is also known as a step map.

address usage In PeopleSoft Enterprise Campus Solutions, a grouping of address types defining the order in which the address types are used. For example, you might define an address usage code to process addresses in the following order: billing address, dormitory address, home address, and then work address.

adjustment calendar In PeopleSoft Enterprise Campus Solutions, the adjustment calendar controls how a particular charge is adjusted on a student's account when the student drops classes or withdraws from a term. The charge adjustment is based on how much time has elapsed from a predetermined date, and it is determined as a percentage of the original charge amount.

administrative function In PeopleSoft Enterprise Campus Solutions, a particular functional area that processes checklists, communication, and comments. The administrative function identifies which variable data is added to a person's checklist or communication record when a specific checklist code, communication category, or comment is assigned to the student. This key data enables you to trace that checklist, communication, or comment back to a specific processing event in a functional area.

admit type In PeopleSoft Enterprise Campus Solutions, a designation used to distinguish first-year applications from transfer applications.

agreement In PeopleSoft eSettlements, provides a way to group and specify processing options, such as payment terms, pay from a bank, and notifications by a buyer and supplier location combination.

allocation rule In PeopleSoft Enterprise Incentive Management, an expression within compensation plans that enables the system to assign transactions to nodes and participants. During transaction allocation, the allocation engine traverses the compensation structure from the current node to the root node, checking each node for plans that contain allocation rules.

alternate account A feature in PeopleSoft General Ledger that enables you to create a statutory chart of accounts and enter statutory account transactions at the detail transaction level, as required for recording and reporting by some national governments.

analysis database In PeopleSoft Enterprise Campus Solutions, database tables that store large amounts of student information that may not appear in standard report formats. The analysis database tables contain keys for all objects in a report that an application program can use to reference other student-record objects that are not contained in the printed report. For instance, the analysis database contains data on courses that are considered for satisfying a requirement but that are rejected. It also contains information on

	courses captured by global limits. An analysis database is used in PeopleSoft Enterprise Academic Advisement.
Application Messaging	PeopleSoft Application Messaging enables applications within the PeopleSoft Enterprise product family to communicate synchronously or asynchronously with other PeopleSoft and third-party applications. An application message defines the records and fields to be published or subscribed to.
AR specialist	Abbreviation for *receivables specialist.* In PeopleSoft Receivables, an individual in who tracks and resolves deductions and disputed items.
arbitration plan	In PeopleSoft Enterprise Pricer, defines how price rules are to be applied to the base price when the transaction is priced.
assessment rule	In PeopleSoft Receivables, a user-defined rule that the system uses to evaluate the condition of a customer's account or of individual items to determine whether to generate a follow-up action.
asset class	An asset group used for reporting purposes. It can be used in conjunction with the asset category to refine asset classification.
attribute/value pair	In PeopleSoft Directory Interface, relates the data that makes up an entry in the directory information tree.
audience	In PeopleSoft Enterprise Campus Solutions, a segment of the database that relates to an initiative, or a membership organization that is based on constituent attributes rather than a dues-paying structure. Examples of audiences include the Class of '65 and Undergraduate Arts & Sciences.
authentication server	A server that is set up to verify users of the system.
base time period	In PeopleSoft Business Planning, the lowest level time period in a calendar.
benchmark job	In PeopleSoft Workforce Analytics, a benchmark job is a job code for which there is corresponding salary survey data from published, third-party sources.
billing career	In PeopleSoft Enterprise Campus Solutions, the one career under which other careers are grouped for billing purposes if a student is active simultaneously in multiple careers.
bio bit or bio brief	In PeopleSoft Enterprise Campus Solutions, a report that summarizes information stored in the system about a particular constituent. You can generate standard or specialized reports.
book	In PeopleSoft Asset Management, used for storing financial and tax information, such as costs, depreciation attributes, and retirement information on assets.
branch	A tree node that rolls up to nodes above it in the hierarchy, as defined in PeopleSoft Tree Manager.
budgetary account only	An account used by the system only and not by users; this type of account does not accept transactions. You can only budget with this account. Formerly called "system-maintained account."
budget check	In commitment control, the processing of source transactions against control budget ledgers, to see if they pass, fail, or pass with a warning.
budget control	In commitment control, budget control ensures that commitments and expenditures don't exceed budgets. It enables you to track transactions against corresponding budgets and terminate a document's cycle if the defined budget conditions are not met. For example, you can prevent a purchase order from being dispatched to a vendor if there are insufficient funds in the related budget to support it.

budget period The interval of time (such as 12 months or 4 quarters) into which a period is divided for budgetary and reporting purposes. The ChartField allows maximum flexibility to define operational accounting time periods without restriction to only one calendar.

business activity The name of a subset of a detailed business process. This might be a specific transaction, task, or action that you perform in a business process.

business event In PeopleSoft Receivables, defines the processing characteristics for the Receivable Update process for a draft activity.

In PeopleSoft Sales Incentive Management, an original business transaction or activity that may justify the creation of a PeopleSoft Enterprise Incentive Management event (a sale, for example).

business process A standard set of 17 business processes are defined and maintained by the PeopleSoft product families and are supported by Business Process Engineering group at PeopleSoft. An example of a business process is Order Fulfillment, which is a business process that manages sales orders and contracts, inventory, billing, and so forth.

See also *detailed business process.*

business task The name of the specific function depicted in one of the business processes.

business unit A corporation or a subset of a corporation that is independent with regard to one or more operational or accounting functions.

buyer In PeopleSoft eSettlements, an organization (or business unit, as opposed to an individual) that transacts with suppliers (vendors) within the system. A buyer creates payments for purchases that are made in the system.

campus In PeopleSoft Enterprise Campus Solutions, an entity that is usually associated with a distinct physical administrative unit, that belongs to a single academic institution, that uses a unique course catalog, and that produces a common transcript for students within the same academic career.

catalog item In PeopleSoft Enterprise Learning Management, a specific topic that a learner can study and have tracked. For example, “Introduction to Microsoft Word.” A catalog item contains general information about the topic and includes a course code, description, categorization, keywords, and delivery methods. A catalog item can have one or more learning activities.

catalog map In PeopleSoft Catalog Management, translates values from the catalog source data to the format of the company’s catalog.

catalog partner In PeopleSoft Catalog Management, shares responsibility with the enterprise catalog manager for maintaining catalog content.

categorization Associates partner offerings with catalog offerings and groups them into enterprise catalog categories.

category In PeopleSoft Enterprise Campus Solutions, a broad grouping to which specific comments or communications (contexts) are assigned. Category codes are also linked to 3C access groups so that you can assign data-entry or view-only privileges across functions.

channel In PeopleSoft MultiChannel Framework, email, chat, voice (computer telephone integration [CTI]), or a generic event.

ChartField A field that stores a chart of accounts, resources, and so on, depending on the PeopleSoft application. ChartField values represent individual account numbers, department codes, and so forth.

ChartField balancing You can require specific ChartFields to match up (balance) on the debit and the credit side of a transaction.

ChartField combination edit The process of editing journal lines for valid ChartField combinations based on user-defined rules.

ChartKey One or more fields that uniquely identify each row in a table. Some tables contain only one field as the key, while others require a combination.

checkbook In PeopleSoft Promotions Management, enables you to view financial data (such as planned, incurred, and actual amounts) that is related to funds and trade promotions.

checklist code In PeopleSoft Enterprise Campus Solutions, a code that represents a list of planned or completed action items that can be assigned to a staff member, volunteer, or unit. Checklists enable you to view all action assignments on one page.

class In PeopleSoft Enterprise Campus Solutions, a specific offering of a course component within an academic term.

See also *course.*

Class ChartField A ChartField value that identifies a unique appropriation budget key when you combine it with a fund, department ID, and program code, as well as a budget period. Formerly called *sub-classification.*

clearance In PeopleSoft Enterprise Campus Solutions, the period of time during which a constituent in PeopleSoft Contributor Relations is approved for involvement in an initiative or an action. Clearances are used to prevent development officers from making multiple requests to a constituent during the same time period.

clone In PeopleCode, to make a unique copy. In contrast, to *copy* may mean making a new reference to an object, so if the underlying object is changed, both the copy and the original change.

cohort In PeopleSoft Enterprise Campus Solutions, the highest level of the three-level classification structure that you define for enrollment management. You can define a cohort level, link it to other levels, and set enrollment target numbers for it.

See also *population* and *division*.

collection To make a set of documents available for searching in Verity, you must first create at least one collection. A collection is set of directories and files that allow search application users to use the Verity search engine to quickly find and display source documents that match search criteria. A collection is a set of statistics and pointers to the source documents, stored in a proprietary format on a file server. Because a collection can only store information for a single location, PeopleSoft maintains a set of collections (one per language code) for each search index object.

collection rule In PeopleSoft Receivables, a user-defined rule that defines actions to take for a customer based on both the amount and the number of days past due for outstanding balances.

comm key See *communication key.*

communication key In PeopleSoft Enterprise Campus Solutions, a single code for entering a combination of communication category, communication context, communication method, communication direction, and standard letter code. Communication keys (also called *comm keys* or *speed keys*) can be created for background processes as well as for specific users.

compensation object In PeopleSoft Enterprise Incentive Management, a node within a compensation structure. Compensation objects are the building blocks that make up a compensation structure's hierarchical representation.

compensation structure In PeopleSoft Enterprise Incentive Management, a hierarchical relationship of compensation objects that represents the compensation-related relationship between the objects.

component interface A component interface is a set of application programming interfaces (APIs) that you can use to access and modify PeopleSoft database information using a program instead of the PeopleSoft client.

condition In PeopleSoft Receivables, occurs when there is a change of status for a customer's account, such as reaching a credit limit or exceeding a user-defined balance due.

configuration parameter catalog Used to configure an external system with PeopleSoft. For example, a configuration parameter catalog might set up configuration and communication parameters for an external server.

configuration plan In PeopleSoft Enterprise Incentive Management, configuration plans hold allocation information for common variables (not incentive rules) and are attached to a node without a participant. Configuration plans are not processed by transactions.

constituents In PeopleSoft Enterprise Campus Solutions, friends, alumni, organizations, foundations, or other entities affiliated with the institution, and about which the institution maintains information. The constituent types delivered with PeopleSoft Enterprise Contributor Relations Solutions are based on those defined by the Council for the Advancement and Support of Education (CASE).

content reference Content references are pointers to content registered in the portal registry. These are typically either URLs or iScripts. Content references fall into three categories: target content, templates, and template pagelets.

context In PeopleCode, determines which buffer fields can be contextually referenced and which is the current row of data on each scroll level when a PeopleCode program is running.

In PeopleSoft Enterprise Campus Solutions, a specific instance of a comment or communication. One or more contexts are assigned to a category, which you link to 3C access groups so that you can assign data-entry or view-only privileges across functions.

In PeopleSoft Enterprise Incentive Management, a mechanism that is used to determine the scope of a processing run. PeopleSoft Enterprise Incentive Management uses three types of context: plan, period, and run-level.

control table Stores information that controls the processing of an application. This type of processing might be consistent throughout an organization, or it might be used only by portions of the organization for more limited sharing of data.

cost-plus contract line A rate-based contract line associated with a fee component of Award, Fixed, Incentive, or Other. Rate-based contract lines associated with a fee type of None are not considered cost-plus contract lines.

cost profile A combination of a receipt cost method, a cost flow, and a deplete cost method. A profile is associated with a cost book and determines how items in that book are valued, as well as how the material movement of the item is valued for the book.

cost row A cost transaction and amount for a set of ChartFields.

course In PeopleSoft Enterprise Campus Solutions, a course that is offered by a school and that is typically described in a course catalog. A course has a standard syllabus and credit level; however, these may be modified at the class level. Courses can contain multiple components such as lecture, discussion, and lab.

See also *class*.

course share set In PeopleSoft Enterprise Campus Solutions, a tag that defines a set of requirement groups that can share courses. Course share sets are used in PeopleSoft Enterprise Academic Advisement.

current learning In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's in-progress learning activities and programs.

data acquisition In PeopleSoft Enterprise Incentive Management, the process during which raw business transactions are acquired from external source systems and fed into the operational data store (ODS).

data cube In PeopleSoft Analytic Calculation Engine, a data cube is a container for one kind of data (such as Sales data) and works with in tandem with one or more dimensions. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and online analytical processing (OLAP) cubes in PeopleSoft Cube Manager.

data elements Data elements, at their simplest level, define a subset of data and the rules by which to group them.

For Workforce Analytics, data elements are rules that tell the system what measures to retrieve about your workforce groups.

dataset A data grouping that enables role-based filtering and distribution of data. You can limit the range and quantity of data that is displayed for a user by associating dataset rules with user roles. The result of dataset rules is a set of data that is appropriate for the user's roles.

delivery method In PeopleSoft Enterprise Learning Management, identifies the primary type of delivery method in which a particular learning activity is offered. Also provides default values for the learning activity, such as cost and language. This is primarily used to help learners search the catalog for the type of delivery from which they learn best. Because PeopleSoft Enterprise Learning Management is a blended learning system, it does not enforce the delivery method.

In PeopleSoft Supply Chain Management, identifies the method by which goods are shipped to their destinations (such as truck, air, rail, and so on). The delivery method is specified when creating shipment schedules.

delivery method type In PeopleSoft Enterprise Learning Management, identifies how learning activities can be delivered—for example, through online learning, classroom instruction, seminars, books, and so forth—in an organization. The type determines whether the delivery method includes scheduled components.

detailed business process A subset of the business process. For example, the detailed business process named Determine Cash Position is a subset of the business process called Cash Management.

dimension In PeopleSoft Analytic Calculation Engine, a dimension contains a list of one kind of data that can span various contexts, and it is a basic component of an analytic model. Within the analytic model, a dimension is attached to one or more data cubes. In PeopleSoft Cube Manager, a dimension is the most basic component of an OLAP cube and specifies the PeopleSoft metadata to be used to create the dimension's rollup structure. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and OLAP cubes in PeopleSoft Cube Manager.

directory information tree In PeopleSoft Directory Interface, the representation of a directory's hierarchical structure.

division In PeopleSoft Enterprise Campus Solutions, the lowest level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a division level, link it to other levels, and set enrollment target numbers for it.

	See also *population* and *cohort*.
document sequencing	A flexible method that sequentially numbers the financial transactions (for example, bills, purchase orders, invoices, and payments) in the system for statutory reporting and for tracking commercial transaction activity.
dynamic detail tree	A tree that takes its detail values—dynamic details—directly from a table in the database, rather than from a range of values that are entered by the user.
edit table	A table in the database that has its own record definition, such as the Department table. As fields are entered into a PeopleSoft application, they can be validated against an edit table to ensure data integrity throughout the system.
effective date	A method of dating information in PeopleSoft applications. You can predate information to add historical data to your system, or postdate information in order to enter it before it actually goes into effect. By using effective dates, you don't delete values; you enter a new value with a current effective date.
EIM ledger	Abbreviation for *Enterprise Incentive Management ledger.* In PeopleSoft Enterprise Incentive Management, an object to handle incremental result gathering within the scope of a participant. The ledger captures a result set with all of the appropriate traces to the data origin and to the processing steps of which it is a result.
elimination set	In PeopleSoft General Ledger, a related group of intercompany accounts that is processed during consolidations.
entry event	In PeopleSoft General Ledger, Receivables, Payables, Purchasing, and Billing, a business process that generates multiple debits and credits resulting from single transactions to produce standard, supplemental accounting entries.
equitization	In PeopleSoft General Ledger, a business process that enables parent companies to calculate the net income of subsidiaries on a monthly basis and adjust that amount to increase the investment amount and equity income amount before performing consolidations.
equity item limit	In PeopleSoft Enterprise Campus Solutions, the amounts of funds set by the institution to be awarded with discretionary or gift funds. The limit could be reduced by amounts equal to such things as expected family contribution (EFC) or parent contribution. Students are packaged by Equity Item Type Groups and Related Equity Item Types. This limit can be used to assure that similar student populations are packaged equally.
event	A predefined point either in the Component Processor flow or in the program flow. As each point is encountered, the event activates each component, triggering any PeopleCode program that is associated with that component and that event. Examples of events are FieldChange, SavePreChange, and RowDelete. In PeopleSoft Human Resources, also refers to an incident that affects benefits eligibility.
event propagation process	In PeopleSoft Sales Incentive Management, a process that determines, through logic, the propagation of an original PeopleSoft Enterprise Incentive Management event and creates a derivative (duplicate) of the original event to be processed by other objects. Sales Incentive Management uses this mechanism to implement splits, roll-ups, and so on. Event propagation determines who receives the credit.
exception	In PeopleSoft Receivables, an item that either is a deduction or is in dispute.
exclusive pricing	In PeopleSoft Order Management, a type of arbitration plan that is associated with a price rule. Exclusive pricing is used to price sales order transactions.
fact	In PeopleSoft applications, facts are numeric data values from fields from a source database as well as an analytic application. A fact can be anything you want to measure

your business by, for example, revenue, actual, budget data, or sales numbers. A fact is stored on a fact table.

financial aid term In PeopleSoft Enterprise Campus Solutions, a combination of a period of time that the school determines as an instructional accounting period and an academic career. It is created and defined during the setup process. Only terms eligible for financial aid are set up for each financial aid career.

forecast item A logical entity with a unique set of descriptive demand and forecast data that is used as the basis to forecast demand. You create forecast items for a wide range of uses, but they ultimately represent things that you buy, sell, or use in your organization and for which you require a predictable usage.

fund In PeopleSoft Promotions Management, a budget that can be used to fund promotional activity. There are four funding methods: top down, fixed accrual, rolling accrual, and zero-based accrual.

gap In PeopleSoft Enterprise Campus Solutions, an artificial figure that sets aside an amount of unmet financial aid need that is not funded with Title IV funds. A gap can be used to prevent fully funding any student to conserve funds, or it can be used to preserve unmet financial aid need so that institutional funds can be awarded.

generic process type In PeopleSoft Process Scheduler, process types are identified by a generic process type. For example, the generic process type SQR includes all SQR process types, such as SQR process and SQR report.

gift table In PeopleSoft Enterprise Campus Solutions, a table or so-called *donor pyramid* describing the number and size of gifts that you expect will be needed to successfully complete the campaign in PeopleSoft Contributor Relations. The gift table enables you to estimate the number of donors and prospects that you need at each gift level to reach the campaign goal.

GL business unit Abbreviation for *general ledger business unit*. A unit in an organization that is an independent entity for accounting purposes. It maintains its own set of accounting books.

See also *business unit*.

GL entry template Abbreviation for *general ledger entry template*. In PeopleSoft Enterprise Campus Solutions, a template that defines how a particular item is sent to the general ledger. An item-type maps to the general ledger, and the GL entry template can involve multiple general ledger accounts. The entry to the general ledger is further controlled by high-level flags that control the summarization and the type of accounting—that is, accrual or cash.

GL Interface process Abbreviation for *General Ledger Interface process*. In PeopleSoft Enterprise Campus Solutions, a process that is used to send transactions from PeopleSoft Enterprise Student Financials to the general ledger. Item types are mapped to specific general ledger accounts, enabling transactions to move to the general ledger when the GL Interface process is run.

group In PeopleSoft Billing and Receivables, a posting entity that comprises one or more transactions (items, deposits, payments, transfers, matches, or write-offs).

In PeopleSoft Human Resources Management and Supply Chain Management, any set of records that are associated under a single name or variable to run calculations in PeopleSoft business processes. In PeopleSoft Time and Labor, for example, employees are placed in groups for time reporting purposes.

incentive object In PeopleSoft Enterprise Incentive Management, the incentive-related objects that define and support the PeopleSoft Enterprise Incentive Management calculation

process and results, such as plan templates, plans, results data, user interaction objects, and so on.

incentive rule In PeopleSoft Sales Incentive Management, the commands that act on transactions and turn them into compensation. A rule is one part in the process of turning a transaction into compensation.

incur In PeopleSoft Promotions Management, to become liable for a promotional payment. In other words, you owe that amount to a customer for promotional activities.

initiative In PeopleSoft Enterprise Campus Solutions, the basis from which all advancement plans are executed. It is an organized effort targeting a specific constituency, and it can occur over a specified period of time with specific purposes and goals. An initiative can be a campaign, an event, an organized volunteer effort, a membership drive, or any other type of effort defined by the institution. Initiatives can be multipart, and they can be related to other initiatives. This enables you to track individual parts of an initiative, as well as entire initiatives.

inquiry access In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user only to view data.

See also *update access*.

institution In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.

integration A relationship between two compatible integration points that enables communication to take place between systems. Integrations enable PeopleSoft applications to work seamlessly with other PeopleSoft applications or with third-party systems or software.

integration point An interface that a system uses to communicate with another PeopleSoft application or an external application.

integration set A logical grouping of integrations that applications use for the same business purpose. For example, the integration set ADVANCED_SHIPPING_ORDER contains all of the integrations that notify a customer that an order has shipped.

item In PeopleSoft Inventory, a tangible commodity that is stored in a business unit (shipped from a warehouse).

In PeopleSoft Demand Planning, Inventory Policy Planning, and Supply Planning, a noninventory item that is designated as being used for planning purposes only. It can represent a family or group of inventory items. It can have a planning bill of material (BOM) or planning routing, and it can exist as a component on a planning BOM. A planning item cannot be specified on a production or engineering BOM or routing, and it cannot be used as a component in a production. The quantity on hand will never be maintained.

In PeopleSoft Receivables, an individual receivable. An item can be an invoice, a credit memo, a debit memo, a write-off, or an adjustment.

item shuffle In PeopleSoft Enterprise Campus Solutions, a process that enables you to change a payment allocation without having to reverse the payment.

joint communication In PeopleSoft Enterprise Campus Solutions, one letter that is addressed jointly to two people. For example, a letter might be addressed to both Mr. Sudhir Awat and Ms. Samantha Mortelli. A relationship must be established between the two individuals in the database, and at least one of the individuals must have an ID in the database.

keyword In PeopleSoft Enterprise Campus Solutions, a term that you link to particular elements within PeopleSoft Student Financials, Financial Aid, and Contributor Relations.

	You can use keywords as search criteria that enable you to locate specific records in a search dialog box.
KPI	An abbreviation for *key performance indicator.* A high-level measurement of how well an organization is doing in achieving critical success factors. This defines the data value or calculation upon which an assessment is determined.
LDIF file	Abbreviation for *Lightweight Directory Access Protocol (LDAP) Data Interchange Format file.* Contains discrepancies between PeopleSoft data and directory data.
learner group	In PeopleSoft Enterprise Learning Management, a group of learners who are linked to the same learning environment. Members of the learner group can share the same attributes, such as the same department or job code. Learner groups are used to control access to and enrollment in learning activities and programs. They are also used to perform group enrollments and mass enrollments in the back office.
learning components	In PeopleSoft Enterprise Learning Management, the foundational building blocks of learning activities. PeopleSoft Enterprise Learning Management supports six basic types of learning components: web-based, session, webcast, test, survey, and assignment. One or more of these learning component types compose a single learning activity.
learning environment	In PeopleSoft Enterprise Learning Management, identifies a set of categories and catalog items that can be made available to learner groups. Also defines the default values that are assigned to the learning activities and programs that are created within a particular learning environment. Learning environments provide a way to partition the catalog so that learners see only those items that are relevant to them.
learning history	In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's completed learning activities and programs.
ledger mapping	You use ledger mapping to relate expense data from general ledger accounts to resource objects. Multiple ledger line items can be mapped to one or more resource IDs. You can also use ledger mapping to map dollar amounts (referred to as *rates*) to business units. You can map the amounts in two different ways: an actual amount that represents actual costs of the accounting period, or a budgeted amount that can be used to calculate the capacity rates as well as budgeted model results. In PeopleSoft Enterprise Warehouse, you can map general ledger accounts to the EW Ledger table.
library section	In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan (or template) and that is available for other plans to share. Changes to a library section are reflected in all plans that use it.
linked section	In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan template but appears in a plan. Changes to linked sections propagate to plans using that section.
linked variable	In PeopleSoft Enterprise Incentive Management, a variable that is defined and maintained in a plan template and that also appears in a plan. Changes to linked variables propagate to plans using that variable.
LMS	Abbreviation for *learning management system.* In PeopleSoft Enterprise Campus Solutions, LMS is a PeopleSoft Student Records feature that provides a common set of interoperability standards that enable the sharing of instructional content and data between learning and administrative environments.
load	In PeopleSoft Inventory, identifies a group of goods that are shipped together. Load management is a feature of PeopleSoft Inventory that is used to track the weight, the volume, and the destination of a shipment.

local functionality In PeopleSoft HRMS, the set of information that is available for a specific country. You can access this information when you click the appropriate country flag in the global window, or when you access it by a local country menu.

location Locations enable you to indicate the different types of addresses—for a company, for example, one address to receive bills, another for shipping, a third for postal deliveries, and a separate street address. Each address has a different location number. The primary location—indicated by a *1*—is the address you use most often and may be different from the main address.

logistical task In PeopleSoft Services Procurement, an administrative task that is related to hiring a service provider. Logistical tasks are linked to the service type on the work order so that different types of services can have different logistical tasks. Logistical tasks include both preapproval tasks (such as assigning a new badge or ordering a new laptop) and postapproval tasks (such as scheduling orientation or setting up the service provider email). The logistical tasks can be mandatory or optional. Mandatory preapproval tasks must be completed before the work order is approved. Mandatory postapproval tasks, on the other hand, must be completed before a work order is released to a service provider.

market template In PeopleSoft Enterprise Incentive Management, additional functionality that is specific to a given market or industry and is built on top of a product category.

mass change In PeopleSoft Enterprise Campus Solutions, mass change is a SQL generator that can be used to create specialized functionality. Using mass change, you can set up a series of Insert, Update, or Delete SQL statements to perform business functions that are specific to the institution.

See also *3C engine*.

match group In PeopleSoft Receivables, a group of receivables items and matching offset items. The system creates match groups by using user-defined matching criteria for selected field values.

MCF server Abbreviation for *PeopleSoft MultiChannel Framework server.* Comprises the universal queue server and the MCF log server. Both processes are started when *MCF Servers* is selected in an application server domain configuration.

merchandising activity In PeopleSoft Promotions Management, a specific discount type that is associated with a trade promotion (such as off-invoice, billback or rebate, or lump-sum payment) that defines the performance that is required to receive the discount. In the industry, you may know this as an offer, a discount, a merchandising event, an event, or a tactic.

meta-SQL Meta-SQL constructs expand into platform-specific Structured Query Language (SQL) substrings. They are used in functions that pass SQL strings, such as in SQL objects, the SQLExec function, and PeopleSoft Application Engine programs.

metastring Metastrings are special expressions included in SQL string literals. The metastrings, prefixed with a percent (%) symbol, are included directly in the string literals. They expand at run time into an appropriate substring for the current database platform.

multibook In PeopleSoft General Ledger, multiple ledgers having multiple-base currencies that are defined for a business unit, with the option to post a single transaction to all base currencies (all ledgers) or to only one of those base currencies (ledgers).

multicurrency The ability to process transactions in a currency other than the business unit's base currency.

national allowance In PeopleSoft Promotions Management, a promotion at the corporate level that is funded by nondiscretionary dollars. In the industry, you may know this as a national promotion, a corporate promotion, or a corporate discount.

need In PeopleSoft Enterprise Campus Solutions, the difference between the cost of attendance (COA) and the expected family contribution (EFC). It is the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is called *need analysis.*

node-oriented tree A tree that is based on a detail structure, but the detail values are not used.

pagelet Each block of content on the home page is called a pagelet. These pagelets display summary information within a small rectangular area on the page. The pagelet provide users with a snapshot of their most relevant PeopleSoft and non-PeopleSoft content.

participant In PeopleSoft Enterprise Incentive Management, participants are recipients of the incentive compensation calculation process.

participant object Each participant object may be related to one or more compensation objects.

See also *compensation object.*

partner A company that supplies products or services that are resold or purchased by the enterprise.

pay cycle In PeopleSoft Payables, a set of rules that define the criteria by which it should select scheduled payments for payment creation.

payment shuffle In PeopleSoft Enterprise Campus Solutions, a process allowing payments that have been previously posted to a student's account to be automatically reapplied when a higher priority payment is posted or the payment allocation definition is changed.

pending item In PeopleSoft Receivables, an individual receivable (such as an invoice, a credit memo, or a write-off) that has been entered in or created by the system, but hasn't been posted.

PeopleCode PeopleCode is a proprietary language, executed by the PeopleSoft component processor. PeopleCode generates results based on existing data or user actions. By using various tools provided with PeopleTools, external services are available to all PeopleSoft applications wherever PeopleCode can be executed.

PeopleCode event See *event.*

PeopleSoft Pure Internet Architecture The fundamental architecture on which PeopleSoft 8 applications are constructed, consisting of a relational database management system (RDBMS), an application server, a web server, and a browser.

performance measurement In PeopleSoft Enterprise Incentive Management, a variable used to store data (similar to an aggregator, but without a predefined formula) within the scope of an incentive plan. Performance measures are associated with a plan calendar, territory, and participant. Performance measurements are used for quota calculation and reporting.

period context In PeopleSoft Enterprise Incentive Management, because a participant typically uses the same compensation plan for multiple periods, the period context associates a plan context with a specific calendar period and fiscal year. The period context references the associated plan context, thus forming a chain. Each plan context has a corresponding set of period contexts.

person of interest A person about whom the organization maintains information but who is not part of the workforce.

personal portfolio In PeopleSoft Enterprise Campus Solutions, the user-accessible menu item that contains an individual's name, address, telephone number, and other personal information.

plan In PeopleSoft Sales Incentive Management, a collection of allocation rules, variables, steps, sections, and incentive rules that instruct the PeopleSoft Enterprise Incentive Management engine in how to process transactions.

plan context In PeopleSoft Enterprise Incentive Management, correlates a participant with the compensation plan and node to which the participant is assigned, enabling the PeopleSoft Enterprise Incentive Management system to find anything that is associated with the node and that is required to perform compensation processing. Each participant, node, and plan combination represents a unique plan context—if three participants are on a compensation structure, each has a different plan context. Configuration plans are identified by plan contexts and are associated with the participants that refer to them.

plan template In PeopleSoft Enterprise Incentive Management, the base from which a plan is created. A plan template contains common sections and variables that are inherited by all plans that are created from the template. A template may contain steps and sections that are not visible in the plan definition.

planned learning In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's planned learning activities and programs.

planning instance In PeopleSoft Supply Planning, a set of data (business units, items, supplies, and demands) constituting the inputs and outputs of a supply plan.

population In PeopleSoft Enterprise Campus Solutions, the middle level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a population level, link it to other levels, and set enrollment target numbers for it.

See also *division* and *cohort*.

portal registry In PeopleSoft applications, the portal registry is a tree-like structure in which content references are organized, classified, and registered. It is a central repository that defines both the structure and content of a portal through a hierarchical, tree-like structure of folders useful for organizing and securing content references.

price list In PeopleSoft Enterprise Pricer, enables you to select products and conditions for which the price list applies to a transaction. During a transaction, the system either determines the product price based on the predefined search hierarchy for the transaction or uses the product's lowest price on any associated, active price lists. This price is used as the basis for any further discounts and surcharges.

price rule In PeopleSoft Enterprise Pricer, defines the conditions that must be met for adjustments to be applied to the base price. Multiple rules can apply when conditions of each rule are met.

price rule condition In PeopleSoft Enterprise Pricer, selects the price-by fields, the values for the price-by fields, and the operator that determines how the price-by fields are related to the transaction.

price rule key In PeopleSoft Enterprise Pricer, defines the fields that are available to define price rule conditions (which are used to match a transaction) on the price rule.

primacy number In PeopleSoft Enterprise Campus Solutions, a number that the system uses to prioritize financial aid applications when students are enrolled in multiple academic careers and academic programs at the same time. The Consolidate Academic Statistics process uses the primacy number indicated for both the career and program at the institutional level to determine a student's primary career and program. The system also uses the number to determine the primary student attribute value that is used when you extract data to report on cohorts. The lowest number takes precedence.

primary name type In PeopleSoft Enterprise Campus Solutions, the name type that is used to link the name stored at the highest level within the system to the lower-level set of names that an individual provides.

process category In PeopleSoft Process Scheduler, processes that are grouped for server load balancing and prioritization.

process group In PeopleSoft Financials, a group of application processes (performed in a defined order) that users can initiate in real time, directly from a transaction entry page.

process definition Process definitions define each run request.

process instance A unique number that identifies each process request. This value is automatically incremented and assigned to each requested process when the process is submitted to run.

process job You can link process definitions into a job request and process each request serially or in parallel. You can also initiate subsequent processes based on the return code from each prior request.

process request A single run request, such as a Structured Query Report (SQR), a COBOL or Application Engine program, or a Crystal report that you run through PeopleSoft Process Scheduler.

process run control A PeopleTools variable used to retain PeopleSoft Process Scheduler values needed at runtime for all requests that reference a run control ID. Do not confuse these with application run controls, which may be defined with the same run control ID, but only contain information specific to a given application process request.

product A PeopleSoft or third-party product. PeopleSoft organizes its software products into product families and product lines. Interactive Services Repository contains information about every release of every product that PeopleSoft sells, as well as products from certified third-party companies. These products are displayed with the product name and release number.

product category In PeopleSoft Enterprise Incentive Management, indicates an application in the Enterprise Incentive Management suite of products. Each transaction in the PeopleSoft Enterprise Incentive Management system is associated with a product category.

product family A group of products that are related by common functionality. The family names that can be searched using Interactive Service Repository are PeopleSoft Enterprise, PeopleSoft EnterpriseOne, PeopleSoft World, and third-party, certified PeopleSoft partners.

product line The name of a PeopleSoft product line or the company name of a third-party certified partner. Integration Services Repository enables you to search for integration points by product line.

programs In PeopleSoft Enterprise Learning Management, a high-level grouping that guides the learner along a specific learning path through sections of catalog items. PeopleSoft Enterprise Learning Systems provides two types of programs—curricula and certifications.

progress log In PeopleSoft Services Procurement, tracks deliverable-based projects. This is similar to the time sheet in function and process. The service provider contact uses the progress log to record and submit progress on deliverables. The progress can be logged by the activity that is performed, by the percentage of work that is completed, or by the completion of milestone activities that are defined for the project.

project transaction In PeopleSoft Project Costing, an individual transaction line that represents a cost, time, budget, or other transaction row.

promotion In PeopleSoft Promotions Management, a trade promotion, which is typically funded from trade dollars and used by consumer products manufacturers to increase sales volume.

prospects In PeopleSoft Enterprise Campus Solutions, students who are interested in applying to the institution.

In PeopleSoft Enterprise Contributor Relations, individuals and organizations that are most likely to make substantial financial commitments or other types of commitments to the institution.

publishing In PeopleSoft Enterprise Incentive Management, a stage in processing that makes incentive-related results available to participants.

rating components In PeopleSoft Enterprise Campus Solutions, variables used with the Equation Editor to retrieve specified populations.

record group A set of logically and functionally related control tables and views. Record groups help enable TableSet sharing, which eliminates redundant data entry. Record groups ensure that TableSet sharing is applied consistently across all related tables and views.

record input VAT flag Abbreviation for *record input value-added tax flag.* Within PeopleSoft Purchasing, Payables, and General Ledger, this flag indicates that you are recording input VAT on the transaction. This flag, in conjunction with the record output VAT flag, is used to determine the accounting entries created for a transaction and to determine how a transaction is reported on the VAT return. For all cases within Purchasing and Payables where VAT information is tracked on a transaction, this flag is set to Yes. This flag is not used in PeopleSoft Order Management, Billing, or Receivables, where it is assumed that you are always recording only output VAT, or in PeopleSoft Expenses, where it is assumed that you are always recording only input VAT.

record output VAT flag Abbreviation for *record output value-added tax flag.*

See *record input VAT flag.*

recname The name of a record that is used to determine the associated field to match a value or set of values.

recognition In PeopleSoft Enterprise Campus Solutions, the recognition type indicates whether the PeopleSoft Enterprise Contributor Relations donor is the primary donor of a commitment or shares the credit for a donation. Primary donors receive hard credit that must total 100 percent. Donors that share the credit are given soft credit. Institutions can also define other share recognition-type values such as memo credit or vehicle credit.

reference data In PeopleSoft Sales Incentive Management, system objects that represent the sales organization, such as territories, participants, products, customers, channels, and so on.

reference object In PeopleSoft Enterprise Incentive Management, this dimension-type object further defines the business. Reference objects can have their own hierarchy (for example, product tree, customer tree, industry tree, and geography tree).

reference transaction In commitment control, a reference transaction is a source transaction that is referenced by a higher-level (and usually later) source transaction, in order to automatically reverse all or part of the referenced transaction's budget-checked amount. This avoids duplicate postings during the sequential entry of the transaction at different commitment levels. For example, the amount of an encumbrance transaction (such as a purchase order) will, when checked and recorded against a budget, cause the system to concurrently reference and relieve all or part of the amount of a corresponding pre-encumbrance transaction, such as a purchase requisition.

regional sourcing In PeopleSoft Purchasing, provides the infrastructure to maintain, display, and select an appropriate vendor and vendor pricing structure that is based on a regional sourcing

	model where the multiple ship to locations are grouped. Sourcing may occur at a level higher than the ship to location.
relationship object	In PeopleSoft Enterprise Incentive Management, these objects further define a compensation structure to resolve transactions by establishing associations between compensation objects and business objects.
remote data source data	Data that is extracted from a separate database and migrated into the local database.
REN server	Abbreviation for *real-time event notification server* in PeopleSoft MultiChannel Framework.
requester	In PeopleSoft eSettlements, an individual who requests goods or services and whose ID appears on the various procurement pages that reference purchase orders.
reversal indicator	In PeopleSoft Enterprise Campus Solutions, an indicator that denotes when a particular payment has been reversed, usually because of insufficient funds.
role	Describes how people fit into PeopleSoft Workflow. A role is a class of users who perform the same type of work, such as clerks or managers. Your business rules typically specify what user role needs to do an activity.
role user	A PeopleSoft Workflow user. A person's role user ID serves much the same purpose as a user ID does in other parts of the system. PeopleSoft Workflow uses role user IDs to determine how to route worklist items to users (through an email address, for example) and to track the roles that users play in the workflow. Role users do not need PeopleSoft user IDs.
roll up	In a tree, to roll up is to total sums based on the information hierarchy.
run control	A run control is a type of online page that is used to begin a process, such as the batch processing of a payroll run. Run control pages generally start a program that manipulates data.
run control ID	A unique ID to associate each user with his or her own run control table entries.
run-level context	In PeopleSoft Enterprise Incentive Management, associates a particular run (and batch ID) with a period context and plan context. Every plan context that participates in a run has a separate run-level context. Because a run cannot span periods, only one run-level context is associated with each plan context.
SCP SCBM XML message	Abbreviation for *Supply Chain Planning Supply Chain Business Modeler Extensible Markup Language message.* PeopleSoft EnterpriseOne Supply Chain Business Modeler uses XML as the format for all data that it imports and exports.
search query	You use this set of objects to pass a query string and operators to the search engine. The search index returns a set of matching results with keys to the source documents.
search/match	In PeopleSoft Enterprise Campus Solutions and PeopleSoft Enterprise Human Resources Management Solutions, a feature that enables you to search for and identify duplicate records in the database.
seasonal address	In PeopleSoft Enterprise Campus Solutions, an address that recurs for the same length of time at the same time of year each year until adjusted or deleted.
section	In PeopleSoft Enterprise Incentive Management, a collection of incentive rules that operate on transactions of a specific type. Sections enable plans to be segmented to process logical events in different sections.
security event	In commitment control, security events trigger security authorization checking, such as budget entries, transfers, and adjustments; exception overrides and notifications; and inquiries.

serial genealogy In PeopleSoft Manufacturing, the ability to track the composition of a specific, serial-controlled item.

serial in production In PeopleSoft Manufacturing, enables the tracing of serial information for manufactured items. This is maintained in the Item Master record.

service impact In PeopleSoft Enterprise Campus Solutions, the resulting action triggered by a service indicator. For example, a service indicator that reflects nonpayment of account balances by a student might result in a service impact that prohibits registration for classes.

service indicator In PeopleSoft Enterprise Campus Solutions, indicates services that may be either withheld or provided to an individual. Negative service indicators indicate holds that prevent the individual from receiving specified services, such as check-cashing privileges or registration for classes. Positive service indicators designate special services that are provided to the individual, such as front-of-line service or special services for disabled students.

session In PeopleSoft Enterprise Campus Solutions, time elements that subdivide a term into multiple time periods during which classes are offered. In PeopleSoft Contributor Relations, a session is the means of validating gift, pledge, membership, or adjustment data entry . It controls access to the data entered by a specific user ID. Sessions are balanced, queued, and then posted to the institution's financial system. Sessions must be posted to enter a matching gift or pledge payment, to make an adjustment, or to process giving clubs or acknowledgements.

In PeopleSoft Enterprise Learning Management, a single meeting day of an activity (that is, the period of time between start and finish times within a day). The session stores the specific date, location, meeting time, and instructor. Sessions are used for scheduled training.

session template In PeopleSoft Enterprise Learning Management, enables you to set up common activity characteristics that may be reused while scheduling a PeopleSoft Enterprise Learning Management activity—characteristics such as days of the week, start and end times, facility and room assignments, instructors, and equipment. A session pattern template can be attached to an activity that is being scheduled. Attaching a template to an activity causes all of the default template information to populate the activity session pattern.

setup relationship In PeopleSoft Enterprise Incentive Management, a relationship object type that associates a configuration plan with any structure node.

share driver expression In PeopleSoft Business Planning, a named planning method similar to a driver expression, but which you can set up globally for shared use within a single planning application or to be shared between multiple planning applications through PeopleSoft Enterprise Warehouse.

single signon With single signon, users can, after being authenticated by a PeopleSoft application server, access a second PeopleSoft application server without entering a user ID or password.

source key process In PeopleSoft Enterprise Campus Solutions, a process that relates a particular transaction to the source of the charge or financial aid. On selected pages, you can drill down into particular charges.

source transaction In commitment control, any transaction generated in a PeopleSoft or third-party application that is integrated with commitment control and which can be checked against commitment control budgets. For example, a pre-encumbrance, encumbrance, expenditure, recognized revenue, or collected revenue transaction.

speed key See *communication key.*

SpeedChart A user-defined shorthand key that designates several ChartKeys to be used for voucher entry. Percentages can optionally be related to each ChartKey in a SpeedChart definition.

SpeedType A code representing a combination of ChartField values. SpeedTypes simplify the entry of ChartFields commonly used together.

staging A method of consolidating selected partner offerings with the offerings from the enterprise's other partners.

standard letter code In PeopleSoft Enterprise Campus Solutions, a standard letter code used to identify each letter template available for use in mail merge functions. Every letter generated in the system must have a standard letter code identification.

statutory account Account required by a regulatory authority for recording and reporting financial results. In PeopleSoft, this is equivalent to the Alternate Account (ALTACCT) ChartField.

step In PeopleSoft Sales Incentive Management, a collection of sections in a plan. Each step corresponds to a step in the job run.

storage level In PeopleSoft Inventory, identifies the level of a material storage location. Material storage locations are made up of a business unit, a storage area, and a storage level. You can set up to four storage levels.

subcustomer qualifier A value that groups customers into a division for which you can generate detailed history, aging, events, and profiles.

Summary ChartField You use summary ChartFields to create summary ledgers that roll up detail amounts based on specific detail values or on selected tree nodes. When detail values are summarized using tree nodes, summary ChartFields must be used in the summary ledger data record to accommodate the maximum length of a node name (20 characters).

summary ledger An accounting feature used primarily in allocations, inquiries, and PS/nVision reporting to store combined account balances from detail ledgers. Summary ledgers increase speed and efficiency of reporting by eliminating the need to summarize detail ledger balances each time a report is requested. Instead, detail balances are summarized in a background process according to user-specified criteria and stored on summary ledgers. The summary ledgers are then accessed directly for reporting.

summary time period In PeopleSoft Business Planning, any time period (other than a base time period) that is an aggregate of other time periods, including other summary time periods and base time periods, such as quarter and year total.

summary tree A tree used to roll up accounts for each type of report in summary ledgers. Summary trees enable you to define trees on trees. In a summary tree, the detail values are really nodes on a detail tree or another summary tree (known as the *basis* tree). A summary tree structure specifies the details on which the summary trees are to be built.

syndicate To distribute a production version of the enterprise catalog to partners.

system function In PeopleSoft Receivables, an activity that defines how the system generates accounting entries for the general ledger.

system source The system source identifies the source of a transaction row in the database. For example, a transaction that originates in PeopleSoft Enterprise Expenses contains a system source code of BEX (Expenses Batch).

When PeopleSoft Enterprise Project Costing prices the source transaction row for billing, the system creates a new row with a system source code of PRP (Project Costing pricing), which represents the system source of the new row. System source codes can identify sources that are internal or external to the PeopleSoft system.

	For example, processes that import data from Microsoft Project into PeopleSoft applications create transaction rows with a source code of MSP (Microsoft Project).
TableSet	A means of sharing similar sets of values in control tables, where the actual data values are different but the structure of the tables is the same.
TableSet sharing	Shared data that is stored in many tables that are based on the same TableSets. Tables that use TableSet sharing contain the SETID field as an additional key or unique identifier.
target currency	The value of the entry currency or currencies converted to a single currency for budget viewing and inquiry purposes.
tax authority	In PeopleSoft Enterprise Campus Solutions, a user-defined element that combines a description and percentage of a tax with an account type, an item type, and a service impact.
template	A template is HTML code associated with a web page. It defines the layout of the page and also where to get HTML for each part of the page. In PeopleSoft, you use templates to build a page by combining HTML from a number of sources. For a PeopleSoft portal, all templates must be registered in the portal registry, and each content reference must be assigned a template.
territory	In PeopleSoft Sales Incentive Management, hierarchical relationships of business objects, including regions, products, customers, industries, and participants.
third party	A company or vendor that has extensive PeopleSoft product knowledge and whose products and integrations have been certified and are compatible with PeopleSoft applications.
3C engine	Abbreviation for *Communications, Checklists, and Comments engine.* In PeopleSoft Enterprise Campus Solutions, the 3C engine enables you to automate business processes that involve additions, deletions, and updates to communications, checklists, and comments. You define events and triggers to engage the engine, which runs the mass change and processes the 3C records (for individuals or organizations) immediately and automatically from within business processes.
3C group	Abbreviation for *Communications, Checklists, and Comments group.* In PeopleSoft Enterprise Campus Solutions, a method of assigning or restricting access privileges. A 3C group enables you to group specific communication categories, checklist codes, and comment categories. You can then assign the group inquiry-only access or update access, as appropriate.
TimeSpan	A relative period, such as year-to-date or current period, that can be used in various PeopleSoft General Ledger functions and reports when a rolling time frame, rather than a specific date, is required. TimeSpans can also be used with flexible formulas in PeopleSoft Projects.
trace usage	In PeopleSoft Manufacturing, enables the control of which components will be traced during the manufacturing process. Serial- and lot-controlled components can be traced. This is maintained in the Item Master record.
transaction allocation	In PeopleSoft Enterprise Incentive Management, the process of identifying the owner of a transaction. When a raw transaction from a batch is allocated to a plan context, the transaction is duplicated in the PeopleSoft Enterprise Incentive Management transaction tables.
transaction state	In PeopleSoft Enterprise Incentive Management, a value assigned by an incentive rule to a transaction. Transaction states enable sections to process only transactions that are at a specific stage in system processing. After being successfully processed, transactions may be promoted to the next transaction state and "picked up" by a different section for further processing.

Translate table A system edit table that stores codes and translate values for the miscellaneous fields in the database that do not warrant individual edit tables of their own.

tree The graphical hierarchy in PeopleSoft systems that displays the relationship between all accounting units (for example, corporate divisions, projects, reporting groups, account numbers) and determines roll-up hierarchies.

tuition lock In PeopleSoft Enterprise Campus Solutions, a feature in the Tuition Calculation process that enables you to specify a point in a term after which students are charged a minimum (or *locked*) fee amount. Students are charged the locked fee amount even if they later drop classes and take less than the normal load level for that tuition charge.

unclaimed transaction In PeopleSoft Enterprise Incentive Management, a transaction that is not claimed by a node or participant after the allocation process has completed, usually due to missing or incomplete data. Unclaimed transactions may be manually assigned to the appropriate node or participant by a compensation administrator.

universal navigation header Every PeopleSoft portal includes the universal navigation header, intended to appear at the top of every page as long as the user is signed on to the portal. In addition to providing access to the standard navigation buttons (like Home, Favorites, and signoff) the universal navigation header can also display a welcome message for each user.

update access In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user to edit and update data.

See also *inquiry access*.

user interaction object In PeopleSoft Sales Incentive Management, used to define the reporting components and reports that a participant can access in his or her context. All Sales Incentive Management user interface objects and reports are registered as user interaction objects. User interaction objects can be linked to a compensation structure node through a compensation relationship object (individually or as groups).

variable In PeopleSoft Sales Incentive Management, the intermediate results of calculations. Variables hold the calculation results and are then inputs to other calculations. Variables can be plan variables that persist beyond the run of an engine or local variables that exist only during the processing of a section.

VAT exception Abbreviation for *value-added tax exception.* A temporary or permanent exemption from paying VAT that is granted to an organization. This terms refers to both VAT exoneration and VAT suspension.

VAT exempt Abbreviation for *value-added tax exempt.* Describes goods and services that are not subject to VAT. Organizations that supply exempt goods or services are unable to recover the related input VAT. This is also referred to as exempt without recovery.

VAT exoneration Abbreviation for *value-added tax exoneration.* An organization that has been granted a permanent exemption from paying VAT due to the nature of that organization.

VAT suspension Abbreviation for *value-added tax suspension.* An organization that has been granted a temporary exemption from paying VAT.

warehouse A PeopleSoft data warehouse that consists of predefined ETL maps, data warehouse tools, and DataMart definitions.

work order In PeopleSoft Services Procurement, enables an enterprise to create resource-based and deliverable-based transactions that specify the basic terms and conditions for hiring a specific service provider. When a service provider is hired, the service provider logs time or progress against the work order.

worker A person who is part of the workforce; an employee or a contingent worker.

workset A group of people and organizations that are linked together as a set. You can use worksets to simultaneously retrieve the data for a group of people and organizations and work with the information on a single page.

worksheet A way of presenting data through a PeopleSoft Business Analysis Modeler interface that enables users to do in-depth analysis using pivoting tables, charts, notes, and history information.

worklist The automated to-do list that PeopleSoft Workflow creates. From the worklist, you can directly access the pages you need to perform the next action, and then return to the worklist for another item.

XML link The XML Linking language enables you to insert elements into XML documents to create a links between resources.

XML schema An XML definition that standardizes the representation of application messages, component interfaces, or business interlinks.

XPI Abbreviation for *eXtended Process Integrator.* PeopleSoft XPI is the integration infrastructure that enables both real-time and batch communication with EnterpriseOne applications.

yield by operation In PeopleSoft Manufacturing, the ability to plan the loss of a manufactured item on an operation-by-operation basis.

zero-rated VAT Abbreviation for *zero-rated value-added tax.* A VAT transaction with a VAT code that has a tax percent of zero. Used to track taxable VAT activity where no actual VAT amount is charged. Organizations that supply zero-rated goods and services can still recover the related input VAT. This is also referred to as exempt with recovery.

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