



PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting 8.11 PeopleBook

November 2004

PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting 8.11 PeopleBook
SKU E1_FMS8.11APM-B 1104

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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. 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 peoplesoftpress@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
Release value proposition	Support, Documentation, Documentation Updates, Category, Release Value Proposition
Statement of direction	Support, Documentation, Documentation Updates, Category, Statement of Direction

Resource	Navigation
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.
<i>Italics</i>	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 <i>O</i> .
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.
“ ” (quotation marks)	Indicate chapter titles in cross-references and words that are used differently from their intended meanings.

Typographical Convention or Visual Cue	Description
. . . (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

Address Book Number

Enter a unique number that identifies the master record for the entity. An address book number can be the identifier for a customer, supplier, company, employee, applicant, participant, tenant, location, and so on. Depending on the application, the field on the form might refer to the address book number as the customer number, supplier number, or company number, employee or applicant id, participant number, and so on.

As If Currency Code	Enter the three-character code to specify the currency that you want to use to view transaction amounts. This code allows you to view the transaction amounts as if they were entered in the specified currency rather than the foreign or domestic currency that was used when the transaction was originally entered.
Batch Number	Displays a number that identifies a group of transactions to be processed by the system. On entry forms, you can assign the batch number or the system can assign it through the Next Numbers program (P0002).
Batch Date	Enter the date in which a batch is created. If you leave this field blank, the system supplies the system date as the batch date.
Batch Status	Displays a code from user-defined code (UDC) table 98/IC that indicates the posting status of a batch. Values are: <i>Blank:</i> Batch is unposted and pending approval. <i>A:</i> The batch is approved for posting, has no errors and is in balance, but it has not yet been posted. <i>D:</i> The batch posted successfully. <i>E:</i> The batch is in error. You must correct the batch before it can post. <i>P:</i> The system is in the process of posting the batch. The batch is unavailable until the posting process is complete. If errors occur during the post, the batch status changes to E. <i>U:</i> The batch is temporarily unavailable because someone is working with it, or the batch appears to be in use because a power failure occurred while the batch was open.
Branch/Plant	Enter a code that identifies a separate entity as a warehouse location, job, project, work center, branch, or plant in which distribution and manufacturing activities occur. In some systems, this is called a business unit.
Business Unit	Enter the alphanumeric code that identifies a separate entity within a business for which you want to track costs. In some systems, this is called a branch/plant.
Category Code	Enter the code that represents a specific category code. Category codes are user-defined codes that you customize to handle the tracking and reporting requirements of your organization.
Company	Enter a code that identifies a specific organization, fund, or other reporting entity. The company code must already exist in the F0010 table and must identify a reporting entity that has a complete balance sheet.
Currency Code	Enter the three-character code that represents the currency of the transaction. PeopleSoft EnterpriseOne provides currency codes that are recognized by the International Organization for Standardization (ISO). The system stores currency codes in the F0013 table.
Document Company	Enter the company number associated with the document. This number, used in conjunction with the document number, document type, and general ledger date, uniquely identifies an original document. If you assign next numbers by company and fiscal year, the system uses the document company to retrieve the correct next number for that company.

If two or more original documents have the same document number and document type, you can use the document company to display the document that you want.

Document Number

Displays a number that identifies the original document, which can be a voucher, invoice, journal entry, or time sheet, and so on. On entry forms, you can assign the original document number or the system can assign it through the Next Numbers program.

Document Type

Enter the two-character UDC, from UDC table 00/DT, that identifies the origin and purpose of the transaction, such as a voucher, invoice, journal entry, or time sheet. PeopleSoft EnterpriseOne reserves these prefixes for the document types indicated:

P: Accounts payable documents.

R: Accounts receivable documents.

T: Time and pay documents.

I: Inventory documents.

O: Purchase order documents.

S: Sales order documents.

Effective Date

Enter the date on which an address, item, transaction, or record becomes active. The meaning of this field differs, depending on the program. For example, the effective date can represent any of these dates:

- The date on which a change of address becomes effective.
- The date on which a lease becomes effective.
- The date on which a price becomes effective.
- The date on which the currency exchange rate becomes effective.
- The date on which a tax rate becomes effective.

Fiscal Period and Fiscal Year

Enter a number that identifies the general ledger period and year. For many programs, you can leave these fields blank to use the current fiscal period and year defined in the Company Names & Number program (P0010).

G/L Date (general ledger date)

Enter the date that identifies the financial period to which a transaction will be posted. The system compares the date that you enter on the transaction to the fiscal date pattern assigned to the company to retrieve the appropriate fiscal period number and year, as well as to perform date validations.

PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting Preface

This preface discusses:

- PeopleSoft EnterpriseOne products.
- PeopleSoft application fundamentals.
- Common elements in this PeopleBook.

PeopleSoft EnterpriseOne Products

This PeopleBook refers to these PeopleSoft EnterpriseOne products:

- PeopleSoft Product Data Management
- PeopleSoft Shop Floor Management
- PeopleSoft Inventory Management
- PeopleSoft Engineer to Order
- PeopleSoft Payroll
- PeopleSoft General Accounting

PeopleSoft EnterpriseOne Application Fundamentals

The *PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting PeopleBook* provides you with implementation and processing information for the PeopleSoft Product Costing and Manufacturing Accounting solution. 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 the PeopleSoft EnterpriseOne product lines. You should be familiar with the contents of these PeopleBooks.

These companion PeopleBooks contain information that applies to setting up the PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting:

- *PeopleSoft EnterpriseOne Product Data Management PeopleBook*
- *PeopleSoft EnterpriseOne Shop Floor Management PeopleBook*
- *PeopleSoft EnterpriseOne Inventory Management PeopleBook*
- *PeopleSoft EnterpriseOne Payroll PeopleBook*
- *PeopleSoft EnterpriseOne General Accounting PeopleBook*

Common Elements Used in This PeopleBook

Co (Company)	Specify a code that identifies a specific organization, fund, or other reporting entity. The company code must already exist in the Company Constants table (F0010) and must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions. Note. You can use company 00000 for default values such as dates and automatic accounting instructions. You cannot use company 00000 for transaction entries.
Cost Method	Enter the cost method on which to base costing errors (that is: 01, 02,...). If left blank, cost method 07 (standard) will be used.
Do Ty (Document Type)	Specify a UDC (00/DT) that identifies the origin and purpose of the transaction. The system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets. The reserved document type prefixes for codes are: P: Accounts payable documents R: Accounts receivable documents T: Time and Pay documents I: Inventory documents O: Purchase order documents S: Sales order documents
Or Ty (Order Type)	Specify a UDC (00/DT) that identifies the type of document. This code also indicates the origin of the transaction. The PeopleSoft system has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) These document types are defined by the PeopleSoft system and should not be changed: P: Accounts Payable documents R: Accounts Receivable documents T: Payroll documents I: Inventory documents O: Purchase Order Processing documents J: General Accounting/Joint Interest Billing documents S: Sales Order Processing documents
Setup Labor	Specify a rate that the system uses with the Setup Labor Hours of the associated routing to calculate the standard setup labor cost.
Work Center	Specify an alphanumeric code that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant. You can assign a business unit to a document, entity, or person for purposes of responsibility reporting. For example, the system provides reports of open

accounts payable and accounts receivable by business unit to track equipment by responsible department.

Business unit security might prevent you from viewing information about business units for which you have no authority.

CHAPTER 1

Getting Started with PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting

This chapter provides an overview of Product Costing and Manufacturing Accounting (PCMA) and discusses:

- PeopleSoft PCMA integrations
- PeopleSoft PCMA implementation

PeopleSoft PCMA Overview

Product costing and manufacturing accounting is an important part of a profitable manufacturing environment. After you have determined whether the company will use standard or actual costing methods, you can set up and implement the manufacturing accounting system.

The Product Costing and Manufacturing Accounting systems in the PeopleSoft EnterpriseOne Supply Chain Management suite provide the features required to resolve the issues present by the industry environment and enable a company to control its costs and make them transparent.

With this application, you can:

- Define and maintain an unlimited number of cost components for tracking specific costs, such as freight, taxes, duty, and electricity.
- Define an unlimited number of cost methods to use in cost simulation analyses and actual costing.
- Allocate cost factors and rates to a specific item.
These factors and rates are used with cost extras or add-ons to calculate additional costs.
- Print a complete set of reports to compare old costs with new costs before implementing any changes.
- Calculate the total material cost by retrieving the bill of material for all items and adding the total cost of the components.
- Run a complete simulation of costs before any live data is updated as the frozen cost standard.
- Maintain cost information at the branch/plant level to allow for cost variances at different locations for identical manufactured items.
- Review engineering, planned, actual (material and labor), and other variances.
- Create detailed or summary journal entries for work order or rate schedule variances.
- Create detailed or summary journal entries for work in process or completions.
- Charge amounts to specified accounts.
- Print reports listing detailed costs and variances for work orders or rate schedules.

- Process accounting transactions using transaction IDs and production plans rather than work orders.

PeopleSoft PCMA Integrations

The PeopleSoft Product Costing and Manufacturing Accounting system integrates with these PeopleSoft EnterpriseOne Systems:

- PeopleSoft Product Data Management
- PeopleSoft Shop Floor Management
- PeopleSoft Capital Asset Management
- PeopleSoft Engineer to Order
- PeopleSoft Payroll
- PeopleSoft General Accounting

The Product Costing and Manufacturing Accounting system works with other PeopleSoft EnterpriseOne system to ensure that all product and manufacturing costs are tracked and transacted. 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.

PeopleSoft Product Data Management

You set up bills of material in Product Data Management, and review the costing of bills of material in PCMA. Also, you enter routings in Product Data Management, and review them for labor and overhead costs in PCMA.

PeopleSoft Shop Floor Management

Many companies who use the Shop Floor Management system want to capture and track actual or average manufacturing costs. If you use actual costing, the system calculates the cost of the product built on a work order or rate schedule based on the actual hours used and the actual quantity of issued parts.

PeopleSoft Capital Asset Management

PCMA and Capital Asset Management integrate in order to process and track costs of parent assets (such as a manufacturing line) and its children (such as the machinery on the line). You can also track maintenance costs for capital assets, and process variance reports on expected and actual maintenance costs.

PeopleSoft Engineer to Order

You can set up the Manufacturing Accounting Journal Entries program (R31802A) to create duplicate journal entries for end item manufacturing work orders for Engineer to Order projects.

PeopleSoft Payroll

The PCMA system interfaces with the Speed Time Entry program so that transaction data is usable in both the Shop Floor Management and the Payroll systems.

PeopleSoft General Accounting

You set up manufacturing account numbers using the General Accounting solution. Also, transactions such as inventory issues, labor, and work order completions are posted to the General Ledger. Additionally, you can enter accrual, adjustment, and reclassification transactions using General Accounting.

PeopleSoft PCMA Implementation

This section provides an overview of the steps that are required to implement the PCMA system.

In the planning phase of the 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 in *About These PeopleBooks*, with information about where to find the most current version of each.

Global Implementation Steps

Before you can implement PCMA, you must complete several global implementation steps. Global implementation steps are completed by users of many different systems, and are not specific to PCMA. Depending on the features and functionality that the organization uses, you might find that it is not necessary to complete all of these steps. This table lists the suggested global implementation steps for all PeopleSoft EnterpriseOne manufacturing products:

Step	Reference
1. Set up global UDC tables.	PeopleSoft EnterpriseOne Tools 8.94 Foundation PeopleBook
2. Set up fiscal date patterns.	<i>PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook</i> , "Setting Up an Organization," Setting Up Fiscal Date Patterns
3. Set up companies.	<i>PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook</i> , "Setting Up an Organization," Setting Up Companies
4. Set up business units.	<i>PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook</i> , "Setting Up an Organization," Setting Up Business Units
5. Set up next numbers.	<i>PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook</i> , "Setting Up System Next Numbers"
6. Set up accounts, and the chart of accounts. (Optional)	<i>PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook</i> , "Setting Up Accounts," Creating the Chart of Accounts
7. Set up the General Accounting Constants.	<i>PeopleSoft EnterpriseOne General Accounting 8.11 PeopleBook</i> , "Setting Up the General Accounting System," Setting Up Constants for General Accounting
8. Set up multicurrency processing, including currency codes and exchange rates.	<i>PeopleSoft EnterpriseOne Multicurrency Processing 8.11 PeopleBook</i>
9. Set up ledger type rules. (Optional)	<i>PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook</i> , "Setting Up Ledger Type Rules for General Accounting"
10. Set up address book records.	<i>PeopleSoft EnterpriseOne Address Book 8.11 PeopleBook</i> , "Entering Address Book Records"

Step	Reference
11. Set up default location and printers	PeopleSoft EnterpriseOne Tools 8.94 Foundation PeopleBook
12. Set up branch/plant constants.	<i>PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook</i> , “Setting Up the Inventory Management System,” Defining Branch/Plant Constants
13. Set up Manufacturing/Distribution AAIs.	<i>PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook</i> , “Setting Up the Inventory Management System,” Setting Up AAIs in Distribution Systems
14. Set up document types.	<i>PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook</i> , “Setting Up the Inventory Management System,” Setting Up Document Type Information
15. Set up shop floor calendars.	<i>PeopleSoft EnterpriseOne Shop Floor Management 8.11 PeopleBook</i> , “Setting Up Shop Floor Management,” Setting Up a Shop Floor Calendar
16. Set up manufacturing constants.	<i>PeopleSoft EnterpriseOne Product Data Management 8.11 PeopleBook</i> , “Setting Up Product Data Management,” Setting Up Manufacturing Constants

PCMA Implementation Steps

This table lists the implementation steps for PCMA:

Step	Reference
1. Set up UDCs for product costing.	Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Understanding User Defined Codes for Product Costing, page 15
2. Set up costing information.	Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Understanding Costing Information Setup, page 18
3. Set up accounting cost quantities for standard costs.	Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Specifying Accounting Cost Quantities for Standard Costs, page 19
4. Set up item cost levels.	Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Specifying Item Cost Levels, page 20
5. Set up methods and costs for items.	Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Specifying Methods and Costs for Items, page 23
6. Set up manufacturing constants for PCMA.	Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Specifying Manufacturing Constants for Product Costing and Manufacturing Accounting, page 27

Step	Reference
7. Set up standard rate and factor codes.	<u>Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Setting Up Standard Rate and Factor Codes, page 30</u>
8. Assign values to user-defined cost components.	<u>Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Assigning Values to User-Defined Cost Components, page 32</u>
9. Set up simulated rates for work centers.	<u>Chapter 3, “Setting Up the Product Costing and Manufacturing Accounting Systems,” Setting Up Simulated Rates for Work Centers, page 35</u>

CHAPTER 2

Understanding Product Costing and Manufacturing Accounting

This chapter provides an overview of Product Costing and Manufacturing Accounting (PCMA) systems and discusses:

- Product Costing and Manufacturing Accounting features.
- Product Costing and Standard Accounting integration.
- Actual Accounting integration.
- Effective cost management.
- Tables for Product Costing and Manufacturing Accounting.

Overview of Product Costing and Manufacturing Accounting Systems

Product costing and manufacturing accounting is an important part of a profitable manufacturing environment. After you have determined whether the company will use standard or actual costing methods, you can set up and implement the manufacturing accounting system.

The Product Costing and Manufacturing Accounting systems in the PeopleSoft EnterpriseOne Supply Chain Management suite provide the features required to resolve the issues presented by the industry environment and enable a company to control its costs and make them transparent.

Maintaining accurate and complete records of the value of inventory is one of the major concerns of most businesses today. Keeping too much of an unprofitable stock or using inappropriate methods of costing on certain inventory items can quickly deplete the profits.

The Product Costing system allows you to store and retrieve cost information. It also helps you to manage the costs by providing information to the company's business plan.

With accurate product costing, you can evaluate these manufacturing processes to determine how they affect the company's profitability:

- Manufacturing budgets (direct labor, indirect labor, and overhead).
- Product design (design and manufacturing engineering).
- Accounting (gross margin by product line or item).

After you establish costs in the Product Costing system, the Manufacturing Accounting system tracks the costs, reports variances, and posts manufacturing transactions to the general ledger.

Product Costing and Manufacturing Accounting Features

The Product Costing and Manufacturing Accounting systems provide flexibility to accommodate the manufacturing environment.

This table discusses some of the benefits and features of these systems:

Feature	Description
User defined cost extras or add-ons	Define and maintain an unlimited number of cost components for tracking specific costs, such as freight, taxes, duty, and electricity.
User defined cost rollup methods	Define an unlimited number of cost methods to use in cost simulation analyses and actual costing.
User defined cost factors and rates	Allocate cost factors and rates to a specific item. These factors and rates are used with cost extras or add-ons to calculate additional costs.
Cost variances	Print a complete set of reports to compare old costs with new costs before implementing any changes.
Bill of material rollup	Calculate the total material cost by retrieving the bill of material for all items and adding the total cost of the components.
Cost simulation	Run a complete simulation of costs before any live data is updated as the frozen cost standard.
Multifacility costing	Maintain cost information at the branch/plant level to allow for cost variances at different locations for identical manufactured items.
Variances	Review these kinds of variances: • Engineering • Planned • Actual (material and labor) • Other
Journal entries for variances	Create detailed or summary journal entries for work order or rate schedule variances.
Journal entries for work order or rate schedule transactions	Create detailed or summary journal entries for work in process or completions.
Automatic accounting instruction (AAI) tables	Charge amounts to specified accounts.
Reports	Print reports listing detailed costs and variances for work orders or rate schedules.

Product Costing and Standard Accounting Integration

Product costing plays a significant role in the manufacturing environment. For standard costing, before you can implement the Manufacturing Accounting system, you must set up costs for the products that you produce.

To calculate these costs, you must consider these aspects in the manufacturing environment:

- Cost reporting (what does the item really cost to produce).
- Variance reporting (actual versus standard costs).
- Product and job costing (detailed information) for material labor, and overhead.

If you use the standard cost method (07) after you calculate the cost component values in a simulated mode and are satisfied with the results, you must establish frozen standard cost components. All shop floor transactions use these frozen standards for calculations, which, in turn, create transactions in the general ledger and are the basis of the inventory valuation.

Standard costing is most applicable for a company with stable costs and little cost variance from one manufacturing run to another. Companies with minimal accounting staff often use standard cost accounting.

Actual Accounting Integration

The system provides two methods for evaluating actual costs:

- Weighted average cost method (02).
- Actual, or manufacturing last, cost method (09).

You can implement actual costing with the Manufacturing Accounting system without using the Product Costing system.

Many companies who use the PeopleSoft Shop Floor Management system want to capture and track actual or average manufacturing costs. If you use actual costing, the system calculates the cost of the product built on a work order or rate schedule based on the actual hours used and the actual quantity of issued parts. The system updates the cost based on the most current information.

Actual costing is a function of the Manufacturing Accounting system and not the Product Costing system. If you use actual costing, you do not need to set up product costs for each item that you manufacture because product costs will be calculated when the work or rate order completions are run. A company can choose to use a combination of actual-costed items and standard-costed items. A company using one of the actual costing methods should set up its extra, or overhead, costs as it would for standard accounting.

When you complete work orders for items that use the weighted average (02) or actual, manufacturing last, (09) cost methods, the system:

- Calculates a new cost unit for the item based on shop floor activities.
- Revalues on-hand inventory for items using cost method 09.
- Calculates and updates the weighted average cost.
- Updates the Item Cost File table (F4105) with the new unit cost.

Average costing is often useful for companies for which costs change often but not significantly.

Actual costing is useful for companies that:

- Engineer or manufacture to order.
- Create quotations
- Have costs that change often and significantly.

Effective Cost Management

Most of the major areas or departments within the manufacturing company contribute information to the product costing activities and, therefore, affect the overall accuracy of the manufacturing budget.

This table lists examples of departments within a typical company and the aspects of the Product Costing and Manufacturing Accounting systems that are affected by each department:

Department	Description
Design Engineering	The design engineering group is responsible for ensuring that: • The bill of material is complete. • The make-buy information is accurate. • The engineering change orders (ECOs) have been taken into account.
Sales	The sales force contributes important information regarding target markets, as well as the latest trends in manufacturing. For effective cost management, the sales force must provide timely and reasonable forecasts.
Manufacturing Engineering	The manufacturing engineering group is responsible for identifying: • Correct processes • Changes to existing processes • Manufacturing overhead • Accurate information about work centers.
Purchasing	The purchasing department must provide: • Accurate supplier costs • Accurate transportation costs

Department	Description
Manufacturing	Manufacturing operations provide vital information to the costing effort. For example, they must: • Input their data in a timely and accurate manner. • Identify any discrepancies in the bills of material and routings.
Cost Accounting	The cost accounting staff must: • Ensure that all items have costs. • Identify general and administrative overhead. • Produce timely variance reports (standard costs versus current costs).

Consider these issues as you define and manage the manufacturing costs:

- When (and how often) you change costs.
- How you limit access
- When the cost of a new item is reflected.
- How you account for labor rates and work center overhead.

You might also encounter these circumstances as you define costs:

- Not all costs are available before the initial cost rollup.
- You have used incorrect units of measure.
- The company reports labor hours and costs inaccurately.
- New products are not updated in a timely manner.
- Standards are updated too frequently.
- Items have been added to or deleted from the bill of material since the last cost update.
- Steps in the routing master have been changed since the last cost update.

Considerations Regarding Standard and Actual Costing

A company should decide to use either standard or actual costing depending on its needs and requirements. You must weigh many considerations when making the decision to use standard or actual costing and accounting.

This list identifies considerations that are relevant to the Product Costing and Manufacturing Accounting systems:

Type of Consideration	Explanation
Integration with other systems	The Base Configurator programs are not fully adapted to actual costing methods (02 or 09).

Type of Consideration	Explanation
Manufacturing	When you use actual costing methods, it is recommended that you: • Use only single-level bills of material, if you use bills of material. • Use discrete manufacturing • Use engineer-to-order or make-to-order practices and oversee the entry of all information on the work orders.
Inventory transfer	When you use actual costing methods, it is recommended that you: • Be aware that transferring inventory for any purposes other than the cost of goods sold (COGS) might result in unreliable information in the variance accounting. • Manually set the actual cost for the primary location to equal the standard cost to allow for transient stock. • Understand that processing for physical inventory might be more time consuming than with other cost methods.
Costing	When you use actual costing methods, maintain the inventory cost level at the item, branch, and location levels (Inventory Cost Level 3) for best results.

Tables for Product Costing and Manufacturing Accounting

This is a list of the tables that are used throughout Product Costing and Manufacturing Accounting:

Table	Description
Account Balances (F0902)	Contains net postings for each period and prior year balances (net and cumulative). This table contains one record per account, ledger type, subledger, fiscal year, and transaction currency table.
Account Ledger (F0911)	Contains detailed transactions in the general ledger.
Account Master (F0901)	Contains account definitions, including numbers and descriptions.
Address Book Master (F0101)	Contains information about customers, suppliers, employees, and prospects.
Distribution/Manufacturing - AAI Values (F4095)	Contains account numbers that are used to create journal entries and charge amounts to those accounts.
Batch Control Records (F0011)	Contains system-generated batch header information, including the batch number, batch status, and batch entry date.

Table	Description
Bill of Material Master File (F3002)	Contains information at the business unit level about bills of material, such as quantities of components. The system uses this information to calculate material costs.
Item Branch File (F4102)	Defines and maintains warehouse or plant-level information, such as branch-level category codes.
Business Unit Master (F0006)	Identifies information about business units, such as company names and category codes assigned to the business unit.
Item Cost Component Add-Ons (F30026)	Contains standard costs and extra costs.
Item Cost Component Detail (F300261)	Stores item cost components by work center.
Item Cost File (F4105)	Contains the summarized item costs and inventory valuation method.
Equipment Rates (F1301)	Contains equipment rates that can be used for actual costing if you select this table as a machine rate source in the Manufacturing Constants program (P3009).
Generic Message/Rates (F00191)	Contains rate and factor tables, including: • 30/CF Costing Factors • 30/CR Costing Rates • 31/ER Employee Rates
Item Ledger File (F4111)	Contains transactions that indicate changes in inventory value.
Item Location File (F41021)	Determines the GL class code used in manufacturing accounting transactions.
Item Master (F4101)	Stores basic information about each defined inventory item, such as item numbers, descriptions, category codes, and units of measure.
Job Shop Manufacturing Constants (F3009)	Stores variables that indicate, for example, whether to include efficiency in the cost rollup and which overhead values to use. For actual costing, you can specify the sources for labor and machine rates.
Item Manufacturing Data (F4101M)	Stores the accounting cost quantity, which the system uses to determine the allocation of fixed setup costs for an item.
Work Order Parts List (F3111)	Contains the parts list that is attached to a work order or rate schedule. It contains one record for each part.
Shop Floor Control Parts List Tag Table (F3111T)	Stores the accumulated costs, accumulated scrap amount, and unaccounted scrap quantity for components.
Production Cost (F3102)	Contains all costs associated with a particular work order.

Table	Description
Purchase Order Detail File (F4311)	Contains transactions related to a purchase order.
Routing Master File (F3003)	Stores routing information, including operation sequence, work center, run time, setup time, and machine time. The system uses this information to calculate labor, machine, and overhead costs.
Sales Flex Accounting (F4096)	Determines the information to use for cost objects.
User Defined Codes (F0005)	Contains UDCs and their descriptions.
Work Center Master File (F30006)	Contains detailed data about all defined work centers, including efficiency.
Work Center Rates File (F30008)	Contains simulated and frozen rates for each work center, such as rates for overhead and labor.
Work Order Master File (F4801)	Contains all work order header information. The data from this table appears on shop floor paperwork. The system updates this table when completion transactions occur for a work order.
Work Order Master Tag File (F4801T)	Stores the cost method for the work order. Additionally, it includes the unaccounted amount and quantity for scrap units and the unaccounted work order completions.
Work Order Routing (F3112)	Contains the routing steps that are attached to a work order or rate schedule. It contains one record for each operation sequence number and work center.
Shop Floor Control Routing Instructions Tag Table (F3112T)	Stores the unaccounted quantity and amounts for outside operations.
Work Order Time Transactions (F31122)	Contains labor and machine time transactions by work order.

CHAPTER 3

Setting Up the Product Costing and Manufacturing Accounting Systems

This chapter provides overviews of user defined codes (UDCs) for Product Costing and costing information setup, and discusses how to:

- Specify accounting cost quantities for standard costs.
- Specify item cost levels
- Specify methods and costs for items.
- Specify manufacturing constants for Product Costing and Manufacturing Accounting.
- Set up standard rate and factor codes.
- Assign values to user-defined cost components.
- Set up simulated rates for work centers.
- Set up general ledger class codes.
- Review manufacturing AAI's

Note. Before you can use the Product Costing and Manufacturing Accounting systems, you need to define certain information that the system uses during processing. The settings might vary depending on whether you are using standard or actual accounting for an item.

Understanding User Defined Codes for Product Costing

Many fields throughout the Product Costing and Manufacturing Accounting systems require UDCs. You can customize fields in the system by setting up UDCs to meet the needs of the organization. UDCs allow you to establish and maintain a table that defines valid codes for various types of information. Codes are categorized by system and code type.

This table lists the UDCs used by the Product Costing and Manufacturing Accounting system:

Type of User-Defined Code	Description
Cost Component Add-Ons (30/CA)	Use cost components to identify and track each type of cost for an item. Cost components that begin with A, B, and C are hard-coded and cannot be changed. You should use cost component D for outside operations. You can define an unlimited number of additional cost components to account for extra costs for an item, such as electricity or research and development. It is recommended that you define extra costs with an X for easy identification. You can assign separate cost components by categories that are applicable to the business. The UDCs for extra cost components can begin with any letter except A, B, or C. Although you might attempt to set up extra cost components that begin with these letters, the Simulate Rollup program (R30812) actually deletes these cost components. When you set up cost components, complete a separate line for all of the possible cost components that can be used in the cost rollup for an item. Complete fields with this information: • Codes: The code for the cost component. • Description 1: What the component represents. • Description 2: Additional text that further clarifies. Description 1: Cost component. • Special Handling: Additional information. For outside operations, type 1 as the first character. Important! You can use a cost component only once for an outside operation in a routing. If you have more than one outside operation, you need to define different cost components, such as D1 and D2.
Cost Buckets (30/CB)	Use cost buckets to group similar cost components for inquiry and reporting purposes. When you set up cost buckets, complete fields with this information: • Codes: Identify the cost components to be grouped. • Description 1: Enter the name that you want to appear as the heading for the cost bucket column on costed bill review programs and reports. You need to enter this title only once for each sequence number (entered in the Description 2 field). If the program finds more than one name for a bucket, it uses the name defined for the last cost component that it accumulates into the operation bucket. • Description 2: Specify in which column (bucket) each cost component is grouped.

Type of User-Defined Code	Description
Costed Operation Buckets (30/CO)	Use operation bucket codes to combine component costs in each step in the routing. That is, you can group operation costs into totals that appear on costed routing review programs and reports. For example, you might track labor costs by separate cost components that represent setup, run, and overhead labor for an item. When you assign the same sequence number to each cost component, you can combine these cost components into one total cost for labor on the costed routing review program or report for the item. When you set up operation bucket codes, complete the fields with this information: • Codes: Identify the cost components to be grouped. • Description 1: Enter the name that you want to appear as the heading for the operation bucket column on costed routing inquiries and reports. You need to enter this title only once for each sequence number (entered in the Description 2 field). If the program finds more than one name for a bucket, it uses the name defined for the last cost component that it accumulates into the operation bucket. • Description 2: Specify in which column (bucket) each cost component is grouped. You should reserve buckets 1 and 2 for extra costs because the system does not calculate cost buckets 1 and 2 based on the routing, and extra costs are not related to a particular operation on the routing. Buckets 1 and 2 appear in the header area of Costed Routing/Process Inquiry (P30208), and a processing option controls whether they are included in the calculation of total costs.
Costing Exceptions Error Messages (30/EM)	Use this UDC table to review the error messages that appear on the Costing Exceptions report (R30801) when any item contains any of the errors included in this table. You can change the severity level of an error to one that is appropriate for the company. The severity level is defined in Description 2. The error messages are hard-coded. You cannot add or delete messages. If you change the name of an existing message, you should not change its meaning, but merely adapt the definition to one that is more clearly understood by the company.

Type of User-Defined Code	Description
Average Cost Calculation (40/AV)	If you want the weighted average cost method (02) to be updated automatically by the system, use this UDC table to enter the program numbers for each of the programs that you want the system to update.
Cost Method (40/CM)	Use this UDC table to review the cost methods used to calculate costs for all items. Codes 01 through 09 are hard-coded and cannot be altered. Codes 10 through 19 are reserved for use by the PeopleSoft system. Codes 02, 07, and 09 are the only cost methods that are supported by manufacturing.

Example: Setting Up Cost Bucket Codes for Costed Bills of Material

You can group similar cost components for review and reporting purposes. For example, you can define A1 and A2 cost components as Purchasing. You do this by assigning them the same sequence number in the Description 2 field. The sequence number also determines in which order the groups appear on costed bill inquiries and reports. You can then use the costed bill inquiries and reports to review the total costs for the group Purchase.

Each cost bucket can contain several defined cost components.

This example illustrates how you might define the buckets and UDCs:

Bucket Number	Description
Bucket 1	Purchase. Includes cost components A1 (material), A2 (scrap), and D1 (outside operations).
Bucket 2	Labor. Includes cost components B1 (direct labor), B2 (setup), and B4 (labor efficiency).
Bucket 3	Machine. Includes cost component B3 (machine run).
Bucket 4	Overhead. Includes cost components C1 (machine variable) and C2 (machine fixed).
Bucket 5	Extras. Includes cost components X1 (taxes) and X2 (electricity).

Understanding Costing Information Setup

You can customize the Product Costing and Manufacturing Accounting systems to meet the specific manufacturing environment needs. The system uses the values that you define to determine the costs of the items that you manufacture.

Note. If you use either of the actual cost methods, you do not complete the task for setting up accounting cost quantities.

Specifying Accounting Cost Quantities for Standard Costs

The system uses accounting cost quantities to determine the allocation of fixed costs for an item. Accounting cost quantities represent the average quantity of a work order or rate schedule for this item. During cost rollup, the system divides the fixed costs by the accounting cost quantity that you specify to determine a unit fixed cost.

This section discusses how to set up accounting cost quantities for standard costs.

Note. If you use either of the actual cost methods (02 or 09) for an item, you do not need to complete this task.

Form Used to Specify Accounting Cost Quantities for Standard Costs

Form Name	Form ID	Navigation	Usage
Additional System Info (additional system information)	W41026D	Item Revisions (G4112), Item Branch/Plant Manufacturing Data Search on an item number, select a record, and then select Addl System Info from the Row menu.	Set up accounting cost quantities for standard costs.

Setting Up Accounting Cost Quantities for Standard Costs

Access the Additional System Info form:

Item Branch/Plant Manufacturing Data - Additional System Info i ?

Work With Item Branch **Additional System Info**

Cancel Form Previous Next Tools

Branch/Plant

Item Number Touring Bike, Red

Plant Manufacturing **Grade and Potency** **Service/Warranty** **Depot/Product Info.** **Supply Chain Planning** **Demand Flow®**

Order Policy Code 1 <i>Lot for Lot, As Required</i>	Accounting Cost Qty 0.0010
Value Order Policy	Issue Type Code I <i>Manual Issue</i>
Planning Code 1 <i>Planned by MPS or DRP</i>	Time Basis U <i>Unit Rate</i>
Planning Fence Rule C <i>Customer Demand</i>	Item Revision Level AA
Planning Fence 15	Shrink Factor 10.00
Freeze Fence 10	Shrink Factor Method %
Message Display Fence 60	
Setup Labor	Leadtime Level
Move / Queue Hours	Leadtime Manufacturing
☐ Suppress MRP Messages	Leadtime Cumulative
	Leadtime Per Unit
ECO Number	Fixed/Variable F
ECO Reason	MFG Leadtime Quantity 0.0010
ECO Date	
Issue and Receipt 0 <i>No Action Taken</i>	Last Revision No
Replenishment Hours	☐ Active Ingredient

Additional System Info form

To set up accounting cost quantities for standard costs:

1. Select Plant Manufacturing on the Additional System Info form.
2. Complete the Accounting Cost Qty field.

The system uses this amount in the Cost Rollup program to determine the allocation of setup costs. The system totals the setup costs and divides the sum by this quantity to determine a unit setup cost. The default value is 1.

Specifying Item Cost Levels

This section provides an overview of item cost levels and discusses how to set up item cost levels.

Understanding Item Cost Levels

The cost level that you assign to an item indicates the level at which the system maintains costs. You determine whether the system maintains one overall cost for an item (cost level 1) or a different cost for the item in each branch/plant (cost level 2). The system can also maintain a different cost for each location and lot within a branch/plant (cost level 3).

This list applies to using cost level 3:

- Configured items must be cost level 3.
- If you use actual costing, you should use cost level 3.
- In the standard costing system, costs at cost level 3 are informational only.

After you have entered cost information, do not change an item's cost level on this form. To change an item's cost level, use the Item Cost Level Conversion program (R41815).

Forms Used to Specify Item Cost Levels

Form Name	Form ID	Navigation	Usage
Work With Item Master Browse	W4101E	Inventory Master/Transactions (G4111), Item Master	Access the form used to set up an item cost level.
Item Master Revisions	W4101A	Search on an item number in the Query by Example line of the Work With Item Master Browse form. Select the record and click Select.	Set up an item cost level.

Setting Up Item Cost Levels

Access the Work With Item Master Browse form:

Item Master - Item Master Revisions 1 ?

Work With Item Master Browse **Item Master Revisions**

OK Cancel Form Previous Next Tools

Item Number (Short) 60038

Item Number 220

Basic Item Data Additional Info. Weights and Measures Lot Processing

Catalog Number 220

Description Touring Bike, Red

Description Search Text Bike, Tour

Stocking Type	M	Mfg. Assembly or Sub-Assem	Inventory Cost Level	2	Item/Branch Only
G/L Class	IN30	Manufactured Finished Goods	Sales Price Level	3	Item/Branch/Location/Lot
Unit of Measure	EA	Each	Purchase Price Level	3	Inventory Cost Level
Line Type	S	Stock Inventory Item	Kit/Configurator Pricing Method	1	Total Components List Prices
BulkPacked Flag	P	Packaged Item	Configurator Costing Method		Non Configured Item
Planner Number	7500	McDougle, Cathy	Commitment Method	1	Location With Most Quantity
Buyer Number			Print Message		
☒ Backorders Allowed ☒ Check Availability			Item Flash Message		
			Std UOM Conversion		Item Specific UOM

Item Master Revisions form

To set up an item cost level:

1. Complete the Item Number field in the Query by Example line and select Find on the Work With Item Master Browse form.
2. Select the record and click Select.
3. Select Basic Item Data and complete or review the Inventory Cost Level field on Item Master Revisions.

The inventory cost level is a code that indicates whether the system maintains one overall inventory cost for the item, a different cost for each branch/plant, or a different cost for each location and lot within a branch/plant. The system maintains inventory costs in the Inventory Cost table (F4105).

Values are:

- 1: Item level
- 2: Item/Branch level
- 3: Item/Branch/Location level

4. Select Lot Processing and complete the Lot Process Type field if you use actual costing and you entered 3 as the inventory cost level.

The lot process type is a code that indicates whether lot or serial number is assigned. Lot and serial number processes use the Lot Master table (F4108).

Values are:

- 0: Lot assignment is optional.
You can manually assign numbers. Quantity can be greater than one. (Default)
- 1: Lot assignment is required.
The system assigns numbers using the system date in YYMMDD format. Quantity can be greater than one.
- 2: Lot assignment is required.
The system assigns numbers in ascending order using Next Numbers. Quantity can be greater than one.
- 3: Lot assignment is required.
You must manually assign numbers. Quantity can be greater than one.
- 4: Serial number assignment is optional except during shipment confirmation.
Quantity must not exceed one.
- 5: Serial number assignment is required.
The system assigns numbers using the system date in YYMMDD format. Quantity must not exceed one.
- 6: Serial number assignment is required.
The system assigns numbers in ascending order using Next Numbers. Quantity must not exceed one.
- 7: Serial number assignment is required.
You must manually assign numbers. Quantity must not exceed one.

Specifying Methods and Costs for Items

This section provides an overview of methods and costs for items and discusses how to:

- Set up methods and costs for items.
- Set processing options for Enter/Change item costs (P4105).

Understanding Methods and Costs for Items

You must provide cost information for each of the items so that the system can track inventory costs. When you define an item with cost level 2 or 3, you specify the cost method that the system uses to determine an item's cost for sales transactions, inventory transactions, and purchase orders in the Branch/Plant Constants program (P41001). You can override the values in the branch/plant constants for a particular item at the item branch/plant level.

For example, you can specify that the system use the weighted average cost method to determine the inventory cost for an item and use the last-in cost method to determine the item's unit cost for purchase orders.

You can set up the manufacturing accounting to perform one of these items listed:

Costing Type	Description
Standard costing	Use cost method 07 (Standard). This method is useful for items that are manufactured in volume with low variety and have stable costs. When using cost method 07 for the parent item, the system uses only method 07 for all components of the parent, outside operations, and so forth.
Actual costing	Use either cost method 02 (Weighted Average) or cost method 09 (Actual, Manufacturing Last). When you assign either cost method 02 or 09 to the parent item, the system uses this value to update the Ledger field (LEDG) in the Work Order Master Tag File table (F4801T) when work orders are generated. Therefore, the components on the parts list for the parent item can have any valid cost method (UDC 40/CM). The actual costing methods apply to discrete items only. Cost method 02 (Weighted Average) is useful for costs that change often. Use this method when you do not want to revalue on-hand inventory when the work orders are completed, but at a time of your own determination. Cost method 09 (Actual, Manufacturing Last) is useful for items that are engineered or manufactured to order and have costs that change often and significantly. Use this method when you want to revalue the inventory each time that you run the work order completion programs. Important! Because PeopleSoft EnterpriseOne software does not support actual costing for process and configured items, the system issues an error if you attempt to define an actual cost method for a process item (stocking type R) or a configured item (stocking type C).

For each cost method that you assign to an item, you must also specify a cost or let the system calculate it. For example, to use the actual, or manufacturing last, cost method for an item, you could enter an initial cost or let the system update it with the last manufactured cost.

You can set up UDC (40/CM) to define cost methods. For example, you might want to establish a cost method to maintain a history of last year's costs. Codes 01 through 09 are hard-coded and cannot be altered. Codes 10 through 19 are reserved for the PeopleSoft system to use and cannot be assigned.

Note. You can remove a cost method for an item if it is no longer applicable. If you try to remove the sales and inventory or purchasing cost method, the system displays a warning message. The system does not delete the cost method, but updates it to a cost of zero.

Form Used to Specify Methods and Costs for Items

Form Name	Form ID	Navigation	Usage
Cost Revisions	W4105A	Product Costing (G3014), Enter/Change Item Costs On the Work With Item Cost form, search on the combination of branch/plan and item number, and then select a record and click Add.	Make cost revisions, such as setting up methods and costs for items.

Setting Up Methods and Costs for Items

Access the Cost Revisions form:

Enter/Change Item Costs - Cost Revisions

OK Delete Cancel Tools

Item Number: 220
Branch/Plant: M30

Costing Methods

Sales/Inventory: 07
Purchasing: 07

Records 1 - 5				Customize Grid
		Cost Method	Description	Unit Cost
☒		01	Last In	498.4788
☐		02	Weighted Average	526.9408
☐		07	Standard	498.4788
☐		08	Purchasing-Base Cost No Adds	498.4788
☐			01 - 19 Reserved for PS	

Cost Revisions form

Sales/Inventory

Enter a UDC (40/CM) that indicates the cost method that the system uses to calculate the cost of goods sold for the item. Cost methods 01-19 are reserved for PeopleSoft system use.

If you maintain costs at the item level, the system retrieves the default value for this field from the data dictionary. If you maintain costs at the item and branch/plant level, the system retrieves the default value from Branch/Plant Constants.

Purchasing

Enter a UDC (40/CM) that indicates the cost method that the system uses to determine the cost of the item for purchase orders. Cost methods 01-19 are reserved for PeopleSoft system use.

If you maintain costs at the item level, the system retrieves the default value for this field from the data dictionary. If you maintain costs at the item and branch/plant level, the system retrieves the default value from Branch/Plant Constants.

Cost Method

Enter a UDC (40/CM) that specifies the basis for calculating item costs. Cost methods 01 through 19 are reserved for use by the PeopleSoft system.

Unit Cost

Enter the amount per unit, derived by dividing the total cost by the unit quantity.

The cost for one unit of this item, based on the corresponding cost method.

You can change the dollar amount for any cost method at any time. If you change the amount for the cost method that you use to track costs of goods sold, the system applies the new amount to the on-hand quantity of the item.

It also creates journal entries to account for the difference between the old and the new amounts.

Certain programs update the dollar amount for some cost methods. Examples include:

- Last-in method - The system interactively updates this unit cost based on the last cost of the item at the time of a purchase order receipt or after an inventory adjustment.
- Weighted average method - The system calculates and updates this amount by adding transaction quantities, adding transaction costs, and dividing the total cost by the total quantity.
- Purchase method - The system updates similarly to the last-in method, but without landed costs.

Note. If you enter a cost method for sales/inventory or purchasing and do not set up a cost amount for that method, a warning message appears. If you do not enter a cost amount for the cost method, the system assigns a cost of zero.

Setting Processing Options for Enter/Change Item Costs (P4105)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Process

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

Process

Enter a *1* to prevent the standard cost from being changed.

Interop

Enter the transaction type for the interoperability transaction. If left blank, outbound interoperability processing will not be performed.

Flex Acct

Specify whether to enable Flex Accounting. Values are:

Blank: Do not activate flexible accounting.

I: Activate flexible accounting.

Specifying Manufacturing Constants for Product Costing and Manufacturing Accounting

This section provides an overview of the Manufacturing Constants program and discusses how to set up manufacturing constants for Product Costing.

Understanding the Manufacturing Constants Program

You must define product costing and manufacturing accounting information that is unique to the branch/plant.

You use the Manufacturing Constants program (P3009) to specify this cost calculation information:

- Whether to maintain costs on the work center or the cost component level.
- How to calculate overhead costs.
- Whether to consider work center efficiency when calculating direct labor and overhead.
- Whether overhead costs are entered as percents or rates.

If you use actual costing, you can specify the sources for labor and machine rates that the system uses to calculate labor and machine costs.

Form Used to Specify Manufacturing Constants for Product Costing and Manufacturing Accounting

Form Name	Form ID	Navigation	Usage
Manufacturing Constants Revision	W3009B	Product Costing Setup (G3042), Manufacturing Constants Select a branch/plant on the Work with Manufacturing Constants form, and click Select.	Set up manufacturing constants for Product Costing.

Setting Up Manufacturing Constants for Product Costing

Access the Manufacturing Constants Revision form:

Costing Options

Select Costing Options.

Manufacturing Constants - Manufacturing Constants Revision

OK Cancel Tools

Branch/Plant M30 Eastern Manufacturing Center

Manufacturing Constants Shifts Commitment Control **Costing Options**

☐ Cost by Work Center
☒ Modify cost by Work Center Efficiency
☒ Include Work Center Eff. in Overhead
☒ Include Var. Labor Overhead in cost
 ☒ Calculate Var. on Setup Labor
 ☒ Calculate Var. on Direct Labor
☒ Include Fixed Labor Overhead in cost
 ☒ Calculate Fixed on Setup Labor
 ☒ Calculate Fixed on Direct Labor
☒ Include Fixed Machine Overhead in cost
☒ Include Var. Machine Overhead in cost

Actual Costing

Machine Rate Source 1
Labor Rate Source 1

Overheads

☒ Percentages
☐ Rates

Manufacturing Constants Revision form

Cost by Work Center

Enter a value, maintained in the Manufacturing Constants program (P3009), that indicates whether the system tracks cost variances for discrete and process items on a summarized level in the Item Cost Component Add-Ons table (F30026) or on a detailed level in the Item Cost Component Detail table (F300261). Values are:

Y: Yes. Maintain costs on a detailed level by cost component and work center.

N: No. Maintain costs on a summarized level by cost component only.

Modify cost by Work Center Efficiency

Specify whether the cost rollup creates cost component B4 (for labor efficiency) based on the direct labor value (cost component B1) and the Work Center Efficiency percent from the Work Center Master table (F30006).

To create cost component B4, click the Modify cost by Work Center Efficiency option under the Costing Options heading.

Include Work Center Eff. in Overhead

Specify whether the cost rollup includes work center efficiency when calculating overhead values, if you specified that you want to modify costs by work center efficiency.

To include work center efficiency, click the Include Work Center Eff. in Overhead option under the Costing Options heading.

Include Var. Labor Overhead in cost

Specify whether the cost rollup creates cost component C3 (for variable labor overhead) in the Item Cost Component Add-Ons table (F30026).

To create cost component C3, click the Include Variable Labor Overhead in Cost option under the Costing Options heading.

Calculate Var. on Setup Labor	Specify whether the cost rollup includes setup labor expenses (cost component B2) in the total used to calculate variable setup overhead (cost component C3). To include setup labor expenses, click the Calculate Var. on Setup Labor option under the Costing Options heading.
Calculate Var. on Direct Labor	Specify whether the cost rollup includes direct labor expenses (cost component B1) in the total used to calculate variable labor overhead (cost component C3). To include direct labor expenses, click the Calculate Var. on Direct Labor option under the Costing Options heading.
Include Fixed Labor Overhead in cost	Specify whether the cost rollup creates cost component C4 (for fixed labor overhead) in the Item Cost Component Add-Ons table (F30026). To create cost component C4, click the Include Fixed Labor Overhead in Cost option under the Costing Options heading.
Calculate Fixed on Setup Labor	Specify whether the cost rollup includes setup labor expenses (cost component B2) in the total used to calculate fixed setup overhead (cost component C4). To include setup labor expenses, click the Calculate Fixed on Setup Labor option under the Costing Options heading.
Calculate Fixed on Direct Labor	Specify whether the cost rollup includes direct labor expenses (cost component B1) in the total used to calculate fixed labor overhead (cost component C4).
Include Var. Machine Overhead in cost	Specify whether the cost rollup creates cost component C1 (for variable machine overhead) in the Cost Components table (F30026). To create cost component C1, click the Include Var. Machine Overhead in Cost option under the Costing Options heading.
Include Fixed Machine Overhead in cost	Specify whether the cost rollup creates cost component C2 (for fixed machine overhead) in the Item Cost Component Add-Ons table (F30026). To create cost component C2, click the Include Fixed Machine Overhead in Cost option under the Costing Options heading.
Machine Rate Source	Enter a value that specifies the source for machine rates when the system calculates routing costs for an estimate. Values are: 1: Work Center Rates table (F30008). 2: Equipment Rates table (F1301)
Labor Rate Source	Enter a value that specifies the source for labor rates when the system calculates the routing costs for an estimate. Values are: 1: Work Center Rates table (F30008) 2: Employee Labor Rates table (F00191)
Percentages	Specify whether values for overhead fields (cost components C1 through C4) in the Work Center Rates table (F30008) are expressed as percents or rates. To specify whether the system expresses the overhead fields as percents or rates, click either Percents or Rates under the Overheads heading.

See Also

PeopleSoft EnterpriseOne Product Data Management 8.11 PeopleBook, “Setting Up Product Data Management,” Setting Up Manufacturing Constants

Setting Up Standard Rate and Factor Codes

This section provides an overview of standard rate and factor codes and discusses how to:

- Set up standard rate codes.
- Set up standard factor codes.

Understanding Standard Rate and Factor Codes

Standard rate and factor codes represent overhead costs or other indirect costs that cannot be attributed directly to a certain production process or operation, but must be accounted for in the costs of an item. These types of costs include utilities, insurance, research and development costs, rent or lease payments, or other overhead or general operating costs.

Note. Rate and factor codes are user defined, but, to maintain them, you must access the Standard Rates program (P00191) from the menu. You cannot change them in the UDC tables with the same label. For example, if you enter 30 and CR on the Work With User Defined Codes form, you open the Critical Work Center UDC table, not the standard rates.

The Simulate Rollup program (R30812) uses the rates and factors that you define to calculate some of the costs that appear in the Enter/Change Cost Components program (P30026).

Form Used to Set Up Standard Rate and Factor Codes

Form Name	Form ID	Navigation	Usage
Enter Generic Message/Rates	W00191D	Product Costing Setup (G3042), Standard Rates Click Find, then select Costing Rates and click Select.	Set up standard rate codes.
Enter Generic Message/Rates	W00191D	Product Costing Setup (G3042), Standard Factors Click Find, the select Costing Factors and click Select.	Set up standard factor codes.

Setting Up Standard Rate Codes

Access the Enter Generic Message/Rates form:

Standard Rates - Enter Generic Message/Rates

OK Find Delete Cancel Form Row Tools

Product Code 30 *Product Data Management*

User Defined Codes CR

Records 1 - 3 Customize Grid ☐

	Code	Description	Rate
☒	0001	Electricity (\$ per KWH)	0.5800
☐	0002	Warehouse Space (\$ per SF)	0.0220
☐			

Enter Generic Message/Rates form

Code Enter a code that corresponds to a record that the Enter/Change Cost Components program (P30026) uses in conjunction with the factor code to calculate extra costs. This code must be set up in UDC table 30/CR.

Rate Enter the rate with up to four decimal places that is used to calculate the extra costs for this code.

Setting Up Standard Factor Codes

Access the Enter Generic Message/Rates form:

Standard Factors - Enter Generic Message/Rates

OK Find Delete Cancel Form Row Tools

Product Code 30 *Product Data Management*

User Defined Codes CF

Records 1 - 3 Customize Grid ☐

	Code	Description	Rate
☒	0001	Electrical	0.0020
☐	0002	Special Tooling	200.0000
☐			

Enter Generic Message/Rates form

Code	Enter a code that corresponds to a record that the Enter/Change Cost Components program (P30026) uses in conjunction with the factor code to calculate extra costs. This code must be set up in UDC table 30/CR.
Rate	Enter the rate with up to four decimal places that is used to calculate the extra costs for this code.

Assigning Values to User-Defined Cost Components

This section provides an overview of user-defined cost component values, lists prerequisites, and discusses how to:

- Assign a net added value.
- Assign a predefined value
- Assign a value based on another cost component's total value.
- Assign a value based on another cost component's net-added value.
- Assign a value by multiplying a rate and a factor.

Understanding User-Defined Cost Component Values

After you set up cost components and standard rate and factor codes, you must assign a monetary value to each. These values are added to the net amount of each item that you set up. You can assign a net-added value manually, or you can assign a predefined value.

You can also assign a calculated value based on another cost component's total value. In this case, the system calculates the net added value based on the total for an existing cost component. In addition, you can assign a calculated value based on another cost component's net-added value. The system calculates the net-added value based on the net-added value for an existing cost component. In both circumstances, the system calculates this value when you enter information in the Enter/Change Cost Components program (P30026). The costs are then rolled up into the cost of the item when you run the Simulate Rollup program (R30812).

The system can calculate the net added value by multiplying a rate and factor. If you enter both amounts, the system multiplies the two numbers to calculate the net added cost for the cost component for that item.

Prerequisites

Here are the prerequisites for assigning values to user-defined cost components:

- Set up the cost components in UDC table 30/CA.
- Set up the standard rate and factor codes.

Form Used to Assign Values to User-Defined Cost Components

Form Name	Form ID	Navigation	Usage
Enter Cost Components	W30026B	Product Costing (G3014), Enter/Change Cost Components Search on the combination of branch/plant and item number, select a record, and click Select.	Assign values to cost components.

Assigning a Net Added Value

Access the Enter Cost Components form.

To assign a net added value manually:

1. Complete the Simulated Net Added field for the record for which you need to assign a net added value on the Enter Cost Components form.
2. Select OK.

Note. The program displays manually entered costs in the Simulated Total field.

Assigning a Predefined Value

Access the Enter Cost Components form.

To assign a predefined value:

1. Complete one of these fields on the Enter Cost Components form:

- Sim Fac Code

The system retrieves the value that you defined for the factor code (30/CF) in the Generic Message/Rates table (F00191). The system multiplies the values in the Sim Fac Code and the Simulated Rate fields. To review the valid factor codes, use the Search button or select Factors from the Form menu.

- Simulated Rate Code

The system retrieves the value that you defined for the rate code (30/CR) in the Generic Message/Rates table (F00191). The system multiplies the values in the *Simulated Rate Code* and the Sim Fac Code fields. To review the valid rate codes, use the Search button or select Rates from the Form menu.

2. Select OK.

Note. If you complete both fields, the system multiplies the returned values for the factor and the rate.

Assigning a Valued Based on Another Cost Component's Total Value

Access the Enter Cost Components form.

To assign a calculated value based on another cost component's total value:

1. Select a cost component type and type & followed by the cost component code in the Sim Fac Code field on the Enter Cost Components form.

Because of the way in which the system rolls up the costs, the cost component that you reference must come before the cost component that you are defining. For example, to define cost component X2, you can reference cost component X1 by entering *&X1* in this field, but you cannot define cost component X1 by referencing cost component X2.

2. Complete one of these fields:

- Simulated Rate Code
- Simulated Rate

3. Select OK.

The system retrieves the total value for the cost component and multiplies it by the rate value that you indicated.

Assigning a Value Based on Another Cost Component's Net-Added Value

Access the Enter Cost Components form.

To assign a calculated value based on another cost component's net-added value:

1. Complete the Cost Type field on the Enter Cost Components form.
2. Type * followed by the cost component code in the Sim Fac Code field.

Because of the way system rolls up costs, the cost component that you reference must come before the cost component that you are defining. For example, to define cost component X2, you can reference cost component X1 by entering **X1* in this field, but you cannot define cost component X1 by referencing cost component X2.

3. Complete one of these fields:

- Simulated Rate Code
- Simulated Rate

4. Select OK.

The system retrieves the net added value for the cost component and multiplies it by the rate value that you indicated.

Assigning a Value by Multiplying a Rate and a Factor

Access the Enter Cost Components form.

To assign a calculated value by multiplying a rate and a factor:

1. Select a cost component type and complete one or both of these field on the Enter Cost Components form:

- Simulated Rate Code
- Simulated Rate

2. Select OK.

Alternatively, you can complete the Sim Fac Code or Simulated Rate Code fields or both. The system retrieves the values for the codes and multiplies them.

Setting Up Simulated Rates for Work Centers

This section provides an overview of simulated rates, lists a prerequisite, and discusses how to create simulated rates for work centers.

Understanding Simulated Rates

You can effectively manage changes to a work center by tracking rates for labor and machine costs. You can update simulated rates for machine and labor hours by work center and cost method. The system uses these values in other manufacturing calculations, such as those used in costed routings, labor rate variance reports, and direct labor efficiency reports.

If you use standard costing, you must set up the simulated rates for work centers.

If you use actual costing and do not want to use labor or machine rates, you can use work center rates. You must make this decision when you set up the manufacturing constants. You can also set up the work center rates even if you have chosen labor or machine rates. The system uses the work center rate as the default rate if no other rates have been chosen.

Prerequisite

Before you set up simulated rates for work centers, you must set up work centers.

Form Used to Set Up Simulated Rates for Work Centers

Form Name	Form ID	Navigation	Usage
Work Center Rate Revisions	W3006C	Product Costing (G3014), Enter/Change Work Center Rate Search on the combination of branch/plant and work center on the Work With Work Center Rates form, select a record, and click Select.	Create or change work center rates for labor and machine costs.

Creating Simulated Rates for Work Centers

Access the Work Center Rate Revisions form:

Enter/Change Work Center Rate - Work Center Rate Revisions

OK Cancel Tools

Work Center 200-101 Branch/Plant M30

Cost Method 07

Dispatch Group DIS

	Simulated	Frozen
Direct Labor	2.00	2.00
Setup Labor	2.00	2.00
Labor Variable O/H	2.00	2.00
Labor Fixed O/H	2.00	2.00
Machine Run	2.00	2.00
Machine Variable O/H	2.00	2.00
Machine Fixed O/H	2.00	2.00

* O/H values are shown in percents

Work Center Rate Revisions form

- Work Center** Review the number that identifies a branch, plant, work center, or business unit.
- Direct Labor** Enter a rate, in cost per person per hour, that the system uses with the Run Labor hours of the associated routing to calculate the standard run labor cost.
- Setup Labor** Enter a rate that the system uses with the Setup Labor Hours of the associated routing to calculate the standard setup labor cost.
- Labor Variable O/H** Enter a rate or percent, as determined on Manufacturing Constants, used to calculate the standard variable labor overhead cost. If this field is a rate, it is the cost per hour. If this field is a percent, it is the percent of direct labor.
Enter percents as whole numbers. For example, enter five percent as 5.00.
- Labor Fixed O/H** Enter a rate or percent, as determined on Manufacturing Constants, used to calculate the standard fixed labor overhead cost. If this field is a rate, it is the cost per hour. If this field is a percent, it is the percent of direct labor.
Enter percents as whole numbers. For example, enter five percent as 5.00.
- Machine Run** Enter a rate that the system uses with the Run Machine hours of the associated routing to calculate the standard machine labor cost.
- Machine Variable O/H** Enter a rate or percent, as determined on Manufacturing Constants, used to calculate the future standard machine overhead cost. If this field is a rate, it is the cost per hour. If this field is a percent, it is the percent of machine run.
Enter percents as whole numbers. For example, enter five percent as 5.00.

Machine Fixed O/H

Enter a rate or percent, as determined on Manufacturing Constants, used to calculate the standard fixed machine overhead cost. If this field is a rate, it is the cost per hour. If this field is a percent, it is the percent of machine run.

Enter percents as whole numbers. For example, enter five percent as 5.00.

See Also

PeopleSoft EnterpriseOne Product Data Management 8.11 PeopleBook, “Entering Work Centers and Routing Instructions,” Entering Costing and Accounting Information for Work Centers

Setting Up General Ledger Class Codes

This section provides an overview of general ledger class codes and discusses how to specify general ledger class codes.

Understanding General Ledger Class Codes

General ledger (GL) class codes are used by the automatic accounting instructions (AAIs) to determine to which accounts the system posts transactions.

You set up the GL class code on the Item Branch/Plant Info form. However, the system then copies that value to the Item Location Revision program (P41024) and the AAIs use the GL class code from the Item Location File table (F41021).

Because the system generates journal entries based on GL class codes and AAIs, you should set up the class codes carefully. Generally, the AAIs are either already set up or are set up in collaboration with other accounting departments.

Forms Used to Set Up General Ledger Class Codes

Form Name	Form ID	Navigation	Usage
Work With Item Branch	W41026E	Inventory Master/Transactions (G4111), Item Branch/Plant	Access forms to work with item and branch/plant information.
Item/Branch Plant Info (item/branch plant information)	W41026A	On the Work With Item Branch form, Search on an item number, select a record, and click Select.	Set up item and branch/plant information, such as general ledger class codes.
Work With Item Locations	W41024B	On the Work With Item Branch form, select Location Revisions from the Row menu.	Access forms to work with item locations.
Location Revisions	W41024A	On the Work With Item Locations form, select a location and click Select.	Make location revisions, such as changing the class code.

Specifying General Ledger Class Codes

Access the Work With Item Branch form.

To set up GL class codes:

1. Complete the Item Number field and select Find on the Work With Item Branch form:
2. Select a record and click Select.
3. Select Basic Branch/Plant Data, complete the G/L Class field, and select OK on Item/Branch Plant Info.
4. Select Location Revisions from the Row menu on Work With Item Branch.
5. Select a location and click Select on Work With Item Locations.
6. Complete the Class Code field or accept the default value on Location Revisions.
7. Select OK.

Reviewing Manufacturing AAI

This section provides an overview of manufacturing AAI and discusses how to:

- Review AAI
- Set processing options for Automatic Accounting Instructions (P40950).

Understanding Manufacturing AAI

Each transaction for which the system creates journal entries has AAI that instruct the program to post to specific accounts in the general ledger. User defined AAI connect manufacturing accounting, the chart of accounts, and financial reporting. You should create AAI for each unique combination of company, transaction, document type, general ledger class, and cost component.

AAI access this information to find the account number to use to create general ledger entries for transactions:

- Company number
- Document type
- General ledger class code
- Cost component
- Branch or business unit

To choose an AAI, the system searches first for an exact match between company and the general ledger class code. If it does not find one, it then searches for the default company and the item's general ledger class code. If it does not find a match, it then searches for the company and uses **** (four asterisks) for the general ledger class code.

Each AAI or record type points to a specific account in the general ledger, which consists of a business unit, an object, and a subsidiary code.

Manufacturing AAI are defined at the 3000 level, illustrated in this list:

AAI	Description
3110 Inventory/Raw Materials	This AAI specifies which balance sheet accounts in the general ledger the system uses when it issues raw materials or parts from inventory to work in process (document type IM). You also use this AAI to issue completed subassemblies from inventory back into work in process.
3120 Work in Process	For debit transactions, this AAI increases the material value of work in process by issuing raw materials and parts to work orders or rate schedules (document type IM). For credit transactions, during completion (document type IC), this AAI records the transfer of material costs for a work order or a rate schedule from work in process inventory to subassemblies and finished goods inventory. When work orders or rate schedules are complete, this AAI also records the transfer of direct labor, setup labor, and overhead from work in process.
3130 Sub-Assembly/Finished Goods	This AAI specifies which balance sheet accounts in the general ledger the system uses when it receives subassemblies or finished goods from work in process into inventory (document type IC) or scrap (document type IS).
3210 Clear Work in Process	For actual costing, this AAI posts any additional cost of goods sold that were not included when completions were entered.
3220 Labor	This AAI posts debits when the planned hours are different from the actual hours that are associated with shop floor activities on document type IV. This is applicable to all cost components except A1 and A2. Variances are posted as positive or negative, depending on whether they are favorable or unfavorable.
3240 Material	This AAI posts when the planned costs are different from the actual for cost components A1 and A2. The variance results from either over-issues or under-issues. Variances are posted as debits or credits, depending on whether they are favorable or unfavorable.
3260 Planned	This AAI posts when the planned costs are different from the current costs that are associated with shop floor activities on document type IV. This variance results from either one of the items listed: • A change to the parts list or the routing. • A shrink factor Variances are posted as positive or negative, depending on whether they are favorable or unfavorable.

AAI	Description
3270 Engineered	This AAI posts when the standard (frozen) costs are different from the current costs that are associated with shop floor activities on document type IV. This variance results from a change to the standard bill of material or the standard routing. Variances are posted as positive or negative, depending on whether they are favorable or unfavorable.
3280 Other	This AAI posts when the completed cost is different from the standard cost that is associated with shop floor activities on document type IV. This variance results when a cost rollup is performed in the middle of the cycle, or is generated when the quantity completed plus the quantity scrapped does not equal the work or rate schedule quantity. The variance might be due to a rounding problem. Variances are posted as positive or negative, depending on whether they are favorable or unfavorable.
3401 Accruals	This AAI specifies the profit and loss accounts that offset work-in-process labor transactions to work orders or rate schedules (document type IH).

Form Used to Review Manufacturing AAI

Form Name	Form ID	Navigation	Usage
Account Revisions	W40950D	Shop Floor Management Setup (G3141), Automatic Accounting Instructions On the Work With AAI form, complete the Skip to AAI field, select a record, and then select Details from the Row menu.	Review AAI.

Reviewing AAI

Access the Account Revisions form:

Automatic Accounting Instructions - Account Revisions

OK Find Delete Cancel Form Tools

AAI Table Number 4122 Inventory

Records 1 - 10 Customize Grid

	Co	Do Ty	Description	G/L Cat	Description G/L	Cost Type	Branch Plant	Obj Acct	Sub
	00000	IA	Inventory Adjustment	IN30	Manufactured Finishe			1 1411	
	00000	IA	Inventory Adjustment	IN99	Inventory			1 1411	
	00000	II	Inventory Issue	IN30	Manufactured Finishe			1 1411	
	00000	II	Inventory Issue	IN99	Inventory			1 1411	
	00000	IM	Material Charged To	IN30	Manufactured Finishe			1 1411	
	00000	IM	Material Charged To	IN99	Inventory			1 1411	
	00000	IT	Inventory Transfers	IN30	Manufactured Finishe			1 1411	
	00000	IT	Inventory Transfers	IN99	Inventory			1 1411	
	00001	IA	Inventory Adjustment	IN20	Manufactured Subass			40 1411	
	00001	II	Inventory Issue	IN20	Manufactured Subass			40 1411	

Account Revisions form

Co

Enter a code that identifies a specific organization, fund, or other reporting entity. The company code must already exist in the Company Constants table (F0010) and must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions.

Note. You can use company 00000 for default values such as dates and AAIs. You cannot use company 00000 for transaction entries.

Do Ty

Enter a document type. The document type value is a UDC (00/DT) that identifies the origin and purpose of the transaction. The system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets. The reserved document type prefixes for codes are:

P: Accounts payable documents

R: Accounts receivable documents

T: Time and Pay documents

I: Inventory documents

O: Purchase order documents

S: Sales order documents

Or Ty

Enter an order type. The order type is a UDC (00/DT) that identifies the type of document. This code also indicates the origin of the transaction. the

PeopleSoft system has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) These document types are defined by the PeopleSoft system and should not be changed:

P: Accounts Payable documents

R: Accounts Receivable documents

T: Payroll documents

I: Inventory documents

O: Purchase Order Processing documents

J: General Accounting/Joint Interest Billing documents

S: Sales Order Processing documents

Cost Type

Enter a code that designates each element of cost for an item. Examples of the cost object types are:

- A1: Purchased raw material
- B1: Direct labor routing rollup
- B2: Setup labor routing rollup
- C1: Variable burden routing rollup
- C2: Fixed burden routing rollup
- Dx: Outside operation routing rollup
- Xx: Extra add-ons, such as electricity and water

The optional add-on computations usually operate with the type Xx extra add-ons. This cost structure allows you to use an unlimited number of cost components to calculate alternative cost rollups. The system then associates these cost components with one of six user defined summary cost buckets.

Branch Plant

Enter an alphanumeric code that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant.

You can assign a business unit to a document, entity, or person for purposes of responsibility reporting. For example, the system provides reports of open accounts payable and accounts receivable by business unit to track equipment by responsible department.

Business unit security might prevent you from viewing information about business units for which you have no authority.

If you leave this field blank, the system uses the business unit that you entered on the work order, in the Charge to Cost Center field.

Obj Acct

Enter an object account number. This number refers to the portion of a general ledger account that refers to the division of the Cost Code (for example, labor, materials, and equipment) into subcategories. For example, you can divide the Cost Code for labor into regular time, premium time, and burden.

Note. If you use a flexible chart of accounts and the object account is set to 6 digits, you should use all six digits. For example, entering 000456 is not the same as entering 456 because if you enter 456 the system enters three blank spaces to fill a 6-digit object.

Sub

Enter a code that indicates a subsidiary account, which is a subset of an object account. Subsidiary accounts include detailed records of the accounting activity for an object account.

Note. If you are using a flexible chart of accounts and the object account is set to six digits, you must use all six digits. For example, entering 000456 is not the same as entering 456 because, if you enter 456, the system enters three blank spaces to fill a six-digit object.

If you leave this field blank, the system uses the value you entered on the work order in the Cost Code field.

Setting Processing Options for Automatic Accounting Instructions (P40950)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Defaults

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

AAI Table Number

Enter a *1* if the cost type field should be available to the Distribution AAI tables listed:

- 4122
- 4124
- 4134
- 4136
- 4220
- 4240
- 4310

CHAPTER 4

Using Product Costing

This chapter provides an overview of Product Costing and discusses how to:

- Review costing in bills of material.
- Review routing information
- Create simulated costs
- Review and revise simulated cost components.
- Review costed bills of material.
- Review costed routings
- Update frozen costs
- Freeze work center rates
- Review frozen cost components
- Review the Cost Components report.
- Review the item ledger
- Work with additional costing features.
- Copy costs
- Copy frozen costs to simulated costs.
- Update sales order price and cost.
- Update product costs
- Change item cost levels
- Revalue work in process
- Apply extra costs for manufacturing actual costing.
- Work with Product Costing in various supply chain environments.

Understanding Product Costing

This section discusses:

- Cost reduction
- Standard costing
- Simulated versus frozen costs

- Actual costing
- Cost components

Cost Reduction

To remain competitive in a changing business environment and to reduce the costs that are passed along to the consumer, companies must be aware of all aspects of their business and look for ways to refine operations to reduce leadtimes, expedite speed to market, and reduce the cost of operations. All of these processes help the company to be more flexible so that it can respond to changes in customer demands and to maintain or improve its market share.

To reduce costs that you incur as a part of conducting business, you must understand where costs are generated. For production industries, you must break down product costs into each contributing factor that influences the ultimate cost of the manufactured product. You should track not only the cost of the individual item, but also each additive feature or activity that adds cost to the end product or increases the value of the product.

Numerous activities or processes might add costs to the product. You should have processes and tools in place to identify each component of cost. You must also understand how those incurred costs might be passed along to customers.

As the company refines its production processes and automates costing activities, you should create detailed definitions of the costing processes. Ensure that the cost techniques support any manufacturing method that you use. Often, a company wants to decrease the leadtime required to maintain and monitor product costing information throughout the entire manufacturing process. More accurate costing information enables you to identify wasteful costs, and to lower costs that must be passed along to the consumer or that are absorbed. The goal is to increase the company’s revenue and improve profit margins.

Standard Costing

With standard costing, you estimate costs for each end item assembly and manufactured part on a level-by-level basis before production begins. These cost estimates are based on both past performance and analysis of future conditions.

Distinguishing components of net-added cost and components of total cost:

Net Added Cost	Total Cost
Costs include: • Labor • Overhead • Outside operations • Extra costs • Materials (for purchased parts only).	Costs include: • This item’s net-added cost • Total cost of lower-level components.

The net-added cost represents the cost to manufacture an item at a specified level in the bill of material. For manufactured parts, the cost includes labor, outside operations, and extra costs, but not materials (lower-level items). For purchased parts, the net-added cost includes the cost of materials. The total cost of an item represents the sum of the item’s net-added cost and the total cost of all components.

By defining and monitoring standard product costs, you can measure the company's current manufacturing performance and compare it to the standard (target) costs. Product costing provides information about the monetary investments in the materials, work in process, and physical inventory. You can use this information to determine pricing on end-items and service components.

Simulated Versus Frozen Costs

Simulated costs represent a what-if analysis for a given cost method. You might want to calculate simulated costs because of changing factors in the business environment, such as labor rates or the cost of raw materials. You can simulate cost change scenarios (rollups) as many times as needed before you finalize the changes.

You finalize the changes by performing a frozen update for the given cost method. A frozen update copies the simulated values and makes them the frozen costs, and updates the Item Cost File table (F4105) with the total cost. These costs remain in effect until you update them with another frozen update.

Actual Costing

Actual costing captures and records actual manufacturing costs associated with shop floor transactions, such as work orders. Actual costing calculates costs by cost component, based on the parts list, routing, and extra costs.

If you are implementing actual costing, you need to thoroughly understand how standard costing flows through the PeopleSoft EnterpriseOne systems.

Actual costing provides these features:

Feature	Description
Material costs	The system calculates material costs based on the cost method and cost level that you select when you set up the item. You calculate component cost when you issue material to a work order by multiplying the component quantity with the cost that is set up for the chosen cost method in the Item Cost File table (F4105).
Labor costs	The system calculates labor costs using: • The rates set up for the work center. • The Employee Rates table (31/ER). • The Employee Master Information table (F060116), if you are using the PeopleSoft EnterpriseOne Human Capital Management product suite. You must use the Speed Time Entry program (P051121) to retrieve information from the Employee Master Information table. • Costs that you manually enter when you enter the time and quantity completed.

Feature	Description
Machine costs	The system calculates machine costs using: • The work center rates for the cost method that you specify. • The work center rates that the system calculates using information in the Equipment Rates table (F1301). • The costs that you manually enter when you enter the time and quantity completed.
Overhead costs	The system calculates overhead costs using rates or percentages from the Work Center Rates File table (F30008). You use the Manufacturing Constants program (P3009) to select the type of overhead costs that you want to include.
Extra costs	You define extra costs for an actual cost item in the Enter/Change Cost Components program (P30026) by entering them and then running the Reset Simulated Costs program (R30850).
Outside operations	The system calculates costs for outside operations from the cost method specified for the item that is processed by an outside company (*OP item). The system calculates extra costs from the Item Cost Component Add-Ons table (F30026).

Cost Components

Cost components are values in UDC table 30/CA that represent the individual costs that make up an item, such as costs for material, labor, overhead, and extras. The system automatically calculates material, labor, and overhead costs. Extra costs, such as electricity, are manually controlled.

Use cost components to maintain complete item costing information. You can use them to set up simulated cost scenarios to help plan for future cost changes, and to display the simulated or frozen net-added and total component costs for any item.

In addition, you can:

- Allow for extra costs that are related to the manufacturing of a product, such as costs for electricity, insurance, water, or warehouse space.
- Review specific calculations that determine cost amounts for any item.
- Maintain costs by branch for multifacility processing; multifacility processing allows for different costing values based on regional or business variations.
- Set up costing rates that represent cost elements.
- Define additional cost factors to include in product costing calculations.

Reviewing Costing in Bills of Material

This section discusses how to review costing information in bills of materials.

Review the bills of material to understand how the bills affect the material costs. Only items with a bill type of M are costed.

Form Used to Review Costing in Bills of Material

Form Name	Form ID	Navigation	Usage
Enter Bill of Material Information	W3002A	Daily PDM Discrete (G3011), Enter/Change Bill Select a record on the Work with Bill of Material form, and click Select.	Enter or review costing information in bills of material.

Reviewing Costing Information in Bills of Material

Access the Enter Bill of Material Information form:

Enter/Change Bill - Enter Bill of Material Information

OK Find Delete Cancel Form Row Report Tools

Branch/Plant M30

Parent Item 220 Touring Bike, Red

Batch Quantity EA

As of Date * Type of Bill M Oper Seq# *

Drawing # 200T Item Rev. Level Skip to Line No. *

Records 1 - 4

☐	☐	Item Number	Description	Quantity	UM	Active Ingr. Flag
☐	☐	2004	Cro-Moly Frame	1.000000	EA	0
☐	☐	2001	Cro-Moly Frame, Red	1.000000	EA	0
☐	☐	2001	Cro-Moly Frame, Red	1.000000	EA	0
☐	☐			1.000000		

Enter Bill of Material Information form

Quantity

Enter the number of units that the system applies to the transaction.

A number that indicates how many components you use to manufacture the parent item. A quantity of zero is valid. The default value is 1.

UM	Enter a unit of measure. This value is a UDC (system 00/type UM) that identifies the unit of measure for an item. For example, it can be each, cases, boxes, and so on.
F V	Enter a code that indicates if the quantity per assembly for an item on the bill of material varies according to the quantity of the parent item produced or is fixed regardless of the parent quantity. This value also determines if the component quantity is a percent of the parent quantity. Values are: <i>F</i>: Fixed Quantity. <i>V</i>: Variable Quantity (default). %: Quantities are expressed as a percentage and must total 100 percent. For fixed-quantity components, the Work Order and Material Requirements Planning systems do not extend the component's quantity per assembly value by the order quantity.
Feat Cost %	Enter a percentage that the Simulate Cost Rollup program uses to calculate the cost of a feature or option item as a percentage of the total cost of the parent. Enter the percentage as a whole number, for example, enter 5 percent as 5.0.
Percent Scrap	Enter the percentage of unusable component material that is created during the manufacture of a particular parent item. During DRP/MPS/MRP generation, the system increases gross requirements for the component item to compensate for the loss. Enter percentages as whole numbers, for example, 5 percent as 5.0. Note. Inventory shrink and scrap are compounded to calculate the total loss in the manufacture of a particular item. Accurate shrink and scrap factors support more accurate planning calculations. The PeopleSoft Shop Floor Management and PeopleSoft Material Requirements Planning systems inflate component requirements by this percentage. This scrap percentage is unique to the relationship of one parent and one component.
Operation Scrap Percent	Enter a value that the system uses to increase or decrease the amount of materials to account for loss within the operation. The system updates this value on Enter/Change Bill of Material when you run the Planned Yield Update program. The system calculates this value by compounding the yield percentages from the last operation to the first operation. Use a processing option in Enter/Change Routing to enable the system to calculate the component scrap percent. Product Costing inflates component requirements by this percentage when calculating item costs.

See Also

PeopleSoft EnterpriseOne Product Data Management 8.11 PeopleBook, “Setting Up Bills of Material”

Reviewing Routing Information

This section discusses how to review cost information in routings.

Review the routings to understand their input into the labor and overhead costs.

Form Used to Review Routing Information

Form Name	Form ID	Navigation	Usage
Enter Routing Information	W3003B	Daily PDM Discrete (G3011), Enter/Change Routing Enter a Branch/Plant and Item Number on the Work with Routing Operations form, then select Revision from the Form menu.	Enter or review routing information.

Reviewing Cost Information in Routings

Access the Enter Routing Information form:

Enter/Change Routing - Enter Routing Information

OK Delete Cancel Form Row View Tools

Item Number: 220 Branch/Plant: M30 Touring Bike, Red

Batch Quantity: EA

As of Date: 10/27/2004 Line/Cell: * Routing Type: M

Item Rev.: Drawing No: 200T Skip to Oper. *

Records 1 - 7								
	Work Center	Oper Seq#	Description	Activity Code	Run Labor	Run Machine	Setup Labor	
☐	200-101	10.00	Weld		2.00	0.00	0.00	
☐	MWC1	20.00	WC 1 Cindy		0.25	0.00	0.00	
☐	MWC1	30.00	WC 1 Cindy		1.00	0.00	0.00	
☐	MWC2	40.00	WC 2 Cindy		1.00	0.00	0.00	
☐	200-101	50.00	Weld		8.00	0.00	0.00	
☐	MWC3	60.00	WC 3 Cindy		0.25	0.00	0.00	
☐								

Enter Routing Information form

Work Center

Enter an alphanumeric code that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant.

You can assign a business unit to a document, entity, or person for purposes of responsibility reporting. For example, the system provides reports of open accounts payable and accounts receivable by business unit to track equipment by responsible department.

Business unit security might prevent you from viewing information about business units for which you have no authority.

For Equipment users, this is the craft/resource responsible for completing the maintenance activity.

Run Labor

Enter the standard hours of labor that you expect to incur in the normal production of this item.

The run labor hours in the Routing Master table (F3003) are the total hours that it takes the specified crew size to complete the operation. The hours are multiplied by the crew size during shop floor release and product costing.

For Equipment/Plant:

This is the estimated number of hours needed to complete a maintenance activity.

Run Machine

Enter the standard machine hours that you expect to incur in the normal production of this item.

Setup Labor

Enter the standard setup hours that you expect to incur in the normal completion of this item. This value is not affected by crew size.

Time Basis

Enter a UDC (30/TB) that indicates how machine or labor hours are expressed for a product. Time basis codes identify the time basis or rate to be used for machine or labor hours entered for every routing step. For example, 25 hours per 1,000 pieces or 15 hours per 10,000 pieces. You can maintain the time basis codes in Time Basis Codes.

The system uses the values in the Description-2 field on the User Defined Codes form for costing and scheduling calculations. The description is what the code represents, but is not used in calculations.

Crew Size

Enter the number of people who work in the specified work center or routing operation.

The system multiplies the Run Labor value in the Routing Master table (F3003) by crew size during costing to generate total labor amounts.

If the Prime Load Code is L or B, the system uses the total labor hours for backscheduling. If the Prime Load Code is C or M, the system uses the total machine hours for backscheduling without modification by crew size.

The Crew Size field on the Work Order Routing form contains the value entered on the Work Center Revision form (P3006). You can override the value by changing this field on the Work Order Routing form. However, the Work Center Revision form will not reflect this change.

Type Oper

Enter a UDC (30/OT) that indicates the type of operation. Values include:

A: Alternate routing.

TT: Travel time.

IT: Idle time.

T: Text.

For Product Costing: Only operations with a blank type operation code are costed.

Yield %

Enter the planned output yield percent for a step. The Planned Yield Update program uses this value to update the cumulative percent in the routing and the operation scrap percent in the bill of material. Materials Requirements Planning uses the step scrap percent and the existing component scrap percent to plan component demand.

Cum Yield %

Enter the cumulative planned output yield percent for a step. The system uses this value to adjust the operation step scrap percent for the components at that operation step. This enables the MRP system to use the operation step scrap percent along with the existing component scrap percent to plan component demand.

See Also

PeopleSoft EnterpriseOne Product Data Management 8.11 PeopleBook, “Entering Work Centers and Routing Instructions”

Creating Simulated Costs

This section provides overviews of simulated costs, the Costing Exceptions report, and the Simulate Standard Rollup program, and discusses how to:

- Create the Costing Exceptions report.
- Set processing options for Costing Exceptions (R30801).
- Create a simulated rollup.
- Set processing options for Simulate Standard Rollup (R30812).

Understanding Simulated Costs

You can use the Product Costing system to calculate costs based on hypothetical situations. You can review the effect of any changes that you want to incorporate without altering the frozen standard costs. In addition, you can simulate cost change scenarios (rollups) as many times as needed before you finalize the changes during the frozen update process.

For example, you can use simulated rollups to:

- Simulate an increase in material costs.
- Forecast the affect of changes on labor rates.
- Develop strategies for pricing, contractual, or labor negotiation.

You can set the processing options in any of the cost simulation programs to specify the cost method that you want to use.

The Simulate Rollup program (R30812) uses information from these tables to generate costs:

Table Name	Description
Job Shop Manufacturing Constants (F3009)	Values from this table indicate whether overhead should be included in cost component calculations.
Work Center Rates File (F30008)	The Simulate Rollup program uses monetary amounts and percentages for the calculation of labor, machine, and overhead costs.
Routing Master File (F3003)	This table stores the hours required for each operation, crew size, outside operation costs, and cumulative yield values.
Bill of Material Master File (F3002)	This table provides information about the material that is required at each level of the bill.
Item Cost File (F4105)	This table provides costs for purchased items and outside operations.
Item Cross Reference File (F4104)	This table identifies the master routing.
Work Center Master (F30006)	This table provides the work center efficiency factor.
Item Master (F4101)	This table stores the low-level code. Costs are rolled up from the lowest level to the highest level.
Item Branch File (F4102)	This table provides the accounting cost quantity.
Generic Message/Rates (F00191)	This table provides rates and factors for extra costs.
Item Cost Components Add-Ons (F30026)	This table provides the calculations for extra costs.

The program sums the costs of all the components in each level of the parent item's bill of material to arrive at a total cost for the parent item.

Understanding the Costing Exceptions Report

Before you roll up simulated costs, run the Costing Exceptions report (R30801). This report lists error messages that identify any problems that are associated with an item. An example of a problem is an item without a routing.

The error messages are hard-coded in UDC table 30/EM. You cannot add or change these error messages. You can define the severity level for each error message to one that is appropriate for the company. For example, if having labor costs of 0 (zero) is an important exception in the company, you could assign that error message a high severity level. You can indicate in the processing options the minimum level of error messages that you want included in the report.

This table identifies the changeable, default severity setting for each of the hard-coded error messages:

Severity Level	Description
Severity level 10	• No accounting lot size for setup. • Setup hours are zero • Machine hours are zero
Severity level 20	• Purchase part with bill of material. • Bill of material components with no quantity.
Severity level 30	• No cost component - material cost. • No work center - labor rate. • No work center - setup labor rate. • No work center - labor variable overhead rate. • No work center - labor fixed overhead rate. • No work center - machine run rate. • No work center - machine variable overhead rate. • No work center - machine fixed overhead rate. • Purchased item without purchased cost.
Severity level 40	No rates for work center
Severity level 50	• Manufactured item with no bill of material. • Manufactured item with no routing.

You should correct the problems and run the Costing Exceptions report again before you create a simulated rollup.

Understanding the Simulate Standard Rollup Program

Use the Simulate Standard Rollup program (R30812) to calculate costs based on hypothetical situations. The Frozen Standard Update report (R30825) displays the cost components by work center. After you run this report, you can review the results in the Enter Cost Components program (P30026).

To choose a bill of material and routing, the program searches first for a bill for which the batch quantity matches the accounting cost quantity. When the program finds no such bill, it uses the zero batch bill. The bill of material must have bill type M (Standard Manufacturing Bill).

For the system to calculate B and C cost components, all of these conditions must be met:

- The routing must have routing type M (Standard Manufacturing Routing).
- A routing operation must have a work center with rates in the Work Center Master File table (F30006) for the cost component to appear.
- The operation type code on the routing must indicate a normal operation (that is, the field for this code is blank).
- The effective dates on the routing must be valid.

The default As Of date is the current date.

The cost simulation is affected by:

- Cumulative Yield
- Operation Scrap
- Master Routings
- Unit of Measure Conversions

Cumulative Yield

Cumulative yield, which is defined on the routing, affects labor and machine hours in the rollup calculations. Enough hours must be expended to obtain 100 percent yield at the last operation. In a series of routings, the hours must be adjusted accordingly.

This example illustrates how costing of hours is affected by cumulative yield (Cumulative Yield = 85 percent (0.85)):

Yield	Labor	Machine	Setup
Without Yield	5	5	5
With Yield	5.88	5.88	5

For each operation, the labor and machine hours are adjusted by dividing the hours by the cumulative yield. Setup hours are not affected.

Operation Scrap

Operation scrap, defined on the bill of material, affects material cost calculations in the rollup. Enough material must be at each operation in order to obtain 100 percent yield at the last operation. When material cost is calculated, the quantity of the components is adjusted accordingly.

This example illustrates the effect of operation scrap on costing:

- Parent = A
- Component = B
- Quantity per = 3
- Cost of B = 5.00
- Operation scrap = 8 percent
- Cost of B rolled into parent item A = $3 \times 1.08 \times 5 = 16.20$

Master Routings

The Simulate Standard Rollup program uses the master routing for the item from the Routing Master File table (F3003) if all of these items are true:

- The Master Routing field on the Manufacturing Constants form is set to Y for the branch.
- The parent item has a cross-reference item defined for master routing.
(The cross-reference item must be defined with a cross-reference type of MR and the Address field must be blank.)
- An item routing has been defined for the cross-reference item.

Unit of Measure Conversions

The Simulate Standard Rollup program converts all units of measure to the primary unit of measure for the purpose of the rollup.

When one of the units of measure is a potent unit of measure, the conversion equation includes the standard potency value from branch/plant manufacturing data.

This example illustrates a conversion involving a potent unit of measure:

- Component = B
- Quantity per = 3
- Primary unit of measure = GA (physical gallons)
- Component unit of measure = GP (potent gallons)
- Standard potency = 50 percent
- Cost of B = 50.00 (from the Item Cost File table, F4105)
- Cost rolled into parent item = $[(3 / .5) \times 50] = 300.00$

Creating the Costing Exceptions Report

To run the Costing Exceptions report:

1. Select the Product Costing Reports menu (G3023).
2. Select Costing Exceptions

Running the Costing Exceptions program (R30801)

From the Product Costing Reports menu (G3023), select Costing Exceptions.

Setting Processing Options for Costing Exceptions (R30801)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Error Message

Error Message	Enter the minimum message level to appear on the report.
----------------------	--

Cost Method

Cost Method	Enter the cost method to base costing errors on (that is: 01, 02,...). If left blank, cost method 07 (standard) will be used.
--------------------	---

Cost Method	Enter the Purchasing Cost Method to base costing errors on (that is: 07, 02). If left blank, cost method 07 (standard) will be used.
--------------------	--

Creating a Simulated Rollup

To create a simulated rollup:

1. Select the Product Costing menu (G3014).
2. Select Simulate Standard Rollup

Running the Simulated Rollup program (R30812)

From the Product Costing menu (G3014), select Simulate Standard Rollup.

Setting Processing Options for Simulate Standard Rollup (R30812)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Default

- | | |
|-----------------------|---|
| 1. As Of Date | Use this processing option to specify the date that is used to determine which routing and bill of material for each item are used in the rollup, based on their effectivity dates. If you leave this field blank, the program uses the current date. |
| 2. Cost Method | Use this processing option to specify the cost method that will contain the new simulated costs in the Cost Components table. If you leave this field blank, the program calculates costs for cost method 07 (standard costs). |

Processing

- | | |
|---------------------------------|---|
| 1. Single Level | <p>Use this processing option to specify whether you want to simulate costs for a selected item or items, without recosting everything else in the bill of material. For example, you might have a new item that needs to be costed, but you do not want to recost all components. If you enter 1, the program uses the costs of the lower-level components to roll up the cost for the new item, but does not recost the lower-level components themselves.</p> <p>If you leave this field blank, the program does a complete rollup of all the components. Enter only the parent item numbers in the data selection.</p> <p>If you are costing items in process manufacturing, leave the option blank and do a complete rollup to cost the ingredients. Values are:</p> <p>Blank: Perform a complete rollup.</p> <p>1: Perform a single-level rollup.</p> |
| 2. Clear and Recalculate | <p>Use this processing option to control how the program calculates routing related costs. Values are:</p> <p>Blank: You manually enter B1-C4 costs. Otherwise, the program overwrites costs that are manually entered.</p> |

1: The program clears and recalculates labor and overhead for manufactured items. This is the most common option for this program.

2: The program clears and recalculates labor and overhead for all items. Use this option if you have purchased parts with routings and you need to recalculate labor costs, for example, inspection steps.

3: The program clears labor and overhead for all items, but recalculates labor and overhead for manufactured items only. Use this option if a part changes from manufactured to purchased. This ensures that labor and overhead are cleared for the changed items.

3. Cost Method

Use the Purchased Items and Outside Operation processing options to specify cost methods.

a. Purchased Items

Use this processing option to specify the cost method to use as the input for the costs of purchased items. If you leave this field blank, the program does not retrieve costs from the Cost Ledger table (F4105).

b. Outside Operation

Use this processing option to specify the cost method to use as the input for the purchased costs of outside operations. If you leave this field blank, the program does not retrieve costs from the Cost Ledger table (F4105).

You should verify the following about the outside operations before you run this program:

You have set up an item branch/plant record for the *OP item, either manually or through the Process Work Orders program

There is a valid cost in the Cost Ledger table (F4105) for the method specified here

Print

This processing option controls which items appear on the Cost Simulation report.

1. Print Items

Use this processing option to specify which items appear on the Cost Simulation report. Values are:

Blank: Do not print

1: Print all items

2: Print changed items

Process Mfg

If you use process manufacturing, these processing option controls how the costs for co-/by-products are calculated.

1. Calculate Co/By-Products

If you use process manufacturing, enter 1 to calculate costs for co-/by products. If you leave this field blank, the program calculates costs only for the parent process. Values are:

Blank: Do not calculate

1: Calculate

2. Calculate And Clear Costs Of Ingredients Used As CoBy In Another Process.

Use this processing option to specify whether the system clears and recalculates co-product costs, by-product costs, or both. If an ingredient that you include in data selection is also a co-product or by-product of another process that is not included in data selection, and you do not want the other process added to the rollup, enter 1 in this processing option.

If you leave this processing option blank, the system clears the cost of the co-product or by-product and adds all processes that produce it to the rollup in order to recalculate it. If you have many interconnected processes or processes that produce a common co-product or by-product, the system includes all of them in the rollup when you set this processing option to blank. You can select one process for rollup and have it include the entire enterprise. Values are:

Blank: Clear and recalculate co-product or by-product costs.

1: Do not clear co-product or by-product costs.

Reviewing and Revising Simulated Cost Components

This section provides an overview of simulated cost components and discusses how to:

- Revise simulated cost components
- Set processing options for Enter/Change Cost Components (P30026).

Understanding Simulated Cost Components

After you have created simulated costs, review costing information to determine the effects of the current rollup scenario. Revise the costing information, as necessary. When costs are correct, run the Frozen Standard Update program (R30835).

You review costing information and set up simulated cost scenarios to help plan for future cost changes. After running the Simulate Standard Rollup program (R30812), you can review the cost simulation report that shows the previous cost of the item, the simulated rolled up cost, and the variance between the two. After reviewing the simulated costs, you revise incorrect information and create simulated costs again to include the changes.

You can change only simulated costs. You can set a processing option if you want to manually maintain the routing cost components (B and C) and protect them from being overwritten.

You must delete costs at the bill of material level at which they occur. For example, you cannot delete costs for lower-level components by locating the parent item. Instead, locate the component item number and remove the costs for the component. The system does not make the corresponding cost change to the higher level components and the parent item until you run the Simulate Standard Rollup program. To delete outside processing costs (usually cost component Dx), delete the cost component from the routing. Then, delete the cost component and net added value on the Enter Cost Components form.

If you activate the Cost by Work Center option in the Manufacturing Constants program (P3009), you can define cost components by work center, as well. When you use this feature, the amounts for a cost component at multiple work centers in the Item Cost Component Detail table (F300261) must match the corresponding cost component amounts in the Item Cost Component Add-Ons table (F30026). You can use simulated rate and factor codes either at the work center or the cost component level, but not at both levels.

Forms Used to Review and Revise Simulated Cost Components

Form Name	Form ID	Navigation	Usage
Enter Cost Components	W30026B	Product Costing (G3014), Enter/Change Cost Components Select a record on the Work With Cost Components form, and click Select.	Review and revise cost component fields. Access a form to view the detail calculations for the net-added value of a routing cost component.
Work With Work Center Cost	W30026A	Select a record on the Enter Cost Components form, and then select Cost Calc from the Row menu.	Access forms to work with cost calculation and view realtime costs.
Work With Cost Calculation	W30026E	Select an operation on the Work With Work Center Cost form, and click Select.	Work with cost calculation and view realtime costs.

Revising Simulated Cost Components

Access the Enter Cost Components form:

Enter/Change Cost Components - Enter Cost Components

Purchased Branch/Plant M30

Item Number 220 Touring Bike, Red

Unit of Measure EA *Each*
Simulated

Cost Method 07 *Standard*
Frozen

Stocking Type P *Purchased inc. Raw Material*
Cost Ledger 498.4788

Records 1 - 10 ▶ ◀

☐	☐	Cost Type	Description	Simulated Net Added	Simulated Total	Sim Fac Code
☐		A1	Material		335.0467	
☐		A2	Scrap			
☐		B1	Direct Labor	35.0000	91.5736	
☐		B2	Setup Labor		0.8267	
☐		B3	Machine Run		12.3232	
☐		B4	Labor Efficiency			
☐		C1	Machine Variable Overhead		1.0957	
☐		C2	Machine Fixed Overhead		1.0957	
☐		C3	Labor Variable Overhead	8.7500	21.7586	
☐		C4	Labor Fixed Overhead	8.7500	21.7586	

Enter Cost Components form

To review and revise simulated cost components:

1. Review these fields on the Enter Cost Components form:

- Simulated
- Frozen
- Cost Ledger
- Cost Method

The item cost totals represent the total costs of all cost components as of the last cost simulation for simulated values, and as of the last frozen update for frozen values. Simulated and frozen values are from the Item Cost Component Add-Ons table (F30026).

If the program finds a discrepancy between the Frozen and Cost Ledger fields, it highlights both fields.

2. Review or revise these fields in the detail area:

- Cost Type

- **Simulated Net Added**

This field is used to calculate cost during the simulation process.

- **Simulated Total**

For the designated cost method, this field is used to calculate the cost of all the lower levels during the simulation process.

3. Select the record, and then select Cost Calc from the Row menu if you need to access the detail calculations for the net-added value of a routing cost component (B or C).
4. Select an operation and click Select on the Work With Work Center Cost form.

The Work With Cost Calculation form shows realtime costs. These values are calculated from work center data, work center rates, and manufacturing constants. They might be different from those on the Enter Cost Components form, if you have changed the item's routing, work center rates, or manufacturing constants since you last ran the Simulate Standard Rollup program (R30812).

Setting Processing Options for Enter/Change Cost Components (P30026)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Process

These processing options control whether the system calculates costs from manual input or by running the Simulate Rollup program (R30812).

Routing Cost Entry

Use this processing option to specify how the system maintains net added cost components B1 through C4. Values are:

Blank: Use the Cost Simulation-Build Temp program (R30812) to calculate net added component costs.

I: Use manually entered cost components.

Enter a *1* to allow input into the Routing Calculated Cost Types. For example, cost types:

- B1: Direct Labor
- B2: Setup Labor
- B3: Machine Run
- B4: Labor Efficiency
- C1: Machine Variable Overhead
- C2: Machine Fixed Overhead
- C3: Labor Variable Overhead
- C4: Labor Fixed Overhead

Total Cost Entry

Use this processing option to determine how to calculate the net added total cost. Values are:

Blank: Calculate net added total cost by the Simulated Cost Rollup program.

I: Allow net-added total to be calculated manually.

Enter *I* to allow input into the Total Simulated Cost.

Reviewing Costed Bills of Material

This section provides an overview of the Costed Bill Inquiry program and discusses how to:

- Review a costed bill of material.
- Set processing options for Costed Bill Inquiry (P30206).

Understanding the Costed Bill Inquiry Program

To assist you in budgeting resources and planning for future cost of items, use the Costed Bill Inquiry program (P30206) to review costs for both parent items and components.

The program displays summarized costs for the direct components, net-added costs, and total costs for the parent item. For the parent item, the program displays the net-added cost components from the Item Cost Component Add-Ons table (F30026). For each component, the program displays costs that it calculates based on the as of date from the bill of material and the cost method used. The program uses the as of date to ignore obsolete component lines in the bill of material.

For example, you can review all costs of manufacturing a parent item, including assembly, subassembly, and component costs.

In addition, the manufacturing cost of a component is divided into five user defined categories for precise costing calculations:

- Purchase
- Labor
- Machine
- Overhead
- Extras

This program calculates the cost associated with each cost component in the same way as the Simulate Standard Rollup program (R30812) calculates costs.

You can review this information:

- Net-added cost for the parent from the Item Cost Component Add-Ons table (F30026) at the top of the form.
- Cost breakdown for all next-level components.
- Total costs of the parent item from the Item Cost Component Add-Ons table.
- Total of all costs for the parent item.

The program can accumulate purchase costs for up to 500 components on each bill of material. Components beyond 500 are not included in the costing process.

Note. If you update costs on the bill of material, the changes are reflected in Costed Bill Inquiry program. The Enter Cost Components form displays the costs that are computed when you run Simulate Standard Rollup program. As a result, the values might differ from those that appear on Work with Costed Bill if you have changed the bill of material, routing, or manufacturing constants since you last ran the rollup program.

The totals are either totals from the Item Cost Components Add-Ons table or columnar totals calculated in realtime, depending on how you set the processing option for calculating totals.

Forms Used to Review Costed Bills of Material

Form Name	Form ID	Navigation	Usage
Work With Costed Bill	W30206A	Product Costing (G3014), Costed Bill Inquiry	Work with costed bills.
Costed Bill Detail	W30206C	Select a record on the Work With Costed Bill form, and select Details from the Row menu.	Review and modify costed bill details.
Work with Cost Buckets	W30206B	Select an item on the Work With Costed Bill form, and select Columns from the Form menu.	Work with cost buckets.

Reviewing a Costed Bill of Material

Access the Work With Costed Bill form:

Costed Bill Inquiry - Work With Costed Bill i ? h

Select Find Close View Form Row Tools

Simulated Component Costs Branch/Plant

Parent Item Cro-Moly Frame, Red

Req. Quantity EA As of Date

Stocking Type Mfg. Assembly or Sub-Assembly Cost Method Standard

Batch Quantity EA Skip to BOM

Records 1 - 4 Customize Grid

☐	2nd Item Number	Item Description	Purchase	Labor	Machine	Overhead
☐	2001	Cro-Moly Frame, Red	5.0000	24.1004	6.0000	10.77
☐	2004	Cro-Moly Frame	116.7848	74.7967	16.6090	40.17
☐	9001	25 mm Cro-Moly Tubing	0.0400			
☐	TOTALS:	Cro-Moly Frame, Red	121.8248	98.8971	22.6090	50.94

Work With Costed Bill form

To review a costed bill of material:

1. Complete these fields and select Find on the Work With Costed Bill form:

- Branch/Plant
- Parent Item

2. Review these fields:

- Req. Quantity

This is the number of parent items that you want to process. The system calculates lower level values in quantity per the number of parent items requested. For instance, if it takes 3 components per a parent item, then with a requested quantity of 10, the system would plan and cost for 30 components.

- As of Date

This is the date used for effectivity checking. Enter a specific date to display documents (orders, bills of material, routings, as applicable) that are effective on or after that date. The current system date is the default, but you can enter any future or past date.

- Cost Method

- Skip to BOM Line #

This number specifies how the system displays the sequence of components on a single-level bill of material. The number initially indicates the sequence in which a component was added to the bill of material. You can modify this number to change the sequence in which the components appear.

- 2nd Item Number

- Purchase

This is the Work Amount field for the Manufacturing System. It is cost bucket No. 1 as defined for UDC 30/CO, Operation Buckets. A processing option controls whether the system adds cost buckets 1 and 2 (at the top of the form) into the grand total of all costs for the parent item at the bottom of the form.

- Labor
- Machine
- Overhead
- Extras
- Total

3. Select a record in the detail area and select Details from the Row menu.

4. Review these fields on the Costed Bill Detail form:

- Quantity Per

This is the number of units that the system applies to the transaction.

- Effective From

A date that indicates one of the following: when a component part goes into effect on a bill of material, when a routing step goes into effect as a sequence on the routing for an item, or when a rate schedule is in effect. The default is the current system date. You can enter future effective dates so that the system plans for upcoming changes. Items that are no longer effective in the future can still be recorded and recognized in Product Costing, Shop Floor Management, and Capacity Requirements Planning. The Material Requirements Planning system determines valid components by effectivity dates, not by the bill of material revision level. Some forms display data based on the effectivity dates you enter.

- Effective Thru

A date that indicates one of the following: when a component part is no longer in effect on a bill of material, when a routing step is no longer in effect as a sequence on the routing for an item, or when a rate schedule is no longer active. The default is December 31 of the default year defined in the Data Dictionary for Century Change Year. You can enter future effective dates so that the system plans for upcoming changes. Items that are no longer effective in the future can still be recorded and recognized in Product Costing, Shop Floor Management, and Capacity Requirements Planning. The Material Requirements Planning system determines valid components by effectivity dates, not by the bill of material revision level. Some forms display data based on the effectivity dates you enter.

- Operation Scrap Percent

The system uses this value to increase or decrease the amount of materials to account for loss within the operation. The system updates this value on Enter/Change Bill of Material when you run the Planned Yield Update program. The system calculates this value by compounding the yield percentages from the last operation to the first operation. Use a processing option in Enter/Change Routing to enable the system to calculate the component scrap percent.

- Percent of Scrap

This is the percentage of unusable component material that is created during the manufacture of a particular parent item. During DRP/MPS/MRP generation, the system increases gross requirements for the component item to compensate for the loss. Enter percentages as whole numbers, for example, 5 percent as 5.0.

Note. Inventory shrink and scrap are compounded to calculate the total loss in the manufacture of a particular item. Accurate shrink and scrap factors support more accurate planning calculations.

- Feature Cost Percent

This is the planned output yield percent for a step. The Planned Yield Update program uses this value to update the cumulative percent in the routing and the operation scrap percent in the bill of material. Materials Requirements Planning uses the step scrap percent and the existing component scrap percent to plan component demand.

5. Select Cancel.
6. Select a component and select Next from the Row menu to access the costed bill information for the components on the Work With Costed Bill form.
7. Select Frozen or Simulated from the View menu to toggle between frozen and simulated costs.
8. Select Columns from the Form menu to review an item's cost buckets.

Setting Processing Options for Costed Bill Inquiry (P30206)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Display

These processing options control the information that appears on the form, such as whether standard or calculated totals appear and whether fixed costs are based on the requested or the accounting cost quantity.

- | | |
|---|---|
| 1. Decimal Places (0-4) (Future) | Use this processing option to indicate the number of decimal places that the system displays. Valid values are 0 to 4. If you leave this option blank, the system displays four decimals. |
| 2. Totals | <p>Use this processing option to specify whether the system displays the calculated totals or the standard totals. The calculated totals are the columnar totals. The standard totals are the unit costs from the Cost Components table (F30026) multiplied by the requested quantity. Values are:</p> <p>Blank: Display standard totals (default).</p> <p><i>1</i>: Display calculated totals.</p> |
| 3. Fixed Costs Based On | <p>Use this processing option to specify whether the system bases fixed costs on the accounting cost quantity or on the requested quantity. Values are:</p> <p>Blank: Base fixed costs on the accounting cost quantity (default).</p> <p><i>1</i>: Base fixed costs on the requested quantity.</p> |

Reviewing Costed Routings

This section provides an overview of the Costed Routing/Process Inquiry program and discusses how to:

- Review a costed routing
- Set processing options for Costed Routing/Process Inquiry (P30208).
- Review costed routing details
- Review an item's operation buckets.

Understanding the Costed Routing/Process Inquiry Program

Use the Costed Routing/Process Inquiry program (P30208) to review the summarized costs of an item for each operation in the routing.

This information can help you to effectively manage production costs, for example, you can:

- Review the work center that is responsible for an operation.
- Determine whether a work center performs multiple operations.
- Display simulated or frozen costs for labor values for cost methods.
- Calculate the totals for all costs by cost categories.

This program calculates the cost associated with each cost component in the same way that the Simulate Standard Rollup program (R30812) calculates cost.

The program can accumulate purchase costs for up to 500 components on each bill of material. Components beyond 500 are not included in the costing process.

Note. If you update the routing for an item, the changes are reflected in the Costed Routing/Process Inquiry program. The Enter Cost Components form displays the costs that the system calculates when you run the Simulate Standard Rollup program. As a result, the values on the Enter Cost Components form might differ from those on the Work with Costed Routing/Process Inquiry form if you have changed the routing, work center rates, or manufacturing constants since you last ran the rollup program.

When all of these statements are true, the Costed Routing/Process Inquiry program uses the master routing for the item from the Routing Master File table (F3003):

- The Master Routings option on the Manufacturing Constants Revisions form (W3009B) is turned on for the branch.
- The parent item has a cross-reference item defined for master routing.
(The cross-reference item must be defined with a cross-reference type of MR and the Address field must be blank.)
- An item routing has been defined for the cross-reference item.

Forms Used to Review Costed Routings

Form Name	Form ID	Navigation	Usage
Work With Costed Routing/Process	W30208A	Product Costing (G3014), Costed Routing/Process Inquiry	Access forms to work with a costed routing or process.
Costed Routing Details	W30208B	Select an operation on the Work With Costed Routing/Process form, and then select Details from the Row menu.	Review costed routing details.
Operation Bucket Key Window	W30COA	On the Work With Costed Routing/Process form, select OP Bucket Window from the Form menu.	Review an item's operation buckets.

Reviewing a Costed Routing

Access the Work With Costed Routing/Process form.

Note. To toggle between frozen and simulated costs, select Frozen or Simulated from the View menu.

Requested Quantity

Enter the number of parent items that you want to process. The system calculates lower level values in quantity per the number of parent items requested. For instance, if it takes 3 components per a parent item, then with a requested quantity of 10, the system would plan and cost for 30 components.

The number of parent items for which you want to see cost breakdowns. Costs are figured in quantity per the parent item.

As of Date

Enter the date used for effectivity checking. Enter a specific date to display documents (orders, bills of material, routings, as applicable) that are effective on or after that date. The current system date is the default, but you can enter any future or past date.

Cost Method	Enter the UDC (40/CM) that specifies the basis for calculating item costs. Cost methods 01 through 19 are reserved for use by the PeopleSoft system.
Up to Seq.	Enter the number used to indicate an order of succession. In routing instructions, a number that sequences the fabrication or assembly steps in the manufacture of an item. You can track costs and charge time by operation. In bills of material, a number that designates the routing step in the fabrication or assembly process that requires a specified component part. You define the operation sequence after you create the routing instructions for the item. The PeopleSoft Shop Floor Management system uses this number in the backflush/preflush by operation process. In engineering change orders, a number that sequences the assembly steps for the engineering change. For repetitive manufacturing, a number that identifies the sequence in which an item is scheduled to be produced. Skip To fields allow you to enter an operation sequence that you want to begin the display of information. You can use decimals to add steps between existing steps. For example, use 12.5 to add a step between steps 12 and 13. Top of form: A processing option controls whether Skip to or Up to operation sequence mode is in effect. In Skip to mode, the system uses an entered operation sequence number as the starting point when displaying operations, and displays the total from that point forward on the total line. In Up to mode, the system uses an entered operation sequence number as the cutoff for displaying operations. The total for all operations up to and including the operation sequence number entered appears on the total line. Bottom of form: The Op Seq field contains a number that indicates the order of each step in the manufacturing operation.
Extras	Work Amount field for the Manufacturing System. Cost bucket No. 2 as defined for UDC 30/CO, Operation Buckets. A processing option controls whether the system adds cost buckets 1 and 2 (at the top of the form) into the grand total of all costs for the parent item at the bottom of the form.
Work Center	Review the number that identifies a branch, plant, work center, or business unit. This is the business unit assigned to the work center for the operation sequence listed.
Oper Seq#	Review the number used to indicate an order of succession. In routing instructions, a number that sequences the fabrication or assembly steps in the manufacture of an item. You can track costs and charge time by operation. In bills of material, a number that designates the routing step in the fabrication or assembly process that requires a specified component part. You define the operation sequence after you create the routing instructions for the item.

The PeopleSoft Shop Floor Management system uses this number in the backflush/preflush by operation process.

In engineering change orders, a number that sequences the assembly steps for the engineering change.

For repetitive manufacturing, a number that identifies the sequence in which an item is scheduled to be produced.

Skip To fields allow you to enter an operation sequence that you want to begin the display of information.

You can use decimals to add steps between existing steps. For example, use 12.5 to add a step between steps 12 and 13.

Top of form: A processing option controls whether the Skip to or Up to operation sequence mode is in effect.

In Skip to mode, the system uses an entered operation sequence number as the starting point when displaying operations, and displays the total from that point forward on the total line.

In Up to mode, the system uses an entered operation sequence number as the cutoff for displaying operations. The total for all operations up to and including the operation sequence number entered appears on the total line.

Bottom of form: The Op Seq field contains a number that indicates the order of each step in the manufacturing operation.

Labor

Work Amount field for the Manufacturing System.

Cost bucket No. 3 as defined for UDC 30/CO, Operation Buckets.

The total of this column appears at the bottom of the form in the Totals row. The heading above the columns indicates which costs are displayed: frozen or simulated. You can toggle between simulated and frozen values.

You can also view a detailed breakdown of the cost components that the system adds to determine the total for the work center.

Machine

Work Amount field for the Manufacturing System.

Cost bucket No. 4 as defined for UDC 30/CO, Operation Buckets.

The total of this column appears at the bottom of the screen in the Totals row. The heading above the columns indicates which costs are displayed: frozen or simulated. You can toggle between simulated and frozen values.

You also can view a detailed breakdown of the cost components added to arrive at the total for the work center.

Overhead

Work Amount field for the Manufacturing System.

Cost bucket No. 5 as defined for UDC 30/CO, Operation Buckets.

The total of this column appears at the bottom of the screen in the Totals row. The heading above the columns indicates which costs are displayed: frozen or simulated. You can toggle between simulated and frozen values.

You can also view a detailed breakdown of the cost components added to arrive at the total for the work center.

Components

Work Amount field for the Manufacturing System.

Cost bucket No. 6 as defined for UDC 30/CO, Operation Buckets.

The total of this column appears at the bottom of the screen in the Totals row. The heading above the columns indicates which costs are displayed: frozen or simulated. You can toggle between simulated and frozen values.

You can also view a detailed breakdown of the cost components added to arrive at the total for the work center.

Total

Work Amount field for the Manufacturing System.

This column contains system-calculated totals for each row of costs, that is, for each operation sequence.

The totals across the bottom of the form are the totals of each cost bucket.

The right most bottom total is the total of all costs for the routing for an item.

Setting Processing Options for Costed Routing /Process Inquiry (P30208)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Defaults

Outside Operations Cost Method	Enter the cost method (that is: 01, 02, 03) to be used for Sub-Contracted Items. (Blanks will default to a 01).
Purchased Cost Method	Enter the cost method (that is: 01, 02, 03) to be used for Purchased Items. (Blanks will default to the cost from the Mode, that is: Standard Cost.)

Display

Skip to flag	Enter <i>1</i> to display the costs 'UP TO' and including the operation sequence entered in the 'Skip to' form control. If left blank, the costs will be displayed beginning with the entered operation's costs.
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Process

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

Include 1 and 2 in total	Enter <i>1</i> to include cost buckets 1 and 2 in the total. If left blank, the total will only include costs buckets 3–6.
---------------------------------	--

Reviewing Costed Routing Details

Access the Costed Routing Details form.

Review these fields:

- Category

- Cost Type
- Description
- Cost

Updating Frozen Costs

This section provides an overview of the Frozen Update program and discusses how to:

- Run the Frozen Update program.
- Set processing options for Item Cost Component - Frozen Update (R30835).

Understanding the Frozen Update Program

After you perform simulated rollups to determine the effect of any changes, you can update the frozen costs with simulated values by running the Frozen Update program (R30835). Most companies run this program at the beginning of a new fiscal year to create their manufacturing costs for the next fiscal period.

You can set a processing option to run a work-in-process revaluation automatically when you run the Frozen Update program. In this case, the WIP Revaluation program (R30837) runs for all items that are processed through the Frozen Update program. If any item is flagged for cost change in the Item Cost File table (F4105), any open work order that contains this item is revalued, along with any work orders to which the parent item was issued. This logic is carried through to the highest-level parent item.

Note. This program uses the costs generated by the most recent version of the Simulate Standard Rollup program (R30812). If you have changed information since the last simulated cost rollup, those changes will not be reflected by the frozen update.

The Frozen Update program uses the costs that were generated by the Simulate Standard Rollup program to perform these actions:

- Update unit costs in the Item Cost File table for the cost method selected.
- Update frozen costs in the Item Cost Component Add-Ons table (F30026) for the cost method selected.
- Update labor and overhead rates in the Work Center Rates File table (F30008).
- Print report totals by company, branch/plant, and GL category code.
- For on-hand balances, create an Item Balance (IB) record in the Item Ledger File table (F4111) if the cost method selected matches the sales and inventory cost method for an item.
- For on-hand balances, write journal entries to the Account Ledger table (F0911) in either detail or summary format, creating batch type NC (Frozen Cost Update).

The system creates an item ledger record when the cost method selected for update is the sales and inventory cost method. The item ledger record indicates a change in inventory value for the updated items. The number of item ledger records written depends on the cost level of the item, which is defined in the Item Master table (F4101). For example, items at cost level 2 have an item ledger record for each branch/plant at which they are defined because costs can differ by branch/plant.

The program creates journal entries in either detail or summary format in amounts that match the item ledger records. Thus, the program maintains integrity between the Item Ledger File table and the Account Ledger table (F0911). Use the Item Ledger/Account Integrity report (R41543) to verify this integrity.

The process flow for updating frozen costs:

- The program creates a journal entry only if an item ledger record has been written.
- An item ledger record is written only if an item cost ledger record has been updated.
- An item cost ledger record is updated only if a cost component record has been updated.

The program accesses these AAIs to obtain the object account:

AAI table number	Description	Use
4134	Inventory	• Debit to show increase in item cost. • Credit to show decrease in item cost.
4136	Expense or COGS	• Debit to show expense or loss. • Credit to show income or gain.

This list identifies information about detail and summary journal entries:

Detail journal entries

The program can generate several journal entries by cost component for the same item and branch, depending on how you set up the AAIs.

If you select detail format, the program creates matching debit and credit account ledger records for every item ledger record created. Use the detail format when you want a detailed audit trail. However, consider that the potential volume is large and could cause disk space problems.

Summary journal entries

If you select summary format, the program creates debit and credit records by subtotals of company, general ledger class code, and transaction type. Use the summary format to reduce the amount of detail in the general ledger. You can still run a report to provide a detailed audit trail.

The program produces this output:

Error messages

The program produces error messages if it finds any general ledger errors while formatting the journal entries. One error message indicates the same combination of AAI number, account number, and GL class code. Correct any errors and run the Frozen Update program (F30835) again. To determine whether error messages exist, review the workflow messages for submitted jobs.

Item Cost Ledger Update report (R30834)

This report shows the effect of the inventory revaluation based on the changes made to the cost revision records for the inventory items. You can print all items or only those that have a cost change. You can run the report in proof mode or final mode. The report provides this information:

- Old and new costs for each updated item.
- Variances between old and new costs.
- Item quantity on hand
- Net amount of change in cost.
- Summary of the amount changed by item general ledger category.
- GL exception errors

- Whether GL transactions have been written.
- Either GL subtotals by company and GL class code or GL class code only.

Running the Frozen Update Program

Select Product Costing (G3014), Frozen Update.

Setting Processing Options for Item Cost Component - Frozen Update (R30835)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Default

This processing option control the default value for the cost method.

- | | |
|-----------------------|---|
| 1. Cost Method | Use this processing option to specify the cost method that the system uses to update the Item Cost Component Add-Ons table (F30026) and the Item Cost table (F4105). If you leave this processing option blank, the system uses cost method 07 (standard costs) to calculate costs. |
|-----------------------|---|

Processing

These processing options control processing criteria.

- | | |
|------------------------------------|---|
| 1. Update Costs | Use this processing option to specify whether the system updates costs. If you leave this processing option blank, the system creates exception reports and error messages, but does not update costs. Values are:

Blank: Do not update costs.
1: Update costs. |
| 2. Single Level | Use this processing option to specify whether the system performs a complete cost rollup in a bill of material or updates only the cost for a selected item or items without updating the other costs. For example, you might have a new item to cost, although you do not want to recost the other items. After you create simulated costs for the new item, you can update its frozen costs without updating the costs of lower-level components. Values are:

Blank: Perform a complete cost rollup.
1: Perform a single-level cost rollup. |
| 3. Update Work Center Rates | Use this processing option to specify whether the system updates work center rates in final mode. Values are:

Blank: Do not update rates.
1: Update all rates in all work center across all companies and all branch plants.
2: Update all work centers associated with items being frozen. |

- 4. Use Flex Accounting** Use this processing option to enable flexible accounting. The system looks for the flex accounting rules to determine how to populate the cost object fields. Values are:
- Blank: Do not use flexible accounting.
- 1: Use flexible accounting
- 5. WIP Revaluation** Use this processing option to specify whether the system automatically runs the WIP Revaluation program (R30837) to update work-in-process costs. Values are:
- Blank: Do not run the WIP Revaluation program.
- 1: Run the WIP Revaluation program.

Process Mfg

If you use process manufacturing, this processing option controls whether the system updates the costs for co-/by-products.

- 1. Update Co/By Products** Use this processing option to specify whether the system updates the costs of co-/by-products for process manufacturing. If you leave this processing option blank, the system updates costs for the parent process only. Values are:
- Blank: Do not update the costs of co-/by-products.
- 1: Update the costs of co-/by-products.

G/L

These processing options controls the GL data and how the system creates journal entries for the General Ledger.

- 1. G/L Date** Use this processing option to specify the date that appears on Item Ledger transactions and journal entries. If you leave this field blank, the program uses the system date.
- 2. G/L Transactions** Use this processing option to specify how the system creates journal entries for the general ledger. Values are:
- Blank: Do not create GL journal entries.
- 1: Create detailed GL journal entries for item balance (IB) transactions.
- 2: Create summarized GL entries (one entry for each account).

Versions

This processing option control which version of this program the system uses when the program is called from the Frozen Update program.

- 1. WIP Revaluation** Use this processing option to specify the version of the WIP Revaluation program (R30837) to use. If you leave this processing option blank, the system uses version ZJDE0001 to adjust WIP (Work in Process) to changing costs.

Print

- 1. WIP Revaluation** Use this processing option to control print output. Values are:

Blank: Print all items.

I: Print all items.

2: Print only changed items.

Freezing Work Center Rates

This section provides an overview of the Freeze Work Center Rates program and discusses how to:

- Run the Freeze Work Center Rates program.
- Set processing options for Freeze Work Center Rates (R30860).

Understanding the Freeze Work Center Rates Program

You can use the Freeze Work Center Rates program (R30860) to update frozen work center rates. You run this program when any of the work center rates have changed. You can perform this task using the Frozen Standard Update program (R30835); however, for actual costing, you do not need to simulate costs and perform a rollup. Running the Freeze Work Center Rates program ensures that work centers are updated with changed costs in an actual costing environment.

In addition, the Freeze Work Center Rates program allows you to update frozen costs for selected work centers, as opposed to updating all work center rates in the system.

Setting Processing Options for Freeze Work Center Rates (R30860)

Processing options enable you to specify the default processing for programs and reports.

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Processing

Update Rates Mode

Use this processing option to specify whether the system simulates or freezes work center rates when you run the Freeze Work Center Rates program (R30860). Values are:

Blank: Simulate work center rates.

I: Freeze work center rates.

Print

Print Work Centers

Use this processing option to specify which records the system includes on the report when you run the Freeze Work Center Rates program (R30860). Values are:

Blank: Do not generate a report.

I: Include all work center records.

2: Include changed work center records only.

Reviewing Frozen Cost Components

This section provides an overview of costing information review and discusses how to review information about frozen cost components.

Understanding Costing Information Review

After you run the Frozen Update program (R30835) to revalue the inventory, you should review the updated costing information. These costs stay in effect until you run the update again. You can review frozen costs in the Enter/Change Cost Components program (P30026). You can also create a report based on the information in this program. The Item Ledger Inquiry (the CARDEX) program (P4111) provides information about the transactions that have affected the item that you are reviewing, including cost changes. You can review costs by viewing the bill of material and compare frozen standard costs to the unit costs in the Item Cost File table (F4105).

Form Used to Review Frozen Cost Components

Form Name	Form ID	Navigation	Usage
Work With Cost Components	W30026C	Product Costing (G3014), Enter/Change Cost Components	Work with cost components.

Reviewing Information About Frozen Cost Components

Access the Work With Cost Components form.

After you run the Frozen Update program (R30835) to revalue the inventory, you can use the Enter/Change Cost Components program (P30026) to review the frozen costs that are broken down by cost component.

To review frozen cost components:

1. Complete these fields and select Find on the Work With Cost Components form:
 - Item Number
 - Branch/Plant
 - Cost Method
2. Review the Frozen field
3. Select Frozen or Simulated from the View menu to toggle between frozen and simulated costs.
4. Select Close

Note. The frozen total is the accumulated standard cost rolled up from lower levels.

Reviewing the Cost Components Report

This section provides an overview of the cost Components report and discusses how to:

- Run the Cost Components report.
- Set processing options for Cost Components (R30026P).

Understanding the Cost Components Report

Use the Cost Components report (R30026P) to review the component costs and total cost for each item. This information comes from the Enter/Change Cost Components program (P30026).

You can customize this report to meet specific needs. For example, you can:

- Process the report using any valid cost method.
- Review the cost type and description by item number.
- Identify items
- Define the exact information that appears on the report from data selection options.

For example, you can select specific items and choose whether to include factors or rates for add-on and extra costs.

- Print the report for a single item, several items, or all items.

You can include any of the cost components that you define for an item in the cost bucket that you specify.

Setting Processing Options for Cost Components (R30026P)

Processing options enable you to specify the default processing for programs and reports.

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Defaults

Simulated/Frozen Cost Selection	Enter 1 to print Simulated costs, 2 to print Frozen Costs. If left blank, simulated costs will print.
--	---

Reviewing the Item Ledger

This section provides an overview of item ledger review and discusses how to review item ledger information.

Understanding Item Ledger Review

Use the Item Ledger Inquiry (The CARDEX) program (P4111) to view item balance (IB) transactions for an item.

The Frozen Update program (R30835) transfers IB transactions to the item ledger if all of these statements are true:

- The frozen cost changes in the Item Cost File table (F4105) for a given cost method.
- That cost method is used as the sales and inventory cost method.
- A quantity on-hand exists

See Also

PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook, “Reviewing Item and Quantity Information,” Setting Processing Options for Item Ledger Inquiry (CARDEX) (P4111)

Form Used to Review the Item Ledger

Form Name	Form ID	Navigation	Usage
Work With Item Ledger	W4111A	Product Costing (G3014), Item Ledger Inquiry	Review the item ledger.

Reviewing Item Ledger Information

Access the Work With Item Ledger form.

To review the item ledger:

1. Complete the Item Number field on the Work With Item Ledger form.
2. Type IB in the Document Type field and select Find.

The document type is UDC (00/DT) that identifies the origin and purpose of the transaction. The system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets. The reserved document type prefixes for codes are:

- P: Accounts payable documents
- R: Accounts receivable documents
- T: Time and Pay documents
- I: Inventory documents
- O: Purchase order documents
- S: Sales order documents

3. Review these fields:

- Transaction Date

The transaction date is the date that an order was entered into the system. This date determines which effective level the system uses for inventory pricing.

- Unit Cost

4. Select Close

Note. The value in the Quantity field represents the available quantity, which might consist of the on-hand balance minus commitments, reservations, and backorders. You enter this value in the Branch/Plant Constants program (P41001).

Working with Additional Costing Features

This section provides an overview of additional costing features and discusses how to set processing options for Sales Order Batch Price/Cost Update.

Understanding Additional Costing Features

You can use several additional features to work with costing information. You can:

- Copy costs for an item from one cost method to another.
- Reset the simulated costs to their frozen values.
- Update the costs in the sales orders with the most current cost values.
- Update costs for an item globally, using an amount or a percentage change.
- Update item cost levels
- Run a batch program to revalue work in process inventory for standard and for actual costing.

Setting Processing Options for Sales Order Batch Price/Cost Update

For programs, you can specify options such as the default values for specific transactions, whether fields appear on a form, and the version of the program that you want to run.

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See Processing Options for Sales Order Batch Price/Cost Update (R42950) in the SOM Guide.

Copying Costs

This section provides an overview of the Copy Cost Values program and discusses how to:

- Copy cost values
- Set processing options for Copy Cost Values (R30890).

Understanding the Copy Cost Values Program

Use the Copy Cost Values program (R30890) to copy the simulated or frozen costs and work center rates from one cost method to another cost method. You can also copy work center rates between cost methods within the same work center.

Based on the processing option values, the program copies information from the Item Cost Component Add-Ons table (F30026) and the Work Center Rates File table (F30008) to update costs and work center rates for the cost method that you specify. You can replace only simulated costs, not frozen costs, in the *copy to* branch. Run the Frozen Update program (R30835) to update frozen costs.

Important! To ensure acceptable results, you should carefully plan which costs and rates you want to copy to which cost methods. Write down your choices and processing option setting before you complete the copy. This program does not generate a report of the updated costs.

Running the Copy Cost Values Report

Select Product Costing Reports (G3023), Copy Cost Values.

Setting Processing Options for Copy Cost Values (R30890)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Process

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

Simulated or Frozen	Enter a 1 to copy simulated costs or a 2 to copy frozen costs.
Branch/Plant to copy	Enter the Branch/Plant and Cost Method to Copy.
Branch/Plant to update	Enter the Branch/Plant and Cost Method to update.

Copying Frozen Costs to Simulated Costs

This section provides an overview of the Reset Simulated Costs program and discusses how to:

- Copy frozen cost values to simulated cost values.
- Set processing options for Reset Simulated Values (R30850).

Understanding the Reset Simulated Costs Program

For the cost method and branches that you choose, use the Reset Simulated Costs program (R30850) to reset simulated costs to their frozen values. Resetting costs allows you to begin a simulation again.

Copying Frozen Cost Values to Simulated Cost Values

Select Product Costing Reports (G3023), Reset Simulated Costs.

Setting Processing Options for Reset Simulated Values (R30850)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Process

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

Branch	Enter the Branch for Cost Reset processing, or enter * for all branches.
Reset Rates	Enter a 1 to reset rates in the Work Center Rates Table for the selected Cost Centers and Cost Methods.

Updating Sales Order Price and Cost

This section provides an overview of the Update Sales Price/Cost program and discusses how to update sales order price and cost information.

Understanding the Update Sales Price/Cost Program

Use the Update Sales Price/Cost program (R42950) to update the unit and extended cost in sales orders with the most current cost values that are specified in the Item Cost File table (F4105). If multicurrency processing is active in the system, the program updates the Foreign Unit and Extended Cost fields, as well. Use data selection to specify the exact information to be processed.

Updating Sales Order Price and Cost Information

Select End of Day Processing (G4213), Update Sales Price/Cost.

Important! When you run this program, the system updates the active sales order detail information. Therefore, it is recommended that you use extreme caution when you set up data selections.

See Also

PeopleSoft EnterpriseOne Sales Order Management 8.11 PeopleBook, “Updating Prices,” Updating Prices for a Customer

Updating Product Costs

This section provides an overview of the Speed Cost Maintenance program and discusses how to update product cost information.

See Also

PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook, “Updating Costs,” Updating Item Costs

PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook, “Updating Costs,” Setting Processing Options for Speed Cost Maintenance

Understanding the Speed Cost Maintenance Program

Use the Speed Cost Maintenance program (P41051) to update costs for purchased items in the branch/plants, locations, and lots that you choose. You can increase or decrease costs by a percentage or monetary amount, or you can specify a new monetary amount. You can also specify the cost method for which you want to update costs.

This program updates costs for purchased items in the Item Cost File table (F4105). Run the Frozen Update program (R30835) to update costs in the Item Cost Component Add-Ons table (F30026) for purchased and manufactured items.

Note. The information that appears on the Work with Location Costs form depends on the cost level for the item. For example, when an item has a cost level of 2, the system displays costs for all branch/plants. When an item has a cost level of 3, the system displays costs for all locations at the branch/plant that you specify.

Form Used to Update Product Costs

Form Name	Form ID	Navigation	Usage
Cost Revisions	W41051B	Inventory Price & Cost Updates (G4123), Speed Cost Maintenance Select a branch/plant on the Work With Location Costs form, and select Select.	Increase or decrease unit cost per item by branch/plant.

Updating Product Cost Information

Access the Cost Revisions form:

Speed Cost Maintenance - Cost Revisions

OK

Cancel

Tools

Increase/Decrease

Amount

30.0000

Amount Type

A

Amount

Cost Revisions form

Amount

Enter the dollar amount or percentage by which you want to increase or decrease unit costs for items. You can also indicate a dollar amount to override current unit costs. The value you specify in the Amount Type field determines whether you enter a dollar amount or a percentage.

Note. Enter percentages as whole numbers. For example, enter 10 to increase costs by 10 percent. To decrease costs, enter a negative sign before the number. For example, enter -10 to decrease costs by 10 percent.

The system changes all costs for all locations.

Amount Type

Enter a code that indicates whether the number in the Increase/Decrease Amount field is a dollar amount or a percentage value. Values are:

- A: Amount
- %: Percentage
- *: Cost Override Amount

Changing Item Cost Levels

This section provides an overview of the Item Cost Level Conversion program, lists prerequisites, and discusses how to:

- Change item cost level information.
- Set processing options for Item Cost Level Conversion (R41815).

Understanding the Item Cost Level Conversion Program

After you have entered cost information, you might need to change an item's cost level. To change an item's cost level after you have entered cost information, you must use the Item Cost Level Conversion program (R41815).

This program deletes all existing cost records for the item in the Item Cost File table (F4105) and creates new cost records that correspond to the level. For the item to create the new cost records, the system uses the cost method that you identified for sales and inventory on the Cost Revisions form.

The program does not change the cost valuation of items and does not create journal entries. For example, if you change an item's cost level from branch/plant and location to branch/plant, all existing cost records for the branch/plant and location must contain the same sales and inventory cost method and cost.

You can run this program in either proof mode or final mode. When you run the program in proof mode, the system generates the Item Cost Level Conversion report, which shows errors that need correction. You should always run the program in proof mode first and correct any discrepancies.

When you run the program in final mode, the system updates:

- The Inventory Cost Level field in the Item Master (F4101).
- The Item Cost File table (F4105).

Prerequisites

Here are the prerequisites for changing item cost levels:

- Back up the data tables completely before you begin the data conversion process; if the results of the conversion are unsatisfactory, you can use the backup tables to restore data tables to their original format.
- Verify that no users access the Item Master (F4101) or Item Cost File (F4105) tables when this program is running in final mode.

Changing Item Cost Level Information

Select Inventory Advanced & Technical Operations (G4131), Item Cost Level Conversion.

Important! When you change the item cost levels, the changes affect data throughout the system. You should restrict access to this program.

Setting Processing Options for Item Cost Level Conversion (R41815)

Processing options enable you to specify the default processing for programs and reports.

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Process

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

Level-Inventory Cost	Enter the Cost Level to update to.
Branch/Plant	If updating to cost level 1, enter the branch to default the costs from. If updating from a cost level 3, the costs will default from the primary location.
Update Mode	Enter a <i>1</i> to run in final mode and update files. If blank, no file updates will occur.
Print Mode	Enter a <i>1</i> to print only exceptions on the edit report. A blank will print all items.

Revaluing Work in Process

This section provides an overview of the WIP Revaluation program and discusses how to:

- Revalue work that is in process.
- Set processing options for WIP Revaluation (R30837).

Understanding the WIP Revaluation Program

Whether you use standard costing or an actual costing method, the business must be able to revalue work in process inventory whenever material or labor costs change. Whenever the costs for an item change, the Cost Changed Flag field (CCFL) for this item is set to *1* in the Item Cost File table (F4105). This cost change might be caused by a company's decision to update costs to reflect changed circumstances and to maintain realistic pricing.

The WIP Revaluation program (R30837) can be run for standard costed items in discrete, process and configured work orders. For actual costing, you can run the WIP Revaluation program only for material cost changes in discrete work orders.

The purpose of work in process revaluation is to revalue the production costs for all open work orders in the Production Cost table (F3102), based on the latest item cost, as well as unaccounted completed and scrapped amounts for actual costing. The report displays any differences between the original WIP values and the new WIP values. You can set a processing option to create WIP Revaluation journal entries in the Account Ledger table (F0911) for differences between the old and the new WIP values. You can choose to let the system supply the default work order number in the Subledger field in the Account Ledger table. The WIP Revaluation program does not revalue on-hand inventory and cannot be performed for closed work orders. Closed work orders are characterized by a value of 3 for the Variance Flag field (PPFG) in the Work Order Master File table (F4801).

If you use standard costing, performing an automated WIP revaluation ensures that work in process inventory always reflects any updates to component and labor costs and eliminates artificial variances that are generated by cost changes in the middle of a work order life-cycle. It also makes manual journal entries for WIP revaluation unnecessary.

For actual costing, WIP revaluation accounts for a situation in which subassembly work order costs are reported after the actual cost subassembly item was already issued to the parent item. Without WIP revaluation, the true costs of the subassembly work order are not reflected in the parent work order.

You can access the WIP Revaluation program in three different ways to revalue work in process. For standard costing, you can call the WIP Revaluation program from the Frozen Update program (R30835) by setting a processing option and specifying the desired program version. In this case, the system runs WIP Revaluation for all items that are processed through the Frozen Update program. If any item is flagged for cost change, any open work order that contains this item is revalued, along with any work orders to which the parent item was issued. This logic is carried through to the highest-level parent item. All cost types in the Production Cost table (F3102) are included in the data selection.

For actual costing, you can call the WIP Revaluation program either from the Work Order Inventory Completion (P31114) or the Variances program (R31804) by setting the appropriate processing option and specifying the desired program version. Running WIP Revaluation updates the parent item's production cost based on the subassembly item's latest production cost. If you call the WIP Revaluation program from the Work Order Inventory Completion program, the system revalues the work orders with the completed item, as well as their parent work orders. Only the material cost types in the Production Cost table are included in the data selection.

Note. If an actual costed item is defined with a cost level of 3 (item, branch, location, and lot), the costs for this item have to be tracked at the lot or location level in order to accurately calculate and revalue the costs. Completing work orders to and issuing them from a lot or location allows the system to associate the item unit costs that are calculated for the lot or location at the time of completion to any orders to which the item is issued.

When WIP Revaluation is initiated from the Variances program, it revalues all open work orders with items that are flagged for cost change in the Item Cost File table, as well as their parent work orders. When work in process is revalued, the system clears the cost change flag. All cost types in the Production Cost table are included in the data selection for standard costed units. For actual costing, only the material costs are considered.

You can also call the program as a standalone batch program from the menu. This choice allows you to perform WIP revaluation without having to change existing processes. It also enables you to rerun WIP revaluation if the revaluation process was terminated abnormally when another program called it. You can run the program for actual and standard costed items. All cost types in the Production Cost table are included in the data selection.

You can set a processing option to run the WIP Revaluation program in proof or final mode. If you call WIP Revaluation from another program, however, the mode of the calling program overrides this setting.

Revaluing Work That Is in Process

Select Product Cost (G3014), WIP Revaluation.

Setting Processing Options for WIP Revaluation (R30837)

Processing options enable you to specify the default processing for programs and reports.

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Defaults

These processing options control the default setting for performing WIP revaluations, such as which document type the system uses and what type of GL transactions the system writes.

- | | |
|---------------------------------|--|
| 1. Document Type | Use this processing option to specify the document type (UDC 00/DT) that the system uses. If you leave this processing option blank, the system uses IB (item cost changes). |
| 2. G/L Transactions | <p>Use this processing option to specify what type of GL transactions are written to the Account Ledger table (F0911) by running the WIP Revaluation program. Values are:</p> <p>Blank: Do not write any GL transactions.</p> <p>1: Write detailed GL transactions by document number.</p> <p>2: Write summarized journal entries by account.</p> |
| 3. Default to Sub-Ledger | <p>Use this processing option to specify whether the system uses the production document number as the default subledger number. Values are:</p> <p>Blank: Do not use the production document number as the default subledger number.</p> <p>1: Use the production document number as the default subledger number.</p> |
| 4. Proof Or Final | Use this processing option to specify whether to run the WIP Revaluation program (R30837) in proof or in final mode. In proof mode, the system performs all calculations and displays the results on the report. In final mode, the program also updates the Production Cost table (F3102) and creates journal entries for changes in work-in-process costs in the Account Ledger table (F0911). |

Note. When the WIP Revaluation program is launched from another program, the mode (proof or final) of that program overrides this processing option.

Applying Extra Costs for Manufacturing Actual Costing

This section provides an overview of extra costs, lists prerequisites, and discusses how to apply extra costs for actual costing.

Understanding Extra Costs

When you use actual costing for one or all items, you might want to apply extra costs to the cost of the parent item. To apply the extra costs for actual costing, you follow most of the setup tasks and some of the steps that you complete for standard product costing. The system calculates cost extras based on a template that is stored in the Item Cost Component Add-Ons table (F30026).

Prerequisites

Here are the prerequisites for applying extra costs for actual costing:

- Set up the cost levels for items.
- Set up the rate and factor codes for extra costs.

Applying Extra Costs for Actual Costing

To apply extra costs for actual costing:

1. Set up cost components in UDC 30/CA for each extra cost.
2. Set up the cost method for each item as either 02 (Weighted Average) or 09 (Actual or Manufacturing Last).
3. Set up the simulated rates for any cost method that you want to use for the extra costs.
4. Create the simulated rollup
5. Update the frozen extra costs.

You must enter cost method *02* or *09* in the processing option on Defaults. Enter the same cost method that you set up in step 2.

6. Review the frozen costs to verify that they are set up correctly and that they match those in the report that the program generates when you updated the frozen costs.

Working with Product Costing in Various Supply Chain Environments

This section provides overviews of mixed manufacturing methods, batch manufacturing, kit items, configured items, process manufacturing, co-products and by-products, the Co/By-Products Planning Table program, and percent bills of material, and discusses how to:

- Review product costing for processes.
- Review product costing for ingredients.
- Review inputs to co-product and by-product costing.
- Review co-product and by-product costs.
- Review a costed process
- Set up the Co/By-Products Planning table.
- Review product costing for percent bills of material.

Understanding Mixed Manufacturing Methods

Few manufacturing companies use only one type of operating environment. Often, process manufacturing companies use discrete methodologies when performing packing and shipping activities. Companies that use discrete or job shop manufacturing methods often adopt more efficient operations using rate-based, or batch processing methods. Any combination of operating methods is possible, depending on the industry and the product mix.

Companies that can use a combination of manufacturing methods must also consider how to account for costs incurred from those various methods. Each method has specific strategies for establishing and collecting cost information. In combination, certain adjustments or restrictions might be necessary so that costing information flows from the most basic of cost components through the rolled up or completely costed end products.

As the company refines its production processes and automates costing activities, you should create detailed definitions of the costing processes. Verify that the cost techniques support any manufacturing method that you use. The ultimate goal is to decrease the lead time required to maintain and monitor product costing information throughout the entire manufacturing process.

If you use the Product Costing system in any special environment, such as using batches, kits, processes, or configured items, or in distribution, the system calculates product costs differently.

Note. If you use the 02 (Weighted Average) or 09 (Actual, Manufacturing Last) cost method, processes and configured items are not supported and the content in this section does not apply.

Understanding Batch Manufacturing

For bills of material and routings, you can have a batch quantity for products that are normally built in specific batch sizes, such as chemicals, food, or petroleum.

To obtain a correct rollup when you use a batch quantity, the accounting cost quantity, the bill of material batch size, and the routing batch size must match, as these considerations indicate:

- Labor and overhead costs are rolled up only when the accounting cost quantity matches the routing batch size
- Material costs are rolled up only when the accounting cost quantity matches the bill of material batch size

This table illustrates these possibilities:

Accounting Cost Quantity	Bill Batch Size	Routing Batch Size	Rollup
10,000	10,000	10,000	Complete
5,000	10,000	10,000	None
10,000	5,000	10,000	Labor and Overhead Only
10,000	10,000	5,000	Material Only

If the Simulate Rollup (R30812) program does not find a bill of material for which the batch quantity matches the accounting cost quantity, it uses the zero batch bill.

Note. Most cost amounts that appear on the Work with Costed Bill and Enter Cost Components forms are expressed per each unit of measure, not per batch quantity. Setup costs are expressed per the batch quantity.

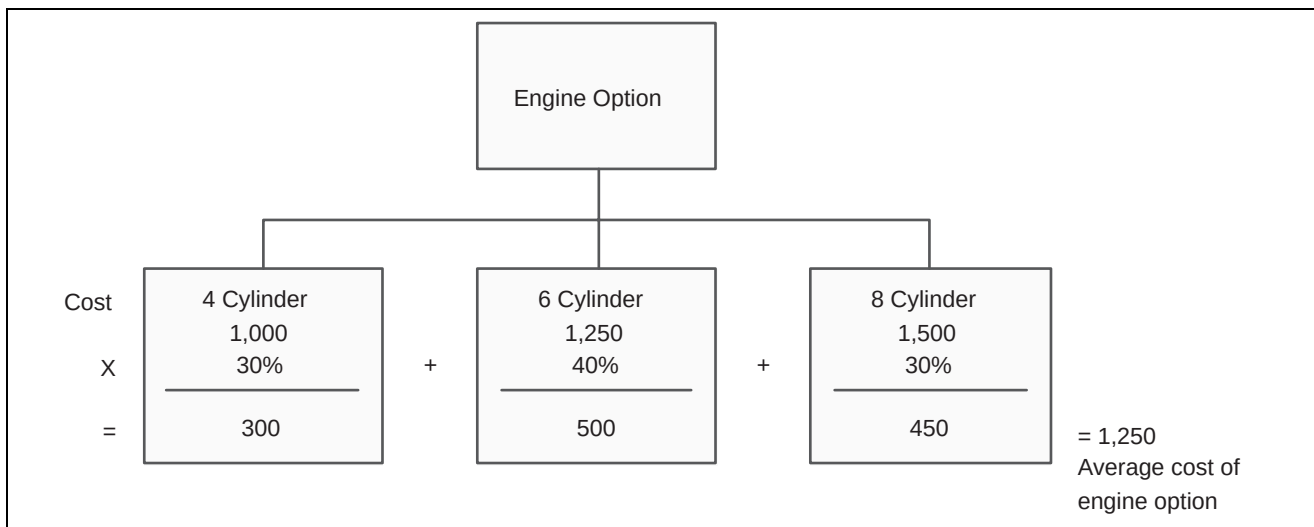
Understanding Kit Items

When you use kit items with options, the Simulate Rollup program (R30812) calculates the average cost of the parent phantom item, based on the feature costing percentage, as these considerations indicate:

- The parent phantom item must have a stocking type of M (manufactured).
The options can be manufactured or purchased.
- The feature costing percentages of the components are user defined on the bill of material.
- The Simulate Rollup program multiplies the feature costing percentage by the cost of the option (from the Item Cost File table [F4105]) to determine the option's share of the parent phantom item's average cost.

- The program then adds monetary amounts for each option to determine the average cost for the parent phantom item.

This diagram illustrates product costing for a kit item.



Product Costing for a Kit Item

Understanding Configured Items

Costing for configured items is different from costing for non-configured items because configured items do not have a standard bill of material or routing. Because no standard configuration exists, costing cannot be established before you enter an order. The discrete standard cost rollup concept does not apply to a configured item, so the Cost Simulation - Build Temp program (R30812) is never executed and no frozen standard costs exist in the Item Cost Component Add-Ons table (F30026).

However, standard costs for purchased parts and manufactured parts that are used by configured items must be established and frozen (07 Cost Method) in the Item Cost File table (F4105) to be factored into the calculated costs for configured item work orders.

The Order Processing (R31410) program performs a cost rollup when it attaches a parts list and routing to a work order for a configured item. A processing option instructs the program to calculate the costs. The costs are stored in the Column 1 - Frozen Standard field in the Production Cost table (F3102), not table F30026.

The costs are the accumulation of the standard costs for the components, the labor and overhead values that are defined in manufacturing constants, the attached routing and work center information, and work order values.

For a configured item, the A1 material cost is calculated from the total cost of its direct components. The components are defined by the P and Q assembly inclusion rules.

B1 direct labor cost is calculated from the item's routing, which is defined by the R assembly inclusion rule.

Cost defined by the X assembly inclusion rules affects only the sales order and not the work order. Thus, associated X assembly inclusion rule costs are not seen in table F3102.

Note. If you use cost method 02 (Weighted Average) or cost method 09 (Actual, Manufacturing), processes and configured items are not supported. The content in this topic does not apply.

After Order Processing establishes the standard costs for the configured items, journal entries for configured items are created in the same way as for non-configured items.

Sales quotes for configured items are an exception to the standard costing rule for configured items. The standard cost for a configured item on a sales quote is calculated without running Order Processing if the Cost Sales Quote functionality is turned on in Configurator Constants (P3209).

The source of cost generation in table F3102 for configured items includes:

- Costing Method: Standard Costing
- Standard: R31410
- Current: Not used
- Planned: R31802A
- Actual: R31802A
- Completed: R31802A
- Scrapped: R31802A
- Unaccounted Completed: Not used
- Unaccounted Scrapped: Not used

Understanding Process Manufacturing

Process manufacturing creates a product by mixing, separating, forming, or performing chemical reactions. This is usually a two-step procedure, which consists of a mixing or blending step, followed by a filling or packaging step. This type of manufacturing can also include intermediate steps, such as curing, baking, or fermenting.

Some of the items that process manufacturing companies create include:

- Liquids
- Fibers
- Powders
- Gases

Pharmaceuticals, foods, and beverages are specific examples of industries that often use process manufacturing.

A process includes ingredients (equivalent to parts on a work order) and a process routing or recipe.

Ingredients are the components of a process. You attach an ingredients list to a process (in the same way that you attach a parts list to a routing) as part of setup.

If an ingredient in a process has extra costs built into its cost, the system allocates the extra costs to the co-and by-products in the same way that the ingredients are allocated. That is, the extra costs are allocated in the same sequence that the ingredients are consumed and at the feature cost of the co-by-product.

The output from a process includes:

Intermediate	The output from an operation that is used as the input to the next operation. No cost is associated with an intermediate.
By-product	The material produced incidental to (or as a residual) of the process.
Co-product	An end item produced as a result of the process. Usually, two or more co-products result from a process.

You define a process item with ingredient relationships. These relationships also determine intermediates, by-products, co-products, and substitutions. You also define the steps that are required to produce a manufactured item with process routings. These routings determine work centers and labor standard costs.

When you run the Simulate Rollup program (R30812), you must set the processing option to include the cost for the co- and by-products. To determine the cost for the co- and by-products as produced in the process, the system performs the following calculation:

Divides the costs for the process into the co-and by-products according to how the feature cost percentage is set up

The system then uses the information from the Co-Products Planning/Costing Table (F3404) to allocate the cost from each process and to determine the standard cost for the co- and by-products.

Understanding Co-Products and By-Products

Co-products are produced, usually together, as a result of a process routing. They are normally the main products (end items) that are sold to customers.

A by-product is a material of value that is produced incidental to or as a residual of the production process. By-products can be recycled, sold as-is, or used for other purposes.

Co-products and by-products are costed using the Feature Cost Percent field. Extra costs for co-/by-products do not use feature cost percents.

Example: Feature Cost Percent and Co-Product and By-Product Costing

This list applies to the example of feature cost percent and co-/by-product costing:

- Cumulative cost = cost this operation + cost of previous operation - cost of the co-/by-product produced in the previous operation.
- The total of all percentages at an operation cannot exceed 100 percent.
- The total of all percentages at the last operation must equal 100 percent.

Operation	Co-/By-Product	Percent	Cost This Operation	Cumulative Cost	Co-/By-Product Cost
10	By 1	10	100.00	100.00	10.00
20	Co 1	30	100.00	100.00 + (100.00 - 10.00) = 190.00	57.00
	Co 2	20			38.00
30			100.00	100.00 + (190.00 - 95.00) = 195.00	
40	Co 3	60	100.00	100.00 + 195.00 = 295.00	177.00
	Co 4	30			88.50
	Co 5	10			29.50

This list identifies calculations for feature cost percent and co-/by-product costing:

- Co-/by-product cost at an operation = cumulative cost at an operation multiplied by the feature cost percent.
- Cumulative cost = cost this operation + cost of previous operation - cost of the co-/by-product produced in the previous operation.
- The total of all percentages at an operation cannot exceed 100 percent.
- The total of all percentages at the last operation must equal 100 percent.

Example: Extra Costs for Co-Products and By-Products

Extra costs are not associated with a particular step of the process.

Therefore, feature cost percentages are not used for distributing the extra costs. Instead, the system:

- Determines the total of the net-added B1 through C4 costs for all of the co-/by-products.
- Calculates the percent of this total that each co-/by-product represents.
- Uses this percentage to allocate the extra costs.

In this simulated rollup of cost components for a process, the cost of extra cost X3 (Outbound Freight) is included for the amount of the process:

Cost Type	Net Added	Total
A1 Material		40.00
B1 Direct Labor	20.00	20.00
B2 Setup Labor	40.00	40.00
B3 Machine Run	20.00	20.00
C1 Machine Variable	20.00	20.00
C2 Machine Fixed Overhead	20.00	20.00
C3 Labor Variable	60.00	60.00
C4 Labor Fixed Overhead	60.00	60.00
X# Freight Out	40.00	

Simulated, Frozen, and Cost Ledger are each 280.00.

When you run a cost rollup program to include the X3 cost type, the program determines the percentage that each co-/by-product contributes to the total B1 through C4 costs, as illustrated by this table:

Cost Type	BY 1	BY 2	CO 1	CO2	Total
B1		10.00	5.00	5.00	20.00
B2	10.00	10.00	10.00	10.00	40.00
B3	10.00		5.00	5.00	20.00
C1	10.00		5.00	5.00	20.00

Cost Type	BY 1	BY 2	CO 1	CO2	Total
C2	10.00		5.00	5.00	20.00
C3	10.00	20.00	15.00	15.00	60.00
C4	10.00	20.00	15.00	15.00	60.00
Totals	60.00	60.00	60.00	60.00	240.00
Percent of Total	25 percent	25 percent	25 percent	25 percent	100 percent

Because all four co-/by-products have the same total costs, each is allocated 25 percent of the extra cost X3 (Freight Out) in the rollup.

When you review the cost for this item after the rollup, the simulated cost appears as this table indicates:

Cost Type	Net Added	Total
A1 Material		10.00
B1 Direct Labor	5.00	5.00
B2 Setup Labor	10.00	10.00
B3 Machine Run	5.00	5.00
C1 Machine Variable	5.00	5.00
C2 Machine Fixed Overhead	5.00	5.00
C3 Labor Variable	15.00	15.00
C4 Labor Fixed Overhead	15.00	15.00
X# Freight Out	10.00	10.00

Simulated Cost = 80; Frozen and Cost Ledger each = 70.00

Understanding the Co/By-Products Planning Table Program

You use the Co/By Products Planning Table program (P3404) to determine:

- The percentage of the demand for co-products that is satisfied from process work orders.
- The percentage of the manufacture for the item that is satisfied from other sources, such as purchase orders or work orders for the co-products themselves.

You set up the planning table to specify the process that the system uses to calculate the costs of co- and by-products, as well as the processes that the system uses for demand planning. Because a co- or by-product can be produced by more than one process, depending on how often a process is used, you can assign a weight to the costs for each process on the planning table.

Normally, all demand for co- and by-products is satisfied from process work orders. However, you can specify a percentage from the item process and from a bill of material and routing for a discrete co-product. To do so, enter less than 100 percent in the table. For example, you might enter 50 percent for the item process. The remainder is satisfied by discrete work orders for the co-product.

You can also have a co-product that is produced entirely by more than one process. For example, two processes can have a 75 percent to 25 percent relationship between them. Both processes appear on the Co/By-Products Planning Table form when you locate the co-product. In these situations, you must set up the co-/by-products planning table with a cost percent equal to 100. This ensures that the rollup program calculates the costs of co- and by-products correctly.

When more than one process creates the same co- or by-product, use the planning table to allocate the cost of the co- or by-product among the processes. You can assign a weight to the costs from each process.

For example, you might have a co-product that is produced by two processes:

- The normal manufacturing process, which you use 90 percent of the time.
- A second process, which you use for rush orders 10 percent of the time, and that has costs that are much higher than the normal.

You can set up the planning table that allows the co-product's standard cost to reflect the extra costs that you incur 10 percent of the time.

Understanding Percent Bills of Material

In either process or discrete manufacturing environments, you use a percent bill of material to express the parts or ingredients as a percentage of the parent quantity.

If you use percent bills of material, the system calculates costs based on the quantities specified in the percent bill. Quantities are expressed in percentages (such as 75 for 75 percent), and the total of the component quantities must equal 100. Components must have a unit of measure that can convert to the parent unit of measure without causing rounding errors. For bills of materials with a zero batch quantity, the cost rollup calculates the cost for one primary unit of measure for the parent product.

Forms Used to Work with Product Costing in Various Supply Chain Environments

Form Name	Form ID	Navigation	Usage
Work with Routing Operations	W3003C	Daily PDM Process (G3012), Enter/Change Process	Work with routing operations.
Enter Process Information	W3003B	Complete the appropriate fields on the Work with Routing Operations form, and then select Revision from the Form menu.	Enter process information.
Enter Ingredients	W3002A	On Enter Process Information, select Ingredients from the Form menu on the Enter Process Information form.	Enter ingredients.

Page Name	Object Name	Navigation	Usage
Co/By Product Revision	W3002PA	On Enter Ingredients, select Co/By Revisions from the Form menu on the Enter Process Information form.	Make changes to a co-product or by-product.
Co/By Product Revision	W30026C	Daily Product Costing (G3014), Enter/Change Cost Components	Work with cost components.
Co/By Product Selection	W30026J	Select an item on the Work With Cost Components form, and then select Co/By Product from the Form menu.	Display costs for a co-product or by-product.
Work With Costed Routing/Process	W30208A	Product Costing (G3014), Costed Routing/Process Inquiry	Work with a costed routing or process.
Operation Bucket Key Window	W30COA	Select an item on the Work With Costed Routing/Process form, and select Op Bucket Window from the Form menu.	Review an item's operation buckets.
Work With Costed Bill	W30206A	Select Costed Bill from the Form menu on the Work With Costed Routing/Process form.	Work with a costed bill.
Costed Routing Details	W30208B	select Details from the Row menu on the Work With Costed Routing/Process form.	View costed routing details.
Work with Co/By-Products Planning Table	W3404M	Product Costing Setup (G3042), Co/By Products Planning Table	Work with the Co/By-Products Planning table.
Co/By-Products Planning Table Revisions	W3404N	Select a co-product or by-product, select a process, and click Select on the Work with Co/By-Products Planning Table form.	Make changes to the Co/By-Products Planning table.
Enter Bill of Material Information	W3002A	Daily PDM Discrete (G3011), Enter/Change Bill Select a record on the Work with Bill of Material form, and click Select.	Enter or review information about bills of material.

Reviewing Product Costing for Processes

Access the Enter Process Information form:

Enter/Change Process - Enter Process Information

OK Delete Cancel Form Row View Tools

Branch/Plant M30

Process 5000 Lubricant Process

Batch Quantity EA

As of Date 10/27/2004 Line/Cell * Routing Type M

Item Rev. Drawing No Skip to Oper. *

Records 1 - 5 [Customize G](#)

	Work Center	Oper Seq#	Description	Activity Code	Run Labor	Run Machine	Setup Labor
☐	200-201	10.00	Filter bulk oil		0.00	1.00	0.25
☐	200-202	20.00	Blend additives		0.00	0.25	0.00
☐	200-203	30.00	Refine		0.00	2.00	0.00
☐	200-202	40.00	Blend graphite		0.00	0.25	0.00
☐							

Enter Process Information form

To review product costing for a process:

- Complete these fields and select Find on the Work with Routing Operations form:
 - Branch/Plant
 - Item Number
 - Batch Quantity
- Review these fields:
 - Run Labor
 - Run Machine
 - Setup Labor
- Select Revision from the Form menu.
- Review these fields on the Enter Process Information form:
 - Crew Size

This is the number of people who work in the specified work center or routing operation. The system multiplies the Run Labor value in the Routing Master table (F3003) by crew size during costing to generate total labor amounts. If the Prime Load Code is L or B, the system uses the total labor hours for backscheduling. If the Prime Load Code is C or M, the system uses the total machine hours for backscheduling without modification by crew size.

The Crew Size field on the Work Order Routing form contains the value entered on the Work Center Revision form (P3006). You can override the value by changing this field on the Work Order Routing form. However, the Work Center Revision form will not reflect this change.

- Cost Type

- Type Oper

This is a UDC (30/OT) that indicates the type of operation. Valid values include A (alternate routing), TT (travel time), IT (idle time), and T (text).

For Product Costing, only operations with a blank type operation code are costed.

- Yield %

- Cum Yield %

This is the cumulative planned output yield percent for a step. The system uses this value to adjust the operation step scrap percent for the components at that operation step. This enables the MRP system to use the operation step scrap percent along with the existing component scrap percent to plan component demand.

- Time Basis

A UDC (30/TB) that indicates how machine or labor hours are expressed for a product. Time basis codes identify the time basis or rate to be used for machine or labor hours entered for every routing step. For example, 25 hours per 1,000 pieces or 15 hours per 10,000 pieces. You can maintain the time basis codes in Time Basis Codes. The system uses the values in the Description-2 field on the User Defined Codes form for costing and scheduling calculations. The description is what the code represents, but is not used in calculations.

Reviewing Product Costing for Ingredients

Access the Work with Routing Operations form:

Enter/Change Process - Enter Ingredients

OK Find Delete Cancel Form Row Report Tools

Branch/Plant M30

Process 5000 Lubricant Process

Batch Quantity EA

As of Date 10/27/2004 Type of Bill M Oper Seq# 10.00

Drawing # Item Rev. Level Skip to Line No. *

Records 1 - 2						
	Item Number	Description	Quantity	UM	Active Ingr. Flag	F V
☐	5001	Oil	0.000050	GA		V
☐			1.000000			

Enter Ingredients form

To review product costing for ingredients:

1. Complete these fields and select Find on the Work with Routing Operations form:

- Branch/Plant
- Item Number

2. Select Revision from the Form menu.
3. Select Ingredients from the Form menu on the Enter Process Information form.
4. Review these fields on the Enter Ingredients form:
 - Item Number
 - Quantity
 - UM
 - F V
 - Feat Cost %
 - Percent Scrap
 - Operation Scrap Percent

Reviewing Inputs to Co-Product and By-Product Costing

Access the Co/By Product Revision form:

Enter/Change Process - Co/By Product Revision

OK Delete Cancel Tools

Operations Sequence Number Filter bulk

Records 1 - 2

	Co By	Co/By Product	Description	Output Quantity	UM
☐	B	5010	Sludge	0.0002	GA
☐					

Co/By Product Revision form

To review inputs to co-/by-product costing:

1. Complete these fields and select Find on the Work with Routing Operations form:
 - Branch/Plant
 - Item Number
2. Select Revision from the Form menu.
3. Select Co/By Revision from the Form menu on the Enter Process Information form.
4. Review these fields on the Co/By Product Revision form:

- Output Quantity

This is the quantity of finished units that you expect this bill of material or routing to produce. This field allows you to specify varying quantities of components based on the amount of finished goods produced. For example, 1 ounce of solvent is required per unit up to 100 units of finished product. However, if 200 units of finished product is produced, 2 ounces of solvent are required per finished unit. In this example, you would set up batch quantities for 100 and 200 units of finished product specifying the proper amount of solvent per unit.

- UM

This is a UDC (00/UM) that indicates the quantity in which to express an inventory item, for example, CS (case) or BX (box).

- Feat Cost %

This is a percentage that the Simulate Cost Rollup program uses to calculate the cost of a feature or option item as a percentage of the total cost of the parent. Enter the percentage as a whole number, for example, enter 5 percent as 5.0.

This value is used in Cost Rollup to calculate what percentage of the cost, up to and including the operation, that the co-product and by-product comes out of, is apportioned to the co-products and by-products at that step.

The total of all percentages at an operation cannot exceed 100 percent. All percentages at the last operation must total 100 percent.

- Resource %

This number indicates what percent of the ingredients should be issued separately to co-products and by-products.

This is used to issue ingredients separately to co-products and by-products at work order completion, rather than a total issue for each ingredient.

For co-products and by-products at the final operation, their resource percent must total 100 percent to issue all ingredients.

Reviewing Co-Product and By-Product Costs

Access the Work With Cost Components form:

Enter/Change Cost Components - Work With Cost Components

Select Find Add Copy Close View Form Row Tools

Simulated Manufactured Branch/Plant M30

Item Number 5000 Lubricant Process

Unit of Measure EA Each

Cost Method 07 Standard

Stocking Type R Process

Simulated 529.5342

Frozen 529.5342

Cost Ledger 529.5342

Records 1 - 7 Customize Grid

Cost Type	Description	Simulated Net Added	Simulated Total	Sim Fac Code	Simulated Factor	Simulated Rate Code
☒ A1	Material		526.7180			
☐ B2	Setup Labor	2.0000	2.0000			
☐ B3	Machine Run	0.0140	0.0140			
☐ C1	Machine Variable Overhead	0.0011	0.0011			
☐ C2	Machine Fixed Overhead	0.0011	0.0011			
☐ C3	Labor Variable Overhead	0.4000	0.4000			
☐ C4	Labor Fixed Overhead	0.4000	0.4000			

Work With Cost Components form

To review co-product or by-product costs:

- Complete these fields and select Find on the Work With Cost Components form:
 - Branch/Plant
 - Item Number
- From the Form menu, select Co/By Product.
- Select a co-/by-product and click Select on the Co/By Product Selection form.

The system displays the costs for the co-/by-product on the Work With Cost Components form.

Reviewing a Costed Process

Access the Work With Costed Routing/Process form.

To review a costed process:

- Complete these fields and select Find on the Work With Costed Routing/Process form:
 - Branch/Plant
 - Item Number
- Review these fields:
 - Requested Quantity
 - As of Date
 - Cost Method

- Routing Batch Qty
 - BOM Batch Qty
 - Work Center
 - Oper Seq#
 - Labor
 - Machine
 - Overhead
 - Components
 - Total
3. Select Frozen or Simulated from the View menu to toggle between frozen and simulated costs.
 4. Select Op Bucket Window from the Form menu to review the item's operation buckets.
 5. Review the information and then select Close on the Operation Bucket Key Window form.
 6. Select Costed Bill from the Form menu on the Work With Costed Routing/Process form.
 7. Review the information on the Work With Costed Bill form.

You can review the ingredient costs for a single operation or for all ingredients throughout all operations in the process. These costs are from the Cost Components program (P30026) and reflect the last simulated rollup. Thus, the costs might differ from those on Work With Costed Routing/Process if you have changed the process since the last rollup.

8. Select Close.
9. Review all of the costs that are associated with an operation select Details from the Row menu on the Work With Costed Routing/Process form.
10. Review the information on the Costed Routing Details form.

The cost components are grouped according to cost buckets.

11. Select Close.

Costed Routing/Process Inquiry Program (P30208)

Use the Costed Routing/Process Inquiry program (P30208) to review the summarized costs of an item for each operation in the process.

This information can help you effectively manage production costs; for example, you can:

- Review the work center that is responsible for an operation.
- Determine whether a work center performs multiple operations.
- Display simulated or frozen costs for labor, machine, and overhead values by cost method.
- Calculate the totals for all costs by cost categories.
- Review the costs of the ingredients.
- Review the costs of the co- and by-products.
- Review the costs for different quantities and units of measure.

This feature allows you to simulate different scenarios and review the costing effect.

This program calculates the cost associated with each cost component in the same way as the Simulate Rollup program (R30812) calculates costs.

Setting Up the Co/By-Products Planning Table

Access the Work with Co/By-Products Planning Table form:

Co/By Products Planning Table - Work with Co/By-Products Planning Table

Select Find Close Tools

Branch/Plant M30

Co/By-Product 5010 Sludge

As of *

Records 1 - 1

Process / Item	Description	Pro	Plan %	Cost %	Effective From
5000	Lubricant Process	Y	0.00	0.00	

Work with Co/By-Products Planning Table form

To set up the co-/by-products planning table:

- Complete these fields and select Find on the Work with Co/By-Products Planning Table form:
 - Branch/Plant
 - Co/By-Product
- Select a process and click Select.
- Complete these fields for each process on the Co/By-Products Planning Table Revisions form:

- Process / Item

A number that the system assigns to an item. It can be in short, long, or third item number format.

On this form the field identifies the parent process item.

- Plan %

The percentage of demand for a specified feature based on projected production. For example, a company might produce 65 percent of their lubricant with high viscosity, and 35 percent with low viscosity, based on customer demand. The Material Planning system uses this percentage to accurately plan for a process's co-products and by-products. Enter percentages as whole numbers, for example, enter 5 percent as 5.0. The default value is 0 percent.

On this form the field specifies the percentage of supply from a specific process.

- Cost %

A percentage that the Simulate Cost Rollup program uses to calculate the cost of a feature or option item as a percentage of the total cost of the parent. Enter the percentage as a whole number, for example, enter 5 percent as 5.0.

Use the field to calculate the cost of a co-/by-product when it can be produced from more than one process, or from a combination of a process and a work order.

This value determines what percent of the cost of the co-/by-product is allocated to the selected process.

- Effective From
- Effective Thru Date

4. Select OK when the information is accurate for all listed processes.

See Also

PeopleSoft EnterpriseOne Product Data Management 8.11 PeopleBook, “Working With Process Manufacturing,” Entering a Co- and By-Products List

Reviewing Product Costing for Percent Bills of Material

Access the Enter Bill of Material Information form:

Enter/Change Bill - Enter Bill of Material Information

OK Find Delete Cancel Form Row Report Tools

Parent Item: 4110 Branch/Plant: M30
 Batch Quantity: 0.2000 LT Concentrate, Sport Drink
 As of Date: * Type of Bill: M Oper Seq#: *
 Drawing #: Item Rev. Level: Skip to Line No. *

Records 1 - 5

☐	☐	Item Number	Description	Quantity	UM	Active Ingr. Flag	F V
☐		4101	Water, Purified	0.500000	ML		%
☐		4102	Electrolyte	0.380000	ML		%
☐		4103	Flavoring, Lime	0.100000	ML		%
☐		4104	Coloring, Green #8	0.020000	ML		%
☐				1.000000			

Enter Bill of Material Information form

Quantity

Enter the number of units that the system applies to the transaction.

A number that indicates how many components you use to manufacture the parent item. A quantity of zero is valid. The default value is 1.

FV

Enter a code that indicates if the quantity per assembly for an item on the bill of material varies according to the quantity of the parent item produced or is fixed regardless of the parent quantity. This value also determines if the component quantity is a percent of the parent quantity. Values are:

F: Fixed Quantity.

V: Variable Quantity (default).

%: Quantities are expressed as a percentage and must total 100 percent.

For fixed-quantity components, the Work Order and Material Requirements Planning systems do not extend the component's quantity per assembly value by the order quantity.

CHAPTER 5

Using the Manufacturing Accounting System

This chapter provides overviews of the Manufacturing Accounting system, work orders, and journal entries, and discusses how to:

- Create journal entries for work in process or completions.
- Review production costs
- Create journal entries for variances.
- Review general ledger batches
- Post manufacturing journal entries to the general ledger.

Understanding the Manufacturing Accounting System

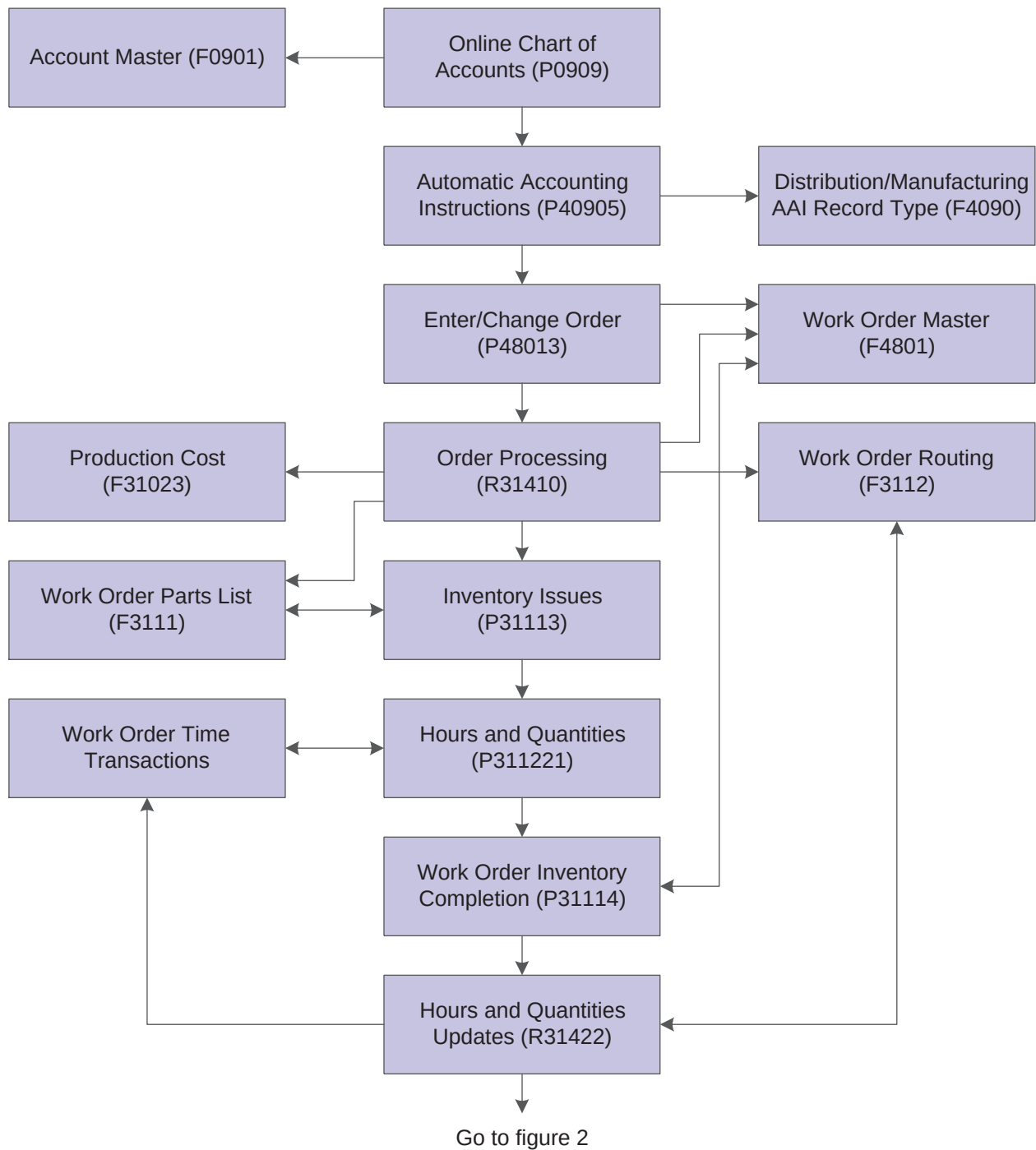
This section discusses:

- Manufacturing accounting process flow
- Interaction with General Accounting
- Manufacturing variances
- Transaction flow for Manufacturing Accounting.

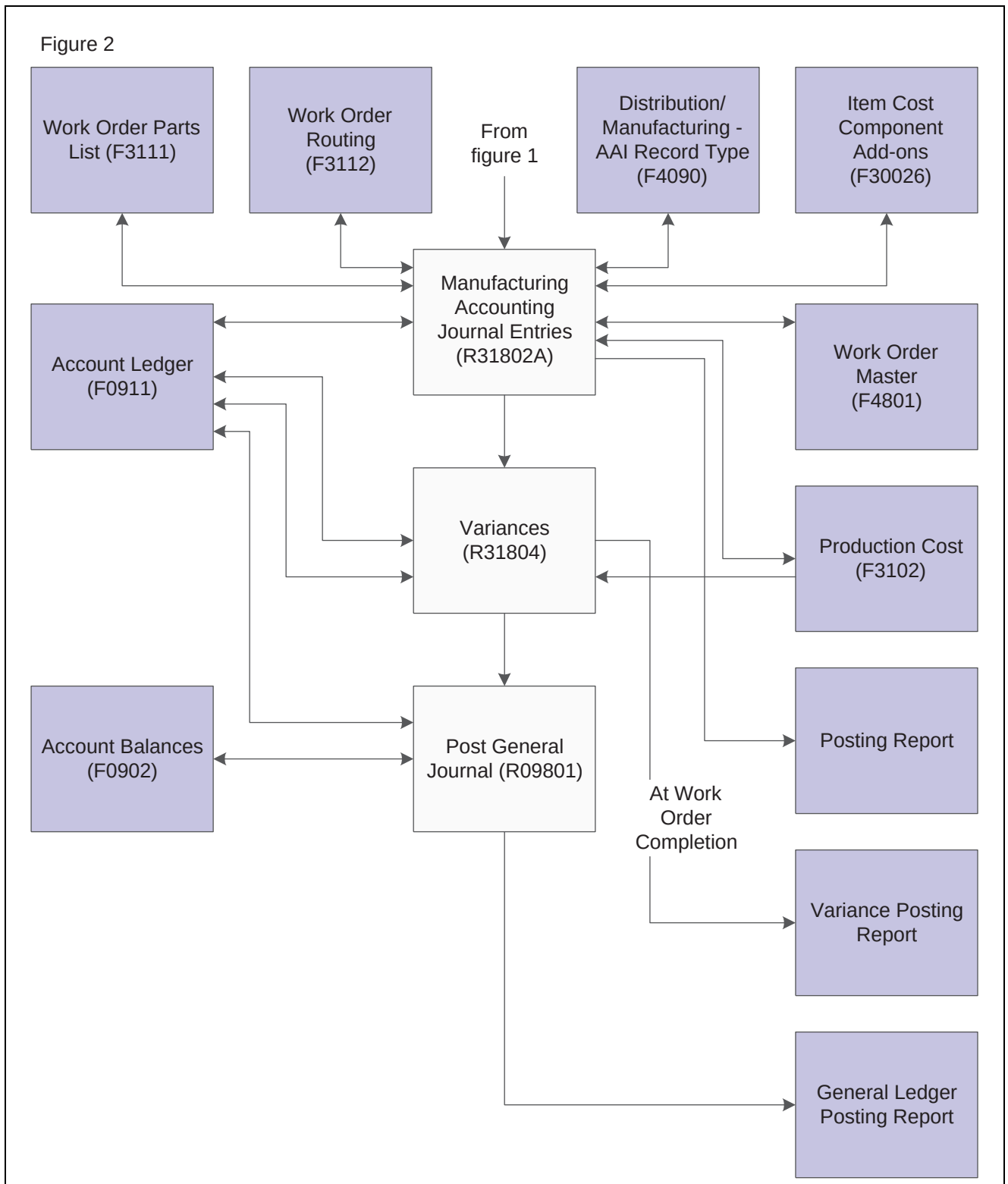
Manufacturing Accounting Process Flow

This two-part flow diagram illustrates the Manufacturing Accounting processes:

Figure 1



Manufacturing Accounting process flow (figure 1 of 2)



Manufacturing Accounting process flow (figure 2 of 2)

Interaction with General Accounting

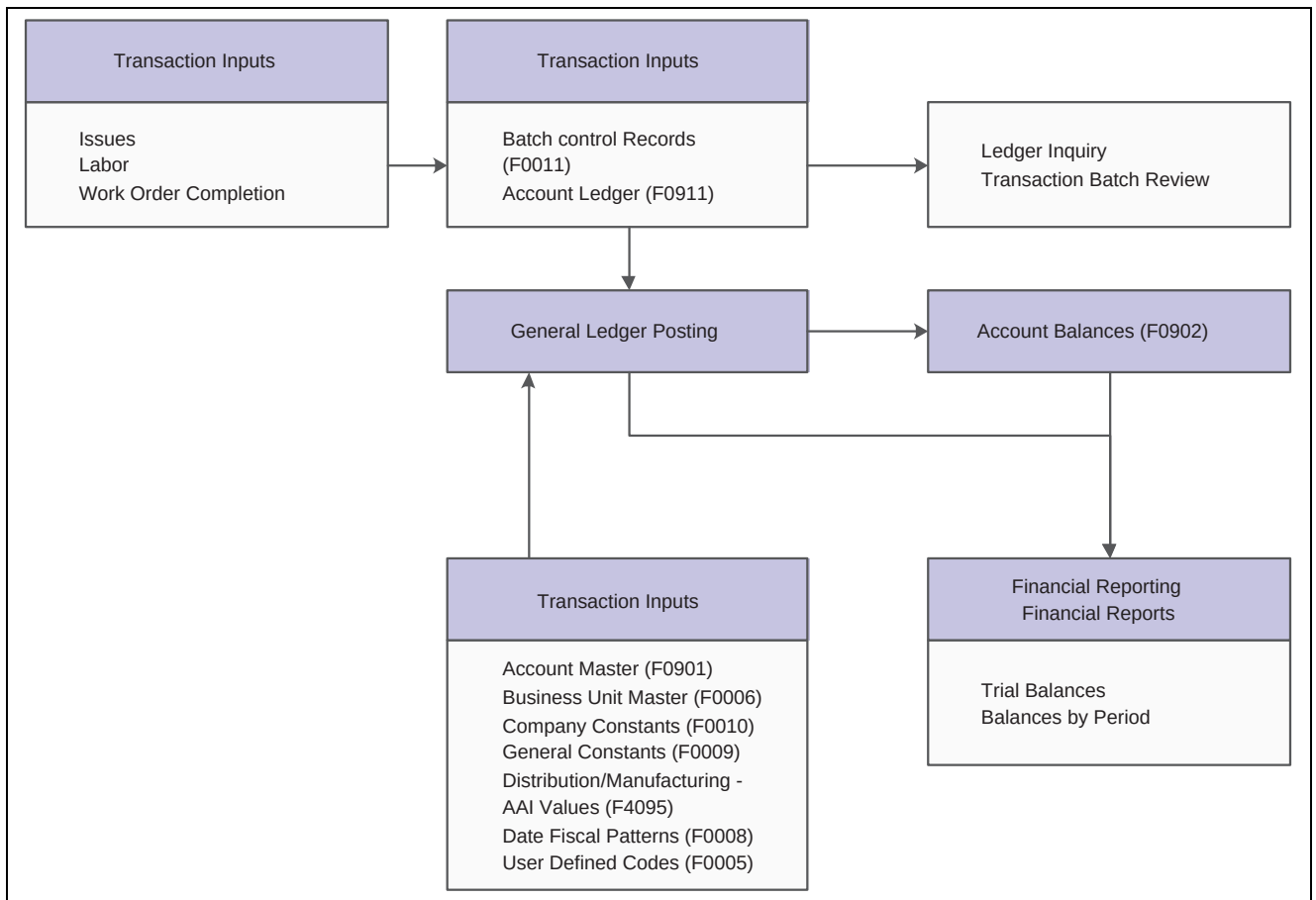
To remain competitive in a changing business environment, companies must integrate all aspects of their operation. This includes identifying operations that reduce lead times, expedite speed-to-market, and reduce operating costs. The objective is to reduce costs that are passed along to customers and to remain a competitive market player.

After a company defines item costs and identifies how each cost is derived, it might choose to transfer these cost records into the accounting records. When a company uses a manufacturing accounting system, it can track the costs that are associated with each activity within the manufacturing process. As material is received into inventory, issued to a manufacturing order, and used at various stages within the manufacturing cycle, the company maintains detailed accounting records that reflect debits and credits to predetermined financial accounts. These records can be transferred to the general ledger to balance financial records throughout the manufacturing cycle.

The ability to perform standard costing (comparisons based on frozen costs), or actual costing (comparison of expected cost versus actual cost) enables companies to accurately account for the cost of manufacturing. Comparisons can identify areas that deviate from original cost expectations. Managers can then make better-informed decisions and implement a course of action to reflect current costs in the ultimate cost of the products. Work in process and on-hand inventory can be revalued to reflect these updated costs.

In volatile and dynamic industries, such as electronics and other technologies, constant changes in technology and customer demand, product configuration, and production processes need to be constantly monitored. Changes need to be integrated and reflected throughout product life cycles as quickly as possible. Industries remain competitive in the global marketplace only if they minimize time to market for new products and reduce costs.

This flowchart illustrates the interaction between the Manufacturing Accounting system and the General Accounting system:



Interaction between Manufacturing Accounting and General Accounting

See Also

PeopleSoft EnterpriseOne General Accounting 8.11 PeopleBook

Manufacturing Variances

Variances occur when the actual cost differs from the predefined or expected cost. These variances can be due to differences in labor or overhead, or changes to the bill of material or routing.

This table discusses each variance type:

Variance Type	Description
Engineering	The difference between the frozen standard costs (material, labor, and overhead) and the current costs that are derived from the bills of material, routings, and overhead rates.
Planned	The difference between the current costs that are derived from the bills of material, routings, and overhead rates at the time that the parts list and routing were attached, and the costs that are based on the work order or rate schedule parts list and routing instructions. Planned variances can occur when you revise a work order or rate schedule.

Variance Type	Description
Actual	The difference between the cost values derived from the work order or rate schedule parts list and routing, and the material and labor that were actually reported for that work order or rate schedule. Actual variances can occur when you: • Issue material • Enter hours and quantities • Enter completions
Labor Efficiency	The difference between the planned and actual labor costs, based on the work order or rate schedule routing.
Material Usage	The difference between the planned and actual material costs, based on the work order or rate schedule parts list.
Other	A variances that results from: • A cost rollup that occurred in the middle of a work order or routing. You can eliminate this type of variance by running the WIP Revaluation program (R30837). • A rounding error When a difference exists between the number of decimals in the Production Cost table (F3102) and Item Cost Component Add-Ons table (F30026) and the Account Ledger table (F0911), the system produces a rounding variance. • Over- or under-completing a work order. This variance can be avoided by setting a processing option for the Variances program (R31804) to restate production costs.

Transaction Flow for Manufacturing Accounting

This table identifies which tables the manufacturing programs update; unless specified separately, the update applies to both standard and actual costing:

Table Column Heading	Work Order Master File (F4801) and Work Order Master Tag File (F4801T)	Work Order Parts List (F3111) and Shop Floor Control Parts List Tag Table (F3111T)	Work Order Time Transactions (F31122)	Work Order Routing (F3112) and Shop Floor Control Routing Instructions Tag Table (F3112T)	Production Cost (F3102)	Item Ledger File (F4111)	Account Ledger (F0911)
Order Processing (R31410)	Work order status and quantity on order Cost method in the tag file	Required quantity Accumulated costs in tag file		Required hours Outside operations in the tag file	Standard costing: standard units and amounts, current units and amounts Actual costing: current units and amounts		
Inventory Issues (P31113)		Quantity issued Unaccounted units and amounts in the tag file				Creates IM transactions (no batch number or GL date)	
Component Scrap (P31116)		Unaccounted units and amounts in the tag file					
Hours and Quantities (P311221) and Speed Time Entry (P051121)			Processed flag Hours reported				
Hours and Quantities Update (R31422)			Activates the processed flag	Unaccounted units and amounts			

Table Column Heading	Work Order Master File (F4801) and Work Order Master Tag File (F4801T)	Work Order Parts List (F3111) and Shop Floor Control Parts List Tag Table (F3111T)	Work Order Time Transactions (F31122)	Work Order Routing (F3112) and Shop Floor Control Routing Instructions Tag Table (F3112T)	Production Cost (F3102)	Item Ledger File (F4111)	Account Ledger (F0911)
Full Completion (P31114)	Work order status, unaccounted units and amounts for completions and scrap				Actual costing: unaccounted units and amount for completions and scrap	Creates IC and IS transactions (no batch number)	
Work in Progress (R31802A)	Work order status Resets unaccounted units to zero	Resets unaccounted units to zero		Resets unaccounted units to zero	Planned, actual, completions and scrap units and amounts Actual costing: resets unaccounted units and amounts for completions and scrap to zero	Batch number and GL date for IM, IC and IH transactions	Creates IM, IH, IS, and IC transactions
Variances (R31804)	Work order status, production price variance flag				Records variances and optionally updates standard, current, and planned amounts and units	For Cost Method 09 only Creates IB transactions	Creates IV transactions in the Account Ledger Actual Costing: creates IC, IS, and SO transactions

When you run the Work in Progress program, it updates the W.O. Cross Reference File table (F3106) with the work order number, document number, document type, GL date, and batch number, type, and date.

When you run the Post General Journal program (R09801), it updates all account balances in the Account Balances table (F0902).

Understanding Work Orders

This section discusses:

- Creation of work orders
- Parts lists and routings
- Revision of work orders
- Unaccounted units
- Inventory issue transactions
- Hours and quantities
- Outside operations
- Component scrap
- Completions

Creation of Work Orders

The Manufacturing Accounting system tracks costs that are associated with work orders and creates journal entries for all shop floor transactions. Each step in the work order process can affect manufacturing accounting. The principal effect is that, when you complete any step in the process, you create a transaction that can be the source of a variance. The system calculates the variances when you run the Variances program (R31804).

A work order is a request to produce a certain quantity of an item by a given date; a work order consists of:

- A header
- A parts list
- Routing instructions

To create a work order, you identify on the header the item, its branch/plant and quantity, and the requested date for the work order. After you have determined what resources are required to produce an item, you can schedule the work order and begin the work.

As you complete the work order, you must track:

- Completed items
- Materials used
- Quantities scrapped
- Hours of machine and personnel time used.

Parts Lists and Routings

After you have created a work order header, you must attach a work order parts list and work order routing to indicate the parts, personnel, machinery, and time required to make the items.

You can attach the parts list and routing instructions in one of these ways:

- Manually, by entering the required parts on the Work Order Parts List form (W3111A).
- Interactively, from the Enter/Change Order program (P48013).

This method uses the data from the item's bill of material or routing as the default data for the parts list or routing instructions. You can modify the data.

- Automatically, through the Order Processing program (R31410).

This method makes copies of the item's bill of material and routing and uses them for the initial parts list and routing instructions. You can modify the data. This method also allows you to attach the parts lists and routing instructions in a batch. You also use this method to generate a purchase order for outside operations.

Standard Costing

When the parts list and routing are attached either interactively or in batch, the system compares the frozen standard costs and the current costs and updates the Production Cost table (F3102). The frozen standard costs come from the Item Cost Component Add-Ons table (F30026), based on the original bill of material and routing. The current costs are calculated from the values in the Item Cost Component Add-Ons table, based on the current bill of material and routing instructions.

If a discrepancy exists between the frozen standard costs and the current costs, the amount of the discrepancy becomes the engineering variance. You can view engineering variances after you attach a parts list and routing instructions to a work order.

Actual Costing

For actual costing, the system calculates current costs and updates the Production Cost table (F3102). The system retrieves costs from the Item Cost File table (F4105), using the component's inventory cost method.

For current routing costs, the system retrieves labor and machine rates based on the manufacturing constants. The system can retrieve machine rates from the Equipment Rates table (F1301) and labor rates from the Employee Rates table (31/ER) that is set up in the Generic Message/Rates Records program (P00191). If you choose the Employee Rates table as a source of labor costs and the Equipment Rates table as a source of machine costs in the manufacturing constants, but do not enter them on the routing, the system issues a warning message and uses the rates from the Work Center Rates File table (F30008).

Revision of Work Orders

After you create a work order and attach a parts list and routing, you might need to make revisions. If you revise the quantity requested, the parts list, or the routing, you might also revise the cost of the work order. These revised costs are called planned costs.

When you run the Work in Progress program (R31802A), the system calculates the planned costs from the values in the parts list and routing instructions and updates the Production Cost table (F3102). The system compares the current costs to these revised planned costs. When a discrepancy exists between the current costs and the planned costs, the amount of the discrepancy becomes the planned variance.

Unaccounted Units

Unaccounted units represent the quantities and amounts of transactions that occur for a work order when you issue parts, or record labor or completions. You can use the Data Browser to review unaccounted units. They are stored by the system until you run the Work in Process program (R31802A) for work in process or completions. That program creates journal entries for the unaccounted units and then purges the unaccounted units.

The Work Order Parts List table (F3111) stores unaccounted units and amounts that are updated by work order issues.

The Work Order Routing table (F3112) stores unaccounted labor units and amounts. These are updated when you report labor and machine hours by running the Hours and Quantities Update program (R31422).

For standard costing, the Work Order Master File table (F4801) stores unaccounted units that are updated by work order completions. For actual costing, the Production Cost table (F3102) stores unaccounted units and amounts that are updated by work order completions.

Inventory Issue Transactions

You must send the required materials (parts) to the shop floor for production. You use the Inventory Issues program (P31113) to deduct from inventory the quantities issued to the shop floor through an issue transaction. This transaction reports the actual quantities and cost of materials that were used in the production process to the PeopleSoft Inventory Management and Manufacturing Accounting systems.

Inventory issue transactions do not have to occur at the same time that the physical transfer of inventory takes place. You can choose the point in the production process where you want the inventory records to reflect the issue of the parts to the work order.

This table identifies the four ways to issue material:

Issue Method	Description
Manual issue	Materials are deducted from inventory when you enter the issue transactions on the Issues form.
Preflushing	If the processing option is set to do so, materials are automatically deducted from inventory when a work order is processed through the Order Processing program (R31410).

Issue Method	Description
Backflushing	Materials are deducted from inventory when items on the work order are reported as complete. This might be when you report partial completions throughout the production process or when you report full completions at the last routing operation.
Super backflushing	Materials are automatically deducted from inventory at operations that are defined as pay points throughout the routing, when the pay points are reported as complete or partially complete. The Super Backflush program (P31123) allows you to simultaneously backflush materials and labor hours and report items that are complete at an operation. If you use the Super Backflush program to complete work orders that use actual costing, you issue all raw materials up to the last pay point and update the hours before proceeding to the Work Order Inventory Completion program (P31114). If you set the processing options to run the program in blind mode, the cost does not include the B1 through C4 costs for the transactions that you processed in this mode.

When you issue parts to a work order, the system immediately relieves parts from inventory and writes a material issue (IM) transaction to the Item Ledger File table (F4111). The unaccounted units and amounts are updated in the Work Order Parts List table (F3111) until you run the Work In Process program (R31802A) for work in process or completions.

Regardless of the method that you use to issue materials to a work order, when you run the Variances program (R31804), the system compares the cost of materials issued to the cost of materials specified on the parts list. The program calculates an actual variance for any discrepancy.

Depending on the costing method that you are using, the system performs these calculations when you issue materials:

Calculation	Description
Standard costing (method 07)	Calculates the amounts using the frozen value of the cost components, as taken from the Item Cost Component Add-Ons program (P30026).
Actual costing (method 02 or 09)	Calculates the amounts using the value in the Item Cost File table (F4105) for the component's inventory cost method.

Hours and Quantities

As you produce items on a work order, you record the hours spent on production and the number of items completed during that time.

You can enter hours and quantities data in one of these two programs:

- Speed Time Entry (P051121)
- Work Order Time Entry (P311221).

The PeopleSoft Shop Floor Management system interfaces with the Speed Time Entry program so that transaction data is usable in both the PeopleSoft Shop Floor Management and the PeopleSoft Payroll systems. You can record hours and quantities per work order or per employee to accommodate both piece-work and hourly-rate employees. The information entered in Payroll can update tables in the Manufacturing systems, but hours and quantities information entered through the Manufacturing programs does not update the tables in the Payroll system.

Use the Hours and Quantities program (P311221) to charge actual hours and quantities to a work order. The header information comes from the Work Order Master File table (F4801). The information that you enter is stored in the Work Order Time Transactions table (F31122).

Review programs and reports allow you to review and revise the hours and quantities reported by employee and by work order. After you have entered hours and quantities data, you post the transactions to the Work Order Routing table (F3112), where they are used to create journal entries. You can perform the post interactively when you record the hours and quantities, or you can run the Work Order Hours and Quantities Update program (R31422). The update takes the hours and quantities recorded for work order operations from the Work Order Time Transactions table and updates their respective fields in the Work Order Routing table (F3112). The transaction data is then available for use by the Work In Progress program (R31802A) for work in process or completions.

Standard Costing

When you update labor and machine hours, unaccounted units are stored in the Work Order Routing table. When you run manufacturing accounting, the system multiplies the unaccounted units by the frozen work center rates to calculate the amounts. Journal entries generated from routing activity are IH journal entries.

When you run the Variances program (R31804), the program compares the cost of materials and labor that was reported to the cost of materials and labor that is specified on the work order parts list and routing instructions. If a discrepancy exists, the program updates the actual variance in the Production Cost table (F3102).

Actual Costing

Depending on how you set up manufacturing constants, the system retrieves rates from one of these sources:

Rate Type	Sources
Labor rates	• Work Center Rates File table (F30008). • Employee rates from the Generic Message/Rates table (F00191). • Manually entered rates
Machine rates	• Work Center Rates File table. • Equipment Rates table (F1301) • Manually entered rates

Outside Operations

When you receive a purchase order for outside operations, you enter the quantity received, and the system displays the Routing Quantities and Status Window program (P3103) so that you can complete the transaction. When you receive the purchase order, the system creates an OV transaction to the Item Ledger File table (F4111) to increase the on-hand inventory for the quantity received. When you complete the routing information, the system updates the Item Ledger File table with an offsetting IM transaction. The net effect on the Item Ledger File table is a zero on-hand balance.

The receipt also updates the unaccounted units in the Work Order Routing table (F3112).

Depending on the cost method that you are using, the system completes:

Cost Method	Description
Standard costing (method 07)	Uses the frozen standard cost for the outside operations amount for cost method 07.
Actual costing (method 02 or 09)	Updates the amounts from the purchase order costs in the Work Order Routing table for cost methods 02 and 09.

Component Scrap

After you issue parts to a work order, you might need to report some of them as *scrapped*. Scrap is unusable material that results from the production process. You use the Component Scrap program (P31116) to specify the amount of material to be scrapped and the reason.

When you report the quantity of component material scrapped, you create a memo-only Item Scrap transaction (IO) in the Item Ledger File table (F4111). When you run the Manufacturing Accounting Journal Entries program (R31802A) for work in process or completions, the program calculates the new A2 cost value for the parent. When the amount of the scrapped material differs from the percent scrap amount on the bill of material, the system uses this difference to update the amount of the actual variance.

The Work Order Parts List table (F3111) stores unaccounted scrap amounts and units.

Completions

When you finish production of a work order on the shop floor, you must record the completions to finished goods inventory. These transactions update records in the PeopleSoft Inventory Management and Manufacturing Accounting systems.

Completions occur when you enter finished product into inventory as complete.

The PeopleSoft Shop Floor Management system provides several ways to complete products into inventory, including:

- Super backflushing
- Partial completion
- Full completion
- Backflushing at completion

When you record completions and parent scrap, unaccounted units and amounts are updated in the Work Order Master File table (F4801). For actual costing, units and amounts for completions and parent scrap are updated in the Production Cost table (F3102). Completion transactions (IC) are written to the Item Ledger File table (F4111). Scrap transactions (IS) are written to the Item Ledger File table as memo-only transactions.

The main difference between discrete manufacturing accounting and process manufacturing accounting is that with a process, completions are reported for the co-/by-products, and not for the parent process. You set a processing option to allow completions of unplanned co-/by-products. However, variances are reported for the process.

For actual costing, the system calculates a new unit cost and recalculates and updates the item cost record in the Item Cost File table (F4105) if the cost method is 09. The system updates the item cost record with the new unit cost and revalues on-hand inventory every time that you complete an item. The on-hand quantity is revalued at all lots and locations where the completion occurred. To revalue the work order being completed, you can set a processing option to automatically call the WIP Revaluation program (R30837) when you run the Work Order Inventory Completion program (P31114). The system revalues the work orders with the completed item, as well as their parent work orders.

Understanding Journal Entries

Before you post transactions to the general ledger, you create journal entries for work in process (issues, labor, and machine run time), completions, and manufacturing variances. If you have extra costs on purchased items, and you want to calculate their costs separately, you need to understand purchase price variance and material burden cost.

This section discusses:

- Journal entries and the three-tier process.
- Detail and summary journal entries.

Journal Entries and the Three-Tier Process

When you enter daily journal entries, you are performing the first of three steps in a three-tier process.

This process is used throughout all the PeopleSoft EnterpriseOne entry programs and includes these steps:

1. Entering journal entries into a batch.
2. Reviewing and approving the batch for posting.
3. Posting the batch transactions

Journal entries can occur in either of these two ways:

1. Manually, when you use the PeopleSoft General Accounting system to enter transactions:
 - Accruals
 - Adjustments
 - Reclassifications
2. Automatically, when the Manufacturing Accounting Journal Entries program (R31802A) for work in process or completions generates journal entries based on transactions in another system:
 - Manufacturing Accounting (variances)
 - Shop Floor Management

In the Manufacturing Accounting system, you create journal entries for various types of shop floor activity, including:

1. Material issues
2. Labor and machine reporting
3. Completions

4. Scrap
5. Variances, include:
 - Engineering
 - Planned
 - Actual (material usage, labor efficiency).
 - Other (volume)

Detail and Summary Journal Entries

You can enter detail or summary entries for both debit and credit journal entry transactions. Use the object portion of the account number to control the level of detail of the journal entries.

Detail Journal Entries

To enter detail journal entries for a work order or rate schedule by cost component, enter a different object or subsidiary account number for each cost component.

For example:

Cost Component	Business Unit	Account Number
A1	M30	1341
B1	M30	1342
B2	M30	1343

Summary Journal Entries

To summarize the cost components for an item on a work order into a single journal entry, enter the costs with the same object and subsidiary account number.

For example:

Cost Component	Business Unit	Account Number
A1	M30	1340
B1	M30	1340
B2	M30	1340

In addition, you can set processing options for the Manufacturing Accounting Journal Entries program (R31802A) to:

- Summarize material issues (document type IM) by account number within a work order.
Each unique combination of account number and work order number has one journal entry.
- Summarize all journal entries by account number across work orders.

The summary has one entry for the batch for each account. The entry is the sum of all work order transactions for each account by document type.

- Print a summarized accounting transaction report.

Creating Journal Entries for Work in Process or Completions

This section provides an overview of journal entry creation and discusses how to:

- Create Manufacturing Accounting journal entries.
- Set processing options for Manufacturing Accounting journal entries (R31802A).

Understanding Journal Entry Creation

You can create journal entries for shop floor activity. You can report transactions for material issues, completions, and labor and machine hours for a work order or rate schedule.

For standard costing, you can use processing options to specify whether the general ledger class code for inventory issue transactions is retrieved from the issue location or from the item branch record for the item. You can do so if the item has a valid record in the Item Location File table (F41021). Defining accounts for inventory cost allows you to more specifically track customer inventory, for example, as opposed to single-owner inventory.

If you use project accounting, you complete top-level items to project inventory accounts. However, when you need inventory for sales orders, the system searches general inventory accounts, not project accounts. To allow the Sales Order Management system to access the items that a project produces, you can set a processing option to create duplicate journal entries that credit a contra account and debit the general inventory account.

When you turn on the Cost by Work Center option in the Manufacturing Constants program (P3009), the system updates the Production Cost table (F3102) by the work center when you generate journal entries.

The program produces error messages if it finds any general ledger errors while formatting the journal entries. To read these error messages, review the workflow messages.

This program uses these AAI tables to match inventory and cost transactions to general ledger accounts:

Table	Description
3110 Credit inventory, raw materials, and subassemblies	Moves inventory cost from inventory during issue reporting. This AAI is not used for variance accounting.
3120 Debit or credit work in process	Moves inventory cost to work in process during inventory issue and shop hours reporting. This AAI also moves inventory from work in process during inventory completion reporting.
3130 Debit inventory, subassemblies, and finished goods	Moves inventory cost to inventory when completions are reported. This AAI is not used for variance accounting. For Engineer to Order projects, you set up the general inventory account using this AAI.

Table	Description
3401 Credit accruals	Moves shop hour cost to accruals during shop hours reporting. This AAI is not used for variance accounting.
3140 Project Inventory Contra Account	Debits and credits the contra account that allows the Sales Order Management system to access inventory that a project produces.

The system uses this data to match the transaction to the AAI account:

- Work order type for the AAI.
- Company number that is associated with the work order or component branch/plant. If the system does not find a match, it uses 00000.
- Document type associated with the transaction.
- General ledger category code for the transaction item. If the system does not find a match, it uses **** (four asterisks).
- Cost component
- Branch/plant

Standard Accounting

When you create journal entries, the program locates unaccounted units in the Work Order Parts List table (F3111), Work Order Routing table (F3112), and Work Order Master File table (F4801), and creates journal entries for them. The program then purges the unaccounted units.

The program also updates actual, planned, completed and scrapped costs in the Production Cost table (F3102). This information is used by the Variances program (R31804) to create journal entries for transactions with variances.

Note. After the Order Processing program (R31410) establishes standard costs for configured items, journal entries for configured items are created in the same way as for non-configured items.

Actual Accounting

For actual accounting, the program calculates costs:

Cost Type	Description
Material Costs (Ax)	The program retrieves the unaccounted units and amounts from the Work Order Parts List table (F3111).
Routing Labor Costs (Bx)	The program retrieves the unaccounted units and amounts from the Work Order Routing table (F3112).
Routing Overhead Costs (Cx)	Depending on the Overhead option you selected in the Manufacturing Constants program (P3009), the program calculates overhead costs based on labor and machine costs. To retrieve work center rates, the program uses the item's inventory cost method.

Cost Type	Description
Outside Operations (usually Dx)	The program retrieves outside operations costs from the unaccounted amount in the Work Order Routing table. When you receive the purchase order for the outside operation, the system updates the Work Order Routing table with the actual purchase order cost.
Extras (usually Xx)	The program calculates extra costs based on the item cost component record for the parent item in the Item Cost Component Add-Ons table (F30026).

The program updates the Production Cost table (F3102) with the new unit cost.

Creating Manufacturing Accounting Journal Entries

From the Manufacturing Accounting menu (G3116), select either Work in Process or Completions.

Setting Processing Options for Manufacturing Accounting Journal Entries (R31802A)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Default

- 1. General Ledger Date** Use this processing option to specify the date that appears on journal entries. If you leave this field blank, the program uses the system date.
- 2. Document Type for Scrapped Transactions** Use this processing option to specify which document type (00/DT) to assign to scrap transactions. If you leave this field blank, the program uses document type IS.
- 3. Document Type for Shop Floor Activity** If you do not use routings, use this processing option to specify the document type (00/DT) for journal entries on extra cost components. If you use routings, the program automatically assigns a document type of IH. If you leave this field blank, the program uses document type IH.
- 4. Status Code for Work Order** Use this processing option to enter a new work order status code (UDC 00/SS). The system updates the work order status only when the program is run in final mode. If you leave this processing option blank, the system does not update the work order status.
- 5. Subledger field** Use this processing option to specify whether the work order number is used as the default in the Subledger field. This option does not apply when using summarized journal entries. Values are:
Blank: Do not supply a default value.
1: Use the work order number as the default.

Process

These processing options control processing criteria.

- 1. Journal Entries Mode** Use this processing option to indicate whether the program runs in proof mode or final mode.

Regardless of which method you select, the status code on the work order is updated according to the value you enter in the Work Order Status Code processing option. Values are:

Blank: Proof mode. The program performs all calculations and edits, and prints them in the reports.

I: Final mode. The program creates journal entries and clears unaccounted units.
- 2. Summarize Material Issues WITHIN Work Order** Use this processing option to specify whether to summarize material issue journal entries by account within a work order. The program creates one journal entry for each unique combination of account number and work order number.

If you summarize, you will not be able to post detail journal entries using the Enterprise-Wide Profitability Solution. Values are:

Blank: Do not summarize by account.

I: Summarize by account.
- 3. Summarize by Account ACROSS Work Orders** Use this processing option to specify whether to summarize all journal entries by account across work orders. Values are:

Blank: Do not summarize.

I: Summarize all journal entries. This option will reduce the number of journal entries.
- 4. Flex Accounting** Use this processing option to indicate whether this program searches for flex accounting rules to populate cost objects in the Account Ledger table (F0911).

Flex accounting is required to attach cost objects to the journal entries. Values are:

Blank: Do not use flex accounting.

I: Use flex accounting.
- 5. Issues of Material credit - Business Unit** Use this processing option to indicate which branch/plant the program uses as the business unit for the credit side of material issue (IM) transactions. Values are:

Blank: Use the component branch/plant.

I: Use the branch/plant from the Charge to Cost Center field on the work order.
- 6. Journal Entries by Work Center** Use this processing option to specify whether the system generates accrual journal entries by work center or cost type for shop floor activity. If you leave this processing option blank, accrual journal entries are generated by cost type. Values are:

Blank: Write accrual journal entries by cost type.

I: Write accrual journal entries by work center.

7. Create Duplicate Journal Entries for Projects.

Use this processing option to specify whether the system generates a duplicate set of journal entries when you transfer amounts from a project-specific WIP account to a project-specific inventory account. The duplicate set of journal entries debits the general inventory account and credits the Contra account. This processing option applies to end-item manufacturing work orders for Engineer to Order projects. If this processing option is blank, the system creates journal entries to debit only the project-specific WIP account and credit the project-specific inventory account. You must create manual journal entries to transfer amounts from the project-specific inventory account to the general inventory account. Values are:

Blank: Do not generate duplicate journal entries.

I: Generate duplicate journal entries.

8. G/L Class Code for Material Issues

Use this processing option to specify which GL class code the system applies to the credit side of material issue transactions (IM) when you use standard costing. Values are:

Blank: Use the GL class code associated with the item branch record for the material.

I: Use the GL class code associated with the location from which the material was issued.

Print

These processing options control print criteria.

1. Accounting Journal.

Use this processing option to specify whether to print a report. Values are:

I: Print a report.

Blank: Do not print a report.

2. Subtotals.

Use this processing option to specify whether to print subtotals by document type and document number. Values are:

Blank: Do not print subtotals by document type and number.

I: Print subtotals by document type and document number.

3. Summarize Material Issues WITHIN Work Order for Report.

Use this processing option to specify whether to summarize journal entries from material issues (IM transactions) by account number within a work order on the report. This processing option does not affect the number of journal entries that the program creates. You can summarize the journal entries on the report whether you summarize the actual journal entries. Values are:

Blank: Do not summarize journal entries for material issues on the report.

I: Summarize journal entries for material issues on the report.

4. Summarize ACROSS Work Orders for Report.

Use this processing option to specify whether to summarize all journal entries by account across work orders on the report. This processing option does not affect the number of journal entries that the program creates. You can summarize the journal entries on the report whether you summarize the actual journal entries. Values are:

Blank: Do not summarize all journal entries on the report.

I: Summarize all journal entries on the report.

Reviewing Production Costs

This section provides an overview of production cost inquiries and discusses how to:

- Run a production cost inquiry.
- Set processing options for Production Cost Inquiry (P31022).

Understanding Production Cost Inquiries

The Production Cost Inquiry program (P31022) displays the costs and variances that are associated with a work order or rate schedule. When you activate the Cost by Work Center option in the Manufacturing Constants program (P3009) and define cost components by work center, the Production Cost Inquiry program displays cost information by work center. It also displays subtotals by cost components for the work centers in which they occur.

You can review variances by comparing amounts that the system calculated in one mode to amounts that the system calculated in another mode; modes include:

- Standard
- Current
- Planned
- Actual
- Completed
- Scrapped

The system updates the standard amount fields with information from the parts list and the routing when they are attached to the work order. The amounts represent the work order quantity multiplied by the frozen standard costs of the parent.

The system updates the current amounts from the parts list and routing when they are attached to the work order and represent the parts list quantity multiplied by the current frozen standard component costs and the current routing values multiplied by the frozen work center rates.

To generate the planned amounts, run the Manufacturing Journal Entries program (R31802A) in proof mode. These amounts represent the current parts list quantity multiplied by the frozen standard component costs and the current routing values multiplied by the frozen work center rates.

When you run the Manufacturing Journal Entries program in final mode, the system generates these amounts:

- Actual amounts, which represent the actual quantity multiplied by the frozen standard costs and the actual reported hours multiplied by the frozen work center rates.
- The completed and scrapped amounts, which represent the quantities completed and scrapped multiplied by the frozen standard costs of the parent item for each cost type.

For standard costing, review variances to identify errors before you run the Variances program (R31804). For example, if you did not issue parts to a work order or rate schedule, a large actual variance appears. You can issue the parts, rerun the Manufacturing Journal Entries program, and review the variances again. After you correct any errors, run the Variances program.

Note. You must use standard costing for configured items. If you manufacture configured items, no bill of material exists, so no engineering variance exists.

Form Used to Review Production Costs

Form Name	Form ID	Navigation	Usage
Production Cost Inquiry	W31022A	Manufacturing Accounting (G3116), Production Cost Inquiry	Review production costs.

Running a Production Cost Inquiry

Access the Production Cost Inquiry form:

Production Cost Inquiry - Production Cost Inquiry

Find Close Form View Tools

Selection Criteria **Display** **Columns**

☒ Parent
☐ Component
☐ CoBy

Display Columns

☒ Amounts
☒ Units
☒ Variance

Completed Total

☒ Include Scrap
☐ Don't Include Scrap

Records 1 - 10 **Customize Grid**

Cost Type	Cost Type Description	Work Center	Work Center Description	Standard Amount	Current Amount	Variance Amount
☒ A1	Material			4,666.3170		4,666.3170
☐ A2	Scrap					
☐ B1	Direct Labor			350.0000		350.0000
☐ B2	Setup Labor					
☐ B3	Machine Run					
☐ B4	Labor Efficiency					
☐ C1	Machine Variable Overhead					
☐ C2	Machine Fixed Overhead					
☐ C3	Labor Variable Overhead			87.5000		87.5000

Production Cost Inquiry form

To review production costs:

1. Select Selection Criteria and complete the Order Number field on the Production Cost Inquiry form.
2. Select Display.
3. Specify whether the system displays costs for the parent, component, or co-/by-product by selecting one of these options:
 - Parent
 - Component
 - CoBy

4. Specify what information the system displays by selecting any or all of these options under the Display Columns heading:
 - Amounts
 - Units
 - Variance
5. Specify whether the system displays scrap amounts or units by selecting one of these options:
 - Include Scrap
 - Don't Include Scrap
6. Select Columns.
7. Specify the mode that the system displays in column 1 by selecting one of these options:
 - Standard
 - Current
 - Planned
 - Actual
 - Completed
 - Scrapped
8. Specify the mode that the system displays in column 2 by selecting one of these options:
 - Standard
 - Current
 - Planned
 - Actual
 - Completed
 - Scrapped
9. Select Find.
10. Depending on whether you chose to display amounts, units, or both, and whether you chose to display variances, review the information that appears in the detail area.

Setting Processing Options for Production Cost Inquiry (P31022)

Processing options enable you to specify the default processing for programs and reports.

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Display

- 1. Enter default level:** Use this processing option to specify the level of detail you want to view on the Production Cost Inquiry form. Values are:
 - Blank: Default value will be Parent
 - I*: Parent

- 2: Component
3: Co/By Product
- 2. Enter 1 to display Amounts** Use this processing option to specify whether you want the Standard Amount and Current Amount columns to appear on the Production Cost Inquiry form. Values are:
1: Display the amount columns
Blank: Do not display the amount columns
- 3. Enter 1 to display Units** Use this processing option to specify whether you want the various unit columns to appear on the Production Cost Inquiry form. Values are:
1: Display the unit columns
Blank: Do not display the unit columns
- 4. Enter 1 to display the Variances** Use this processing option to specify whether you want the Variance Amount column to appear on the Production Cost Inquiry form. It is recommended that if you choose to display the Variance Amount column, you also choose to display the amount columns as well by entering *1* in processing option 2. Values are:
1: Display the Variance Amount column
Blank: Do not display the Variance Amount column

Columns

- 1. Enter amount type to be displayed in column 1:** Use this processing option to specify the default cost option on the Columns tab for column 1. Values are:
1: Standard
2: Current
3: Planned
4: Actual
5: Completed
6: Scrapped
- 2. Enter amount type to be displayed in column 2:** Use this processing option to specify the default cost option on the Columns tab for column 2. Values are:
1: Standard
2: Current
3: Planned
4: Actual
5: Completed
6: Scrapped

Versions

- | | |
|---|--|
| 1. Enter the version for Inventory Issues. | Use this processing option to specify the default version of the Inventory Issues program (P3113) when you select Inventory Issues on the Form menu. |
| 2. Enter the version for Work Order Entry | Use this processing option to specify the default version of the Work Order Entry program (P48013) when you select W.O. Header on the Form menu. |
| 3. Enter the version for Production Status | Use this processing option to specify the default version of the Production Status program (P31226) when you select Hours Status or Quantity Status on the Form menu. The Hours Status program (P31121) and Quantity Status program (P31122) are accessed through the Production Status program. |

Creating Journal Entries for Variances

This section provides overviews of journal entries for variances and Manufacturing Accounting reports, and discusses how to:

- Create variance journal entries
- Set processing options for Variances (R31804).

Understanding Journal Entries for Variances

When you create journal entries for variances, the program generates error messages if it finds any general ledger errors while formatting the journal entries. You can review these error messages by reviewing the workflow messages.

You can set a processing option to call the WIP Revaluation program (R30837) and to determine which version of this program the system uses. You use this program to revalue all open work orders with items that are flagged for cost change in the Item Cost File table (F4105), as well as their parent work orders. After work in process is revalued, the system clears the cost change flag. All cost types in the Production Cost table (F3102) are included in the data selection.

If you turned on the Cost by Work Center option in the Manufacturing Constants program (P3009), the variance journal entries for each cost component are generated for the work center based on the information in the Production Cost table. At the work center level, you can generate only debits to the variance accounts (AAIs 3220, 3240, 3260, 3270, 3280); credits to the WIP account are not affected. They are still generated by branch/plant.

When you run this program in final mode, the system creates a batch of journal entries for posting to the general ledger.

Manufacturing Accounting Reports

Manufacturing accounting reports help you review production costs and variances. You might want to run them before you run the Variances program (R31804), or you can run them after you run the Variances program to verify the accuracy of the journal entries.

Standard Costing

In standard cost accounting, the Variances program (R31804) creates detail or summary journal entries for work order or rate schedule variances.

These journal entries include engineering, planned, actual, and other variance transactions:

- Material costs
- Routing-related costs
- Cost extras

Actual Costing

When the cost method in the work order header for the end product is any method *except* 07 (Standard), the system applies actual costing logic. The system retrieves the correct account from AAI table 3210 for scrap, completions, and cost of goods sold for account information.

When you run the Variances program (R31804) and the system discovers no unaccounted amounts, the system clears work in process and creates a new unit cost based on this calculation:

$$\text{New Unit Cost} = \frac{\text{Total Actual Amount}}{\text{Completed Units} + \text{Scrapped Units}}$$

If any unaccounted amounts exist, and the work order is to receive a closed status, the Variances program stops and creates an error message. You must run the Manufacturing Journal Entries program (R31802A) to complete the manufacturing accounting again.

For cost method 02, (Weighted Average Cost) the system:

- Updates the weighted average cost.
- Creates IV journal entries to clear work in process.
- Creates a record in the Item Ledger File table (F4111) table for unaccounted amounts using this calculation:
(Actual) - (Completed) + (Scrap)

For cost method 09 (Actual or Manufacturing Last) the system:

- Creates IV journal entries to clear work in process.
- Transfers all work in process to finished goods by creating journal entries for completion (IC) and scrap (IS).
- Revalues on-hand inventory based on the new unit cost (according to cost level item; item and branch; or item, branch, lot, and location).
- Creates a record in the Item Ledger File table (F4111) for inventory revaluation.
- Updates the Item Cost File table (F4105).
- Creates additional sales order lines to reflect the latest cost changes.

The system creates these sales order lines only if the work order is closed. It creates additional sales order detail lines for sales order lines that contain sales from locations or lots to which the work order was completed. The Cost of Goods Sold Update program (R31805) generates a report that lists the new sales order lines by lot and location. This information is then included when you print the Update Customer Sales report (R42800).

Creating Variance Journal Entries

Select Manufacturing Accounting (G3116), Variances.

Setting Processing Options for Variances (R31804)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Defaults

- 1. General Ledger Date** Use this processing option to specify the date that appears on journal entries. If you leave this field blank, the program uses the system date.
- 2. Document Type - For Manufacturing Variance** Use this processing option to specify the UDC (00/DT) that identifies the purpose of the document. The program assigns this document type to variance journal entries. Typically, the document type is IV (variance calculated for work orders).
- 3. Subledger Value** Use this processing option to specify whether the work order number is used as the default value in the Subledger field. Values are:
Blank: Does not use WO Number as default value
/ : Use the WO Number as the default value in the Subledger field
- 4. Work Order Status Code** Use this processing option to enter the new status code (00/SS) for the work order. The program updates the work order status whether you run the program in proof mode or in final mode. Enter the new status code or choose it from the Select User Define Code form. If you leave this processing option blank, the status of the work order does not change. Values are:
Blank: Status will not be changed
- 5. Closed Work Order Status** Use this processing option to specify the status used to close a work order. Closed work orders do not generate additional journal entries. If you leave this field blank, a status code of 99 is used for a closed work order.
- 6. Actual Costing Document Types:**
Scrap
Use this processing option to specify the document type that the system uses to retrieve information from AAI 3210. The account debited relieves the scrap portion of Work in Process. If you leave this field blank, the system uses document type IS.
Completion
Use this processing option to specify the document type that the system uses to retrieve information from AAI 3210. The account debited relieves the completed portion of Work in Process. If you leave this field blank, the system uses document type IC.

Process

- 1. Journal Entries Mode** Use this processing option to specify whether the program runs in proof mode or final mode. Regardless of which method you select, the status code on the work order is updated according to the value that you enter in the Work Order Status Code processing option. Values are:

Blank: Proof Mode. The program performs all calculations and edits, and prints them in the reports.

I: Final Mode. The program creates journal entries and clears unaccounted units.

2. Summarize Across Work Orders

Use this processing option to specify whether to summarize all journal entries by account across work orders. Values are:

Blank: Does not Summarize Across WOs

I: Summarize Across WOs

3. Flex Accounting

Use this processing option to indicate whether this program searches for flex accounting rules to populate cost objects in the Account Ledger table (F0911). Flex accounting is required to attach cost objects to the journal entries. Values are:

Blank: Flex Accounting not used

I: Use Flex Accounting

4. WIP Revaluation

Use this processing option to specify whether the system uses the WIP Revaluation program (R30837) to adjust WIP (work in process) when you make cost changes to a work order. Values are:

Blank: Do not invoke WIP Revaluation

I: Invoke WIP Revaluation

Print

1. Accounting Journal

Use this processing option to specify whether to print an Accounting Journal report. Values are:

Blank: Do not Print Journal Report

I: Print Journal Report

2. Subtotals

Use this processing option to specify whether to print the subtotals by document number. Values are:

Blank: Do not Print Subtotals

I: Print Subtotals by Document

3. Summarize Reports Across Work Orders

Use this processing option to specify whether to summarize all journal entries by account across work orders on the report. This processing option does not affect the number of journal entries that the program creates. You can summarize the journal entries on the report whether you summarize the actual journal entries. Values are:

Blank: Do not Summarize Report by Account

I: Summarize Report by Account

OverUnderComp

1. Restate Production Costs

Use this processing option to specify whether to restate the costs. This eliminates variances that are caused by over or under completions or scrapped end items. Values are:

I: Restate the standard, current, and planned production costs based on completed and scrapped quantity.

Blank: Do not restate costs.

Versions

1. WIP Revaluation

Use this processing option to specify which version of the WIP Revaluation program (R30837) the system uses. If you leave this processing option blank, the system uses version ZJDE0001.

Sales Order

Line Type

Use this processing option to specify a non-stock line type. This line type will be used as the default line type for new sales order lines written by the Variance Journal Entries program (R31804). Enter the line type to be used as the default value. The line type that you enter is validated against the Line Type Search program (P4203).

Status Code – Next

Use this processing option to specify how the system generates the next status for new sales order lines written by the Variance Journal Entries program (R31804). Enter the value of the next status. If you leave this processing option blank, the system uses both the non-stock line type and the next status from the original sales order line.

Note. You can change the next status and non-stock line type in the Order Activity Rules program (P40204). When you leave this processing option blank, the changed values are used.

Reviewing General Ledger Batches

This section provides an overview of general ledger batches, specifies a prerequisite, and discusses how to review general ledger batch information.

Understanding General Ledger Batches

After you generate journal entries, you review and approve them before posting them to the general ledger. This review is the second step in the three-tier process. In addition, you can review manufacturing journal entries for summarized work orders.

Prerequisite

Set the approval route code in the Branch/Plant Constants program (P41001) for approving journal entries for posting.

Forms Used to Review General Ledger Batches

Form Name	Form ID	Navigation	Usage
Work With G/L Review - by WO Number	W31061A	Manufacturing Accounting (G3116), G/L Review - by Work Order Number	Work with general ledger review by work order number.
General Journal Review	W0911BA	Select a record on the Work With G/L Review - by WO Number form and click Select.	Review journal transactions.
Journal Entry	W0911A	Select a transaction on the General Journal Review form, and click Select.	Make or modify journal entries.

Reviewing General Ledger Batch Information

Access the Journal Entry form:

G/L Review - by W.O. Number - Journal Entry

OK Delete Cancel Form Row Tools

Batch Number ☐ Model ☐ Percent ☐ Reverse

Doc Type/No/Co G/L Date

Explanation Ledger Type

Currency Exchange Rate Base Currency ☐ Foreign

Records 1 - 11 Customize Grid Basic

☐	Account Number	Amount	Account Description	Subledger Type	Subledger	Subledger Description
☐	200.1411	39,096.35	Inventory	W	00469440	KL Test
☐	D30.1720.B1	6,025.00-	Labor	W	00469440	KL Test
☐	D30.1720.B2	100.00-	Setup	W	00469440	KL Test
☐	D30.1720.B3	1,500.00-	Machine	W	00469440	KL Test
☐	D30.1730.C1	120.00-	Variable Machine	W	00469440	KL Test
☐	D30.1730.C2	120.00-	Fixed Machine	W	00469440	KL Test
☐	D30.1730.C3	1,226.25-	Variable Labor	W	00469440	KL Test
☐	D30.1730.C4	1,226.25-	Fixed Labor	W	00469440	KL Test
☐	D30.1710.D1	1,250.00-	Outside Ops	W	00469440	KL Test
☐	D30.1710.A1	27,528.85-	Material	W	00469440	KL Test

Journal Entry form

To review general ledger batches:

- Complete one or more of these fields to locate a batch of journal entries and select Find on the Work With G/L Review - by WO Number form:
 - User ID

- Document Number From
 - Document Number To
 - Work Order Number
 - G/L Date From
 - G/L Date To
2. Select a record and click Select.
 3. Select a transaction and click Select on the General Journal Review form.
 4. Enter any necessary changes and select OK on the Journal Entry form.

See Also

PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook, “Using the Batch Review Program,” Approving Transaction Batches

Posting Manufacturing Journal Entries to the General Ledger

This section provides overviews of the Post General Journal program, the prepost process, and the post process; lists prerequisites; and discusses how to post journal entries to the general ledger.

Understanding the Post General Journal Program

After you enter, review, and approve journal entries, use the Post General Journal program (R09801) to post the journal entries to the general ledger. Update account balances with amounts from journal entries by posting the journal entries to the general ledger. After posting, the system provides several reports that you can use to review the posted journal entries.

You can run only one post at a time. You must ensure that all post menu selections are routed to the same job queue and that the job queue allows only one job to process at a time.

Important! It is strongly recommended that you do not customize the post program.

Posting represents the third step in the three-tier process.

See Also

PeopleSoft EnterpriseOne Financial Management Solutions Application Fundamentals 8.11 PeopleBook

PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook, “PeopleSoft EnterpriseOne Inventory Management Reports,” Reviewing the Item Ledger/Account Integrity Report

Understanding the Prepost Process

The prepost process consists of these elements:

Element	Description
Selection	The General Ledger Post Report program (R09801) selects unposted, approved transactions that have a batch type of 0 and other criteria that you specified in the processing options. These transactions are retrieved from the Account Ledger table (F0911).
Detail edit	The program validates each transaction to determine whether any of these statements are true: • The account exists in the Account Master table (F0901) and is a posting account. • The business unit is valid in the Business Unit Master table (F0006). • The GL date is valid. • Intercompany transactions exist • Detail currency restatement should be performed.
Batch edit	The program validates each batch to ensure that it is approved and in-balance. If the program finds any errors, it does not post the batch.
Posting Edit report	This report lists all batch errors that occur. It prints in batch sequence.
Error conditions	If any transaction in the batch is in error, the program places the entire batch in error, which prevents the batch with the error from posting.

Important! You should not change the accounts, AAIs, intercompany settlements, general accounting constants, or processing options when you run the post.

Understanding the Post Process

The General Ledger Post Report program (R09801) posts only batches for which no errors are found in the prepost process; in general, the program:

- Posts transactions to the Account Balances table (F0902) and marks each transaction and the batch header as posted in the Account Ledger table (F0911) and the Batch Control Records table (F0011).
- Changes the batch status for the Batch Control Records table to D.
- Marks each transaction with a status of P (posted).
- Performs intercompany settlements for ledger types AA, XA, YA, CA, AZ, and ZA, if requested.
- Creates reversing entries, if requested.

The General Ledger Post Report program produces two reports:

- Posting edit report
- Posting journal report

Posting Edit Report

This report lists errors detected during the post. If the program finds errors, it does not post the batch. You must correct all errors before you can post the batch.

This table lists common posting errors and their causes:

Error	Description
Batch not approved for posting	This error message is caused by a batch with a pending or error status.
Account not set up in Account Master table (F0901)	These two situations can cause this error message: - An undefined account number (designated as # during journal entry) was entered. To correct this, locate the document number and line number on the Journal Entry form (W0911A) and change the # on the detail line to the valid account number. - No account number was set up prior to posting, or the account number does not meet the model account criteria to be automatically created by the system. Add the GL account number in the Review and Revise Accounts program (P0901).
Batch journal entries out-of-balance	This error message occurs when debits do not equal credits. If the out-of-balance journal entry was entered in error, correct the error and post the batch again. Other situations can cause a journal entry to be out-of-balance: - A power failure might have occurred during entry or posting. - A valid, one-sided journal entry might have been entered to correct a conversion error made during setup.

Posting Journal Report

This report lists the transactions that the system posted to the Account Balances table (F0902) and to the Account Ledger table (F0911).

Prerequisites

Here are the prerequisites for posting journal entries to the general ledger:

- Verify that the batch has an approved status.
- Verify that the post is submitted to a single-threaded job queue.

Posting Journal Entries to the General Ledger

Select Manufacturing Accounting (G3116), Post General Journal.

CHAPTER 6

Using Lean Accounting

This chapter provides an overview of PeopleSoft EnterpriseOne lean accounting, and discusses:

- Using Lean Manufacturing Accounting.
- Canceling transactions.
- Using Lean Manufacturing Variance Accounting.
- Running Lean Production Cost Inquiry.
- Running Lean WIP Revaluation.
- Reviewing the general ledger inquiry report.
- Reviewing general ledger information.

Understanding PeopleSoft EnterpriseOne Lean Accounting

The purpose of orderless accounting is the same as manufacturing accounting, which is to use a variety of tools to monitor costs that are generated during various manufacturing activities and provide management with a tool to compare actual results to expected results. The differences between the two accounting methods includes:

- Rather than using work orders, as in manufacturing accounting, orderless accounting uses transaction IDs and production plans.
- The orderless solution is available for Standard Costing only.

See Industry Environments and Concepts.

Setting Up Lean Accounting

This section discusses:

- Automatic Accounting Instructions
- Document Types
- Costing system supported
- Transaction progress
- Setting up lean accounting

Automatic Accounting Instructions

Orderless accounting can use all of the existing AAI's used by standard manufacturing accounting.

See Reviewing Manufacturing AAI's.

Document Types

Orderless accounting uses these document types from user-defined code (UDC) table 00/DT:

- LM – Lean Material Issue
- LL – Lean Shop Floor
- LC – Lean Completion
- LP – Lean Scrap
- LO – Lean Component Scrap
- LV – Lean Variances

Costing System Available

For PeopleSoft EnterpriseOne release 8.11, lean accounting uses the Standard Costing system only.

See Standard Costing Systems.

Transaction Progress

The PeopleSoft EnterpriseOne system automatically tracks the progress of transactions with variances.

The system assigns one of these values to each transaction, depending on the transaction's status:

- Transaction has been created.
- Lean Manufacturing Accounting has been run.
- Lean Manufacturing Variance has been run and the transaction is kept open for further activities.
- Lean Manufacturing Variance has been run and the transaction is closed from any further activities.

When you run programs such as the Lean Manufacturing Accounting program (RF31200) or Lean Manufacturing Variance program (RF31210), the PeopleSoft EnterpriseOne system checks to make certain that the transaction is not closed. If the transaction has been closed, you cannot perform any kind of additional accounting activities on the transaction.

Setting Up Lean Accounting

Setting up lean accounting requires no steps that are in addition to those already required in setting up manufacturing accounting.

See Setting Up Product Costing and Manufacturing Accounting.

Using Lean Manufacturing Accounting

This section provides an overview of the Lean Manufacturing Accounting program (RF31200) and discusses how to:

- Run lean manufacturing accounting.
- Set processing options for Lean Manufacturing Accounting (RR31200).

setting processing options for the Lean Manufacturing Accounting program:

Understanding the Lean Manufacturing Accounting Program (RF31200)

The Lean Manufacturing Accounting program creates journal entries for material, labor, overhead, and extra costs for transactions.

Tables Used By the Lean Accounting Program

The Lean Manufacturing Accounting program extracts data from these tables:

- Lean Transaction Master table (FF31011).
- Lean Transaction Parts List table (FF31111).
- Lean Transaction Routing table (FF31112).
- Lean Transaction Labor Detail table (FF31113).
- Lean Transaction Production Costs table (FF31200).

The Lean Accounting program writes to these tables:

- All of the tables listed in the previous list.
- Lean Transaction G/L Cross Reference table (FF31201).
- Item Ledger (CARDEX) table (F4111).
- General Ledger table (F0911).

Running Lean Manufacturing Accounting

Select Orderless Manufacturing Accounting (GF3116), Lean Manufacturing Accounting.

Setting Processing Options for Lean Manufacturing Accounting

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Default

1. **General Ledger Date** Use this processing option to specify the general ledger date that appears on journal entries. If you leave this field blank, the system uses the current system date for the general ledger date.

- | | |
|--|--|
| 2. Document Type for Material Issue | Use this processing option to specify the document type (UDC 00/DT) that is to be assigned to Material Issue transactions. If you leave this field blank, the program uses <i>LM</i> as the document type. |
| 3. Document Type for Shop Floor Labor | Use this processing option to specify the document type (UDC 00/DT) that is to be assigned to Shop Floor Labor transactions. If you leave this field blank, the program uses <i>LL</i> as the document type. |
| 4. Document Type for Completion | Use this processing option to specify the document type (UDC 00/DT) that is to be assigned to Completion transactions. If you leave this field blank, the program uses <i>LC</i> as the document type. |
| 5. Document Type for Scrap | Use this processing option to specify the document type (UDC 00/DT) that is to be assigned to Scrap transactions. If you leave this field blank, the program uses <i>LP</i> as the document type. |

Process

- | | |
|--|---|
| 1. Journal Entry Mode | <p>Use this processing option to indicate whether the program runs in Proof mode or Final mode. Values are:</p> <p>Blank: Run in Proof mode. The program performs all calculations and edits. However, it does not create Journal Entries.</p> <p><i>I</i>: Run in Final mode. The program performs all calculations and edits and creates Journal Entries.</p> |
| 2. Material Issues summarized WITHIN Production Plan and Transaction ID | <p>Use this processing option to specify that Journal Entries for Material Issue are summarized by Account within a Production Plan and Transaction ID. The program creates one Journal Entry for each unique combination of Account Number and Production Plan and Transaction ID only for Material Issue transactions. Values are:</p> <p>Blank: Do not summarize Journal Entries for Material Issue by Account.</p> <p><i>I</i>: Summarize all Journal Entries for Material Issue by Account. This option reduces the number of Journal Entries.</p> |
| 3. Accounts summarized ACROSS Production Plans and Transaction IDs | <p>Use this processing option to specify that the Journal Entries are summarized by Account across Production Plans and Transaction IDs. The program creates one Journal Entry for each unique combination of Account Number and Production Plan and Transaction ID for all types of transactions. Values are:</p> <p>Blank: Do not summarize Journal Entries by Account.</p> <p><i>I</i>: Summarize all Journal Entries by Account. This option reduces the number of Journal Entries.</p> |
| 4. Flex Accounting | <p>Use this processing option to indicate whether the program should search for Flex Accounting rules to populate Cost Objects in the F0911 table. Flex Accounting rules are required to attach cost objects to the journal entries. Values are:</p> <p>Blank: Do not use Flex Accounting.</p> <p><i>I</i>: Use Flex Accounting.</p> |
| 5. G/L Class Code for Material Issues | <p>Use this processing option to specify the GL class code that the system should apply to the credit side of Material Issue transactions (LM) when Standard Costing method is used. Values are:</p> |

Blank: Use the GL Class Code associated with the Item Branch record for the Material.

I: Use the GL class code associated with the location from which the material was issued.

Print

1. Journal Entry Report

Use this processing option to specify whether the system prints a Journal Entry Report. Values are:

Blank: Do not print a Journal Entry Report.

I: Print a Journal Entry Report.

2. Sub-totals by Production Plan and Transaction ID and Document Type

Use this processing option to specify if the system should print subtotals by production plan, transaction ID, and document type. Values are:

Blank: Do not print subtotals by production plan, Transaction ID, and document type.

I: Print subtotals by production plan, transaction ID, and document type.

3. Material Issues summarized WITHIN Production Plan and Transaction ID for Report

Use this processing option to specify if journal entries for material issue have to be summarized by account within a production plan and transaction ID on the report. The program prints one journal entry for each unique combination of account number and production plan and transaction ID only for Material Issue transactions.

This processing option does not affect the number of journal entries that the program creates. The journal entries on the report can be summarized irrespective of whether the actual journal entries are summarized. Values are:

Blank: Do not summarize journal entries for material issue by account on the report

I: Summarize journal entries for material issue by account on the report.

4. Accounts summarized ACROSS Production Plans and Transaction IDs for Report

Use this processing option to specify if journal entries are summarized by account across production plans and transaction IDs on the report. The program prints one journal entry for each unique combination of account number, production plan, and transaction ID for all types of transactions.

This processing option does not affect the number of journal entries that the program creates. The journal entries on the report can be summarized irrespective of whether the actual journal entries are summarized. Values are:

Blank: Do not summarize journal entries by account on the report.

I: Summarize all journal entries by account on the report.

Cancelling Transactions

Information related to cancelling transactions in orderless manufacturing accounting includes:

- Journal entries for canceled transactions are written to the F0911 table by running lean accounting programs over the transaction. Canceled transactions are transactions that have been written to the F0911 table, and then reversed back out again. The transaction is reversed at the current standard cost for the item.
- You cannot cancel transactions if you have run the Lean Manufacturing Variance Accounting program with the Further Processing option set to close the transaction.

Using Lean Manufacturing Variance Accounting

This section provides an overview of the Lean Manufacturing Variance Accounting program (RF31210) and discusses how to:

- Run the Lean Manufacturing Variance Accounting program.
- Setting processing options for the Lean Manufacturing Variance Accounting program.

Understanding the Lean Manufacturing Variance Accounting Program

The business purpose for orderless variance accounting is essentially the same as it is for manufacturing accounting: to process differences that occur between the predefined or expected costs and the actual costs. The main difference is that instead of tracking costs associated with work orders, for orderless accounting you track costs associated with a transaction or groups of transactions.

Tables Used by the Lean Manufacturing Variance Accounting Program

The Lean Manufacturing Variance Accounting program extracts data from these tables:

- Lean Transaction Master table (FF31011).
- Lean Transaction Parts List table (FF31111).
- Lean Transaction Labor Detail table (FF31113).
- Lean Transaction Production Costs table (FF31200).

The Lean Manufacturing Variance Accounting program writes to these tables:

- Lean Transaction Master table (FF31011).
- Lean Transaction Production Costs table (FF31200).
- Lean Transaction G/L Cross Reference table (FF31201).
- General Ledger table (F0911).

See Also

Chapter 5, “Using the Manufacturing Accounting System,” Creating Journal Entries for Variances, page 132

Running Lean Manufacturing Variance Accounting

Select Orderless Manufacturing Accounting (GF3116), Lean Manufacturing Variance Accounting (RF31210).

Setting Processing Options for the Lean Manufacturing Variance Accounting Program (RF31210)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Default

- | | |
|--|---|
| 1. General Ledger Date | Use this processing option to specify the general ledger date that appears on journal entries. If you leave this field blank, the system uses the current system date for the general ledger date. |
| 2. Document Type - For Manufacturing Variance | Use this processing option to specify the document type (UDC: 00/DT) that is to be assigned to Variance transactions. If you leave this field blank, the program uses <i>LV</i> as the document type. |
| 3. Further Processing | <p>Use this processing option to specify if the system should allow any further processing on the transaction ID. Values are:</p> <p>Blank: Allow further processing on the transaction ID.</p> <p><i>I</i>: Do not allow further processing on the transaction ID.</p> |

Process

- | | |
|---|---|
| 1. Journal Entry Mode | <p>Use this processing option to indicate whether the program runs in Proof mode or Final mode. Values are:</p> <p>Blank: Run in Proof mode. The program performs all calculations and edits. However, it does not create journal entries.</p> <p><i>I</i>: Run in Final mode. The program performs all calculations and edits and creates journal entries.</p> |
| 2. Accounts summarized across Production Plans and Transaction IDs | <p>Use this processing option to specify if the Journal Entries are summarized by account across production plans and transaction IDs. The program creates one journal entry for each unique combination of account number, production plan, and transaction ID for all types of transactions. Values are:</p> <p>Blank: Do not summarize journal entries by account.</p> <p><i>I</i>: Summarize all journal entries by account. This option reduces the number of journal entries.</p> |
| 3. Flex Accounting | <p>Use this processing option to indicate if the program should search for Flex Accounting rules to populate cost objects in the Account Ledger table (F0911). Flex Accounting rules are required to attach cost objects to the journal entries. Values are:</p> <p>Blank: Do not use Flex Accounting.</p> <p><i>I</i>: Use Flex Accounting.</p> |

Print

- | | |
|--|---|
| 1. Journal Entry Report | <p>Use this processing option to specify if the system should print a Journal Entry Report. Values are:</p> <p>Blank: Do not print a Journal Entry Report.</p> <p>/: Print a Journal Entry Report.</p> |
| 2. Sub-totals by Production Plan and Transaction ID and Document Type | <p>Use this processing option to specify if the system should print subtotals by production plan, transaction ID, and document type. Values are:</p> <p>Blank: Do not print subtotals by production plan, transaction ID, and document type.</p> <p>/: Print subtotals by production plan, transaction ID, and document type.</p> |
| 3. Accounts summarized ACROSS Production Plans and Transaction IDs for Report | <p>Use this processing option to specify if journal entries are summarized by account across production plans and transaction IDs on the report. The program prints one journal entry for each unique combination of account number, production plan, and transaction ID for all types of transactions.</p> <p>This processing option does not affect the number of journal entries that the program creates. The journal entries on the report can be summarized irrespective of whether the actual journal entries are summarized. Values are:</p> <p>Blank: Do not summarize journal entries by account on the report.</p> <p>/: Summarize all journal entries by account on the report.</p> |

Running the Orderless Production Cost Inquiry Program

This section provides an overview of the Production Cost Inquiry program (PF31200) and discusses how to review costs and variances.

Understanding the Orderless Production Cost Inquiry Program

The Production Cost Inquiry program (PF31200) displays the costs and variances that are associated with transactions. Orderless production cost inquiries track costs and variances that are the same as manufacturing accounting.

Processes use this sequence:

1. Run the Items Completions program (PF31011).
2. Run the Transaction Management program (PF31014).
3. On the Review or Reverse Transaction form, find and select a record, and click the Production Cost Inquiry button.

The Product Cost Inquiry program (PF31200) enables you to review standard and current costs from the completion.

4. Run the Lean Acctg – Manufacturing Accounting program (RF31200), where you can review the planned, actual, completed, and scrapped costs.
5. Run the Product Cost Inquiry program again, and the system displays costs, units, and variances corresponding to the data that you entered in the previous steps.

6. If at this point you run the Variances program (RF31210), and then the Product Cost Inquiry program, the variances do not appear on the Product Cost Inquiry form.

The absence of variances indicates that the variances have been run, and no new transactions have been added.

The system retains the variances in the Lean Transaction Production Costs table (FF31200), so that if you need to reverse a transaction the variance values are there for the reversal journal entries.

See [Chapter 5, “Using the Manufacturing Accounting System,” Reviewing Production Costs, page 128.](#)

Forms Used for Orderless Production Cost Inquiry

Form Name	Form ID	Navigation	Usage
Review or Reverse Transaction	WF31014A	Orderless Manufacturing Accounting (GF3116), Transaction Management (PF31014)	Review or cancel transactions.
Production Cost Inquiry - View Production Cost Records	WF31200A	Select Production Cost Inquiry on the Review or Reverse Transaction form.	Review costs and variances that are associated with a transaction.

Reviewing Costs and Variances

Access the Production Cost Inquiry - View Production Cost Records form.

Production Cost Inquiry - View Production Cost Records

Close

Transaction ID Details

User ID: TM5791850 Transaction Quantity: 100.0000 Branch/Plant: M30

Transaction Date / Time: 08/19/2004 19:55:31 UTC Quantity Completed: 100.0000

Amounts

Records 1 - 11

Item Number	Item Description	Cost Type	Parent / Component	Standard Amount	Current Amount	Planned Amount	Actual Amount
222	Touring Bike, Green	A1	P	0.00000000	30255.00000000	0.00000000	0.00000000
222 (TOTAL)				0.00000000	30255.00000000	0.00000000	0.00000000
2006	Touring Fork		C	0.00000000	2625.00000000	0.00000000	0.00000000
2007	Bottom Bracket		C	0.00000000	2210.00000000	0.00000000	0.00000000
2008	Head Set		C	0.00000000	1590.00000000	0.00000000	0.00000000
2009	Crank		C	0.00000000	1840.00000000	0.00000000	0.00000000
2010	Chain Rings		C	0.00000000	2460.00000000	0.00000000	0.00000000
2011	Chain, Std		C	0.00000000	550.00000000	0.00000000	0.00000000
2013	Shift Kit		C	0.00000000	4103.00000000	0.00000000	0.00000000

Units

Records 1 - 11

Item	Item	Cost	Parent /	Standard	Current	Planned	Actual	Completed

Production Cost Inquiry - View Production Cost Records form

To review costs and variances that are associated with a transaction, enter the search criteria on the Transaction Management - Review or Cancel Transaction form, and then click Find. Select a record, and click Product Cost Inquiry.

Running Lean WIP Revaluation

This section provides an overview of the Lean WIP Revaluation program (RF31220) and discusses how to set processing options for RF31220.

Understanding the Lean WIP Revaluation program

The business purpose for orderless WIP revaluation is essentially the same as it is for revaluing costs using work orders. The main difference is that instead of revaluing costs in work orders, for orderless manufacturing you revalue costs in transactions.

You run the Lean WIP Revaluation program using processing options for the Standard Frozen Update program (R30835). You must enter 2 (Invoke WIP Revaluation for Lean Manufacturing) for the WIP Revaluation option on the Processing tab, and enter the version number on the Versions tab.

Tables Used by the Lean WIP Revaluation Program

The Lean WIP Revaluation program extracts data from these tables:

- Lean Transaction Master table (FF31011).
- Lean Transaction Parts List table (FF31111).
- Lean Transaction Routing (FF31112).
- Lean Transaction Labor Detail table (FF31113).
- Lean Transaction Production Costs table (FF31200).

The Lean WIP Revaluation program writes to these tables:

- All of the tables in the previous list.
- Lean Transaction G/L Cross Reference table (FF31201).
- Item Ledger (CARDEX) table (F4111).
- General Ledger table (F0911).

See Also

Chapter 4, “Using Product Costing,” Revaluing Work in Process, page 86

Setting Processing Options for the Lean WIP Revaluation Program (RF31220)

Use these processing options to specify proof or final mode, document type, and whether detailed records are written to the General Ledger table (F0911).

Defaults

1. Document Types

Use this processing option to specify the document type (UDC 00/DT) that the system uses. If you leave this processing option blank, the system uses *IB* (item cost changes).

Process

1. G/L Transactions

Use this processing option to specify whether no GL transactions are written or detailed GL transactions are written by document number or summarized journal entries by account are written to the F0911 table. Values are:

Blank: Do not write any GL transactions to the F0911 table.

1: Detailed GL transactions are written by document number to the F0911 table.

2: Summarized journal entries by account are written to the F0911 table.

Reviewing the General Ledger Integrity Report

This section provides an overview of the General Ledger Integrity report and discusses how to:

- Run the General Ledger Integrity report.
- Set processing options for the General Ledger Integrity program (R41543).

Understanding the General Ledger Integrity Report

You run the General Ledger Integrity Report (R41543) for orderless manufacturing systems for the same reason as you do for MRP systems. The report displays certain kinds of discrepancies between the Item Ledger (CARDEX) table (F4111) and the General Ledger table (F0911).

Tables Used by the General Ledger Integrity Program

The General Ledger Integrity program extracts data from these tables:

- Item Ledger (CARDEX) table (F4111).
- Work Order G/L Cross Reference (F3106).
- Lean Transaction G/L Cross Reference table (FF31201).
- General Ledger table (F0911).

The General Ledger Integrity program provides this output:

- Report in standard PDF.
- No tables are updated.

See Also

PeopleSoft EnterpriseOne Inventory Management 8.11 PeopleBook, “PeopleSoft EnterpriseOne Inventory Management Reports,” Inventory Management Reports: A to Z

Running the General Ledger Integrity Report

Select Inventory Reports (G41111), Item Ledger/Account Integrity Report (R41543).

Setting Processing Options for the General Ledger Integrity Program (R41543)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Report Display

- | | |
|---|---|
| 1. Enter from G/L Date | <p>Use this processing option to specify a date that identifies the financial period to which the transaction is to be posted.</p> <p>The company constants specify the date range for each financial period. You can have as many as 14 periods. Generally, period 13 or 14 is used for audit adjustments. The system validates this field for PBCO (posted before cutoff), PYEB (prior year ending balance), PACO (post after cutoff), and WACO (post way after cutoff) messages.</p> |
| 2. Enter Through G/L Date | <p>Use this processing option to specify a date that identifies the financial period to which the transaction is to be posted.</p> <p>The company constants specify the date range for each financial period. You can have as many as 14 periods. Generally, period 13 or 14 is used for audit adjustments. The system validates this field for PBCO (posted before cutoff), PYEB (prior year ending balance), PACO (post after cutoff), and WACO (post way after cutoff) messages.</p> <p>If you leave this field blank, the system uses today's date.</p> |
| 3. Enter Work Order Completion Document Type | <p>Enter a UDC (00/DT) value that identifies the origin and purpose of the transaction. The PeopleSoft EnterpriseOne system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets.</p> <p>If you leave this field blank, the system uses the default value of document type <i>IC</i> (Completed W.O.s to Inventory).</p> |
| 4. Enter Work Order Issue Document Type | <p>Enter a UDC (00/DT) value that identifies the origin and purpose of the transaction. The PeopleSoft EnterpriseOne system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets.</p> <p>If you leave this field blank, the system uses the default value of document type <i>IM</i> (Material Charged to W.O.s).</p> |
| 5. Enter Lean Transaction Completion Document Type | <p>Enter a UDC (00/DT) value that identifies the origin and purpose of the transaction. The PeopleSoft EnterpriseOne system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets.</p> <p>If you leave this field blank, the system uses the default value of document type <i>LC</i> (Lean Completion).</p> |
| 6. Enter Lean Transaction Issue Document Type | <p>Enter a UDC (00/DT) value that identifies the origin and purpose of the transaction. The PeopleSoft EnterpriseOne system reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets.</p> <p>If you leave this field blank, the system uses the default value of document type <i>LM</i> (Lean Material Issue).</p> |

Reviewing General Ledger Information

This section provides an overview of the Lean Accounting - G/L Review program (PF31201) and discusses how to review general ledger information.

Understanding the Lean Accounting - G/L Review program

Use the Lean Accounting - G/L Review program (PF31201) to locate information contained in the general ledger. You can search by production ID, transaction ID, or batch number. For example, you can enter a transaction ID to discover the general ledger batch to which you actually wrote. You can also use this program to ascertain whether a transaction has been posted.

The program extracts data from the Lean Transaction G/L Cross Reference table (FF31201).

Form Used for Reviewing General Ledger Information

Form Name	Form ID	Navigation	Usage
Transaction / G/L Cross Reference – Select Cross Reference Records	WF31201B	Orderless Manufacturing Accounting (GF3116), Lean Accounting - G/L Review (PF31201) On the Transaction / G/L Cross Reference – Select Cross Reference records form, find and select a record, and then click the General Journal Review button.	Find GL information by production ID, transaction ID, or batch number.

Reviewing General Ledger Information

Access the General Ledger Review form.

Lean Accounting - G/L Review - General Journal Review

Select Find Add Delete Close Row Tools

Batch Number/Type Manufacturing

Records 1 - 11 [Customize Grid](#)

	Document Type	Document Number	Document Company	G/L Date	Explanation	Domestic Amount	Foreign Amount	Reverse or Void	Currency Code
☐	LC	13615	03361	10/02/04	Completed Lean Trans to Inv	1,060,077.56			USD
☐	LC	13616	03361	10/02/04	Completed Lean Trans to Inv	1,060,077.56			USD
☐	LC	13617	03361	10/02/04	Completed Lean Trans to Inv	1,060,077.56			USD
☐	LC	13618	03361	10/02/04	Completed Lean Trans to Inv	4,237,284.57			USD
☐	LC	13619	03361	10/02/04	Completed Lean Trans to Inv	3,465,389.19			USD
☐	LC	13620	03361	10/02/04	Completed Lean Trans to Inv	4,237,284.57			USD
☐	LC	13621	03361	10/02/04	Completed Lean Trans to Inv	3,465,389.19			USD
☐	LC	13622	03361	10/02/04	Completed Lean Trans to Inv	4,237,284.57			USD
☐	LC	13623	03361	10/02/04	Completed Lean Trans to Inv	3,465,389.19			USD
☐	LC	13624	03361	10/02/04	Completed Lean Trans to Inv	4,237,284.57			USD
☐	LC	13625	03361	10/02/04	Completed Lean Trans to Inv	3,465,389.19			USD

General Ledger Review form

CHAPTER 7

Understanding Calculations in Cost Rollup

This chapter provides information about how hard-coded cost components are generated in the cost rollup process. These calculations can vary according to the settings in the manufacturing constants and processing options.

This chapter discusses:

- Simulate Rollup program
- Material cost components
- Routing cost components
- Outside operation cost components
- Purchase price variance

Simulate Rollup Program

The Simulate Rollup program (R30812) program adjusts direct labor hours and direct machine hours by time basis, crew size, and cumulative yield, as appropriate. The program adjusts component material quantities by operation scrap, percent scrap, and shrink.

Material Cost Components

This table illustrates how the material cost components A1 and A2 reflect the cost incurred from purchasing material and from material scrap:

Cost Component	Description
A1 (Purchased Material)	- When you enter a cost method in the Purchased Item processing option on the Simulate Rollup program (R30812), the program uses that cost method to retrieve the cost from the Item Cost File table (F4105). - When you leave the processing option blank, the program uses the values that you enter manually on the Enter Cost Components form.
A2 (Material Scrap)	- The cost component is used for items that have a percent of scrap defined in their bill of material. - The net-added cost comes from scrap incurred when the components are assembled. $(\text{Component material scrap cost}) = (\text{the percent of scrap from the bill of material}) \times (\text{quantity per parent item}) \times (\text{the total cost of the component})$

Routing Cost Components

Routing cost components (cost components B and C) can be controlled manually or through the Simulate Rollup program (R30812).

This section discusses:

- B1 (direct labor).
- B2 (setup labor).
- B3 (machine run).
- B4 (labor efficiency).
- C1, C2 (variable and fixed machine overhead).
- C1, C2 (variable and fixed machine overhead).

B1 (Direct Labor)

B1 costs can be calculated as:

- Parent direct labor costs = sum of direct labor calculations for all operations on the item's routing.
- $(\text{Operation direct labor cost}) = ((\text{operation direct labor hours} / \text{operation time basis}) \times \text{operation crew size}) / (\text{operation cumulative yield percent} / 100) \times (\text{work center direct labor rate})$

B2 (Setup Labor)

B2 costs can be calculated as:

- Parent setup labor cost = sum of all setup labor calculations for all operations on the item's routing.
- $(\text{Operation setup labor cost}) = (\text{operation setup labor hours}) \times (\text{work center setup labor rate}) / (\text{accounting cost quantity})$

Note. Divide the work center setup labor rate *only if* the accounting cost quantity is *not* zero.

B3 (Machine Run)

B3 costs can be calculated as:

- Parent machine run cost = sum of machine run calculations for all operations on the item's routing.
- (Operation machine run cost) = ((operation machine run hours / operation time basis) / (operation cumulative yield / 100)) × (work center machine run rate)

B4 (Labor Efficiency)

This cost component increases or decreases the cost of the labor required to produce an item. If you have set the manufacturing constants to modify costs by work center efficiency, the program creates a cost component (B4) for labor efficiency when you run the Simulate Rollup program (R30812). In addition, if the efficiency for a work center is equal to zero, then the system does not perform a calculation for that work center.

The system calculates labor efficiency only for direct labor hours as:

Parent labor efficiency cost = sum of all efficiency calculations for all operations on the item's routing.

Calculating the operation labor efficiency cost requires the calculations listed:

- (Direct labor hours) × (time basis code) / ((crew size) / operation yield percent)) = (factored labor hours)
- (Work center efficiency) / (percentage conversion) × (factored labor hours) = (factored efficiency hours)
- (Labor efficiency cost) = (factored labor hours - (factored efficiency)) × (direct labor rate)

C1, C2 (Variable and Fixed Machine Overhead)

The system calculates C1 and C2 costs only if you have set the manufacturing constants for the branch/plant to include variable and fixed machine overhead in the cost. You must also specify whether you want the system to calculate machine overhead costs from manually entered rates in the Work Center Master File table (F30006) or as a percent of machine run costs.

Parent variable and fixed machine overhead cost is the sum of all variable and fixed machine overhead calculations for the item's routing.

Calculating variable machine overhead costs requires:

- (Machine variable labor overhead percent) / (percentage conversion) × (machine run rate) = (Variable machine overhead rate)
- (Machine run hours) / (time basis code / (operation yield percent)) = (Variable machine overhead run hours)
- (Machine variable overhead cost) = (Variable machine overhead run hours) × (variable machine overhead run rate)

Calculating fixed machine overhead costs requires:

- (Machine fixed labor overhead percent) / (percentage conversion) × (machine run rate) = (Fixed machine overhead rate)
- (Machine run hours) / (time basis code) / (operation yield percent) / (primary UOM conversion factor) = (Fixed machine overhead run hours)
- (Machine fixed overhead cost) = (Fixed machine overhead run hours) × (fixed machine overhead run rate)

C3, C4 (Variable/Fixed Labor Overhead)

The system displays the following calculations as rates. If you indicate on the Work Center Master Revisions form that variable and fixed labor overhead costs should be calculated as a percent of labor costs, multiply the work center labor rate by the percent divided by 100 to obtain the labor overhead rate. For example:

(Operation variable labor overhead rate) = (work center variable labor overhead percent) / (100) × (work center direct labor rate)

These costs are calculated only if you have set the manufacturing constants for the branch/plant to include variable and fixed labor overhead in the cost. In this table, you must also determine whether labor overhead costs are calculated from manually entered rates in the Work Center Master File table (F30006) or as a percent of labor costs.

In addition, you can set the manufacturing constants to factor labor overhead by work center efficiency:

- Parent variable and fixed labor overhead cost = Sum of all variable and fixed labor overhead calculations for all operations on the item's routing.
 - (Variable and fixed labor overhead cost) = (Direct labor overhead cost) + (setup labor overhead cost)
- Direct labor overhead cost by rate:
- Without labor efficiency: (direct labor hours) × (work center variable and fixed labor overhead) rate
 - With labor efficiency: (direct labor hours + work center efficiency) × work center variable and fixed labor overhead rate
 - (Work center efficiency) = (Labor hours) - ((work center efficiency percent) / (100)) × (labor hours)
 - (Setup labor overhead cost by rate) = (operation setup labor hours / accounting cost quantity) × (work center variable and fixed labor overhead rate)

Accounting cost quantity is factored if it is not equal to zero.

Outside Operation Cost Components

You can manually enter outside operations cost components on the Enter Cost Components form (W30026B) or let the system retrieve them from the Item Cost File table (F4105) when you run the Simulate Rollup program (R30812).

The Order Processing program (R31410) creates item numbers for outside operations:

*Parent*Opxx*

where Parent represents the parent item number, and xx represents the whole-number portion of the outside operation's operation sequence number. For example, for item 333, an outside operation at operation sequence number 30 receives an item number of 333*OP30.

If you enter a cost method in the Outside Operations processing option for the Simulate Rollup program, the program uses that cost method to retrieve the cost from the Item Cost File table. If the value is zero, and a value previously existed in the Item Cost Component Add-Ons table (F30026), the original value remains. If you leave the processing option blank, the program uses the values that you manually entered on the Enter Cost Components form.

Purchase Price Variance

For purchased items, a purchase price variance (PPV) results when the standard cost differs from the actual purchase price. If you use extra costs on purchased items, the total standard cost might differ from the A1 (material) cost. This difference is the material burden cost.

When you receive a purchase order, the system updates the accounts payable account using the price on the purchase order. The system updates the inventory account with the standard item cost from the Item Cost File table (F4105). Any difference between the two costs is made up of PPV and material burden. PPV is the difference between the frozen A1 cost and the purchase order cost.

Material burden cost is the difference between the total standard cost from the Item Cost File table (F4105) and the A1 cost:

- $(PPV) = (A1 \text{ cost}) - (\text{purchase order unit cost})$
- $(\text{Material burden cost}) = (\text{total standard cost}) - (A1 \text{ cost})$

Example: Purchase Price Variance and Material Burden

The Item Cost File Table (F4105) includes this information:

- Average cost = 14.00
- Standard cost = 16.00

The Item Cost Component Add-Ons Table (F30026) includes:

- A1 cost = 13.00
- X1 cost = 3.00

These t-account graphs show the accounting flow for price variance and material burden:

	Material Burden		PPV	
	3.00		1.00	

T-account for price variance and material burden

This T-account graph shows that material issued to the work order relieves the inventory account and posts to the WIP account with the fully loaded standard cost for the item:

Material Inventory	WIP
16.00	16.00

T-account for Material Inventory and WIP

This t-account graph shows that at period end, a manual journal entry closes the PPV to the Cost of Goods Sold account:

PPV	COGS
1.00	1.00
Credit	

T-account for PPV and COGS

AAI table 4337 posts the material overhead. If you have multiple cost extras and you want to post to different accounts for each of them, you must use landed cost.

APPENDIX A

PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting Reports

This appendix provides an overview of product costing and manufacturing accounting reports and enables you to:

- View summary tables of all reports.
- View report details for selected reports.

Product Costing and Manufacturing Accounting Reports

PCMA reports provide a way for you to monitor product costs; verify the integrity of cost components; review standard, current, planned, actual, and completed amounts of work orders; assess labor efficiency; and review variance between standard or estimated costs against actual costs.

You can print reports to verify accuracy and track changes to product costing and manufacturing accounting data.

PeopleSoft EnterpriseOne PCMA Reports: A to Z

This table lists the PCMA reports, sorted alphanumerically by report ID.

Report ID and Report Name	Description	Navigation
R30440 Costed Bill	Reviews the total cost of parent items detailed by component costs. Use this information to develop more accurate financial plans by monitoring product costs.	Product Costing Reports (G3023), Costed Bill
R30445A Multi Level Costed Bill	Reviews lists of the total cost of parent items detailed by component costs. Use this information to develop more accurate financial plans by monitoring product costs.	Product Costing Reports (G3023), Multi Level Costed Bill

Report ID and Report Name	Description	Navigation
R30543 Cost Integrity	Compares the sum of the frozen standard cost components for an item on the Enter Cost Components form (W30026B) and the unit cost in the Item Cost File table (F4105) and reviews the variances.	Product Costing Reports (G3023), Cost Integrity
R31401 Accounting Summary - Closed Work Orders	Lists completed work orders and their accumulated costs. This report lists the total standard and actual costs and the variance between the two. Actual costs are detailed by material, labor, and overhead.	Manufacturing Account Reports (G3123), Discrete Summary of Costs by Order Manufacturing Account Reports (G3123), Process Summary of Costs by Order
R31425 Purchase Price Variance Report	Lists the actual price paid for an item, the standard price that you estimated for the item, and the variance between the two. It also lists a percent of variance for each item and the total costs by item for the entire report.	Manufacturing Account Reports (G3123), Discrete Material Price Variance Manufacturing Account Reports (G3123), Process Material Price Variance
R31426 Material Usage Variances Report	Lists the standard costs on a work order parts list and the actual costs recorded for the parts issued.	Manufacturing Account Reports (G3123), Discrete Material Usage Variance - Std. Manufacturing Account Reports (G3123), Process Material Usage Variance - Std.
R314271 Labor Rate Variance Report	Lists current and standard labor rates, and hours or amounts. It details labor rate variances between the standard rates that you estimated and the actual rates that you charged, and lists the percentage of variance.	Manufacturing Account Reports (G3123), Discrete Labor Rate Variance Manufacturing Account Reports (G3123), Process Labor Rate Variance
R31428 Work Order Labor Efficiency Report	Provides a detailed analysis of direct labor efficiency hours accumulated for a work order. It lists standard and actual hours, and calculates the cost of the variance between them based on standard labor rates.	Manufacturing Account Reports (G3123), Discrete Labor Efficiency Manufacturing Account Reports (G3123), Process Labor Efficiency
R31811 Discrete Completed Order Valuation	This report shows the standard, actual, completed, and outstanding balance amounts by cost component and item for completed work orders. The Manufacturing Journal Entries (R31802A) and the Variances programs (R31804) have already been run for these work orders. The report displays the total for each type of cost by work order and a grand total of each cost for all of the work orders listed.	Manufacturing Account Reports (G3123), Discrete Completed Order Valuation

Report ID and Report Name	Description	Navigation
R31812A Work Order Activity - Amounts	Lists standard, current, planned, actual, and completed amounts of work orders. The report lists the costs of the components first, and then the costs of the parents.	Manufacturing Accounting (G3116), Work Order Activity - Amounts
R31812B Work Order Activity - Units	Lists the standard, current, planned, actual, and completed units of work orders. The report lists the costs of components first, and then the costs of the parents.	Manufacturing Accounting (G3116), Work Order Activity - Units
R31813 Discrete Engineering Variance	Lists work orders, their standard and current amounts, and their engineering variances.	Manufacturing Account Reports (G3123), Discrete Engineering Variance
R31814 Discrete Planned Variance	Lists all work orders and their planned variances. The purpose of the report is to compare the current amounts to planned amounts.	Manufacturing Account Reports (G3123), Discrete Planned Variance
R31816 Discrete Labor Efficiency Variances	Shows planned and actual labor hours (all cost components except A1), extended by standard rates, and the monetary amount of variance by work order and item number.	Manufacturing Account Reports (G3123), Discrete Labor Efficiency Variances
R31817 Discrete Total/WIP and Other Variances	Shows the standard, actual, and completed amounts, as well as total and other variances by cost component and item for work orders.	Manufacturing Account Reports (G3123), Discrete Total/WIP and Other Variances
R31818 Discrete Completed Order Variances	Shows detailed production costs and variance amounts for work orders.	Manufacturing Account Reports (G3123), Discrete Completed Order Variances

PeopleSoft EnterpriseOne Selected PCMA Reports

This section provides detailed information, including processing options, for individual reports. The reports are listed alphanumerically by report ID.

R30440 - Costed Bill

You can customize this report to help you in your analysis; for example, you can:

- Process the report using any valid cost method.
- Process the report for simulated or frozen costs.
- Specify a date in the processing options from which the information is retrieved if you do not want to use the current date.

- Print all product costs and user defined categories on the report.
- Print the report for one branch, selected branches, or all branches.

This report presents the component costs in five user-defined cost buckets. In addition, the report shows totals of the cost buckets for each item. Each cost bucket can contain several cost components, depending on how you set up UDCs.

Processing Options for Costed Bill (R30440)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Defaults

As of Date Enter the As of date for the Bill of Material. Values are:
Blank: Current date will be used.

Display

Cost Method Enter the Cost Method to be used (that is: 01, 02, 03). Blanks will default to 07 cost method (standard).

Simulated/Frozen Enter the Costs to be printed. Values are:
1: Simulated
2: Frozen

Quantity - Requested Quantity Enter the number of units to Cost (for example, 10,000).

R30445A - Multi Level Costed Bill

You can customize this report to help you in your analysis; for example, you can:

- Specify the number of units that the program costs when you run the report.
- Process the report using any valid cost method.
- Process the report for simulated or frozen costs.
- Specify a date for the program to use as a criterion when accessing information.
- Print all product costs and user defined categories on the report.
- Print the report for one branch, selected branches, or all branches.

This report presents the component costs in five user-defined cost buckets. In addition, the program totals the cost buckets for each item. Each cost bucket can contain several cost components, depending on how you set up UDCs.

Processing Options for Multi Level Costed Bill (R30445A)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Defaults

Although processing options are set up during PeopleSoft EnterpriseOne implementation, you can change processing options each time you run a program.

As of Date Enter the 'As of Date' for the Bill of Material. If you leave the field blank, the system uses the current date.

Display

Cost Method Enter the cost method to be used. Blanks will default to 07 (standard).

Simulated/Frozen Enter the costs to be printed. Values are:

1: Simulated

2: Frozen

Quantity - Requested Quantity Enter the units to Cost (that is, 10,000).

Print

Indented Report Switch Enter 1 to print an indented Costed Bill of Material Report.

Unit Cost Detail Enter 1 to print a Unit Cost line of detail. If left blank, only one line of detail will be printed for each item.

R30543 - Cost Integrity

For cost-level 3 items, the program uses the unit cost for the primary location of the item in the Item Cost File table.

Note. If you use actual costing, do not run this report because it does not produce accurate and relevant information about the company's costs.

Processing Options for Cost Integrity (R30543)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Report Option

Selection value Enter 1 to see report detail for all items processed. If left blank, only items with cost discrepancies will be printed.

R31401 - Accounting Summary - Closed Work Orders

The system retrieves this information when you run the report:

- Labor and miscellaneous costs come from values in the Work Order Time Transactions table (F31122) for the work order.
- Overhead costs are the machine hours in the Work Order Time Transactions table multiplied by the overhead rates entered for the work center in the Work Center Rates File table (F30008).
- The total actual cost is the accumulated detail for labor, overhead, material, and miscellaneous costs.
- The total standard cost is the number of items completed on the work order multiplied by the parent item's frozen standard cost from the Item Cost File table (F4105).

R31425 - Purchase Price Variance Report

The system retrieves this information when you run the report:

- Standard costs from the Item Cost File table (F4105).
- Actual costs from the Purchase Order Receiver File table (F43121).

R31426 - Material Usage Variances Report

The report contains these elements:

- The standard units required on a work order.
- The actual units consumed.
- The variance between the two in both units and cost.

The system performs these calculations:

- The standard units are the parent quantity specified on the work order or the quantity of the component specified on the work order parts list.

When the work order is completed (status 99), the report lists the work order quantity completed, rather than the original parent quantity ordered.

- The variance percentage results from the actual units or amounts divided by the standard units or amounts.

The variance percentage provides an accuracy value. For example, an accuracy value of 100.00 indicates that the planned quantity or amount was the same as the actual quantity or amount used.

Processing Options for Material Usage Variances Report (R31426)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Option

Selection value

The data selection value. A special facility has been provided to allow selection of multiple specific values.

I: The primary sequence is by component item number.

**VALUES*: Show a special display screen allowing the entry of up to 45 specific values. If you specify **VALUES* in multiple selections of the original display, you will be prompted for multiple values lists.

**BLANKS*: Search on a blank value. You cannot leave the values field blank to search on blanks, it will default to **ALL*.

**ZEROS*: Search for amounts equal to zero.

RANGE*: Show a special display screen which allows the entry of a range of values (that is, from 1 to 50). The first value **MUST be **LESS** than the second value. If it is equal or greater than, it will not work.

**ALL*: Select all values for a field.

R314271 - Labor Rate Variance Report

The system performs the calculations based on this information:

- The standard rates come from the Work Center Rates File table (F30008).
- The standard hours come from the Work Order Routing table (F3112).
- The actual amounts are the actual hours from the Work Order Time Transactions table (F31122) multiplied by the standard rate.

Processing Options for Labor Rate Variance Report (R314271)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

Document Type

A user defined code (00/DT) that identifies the origin and purpose of the transaction. The PeopleSoft system reserves several prefixes for document types, such as vouchers, invoices, receipts, and time sheets.

R31428 - Work Order Labor Efficiency Report

The system retrieves this information:

- The actual values, which are the values from the Work Order Time Transactions table (F31122) for the operation sequence and employee.
- The frozen standard hours, which are from the Work Order Routing table (F3112).
- The frozen standard labor rates, which are from the Work Center Rates File table (F30008), based on the type code for the operation sequence.

Processing Options for Work Order Labor Efficiency Report (R31428)

Processing options enable you to specify the default processing for programs and reports.

Do not modify PeopleSoft EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

WO Status

Work Order Status Range (Optional)	Enter the range of WO status to be selected for processing. From Work Order Status A user defined code (00/SS) that describes the status of a work order, rate schedule, or engineering change order. Any status change from 90 through 99 triggers the system to automatically update the completion date. To Work Order Status The next status for a work order, according to the work order activity rules, as the work order moves through the approval route. You must define a status code as a work order status in the Work Order Activity Rules table before you can use it as a next status.
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Glossary of PeopleSoft Terms

activity	A scheduling entity in PeopleSoft EnterpriseOne Form Design Aid that represents a designated amount of time on a calendar.
activity rule	The criteria by which an object progresses from one given point to the next in a flow.
add mode	A condition of a form that enables users to input data.
Advanced Planning Agent (APAg)	A PeopleSoft EnterpriseOne tool that can be used to extract, transform, and load enterprise data. APAg supports access to data sources in the form of relational databases, flat file format, and other data or message encoding, such as XML.
application server	A server in a local area network that contains applications shared by network clients.
as if processing	A process that enables you to view currency amounts as if they were entered in a currency different from the domestic and foreign currency of the transaction.
alternate currency	A currency that is different from the domestic currency (when dealing with a domestic-only transaction) or the domestic and foreign currency of a transaction. In PeopleSoft EnterpriseOne Financial Management, alternate currency processing enables you to enter receipts and payments in a currency other than the one in which they were issued.
as of processing	A process that is run as of a specific point in time to summarize transactions up to that date. For example, you can run various PeopleSoft EnterpriseOne reports as of a specific date to determine balances and amounts of accounts, units, and so on as of that date.
back-to-back process	A process in PeopleSoft EnterpriseOne Workflow Management that contains the same keys that are used in another process.
batch processing	A process of transferring records from a third-party system to PeopleSoft EnterpriseOne. In PeopleSoft EnterpriseOne Financial Management, batch processing enables you to transfer invoices and vouchers that are entered in a system other than EnterpriseOne to PeopleSoft EnterpriseOne Accounts Receivable and PeopleSoft EnterpriseOne Accounts Payable, respectively. In addition, you can transfer address book information, including customer and supplier records, to PeopleSoft EnterpriseOne.
batch server	A server that is designated for running batch processing requests. A batch server typically does not contain a database nor does it run interactive applications.
batch-of-one immediate	A transaction method that enables a client application to perform work on a client workstation, then submit the work all at once to a server application for further processing. As a batch process is running on the server, the client application can continue performing other tasks. See also direct connect and store-and-forward.
business function	A named set of user-created, reusable business rules and logs that can be called through event rules. Business functions can run a transaction or a subset of a transaction (check inventory, issue work orders, and so on). Business functions also contain the application programming interfaces (APIs) that enable them to be called from a form, a database trigger, or a non-EnterpriseOne application. Business functions can be combined with other business functions, forms, event rules, and other components to make up an application. Business functions can be created through

	event rules or third-generation languages, such as C. Examples of business functions include Credit Check and Item Availability.
business function event rule	See named event rule (NER).
business view	A means for selecting specific columns from one or more PeopleSoft EnterpriseOne tables whose data is used in an application or report. A business view does not select specific rows, nor does it contain any actual data. It is strictly a view through which you can manipulate data.
central objects merge	A process that blends a customer's modifications to the objects in a current release with objects in a new release.
central server	A server that has been designated to contain the originally installed version of the software (central objects) for deployment to client computers. In a typical PeopleSoft EnterpriseOne installation, the software is loaded on to one machine—the central server. Then, copies of the software are pushed out or downloaded to various workstations attached to it. That way, if the software is altered or corrupted through its use on workstations, an original set of objects (central objects) is always available on the central server.
charts	Tables of information in PeopleSoft EnterpriseOne that appear on forms in the software.
connector	Component-based interoperability model that enables third-party applications and PeopleSoft EnterpriseOne to share logic and data. The PeopleSoft EnterpriseOne connector architecture includes Java and COM connectors.
contra/clearing account	A general ledger account in PeopleSoft EnterpriseOne Financial Management that is used by the system to offset (balance) journal entries. For example, you can use a contra/clearing account to balance the entries created by allocations in PeopleSoft EnterpriseOne General Accounting.
Control Table Workbench	An application that, during the installation Workbench processing, runs the batch applications for the planned merges that update the data dictionary, user-defined codes, menus, and user override tables.
control tables merge	A process that blends a customer's modifications to the control tables with the data that accompanies a new release.
cost assignment	The process in PeopleSoft EnterpriseOne Advanced Cost Accounting of tracing or allocating resources to activities or cost objects.
cost component	In PeopleSoft EnterpriseOne Manufacturing Management, an element of an item's cost (for example, material, labor, or overhead).
cross segment edit	A logic statement that establishes the relationship between configured item segments. Cross segment edits are used to prevent ordering of configurations that cannot be produced.
currency restatement	The process of converting amounts from one currency into another currency, generally for reporting purposes. You can use the currency restatement process, for example, when many currencies must be restated into a single currency for consolidated reporting.
database server	A server in a local area network that maintains a database and performs searches for client computers.
Data Source Workbench	An application that, during the Installation Workbench process, copies all data sources that are defined in the installation plan from the Data Source Master and Table and Data Source Sizing tables in the Planner data source to the System-release number data source. It also updates the Data Source Plan detail record to reflect completion.

date pattern	A calendar that represents the beginning date for the fiscal year and the ending date for each period in that year in standard and 52-period accounting.
denominated-in currency	The company currency in which financial reports are based.
deployment server	A server that is used to install, maintain, and distribute software to one or more enterprise servers and client workstations.
detail information	Information that relates to individual lines in PeopleSoft EnterpriseOne transactions (for example, voucher pay items and sales order detail lines).
direct connect	A transaction method in which a client application communicates interactively and directly with a server application. See also batch-of-one immediate and store-and-forward.
Do Not Translate (DNT)	A type of data source that must exist on the iSeries because of BLOB restrictions.
dual pricing	The process of providing prices for goods and services in two currencies.
edit code	A code that indicates how a specific value for a report or a form should appear or be formatted. The default edit codes that pertain to reporting require particular attention because they account for a substantial amount of information.
edit mode	A condition of a form that enables users to change data.
edit rule	A method used for formatting and validating user entries against a predefined rule or set of rules.
Electronic Data Interchange (EDI)	An interoperability model that enables paperless computer-to-computer exchange of business transactions between PeopleSoft EnterpriseOne and third-party systems. Companies that use EDI must have translator software to convert data from the EDI standard format to the formats of their computer systems.
embedded event rule	An event rule that is specific to a particular table or application. Examples include form-to-form calls, hiding a field based on a processing option value, and calling a business function. Contrast with the business function event rule.
Employee Work Center	A central location for sending and receiving all PeopleSoft EnterpriseOne messages (system and user generated), regardless of the originating application or user. Each user has a mailbox that contains workflow and other messages, including Active Messages.
enterprise server	A server that contains the database and the logic for PeopleSoft EnterpriseOne or PeopleSoft World.
EnterpriseOne object	A reusable piece of code that is used to build applications. Object types include tables, forms, business functions, data dictionary items, batch processes, business views, event rules, versions, data structures, and media objects.
EnterpriseOne process	A software process that enables PeopleSoft EnterpriseOne clients and servers to handle processing requests and run transactions. A client runs one process, and servers can have multiple instances of a process. PeopleSoft EnterpriseOne processes can also be dedicated to specific tasks (for example, workflow messages and data replication) to ensure that critical processes don't have to wait if the server is particularly busy.
Environment Workbench	An application that, during the Installation Workbench process, copies the environment information and Object Configuration Manager tables for each environment from the Planner data source to the System-release number data source. It also updates the Environment Plan detail record to reflect completion.
escalation monitor	A batch process that monitors pending requests or activities and restarts or forwards them to the next step or user after they have been inactive for a specified amount of time.

event rule	A logic statement that instructs the system to perform one or more operations based on an activity that can occur in a specific application, such as entering a form or exiting a field.
facility	An entity within a business for which you want to track costs. For example, a facility might be a warehouse location, job, project, work center, or branch/plant. A facility is sometimes referred to as a <i>business unit</i> .
fast path	A command prompt that enables the user to move quickly among menus and applications by using specific commands.
file server	A server that stores files to be accessed by other computers on the network. Unlike a disk server, which appears to the user as a remote disk drive, a file server is a sophisticated device that not only stores files, but also manages them and maintains order as network user request files and make changes to these files.
final mode	The report processing mode of a processing mode of a program that updates or creates data records.
FTP server	A server that responds to requests for files via file transfer protocol.
header information	Information at the beginning of a table or form. Header information is used to identify or provide control information for the group of records that follows.
interface table	See Z tables.
integration server	A server that facilitates interaction between diverse operating systems and applications across internal and external networked computer systems.
integrity test	A process used to supplement a company's internal balancing procedures by locating and reporting balancing problems and data inconsistencies.
interoperability model	A method for third-party systems to connect to or access PeopleSoft EnterpriseOne.
in-your-face-error	In PeopleSoft EnterpriseOne, a form-level property which, when enabled, causes the text of application errors to appear on the form.
IServer service	Developed by PeopleSoft, this internet server service resides on the web server and is used to speed up delivery of the Java class files from the database to the client.
jargon	An alternative data dictionary item description that PeopleSoft EnterpriseOne or People World displays based on the product code of the current object.
Java application server	A component-based server that resides in the middle-tier of a server-centric architecture. This server provides middleware services for security and state maintenance, along with data access and persistence.
JDBNET	A database driver that enables heterogeneous servers to access each other's data.
JDEBASE Database Middleware	A PeopleSoft proprietary database middleware package that provides platform-independent APIs, along with client-to-server access.
JDECallObject	An API used by business functions to invoke other business functions.
jde.ini	A PeopleSoft file (or member for iSeries) that provides the runtime settings required for EnterpriseOne initialization. Specific versions of the file or member must reside on every machine running PeopleSoft EnterpriseOne. This includes workstations and servers.
JDEIPC	Communications programming tools used by server code to regulate access to the same data in multiprocess environments, communicate and coordinate between processes, and create new processes.

jde.log	The main diagnostic log file of PeopleSoft EnterpriseOne. This file is always located in the root directory on the primary drive and contains status and error messages from the startup and operation of PeopleSoft EnterpriseOne.
JDENET	PeopleSoft proprietary communications middleware package. This package is a peer-to-peer, message-based, socket-based, multiprocess communications middleware solution. It handles client-to-server and server-to-server communications for all PeopleSoft EnterpriseOne supported platforms.
Location Workbench	An application that, during the Installation Workbench process, copies all locations that are defined in the installation plan from the Location Master table in the Planner data source to the System data source.
logic server	A server in a distributed network that provides the business logic for an application program. In a typical configuration, pristine objects are replicated on to the logic server from the central server. The logic server, in conjunction with workstations, actually performs the processing required when PeopleSoft EnterpriseOne and World software runs.
MailMerge Workbench	An application that merges Microsoft Word 6.0 (or higher) word-processing documents with PeopleSoft EnterpriseOne records to automatically print business documents. You can use MailMerge Workbench to print documents, such as form letters about verification of employment.
master business function (MBF)	An interactive master file that serves as a central location for adding, changing, and updating information in a database. Master business functions pass information between data entry forms and the appropriate tables. These master functions provide a common set of functions that contain all of the necessary default and editing rules for related programs. MBFs contain logic that ensures the integrity of adding, updating, and deleting information from databases.
master table	See published table.
matching document	A document associated with an original document to complete or change a transaction. For example, in PeopleSoft EnterpriseOne Financial Management, a receipt is the matching document of an invoice, and a payment is the matching document of a voucher.
media storage object	Files that use one of the following naming conventions that are not organized into table format: Gxxx, xxxGT, or GTxxx.
message center	A central location for sending and receiving all PeopleSoft EnterpriseOne messages (system and user generated), regardless of the originating application or user.
messaging adapter	An interoperability model that enables third-party systems to connect to PeopleSoft EnterpriseOne to exchange information through the use of messaging queues.
messaging server	A server that handles messages that are sent for use by other programs using a messaging API. Messaging servers typically employ a middleware program to perform their functions.
named event rule (NER)	Encapsulated, reusable business logic created using event rules, rather than C programming. NERs are also called business function event rules. NERs can be reused in multiple places by multiple programs. This modularity lends itself to streamlining, reusability of code, and less work.
<i>nota fiscal</i>	In Brazil, a legal document that must accompany all commercial transactions for tax purposes and that must contain information required by tax regulations.
<i>nota fiscal factura</i>	In Brazil, a <i>nota fiscal</i> with invoice information. See also <i>nota fiscal</i> .

Object Configuration Manager (OCM)	In PeopleSoft EnterpriseOne, the object request broker and control center for the runtime environment. OCM keeps track of the runtime locations for business functions, data, and batch applications. When one of these objects is called, OCM directs access to it using defaults and overrides for a given environment and user.
Object Librarian	A repository of all versions, applications, and business functions reusable in building applications. Object Librarian provides check-out and check-in capabilities for developers, and it controls the creation, modification, and use of PeopleSoft EnterpriseOne objects. Object Librarian supports multiple environments (such as production and development) and enables objects to be easily moved from one environment to another.
Object Librarian merge	A process that blends any modifications to the Object Librarian in a previous release into the Object Librarian in a new release.
Open Data Access (ODA)	An interoperability model that enables you to use SQL statements to extract PeopleSoft EnterpriseOne data for summarization and report generation.
Output Stream Access (OSA)	An interoperability model that enables you to set up an interface for PeopleSoft EnterpriseOne to pass data to another software package, such as Microsoft Excel, for processing.
package	EnterpriseOne objects are installed to workstations in packages from the deployment server. A package can be compared to a bill of material or kit that indicates the necessary objects for that workstation and where on the deployment server the installation program can find them. It is point-in-time snap shot of the central objects on the deployment server.
package build	A software application that facilitates the deployment of software changes and new applications to existing users. Additionally, in PeopleSoft EnterpriseOne, a package build can be a compiled version of the software. When you upgrade your version of the ERP software, for example, you are said to take a package build. Consider the following context: “Also, do not transfer business functions into the production path code until you are ready to deploy, because a global build of business functions done during a package build will automatically include the new functions.” The process of creating a package build is often referred to, as it is in this example, simply as “a package build.”
package location	The directory structure location for the package and its set of replicated objects. This is usually \\deployment server\release\path_code\package\package name. The subdirectories under this path are where the replicated objects for the package are placed. This is also referred to as where the package is built or stored.
Package Workbench	An application that, during the Installation Workbench process, transfers the package information tables from the Planner data source to the System-release number data source. It also updates the Package Plan detail record to reflect completion.
PeopleSoft Database	See JDEBASE Database Middleware.
planning family	A means of grouping end items whose similarity of design and manufacture facilitates being planned in aggregate.
preference profile	The ability to define default values for specified fields for a user-defined hierarchy of items, item groups, customers, and customer groups.
print server	The interface between a printer and a network that enables network clients to connect to the printer and send their print jobs to it. A print server can be a computer, separate hardware device, or even hardware that resides inside of the printer itself.
pristine environment	A PeopleSoft EnterpriseOne environment used to test unaltered objects with PeopleSoft demonstration data or for training classes. You must have this environment so that you can compare pristine objects that you modify.

processing option	A data structure that enables users to supply parameters that regulate the running of a batch program or report. For example, you can use processing options to specify default values for certain fields, to determine how information appears or is printed, to specify date ranges, to supply runtime values that regulate program execution, and so on.
production environment	A PeopleSoft EnterpriseOne environment in which users operate EnterpriseOne software.
production-grade file server	A file server that has been quality assurance tested and commercialized and that is usually provided in conjunction with user support services.
program temporary fix (PTF)	A representation of changes to PeopleSoft software that your organization receives on magnetic tapes or disks.
project	In PeopleSoft EnterpriseOne, a virtual container for objects being developed in Object Management Workbench.
promotion path	The designated path for advancing objects or projects in a workflow. The following is the normal promotion cycle (path): 11>21>26>28>38>01 In this path, 11 equals new project pending review, 21 equals programming, 26 equals QA test/review, 28 equals QA test/review complete, 38 equals in production, 01 equals complete. During the normal project promotion cycle, developers check objects out of and into the development path code and then promote them to the prototype path code. The objects are then moved to the productions path code before declaring them complete.
proxy server	A server that acts as a barrier between a workstation and the internet so that the enterprise can ensure security, administrative control, and caching service.
published table	Also called a master table, this is the central copy to be replicated to other machines. Residing on the publisher machine, the F98DRPUB table identifies all of the published tables and their associated publishers in the enterprise.
publisher	The server that is responsible for the published table. The F98DRPUB table identifies all of the published tables and their associated publishers in the enterprise.
pull replication	One of the PeopleSoft methods for replicating data to individual workstations. Such machines are set up as pull subscribers using PeopleSoft EnterpriseOne data replication tools. The only time that pull subscribers are notified of changes, updates, and deletions is when they request such information. The request is in the form of a message that is sent, usually at startup, from the pull subscriber to the server machine that stores the F98DRPCN table.
QBE	An abbreviation for query by example. In PeopleSoft EnterpriseOne, the QBE line is the top line on a detail area that is used for filtering data.
real-time event	A service that uses system calls to capture PeopleSoft EnterpriseOne transactions as they occur and to provide notification to third-party software, end users, and other PeopleSoft systems that have requested notification when certain transactions occur.
refresh	A function used to modify PeopleSoft EnterpriseOne software, or subset of it, such as a table or business data, so that it functions at a new release or cumulative update level, such as B73.2 or B73.2.1.
replication server	A server that is responsible for replicating central objects to client machines.
quote order	In PeopleSoft EnterpriseOne Procurement and Subcontract Management, a request from a supplier for item and price information from which you can create a purchase order.

	In PeopleSoft EnterpriseOne Sales Order Management, item and price information for a customer who has not yet committed to a sales order.
selection	Found on PeopleSoft menus, a selection represents functions that you can access from a menu. To make a selection, type the associated number in the Selection field and press Enter.
Server Workbench	An application that, during the Installation Workbench process, copies the server configuration files from the Planner data source to the System-release number data source. It also updates the Server Plan detail record to reflect completion.
spot rate	An exchange rate entered at the transaction level. This rate overrides the exchange rate that is set up between two currencies.
Specification merge	A merge that comprises three merges: Object Librarian merge, Versions List merge, and Central Objects merge. The merges blend customer modifications with data that accompanies a new release.
specification	A complete description of a PeopleSoft EnterpriseOne object. Each object has its own specification, or name, which is used to build applications.
Specification Table Merge Workbench	An application that, during the Installation Workbench process, runs the batch applications that update the specification tables.
store-and-forward	The mode of processing that enables users who are disconnected from a server to enter transactions and then later connect to the server to upload those transactions.
subscriber table	Table F98DRSUB, which is stored on the publisher server with the F98DRPUB table and identifies all of the subscriber machines for each published table.
supplemental data	Any type of information that is not maintained in a master file. Supplemental data is usually additional information about employees, applicants, requisitions, and jobs (such as an employee's job skills, degrees, or foreign languages spoken). You can track virtually any type of information that your organization needs. For example, in addition to the data in the standard master tables (the Address Book Master, Customer Master, and Supplier Master tables), you can maintain other kinds of data in separate, generic databases. These generic databases enable a standard approach to entering and maintaining supplemental data across PeopleSoft EnterpriseOne systems.
table access management (TAM)	The PeopleSoft EnterpriseOne component that handles the storage and retrieval of use-defined data. TAM stores information, such as data dictionary definitions; application and report specifications; event rules; table definitions; business function input parameters and library information; and data structure definitions for running applications, reports, and business functions.
Table Conversion Workbench	An interoperability model that enables the exchange of information between PeopleSoft EnterpriseOne and third-party systems using non-PeopleSoft EnterpriseOne tables.
table conversion	An interoperability model that enables the exchange of information between PeopleSoft EnterpriseOne and third-party systems using non-PeopleSoft EnterpriseOne tables.
table event rules	Logic that is attached to database triggers that runs whenever the action specified by the trigger occurs against the table. Although PeopleSoft EnterpriseOne enables event rules to be attached to application events, this functionality is application specific. Table event rules provide embedded logic at the table level.
terminal server	A server that enables terminals, microcomputers, and other devices to connect to a network or host computer or to devices attached to that particular computer.

three-tier processing	The task of entering, reviewing and approving, and posting batches of transactions in PeopleSoft EnterpriseOne.
three-way voucher match	In PeopleSoft EnterpriseOne Procurement and Subcontract Management, the process of comparing receipt information to supplier's invoices to create vouchers. In a three-way match, you use the receipt records to create vouchers.
transaction processing (TP) monitor	A monitor that controls data transfer between local and remote terminals and the applications that originated them. TP monitors also protect data integrity in the distributed environment and may include programs that validate data and format terminal screens.
transaction set	An electronic business transaction (electronic data interchange standard document) made up of segments.
trigger	One of several events specific to data dictionary items. You can attach logic to a data dictionary item that the system processes automatically when the event occurs.
triggering event	A specific workflow event that requires special action or has defined consequences or resulting actions.
two-way voucher match	In PeopleSoft EnterpriseOne Procurement and Subcontract Management, the process of comparing purchase order detail lines to the suppliers' invoices to create vouchers. You do not record receipt information.
User Overrides merge	Adds new user override records into a customer's user override table.
variance	In Capital Asset Management, the difference between revenue generated by a piece of equipment and costs incurred by the equipment. In EnterpriseOne Project Costing and EnterpriseOne Manufacturing Management, the difference between two methods of costing the same item (for example, the difference between the frozen standard cost and the current cost is an engineering variance). Frozen standard costs come from the Cost Components table, and the current costs are calculated using the current bill of material, routing, and overhead rates.
Version List merge	The Versions List merge preserves any non-XJDE and non-ZJDE version specifications for objects that are valid in the new release, as well as their processing options data.
visual assist	Forms that can be invoked from a control via a trigger to assist the user in determining what data belongs in the control.
vocabulary override	An alternate description for a data dictionary item that appears on a specific PeopleSoft EnterpriseOne or World form or report.
wchar_t	An internal type of a wide character. It is used for writing portable programs for international markets.
web application server	A web server that enables web applications to exchange data with the back-end systems and databases used in eBusiness transactions.
web server	A server that sends information as requested by a browser, using the TCP/IP set of protocols. A web server can do more than just coordination of requests from browsers; it can do anything a normal server can do, such as house applications or data. Any computer can be turned into a web server by installing server software and connecting the machine to the internet.
Windows terminal server	A multiuser server that enables terminals and minimally configured computers to display Windows applications even if they are not capable of running Windows software themselves. All client processing is performed centrally at the Windows terminal server and only display, keystroke, and mouse commands are transmitted over the network to the client terminal device.

work day calendar	In EnterpriseOne Manufacturing Management, a calendar that is used in planning functions that consecutively lists only working days so that component and work order scheduling can be done based on the actual number of work days available. A work day calendar is sometimes referred to as planning calendar, manufacturing calendar, or shop floor calendar.
workflow	The automation of a business process, in whole or in part, during which documents, information, or tasks are passed from one participant to another for action, according to a set of procedural rules.
workgroup server	A server that usually contains subsets of data replicated from a master network server. A workgroup server does not perform application or batch processing.
XAPI events	A service that uses system calls to capture PeopleSoft EnterpriseOne transactions as they occur and then calls third-party software, end users, and other PeopleSoft systems that have requested notification when the specified transactions occur to return a response.
XML CallObject	An interoperability capability that enables you to call business functions.
XML Dispatch	An interoperability capability that provides a single point of entry for all XML documents coming into PeopleSoft EnterpriseOne for responses.
XML List	An interoperability capability that enables you to request and receive PeopleSoft EnterpriseOne database information in chunks.
XML Service	An interoperability capability that enables you to request events from one PeopleSoft EnterpriseOne system and receive a response from another PeopleSoft EnterpriseOne system.
XML Transaction	An interoperability capability that enables you to use a predefined transaction type to send information to or request information from PeopleSoft EnterpriseOne. XML transaction uses interface table functionality.
XML Transaction Service (XTS)	Transforms an XML document that is not in the PeopleSoft EnterpriseOne format into an XML document that can be processed by PeopleSoft EnterpriseOne. XTS then transforms the response back to the request originator XML format.
Z event	A service that uses interface table functionality to capture PeopleSoft EnterpriseOne transactions and provide notification to third-party software, end users, and other PeopleSoft systems that have requested to be notified when certain transactions occur.
Z table	A working table where non-PeopleSoft EnterpriseOne information can be stored and then processed into PeopleSoft EnterpriseOne. Interface tables also can be used to retrieve PeopleSoft EnterpriseOne data. Interface tables are also known as interface tables.
Z transaction	Third-party data that is properly formatted in interface tables for updating to the PeopleSoft EnterpriseOne database.

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PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting 8.11 Reports

November 2004

PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting 8.11 Reports
SKU E1_FMS8.11APM-R 1104

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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:

- Related documentation.
- Comments and suggestions.

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CHAPTER 1

PeopleSoft EnterpriseOne Product Costing and Manufacturing Accounting Reports

This appendix provides an overview of product costing and manufacturing accounting reports and enables you to view summary tables of all reports.

PeopleSoft EnterpriseOne PCMA Reports: A to Z

This table lists the PCMA reports, sorted alphanumerically by report ID.

Report ID and Report Name	Description	Navigation
R30440 Costed Bill	Reviews the total cost of parent items detailed by component costs. Use this information to develop more accurate financial plans by monitoring product costs.	Product Costing Reports (G3023), Costed Bill
R30445A Multi Level Costed Bill	Reviews lists of the total cost of parent items detailed by component costs. Use this information to develop more accurate financial plans by monitoring product costs.	Product Costing Reports (G3023), Multi Level Costed Bill
R30543 Cost Integrity	Compares the sum of the frozen standard cost components for an item on the Enter Cost Components form (W30026B) and the unit cost in the Item Cost File table (F4105) and reviews the variances.	Product Costing Reports (G3023), Cost Integrity
R31401 Accounting Summary - Closed Work Orders	Lists completed work orders and their accumulated costs. This report lists the total standard and actual costs and the variance between the two. Actual costs are detailed by material, labor, and overhead.	Manufacturing Account Reports (G3123), Discrete Summary of Costs by Order Manufacturing Account Reports (G3123), Process Summary of Costs by Order

Report ID and Report Name	Description	Navigation
R31425 Purchase Price Variance Report	Lists the actual price paid for an item, the standard price that you estimated for the item, and the variance between the two. It also lists a percent of variance for each item and the total costs by item for the entire report.	Manufacturing Account Reports (G3123), Discrete Material Price Variance Manufacturing Account Reports (G3123), Process Material Price Variance
R31426 Material Usage Variances Report	Lists the standard costs on a work order parts list and the actual costs recorded for the parts issued.	Manufacturing Account Reports (G3123), Discrete Material Usage Variance - Std. Manufacturing Account Reports (G3123), Process Material Usage Variance - Std.
R314271 Labor Rate Variance Report	Lists current and standard labor rates, and hours or amounts. It details labor rate variances between the standard rates that you estimated and the actual rates that you charged, and lists the percentage of variance.	Manufacturing Account Reports (G3123), Discrete Labor Rate Variance Manufacturing Account Reports (G3123), Process Labor Rate Variance
R31428 Work Order Labor Efficiency Report	Provides a detailed analysis of direct labor efficiency hours accumulated for a work order. It lists standard and actual hours, and calculates the cost of the variance between them based on standard labor rates.	Manufacturing Account Reports (G3123), Discrete Labor Efficiency Manufacturing Account Reports (G3123), Process Labor Efficiency
R31811 Discrete Completed Order Valuation	This report shows the standard, actual, completed, and outstanding balance amounts by cost component and item for completed work orders. The Manufacturing Journal Entries (R31802A) and the Variances programs (R31804) have already been run for these work orders. The report displays the total for each type of cost by work order and a grand total of each cost for all of the work orders listed.	Manufacturing Account Reports (G3123), Discrete Completed Order Valuation
R31812A Work Order Activity - Amounts	Lists standard, current, planned, actual, and completed amounts of work orders. The report lists the costs of the components first, and then the costs of the parents.	Manufacturing Accounting (G3116), Work Order Activity - Amounts
R31812B Work Order Activity - Units	Lists the standard, current, planned, actual, and completed units of work orders. The report lists the costs of components first, and then the costs of the parents.	Manufacturing Accounting (G3116), Work Order Activity - Units

Report ID and Report Name	Description	Navigation
R31813 Discrete Engineering Variance	Lists work orders, their standard and current amounts, and their engineering variances.	Manufacturing Account Reports (G3123), Discrete Engineering Variance
R31814 Discrete Planned Variance	Lists all work orders and their planned variances. The purpose of the report is to compare the current amounts to planned amounts.	Manufacturing Account Reports (G3123), Discrete Planned Variance
R31816 Discrete Labor Efficiency Variances	Shows planned and actual labor hours (all cost components except A1), extended by standard rates, and the monetary amount of variance by work order and item number.	Manufacturing Account Reports (G3123), Discrete Labor Efficiency Variances
R31817 Discrete Total/WIP and Other Variances	Shows the standard, actual, and completed amounts, as well as total and other variances by cost component and item for work orders.	Manufacturing Account Reports (G3123), Discrete Total/WIP and Other Variances
R31818 Discrete Completed Order Variances	Shows detailed production costs and variance amounts for work orders.	Manufacturing Account Reports (G3123), Discrete Completed Order Variances

CHAPTER 2

Report Samples

This chapter provides report samples.

For the online samples of these reports, see the PDF files that are published on CD-ROM with your online documentation.

Batch Type : 0 J/E Mode : Detailed
 Batch Number : 84903 Report Mode : Final
 Batch Date : 9/16/2004

Doc Type	Document	Production	Transaction				Account Description	<-----Amount----->			Ledger Type
	Number	Plan ID	ID	G/L Date	Company	Explanation	G/L Account	Debit	Credit		
LM	11722	5084	19681	7/16/2004	03361	Material	DFM11.1710.A1	1,728.39			AA
						Material charged to Lean Trans					
						LA6131C1					
LM	11722	5084	19681	7/16/2004	03361	Inventory	DFM11.1411		1,728.39-		AA
						Material charged to Lean Trans					
						LA6131C1					
						Material Issues Sub-Total		1,728.39	1,728.39-		
LL	11722	5084	19681	7/16/2004	03361	Labor	DFM11.1720.B1	81,278.57			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Setup	DFM11.1720.B2	80,164.94			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Machine	DFM11.1720.B3	62,820.41			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Variable Machine	DFM11.1730.C1	62,826.02			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Fixed Machine	DFM11.1730.C2	62,831.65			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Variable Labor	DFM11.1730.C3	161,465.20			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Fixed Labor	DFM11.1730.C4	161,479.63			AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	Accrued Payroll	DFM11.4205		224,263.92-		AA
						Labor charged to Lean Trans					
						LA6131P1					
LL	11722	5084	19681	7/16/2004	03361	testing	DFM11.4333		448,602.50-		AA
						Labor charged to Lean Trans					
						LA6131P1					
						Shop Floor Sub-Total		672,866.42	672,866.42-		

Lean Variance Journal Entries

Batch Type : 0 J/E Mode : Detailed

Batch Number : 84800 Report Mode : Final

Batch Date : 9/16/2004

	Document	Production	Transaction				Account Description	<-----Amount----->			
Doc Type	Number	Plan ID	ID	G/L Date	Company	Explanation	G/L Account	Debit	Credit	Ledger Type	
LV	11716	5082	19676	7/16/2004	03361	Setup Labor (Eng)	DFM11.6077.B2		68,712.80-	AA	
						Variance calculated for Lean T					
LV	11716	5082	19676	7/16/2004	03361	Set Up Labor	DFM11.6091.B2	68,712.80		AA	
						Variance calculated for Lean T					
Batch Total								68,712.80	68,712.80-		

Batch Number . . 36860
Batch Date 7/2/2004
J/E Mode Detailed
Report Mode . . . Final

Production Plan ID	Transaction ID	Item Number	Co	Branch	G/L Cat	Old Total WIP Cost	New Total WIP Cost	WIP Variance	Original Quantity
222	333	L001	00200	M30	IN30	1,173.60-	1,245.70-	72.10-	10.00
777	888	LL	00200	M30	IN30	162.00-	202.50-	40.50-	10.00
Report Total						1,335.60-	1,448.20-	112.60-	

Batch Number . . 36877
Batch Date 7/2/2004
J/E Mode Summarized
Report Mode . . . Final

Production Plan ID	Transaction ID	Item Number	Co	Branch	G/L Cat	Old Total WIP Cost	New Total WIP Cost	WIP Variance	Original Quantity
222	333	L001	00200	M30	IN30	1,245.70-	1,182.40-	63.30	10.00
777	888	LL	00200	M30	IN30	202.50-	162.00-	40.50	10.00
Report Total						1,448.20-	1,344.40-	103.80	