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PeopleSoft Enterprise Contracts for Government Contracting 9.0 PeopleBook

September 2006

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PeopleSoft Enterprise Contracts for Government Contracting 9.0 PeopleBook
SKU FSCM9GCA-B 0806
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Sun's JAXB Implementation – JDSDK 1.5 relaxngDatatype.jar 1.0 License

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About This PeopleBook Preface

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

This preface discusses:

- PeopleSoft Enterprise application prerequisites.
- 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 elements, such as fields and check boxes, that require additional explanation. If an 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 Enterprise applications are defined in this preface.

PeopleSoft Enterprise 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 Enterprise applications.

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

You should be familiar with navigating the system and adding, updating, and deleting information by using PeopleSoft Enterprise menus, pages, 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 Enterprise applications most effectively.

Application Fundamentals

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

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The application fundamentals PeopleBook consists of important topics that apply to many or all PeopleSoft Enterprise applications. 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.
- Download and order printed documentation.

Obtaining Documentation Updates

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

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

See Also

Oracle's PeopleSoft Customer Connection, http://www.oracle.com/support/support_peoplesoft.html

Downloading and Ordering Printed Documentation

In addition to the complete line of documentation that is delivered on your PeopleBook CD-ROM, Oracle makes PeopleSoft Enterprise documentation available to you via Oracle's website. You can:

- Download PDF files.
- Order printed, bound volumes.

Downloading PDF Files

You can download PDF versions of PeopleSoft Enterprise documentation online via the Oracle Technology Network. Oracle makes these PDF files available online for each major release shortly after the software is shipped.

See Oracle Technology Network, http://www.oracle.com/technology/documentation/psftent.html.

Ordering Printed, Bound Volumes

You can order printed, bound volumes of selected documentation via the Oracle Store.

See Oracle Store, http://oraclestore.oracle.com/OA_HTML/ibeCCtpSctDspRte.jsp?section=14021

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Additional Resources

The following resources are located on Oracle's PeopleSoft Customer Connection website:

Resource	Navigation
Application maintenance information	Updates + Fixes
Business process diagrams	Support, Documentation, Business Process Maps
Interactive Services Repository	Support, Documentation, Interactive Services Repository
Hardware and software requirements	Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Hardware and Software Requirements
Installation guides	Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Installation Guides and Notes
Integration information	Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Pre-Built Integrations for PeopleSoft Enterprise and JD Edwards EnterpriseOne Applications
Minimum technical requirements (MTRs)	Implement, Optimize + Upgrade; Implementation Guide; Supported Platforms
Documentation updates	Support, Documentation, Documentation Updates
PeopleBooks support policy	Support, Support Policy
Prerelease notes	Support, Documentation, Documentation Updates, Category, Release 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
Troubleshooting information	Support, Troubleshooting
Upgrade documentation	Support, Documentation, Upgrade Documentation and Scripts

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Typographical Conventions and Visual Cues

This section discusses:

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

Typographical Conventions

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

Typographical Convention or Visual Cue	Description
Bold	Indicates PeopleCode function names, business function names, event names, system function names, method names, language constructs, and PeopleCode reserved words that must be included literally in the function call.
Italics	Indicates field values, emphasis, and PeopleSoft Enterprise or other book-length publication titles. In PeopleCode syntax, italic items are placeholders for arguments that your program must supply. We also use italics when we refer to words as words or letters as letters, as in the following: Enter the letter *O*.
KEY+KEY	Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press the W key.
`Monospace font`	Indicates a PeopleCode program or other code example.
“ ” (quotation marks)	Indicate chapter titles in cross-references and words that are used differently from their intended meanings.
. . . (ellipses)	Indicate that the preceding item or series can be repeated any number of times in PeopleCode syntax.
{ } (curly braces)	Indicate a choice between two options in PeopleCode syntax. Options are separated by a pipe (|).

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Typographical Convention or Visual Cue	Description
[ ] (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 Enterprise 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.

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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 Oracle reference and training materials. Please send your suggestions to your product line documentation manager at Oracle Corporation, 500 Oracle Parkway, Redwood Shores, CA 94065, U.S.A. Or email us at appsdoc@us.oracle.com.

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

Common Elements Used in PeopleBooks

As of Date	The last date for which a report or process includes data.
Business Unit	An ID that represents a high-level organization of business information. You can use a business unit to define regional or departmental units within a larger organization.
Description	Enter up to 30 characters of text.
Effective Date	The date on which a table row becomes effective; the date that an action begins. For example, to close out a ledger on June 30, the effective date for the ledger closing would be July 1. This date also determines when you can view and change the information. Pages or panels and batch processes that use the information use the current row.

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Once, Always, and **Don't Run**	Select Once to run the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to Don't Run. Select Always to run the request every time the batch process runs. Select Don't Run to ignore the request when the batch process runs.
Process Monitor	Click to access the Process List page, where you can view the status of submitted process requests.
Report Manager	Click to access the Report List page, where you can view report content, check the status of a report, and see content detail messages (which show you a description of the report and the distribution list).
Request ID	An ID that represents a set of selection criteria for a report or process.
Run	Click to access the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format.
SetID	An ID that represents a set of control table information, or TableSets. TableSets enable you to share control table information and processing options among business units. The goal is to minimize redundant data and system maintenance tasks. When you assign a setID to a record group in a business unit, you indicate that all of the tables in the record group are shared between that business unit and any other business unit that also assigns that setID to that record group. For example, you can define a group of common job codes that are shared between several business units. Each business unit that shares the job codes is assigned the same setID for that record group.
Short Description	Enter up to 15 characters of text.
User ID	An ID that represents the person who generates a transaction.

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PeopleSoft Enterprise Contracts for Government Contracting Preface

This preface discusses:

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

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

PeopleSoft Products

This *PeopleSoft Enterprise Contracts for Government Contracting PeopleBook* refers to these PeopleSoft products:

- Oracle's PeopleSoft Enterprise Billing
- Oracle's PeopleSoft Enterprise Contracts
- Oracle's PeopleSoft Enterprise General Ledger
- Oracle's PeopleSoft Enterprise Project Costing

PeopleSoft Application Fundamentals

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

The following PeopleBooks apply specifically to PeopleSoft Contracts for Government Contracting:

- *PeopleSoft Enterprise Application Fundamentals 9.0 PeopleBook.*
- *PeopleSoft Enterprise Setting Up Global Options and Reports 9.0 PeopleBook.*
- *PeopleSoft Enterprise Order to Cash Common Information 9.0 PeopleBook.*
- *PeopleSoft Enterprise Working with Third-Party Applications 9.0 PeopleBook.*

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Pages with Deferred Processing

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

See Also

PeopleSoft Enterprise PeopleTools 8.46 PeopleBook: PeopleSoft Application Designer

Common Elements Used in This PeopleBook

Account	ChartField that identifies the nature of a transaction for corporate accounts.
Accounting Date	Date for accounting entries for an activity.
Activity ID	PeopleSoft Enterprise Project Costing activity identifier assigned to a task within a project.
Bill To Customer	Customer receiving the invoice.
Billing Business Unit	PeopleSoft Enterprise Billing business unit representing a grouping of customer invoices.
Business Unit	Identification code that represents a high-level organization of business information. Use a business unit to define regional or departmental units within a larger organization.
Budget Reference	ChartField that identifies unique control budgets when individual budgets share budget keys and overlapping budget periods.
Class Field	ChartField that identifies a particular appropriation when you combine it with a Fund, DeptID (department ID), Program Code, and Budget Reference ChartField. This field is not applicable to government contracts.
Contract or **Contract Number**	Displays the unique identifier for a contract that can be assigned by the system or the user.
Contract Type	Enables you to categorize your contracts for reporting purposes.
Currency	Code that identifies the currency for an amount, such as USD or EUR.
Fund Code	ChartField that represents structural units for education and government accounting. Can also represent a divisional breakdown in your organization.
Fund Affiliate	ChartField that is used to correlate transactions between funds when using a single intraunit account.
Line	Displays the contract line number associated with the product after it has been added to the contact.

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Operating Unit Affiliate	ChartField that is used to correlate transactions between operating units when using a single intraunit account.
Process Monitor	Click this link to view the status of submitted process requests.
Program Code	ChartField that identifies groups of related activities, cost centers, revenue centers, responsibility centers, and academic programs. Tracks revenue and expenditures for programs.
Report Manager	Click this link to view report content, check the status of a report, and view content detail messages.
Run	Click this button to specify the location where a process or job runs and the process output format.
Run Control ID	Identification code that identifies the run parameters for a report or process.
SetID	Identification code that represents a set of control table information or tablesets. A tableset is a group of tables (records) necessary to define your company's structure and processing options.
Sold To or **Sold To Customer**	Customer buying the products and services specified on the contract.

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CHAPTER 1

Getting Started with PeopleSoft Contracts for Government Contracting

This chapter provides an overview of PeopleSoft Contracts for Government Contracting and discusses:

- Government contracts business process.
- Contracts integrations.
- Contracts implementation.

Government Contracts Overview

Government contracts are typically long term agreements awarded for a specific or estimated amount, and then managed to that amount. The government has specific requirements that a contractor must meet to be awarded the contract, as well as specific requirements that must be followed to manage the contract. Most of these requirements are focused on cost control, billing, and cash settlement.

PeopleSoft Contracts for Government Contracting enables organizations whose income comes from U.S. government contracts to effectively manage these contracts in accordance with the U.S. governmental rules and regulations.

The following diagram identifies the business processes available for government contracts:

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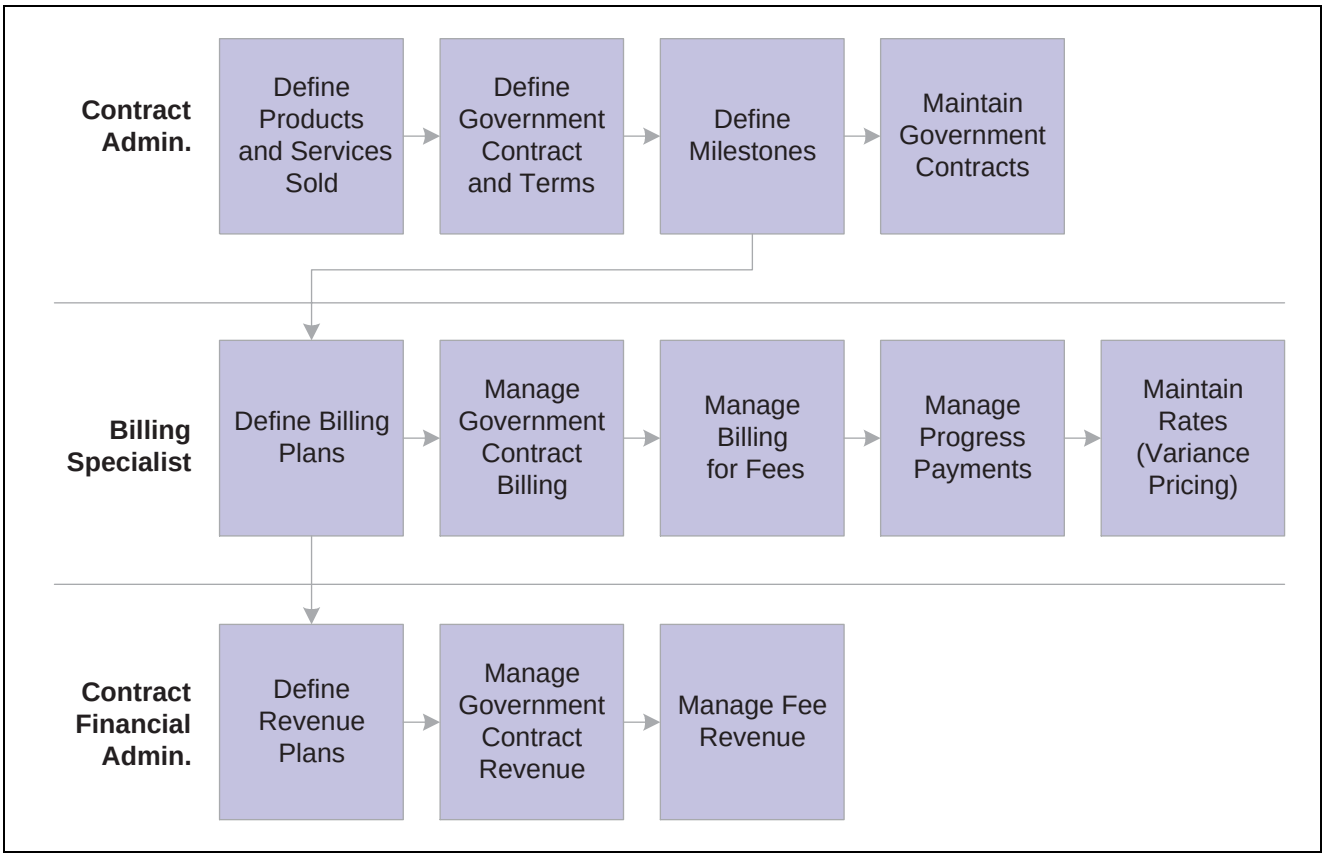
PeopleSoft Contracts for Government Contracting feature overview

Government Contracts Business Process

After a government contract has been awarded, you will need to create the contract, manage billing and revenue, and maintain the contract.

The following process flow illustrates the PeopleSoft Contracts for Government Contracting business processes:

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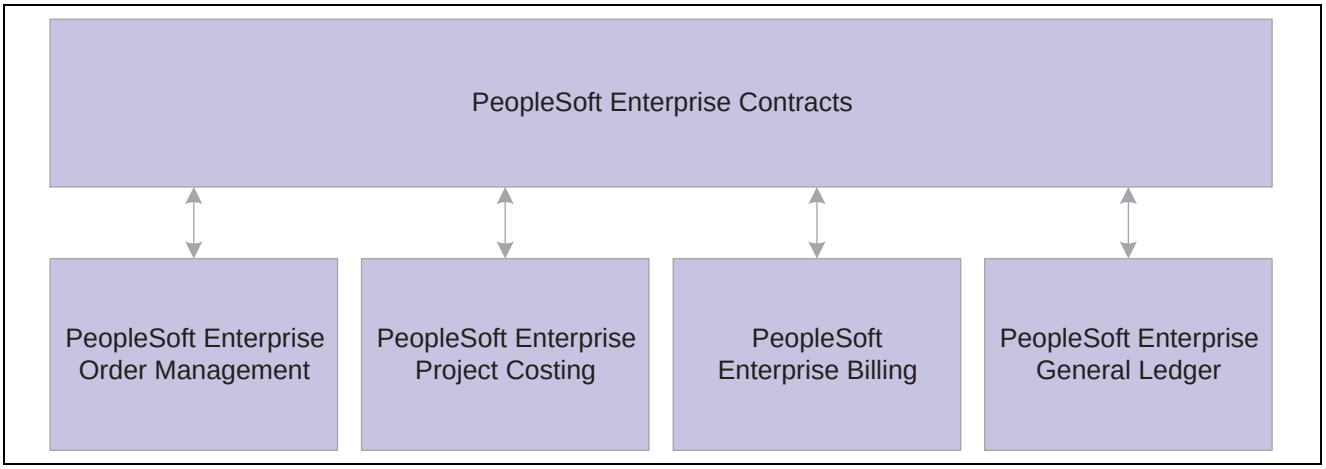


PeopleSoft Contracts for Government Contracting business process flow

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

Contracts Integrations

PeopleSoft Contracts integrates with the following PeopleSoft Enterprise applications:



PeopleSoft Contracts integration flow with other PeopleSoft applications

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

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Contracts Implementation

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

PeopleSoft Contracts also provides component interfaces to help you load data from your existing system into the PeopleSoft Contracts tables. Use the Excel to Component Interface utility with the component interfaces to populate the tables. To manage your government contracts, use the component interface setup tasks used for PeopleSoft Contracts.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Getting Started with PeopleSoft Enterprise Contracts," PeopleSoft Contracts Implementation.

Other Sources of Information

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

See Also

PeopleSoft Enterprise Application Fundamentals 9.0 PeopleBook, "PeopleSoft Enterprise Application Fundamentals PeopleBook Preface"

PeopleSoft Enterprise PeopleTools 8.46 PeopleBook: PeopleSoft Setup Manager

PeopleSoft Enterprise PeopleTools 8.46 PeopleBook: PeopleSoft Component Interfaces

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CHAPTER 2

Navigating in Contracts for Government Contracting

This chapter discusses how to navigate in PeopleSoft Contracts for U.S. government contracting.

Navigating in PeopleSoft Contracts for Government Contracting

Contracts for U.S. government contractors uses the PeopleSoft Contracts custom navigation pages containing groupings of folders that support a specific business process, task, or user role to navigate when creating and managing your government contracts.

Note. In addition to the PeopleSoft Contracts custom navigation pages, PeopleSoft provides menu navigation and standard navigation pages.

See Also

PeopleSoft Enterprise PeopleTools PeopleBook: Using PeopleSoft Applications

Pages Used to Navigate in PeopleSoft Contracts for Government Contracting

This table lists the custom navigation pages that are used to navigate in PeopleSoft Contracts:

Page Name	Navigation	Usage
Contracts Center	Customer Contracts, Contracts Center	Access the key areas to manage your government contracts.
Archive Contracts	Click the Archive Contracts link on the Contracts Center page.	Access the Archive Data to History run control page to archive closed contracts.
Contract Accounting	Click the Contract Accounting link on the Contracts Center page.	Define, review, and manage accounting distribution and revenue activity for government contracts.
Contract Billing	Click the Contract Billing link on the Contracts Center page.	Setup, review, and manage billing activity for government contracts.

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Page Name	Navigation	Usage
Contract Processing	Click the Contract Processing link on the Contracts Center page.	Review and manage the status of contract-related projects and milestones and run the limits process.
Contract Summary	Click the Contract Summary link on the Contracts Center page.	Review summary information for a specific contract.
Contracts	Click the Contracts link on the Contracts Center page.	Create, modify, or review a government contract and its related components.
Definitions	Click the Definitions link on the Contracts Center page.	Define the core structure for your government contracts.
My Contracts	Click the My Contracts link on the Contracts Center page.	Define and maintain a personal contract list and view contract summaries for your government contracts.
Progress Payments	Click the Progress Payments link on the Contracts Center page.	Define progress payment terms and manage progress payment activity.
Reports	Click the Reports link on the Contracts Center page.	View and create reports for your government contracts.
Renewals	Click the Renewals link on the Contracts Center page.	Define and process contract line renewals. **Note.** Renewal processing does not apply to contracts associated with a contract classification of *Government*.
Revenue Forecast	Click the Revenue Forecast link on the Contracts Center page.	Create and review revenue forecasts for amount-based and rate-based contract lines for your government contracts.
Review	Click the Review link on the Contracts Center page.	Review attributes associated with a contract such as project milestones, or project and activities.
Support Teams	Click the Support Teams link on the Contracts Center page.	Create, modify, or review support teams and associated email notifications.
User Preferences	Click the User Preferences link on the Contracts Center page.	Setup default values for the individual user.

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CHAPTER 3

Integrating with Other Applications

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

- PeopleSoft Project Costing.
- PeopleSoft Billing.
- PeopleSoft General Ledger.

Understanding Product Integration

PeopleSoft Contracts for Government Contracting is designed to fully integrate with PeopleSoft Project Costing, Billing, General Ledger, and Order Management. To fully utilize the features and functionality for government contracts, you are required to install PeopleSoft Project Costing and PeopleSoft Billing and to complete the setup required for PeopleSoft Contracts.

You must set up the PeopleSoft Contracts system to enable you to create and effectively manage government contracts, as the government contracts processing and functionality relies on the core structure set up in PeopleSoft Contracts.

The following table identifies the core Contacts features used by contracts assigned a contract classification of *Government:*

PeopleSoft Contracts Feature	Usage
Business Units	Whether you are creating government or non-government contracts, you must define a business unit. Business units represent a high level organization of your business. PeopleSoft Contracts enables you to define progress payment rates, contract entry defaults, and cost-plus contract line fee definitions at the business unit level for contracts assigned the contract classification of *Government*.
Accounting Distributions	To create accounting entries for amount-based contract lines, you must set up accounting distributions and associate them to the contract lines and progress payment terms.

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PeopleSoft Contracts Feature	Usage
Accounting Rules	If you select to split billing and revenue, to create accounting entries for your rate-based contract lines and rate-based contract lines assigned to a fee type (cost-plus), you must define accounting rules for all analysis types that are included in the analysis groups of PSWKS, PSCST, PSREV, and PSRV2.
Contract Entry	All of the government contracts features require that you create a contract. When you create a contract, you must associate the contract with a contract classification of *Government* to activate all of the fields related to government contracting. Many of the government contract specific fields and features are hidden unless the contract is associated with a government contract classification.
Contract Lines	Amount and rate-based contract lines represent the products that you deliver to the customer (the U.S. government). Every contract must have at least one contract line associated with it. Use the contract lines as the basis for the following actions for your contract: • Generating bills. • Recognizing revenue. • Associating projects and activities. • Associating rate sets and rate plans. • Associating withholding and limit amounts. • Associating progress payment terms. • Associating cost-plus billing and revenue fees.
Milestones	Milestones represent an event in the life of the contract that is usually associated with billing or revenue recognition activities. You can use PeopleSoft Contracts milestones to manage billing or revenue for your contract lines, or you can use them to schedule award or incentive fee events. To use milestones to control billing and revenue processing, you must define the milestones in your PeopleSoft Contracts system, assign them to the government contract, assign them to the billing and revenue plans as events, manage when the conditions for the milestone have been met, and update the milestone statuses to *Complete.*

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PeopleSoft Contracts Feature	Usage
Billing Plans	Billing plans control the timing of billing for your contractual obligations. You must associate a billing plan to your contract lines to generate an invoice for the contract lines, billing fees associated with the contract lines, and progress payments.
Revenue Plans	Revenue plans control the timing of revenue recognition for your contractual obligations. You must associate a revenue plan to your contract lines to recognize revenue for the contract lines and revenue fees associated with the contract lines.
Bill Processing	Bill processing for your government contract lines is controlled by PeopleSoft Contracts. Using billing plans, PeopleSoft Contracts retrieves bill data from PeopleSoft Project Costing and PeopleSoft Contracts tables and submits the data for processing through to PeopleSoft Billing to generate invoices.
Revenue Processing	Revenue processing for your government contracts is controlled by PeopleSoft Contracts, with the exception of when PeopleSoft Billing manages revenue for an amount-based contract line. Using revenue plans, PeopleSoft Contracts passes the revenue accounting entries to PeopleSoft General Ledger for processing.
Prepaids	PeopleSoft Contracts enables you to define and manage prepaid amounts for your rate-based contract lines that are not assigned to a fee type and are not withholding-applicable. The prepaid amount can be included in the overall contract amount and PeopleSoft Contracts enables you to define the criteria for using the prepaid amount over the life of the contract.
Amendment Processing	After a contract has been activated, you must make most changes or adjustments using amendment processing. Amendment processing enables you to maintain a historical record of the various changes that may occur during the contract's life cycle. Withholding terms, progress payment rates or terms, limit changes, and cost-plus fee or limit changes are only a few of the features that are controlled by amendment processing.
Revenue Forecasting	Use the revenue forecasting features of PeopleSoft Contracts to estimate your revenue for future periods for amounts not yet recognized for your amount-based, rate-based, and rate-based contract lines assigned to fee types (cost-plus).

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PeopleSoft Contracts Feature	Usage
Online Contract Summary Views and Inquiries	View summarized data for your government contract, billing, or revenue entries using the Contract Summary, Billing, and Revenue Management pages.
Reporting	You can run delivered reports to view, manage, and track overall contract processing related to billing, revenue, milestones, and limits. **Note.** Additional reporting that is specific to government contracting is discussed in the reporting chapter. See Appendix B, "PeopleSoft Contracts for Government Contracting Reports," page 299.

See Chapter 6, "Structuring PeopleSoft Contracts for Government Contracting," page 23.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Structuring Contracts"

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Understanding Integrations with Other Applications"

Integrating with PeopleSoft Project Costing

You associate contract lines with product IDs on a government contract. The contract lines represent the goods or services that are contracted with the government for delivery. These goods and services are typically associated with projects and activities that are contract specific and do not span multiple contracts. To manage these projects and activities and their various attributes, PeopleSoft Contracts uses its integration with PeopleSoft Project Costing. Data relating to projects and activities is primarily managed by PeopleSoft Project Costing, while associations between activities and contract lines is managed by PeopleSoft Contracts.

PeopleSoft Contracts links to the following data in PeopleSoft Project Costing:

- Project and activity data.
- Inception-to-date costs.
- Estimated costs.
- Transaction costs.
- Rate sets.
- Rate plans.
- Variance rates.
- Accounting distribution data for rate-based contracts lines.

Tracking Costs for Rate-Based Contract Lines for Government Contracts

For government contracts, PeopleSoft Contracts uses the project, activity, and transaction data stored in PeopleSoft Project Costing to track and calculate costs and fees for billing and to create accounting entries for revenue recognition for rate-based products or services. Any transactions generated by government contracts (for example, fees and withholding) are sent back to PeopleSoft Project Costing for analysis.

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For progress payments, PeopleSoft Contracts enables you to assign projects and activities to progress payment terms to track costs for progress payment and progress payment liquidation processing. When you define a progress payment amount and associate it to an amount-based contract line, you can assign one project and activity to the contract line. However, you must also assign at least one project and activity to the progress payment terms and conditions. The project and activity assigned to the progress payment terms is used by the system to determine which set of costs to use when calculating allowable progress payment amounts and progress payment liquidation amounts. The project and activity assigned to the amount-based contract line is used to stamp the Project Transaction (PROJ_RESOURCE) rows with the project and activity information

See Chapter 7, "Creating Government Contracts," page 43 and Chapter 15, "Establishing Progress Payments," page 235.

Pricing Rate-Based Contract Lines for Government Contracts

Before you activate a contract, you must fully allocate your contract amounts across your contract lines. For amount-based contract lines, you perform amount allocation using the Amount Allocation page within the contract. For rate-based contract lines and rate-based contract lines associated with fee types (cost-plus), you must define rate sets or rate plans and assign them to the contract line.

Rate sets and rate plans are set up using PeopleSoft Project Costing. Rate sets or rate plans can be defined and made available for all contract lines, or you can define contact-specific rate sets or rate plans. Contract-specific rate sets and rate plans are defined for use only with a specific contract line.

When transactions occur in feeder systems for the contract lines, they are passed to PeopleSoft Project Costing and priced using the standard or contract-specific rate sets or rate plans assigned to the contract line. The resulting cost rows are used for billing, revenue recognition, fee processing, progress payment calculations, and so on for government contracts. Only one assigned rate set or rate plan can be active for a contract line at any one point in time.

A rate set enables you to define a rate structure for costing, billing, or revenue. A rate plan enables you to combine multiple rate sets of multiple rate definition types so that you can calculate direct and indirect costs and then bill and recognize revenue for the results.

See Chapter 8, "Pricing Government Contracts," page 75.

Defining Rate-Based Contract Lines Accounting Distributions for Government Contracts

You must assign accounting distributions to contract lines to generate appropriate accounting entries for billing and revenue. For amount-based contract lines, you define your accounting distributions in the system and then assign the accounting distributions to the product and contract line. For rate-based contract lines and rate-based contract lines assigned to fee types (cost-plus), you must define the accounting distributions using accounting rules.

Accounting rules are defined in PeopleSoft Project Costing and enable you to define the double sided accounting distribution entries used by the system to generate the accounting entries for billing and revenue when the Contracts/Billing Interface (CA_BI_INTFC) process and As-Incurred revenue (PSA_ACCTGGL) process are run, respectively.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Understanding Accounting Distributions".

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Working with PeopleSoft Project Costing"

PeopleSoft Enterprise Project Costing 9.0 PeopleBook

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Integrating with PeopleSoft Billing

Billing data for amount-based contract lines is sent from PeopleSoft Contracts to PeopleSoft Billing. Billing information for rate-based contract lines is sent from PeopleSoft Project Costing through PeopleSoft Contracts to PeopleSoft Billing. Billing information for progress payments uses the costing data from PeopleSoft Project Costing to generate progress payment billing data.

PeopleSoft Billing generates invoices for the government contract lines and then sends the billed data back to PeopleSoft Contracts and PeopleSoft Project Costing.

See Also

Chapter 13, "Processing the Contracts Billing Interface," page 203

PeopleSoft Enterprise Billing 9.0 PeopleBook

Integrating with PeopleSoft General Ledger

You can post revenue to your general ledger system for the government contracts that you set up in PeopleSoft Contracts. PeopleSoft Contracts stores the accounting distributions to be applied to amount-based contract lines and to transactions for rate-based contract lines. PeopleSoft Contracts then generates accounting entries in the appropriate currency. The Journal Generator, using specific accounting entry definitions and journal generator templates for both amount and rate-based contract lines posts the accounting entries to the general ledger. Journal references for the posted accounting data is updated and sent back to PeopleSoft Contracts.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Processing Revenue Recognition"

PeopleSoft Enterprise General Ledger 9.0 PeopleBook, "Getting Started With PeopleSoft Enterprise General Ledger," General Ledger Integrations

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CHAPTER 4

Preparing to Implement PeopleSoft Contracts for Government Contracting

This chapter provides an overview of PeopleSoft Contracts for Government Contracting implementation and discusses how to:

- Create and administer government contracts.
- Map enterprise data flow.
- Identify the PeopleSoft Contracts for Government Contracting implementation steps.

Understanding PeopleSoft Contracts for Government Contracting Implementation

PeopleSoft Contracts delivers functionality that is designed to meet the specific needs of U.S. government contractors. To activate the features and functions associated with government contracting, you must define a contract and assign a contract classification of *Government* to it. However, before you can define a government contract, you must first set up the underlying infrastructure of the PeopleSoft Contracts system. This includes defining PeopleSoft Contracts business units, setting up core control tables, setting up billing and revenue tables, and so on. The government contracting features rely on the features and functions of PeopleSoft Contracts as the basis for its functionality.

Because the government contracting features are built on top of the PeopleSoft Contracts features and functions, by setting up the PeopleSoft Contracts application infrastructure, you will not only have the features and functions of government contracts available to you, but also many of the features and functions of PeopleSoft Contracts. This enables you to create and manage both government and non-government contract classifications.

During implementation, you should consider which features meet the needs of your particular organization from both a government contracts and non-government contracts perspective, and then set up the PeopleSoft Contracts system's business structure accordingly. After you have set up the core requirements for the PeopleSoft Contracts application, you must determine the best way to map your new system to your organization's existing business infrastructure, practices, and procedures.

Creating and Administering Government Contracts

The steps for creating and administering a contract are essentially the same whether you are creating a contract for non-government use, or one that is funded and managed according to U.S. government rules and regulations. To create and administer a government contract, complete these high-level steps:

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1. Create a new contract with a contract classification of *Government,* and enter the overall contract terms and conditions.

   Selecting the contract classification of *Government* is required to activate the government contract specific fields and attributes on the Contract Entry pages.

2. Select the products and services that you will provide using Product identifiers.

   The products selected are added to the contract and represent the amount-based and rate-based contract lines, which you use to calculate contract amounts and manage the financial terms and conditions of the contract.

3. Define the contract terms for the rate-based contract lines.

   Enter the limit details, period of performance data, and in the case of cost plus contract lines, fee calculation and processing details.

4. Associate PeopleSoft Project Costing project identifiers, activity identifiers, and in the case of rate-based contract lines, pricing rates to contract lines.

   To track and manage project transactions associated with rate-based contract lines, link at least one project and activity set to the contract line.

   Note. It is recommended that you consider structuring your contracts and projects such that a project is associated with only a single contract, to avoid potential reconciliation issues if the same project identifier is used to identify withholding and fee rows for multiple contracts.

   ---

5. Associate a rate set, rate plan, or contract specific rate set or rate plan to the rate-based contract lines to calculate the associated incurred and estimated costs for a contract line, project, and activity.

   The system uses the rates, project, and activity data to price cost transactions and apply any applicable limits or withholding parameters to determine how much of the costs or revenue should be passed to PeopleSoft Billing or PeopleSoft General Ledger, respectively.

   After a project and activity combination is assigned to a rate-based contract line, you cannot assign that same project and activity combination to any other rate-based contract line at the same time.

6. Verify accounting distributions for the contract lines.

   Each contract line is associated with its own set of accounting distributions. Rate-based contract lines retrieve their accounting distributions from accounting rules defined in PeopleSoft Project Costing.

7. Allocate the contract fixed price amount across amount-based contract lines.

   Amount allocation is not required for rate-based contract lines and rate-based contract lines assigned to fee types (cost-plus) whose awarded amounts, costs, and fees are summarized from the contract line level and appear on the contract header.

8. Associate each contract line with a billing plan defined in PeopleSoft Contracts.

   Define, administer, and maintain billing schedules and billing rules for the products and services that you provide under the contract. Billing plans are required to bill for the contract line.

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

9. Associate each contract line with a revenue plan defined in PeopleSoft Contracts.

   For amount-based contract lines, either PeopleSoft Contracts or PeopleSoft Billing can manage revenue. For rate-based contract lines and rate-based contract lines assigned to fee types (cost-plus), PeopleSoft Contracts must manage revenue.

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When PeopleSoft Contracts manages revenue, you associate each contract line with a defined revenue plan. Revenue plans enable you to define, administer, and maintain revenue schedules for the products and services that you manage under the contract.

Selecting PeopleSoft Contracts as your revenue manager provides you with a high degree of control over the revenue recognition process. Revenue plans are required to generate revenue for a contract line.

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

10. Manage milestones.

    Milestones are events in the life of the contract and can be used to control the timing of billing and revenue recognition for amount and rate-based contract lines, award, and incentive fees.

11. Manage billing for each billing plan.
12. Manage revenue recognition for each revenue plan.
13. Manage changes to the contract through amendment processing.

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

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Creating Contracts"

Mapping Enterprise Data Flow

When implementing PeopleSoft Contracts for Government Contracting, you must determine the flow of data into and out of the application. Mapping which applications integrate with your PeopleSoft Contracts application and examining how to carry out that integration helps you to make important decisions from the start.

The PeopleSoft Contracts application supports creating and managing U.S. government funded contracts. To take advantage of this solution, consider the following:

- To take full advantage of all of the government and non-government features and functions delivered with PeopleSoft Contracts, you must install PeopleSoft Project Costing and PeopleSoft Billing.
  - In addition to the base features and functions of PeopleSoft Contracts, additional features and functions are now delivered to support the specific requirements associated with government contracts.
  - PeopleSoft Project Costing enables you to store and price cost data to generate billing and revenue data rows and to track and analyze the direct and indirect costs associated with your government contract projects.
  - PeopleSoft Billing enables you to generate invoices for costs associated with government contracts and sends billed data back to PeopleSoft Contracts and PeopleSoft Project Costing for review and analysis.
- What other applications are integrating with your PeopleSoft Contracts application?
- Are the other applications that are integrating with PeopleSoft Contracts already implemented?

  If not, what is the proposed implementation schedule?
- What kind of data are you tracking in your PeopleSoft Contracts system and what is the expected volume?

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Identifying the PeopleSoft Contracts for Government Contracting Implementation Steps

During the implementation process, you must examine your business structure and determine how to map your current policies, procedures, and business practices to the PeopleSoft Contracts system for government contracting.

Your implementation may contain several stages. The following table identifies some possible implementation stages for PeopleSoft Contracts for Government Contracting and potential considerations for each stage:

Implementation Stage	Description	Considerations
Planning	During the planning stage, map the new system to your business structure, practices, and procedures.	• How does your business operate? • How is it divided among company or subsidiary lines? • What is the ratio of government funded contracts to non-government funded contracts? • What features will you use and how do these features map to the kind of contracts that you perform?
Setting up the business unit and support structure	Establish your business units and supporting control tables used by the system for processing.	• How many business units do you need? • What kind of product structure do you require? • What level of automation do you want for billing and revenue recognition plans? • What other applications will you use and in what order will you implement them?
Establishing security	Decide how your internal breakdown of job functions relates to the functionality of PeopleSoft Contracts for Government Contracting.	• Do you want to control the security access of your contracts, milestones, contract statuses, limits, fee worksheets, and so on? • What users in your company are involved in the government contracting processes?

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Implementation Stage	Description	Considerations
Data conversion	Convert your government contracts data from your legacy systems into your new PeopleSoft Contracts system.	• How much history do you want to retain from your old system? • What method will you use to convert data? • Will you archive data?
End user training	Before you begin processing and managing your government contracts, billing, and revenue processes, you must train your end users.	• What are the roles and level of decentralization for the people that work with your government contracts? • When will PeopleSoft Contracts be in production, and when should your employees be fully trained on the new system?

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CHAPTER 5

Securing Your Contracts System for Government Contracting

This chapter provides an overview of PeopleSoft Contracts security for government contracting and discusses how to:

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

Understanding PeopleSoft Contracts Security for Government Contracting

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

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

See Also

PeopleSoft Enterprise Application Fundamentals 9.0 PeopleBook, "Securing Your System"

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Understanding PeopleSoft Contracts Security," Understanding PeopleSoft Contracts Security

Setting Up Row Level Security

PeopleSoft Contracts enables you to set up security access to certain features or pages so that users have access to only the pages or fields required to perform their job functions. To establish security within PeopleSoft Contracts for Government Contracting, you must decide which level of security to establish throughout your system, which key fields to secure, and whether security is handled through user IDs or roles. You can implement security to restrict individual users or roles to specific rows of data that are controlled by such key fields as setIDs or business units. You can also limit user access to only a specific subset of rows if that is your requirement.

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

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See *PeopleSoft Enterprise Application Fundamentals 9.0 PeopleBook*, “Securing Your System,” Defining Row-Level Security.

Using Roles and Permission Lists

When establishing security for your users, the user profile that you create for each individual who accesses your application determines the web pages that the user can access.

You create user profiles in PeopleTools Security, using the User Profile component. You assign roles to each user profile, and then link those roles to permission lists. Each permission list identifies the pages that individuals assigned to a role can access. To modify the access for specific web pages for each role, you modify the permission list for the user’s role.

Note. Any modifications made to permission lists impact all users associated with roles that are linked to those permission lists.

PeopleSoft Contracts includes sample definitions for the following roles:

- Contract administrator.
- Cost accountant.
- Billing manager.
- Billing coordinator.
- Financial analyst.
- Chief financial officer.
- Customer service representative.
- Legal administrator.
- Project manager.
- Project team member.

Sample permission lists are associated with these roles for both government and non-government contracts. The following table describes the permission lists and their associated permissions that differ for government contracts. The full list of sample permission lists common to both government contracts and non-government contracts is described in the *PeopleSoft Enterprise Contracts 9.0 PeopleBook.*

Note. To fully utilize the features and functions of government contracts, users may need access to pages in PeopleSoft Contracts, Project Costing, and Billing.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Understanding PeopleSoft Contracts Security,” Using Roles and Permission Lists.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Securing Data in PeopleSoft Project Costing,” Defining Project Security.

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Permission List	Associated Permission
Contracts Financial Reports	Access to limits, billing, and revenue reports.
Contracts Limits	Access to define funded, revenue and transaction limits.
Contracts Revenue Processes	Access to define revenue plans, revenue fee worksheets, and to run revenue processes.
Contracts Reverse Revenue	Access to reverse contract accounting and redistribute revenue.
Contracts Billing	Access to define billing plans, define billing fee worksheets, and to run bill processes.
Contracts Project Information	Access to view Related Projects pages, project or activity pages, contract line limit data, and contract line withholding and release information. **Note.** It is recommended that you associate this permission list with the individual responsible for performing contract pricing, such as the contract administrator.
Contracts Progress Payment Terms	Access to the Progress Payment Terms, Progress Payment Worksheet, and Progress Payment Costs pages. Use these pages to define your progress payment terms, calculate progress payment amounts, and view or modify progress payment inception to date and estimated cost to complete costs for progress payments. **Note.** It is recommended that you associate this permission list with the individual responsible for performing contract pricing, such as the billing specialist.

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CHAPTER 6

Structuring PeopleSoft Contracts for Government Contracting

This chapter provides overviews of the PeopleSoft Contracts core structure, products, contract classifications, and business units, and discusses how to define contracts business units for government contracting.

Understanding PeopleSoft Contracts Structure for Government Contracting

Government contracts functionality relies on the PeopleSoft Contracts core structure to support its features and processing. Whether you are managing only government contracts or both government and non-government contracts, you must first set up your PeopleSoft Contracts core structure and then setup any additional underlying structural requirements for government contract processing to utilize the features and functions of your PeopleSoft Contracts system. For setting up additional PeopleSoft Contracts features that are shared by other applications, see *PeopleSoft Enterprise Application Fundamentals 9.0 PeopleBook.*

Note. All tables and setup specific to PeopleSoft Contracts are discussed in the *PeopleSoft Enterprise Contracts 9.0 PeopleBook.*

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts".

This section provides overviews for:

- Contracts core structure.
- Products.
- Contract classifications.

Understanding PeopleSoft Contracts Core Structure

Setting up your PeopleSoft Contracts core structure includes setting up any control tables, business units, accounting structure, products, installation defaults, and so on that support the processing and management of your contracts, billing, and revenue generation.

This section identifies the required setup for general processing of a government contract. Additional required setup for a specific government contracts sub-features is covered in the remaining government contracts chapters of this PeopleBook.

The following table identifies all of the required and optional tasks to set up your PeopleSoft Contracts core structure:

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Setup Task	Purpose	Reference
Define installation level setting for PeopleSoft Contracts.	To set up your processing settings at the overall system level, you must define your options on the Installation Options-Contracts page. You can define processing settings for the accounting date that is used for revenue recognition, limit processing, and forecasting. For rate-based contract lines assigned to fee types (cost-plus), you must indicate whether you are separating billing and revenue. This setting is key to cost-plus contract line processing as it controls whether the revenue fields, links and pages become visible and available for use.	See *PeopleSoft Enterprise Application Fundamentals 9.0 PeopleBook*, "Setting Installation Options for PeopleSoft Applications," Defining Contracts Installation Options.
Define PeopleSoft Contracts business units.	PeopleSoft Contracts business units are identification codes that represent a high-level organization of business information. PeopleSoft Contracts, accounting rules, fees, rates and progress payment settings are all defined by the contracts business unit.	See Chapter 6, "Structuring PeopleSoft Contracts for Government Contracting," Understanding Contracts Business Units, page 28.
Define accounting distributions.	Accounting distributions enable the system to create accounting entries for amount-based contract lines. Valid unbilled accounts receivable, revenue, and deferred revenue (optional) account distribution codes must be assigned to contract lines before the contract can be activated, bills can be generated, and revenue can be processed for amount-based contract lines, prepaids, and progress payment amounts.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Understanding Accounting Distributions," Fixed-Amount Contract Lines.

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Setup Task	Purpose	Reference
Define accounting rules.	Accounting rules enable the system to create accounting entries for rate-based contract lines and rate-based contract lines that are assigned to fee types (cost-plus). Valid unbilled accounts receivable and revenue accounting distributions must be defined, and assigned to the accounting rules before bills can be generated and revenue can be processed for rate-based contract lines and rate-based contract lines that are associated with fee types (cost-plus). **Note.** If you select the Separate Billing and Revenue check box on the Installation Options-Contracts page, the system uses the PSRV2 analysis type when processing revenue accounting entries for rate-based contract lines associated with fee types (cost-plus). Therefore, in addition to defining accounting rules used for bill processing, you must also define a separate accounting rule for revenue (REV) to generate revenue accounting entries.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Understanding Accounting Distributions," Rate-based Contract Lines. See Chapter 12, "Creating Cost-Plus Government Contract Lines," Cost-Plus Contract Line Accounting Distribution, page 133.
Define contract statuses.	Contract statuses provide a visual indicator of where the contract is within the contract life cycle and designates when a contract is available for look-up and processing. Contract statuses are user-defined and are associated with a processing status that controls the contract's eligibility for processing.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Contract Statuses.
Define contract types.	Contract types enable you to define categories for your contracts for reporting purposes. If you are using contract milestones, you can also use contract types to limit the types of contracts in which you can use a specific milestone. Examples of contract types could include Health and Human Services or Defense Contracts.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Contract Types.

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Setup Task	Purpose	Reference
Define billing and revenue plan templates (optional).	Billing and revenue plan templates enable you to automate billing and revenue plan setup. Billing plans are required and are used to process bills for contract line items, fees and progress payments requests. Revenue plans are required to process revenue accounting entries for contract line items and fees. If you do not define billing or revenue plan templates, then you must manually set up billing and revenue plans for your contract lines and progress payments requests before you can process bills and recognize revenue.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Revenue and Billing Plan Templates.
Define billing plan detail templates (optional).	Billing plan detail templates enable you to automatically override the billing defaults that are defined for a contracts billing business unit and contract header.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Billing Plan Detail Templates.
Define billing summarization templates (optional).	Summarization templates enable you to define criteria that the system can use to summarize billing plan lines.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Billing Summarization Templates.
Define legal entities.	Legal entities are used in PeopleSoft Contracts to track the legal entity within your company who signs a particular contract.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Legal Entities.
Define milestones (optional).	Milestones can control the timing of billing and revenue recognition processing for amount-based contract lines, incentive and award fees. Setting up milestones can include defining milestone classifications, milestone templates, and custom SQL statements to use for milestone conditions.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Milestones.
Define amendment types.	Any changes to an active contract's products, terms, or conditions is controlled by amendment processing. Amendment types enable you to define classifications of modifications that can be made to an active contract.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Understanding Amendments. See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Amendment Types.

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Setup Task	Purpose	Reference
Define amendment reasons.	Amendment reasons enable you to define quick explanations as to why an amendment is performed.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Amendment Reasons.
Define email notification workflow and support teams (optional).	Support teams represent key personnel in your organization that are involved in the contract life cycle. You can set up email notification and workflow so that specific support team members are notified when the status of a particular contract changes.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Structuring Contracts," Defining Email Notifications.
Define products.	You must define the products that represent the good and services that you deliver in your contracts, including the specification of PeopleSoft Contracts attributes. Once defined, you add these products to your contract lines. Contract lines are the basis for your billing and revenue recognition activities. Only amount and rate-based products can be associated with government contracts. Renewable products are not eligible for government contracts.	See Chapter 6, "Structuring PeopleSoft Contracts for Government Contracting," Understanding Products, page 27.
Define rate sets and rate plans.	Rate sets enable you to define allowable expense rates for your rate-based contract lines and rate-based contract lines that are assigned to fee types (cost-plus) and enable the system to create billable and cost rows. Rate plans enable you to bundle multiple rate sets together to define a sequence of costing and rate applications that enable the system to calculate both your direct and indirect costs.	See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Working with PeopleSoft Project Costing," Rate Setup. See Chapter 8, "Pricing Government Contracts," Pricing Rate-Based Contract Lines, page 79.

Understanding Products

Your core contractual obligations are the products and services that you provide to your customer. Before you can bill or recognize revenue for your contract, you must define a standard set of products, associate any attributes such as pricing structure and accounting information, and then add them to your contract.

You can only add amount or rate-based type products to government contract lines. Amount and rate-based products are associated with a price type of *Amount* or *Rate*, respectively. Your government contracts may contain either type of product, or a combination of both of these product types. Similar to PeopleSoft Contracts core functionality, certain government contracting sub-features are designed specifically for amount-based contract lines, such as progress payments, while other sub-features are designed specifically for rate-based contract lines, such as limits, cost-plus, and withholding.

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The following table identifies the product type and the government contracting features that are specific for that product type:

Product Type	Government Contracting Feature
Amount-based products	• Progress payments processing • Milestones
Rate-based products	• Prepaid processing • Cost-plus functionality • Withholding management • Variance pricing • Limit management

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Setting Up Products"

Contract Classifications

The Contract Classification field is used to distinguish government contracts from other types of contracts that you may manage. PeopleSoft Contracts supports the following contract classifications:

- Federal Reimbursable Agreement
- Government
- Internal
- Standard

Contract classifications appear on the contract header and are associated with specific attributes and functionality. To take advantage of the features and functions that are available for government contracts, you must install the PeopleSoft Contracts, Project Costing and Billing applications, and select the contract classification of government.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Creating Contracts," Contract Classifications

Defining PeopleSoft Contracts Business Units

This section provides an overview of PeopleSoft Contracts business units and discusses how to define PeopleSoft Contracts business units.

Understanding Contracts Business Units

PeopleSoft Contracts business units represent an operational subset of your business organization. Whether you work exclusively with government funded contracts or with a combination of government and non-government contracts, the PeopleSoft Contracts business unit is the backbone of the contracts system and must be defined before you can create or manage any of your contracts.

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When defining a contracts business unit, it is important to consider the relationship of your PeopleSoft Contracts application with other PeopleSoft applications that you are implementing. For example, you must associate a PeopleSoft General Ledger business unit to a PeopleSoft Contracts business unit for the system to create revenue accounting entries. Any PeopleSoft Billing business units that are assigned to a PeopleSoft Contracts business unit must point to the same PeopleSoft General Ledger business unit that was associated with the PeopleSoft Contracts business unit. Use PeopleSoft Billing business units when you generate invoices for the contract.

When defining a contracts business unit, you can define many setup and processing attributes to automate the setup and management of the contract. After the contract is created, you can override many of these values at the contract line level to customize the contract to your specific customer's needs.

For example, you can control the ability to set and override the deferred revenue settings for the contract line at the PeopleSoft Contracts business unit level. If the deferred revenue option is selected at the product group option level, and the deferred revenue override option is selected, the user can override the defaulted deferred revenue settings and clear the deferred revenue check box for the contract line. Otherwise, this default cannot be overridden if the deferred revenue override option is not selected.

If the Deferred Revenue Override check box is not selected, and if the deferred revenue option is not selected at the product group level; the deferred revenue option is unavailable for the contract line, and the Deferred Revenue tab does not appear.

To define PeopleSoft Contracts business units for your government contracts, use the Contracts Definition component (BUS_UNIT_TBL_CA).

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Defining PeopleSoft Contracts Business Units"

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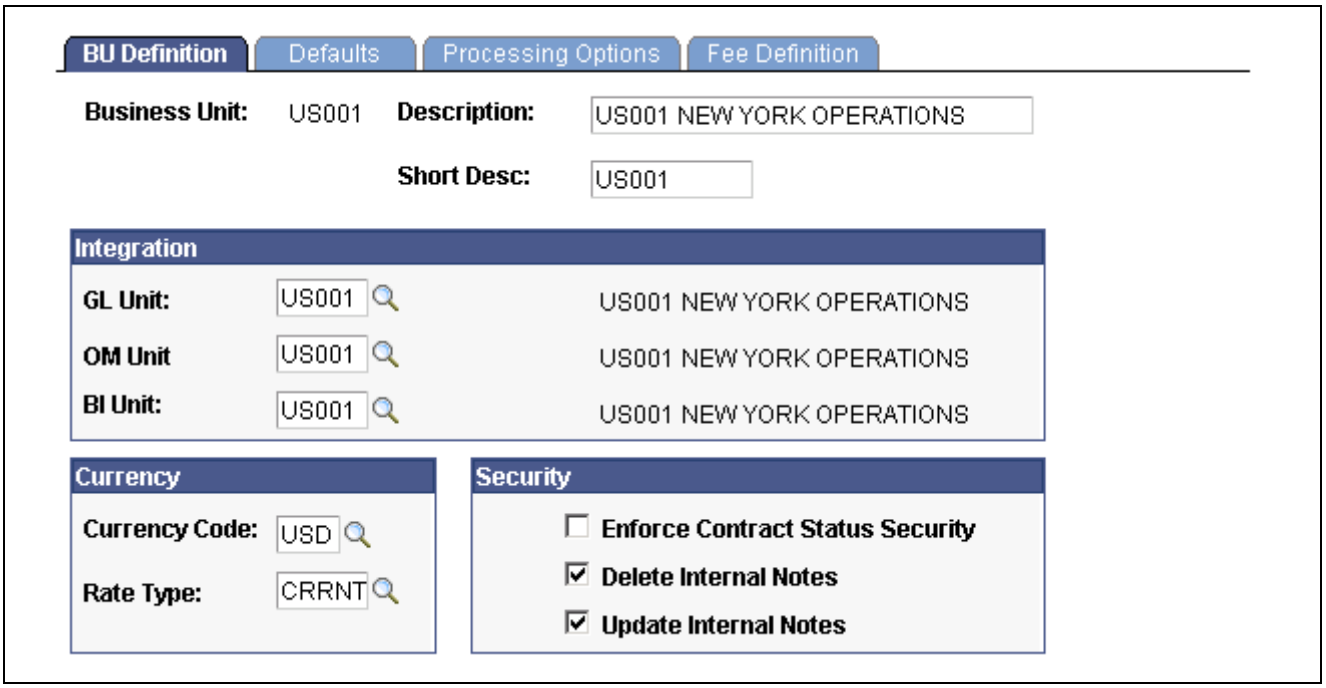
Pages Used to Establish Contracts Business Units

Page Name	Object Name	Navigation	Usage
BU Definition (Business Unit Definition)	BUS_UNIT_TBL_CA	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, BU Definition	Create a new business unit definition or modify an existing one for your government contracts.
Defaults	BUS_UNIT_TBL_CA1	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Defaults	Specify field value defaults that the system uses to automatically populate fields on the contract for contract processing and management.
Processing Options	BUS_UNIT_TBL_CA2	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Processing Options	Define processing attributes to incorporate flexibility and automation in your Contracts system when managing revenue or performing billing and revenue credits and adjustments.
Fee Definition	CA_BU_FEE_DEF	Set Up Financials/Supply Chain, Business Unit Related, Contracts, Contracts Definition, Fee Definition	You must associate cost-reimbursable (cost-plus) contract lines with a fee type for the rate-based contract line to have cost-plus functionality. Contracts support the fee types of Fixed, Award, Incentive and Other. You must define each fee type and its associated attributes at the business unit level. The fee type definition is used by the system to calculate the appropriate fees for the cost-plus contract line.

Defining Contracts Business Units

Access the Contracts Definition - BU Definition (Business Unit Definition) page.

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Contracts Definition - BU Definition page

Business Unit When you first add a business unit, you must provide a description and specify a value in the Default SetID field. Clicking the Create BU button adds the PeopleSoft Contracts business unit to the system tables, displays additional fields that must be completed and hides the Create BU button after the process is complete.

Integration

GL Unit (PeopleSoft General Ledger Unit) Associate each PeopleSoft Contracts business unit with a general ledger business unit. PeopleSoft General Ledger business units define the accounting processing for associated PeopleSoft Contracts business units. All contracts created for this PeopleSoft Contracts business unit use this PeopleSoft General Ledger business unit to generate entries that interact with PeopleSoft General Ledger. After you create government contracts using this business unit, the general ledger business unit should not be modified or your ledgers might become out of sync.

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

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

Currency

Currency Code Select a default currency for contracts that are created using this business unit.

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

Security

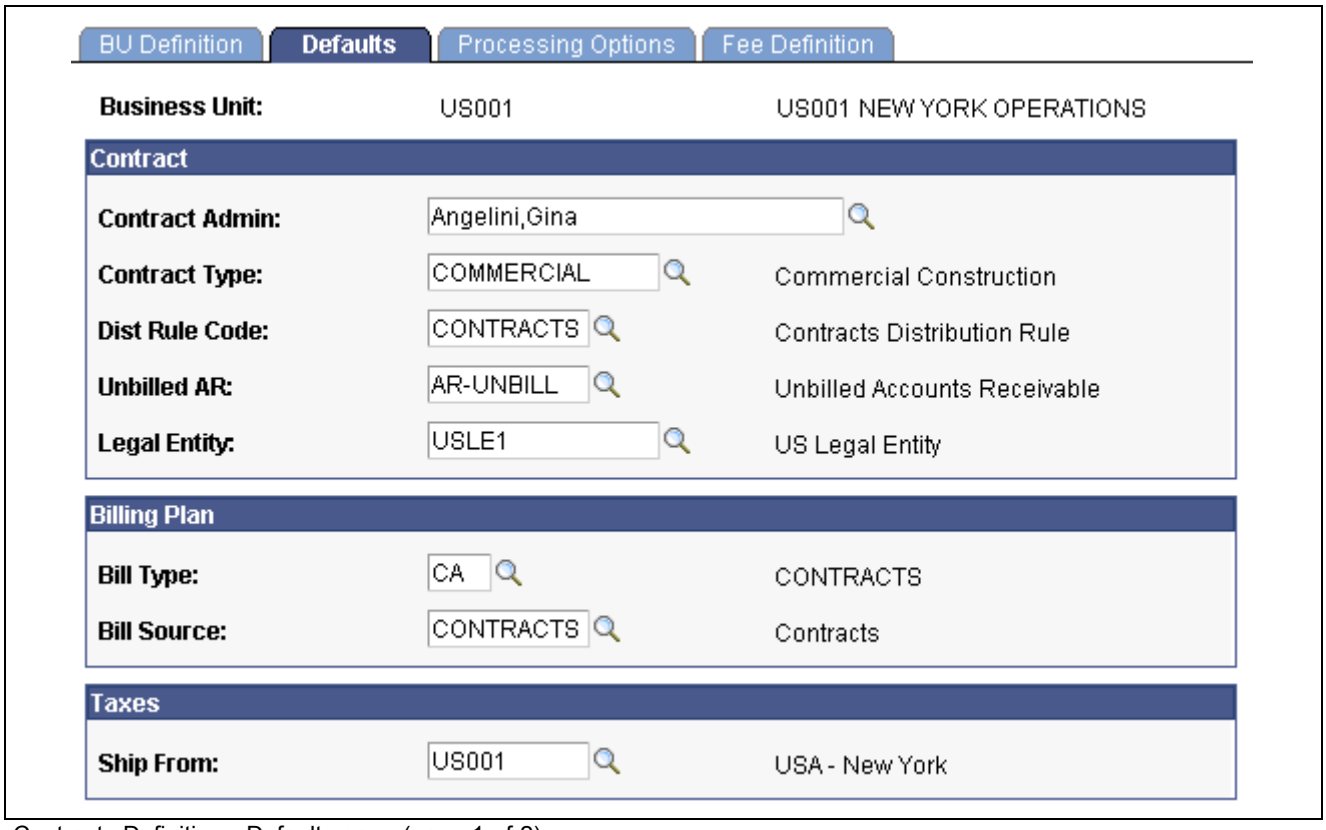
Enforce Contract Status Security Select to limit the list of users who can change the status of a contract to only those to whom you have given security access on the User Preferences - Contracts page.

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

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

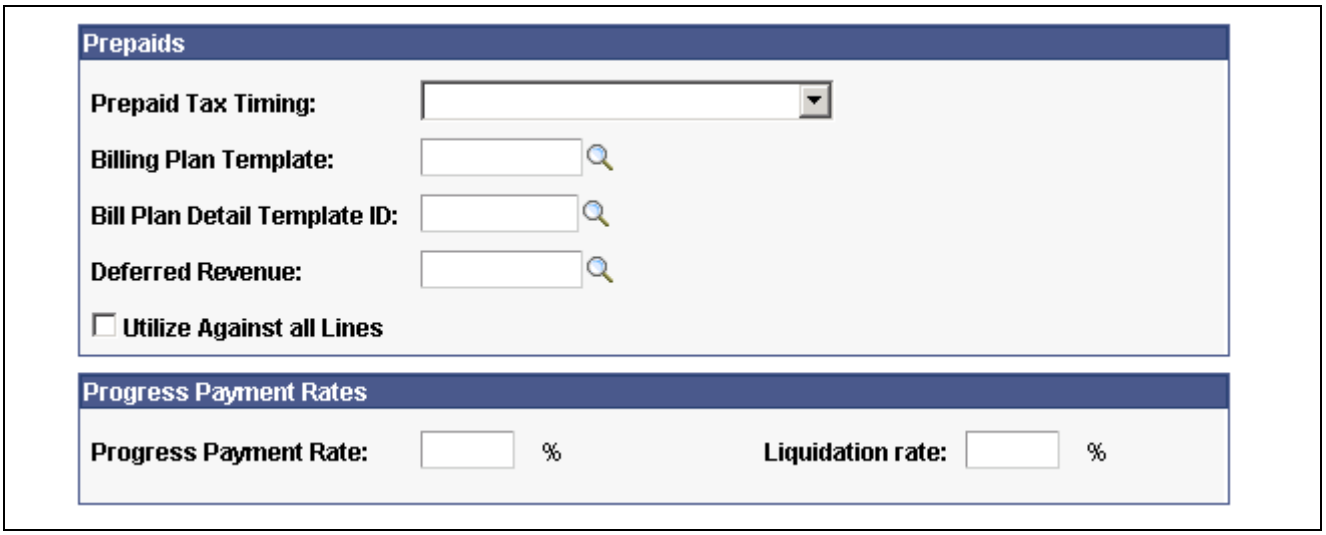
Defining Contracts Business Unit Defaults

Access the Contracts Definition - Defaults page.



Contracts Definition - Defaults page (page 1 of 2)

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Contracts Definition - Defaults page (page 2 of 2)

Contract

Contract Admin (Contract Administrator) Select a contract administrator to associate to this business unit. This value automatically populates the contract administrator field on the contract header when a government contract is created using this business unit.

Contract Type Select a contract type to categorize your contracts for reporting purposes. The value that you select automatically populates the contract type field on the contact header when a government contract is created using this business unit.

Dist Rule Code (Distribution Rule Code) Select the distribution rule code to associate to the PeopleSoft Contracts business unit. Distribution rules identify the distribution accounting that the system associates with an amount-based contract line.

The distribution rule code identifies the distribution rules to use for a particular product when the product is selected for the contract within this PeopleSoft Contracts business unit. You can define any number of combination criteria and hierarchy for the distribution rules. These rules identify the accounting distribution sets and determine in what order to apply them.

Unbilled AR (Unbilled Accounts Receivable) When revenue is managed from PeopleSoft Contracts, revenue is recorded to an unbilled accounts receivable account. When billing occurs, PeopleSoft Billing generates an offsetting entry. The system uses the unbilled accounts receivable account that are defined at the business unit level as the high-level default value for every contract that is created under this business unit.

Legal Entity Select a legal entity to appear by default for contracts created using this business unit. While this legal entity is not directly linked to the legal entity in PeopleSoft General Ledger, this field enables you to capture your organization's legal entity that enters into a contractual agreement with the customer. This value, which is a default on the contract, can be overridden. This value automatically populates the appropriate field on the contract header.

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Billing Plan

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

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

Taxes

Ship From Select from location codes that are defined on the Location Definition page. This value is a default for each contract but can be overridden on the billing plan.

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

Prepaids

You can enter values at the business unit level to populate by default onto the Prepaid component for prepaid setup.

Note. Prepaid defaulting applies to new prepaid billing plans only. If you change these values at the business unit level, the system does not update existing billing plans to which the changed business unit applies. The new values apply only to new billing plans that are created on this business unit.

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

Billing Plan Template Select a billing plan template to associate with the prepaid contract line. The billing plan template automates the creation of the billing plan.

Bill Plan Detail Template Select a billing plan detail template to associate with the prepaid contract line. Use the billing plan detail template to override the billing defaults that are defined for a contracts billing business unit and contract header.

Note. If you want to select a billing plan detail template, you must also select a value in the Billing Plan Template field.

Deferred Revenue Select the deferred revenue distribution code to associate with the prepaid contract line. Booking to deferred revenue enables you to post to the general ledger revenue that you expect to realize in a future accounting period.

Utilize Against All Lines Select this check box to apply the prepaid towards all contract lines.

Note. If you want to apply the prepaid against a specific contract line, you must enter the contract line manually in the Prepaid component.

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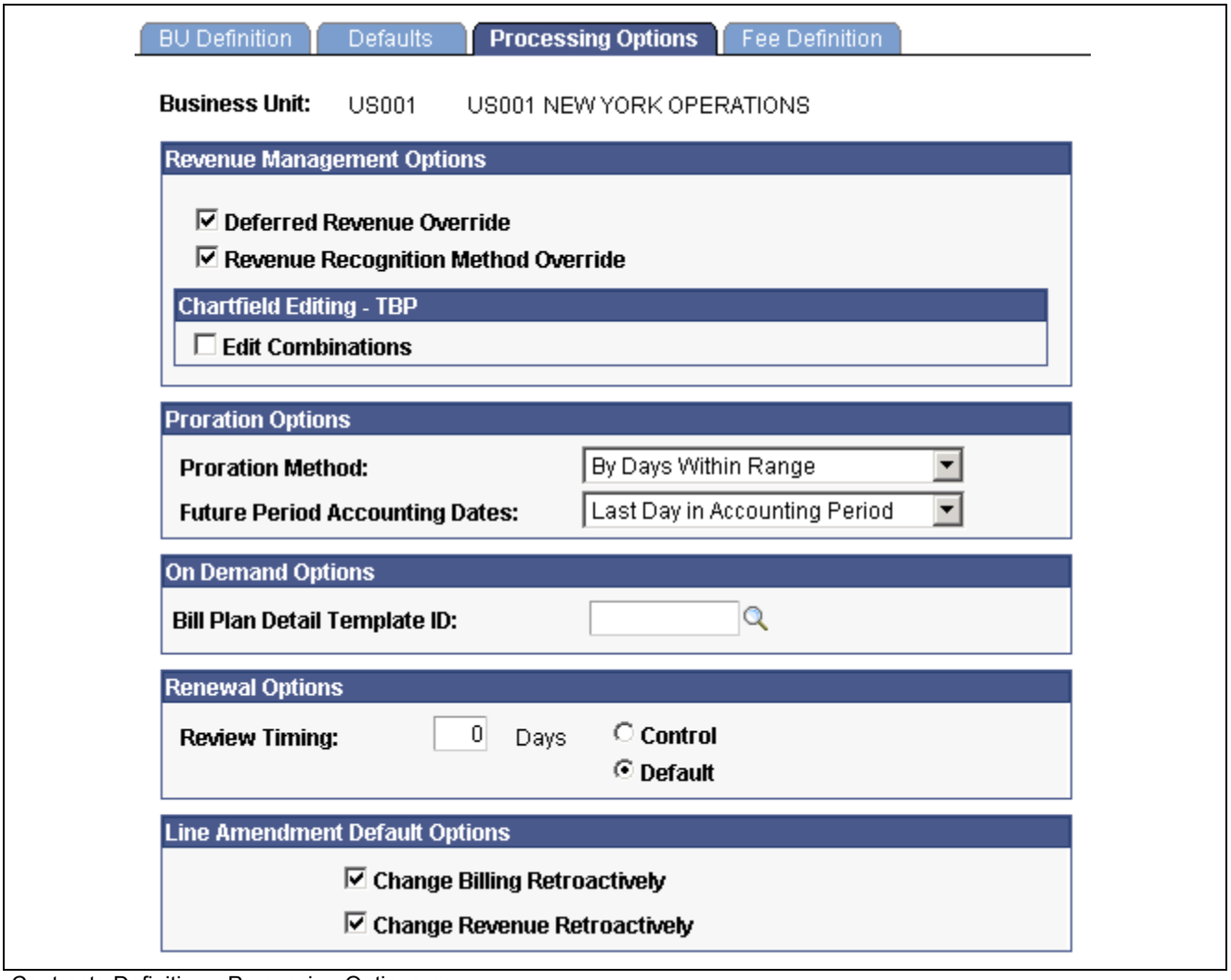
Progress Payment Rates

Progress Payment Rate Enter the progress payment rate percentage as defined by the Federal Acquisition Regulations (FAR). This value appears by default on the Progress Payment Terms - General page and can be overridden at the progress payment terms level.

Liquidation Rate Enter the progress payment liquidation rate percentage as defined by the Federal Acquisition Regulations (FAR). This value appears by default on the Progress Payment Terms - General page and can be overridden at the progress payment terms level.

Defining Contracts Business Unit Processing Options

Access the Contracts Definition - Processing Options page.



Contracts Definition - Processing Options page

Revenue Management Options

Deferred Revenue Override Select the Deferred Revenue Override check box to indicate whether a user can override the deferred revenue option on the contract line. The deferred revenue

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option can be selected at the product group option level to automatically populate the deferred revenue settings on a contract line when a product that is associated with that product group option is added to the contract.

Note. The deferred revenue feature only applies to amount-based contract lines. After a contact is in *Active* processing status, you cannot modify the deferred revenue options for the contract line. Instead, you must make any modifications using amendment processing.

Revenue Recognition Method Override

Select this override check box to indicate whether a user can override the revenue recognition method on a contract line. Revenue recognition methods dictate the type of revenue recognition plan or template that can be associated with a contract line.

The contract line can inherit its revenue recognition method from the product definition. When this override check box is not selected, the system processes the revenue for the contract line using the default revenue recognition method.

Edit Combinations

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

Note. The Edit Combinations feature is only used by the Transaction Billing Processor. Government contracts do not use this feature.

Proration Options

Proration Method

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

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

Future Period Accounting Dates

Select the date to use as the accounting date for apportionment revenue recognition events. Select from:

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

On Demand Options

Bill Plan Detail Template ID

Select a bill plan detail template ID to override the fields on the billing plan for on-demand contracts. If you select a template on this page, the billing plan

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detail template overrides the corresponding fields on the billing plan when a billing plan is created.

Note. The On Demand Options feature is used by the Transaction Billing Processor for PeopleSoft Enterprise Real Estate Management and PeopleSoft Enterprise Customer Relationship Management. Government contracts do not use this option.

Renewal Options

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

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

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

Note. The Renewal Options feature is not used by government contracts.

Line Amendment Default Options

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

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

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

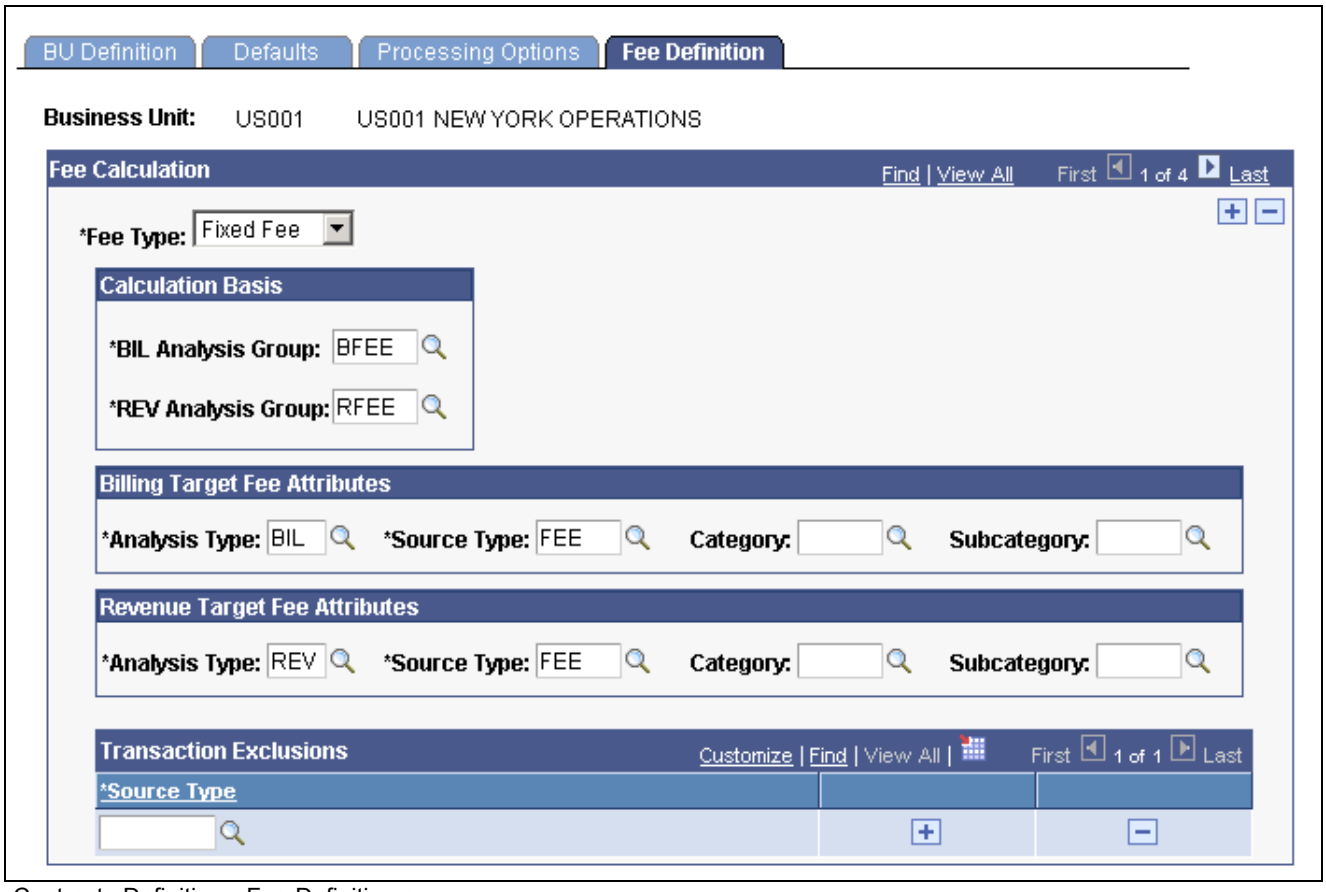
If this option is not selected at the business unit or contract line level, the user can only adjust any remaining future events for the contract line.

Note. Line Amendment Default Options only apply to amount-based contract lines. These options can be selected independently of one another.

Defining Contracts Business Unit Fee Definitions

Access the Contracts Definition - Fee Definition page.

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Contracts Definition - Fee Definition page

For cost reimbursable contract lines, an organization must be able to calculate direct costs, indirect costs, and fees, and report these calculations to the government to receive proper payment for their services. Contracts enables organizations to calculate and track these costs using the cost-plus functionality associated with government contracts.

To calculate fees, you must first set up the fee definitions at the business unit level. Once defined, you must associate a fee type to the rate-based contract line to enable cost-plus functionality. The system uses the fee definition to calculate appropriate fees for the contract line.

Only one fee definition can be set up for each fee type that is defined for a business unit. Multiple fee types can be associated with a singular contract, but only one fee type can be assigned to a singular contract line.

Fee Type

Select the fee type for which you will define fee calculation criteria. You must set up fee definitions for every fee type that will be associated to cost-plus contract lines on contracts that were created under the business unit. Contracts supports the following four fee types:

- *Award Fee:* Represents a percentage of total costs that are calculated using a base fee percentage, plus an additional award fee. The contractor can earn the award fee if certain contract deliverables are met or if work is completed by a specific date. The government determines whether all, a portion, or no award fee is awarded to a contractor based on their performance.
- *Fixed Fee:* Represents a percentage of total costs that are calculated and applied on top of the total costs incurred. This amount is determined by an agreement between the contractor and the government and is recognized

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as profit for the contractor when completing a service or product for the government.

- *Incentive Fee:* Represents a calculation of fees using cost over-run and under-run percentages as determined by the government, as well as, target, minimum, and maximum fee amounts. The incentive fee amount that is awarded depends on the contractor's performance of the contract and whether their costs fall within the cost over-run and under-run criteria that is agreed upon with the government.
- *Other Fee:* Represents a fee that is not associated with any special attributes. Fees in this category are calculated based on a captured amount and user-defined billing and revenue fee limits.

Note. Fee Type is a required field.

Calculation Basis

BIL Analysis Group (Billing Analysis Group)

Select the billing analysis group that contains the transaction analysis types that are included in the billing fee calculations.

Note. This is a required field.

REV Analysis Group (Revenue Analysis Group)

Select the revenue analysis group that contains the transaction analysis types that are included in the revenue fee calculations.

Note. This is a required field if Separate Billing and Revenue is selected on the Installation Options - Contracts page. This field is hidden if Separate Billing and Revenue is not selected on the Installation Options - Contracts page.

Billing Target Fee Attributes

Analysis Type

Select the analysis type to stamp on the target billing fee rows that are created from the billing fee worksheets. The billing target fee attributes analysis types identify rows for bill processing for the contract lines.

Note. The analysis type selected must be associated with the PSWKS analysis group in PeopleSoft Project Costing. This is a required field.

Source Type

Select the source type to stamp on the target billing fee rows that are created from the billing fee worksheets.

Note. Only one source type can be selected for the target billing fee row. This is a required field.

Category

Select the category to stamp on the target billing fee rows that are created from the billing fee worksheets. Specifying a category is optional, but enables you to further identify the billing fee row that is created. For example, you can identify billing fee rows for fixed fees as *CPFF* (Cost-Plus Fixed Fee).

Only one category can be selected for the target billing fee row. Only categories that were previously defined in PeopleSoft Project Costing can be selected.

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Subcategory Select the subcategory to stamp on the target billing fee rows that are created from the billing fee worksheets. Specifying a subcategory is optional, but enables you to further identify the billing fee row that is being created.

Only one subcategory can be selected for the target billing fee row. Only subcategories that were previously defined in PeopleSoft Project Costing can be selected.

Revenue Target Fee Attributes

The data that you enter in this section stamps the target revenue fee rows that are created by fee processing. If the Separate Billing and Revenue option is selected on the Installation Options - Contracts page, then you must complete this section. However, this section is hidden if the Separate Billing and Revenue option is not selected on the Installation Options - Contracts page.

Analysis Type Select the analysis type to stamp on the target revenue fee rows that are created from the revenue fee worksheets. Revenue target fee attribute analysis types identify rows for revenue recognition processing for the contract lines.

Note. The analysis type that you select must be associated with the PSRV2 analysis group in PeopleSoft Project Costing. This is a required field.

Source Type Select the source type to stamp on the target revenue fee rows that are created from the revenue fee worksheets.

Note. Only one source type can be selected for the target revenue fee row. This is a required field.

Category Select the category to stamp on the target revenue fee rows that are created from the revenue fee worksheets. Specifying a category is optional, but enables you to further identify the revenue fee row that are being created. For example, you can identify revenue fee rows for fixed fees as *CPFF* (Cost-Plus Fixed Fee).

Only one category can be selected for the target revenue fee row. Only categories that were previously defined in PeopleSoft Project Costing can be selected.

Subcategory Select the subcategory to stamp on the target revenue fee rows that are created from the revenue fee worksheets. Specifying a subcategory is optional, but enables you to further identify the revenue fee row that is being created.

Only one subcategory can be selected for the target revenue fee row. Only subcategories that were previously defined in PeopleSoft Project Costing can be selected.

Transaction Exclusions

Source Type Select the PeopleSoft Project Costing ChartField source types that you want to fully exclude in the fee calculations for the fee type defined under the PeopleSoft Contracts business unit. You can exclude as many source types as needed, but you cannot use a wildcard in this field. The system cannot calculate billing or revenue fees when you use a wildcard.

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Note. The system will exclude any source types that are selected on this page from both billing and revenue fee calculations.

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CHAPTER 7

Creating Government Contracts

This chapter provides an overview of creating government contracts, lists prerequisites and common elements, and discusses how to:

- Define general contract information.
- Define contract lines.
- Select products for contract lines.
- Define contract terms.
- Assign projects to a contract.
- Create amendments.

Understanding Creating Government Contracts

Government contracts are typically long-term agreements awarded for a specific amount or defined estimated amounts and then are managed to that amount. The government has specific requirements that the contractors must meet to be awarded the contract, and then also must manage the contract according to government rules and regulations. Ultimately, these requirements are centered on cost control, billing, and cash settlement. Contracts enables you to comply with government regulations, run required reports, and perform required analysis using data captured in the Contract Entry component (CA_HDR_PNG).

The features and functions of PeopleSoft Contracts are the foundation for government contracts specific features. Once a contract has been created and assigned a contract classification of *Government,* identifying it as a government contract, the contract can be built according to the requirements that are specific to the government contract.

The contact itself is broken into two main parts: the contact header and the contract lines. You use the header level contract pages to capture the overall customer data as well as the overall contract terms and conditions. The line level data consists of the products and services that make up the contract. This can be any combination of amount-based products, rate-based products, or rate-based products associated with fee types (cost-plus). At the line level, you can enter specific awarded amounts, set up limits for costs, fees, revenue (optional), define withholding criteria to control how much of your costs and fees get billed and when, define and manage progress payments, and associate fee types with contract lines to set up and manage cost-plus contract line scenarios. After the contract has been defined and contract lines have been added to the contract, you can set up and manage billing and revenue at the contact line level according to the needs of each individual line.

Setting up a government contract to make it available for billing and revenue recognition processing consists of the following tasks:

- Define the contract header data.

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This includes entering the overall customer data, terms and conditions of the contract, legal entity, signed date, and so on.

See Chapter 7, "Creating Government Contracts," Defining General Contract Information, page 46.

- Add products to the contract and enter contract line details.

  This includes associating projects and activities to rate-based contract lines, setting up progress payment details for contract lines associated with progress payment amounts, setting up withholding and limit amounts where applicable, defining fee details as needed, and so on.

  See Chapter 7, "Creating Government Contracts," Defining Contract Lines, page 51.

- Perform contract line pricing.

  This includes setting up and assigning rates to rate-based contract lines and allocating contract line amounts across all amount-based contract lines.

  See Chapter 8, "Pricing Government Contracts," page 75.

- Review and update account distribution data for the contract lines.

  This includes setting up accounting rules for rate-based contract lines, setting up and assigning account distributions and deferred revenue options to amount-based contract lines.

  See Chapter 6, "Structuring PeopleSoft Contracts for Government Contracting," page 23.

- Create and assign billing plans to contract lines and any progress payments worksheet.

  Use templates to automatically create and assign billing plans to contract lines or manually define them. Billing plans are required and are the vehicles by which billable contract line transaction data is passed to PeopleSoft Billing. If progress payments are assigned to any amount-based contract lines, then a billing plan must be defined and assigned to the progress payment worksheet to process the progress payment requests.

  See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Setting Up Billing Plans".

- Create and assign revenue plans to contract lines.

  Use templates to automatically create and assign revenue plans to contract lines or manually define them. Revenue plans are required and are the vehicles by which contract line transactions accounting data is passed to PeopleSoft General Ledger.

  See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Setting Up Revenue Plans".

- Set the contract processing status to *Active*.

  Only contracts with a processing status of *Active* are available for any processing.

Prerequisites

Before creating government contracts, you must first complete all of the underlying setup steps.

See Chapter 6, "Structuring PeopleSoft Contracts for Government Contracting," page 23.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Structuring Contracts"

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Common Elements Used in This Chapter

Amendment Number Displays the current amendment number assigned by the system. When the contract is activated, the system displays the amendment number *0000000000*. As amendments are processed on the contract, the amendment number is automatically increased by one.

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

Amendment Status Displays the status of the last processed amendment.

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

Business Unit Establishes defaults for billing and accounting data for a contract defined using this business unit.

Contract Classification Select a value for the contract classification when creating a new contract. The contract classification displays on the contract header and cannot be changed. Values for the Contract Classification field include: *Standard, Internal, Government,* and *Federal Reimbursable Agreement.* To access the features and functions associated with government contracts, you must select the contract classification of *Government*.

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

Contract Status Displays a user-defined value that provides a visual indicator of where the contract is within the contract lifecycle. This element also controls what processing can occur against the contract, as it is associated with a processing status.

When you define a new contract, the contract status that was set up as the defaulting contract status appears, and can be overridden and changed to a different contract status. If you select a contract status that is mapped to a different contract processing status, the system performs edit checking to ensure that the contract is eligible for the new processing status that you selected.

Contract Type Enter the user-defined contract type for the contract. This value is used for reporting and for determining what milestones may be applied to an amount-based contract line's revenue plans and billing plans.

Go To Click one of the following links to navigate to key contract pages to set up billing and revenue or to perform pricing for amount-based contract lines:

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

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

Milestones: Click this link to add new milestones or edit existing milestones on this contract.

Amount Allocation: Click this link to allocate the fixed contract amount across amount-based contract lines. Once the contract is activated, this link no longer appears.

More

Select from the drop-down list box options to navigate to the additional contract pages. Values include:

- *Attachments:* Click to attach document files such as letters, spreadsheets, or drawings to the contract or to view or delete already attached files.
- *Billing Options:* Click to enter billing option defaults for the contract. These billing options appear by default on the billing plans created for contract lines within this contract. You can override these options at the billing plan level.
- *Conversations:* Click to create conversations to attach to the contract.
- *Internal Notes:* Click to add both standard and custom notes for the company's internal reference to various contract components.
- *Payment Terms:* Click to define early out options and bonus and penalty information to be applied to the contract.
- *Prepaids:* Click to administer prepaid purchases.
- *Progress Payments:* Click to administer progress payment amounts.
- *Revenue Forecast:* Click to create a revenue forecast.
- *Sales Order:* Click to create sales order lines from the associated shippable amount-based contract lines.
- *Service Orders:* If you have installed PeopleSoft Enterprise Resource Management, click this link to define a service order to associate with this contract.
- *Sold To Address:* Click to view, and optionally select, a different address for a contract's sold to customer.
- *Support Teams:* Click to add support teams to the contract.
- *View Forecast:* Click to launch a revenue forecast.

Processing Status

Displays the processing status corresponding to the selected contract status.

Sold To Customer

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

Defining General Contract Information

This section provides an overview of defining contract header data and discusses how to:

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- Set up and manage contract header information.
- Define the sold to address.

Understanding Defining Contract Header Data

At the contract header level you identify the contract as a government contract by setting the contract classification to *Government.* This setting enables you to view and utilize all of the fields that are specific to government contracting. The contact header enables you to define the customer data as well as the overall terms and conditions for the contract, such as billing options, payment terms, contract start date and relationship, if any, to other contracts. Contract headers have a one-to-many relationship with contract lines. That is, many contract lines can be assigned to one contract header, and data assigned at the contract header level can appear by default on the contract lines. Much of the processing associated with the contract takes place at the contact line level.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Creating Contracts," Defining General Contract Information

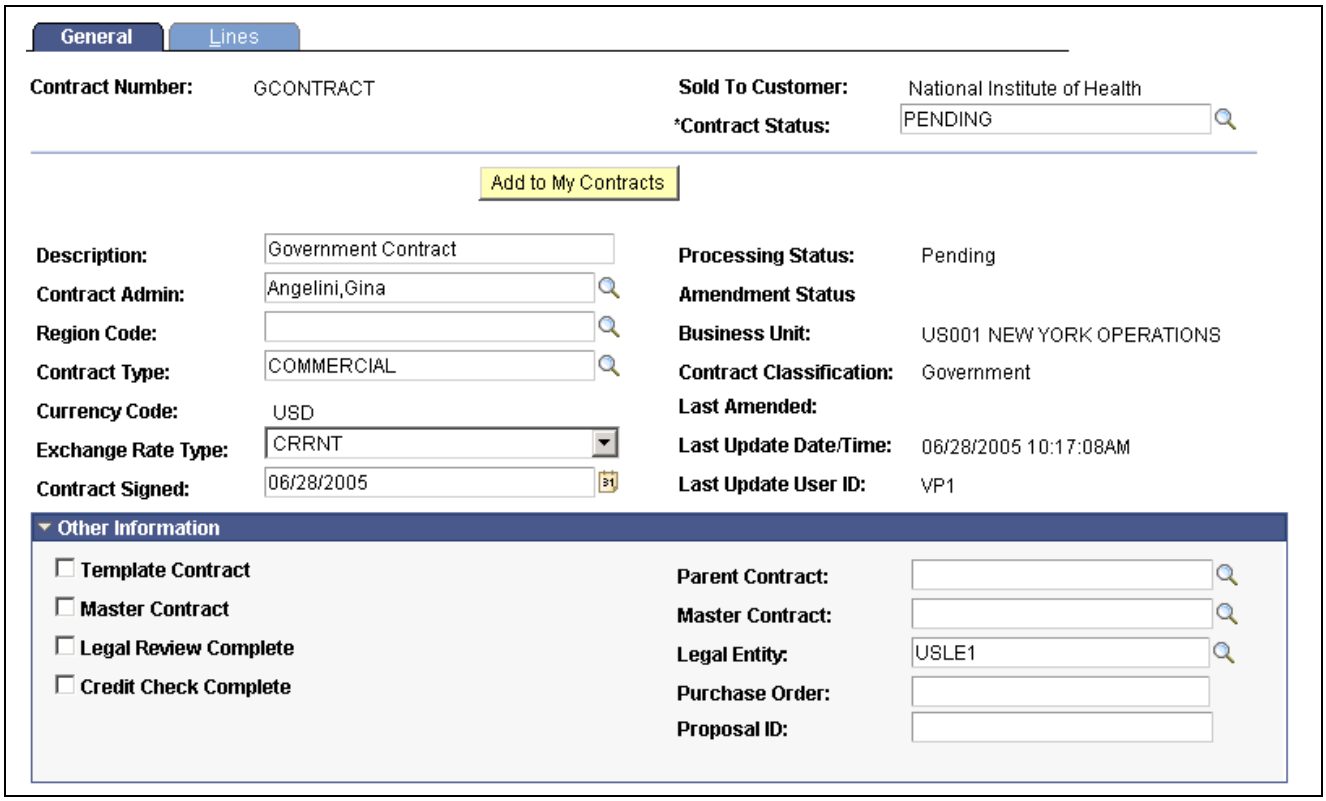
Pages Used to Define General Contract Information

Page Name	Object Name	Navigation	Usage
Contract - General	CA_HDR_PNL	• Customer Contracts, Create and Amend, General Information, Contract - General • Customer Contracts, Contracts Center, Contracts, General Information, Contract - General	Set up and manage contract header information.
Sold To Address	CA_CONTACT_PNL	Select Sold To Address from the More drop-down list box on the Contract - General page.	View and optionally select a different address for a contract's sold to customer.

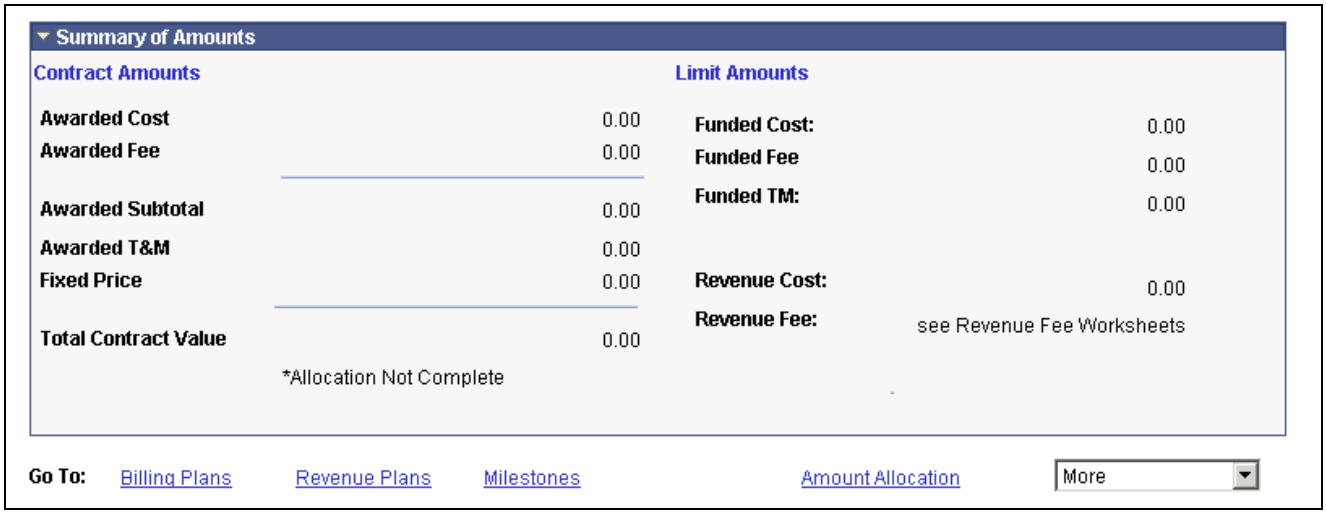
Setting Up and Managing Contract Header Information

Access the Contract - General page.

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Contract - General page (1 of 2)



Contract - General page (2 of 2)

Copy From Contract Click to create a new contract using an existing contract. For government contracts, when you use this method to copy a contract that contains rate-based contract lines assigned a fee type other then *None*, the system does not copy any fee types associated with the rate-based contract lines. Instead, when the system copies the rate-based contract line that was assigned a cost-plus fee type, the system replaces the fee type for the new contract line with a fee type of *None*.

Add to My Contracts Click to add the current contract to the My Contracts page.

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

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

Currency Code Enter the currency code for the contract. The currency code defined at the contract header level is inherited by all contract lines that are added to the contract. Once you set up the contract, enter the currency code at the header level, and save the contract, this field is no longer editable.

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

Last Amended Displays the date of the last amendment processed for the contract.

Last Update Date/Time Displays the time stamp of the last amendment processed for the contract.

Last Update User ID Displays the user ID of the user that entered the last amendment for the contract.

Other Information

Template Contract Select to designate this contract as a template. You can then use this template when creating subsequent contracts. Contracts designated as templates can contain header and line data but can never be set to an active processing status or have billing or revenue performed against them.

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

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

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

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

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

Legal Entity Enter the organizational or legal owner of the contract. The system can populate this field with the value associated with the PeopleSoft Contracts business unit.

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

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

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Summary of Amounts

Awarded Cost Displays the summarized amount of awarded costs defined for cost-plus contract lines (rate-based contract lines associated with a fee) that are assigned to this contract.

Awarded Fee Displays the summarized amount of awarded fees defined for rate-based contract lines associated with a fee type (cost-plus) that are assigned to this contract. This field represents all awarded fees for the contract and not only the fees associated with the award fee type.

Awarded Subtotal Displays the summarized total of the awarded costs and awarded fees defined for rate-based contract lines associated with a fee type (cost-plus) that are assigned to this contract.

Awarded T&M (awarded time and materials) Displays the summarized total of any awarded amounts entered at the contract line level on the Contract Amounts page for rate-based contract lines not associated with fees (not cost-plus).

Fixed Price Displays the summarized total of any amount-base contract lines associated with the contract.

Total Contract Value Displays the summarized total of all awarded costs, fees, time and material, and fixed price amounts associated with the contract lines.

Funded Cost Displays the total limit amount for billable costs that have been entered for rate-based contract lines associated with a fee type (cost-plus) on the Contract Amounts page.

Funded Fee Displays the total fee limit amount for billable fees that have been entered for rate-based contract lines associated with a fee type (cost-plus)

Funded T&M (funded time and materials) Displays the total limit amount for billable costs that have been entered for rate-based contract lines not associated with a fee type (not cost-plus) on the Contract Amounts page.

Revenue Cost Displays the total revenue limit amount defined for rate-based contract lines associated with a fee type (cost-plus) associated with the contract. Revenue cost limit amounts are only entered when the Separate Billing and Revenue option is selected on the Installation Options-Contracts page.

Revenue Fee Displays the see Revenue Fee Worksheet link. Click the link to navigate to the revenue fee worksheets where the revenue fee amount is managed for rate-based contract lines associated with a fee type (cost-plus). This link is active only if the Separate Billing and Revenue option is selected on the Installation Options-Contracts page.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Creating Contracts," Defining General Contract Information

Defining the Sold To Address

Access the Sold To Address page.

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Sold To Address page

Address Sequence Number Select the address location for the sold to customer. Select from addresses previously defined for the customer on the Customer Information - General Info page.

Contact Select the contact for the selected sold to address for the customer.

Defining Contract Lines

This section provides an overview of defining contract lines, lists common elements, and discusses how to:

- Add general contract line information.
- Add contract line details.
- View contract line amount details.
- Set the contract line deferred revenue option.

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Understanding Defining Contract Lines

After you create a contract header, you can begin creating contract lines for the contract by adding products onto the contract. Products represent the goods and services that you are contracted to provide to the government entity. These products can be defined in advance, or can be created on an ad hoc basis specifically for the contract. Attributes assigned to the product appear by default on the contract line along with any contract header level data that pertains to the contract line, but can be overridden at the line level. After selecting products for the contract, you can assign the following additional attributes to your amount-based contract lines:

- Accounting distribution data.
- Projects and activities.
- Fixed Price.
- Progress payment data.

The following additional attributes can be added to your rate-based contract lines:

- Fee information.

  This includes fee types, fee rates, and other data used for fee calculations.
- Rate sets or rate plans.
- Projects and activities.
- Limits.
- Withholding and release criteria.

To price the contract lines, you can assign a fixed amount to your amount-based contract lines using either a list price defined for the product, or using the PeopleSoft Enterprise Pricer, and then adjust the amount as needed using the Amount Allocation page. For contract lines that are rate-based or rate-based associated with a fee type (cost-plus), pricing is done using rate sets or rate plans, and projects and activities assigned to the contract line on the Related Projects page. As transactions are accumulated for these contract lines in PeopleSoft Project Costing for the projects and activities associated with the contract lines, the PeopleSoft Project Costing Pricing Engine prices the transactions using the rates associated with those same contract lines.

After the contract is activated and pricing is complete for the contract lines, you can bill and recognize revenue for the contract line transactions as needed. Billing and revenue recognition plans are required to perform billing and revenue processing and can be assigned to the contract lines before or after the contract has been activated. However, before billing or revenue recognition can occur for the contract line, the contract line must have a processing status of *Active*, and be assigned to a billing or revenue recognition plan respectively.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Creating Contracts,” Defining Contract Lines.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Products”.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Revenue Plans”.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Billing Plans”.

Common Elements Used in This Section



Click the Header Details icon to view the contract header data for the contract lines.

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Add Contract Lines Click to navigate to the Add Contract Lines page to add existing products or define new products to add to this contract. You can add contract lines to contracts in *Pending* processing status or after the contract becomes active, you can add contract lines using amendment processing. When you activate a contract, the Add Contact Lines button no longer appears, and will only reappear when the contract is opened using amendment mode.

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

Line Displays the contract line number assigned to the product once it has been added to the contract.

Price Type Displays the price type associated with the product. *Amount* and *Rate* are the only applicable price types for government contracts.

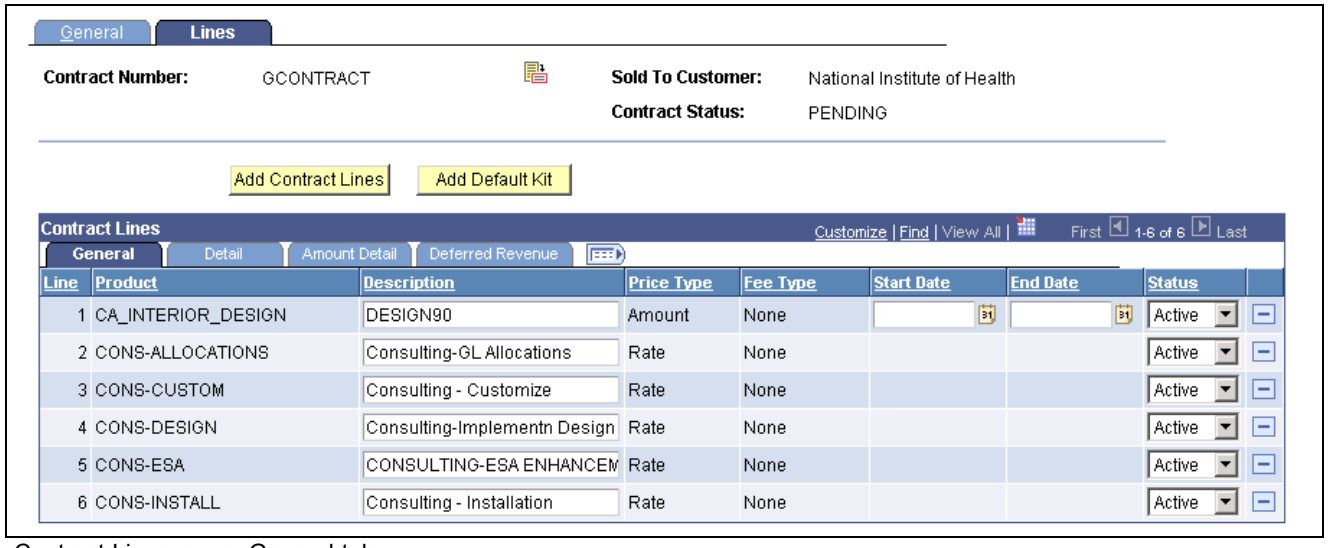
Product Displays the product identifier for the product assigned to the contract line.

Page Used to Define Contract Lines

Page Name	Object Name	Navigation	Usage
Contract - Lines	CA_OBLIGATIONS	Customer Contracts, Create and Amend, General Information, Lines	Add products to a contract. Each product appears on the contract as a distinct contract line number. From this page you can view or access all details defined for a contract line.

Adding General Contract Line Information

Access the Contract - Lines page: General tab.



Contract Lines page: General tab

After selecting products onto the contract, the Contract - Lines tabs enable you to view and enter all required details for the contract lines. Each contract line represents a unique contract product that can be associated with its own accounting distributions, limits, fees, progress payments, billing and revenue plans, and so on.

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Fee Type Displays the fee type, if any, assigned to the rate-based contract lines. Fee types are assigned on the Add Contract Lines page. If you will be using cost-plus functionality for the contract line, you must select a fee type for the product before the product is added to the contract.

Start Date Displays the period of performance start date entered on the Contract Amounts page for rate-based contract lines. For amount-based contract lines, the start date represents the beginning of a recurring bill schedule or renewal term. Recurring billing and renewal processing are not applicable to government contracts.

End Date Displays the period of performance end date entered on the Contract Amounts page for rate-based contract lines. For amount-based contract lines, the end date represents the end of a recurring bill schedule period or renewal term. Recurring billing and renewal processing are not applicable to government contracts.

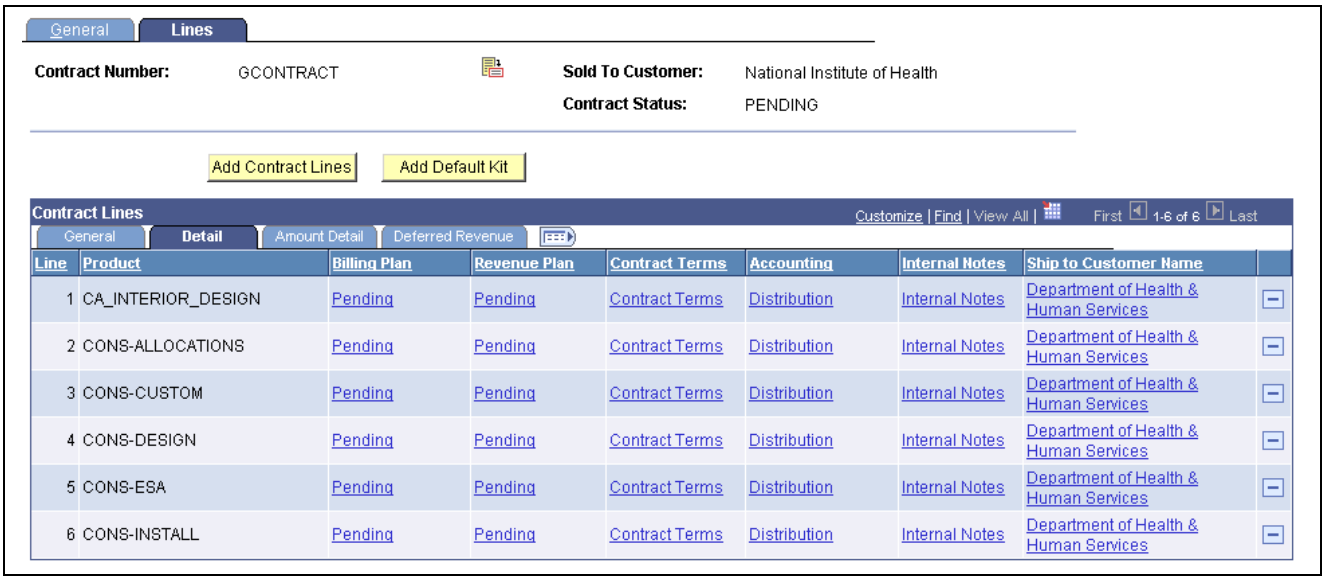
Status Select the status of the contract line. Values include:

- *Pending:* Setting the contract line status to pending enables you to capture commitments for contract lines that can be exercised at a future date. Contract lines in pending status are editable, but cannot be assigned to billing or revenue plan and are not available for processing.
- *Active:* Appears by default as the line status when you create a contract line. To assign contact lines to billing and revenue plans, and to make them available for processing, the contract lines must have an active status.
- *Cancelled:* Setting the contract line status to cancelled prevents any additional processing from occurring against the contract line. You can cancel a contact line using amendment processing. When cancelling an amount-based contract line, you will also need to specify whether any billing or revenue processed for the contract line must be reversed.

Adding Contract Line Details

Access the Contract - Lines page: Detail tab

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Contract Lines page: Detail tab

The Contract - Line Details page provides links for each contract line to enable you to set up billing and revenue plans, contract terms, accounting distribution, and add any internal notes.

Billing Plan Displays the status of the billing plan assigned to the contract line as a link. To access the Billing Plan General page for the billing plan created and assigned to the contract line, click the status link for the contract line.

Revenue Plan Displays the status of the revenue plan assigned to the contract line as a link. To access the Revenue Plan page for the revenue plan created and assigned to the contract line, click the status link for the contract line.

Contract Terms Click the *Contract Terms* link to access the Contract Terms component (CA_DETAIL_PROJ). The Contract Terms component enables you to define limits for contract line funded amounts and fees, associate projects and activities with the contract line, and set up withholding parameters.

Accounting Click the *Distribution* link to access the Accounting Distribution page. Use this page to manage account distribution data for amount-based and rate-based contract lines. For amount-based contract lines, specify the unbilled accounts receivable, revenue and deferred revenue accounting distributions used by the system to generate accounting entries for the contract line. For rate-based contract lines, specify the Revenue Forecasting account distribution data used by the system when generating a revenue forecast for the contract line.

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

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

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Understanding Accounting Distributions," Accounting Distributions.

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

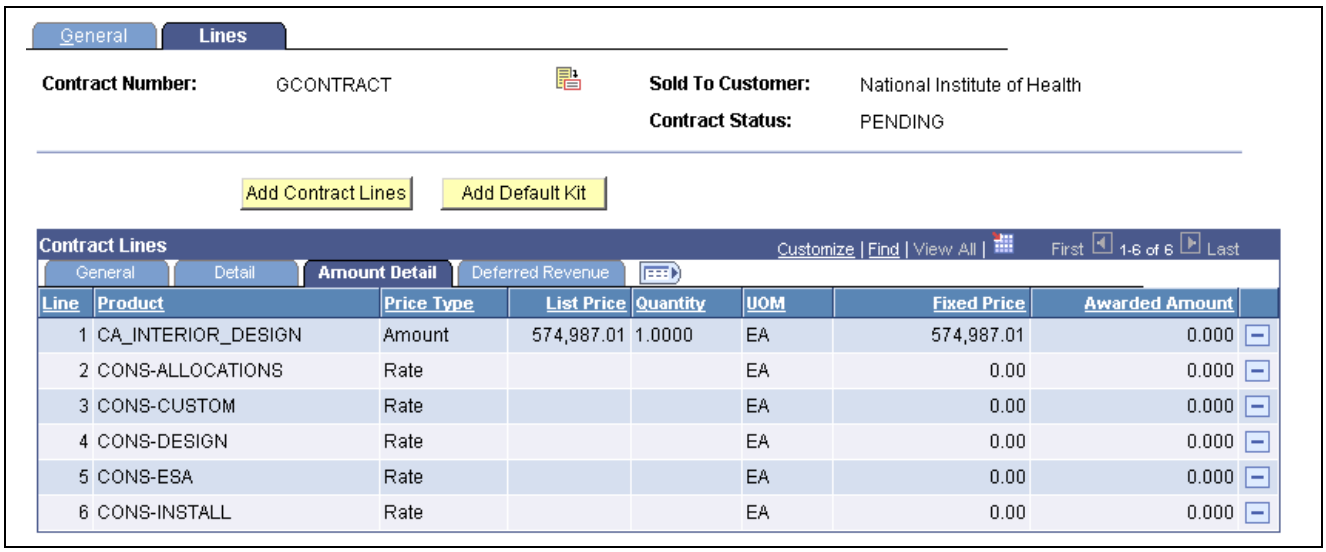
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Ship to Customer Name Click to access the Ship To Address page to manage the ship to customer information for this contract line.

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

Viewing Contract Line Amount Details

Access the Lines page: Amount Detail tab.



Line	Product	Price Type	List Price	Quantity	UOM	Fixed Price	Awarded Amount
1	CA_INTERIOR_DESIGN	Amount	574,987.01	1.0000	EA	574,987.01	0.000
2	CONS-ALLOCATIONS	Rate			EA	0.00	0.000
3	CONS-CUSTOM	Rate			EA	0.00	0.000
4	CONS-DESIGN	Rate			EA	0.00	0.000
5	CONS-ESA	Rate			EA	0.00	0.000
6	CONS-INSTALL	Rate			EA	0.00	0.000

Contract Lines page: Amount Detail tab

The Contact - Lines Amount Detail page enables you to view the pricing information for a contract line. The system updates these fields to reflect any changes that you make to the price detail for amount-based contract lines on the Amount Allocation page and for rate-based contracts on the Contract Amounts page.

List Price Displays the list price defined on the Product Price page for amount-based products. The list price displays in the contract currency.

Quantity Displays the quantity for the product that you added to the contract line. For amount-based products, the system uses the quantity as a multiplier to determine the total fixed price amount for the contract line. This field is display-only.

If you want to change the quantity prior to contract activation, you can do so on the Amount Allocation page. After contract activation, you can change the quantity through an amendment on the Amendment Amount Allocation page.

UOM (unit of measure) Displays the unit of measure defined on the Product Price page for amount-based products.

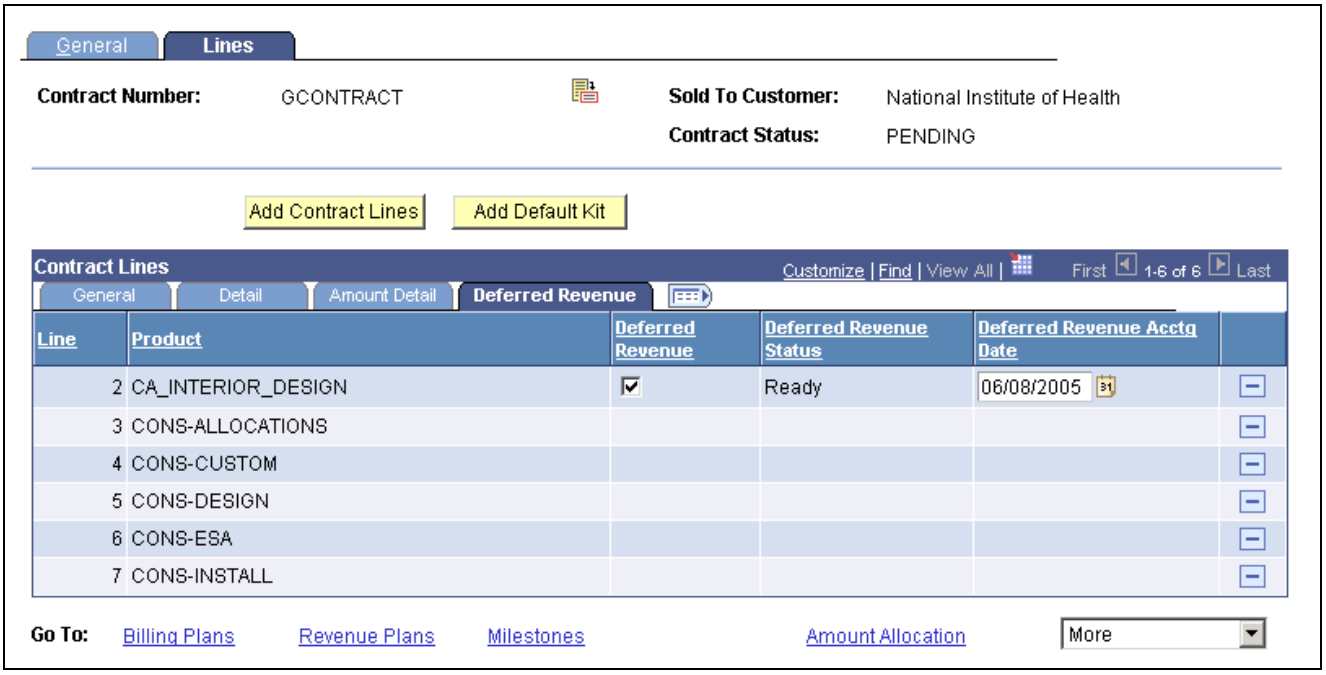
Fixed Price Displays the fixed price amount for amount-based contract lines, allocated for this contract line, on the Amount Allocation page, and then multiplied by the quantity. This field is updated when any changes are made on the Amount Allocation page.

Awarded Amount Displays the awarded limit amount defined on the Contract Amounts page for rate-based contract lines.

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Setting the Contract Line Deferred Revenue Option

Access the Lines page: Deferred Revenue tab.



Contract Lines page: Deferred Revenue tab

Generating accounting entries for deferred revenue enables you to post revenue that you expect to realize in a future accounting period for amount-based contact lines to the general ledger. If the contract is in *Pending* status, you can enable deferred revenue by selecting this check box. If the contract is in *Active* status, you cannot change this setting unless you are in amendment mode.

Deferred Revenue

Select to enable deferred revenue processing at the contract line level for amount-based contract lines. The deferred revenue option can also be set up on the Product Group Options page, so that it appears on this page when the product associated with that product group is added to the contract.

Note. If you choose to set up the deferred revenue option at the Contracts Product Group Options level, you will not be able to override the deferred revenue setting at the contract line level unless you have also selected the *Deferred Revenue Override* option at the PeopleSoft Contracts business unit level.

Deferred Revenue Status

Displays the status of the deferred revenue processing for this contract line. This field only appears when the Deferred Revenue check box is selected.

Deferred Revenue Acctg Date (deferred revenue accounting date)

Select the deferred revenue accounting date for the amount-based contract line. The Deferred Revenue process does not process any contract line until you specify the deferred revenue accounting date. In addition, if deferred revenue is enabled, any related amount-based revenue processes do not process until the deferred revenue process is run. This field only appears when the Deferred Revenue check box is selected.

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Selecting Products for Contract Lines

This section provides an overview of selecting products for contract lines and discusses how to select products to add to a contract line.

Understanding Selecting Products for Contract Lines

When you select a product onto a contract line, the system creates a single contract line. If products or services are sold as part of a product kit (a collection of products), then when you select a product kit onto a contract, the system creates an individual contract line for each product within the product kit. When selecting products for government contracts, you can select from amount- and rate-based product types. You can add any combination of these contact line types onto the same contract according to your business needs. For rate-based contract lines associated with a fee type other than *None* (cost-plus), you must assign the fee type on the Add Contract Lines page, so that the various contract pages are displayed with the appropriate fee information after the product is added to the contract.

The Add Contract Lines page provides a number of automation features to reduce the amount of data entry needed after the product is added to the contract. For example, by assigning billing or revenue plan templates to the products, the system automatically creates billing and revenue plans for the contract lines, combining contract lines onto the same billing and revenue plans where applicable. For rate-based contract lines that are assigned a fee type (cost-plus), you can use billing and revenue plan templates to automatically create billing and revenue plans, but the contract lines cannot be combined onto a single billing or revenue plan, even if they use the same fee type, as the various fees must be managed separately for each individual contract line.

When using templates to automatically create billing and revenue plans, only certain billing and revenue plan methods can be used for your amount- and rate-based contract products. The following table displays the available billing and revenue methods that can be associated with the amount- and rate-based contract lines assigned to government contracts:

Contract Line Price Type	Eligible Billing Method	Contract Line Price Type	Eligible Revenue Method
Amount	• Milestone • Immediate • Percent Complete	Amount	• Milestone • Apportionment
Rate (Time and Material)	• As-Incurred • Value-Based	Rate (Time and Material)	As-Incurred
Rate (Cost-Plus)	As-Incurred	Rate (Cost-Plus)	As-Incurred

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, “Setting Up Revenue Plans”

PeopleSoft Enterprise Contracts 9.0 PeopleBook, “Setting Up Billing Plans”

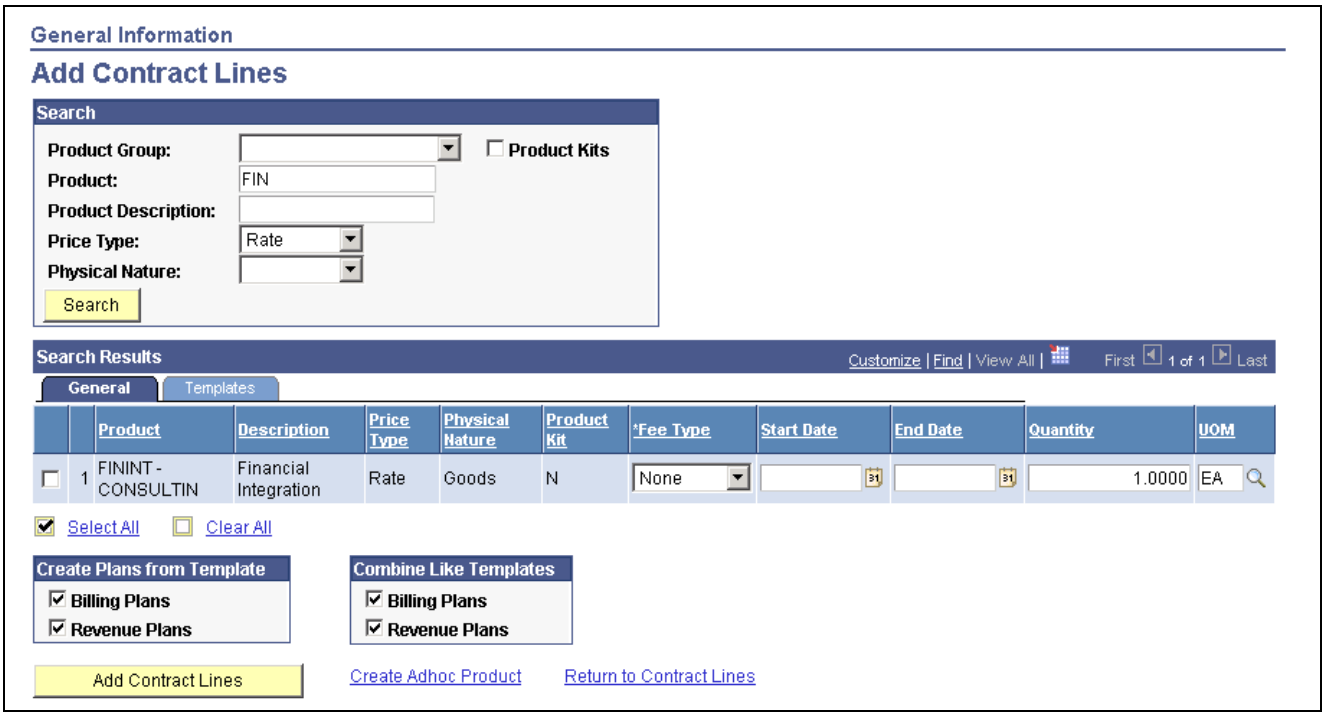
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Page Used to Select Products for Contract Lines

Page Name	Object Name	Navigation	Usage
Add Contract Lines	CA_OFFERING_SRCH	Customer Contracts, Create and Amend, General Information, Lines Click the Add Contract Lines button.	Search for and select existing products to be added to a contract. From this page you can also create and add ad hoc products to a contract line.

Selecting Products to Add to a Contract Line

Access the Add Contract Lines page.



Add Contract Lines page

Search Products

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

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

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

Product Description Search for products by entering all or part of a product description as entered on the Product Definitions page.

Price Type Search for products by price type associated with the product. Select from a price type of *Amount* or *Rate*.

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Physical Nature Search for products by the physical nature if assigned to the product on the Product Definitions page. Select *Goods* or *Services.*

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

Search Click the Search button for the system to carry out the search based on the search criteria that you entered, and populate the Search Results grid with all products meeting the criteria.

Search Results: General Tab

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

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

Product Displays the product identifier defined for the product on the Product Definition page.

Price Type Displays the price type associated with the product. Values include:

- *Amount:* Identifies the product as an amount-based product type.
- *Rate:* Identifies the product as a product that is priced using rate sets and rate plans.

Physical Nature Displays the physical nature of the product if one was assigned on the Product Definition page.

Product Kit Displays whether the product is part of a product kit.

Fee Type Select a fee type to assign to products with a price type of *Rate* to enable cost-plus functionality to be used for the contract line.

Start Date Enter a start date for the contract line. The value that you enter here populates onto the Contract – Lines page. The system uses this start date to initiate billing for products with recurring price types.

In addition, if this contract line is associated with a template with a basis date source option of *Contract Line Start Date,* the system uses this start date when populating events onto the contract line.

Note. You must enter a value in the Contract Line Start Date field if a template with a basis date source option of *Contract Line Start Date* is associated with the product that you are adding to the contract.

Note. This field is not available for entry if you selected the Product Kits check box in the Search group box.

End Date Enter an end date for the contract line. The value that you enter here populates onto the Contract – Lines page.

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

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Note. This field is not available for entry if you selected the Product Kits check box in the Search group box. This field is also not available for entry if you selected *Recurring* in the Price Type field.

Quantity Enter the quantity of the product selected.

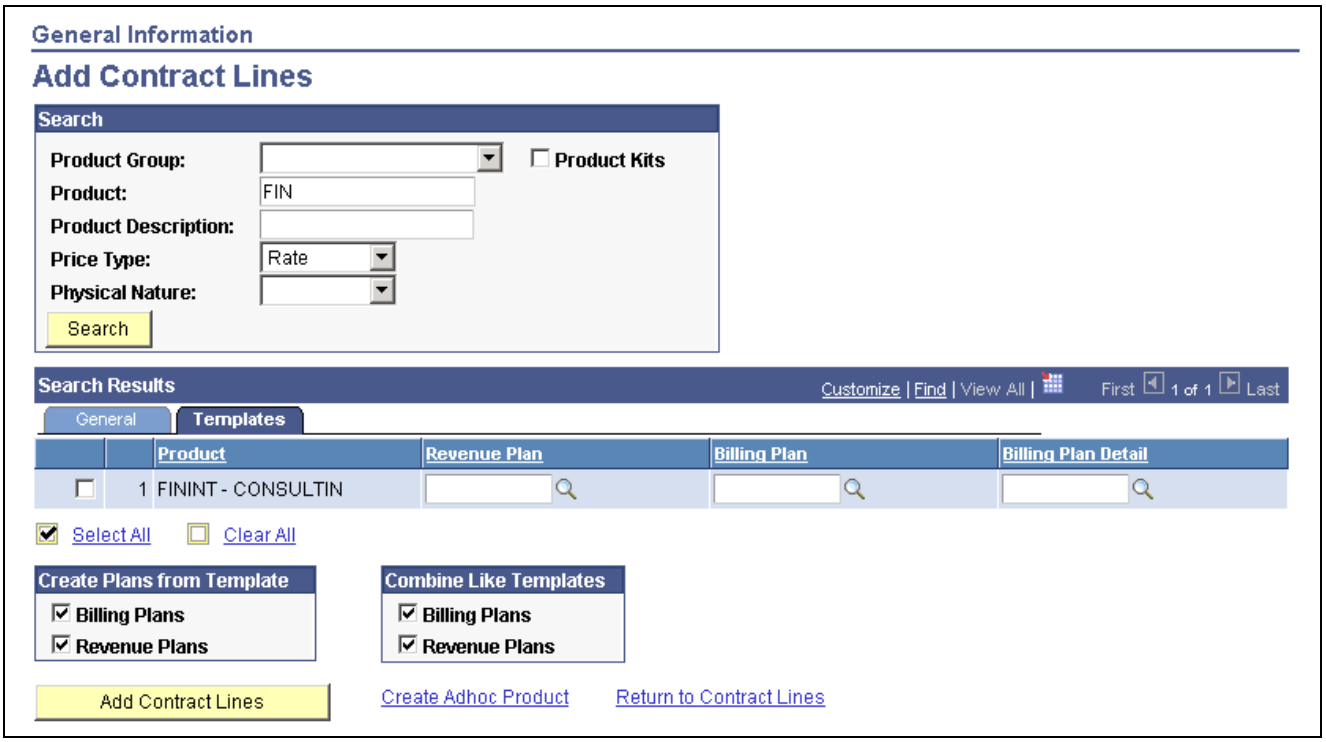
UOM (unit of measure) Displays the default unit of measure assigned to the product. You can select a different unit of measure from those values previously defined for the product.

Select All Select the check box to select all products returned by the search process and add to the contract.

Clear All Select the check box to clear the selection box for any products returned by the search process that were selected to be added to the contract.

Search Results: Templates Tab

Access the Add Contract Lines page: Templates tab.



Add Contract Lines page - Templates tab

Revenue Plan Add a revenue plan template or override the existing revenue plan template before adding the contract line to the contract. Adding a revenue plan template to the contract line enables the system to automatically set up a revenue plan for the contract line once the product is added to the contract and the contract is saved. For rate-based contract lines assigned a fee type (cost-plus), revenue plan templates must use the As-Incurred revenue plan method.

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Note. When selecting a revenue plan template for contract lines, all active revenue plan templates appear in the drop down selection. However, if a revenue plan template is selected that uses a method that is not valid with the price type, the system displays an error message when you attempt to add the contract line to the contract.

Billing Plan Add a billing plan template or override the existing billing plan template before adding the contract line to the contract. Adding a billing plan template to the contract line enables the system to automatically set up a billing plan for the contract line once the product is added to the contract and the contract is saved. For rate-based contract lines assigned a fee type (cost-plus), billing plan templates must use the As-Incurred billing plan method.

Note. When selecting a billing plan template for contract lines, all active billing plan templates appear in the drop-down list box selection. However, if a billing plan template is selected that uses a method that is not valid with the price type, the system displays an error message when you attempt to add the contract line to the contract.

Billing Plan Detail Add a billing plan detail template or override the existing billing plan detail template before adding the contract line to the contract. Billing plan detail templates enable you to automatically enter or override data on the Billing Plan - General page.

Add Contract Lines Click to add any currently selected products to the contract. Clicking this button does not automatically return you to the Contract - Lines page, but enables you to perform any additional product searches using the Add Contract Lines page.

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

Return to Contract Lines Click to return to the Contract - Lines page and view any newly added contract lines.

Create Plans from Template

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

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

Combine Like Templates

If you choose to combine like templates and you select a revenue or billing plan template with a basis date source option of *Contract Line Start Date* for more than one product, only products with the same contract line start date are assigned to the same billing or revenue plan. If the start date is different for different products, the system assigns them to separate billing or revenue plans.

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

Note. This option does not apply to rate-based products associated with fee types (cost-plus) as they are required to have their own billing plan and cannot be combined with other contract lines, even if they have the same fee type.

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

Note. This option does not apply to rate-based products associated with fee types (cost-plus) as they are required to have their own revenue plan and cannot be combined with other contract lines, even if they have the same fee type.

Defining Contract Terms

This section provides an overview of defining contract terms and discusses how to:

- Define contract terms and amounts.
- Set up withholding terms.

Understanding Defining Contract Terms

Government contractors bill for their contracts according to terms and conditions specified by the government. After funding is received for a contract, the contractor may bill for a specified amount over the duration of the contract within a specified date range (referred to as the period of performance, or POP). Government contractors manage revenue recognition according to a different set of dates and different limits.

Although any costs incurred during the completion of the contract must be tracked and managed, the contractor may only be able to bill or recognize revenue for a portion of those costs depending on the terms of the contract. PeopleSoft Contracts enables you to enter, track, and manage billing, revenue and fee details, as well as project, activity, and rate data for your rate-based contract lines on your government contracts. The Contract Terms component (CA_DETAIL_PROJ) enables you to:

- Enter and manage funding and revenue limits.
- Link to transaction limit details.
- Link to the Review Limits page.
- Enter, track, and manage billing and revenue fee amounts and calculations.
- Set period of performance constraints.
- Define withholding and release terms and criteria.
- View and assign projects, activities, and rates to rate-based contract lines.

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See Also

Chapter 9, “Creating and Managing Limits,” page 83

Chapter 10, “Setting Up and Processing Withholding,” page 103

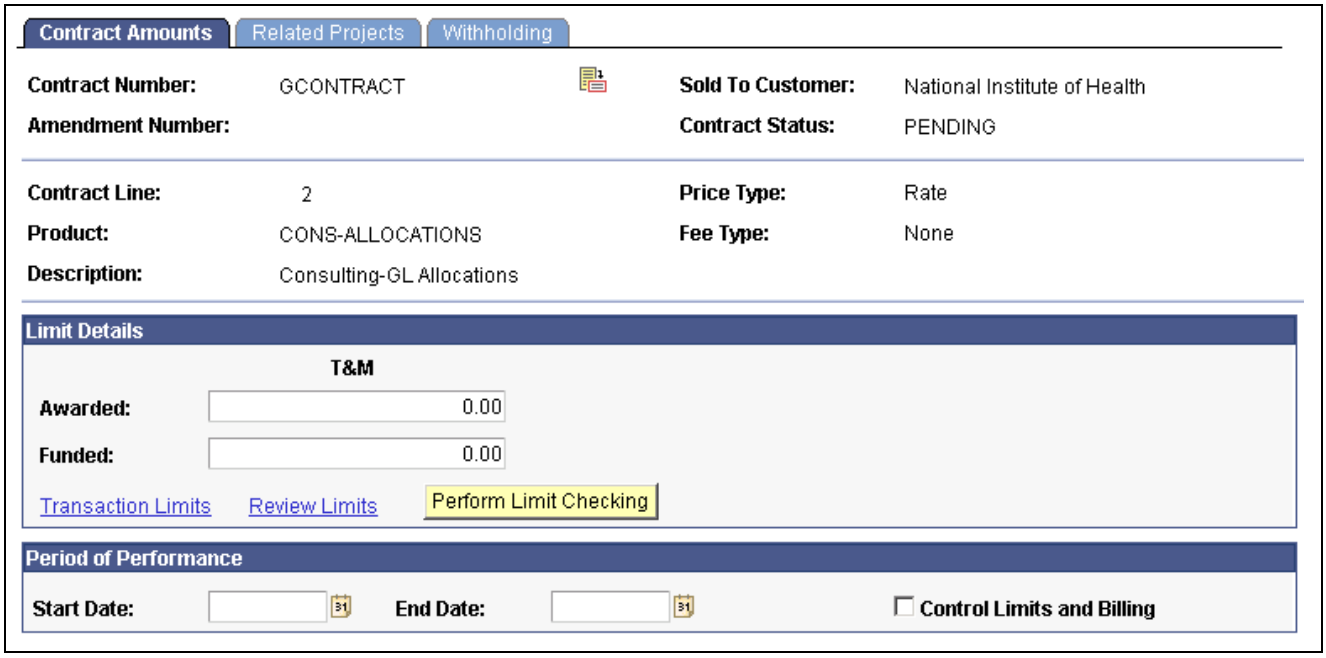
Chapter 12, “Creating Cost-Plus Government Contract Lines,” Defining Cost-Plus Contract Fees, page 154

Pages Used to Define Contract Terms

Page Name	Object Name	Navigation	Usage
Contract Amounts	CA_AMT_TERMS	• Customer Contracts, Determine Price and Terms, Contract Terms, Contract Amounts • Click the Contract Terms link on the Detail tab of the Contract – Lines page. Then, select the Contract Amounts tab.	Define contract terms and conditions and set up limit processing parameters for rate-based contract lines (cost-plus and non-cost-plus).
Withholding	CA_WTH_TERMS	Customer Contracts, Determine Price and Terms, Contract Terms, Withholding	Set up withholding and release terms and conditions for rate-based contract lines.

Defining Contract Terms and Amounts

Access the Contract Amounts page.



Contract Amounts page

The Contract Amounts page enables you to enter funded, revenue, transaction, and fee limit details for contract lines associated with a government contract. For rate-based contract lines associated with a fee type other than *None* (cost-plus), this page will contain fields specific to the fee type selected for the contract line.

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See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Cost-Plus Contract Lines, page 139.

See Chapter 9, "Creating and Managing Limits," page 83.

Limit Details

Awarded T&M (awarded time and materials) — Enter the awarded amount for the contract line. This amount is used as a control amount and cannot be exceeded by the entered funded amount.

Funded T&M (funded time and materials) — Enter the funded costs amount for the contract line. This amount is used for limit processing for transactions occurring against this contract line, where the amount to be billed cannot exceed this amount. The amount that you enter here cannot exceed the awarded amount.

Transaction Limits — Click to access the Transaction Limits page and enter transaction limit criteria and amounts for this contract line.

See Chapter 9, "Creating and Managing Limits," Setting Up Transaction Limits, page 90.

Review Limits — Click to access the Review Limits component. The Review Limits component enables you to review overall limit amounts, amounts remaining, and any amounts in excess for the contract line. For excess limit amounts, you can also view the details of the excess transactions.

See Chapter 9, "Creating and Managing Limits," Pages Used to Review Limit Processing, page 95.

Perform Limit Checking — Click this button to perform ad hoc limit checking for this contract line. Clicking this button will launch the Limits (CA_LIMIT) process and run limit checking for the contract line's billing and revenue limit amounts if changes were made using amendment processing.

Period of Performance

Start Date — Enter the start date for the contract line. PeopleSoft Contracts enables you to control billing and limit processing within a specified date range per contract line. After the contract is set to an active processing status, this date can no longer be changed if the Control Limits and Billing check box is selected. Otherwise, you can change this date using amendment processing.

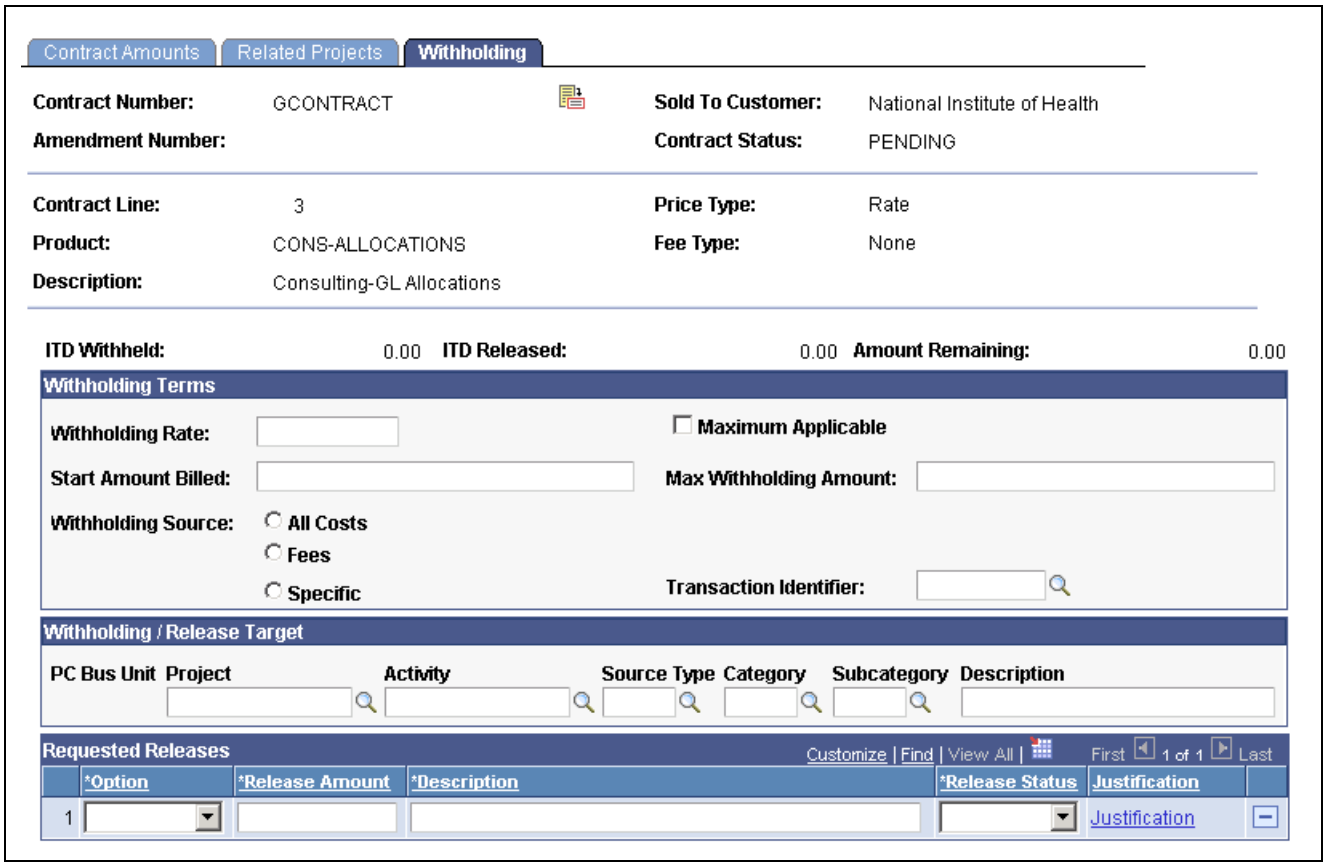
End Date — Enter the end date for the contracts line. After the contract is set to an active processing status, this date can be changed using amendment processing, but can not be set to a date prior to the current system date, if the Control Limits and Billing check box is selected.

Control Limits and Billing — Select the check box to control billing and limit processing for rate-based and rate-based contract lines associated with a fee type (cost-plus). When this option is selected, the Contracts/Billing Interface (CA_BI_INTFC) process and the Limits (CA_LIMIT) process will not select transactions for processing if the transaction date falls outside the period of performance date range.

Setting Up Withholding

Access the Withholding page.

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Withholding page

ITD Withheld (inception to date withheld) Displays the amount that has been withheld from billing for the contract line from the inception date of the contract to the current date, upon opening the page. This amount is based on transaction data stored in the Project Costing Project Transaction table. This amount does not include any withholding in progress, such as, withholding amounts calculated by the Contracts to Billing Interface process (CA_BI_INTFC) but not yet reported back to PeopleSoft Project Costing by the Retrieve Billing Items process (PC_BI_TO_PC).

ITD Released (inception to date released) Upon opening the page, displays the withholding amount that has been released to billing for the contract line from the inception date of the contract to the current date. This amount is based on transaction data stored in the Project Costing Project Transaction table.

Amount Remaining Displays the calculated difference between the amount withheld to date and the amount released to date upon opening the page.

Withholding Terms

Withholding Rate Enter the withholding percentage that the system will use to calculate withholding amounts on withholding applicable billed or billable project transactions.

Start Amount Billed Enter the actual amount that must be billed for the contract line before the system should apply the withholding terms. Leave this field blank if the system should apply the withholding terms for all applicable transactions that occur for this contract line.

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Maximum Applicable Select this check box to indicate that there is a maximum amount that can be withheld from this contract line. If you select this check box, then you should also enter a maximum withholding amount. The system issues a warning message if you do not enter a maximum withholding amount.

Max Withholding Amount (maximum withholding amount) Enter the maximum amount that can be withheld from this contract line. Use this field in conjunction with the Maximum Applicable check box.

Withholding Source Select the type of project transactions that are eligible for withholding calculations. Select from:

- *All Costs:* Select this option to include every cost associated with the contract line in the withholding calculations.
- *Fees:* Select this option to include only fee transactions associated with the contract line in the withholding calculations.
- *Specific:* Select this option to specify the transaction types associated with the contract line to be included in the withholding calculations. This option works in conjunction with the Transaction Identifier field.

Transaction Identifier Select the transaction identifier that the system should use to determine which transactions to include in the withholding calculations for the contract line. Transaction identifiers must first be defined in PeopleSoft Project Costing and enable you to predefine groupings of valid project ChartFields that can be used to identify specific transactions.

Note. This option must be used when the Withholding Source option of *Specific* is selected.

Withholding/Release Target

PC Bus Unit (PeopleSoft Project Costing business unit) Displays the PeopleSoft Project Costing business unit associated with the rate-based contract line on the Related Projects page.

Project Enter the project identifier that the system assigns to the summary withholding and release bill lines sent from PeopleSoft Contracts to PeopleSoft Billing and back to the PeopleSoft Project Costing project transaction tables. Select from projects that are associated with the contract line on the Related Projects page. This field is required.

Activity Enter the activity identifier that the system assigns to the summary withholding and release bill lines sent from PeopleSoft Contracts to PeopleSoft Billing and back to the PeopleSoft Project Costing project transaction tables. Select from activities that are associated with the contract line on the Related Projects page. This field is required.

Source Type Select the Source Type project ChartField value that the system assigns to the withholding and release summary lines that are passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Source types are defined in PeopleSoft Project Costing and enable you to define a value that identifies a transaction's purpose. Source types can be used to track, analyze and report on transactions.

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Note. This field is required if the Input Control for Source Type is set to *Required* on the PeopleSoft Project Costing Business Unit-Project Costing Options page.

Category Select the Category project ChartField value that the system assigns to the withholding and release summary lines that are passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Categories are defined in PeopleSoft Project Costing and enable you to further define source types to better track the types of costs occurring against your project and activities.

Note. This field is required if the Input Control for Category is set to *Required* on the Project Costing Business Unit-Project Costing Options page.

Subcategory Select the Subcategory project ChartField value that the system assigns to the withholding and release summary lines that are passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Subcategories are defined in PeopleSoft Project Costing and enable you to further define source types to better track the types of costs occurring against your project and activities.

Note. This field is required if the Input Control for Subcategory is set to *Required* on the Project Costing Business Unit-Project Costing Options page.

Description Enter the description that you want to appear on the billing invoice for the withholding bill line. This field is required.

Requested Releases

If any of the fields in the Requested Release section are populated, even if it is a zero value, then all fields become required by the system.

Option Select the release option for the release amount row. Select from the following options:

- *Bill:* Select this option to pass the release row billing data to PeopleSoft Billing and add the release row amount to the invoice as a billable amount.
- *Write-Off:* Select this option to write off the release row amount and pass the write off data to PeopleSoft Billing and PeopleSoft Project Costing.

Release Amount Enter the amount to be released. When entering a release amount, it cannot exceed the withholding Amount Remaining for the contract line.

Description Enter the description that you want to appear on the billing invoice for the release bill line.

Release Status Displays the processing phase for the release row during release processing. The release row may be set to or display one of the following statuses:

- *Pending:* Set by the system as a default status. Release rows with a status of *Pending* are not selected and processed by the withholding process.

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Note. You can only have one release row in *Pending* status for a contract line. No additional rows may be added until the pending row displays a status of *Complete.*

- *Ready:* Set by the user to indicate that the release row is available for processing. The withholding process will not select release rows for processing unless they are set to *Ready* status.

Note. You can only have one release row in *Ready* status for a contract line. No additional rows may be added until the ready row displays a status of *Complete.*

- *In Process:* Set by the system once the withholding process is initiated by the system. Release rows with a status of *In Process* are display only and cannot be deleted.

Note. You cannot add any additional release rows if the previous release row has a status of *In Process.*

- *Complete:* Set by the system once the PeopleSoft Billing to Projects/Contacts interface process is run. Additional release rows can only be added once the previous release row has a status of *Complete.*

Justification Click the link to open a free-form text box that enables you to enter details to justify the release amount. This data is informational only and does not prohibit any processing from occurring.

Assigning Projects and Activities to a Contract Line

This section provides an overview of assigning projects and activities to a contract line and discusses how to assign projects and activities to a contract line.

Understanding Assigning Projects and Activities to a Contract Line

Government contracts typically have one project in a contract or many projects in one contract, but the project does not span multiple contracts. To track direct costs for a project and to calculate indirect costs and fees, PeopleSoft Contracts partners with PeopleSoft Project Costing. As transactions are accumulated against a project and its activities, the system prices and stores the transaction data in Project Transaction tables in PeopleSoft Project Costing where it can be used to generate invoices and recognize revenue for rate-based contract lines.

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You set up the processing rules for your government contract transactions in PeopleSoft Contracts. The contract-related transactions are tracked and stored in PeopleSoft Project Costing. To determine which transactions apply to which contract lines, and how these transactions should be priced, the system uses the data specified on the Related Projects page. To define the relationship between your rate-based contract lines and their associated projects and activities, you select a rate-based product onto a contract line, associate that contract line with a PeopleSoft Project Costing business unit and rate set or rate plan, and then link projects and activities to that contract line. From the Related Projects page you can create new projects and activities or link to existing ones. After you define the relationship between the contract line and the projects and activities, the system also uses this relationship to determine which transactions should be considered for limit and withholding processing.

Note. Progress payment processing has its own mapping between the contract lines associated with progress payment amounts and related projects and activities, and does not use the setup on the Related Projects page for processing.

See Chapter 15, "Establishing Progress Payments," Defining Progress Payment Terms for Projects, page 251.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Working with PeopleSoft Project Costing"

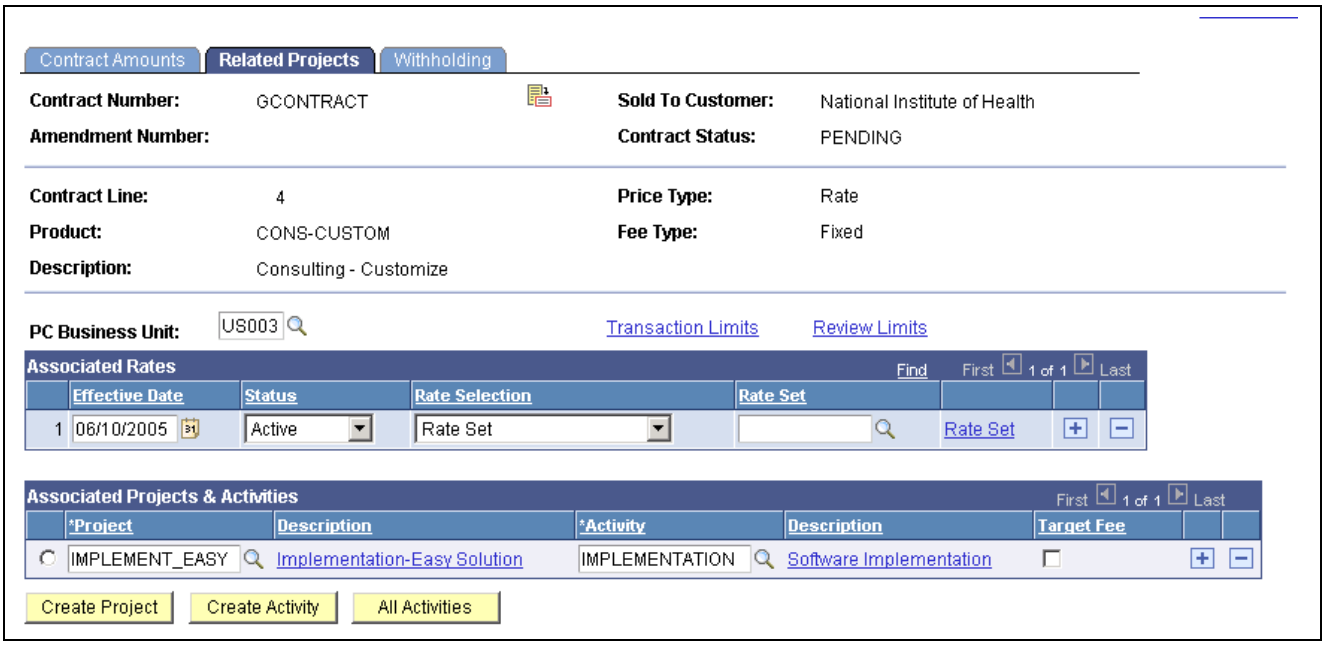
Page Used to Assign Projects and Activities to Contracts

Page Name	Object Name	Navigation	Usage
Related Projects	CA_DETAIL_PROJ	• Customer Contracts, Determine Price and Terms, Contract Terms, Related Projects • Click the Contract Terms link on the Detail tab of the Contract – Lines page. Then, select the Related Projects tab.	Review existing projects and activities, add new links to projects and activities for a contract line and associate rate sets or rate plans to the contract line.

Assigning Projects and Activities to Contracts

Access the Related Projects page.

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Related Projects page

PC Business Unit (PeopleSoft Project Costing business unit)

Select the PeopleSoft Project Costing business unit used to filter the list of projects and rate templates that you can associate with this contract. You can associate each contract line with only one PeopleSoft Project Costing business unit.

Transaction Limits

Click to access the Transaction Limits page. Transaction level limits are assigned to a contract line. Transaction level limits consist of a transaction identifier, a description, limit amount, and use sequence. These are used to specify limits for a set of project transactions, defined by a grouping of valid project ChartFields.

Review Limits

Click to access the Review Limits page. This page enables you to search for and review limits that have been exceeded, all limits remaining, or review all limits.

Associated Rates

Effective Date

Enter the effective date for the rate set or rate plan. The contract signed date appears in this field by default, but can be overridden. Only transactions that occur against the contract line on or after the effective date will be picked up and priced by the Pricing Engine process.

Status

Specify whether the associated rates for the contract line are active or inactive. You can only have one active associated rate row on the contract line at one time.

Rate Selection

Select a rate structure for this contract line that the system uses to price transactions associated with this contract line. If you have associated a rate structure to the product, then that value will appear by default, but can be overridden. Values include:

- *Rate Set:* Select this option to assign an existing, standard rate set to the contract line.

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- *Rate Plan:* Select this option to assign an existing, standard rate plan to the contract line.
- *Contract Rate Set:* Select this option to assign an existing, contract specific rate set to the contract line.
- *Contract Rate Plan:* Select this option to assign an existing contract specific rate plan to the contract line.

Note. If using contract-specific rate sets or rate plans, you must first define these rate sets or plans for the specific contract and contract line using the Rate Set (PC_RATE) or Rate Plan (PC_RATE_PLAN) components.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , "Pricing Project Costs," Defining Rate Sets and Plans.

Rate Set or **Rate Plan** Select a predefined rate set or rate plan or define a new rate set or rate plan to use for transaction pricing for the contract line. Depending on whether you select *Rate Set*, *Contract Rate Set*, *Rate Plan*, or *Contract Rate Plan* for the Rate Selection option will dictate which field label appears, and the rate sets or rate plans that can be selected.

Rate Set or **Rate Plan** Click the link to view the rate set or rate plan details selected for the contract line or to add a new rate set or rate plan if a rate set or rate plan is not selected for the contract line.

Depending on whether you select *Rate Set*, *Contract Rate Set*, *Rate Plan*, or *Contract Rate Plan* for the Rate Selection option determines whether the link displays as Rate Set or Rate Plan.

Associated Projects and Activities

Project Select a project to associate to the contract line. For rate-based contract lines, you must associate at least one project and one activity to price transactions for the contract line, as well as, bill or recognize revenue for those transactions.

Note. You can add multiple projects to a rate-based contract line. You can add only a single project to an amount-based contract line.

Description (project) Click to review and manage the details of this project.

Activity Select an activity to associate with the contract line. After you have assigned an activity to a rate-based contract line, you cannot assign that same activity to any other rate-based contract line.

Note. You can add multiple project and activity combinations to a rate-based contract line. You can add only a single project and activity combination to an amount-based contract line. Projects and activities can be assigned to amount-based contract lines for project tracking and reporting purposes.

Description (activity) Click to review and manage the details of this activity.

Target Fee Select this check box to stamp the fee rows created for a cost plus contract line with the selected project and activity. This data can be viewed in the PeopleSoft Project Costing, Project Transaction table (PROJ_RESOURCE).

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Create Project	Click to create a new PeopleSoft Project Costing project for this contract line from the Related Projects page.
Create Activity	Click to create a new PeopleSoft Project Costing activity for this contract line from the Related Projects page.
All Activities	Click to add all of a project's existing activities to the contract line. If the project has activities associated with other contract lines, you receive a message stating that only available activities will be added to the contract. This option is only available for rate-based contract lines.

Creating Amendments

After a contract is activated, much of what is entered is controlled by amendment processing. A contract amendment is any change made to an active contract where you are altering the fundamental obligations and entitlements of the contract. This could include modifications to the data contained in the contract entry component, limit changes, changes to withholding terms and conditions, changes to progress payment terms, and so on. By using amendment processing, PeopleSoft Contracts enables you to maintain an audit trail, as well as a historical record, of any changes made to the contract throughout its lifecycle.

See Chapter 16, "Managing Government Contracts," page 273.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Managing Contracts"

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CHAPTER 8

Pricing Government Contracts

This chapter provides overviews of pricing government contracts and discusses how to:

- Price amount-based contract lines.
- Price rate-based contract lines.

Understanding Pricing Government Contracts

Pricing government contracts is the process of allocating fixed amounts to amount-based contract lines and associating rates to rate-based contract lines. Before a contract can be activated, you must allocate any fixed amount defined for a contract across all amount-based contract lines. Before you can bill or recognize revenue for rate-based contract lines, you must first define your rate and fee structure and associate it to your rate-based contract lines to enable the system to generate appropriate billable and revenue amounts for processing.

This section discusses:

- Amount-based pricing.
- Rate-based pricing.
- Contract line changes on a pending contract.

Amount-Based Pricing

After you define your government contract and add the products that make up your contract, the next step is to allocate the contract's fixed price amount across any eligible amount-based contract lines. A contract cannot be set to an active processing status until the fixed price amount has been properly allocated and the allocation option on the Amount Allocation page has been set to *Complete*. The contract must have a processing status of *Active* to bill and recognize revenue for your contract lines.

To allocate your amount-based contract line amounts, you use the Amount Allocation page. Both amount-based and rate-based contract lines appear on this page, but amount allocation only applies to amount-based contract lines. Rate-based contract lines appear as display only. If your contract only contains rate-based contract lines, amount allocation is not required, and you do not need to perform this step to activate your contract.

After the amount allocation is complete, the allocation option is set to *Complete*, and the Amount Allocation page is saved, the summarized fixed price total is displayed on the Contract-General page in the Fixed Price field. Any changes to this value must be completed using the amount allocation page, if the contract is in a pending processing status. After the contract is in an active processing status, any changes to the fixed price amount must be completed using amendment processing.

See Chapter 16, "Managing Government Contracts," Amending a Contract, page 280.

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See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Pricing Contracts"

Rate-Based Pricing

This section discusses:

- Defining rate sets for rate-based contract lines.
- Defining rate sets and rate plans for cost-plus contract lines.

You do not allocate amounts for rate-based contract lines or rate-based contract lines associated with a fee type (cost-plus). Rate-based contract lines are priced using PeopleSoft Project Costing rate sets and rate plans. Rate sets and rate plans can be defined for general use or for a specific contract. Once defined, you assign the rate set or rate plan to the rate-based contract using the Related Projects page.

Only one rate set or rate plan can be assigned to a single rate-based contract line at any particular point in time. Rate sets enable you to define how specific contract line-related transactions are priced for costing, billing, and revenue recognition. Rate plans enable you to combine multiple rate sets together to perform more complex pricing scenarios.

When defining a rate set, you assign a rate definition type of *Cost, Billing,* or *Revenue*. This determines the type of pricing that is performed for the contract line transactions. Depending on whether your contract contains rate-based (no fee), cost-plus contract lines, or some combination of both, determines the types of rate sets and rate plans that must be defined.

Defining Rate Sets for Rate-Based Contract Lines

Rate-based contract lines that are assigned a fee type of *None* require a rate set with a *Billing* rate definition type. After you define the rate set, you assign the rate set to the contract line on the Related Projects page. After the contract is active and transactions are priced for this contract line, the system creates billable rows based on the criteria defined in the rate set.

The billable rows are stored in PeopleSoft Project Costing, and passed to PeopleSoft Billing by PeopleSoft Contracts when the Contracts/Billing Interface (CA_BI_INTFC) process is run. Once finalized, the billed data is passed back to PeopleSoft Contracts and PeopleSoft Project Costing. These same transaction rows are also used for revenue recognition when the As-Incurred Revenue (PSA_ACCTGGL) process is run.

Defining Rate Sets and Rate Plans for Cost-Plus Contracts Lines

Rate-based contract lines that are assigned a fee type of *Fixed*, *Award*, *Incentive* or *Other* are cost-plus contract lines, and often require a more complex rate structure. Because cost-plus contract lines frequently require you to calculate indirect costs and may also require separate rates for billing and revenue pricing, you may need to define rate sets with rate definition types of *Cost*, *Billing* and *Revenue*.

Because you can assign only one rate set to a contract line, you must first define your rate sets, and then combine them onto a rate plan. The order that the rate sets are entered onto the rate plan is the same order that the system uses to perform pricing, enabling you to create rate stacking in situations where it is needed. The rate plan is assigned to the contract line on the Related Projects page, and enables you to implement as complex a pricing structure as you require.

When transactions are priced, indirect costs are calculated using the costing rate set, billable rows are created using the billing rate set, and if separate revenue rates are defined, then revenue rows are created using the revenue rate set.

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See Also

Chapter 11, "Performing Variance Pricing," page 119

Chapter 12, "Creating Cost-Plus Government Contract Lines," Pricing Cost-Plus Contract Lines, page 150

PeopleSoft Enterprise Project Costing 9.0 PeopleBook , "Pricing Project Costs," Defining Rate Sets and Plans

Contract Line Changes on a Pending Contract

After creating your contract, adding your contract lines, and assigning rate sets or rate plans to your rate-based contract lines, or performing amount allocation across your amount based contract lines, any changes that you need to make to the pricing structure is controlled by the processing status of the contract.

If the contract is in a *Pending* processing status, you can change your fixed amount contract totals, delete or add contract lines, and reallocate any amount changes across the amount-based contract lines. If different rate sets or rate plans are needed for your rate-based contract lines, you can update the Related Projects page with any changes that you need.

However, once the contract is in an *Active* processing status, any changes made to the pricing structure for amount-based contract lines must be made using amendment processing. If billing or revenue recognition has occurred against the contract lines impacted by the needed changes, then potentially, you may also need to cancel contract lines, or reverse billing or revenue when applying your pricing changes. Changes to the pricing structure for rate-based contract lines can be made outside of amendment processing.

See Chapter 16, "Managing Government Contracts," page 273.

Pricing Amount-Based Contract Lines

This section discusses how to allocate amounts.

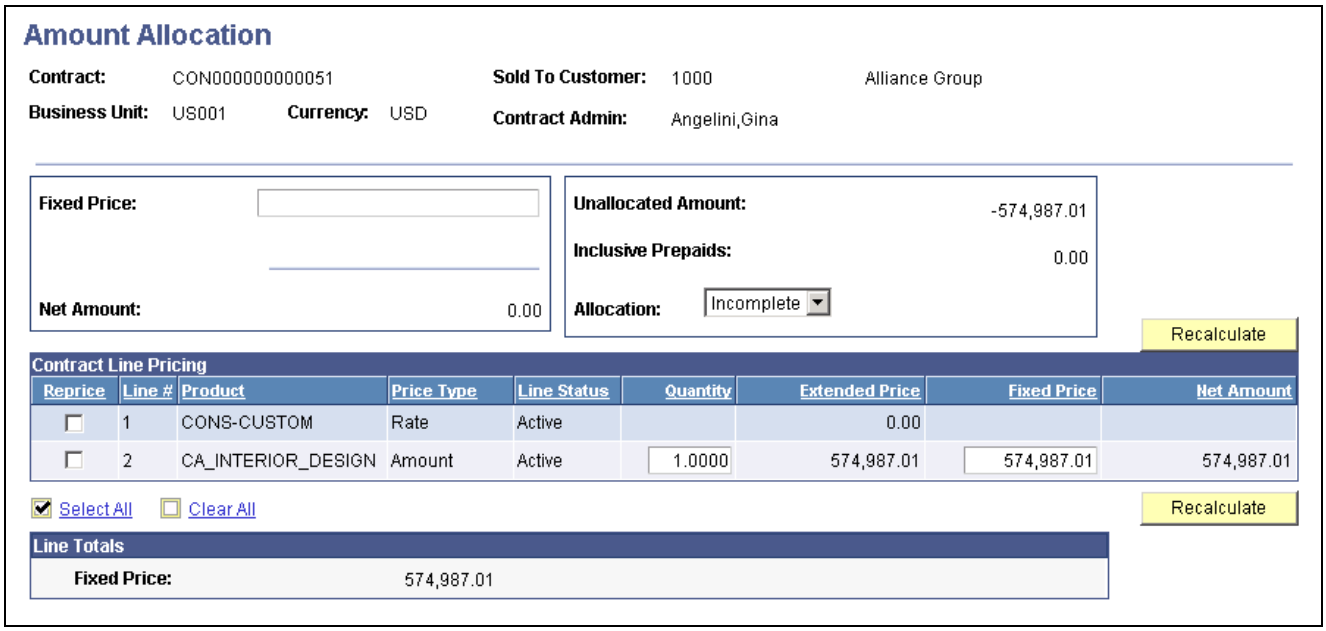
Page Used to Price Amount-Based Contract Lines

Page Name	Object Name	Navigation	Usage
Amount Allocation	CA_PRICING_PNL	• Customer Contracts, Determine Price and Terms, Amount Allocation • Click the Amount Allocation link on the Contract – General page.	Allocate fixed contract amounts across amount-based contract lines.

Allocating Amounts

Access the Amount Allocation page.

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Amount Allocation page

Fixed Price Enter the sum total of all amount-based contract lines associated with this contract. This amount may display by default using the total of the Extended Price associated with the amount-based contract lines. When allocating the total fixed price contract amount across all amount-based contract lines, you must balance to the amount listed in this field.

Net Amount Displays the total fixed price amount for the contract. For government contracts, this field displays the Fixed Price total.

Unallocated Amount Displays the fixed amount that has yet to be allocated across eligible amount-based contract lines. This amount must equal zero before you can set the allocation option to *Complete*.

Inclusive Prepaids Displays any prepaid amounts defined for the contract. Prepaid amounts are defined using the Prepaids component (CA_PPD_BY_CONTRACT). Prepaid amounts can be inclusive or non-inclusive. Only inclusive prepaid amounts display on the Amount Allocation page and are included in the overall fixed price amount of the contract.

Allocation Select the status of amount allocations. Values include:

- *Incomplete:* This value appears by default and indicates that amount allocation has not been completely performed for entered or amended amounts for amount-based contract lines.
- *Complete:* Select this value once you have allocated any contract line amount changes across all eligible amount-based contract lines.

Government contracts that contain amount-based contract lines must have the fixed amount for the contract completely allocated across any amount-based contract lines assigned to the contract and have the Allocation option set to *Complete* before the contract can be activated.

Recalculate Click to update the Allocated Amount field with the amounts that have been allocated across amount-based contract lines. This button also automatically

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updates the allocation status to *Complete* when the unallocated amount equals zero.

Contract Line Pricing

Reprice Select this check box to reprice the contract line. When you select this option and then click the Recalculate button, the system retrieves the list price from the PeopleSoft Enterprise Pricer or Product Master, multiplies it by the quantity, and updates the Extended Price,Negotiated Amount,Discounts/Surcharges, and Net Amount fields for the selected contract lines.

Line # (line number) Displays the contract line number assigned to the contract line when it was added to the contract.

Product Displays the product identifier associated with the product when it was defined on the Product Definition page.

Price Type Displays the price type associated with the product. For government contracts the only options that apply are the price types of *Rate* and *Amount*.

Line Status Displays the status of the contract line. Only active amount-based contract lines are included in amount allocation.

Quantity Displays the quantity associated with amount-based contract lines. You can change this value at any time before contract activation. When you change the quantity, the system automatically updates the associated quantity on the Billing Plan Lines page.

Extended Price Displays the list price associated with amount-based contract lines.

Fixed Price Enter the fixed amount total to be allocated to the amount-based contract line.

Net Amount Displays the total allocated amount for the amount-based contract line.

Line Totals

Fixed Price Displays the total allocated amount for all amount-based contract lines for the contract.

Recalculate Click this button to recalculate any unallocated amounts, the net amount, line totals, fixed price amount and automatically update the allocation status to Complete when the unallocated amount is equal to zero.

If you selected the Reprice check box for any contract lines, when you click the Recalculate button, the system retrieves the list price from the PeopleSoft Enterprise Pricer or Product Master, multiplies it by the quantity and updates the Extended Price,Fixed Price, and Net Amount fields for the selected contract lines.

Pricing Rate-Based Contract Lines

This section discusses how to:

- Define rate sets.

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- Define rate set targets.
- Define rate plans.

Pages Used to Price Rate-Based Contracts

Page Name	Object Name	Navigation	Usage
Rate Sets	PC_RATE_DTL	• Customer Contracts, Contracts Center, Definitions, Rate Sets • Setup Financials/Supply Chain, Product Related, Contracts, Templates, Rate Sets • Setup Financials/Supply Chain, Product Related, Project Costing, Pricing Structure, Rate Sets	Define the source criteria that is used to select the transactions from feeder systems to which the defined rate pricing structure will be applied.
Rate Sets - Target	PC_RATE_DTL_LN	• Customer Contracts, Contracts Center, Definitions, Rate Sets, Target • Setup Financials/Supply Chain, Product Related, Contracts, Templates, Rate Sets, Target • Setup Financials/Supply Chain, Product Related, Project Costing, Pricing Structure, Rate Sets, Target	Define target data for rate set source rows.
Rate Plans	PC_RATE_PLANS	• Customer Contracts, Contracts Center, Definitions, Rate Plans • Setup Financials/Supply Chain, Product Related, Project Costing, Pricing Structure, Rate Plans	Create any combination of cost, billing, and revenue rate sets together to perform complex pricing scenarios.

Defining Rate Sets

Access the Rate Sets page.

Business Unit Displays the PeopleSoft Project Costing business unit. This is a required field and must be entered when creating a new rate set.

Rate Set Type Displays the type of rate set. Values include:

- *Standard*: When defining a rate set, select *Standard* for the rate set type to make this rate set generally available for pricing all contract types.
- *Contract*: When defining a rate set, select *Contract* to limit the rate set for use in pricing a specific contract line.

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Rate Definition Type

Identify the types of rates in a rate set by entering the rate definition type. Rate definition types indicate to the system to use the rate set to create indirect costs from direct costs, price transactions for billing, or price transactions for revenue. Rate definition types are used to stack rate sets for more complex pricing scenarios. Select from one of the following rate definition types:

- *Cost:* Select the Cost rate definition type for rates that are used to track and calculate contract, project, and indirect costs. You must define a costing rate set to calculate indirect costs for cost-plus contract lines.
- *Billing:* Select the PeopleSoft Billing rate definition type to calculate billable rows to pass to PeopleSoft Billing for invoice generation.
- *Revenue:* Select the Revenue rate definition type to calculate revenue recognition rows to pass to PeopleSoft General Ledger. This rate definition type is only available if the Separate Billing and Revenue check box is selected on the Installation Options - Contracts page. Otherwise, this field value is hidden. This option is only used with cost-plus contact lines.

Note. After a rate set is created and saved, the rate definition type cannot be changed. To modify a rate definition type on a rate set, create a new rate set and assign the appropriate rate definition type.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Pricing Project Costs,” Defining Standard or Contract-Specific Source Rows.

Defining Rate Set Targets

Access the Rate Sets - Target page.

The Rate Sets - Target page enables you to enter the target definitions for the source rows that you defined on the Rate Sets page. One source transaction row can have multiple target definition rows associated with it to enable you to track costs, indirect costs, billable rows, and so on depending on the type of rate set that you are defining.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Pricing Project Costs,” Defining Rate Set Target Rows.

Defining Rate Plans

Access the Rate Plans page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Pricing Project Costs,” Defining Standard or Contract-Specific Rate Plans.

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CHAPTER 9

Creating and Managing Limits

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

- Set up limits for government contracts.
- Run the limit process.
- Review limit processing.

Understanding Limits

Government contractors bill and recognize revenue for their contracts according to terms and conditions specified by the government. Once funding is received for a contact, the contractor may bill or recognize revenue for a specified amount over the duration of the contract within a specified date range (referred to as the Period of Performance, or POP). Although any costs incurred during the completion of the contract must be tracked and managed, the contractor may only be able to bill or recognize revenue for a portion of those costs depending on the terms of the contract. PeopleSoft Contracts uses limit processing to enable you to set limits on the amount billed, revenue recognized, or fees processed for a government contract, as well as, enable you to set limits on specific transactions (such as labor, materials or travel) that occur against a government contract.

This section discusses:

- Funding and revenue limits.
- Transaction limits.
- Limit processing.

Funding and Revenue Limits

PeopleSoft Contracts enables you to define funded limit amounts for your rate-based contract lines, and define separate funded, revenue and fee limit amounts for rate-based contract lines associated with a fee type (cost-plus). You can define period of performance controls and determine if the system should enforce those controls for billing and limit processing by contract line.

The funded limit amount is the maximum amount that you can bill or recognize revenue for your rate-based contract lines over the life of the contract. For rate-based contract lines associated with a fee type (cost-plus), the funded limit amount represents the maximum amount that you can bill for the contract line, and if the Separate Billing and Revenue option is selected on the Installation Options - Contracts page, then a separate revenue limit amount may be defined that represents the maximum revenue that can be recognized. Fee limits are also defined for rate-based contract lines associated with a fee type (cost-plus). After you define your limits and the contract is active, any limit changes must be performed using amendment processing.

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Funded and revenue limit amounts are visible on the contract header and line, and can also be viewed and managed using the Limits Review online inquiry page. Any changes made to the limits over the life of the contract, must be performed at the contract line level.

Transaction Limits

The funded and revenue limit amounts defined for a government contract line represent the maximum amounts that can be billed and recognized as revenue. Limit processing is associated with these amounts, and represent the limit ceiling for the contract line. However, within the overall funded and revenue limits, you may have sub-limits on certain transactions such as travel, labor, or materials. PeopleSoft Contracts enables you to set up transaction level limits, in addition to overall funded and revenue limits for your government contract lines. Transaction limits enable you to apply multiple limit amounts to multiple transactions for a specific contract line. Transaction limits are only visible, and must be managed at, the contract line level.

Transaction limits consist of the following main elements:

- Transaction identifiers.
- Transaction limit amounts and sequence numbers.

Transaction Identifiers

Transaction identifiers are configuration elements that enable you to set up limits on specific transactions. You define the transaction identifier using a combination of the PeopleSoft Project Costing ChartField values (source type, category, and subcategory).

You associate the transaction identifier with a transaction limit, and subsequently associate the transaction limit with a contract line. Transaction identifiers enable you to apply specific limits to transactions when PeopleSoft Project Costing ChartField values match the contents of the transaction identifier for a specific contract line. Transactions matching the contents of a transaction identifier for a transaction limit for a contract line must first pass the transaction limit before they can be checked against the contract line funded and revenue limit. Transactions that do not match the contents of a transaction limit transaction identifier are only applied to the contract line funded and revenue limit that you define on the Contract Amounts page.

Warning! After a transaction identifier is defined and associated with a transaction limit, it should not be modified, as data conflicts may occur for any transactions already processed using the transaction identifier.

Transaction Limit Amounts and Sequence Numbers

After you have defined transaction identifiers, you assign them to the transaction limit. A contract line can have multiple transaction limits, each with its own associated transaction identifier and limit, to enable you to stack limit processing and perform more complex limit processing scenarios. For example, you can set up multiple transaction limits to apply to the various transaction types that occur against your contract line, or you can set up your transaction limits to overlap one another to restrict processing for specific transactions.

If assigning multiple transaction limits to one contract line, the system utilizes sequence numbers that you assign to the transaction identifier and limit amount row to determine the order in which a limit amount is applied to a transaction. These sequence numbers must be unique. In the event that you set up overlapping limits, the system uses the sequence numbers to identify which transaction limit should be drawn against first.

Limits processing always considers transaction level limits first, and then funded and revenue limits defined at the contract line level, when determining if a transaction can pass limit checking. Only transactions that pass transaction limits, or transactions for which transaction limits are not applicable, are checked against overall funded and revenue limits. Depending on your limit setup, when a transaction is processed, a portion of the transaction could be determined to be over-the-limit for the transaction level limit, even though it might have been within the available overall funded and revenue limit amount.

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Note. In multi-limit scenarios, the sequencing setup that you define controls how the limit process applies transactions against the transaction limit amounts. Because the over-the-limit transactions that can result from overlapping transaction limits can vary based on the order in which the limits are applied, it is important that you carefully consider your set up and any potential negative results if defining overlapping limits.

Transaction Limit Processing Examples

Transaction limits enable you to define multiple limits for multiple sets of transactions for a single rate-based contract line. The following example describe the steps and processing for a multi-limit overlapping scenario using a transaction limit for overall travel and a second transaction limit on air travel:

Note. This example assumes that the Split to Match Limit Exactly check box is selected and the Separate Billing and Revenue check box is cleared (so no revenue limits exist) on the Installation Options-Contracts page.

1. Define transaction identifiers to include limits for airfare and travel:

Transaction Identifier	Source Type	Category	Subcategory
AIRFARE	TRAVL	AIR	%
TRAVEL	TRAVL	%	%

2. Define two transaction limits for the rate-based contract line:

Transaction Identifier	Description	Limit Amount	Use Sequence
AIRFARE	AIRFARE	10,000 USD	1
TRAVEL	TRAVEL	15,000 USD	2

3. An expense transaction for airfare is submitted against the contract line, and contains the following details:

Source Type	Category	Amount
TRAVL	AIR	16,000 USD

4. When the transaction is priced, the Limits process (CA_LIMIT) is called.

   The Limits process applies the transaction to the first transaction limit amount with Use Sequence number one, splits the transaction into two, one for 10,000 USD that passes the first limit and a second for 6,000 USD that is over-the limit, and passes the over-the-limit transaction to PeopleSoft Project Costing:

Transaction Identifier	Analysis Type	Source Type	Category	Quantity	Unit of Measure	Source Amount	Source Currency
AIRFARE	OLT	TRAVL	AIR	1	EA	6,000	USD

5. The system applies the passed transaction to the second transaction limit amount with Use Sequence number two, and passes the following results to PeopleSoft Project Costing:

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Transaction Identifier	Analysis Type	Source Type	Category	Quantity	Unit of Measure	Source Amount	Source Currency
AIRFARE	BIL	TRAVL	AIR	1	EA	10,000	USD

6. The billable (BIL) row is passed to PeopleSoft Billing, and the over-the-limit (OLT) row remains in PeopleSoft Project Costing for reporting and analysis.

   If the Airfare travel limit amount is subsequently increased, the OLT transaction row can be reprocessed and a BIL row is created for it if the limit is sufficient to pass the transaction.

Because the system processes transaction limits in the order specified by the Use Sequence, the system produces different results if the Use Sequence of the transaction limits were reversed. In this example, if the Travel transaction limit is set to the first Use Sequence, and the Airfare transaction limit is set to the second Use Sequence, then when the 16,000 USD airfare expense is processed, the system produces the following results:

Transaction Identifier	Analysis Type	Source Type	Category	Quantity	Unit of Measure	Source Amount	Source Currency
TRAVEL	OLT	TRAVL		1	EA	1,000	USD
AIRFARE	OLT	TRAVL	AIR	1	EA	5,000	USD
AIRFARE	BIL	TRAVL	AIR	1	EA	10,000	USD

Because the Travel limit is specified as the first limit, the system applies the 16,000 USD transaction to that limit, which results in the system creating a 15,000 USD BIL row and a 1,000 USD OLT row for the transaction identifier of Travel. Then, the system applies the 15,000 USD BIL transaction that passed the first limit to the Airfare limit, resulting in another OLT row for 5,0000 USD for the transaction identifier of Airfare, and a final 10,000 USD billable row.

The system applies the transaction to both the Travel and Airfare limits because the transaction contains the PeopleSoft Project Costing ChartField values that match the limit definitions.

Setting Up Limits for Government Contracts

This section discusses how to:

- Set up contract amounts.
- Set up transaction identifiers.
- Set up transaction limits.

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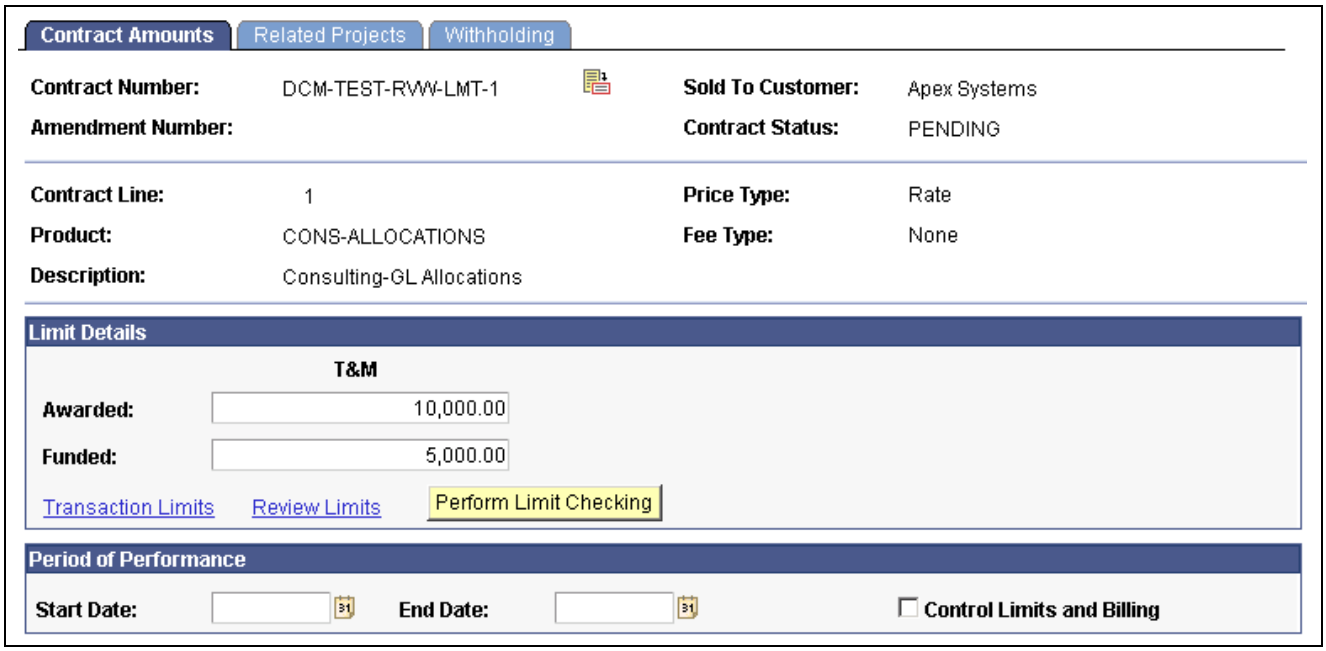
Pages Used to Set Up Limits for Government Contracts

Page Name	Object Name	Navigation	Usage
Contract Amounts	CA_DETAIL_PROJ	• Customer Contracts, Determine Price and Terms, Contract Terms, Contract Amounts • Click the Contract Terms link on the Detail tab of the Contract-Lines page.	Enter billing and revenue limit amounts and limit processing criteria for rate-based contract lines. You can also navigate to the Transaction Limits page to define transaction limits.
Transaction Identifiers	PC_TRANS_IDENTIFY	• Setup Financials/Supply Chain, Product Related, Project Costing, Transaction Options, Transaction Identifiers • Click the Transaction Identifiers link on the Transaction Limits page	Define the transaction ChartFields that comprise an identifier set that you associate to transaction limits. Transaction limits are assigned to contract lines. Any transactions with ChartField values matching the criteria defined in the transaction identifier will have transaction limits applied during limit processing for that contract line.
Transaction Limits	CA_LMT_TXN	• Customer Contracts, Determine Price and Terms, Transaction Limits • Click the Transaction Limits link on the Contract Amounts page. • Click the Transaction Limits link on the Related Projects page.	Define multiple transaction level limits for rate-based contract lines.

Setting Up Contract Amounts

Access the Contract Amounts page.

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Contract Amounts page

Limit Details

The Limit Details group box enables you to define the limit amount that the system uses to control the amount billed or revenue recognized for the individual rate-based contract line. For rate-based contract lines associated with fee types (cost-plus), the Limit Details group box enables you to define billing, revenue and fee limits, as well as, access the revenue fee worksheet (if the Separate Billing and Revenue check box is selected on the Installation Options-Contracts page).

Limit amounts defined for rate-based contract lines and rate-based contract lines associated with fee types (cost-plus) are summarized and appear on the contract header. You can navigate to the Transaction Limits page to define transaction limits and access the Review Limits page to review remaining limit amounts, transactions processed to date and transactions in excess of the limit from this page. You can also initiate the Limits process, for the individual contract line only, by clicking the Perform Limit Checking button when limit amounts are modified, either prior to contract activation if transactions occur against the contract prior to contract activation that require limit checking, or in amendment mode, but only after the amendment has been processed.

Note. Transactions occurring against a contract prior to activation cannot be billed or processed for revenue recognition until the contract is in an active processing status and billing and revenue recognition plans (and events if needed) are assigned to the contract lines and set to a ready processing status.

The Limit Details page appears differently for rate-based contract lines associated with fee types (cost-plus). The fields that appear are specific for the fee type assigned to the contract line. The Limit Details page for cost-plus contract lines is discussed in the *Creating Cost-Plus Government Contract Lines* chapter of this PeopleBook.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Cost-Plus Contract Lines, page 139.

Awarded Enter the full amount of the contract awarded by the government (for the life of the contract). This amount is not used in limit processing, but is used by the system as an edit to prevent the funded amount from exceeding the awarded amount. This field is controlled by amendment processing.

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Funded Enter the limit amount for billable costs for this contract line. You can edit this amount over the life of the contract using amendment processing, but cannot enter an amount that exceeds the amount entered in the Awarded field or is less than the amount already billed.

Transaction Limits Click the Transactions Limits link to access the Transaction Limits page. Transaction limits enable you to limit the amount of specific transactions that can be billed or recognized as revenue for this contract line.

Review Limits Click the Review Limits link to access the Review Limits page. The Review Limits page enables you to view remaining limit amounts, transactions processed to date against the limits, and transactions in excess of the limits.

Perform Limit Checking Click the Perform Limit Checking button to initiate limit processing for the contract line when limit amounts are changed or limit checking is needed outside of batch processing. If this is a rate-based contract line associated with a fee type (cost-plus), and theSeparate Billing and Revenue check box is selected on the Installation Options - Contracts page, the system runs limit checking for both billing and revenue. For a rate-based contract line associated with a fee type (cost-plus) where the Separate Billing and Revenue option is not selected, or for rate-based contract lines with a fee definition of *None,* the system runs limit checking for billing only.

Note. When you run limit processing from the Contract Amounts page or Transaction Limits page, the system automatically runs the Limits process with the Recalculate Totals Only check box cleared.

To update limit totals only, run the limit checking process using the Process Limits run control page, and select the Recalculate Totals Only check box.

Period of Performance

The period of performance represents the date range authorized by the Government Contracts office within which all billing for the contract lines must occur.

Start Date Enter the start date for the period of performance date range for which invoicing can occur for this contract line. After the contract is active, the date is no longer editable if the Control Limits and Billing option is selected.

This is a required field.

End Date Enter the end date for the period of performance date range for which invoicing can occur for this contract line. Once the contract is active, you can edit this date throughout the life of the contract using amendment processing. However, it cannot be changed to a date that is earlier than the current system date.

This is a required field.

Control Limits and Billing Select the Control Limits and Billing check box to indicate whether invoicing can occur outside the period of performance date range specified for this contract line. By selecting the check box, the Limits process and the Contracts/Billing Interface process (CA_BI_INTFC) only selects billable transactions from the Project Transaction table that have a transaction date that falls within the period of performance start and end dates.

Selecting this check box does not limit revenue processing for transactions that only fall within the period of performance date range, (if the Separate Billing

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and Revenuecheck box is selected on the Installation Options - Contracts page). Any transactions that occur against the contract line are eligible for revenue and revenue limit processing.

Setting Up Transaction Identifiers

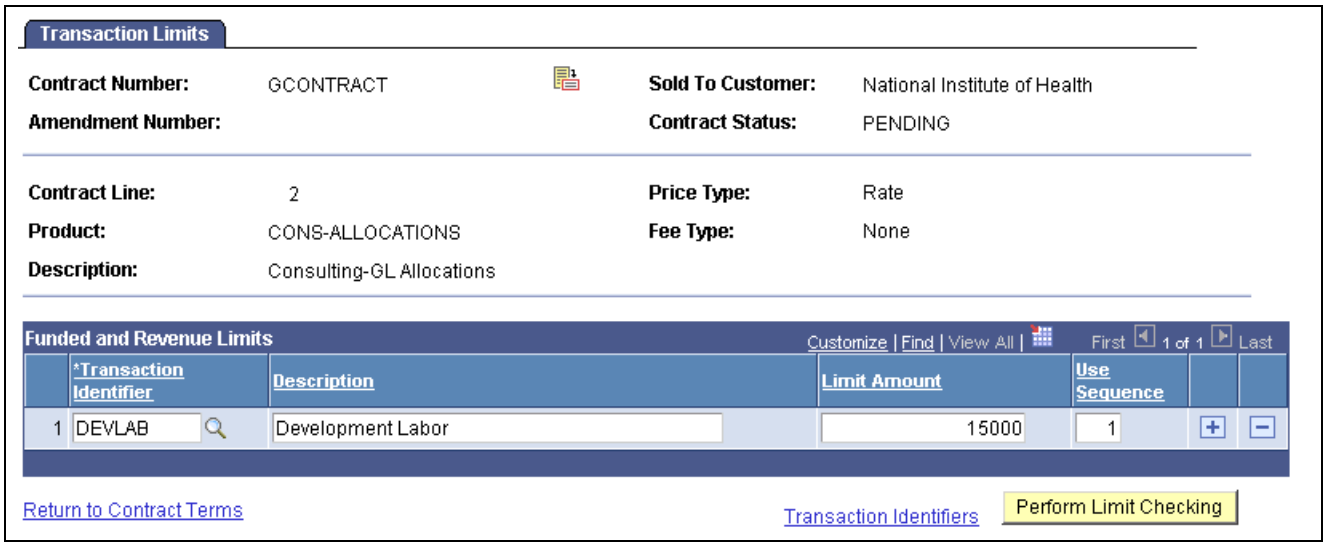
Access the Transaction Identifiers page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , "Pricing Project Costs," Defining Transaction Identifiers.

Warning! Do not modify existing transaction identifiers. Any change to an existing transaction identifier may affect other contracts using the same transaction identifier. Create a new transaction identifier if necessary.

Setting Up Transaction Limits

Access the Transaction Limits page.



Transaction Limits page

Transaction Identifier Enter the predefined transaction identifier to identify the transactions to which the limit will apply. The transaction identifier is a configuration element that defines a set of transactions. Each transaction identifier may contain multiple transaction ChartField criteria and each contract line may be associated with multiple transaction identifiers.

Limit Amount Enter the limit amount to apply to the transactions associated with the transaction identifier. If this is a rate-based contract line associated with a fee type (cost-plus) and theSeparate Billing and Revenue check box is selected on the Installation Options - Contracts page, the system applies the limit entered for both billing and revenue recognition. For rate-based contract line associated with a fee type (cost-plus) where the Separate Billing and Revenue check box is not selected, or for rate-based contract lines with a fee type of *None,* the system applies the limit only to billing.

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Use Sequence Enter the use sequence number to indicate which limit the system should draw down first in the case of overlapping limits. These use sequence numbers must be unique.

This field enables overlapping limits. For example, you have a limit on *Airfare* as a subset of your limit on *Total Travel.* The limit on *Direct Travel Costs* may partially overlap the limit on *Airfare.* This is an example of overlapping limits. However, by processing transaction limits using a use sequence number, the system enables you to indicate which limit should be used first.

Transaction Identifiers Click to access the Transaction Identifiers page where you can view details for existing transaction identifiers or create a new one. After you select a transaction identifier, you can enter a limit amount.

Perform Limit Checking Click the Perform Limit Checking button to initiate limit processing for the contract line when limit changes are made or limit checking is needed outside of batch processing. If this is a rate-based contract line associated with a fee type (cost-plus) and theSeparate Billing and Revenue check box is selected on the Installation Options - Contracts page, the system runs limit checking for both billing and revenue. For rate-based contract lines associated with a fee type (cost-plus) where the Separate Billing and Revenue option is not selected, or for rate-based contract lines with a fee type of *None,* the system runs limit checking for billing only.

Note. When you run limit processing from the Contract Amounts page or Transaction Limits page, the system automatically runs the Limits process with the Recalculate Totals Only check box cleared.

To update limit totals only, run the limit checking process using the Process Limits run control page, and select the Recalculate Totals Only check box.

Running the Limit Process

This section provides an overview of limit processing and discusses how to process limits.

Understanding Limit Processing

The Limits process enables you to apply the transaction and overall limits that you define for your rate-based contract lines to transactions. The limits process can be run using the following options:

- Run the Limits process as a stand alone process.

  When you run the limits process as a standalone process, you can select specific run control criteria to apply limits to specific contracts, recalculate limit amounts when totals are changed, or apply limits to billing or revenue transactions.

- Automatically run the limits process for a specific contract line.

  When you are managing limits for a specific contract line, you can automatically run the Limits process by clicking the Perform Limit Checking button on the Contract Amounts or Transaction Limits pages when limits have changed. This runs the Limits process for billing and revenue transactions if you have the Separate Billing and Revenue option selected on the Installation Options - Contracts page. Otherwise, the process is only run for billing limits.

- Automatically run the limits process when performing pricing or repricing.

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When running the Pricing process (PC_PRICING) using the Pricing run control page, the Limits process is automatically called. Because the system needs to know whether to apply limits for billing, revenue or both, you must specify this information on the Pricing run control page.

- Automatically run the limits process when processing transactions from feeder systems.

  Cost transactions for your contract lines will generally originate from within other PeopleSoft Enterprise applications, such as PeopleSoft Expenses or PeopleSoft Payables. When transactions are sent from these feeder systems to PeopleSoft Project Costing, the Pricing process is automatically called, which also automatically calls the Limits process. To determine whether the system needs to apply limits for billing, revenue or both, the system uses the options defined on the Project Costing Business Unit Options page.

Note. The Limits process does not process fee limits. The Fee application engine uses your fee criteria to process these limits.

Over the Limit Transaction Rows

No matter from where the Limits process is run, using the criteria that you have defined for limit processing, the system evaluates any transaction level limits first, then funding limits (for billing), and then evaluates revenue limits (optional depending on your settings).

The resulting rows are either passed as billing rows, revenue rows, or marked as over-the-limit. Billing rows that are over the limit are assigned an analysis type of *OLT (Over-the-Limit)*. Revenue rows that are over the limit are assigned an analysis type of *ROL (Revenue-Over-the-Limit)*. Over-the-limit transaction rows are not billed or recognized as revenue, but appear as a summarized amount in excess note within the header section of the invoice. This amount in excess represents a combination of any transaction and funded limits that were exceeded for the contract line.

You also have the option to split transactions so that the portion under the limit amount can continue with billing and revenue processing. The option to split transactions is configurable on the Installation Options - Contracts page by selecting the Split to Match Limit Exactly check box. When this option is selected and a transaction breeches the limit, the system splits a BIL row into one BIL line and one OLT line or a REV (revenue) row into one REV line and one ROL line. This enables you to reach the limit amount exactly with the BIL or REV line, and the system places the remaining transaction amount onto an OLT or ROL line.

After transaction rows have exceeded the limits that you have defined for funding (billing) or revenue, the resulting OLT and ROL rows are passed to the Project Transaction table (PROJ_RESOURCE) where they can then be used for reporting or analysis. These over-the-limit rows display on the Review Limits - Detail page and are included in the Limits report run for excess amounts.

If additional funding is received later in the contract life cycle, you can use amendment processing to increase the limit amount and process the applicable over-the-limit rows through to PeopleSoft Billing and PeopleSoft General Ledger. When you increase the limit amount and rerun the limits process, the system performs the following steps:

1. Calculates the total amount of transactions processed to date against the transaction, funded and revenue limit amounts.
2. Calculates the remaining amount of each limit.
3. Applies the remaining funded or revenue limits (for a contract line) to any existing over-the-limit transactions applicable to the contract line.

   Over-the-limit transactions applicable to the contract line's funded or revenue limits that are converted to BIL and REV rows are not reapplied against the contract line's transaction limits, but instead are passed to PeopleSoft Billing and PeopleSoft General Ledger. Any existing over-the-limit transaction rows are always processed first by the Limits process and converted to BIL and REV rows either in full or in part when possible.

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4. Applies the remaining transaction limit to any existing over-the-limit transactions that are specifically identified with that transaction limit and converts the rows to BIL and REV rows when possible.

   Reapplies all the remaining transaction limits to all newly converted BIL and REV rows that are applicable to the transaction limits. The reapplication of transaction limits is required to ensure that each transaction passes all applicable transaction limits, because funding and revenue at the transaction level are only recorded as passed when each transaction passes all applicable transaction limits. For over-the-limit transactions specific to a transaction limit, the transaction has, in effect, not passed any transaction level limits.

5. Applies the remaining transaction limits to any new BIL and REV transactions.
6. Applies the remaining funded or revenue limits against any new BIL and REV transactions that have passed limit checking at the transaction limit level, or for which transaction limits are not applicable.
7. The billing processes adds the new billable rows to the current invoice and updates the amount in excess invoice line with any new amounts.
8. The revenue processes pass the new revenue rows to the general ledger.

Note. If manual adjustments to invoices in PeopleSoft Billing are performed, it is recommended that you run the Limits process with the Recalculate Totals Only check box selected prior to running your limit reports.

See Chapter 16, "Managing Government Contracts," Amending Limits, page 290.

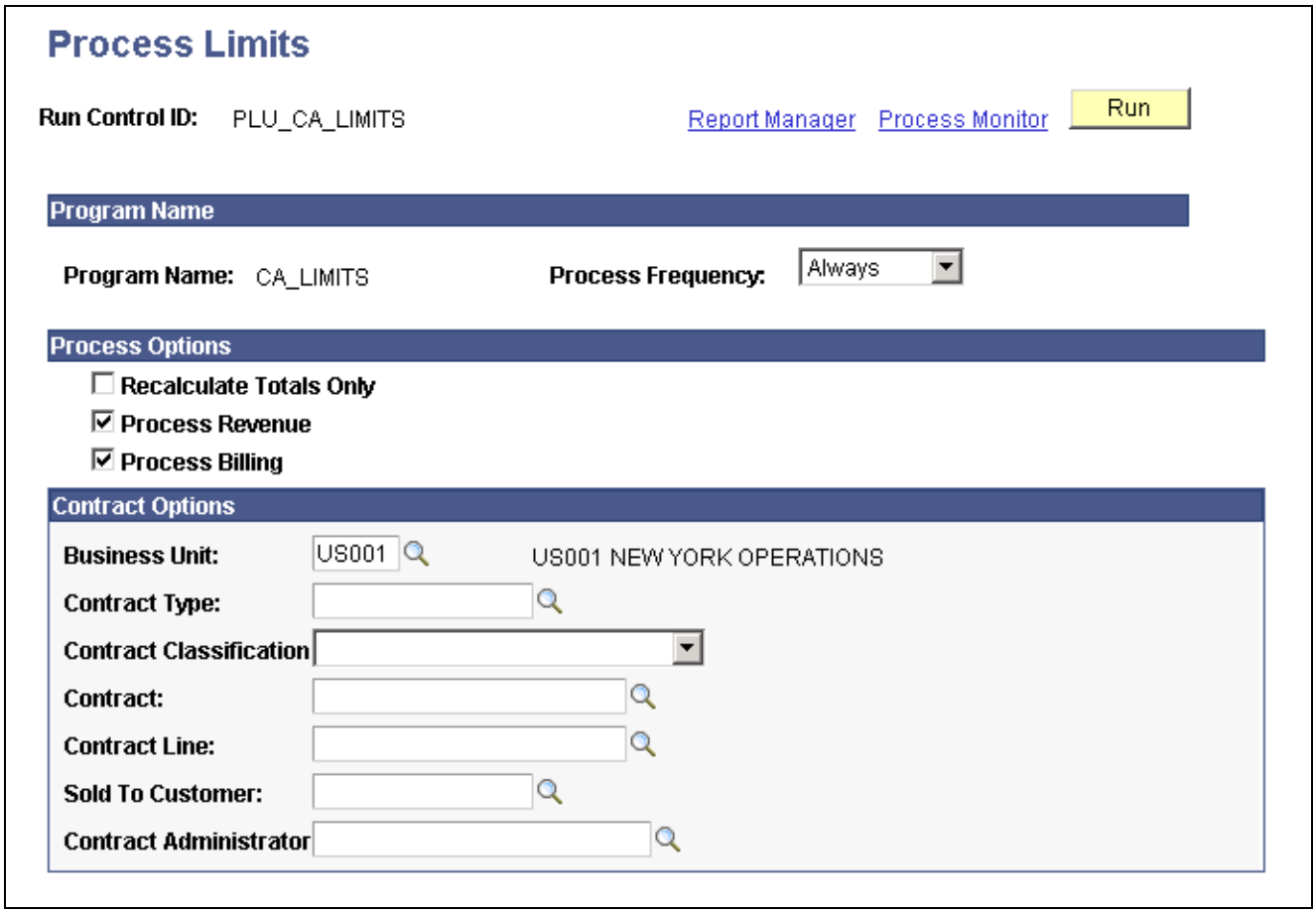
Page Used to Run Limit Processing

Page Name	Object Name	Navigation	Usage
Process Limits	RUN_CA_LMT	Customer Contracts, Update Contract Progress, Process Limits	Run the Limits Process as a standalone process using specific parameters such as business unit, contract, contract line, or contract type. Optionally, run this process to recalculate totals only.

Running the Limit Process

Access the Process Limits page.

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Process Limits page

Recalculate Totals Only Select this option to update limit totals after making manual adjustments to invoices in PeopleSoft Billing. This option will update your limit totals that are displayed on the Review and Manage Limits component (CA_LMT_MGMT) and on the Limits report.

Process Revenue Select this option to run the limits process for revenue limits only.

Process Billing Select this option to run the limits process for billing limits only.

Contract Options

Use the fields in this group box to limit the transaction data that is included in the run of this process. Filter by PeopleSoft Contracts business unit, contract type, contract classification, contract, contract line, sold to customer, or contract administrator. If you leave all fields blank, the process picks up all available transaction activity in PeopleSoft Contracts.

Reviewing Limit Processing

This section provides an overview of reviewing limit processing and discusses how to:

- Review Limits

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- Review Limit Details

Understanding Reviewing Limit Processing

Throughout the life of your contract, you may need visibility to the limit amounts for your contract lines, including the amount of the limits that has been used to date, the amounts remaining, and any amounts that have exceeded your limits. PeopleSoft Contracts delivers an online inquiry page that provides both a summarized and detail view of this information. Using filtering capabilities, the system enables you to view only the information that you need to effectively manage the limits that you have defined for your contract lines.

Common Elements Used in This Section

Limit Amount Displays the transaction, funded and revenue limit amounts for the contract lines displayed.

Processed Amount Displays the total of all transactions billed or booked as revenue, plus all transactions that have passed limit processing and can be billed or booked as revenue the next time that the Contracts/Billing Interface (CA_BI_INTFC) and As-Incurred Revenue (PSA_ACCTGGL) processes are run respectively. This value is populated when the Limits process is run. Transactions that are outside of the period of performance dates are excluded from this total for contract lines that have the Control Limits and Billing check box selected.

Note. Any manual adjustments to invoices in PeopleSoft Billing that occur in between runs of the Limits process are not reflected in the total Processed Amount displayed. To update the total to the most current value, run the Limits process with the Recalculate Totals Only check box selected. Any amendments to limits require running the Limits process with the Recalculate Totals Only check box cleared to reapply the new remaining limit against previously over-the-limit transactions and update all amounts to their most current values.

Remaining Amount Displays the calculated total of the Limit Amount less the Processed Amount.

Transaction Identifier Displays the contract line's associated transaction identifier for a transaction limit.

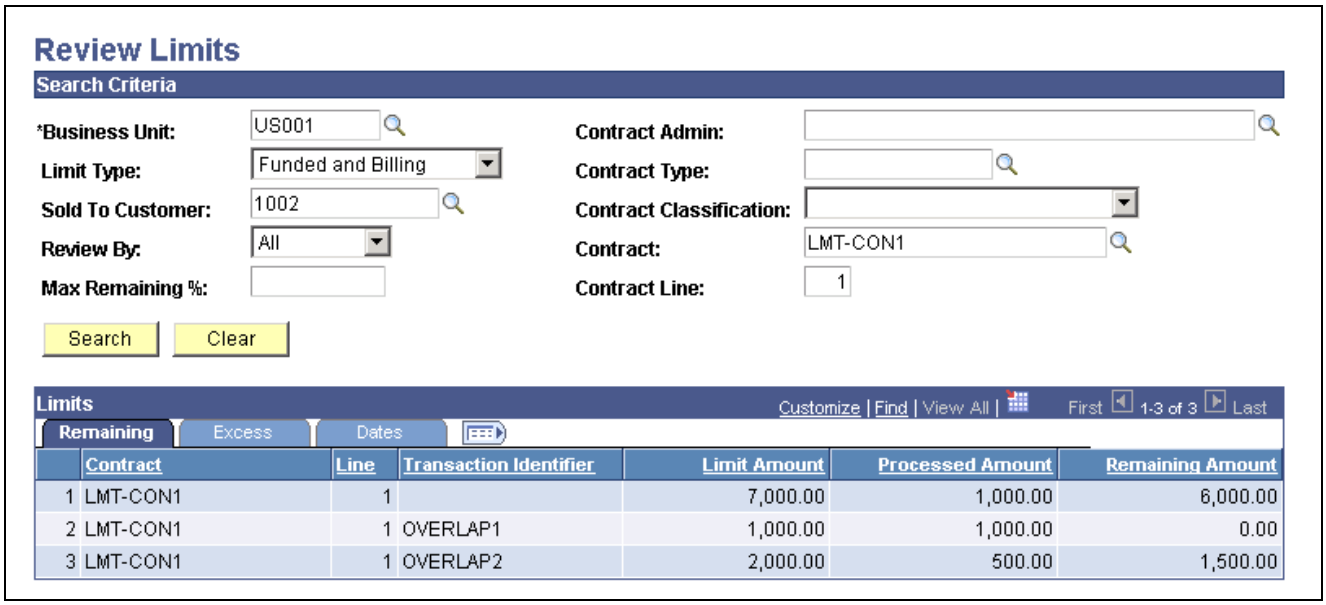
Pages Used to Review Limit Processing

Page Name	Object Name	Navigation	Usage
Review Limits	CA_LMT_REVIEW	• Customer Contracts, Adjust Revenue and Billing, Review and Manage Limits, Review Limits • Click the Review Limits link on the Contract Amounts page.	Review limit and transaction limit information for specified contract lines.
Limit Details	CA_LMT_DETAILS	Click the value in the Excess Amount column of the Review Limits page.	Review the details of over-the-limit transactions.

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Reviewing Limits

Access the Review Limits page.



Review Limits page

Search Criteria

Use the fields in the Search Criteria group box to filter search results by entering specific values in these fields. If you leave fields blank, the search returns all limits for all *Active* contract lines within your system. At a minimum, you must enter the Business Unit, Sold To Customer, Limit Type and Review By fields to perform a search request. Click the Search button to carry out a search based on the search criteria that you entered. Search results appear in the Limits scroll area. Amounts appear in the contract currency.

Note. Fee limits do not appear on this page. Fee limits for rate-based contract lines associated with a fee type (cost-plus), can be viewed on the Billing and Revenue Worksheet pages and Contract Amounts pages for the contract line.

Limit Type

Select a limit type to have the system retrieve all limits with the specified limit type. If you leave this field blank, *Funded and Billing* is the default value for this field. Limit type values include:

- *Funded and Billing:* Select this option to view all funded and billing limits for your contract lines.
- *Revenue:* Select this option to view all revenue limits associated with the contract line.

Review By

Select the Review By criteria that the system uses to display your results. Review By values include:

- *All:* Select this value to view all limit amounts including any remaining amounts and amounts that have exceeded the limits for contract lines meeting your selection criteria.
- *Excess:* Select this value to view only those amounts that have exceeded the limit amount for contract lines meeting your selection criteria. If you select this value only the Excess and Date pages display.

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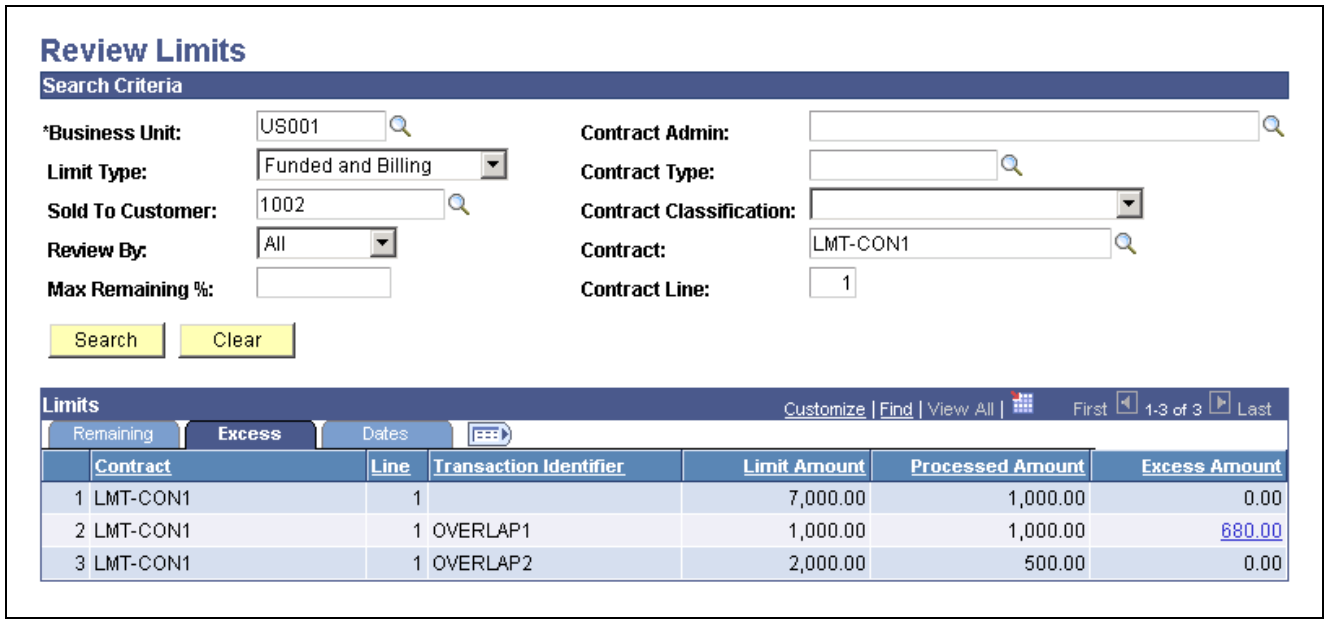
- *Remaining:* Select this value to see the remaining available limit amounts for contract lines meeting your selection criteria. If you select this value, only the Remaining and Dates pages appear.

Max Remaining % (Maximum Remaining Percentage)

Enter a maximum remaining amount percentage to restrict the results to only those contract lines with that limit amount percentage or less remaining. If you set the Review By field to *Remaining*, you must enter a field value greater than zero and less than 100. If you set the Review By field to *Excess* or *All*, the Max Remaining % field must be set to zero to retrieve the desired results.

Review Limits: Excess Tab

Select the Review Limits – Excess tab.



Review Limits page: Excess tab

The Excess tab displays the funded or revenue limits depending on the value that you selected in the Limit Type field. Transaction limits display the transaction identifier value on the limit row, while funded or revenue limits display a blank field for the transaction identifier.

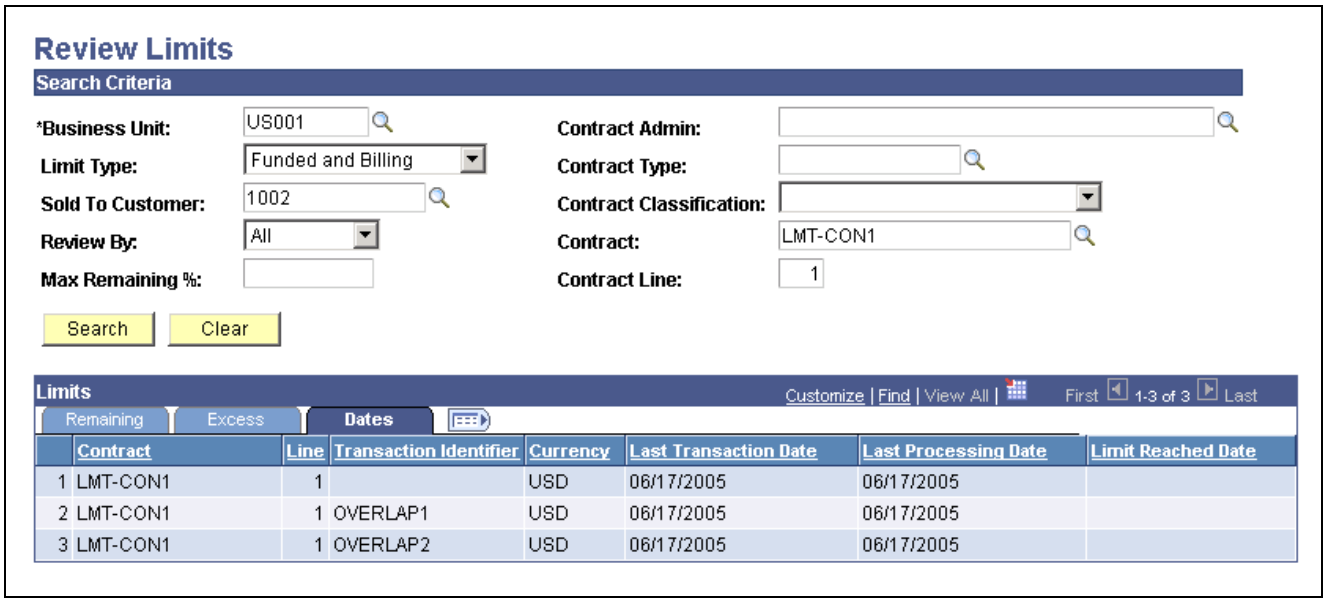
Excess Amount

Displays the excess amount for this limit. This amount indicates all over-the-limit transactions. Click the value in this field to access the Limit Details page where you can view details for the OLT or ROL transactions.

Review Limits: Dates Tab

Select the Review Limits – Dates tab.

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Review Limits page: Dates tab

Currency Displays the contract currency. If a PeopleSoft Project Costing transaction is processed in a different currency from the contract currency, the transaction is converted to the contract currency by the Pricing Engine and then applied to the limit in the contact currency.

Last Transaction Date Displays the transaction date for the most recent transaction applied against the limit for the contract line.

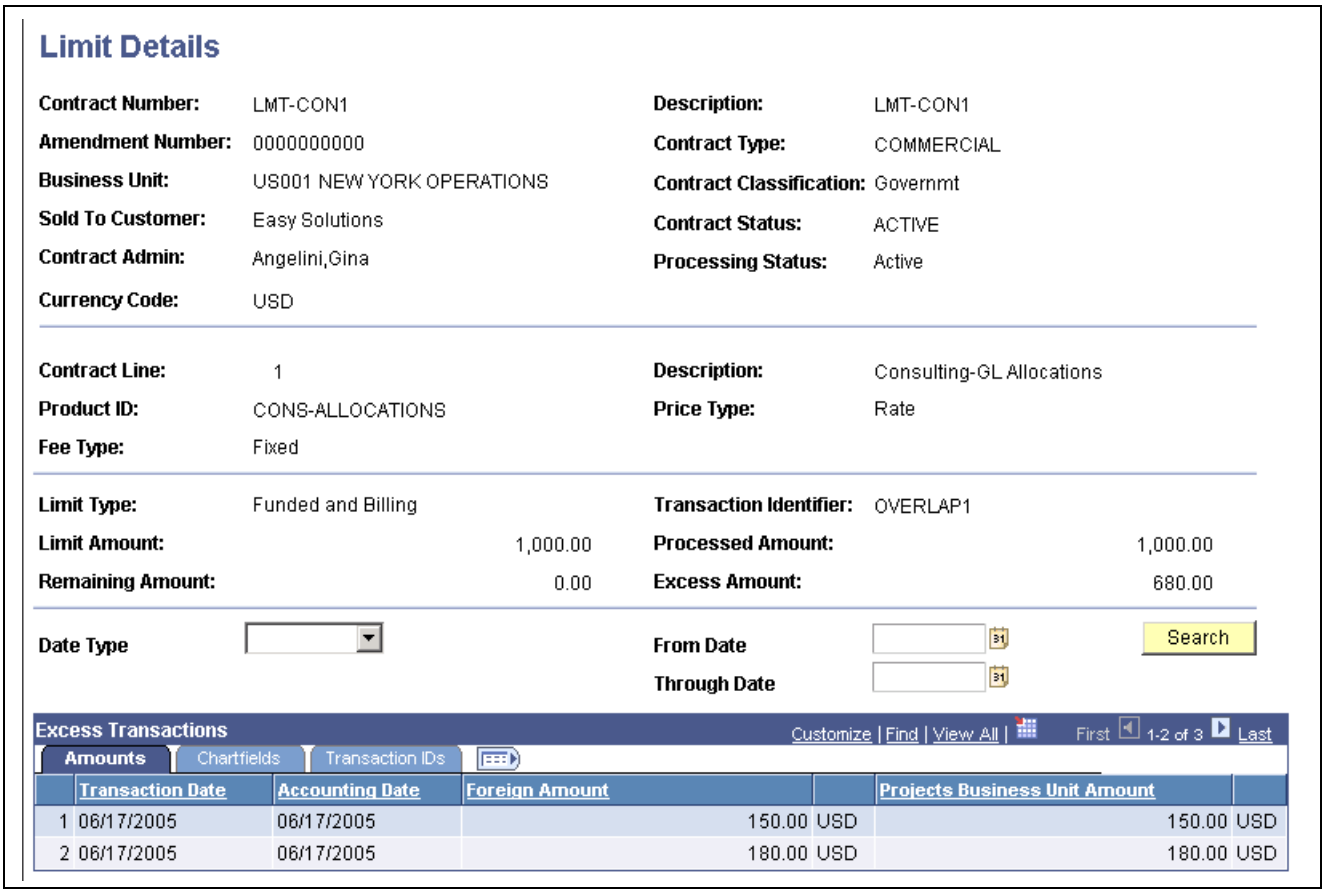
Last Processing Date Displays the date that the Limits process was last run for this contract line.

Limit Reached Date Displays the date that the limit amount was reached. If limits are increased using amendment processing such that all over-the-limit transactions can pass limit checking, this field is cleared during the next run of the Limits process with the Recalculate Total Only check box cleared.

Reviewing Limit Details

Access the Limit Details page.

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Limit Details page

Date Type Select a date type to have the system retrieve all over-the-limit billing and revenue transactions within the specified date range for the contract line. Date type values include:

- *Acctg Date:* Select to display all over-the-limit transactions by transaction accounting date using the date range specified.
- *Trans Date:* Select to display all over-the-limit transactions by transaction date using the date range specified.

From Date and **Through Date** Select specific from and through dates to have the system retrieve all over-the-limit transactions within the specified date range.

Search Click the Search button to retrieve the over-the-limit transactions that meet your date search criteria.

Transaction Date Displays the transaction date of the original cost transaction from the feeder subsystem.

Accounting Date Displays the accounting date of the original cost transaction from the feeder subsystem.

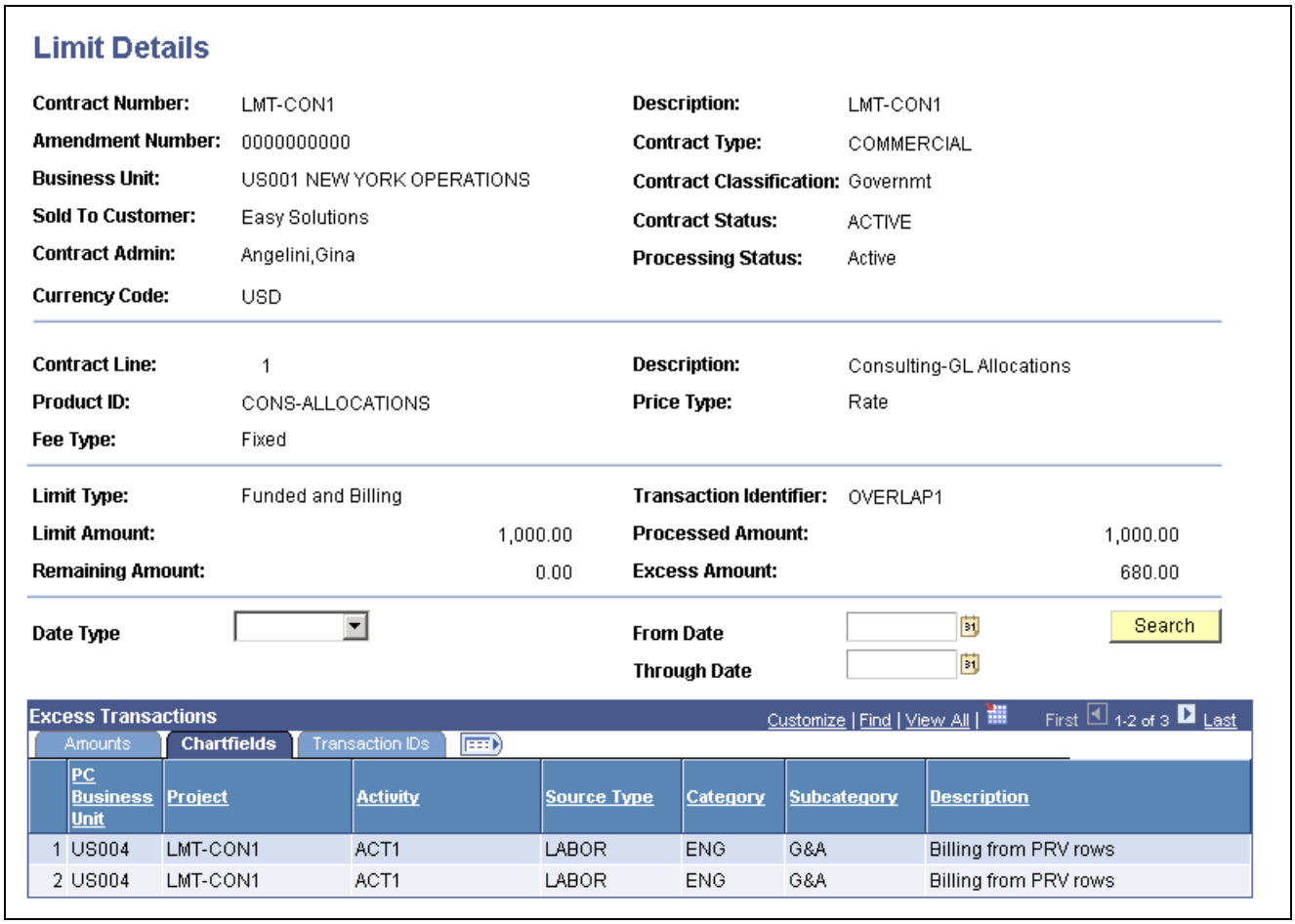
Foreign Amount Displays the transaction OTL amount in the original cost transaction currency.

Projects Business Unit Amount Displays the transaction OTL amount in the PeopleSoft Project Costing business unit base currency.

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Limit Details: Chartfields tab

Select the Limit Details – Chartfields tab.



Limit Details page: Chartfields tab

PC Business Unit(PeopleSoft Project Costing Business Unit) Displays the PeopleSoft Project Costing business unit associated with the transaction.

Project Displays the project identifier associated with the transaction.

Activity Displays the activity identifier associated with the transaction.

Source Type Displays the source type associated with the transaction.

Category Displays the category associated with the transaction.

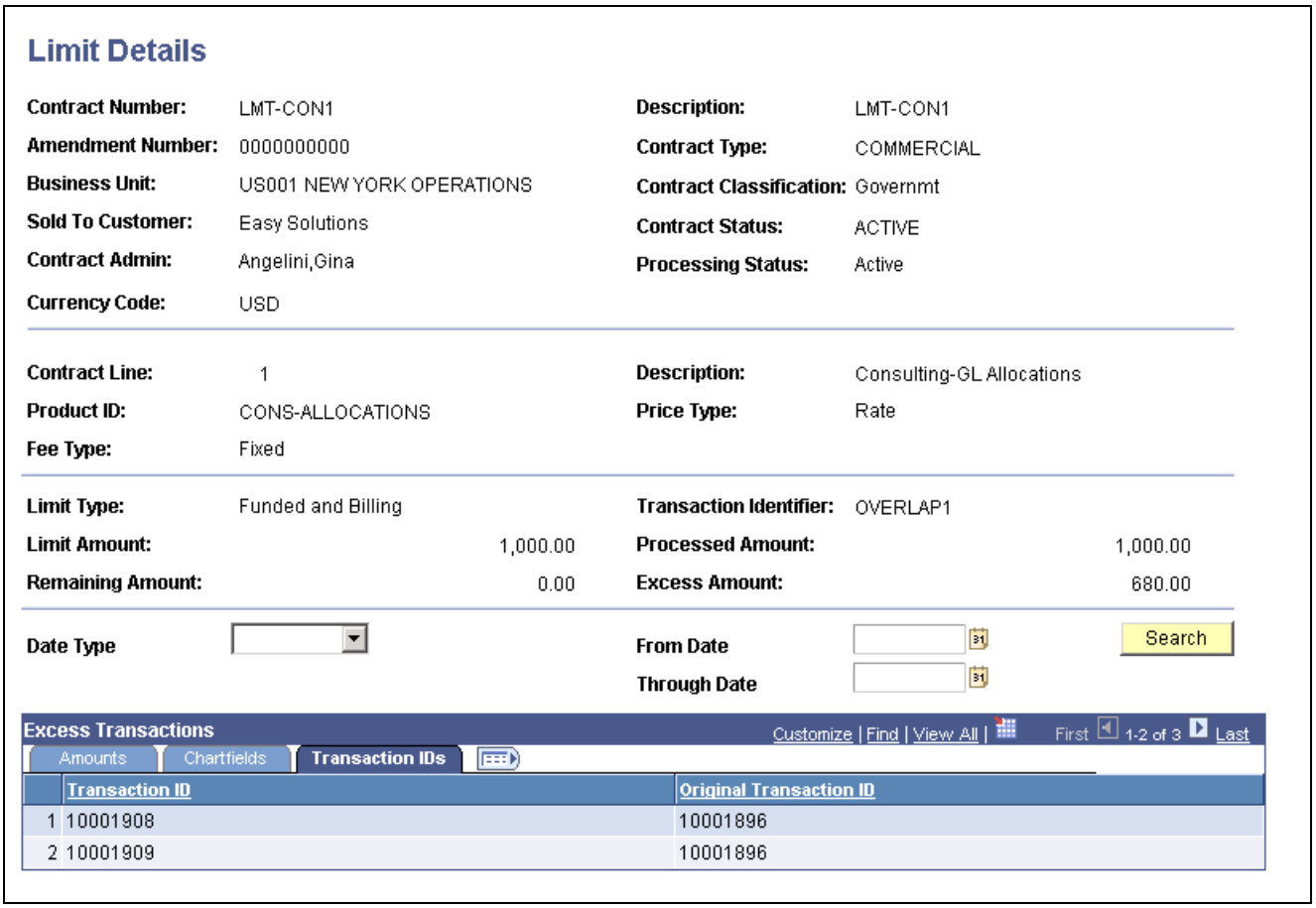
Subcategory Displays the subcategory associated with the transaction.

Description Displays the description associated with the transaction. This description comes from the Target row defined for the transaction analysis type on the rate set or rate plan associated with the contract line.

Limit Details: Transaction IDs

Select the Limit Details – Transaction IDs tab.

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Limit Details page: Transaction IDs tab

Transaction ID (Transaction Identifier) Displays the identifier of the OTL transaction.

Original Transaction ID (Original Transaction Identifier) Displays the identifier of the original cost transaction.

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CHAPTER 10

Setting Up and Processing Withholding

This chapter provides an overview of setting up and processing withholding and discusses how to:

- Define withholding and release terms.
- Manage accounting distributions for withholding.
- Generate billing invoices.
- Amend withholding and release terms.

Understanding Withholding

In many government contracts, the government withholds certain amounts to create a reserve to protect their interests. These amounts are used as an incentive to the contractor performing the contract to complete the contracted items within a specified time frame. After the conditions specified by the government have been met, the contractor is allowed to bill for the withheld amount. To manage the withheld amount, the contractor must reduce or increase the amount of their invoices respectively to record any amounts withheld or subsequently released.

PeopleSoft Contracts supports the management of amounts that are withheld and released by enabling you to:

- Define the withholding and release terms and conditions on the contract.
- Generate invoices that include identifiers for the amount withheld.
- Generate invoices that include identifiers for amounts released from withholding.
- Write off withholding amounts that are eligible for release.
- Manage rate adjustments for withheld amounts.
- Create additional transactions to incorporate any rate changes that occur during the life of the contract.

Note. A contract may contain multiple rate-based and amount-based contract lines, but withholding terms and criteria can only be defined for rate-based contract lines that are assigned to an as-incurred billing plan and are not associated with any prepaid amounts.

The Withholding Process

To utilize the withholding feature for government contracts, there are several steps that you must complete. You must set up your contract to include withholding criteria, and then run all the necessary processes to generate the withholding and release transaction rows.

This section discusses:

- Contract withholding setup.

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- The withholding process.

Contract Withholding Setup

To set up a contract for withholding processing, you must set up your contract using the contract classification of *Government*, and associate rate-based products with the contract. Only rate-based contract lines can be associated with withholding criteria. After the contract is created, you can define the terms and conditions for withholding and releasing amounts for the contract line, and manage withholding processing for the contract.

To set up a contract for withholding processing, complete the following steps:

1. Define a contract with a contract classification of *Government*.
2. Add rate-based products to the contract.
3. Assign a rate plan to the withholding applicable contract line.
4. Assign projects and activities to the withholding applicable contract line.
5. Define withholding and release terms and processing criteria for the withholding applicable contract line.
6. Set up billing and revenue plans for the contract lines.
7. Activate the contract.

The Withholding Process

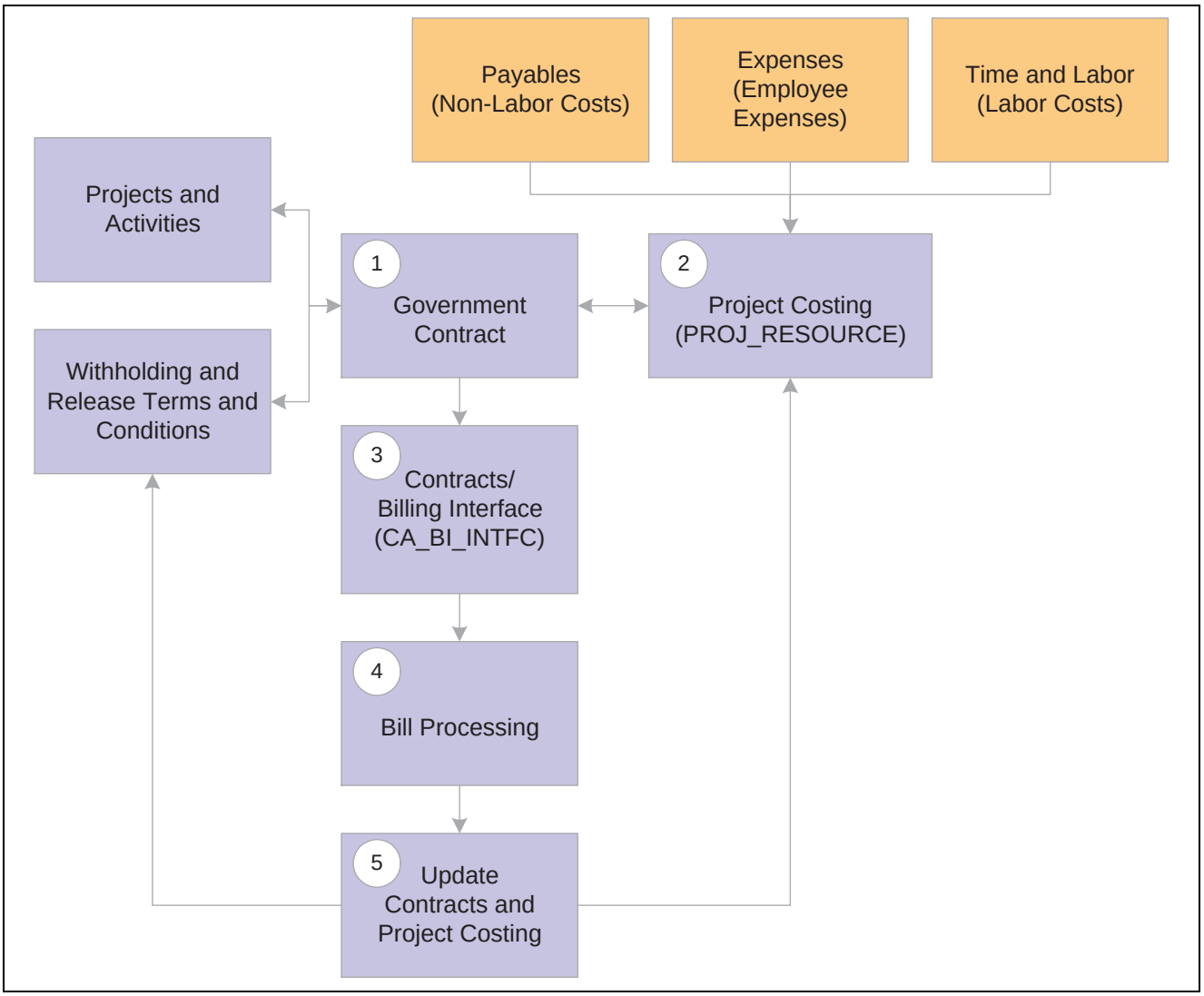
When calculating withholding, the system uses the most current transaction data available in the Project Resource Summary (CA_PR_SUMM) table in PeopleSoft Project Costing, including any previously processed withholding or release rows. To ensure that the data being used is up to date, it is recommended that you run all pricing, PeopleSoft Contracts, and PeopleSoft Billing processes for any withholding eligible transactions prior to processing withholding and release rows. Any errors for these transactions should first be corrected in PeopleSoft Contracts or PeopleSoft Project Costing prior to processing withholding and releases.

Note. Because the transaction data that is used to calculate withholding amounts is stored in the Project Resource Summary (CA_PR_SUMM) table in PeopleSoft Project Costing, you must run the Refresh Summary Tables process (PC_SUM_RFSH) prior to calculating withholding, to insure that you are using the most current transaction and inception to date (ITD) data for your withholding calculations.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Analyzing Projects,” Performing Flexible Analysis.

This process flow diagram illustrates the process flow associated with withholding and release processing:

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Contracts withholding process flow

The following steps describe the Contracts withholding process flow:

1. After you have set up your contract, associated projects and activities to the contract line, specified withholding and release criteria, and activated your contract and billing plans, you can begin processing withholding and release bill lines.
2. Withholding applicable transactions are processed from feeder applications such as Expenses, Payables, or PeopleSoft Time and Labor, and are stored in PeopleSoft Project Costing in the Project Transaction (PROJ_RESOURCE) table.
3. Withholding applicable transactions, as well as processed withholding and release transactions, are selected or examined by the Contracts Withholding Calculation process (CA_WTH_CALC) when you run the Contracts/Billing Interface process (CA_BI_INTFC).

   Based on the withholding criteria specified for the contract line, the system calculates the withholding amount, and generates withholding and release transaction rows and passes them on to PeopleSoft Billing.

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Note. Limit processing is performed prior to calculating any withholding amounts for a transaction. Any transactions that do not pass limit checking are not available for withholding calculations and creation.

4. PeopleSoft Billing processes the withholding and release rows sent from PeopleSoft Contracts, and generates invoices with withholding or release rows calculated and displayed according to the withholding and release terms defined for the contract line.
5. After the invoices are finalized, you must update PeopleSoft Contracts and PeopleSoft Project Costing with the processed data. The Update Projects/Contacts Data process (BIPCC000) updates the Billing Distribution status to *D* (Distributed), populates the Project Costing Temporary tables with data for the withholding, release, and adjustment rows (if any), and updates the release row status in PeopleSoft Contracts to *Complete*.

   The Projects Retrieve Billing Items process (PC_BI_TO_PC) updates the Project Costing Project Transaction (PROJ_RESOURCE) table with the data for the withholding, release, and adjustment rows, as well as, any associated distribution statuses.

Defining Withholding and Release Terms

This section provides an overview of withholding and release terms and discusses how to:

- Define withholding and release terms.
- Define release justifications.

Understanding Withholding and Release Terms

Before you can track and capture withholding and release amounts for your contract lines, you must first define the rules that the system uses to calculate these amounts. PeopleSoft Contracts enables you to capture withholding-related contractual terms to apply to transactions and for management reporting for your government contracts. You can apply withholding and release terms to rate-based contract lines (Time and Material and Cost-Plus), to calculate withholding amounts on fees, project-, and activity-related transactions.

After a contract line is associated with withholding and release terms, the system considers the contract line withholding applicable. When calculating withholding amounts for a contract line, the system includes the inception to date costs, withholding rate, and any additional criteria specified in the withholding terms. For each withholding-applicable contract line, the system calculates the current inception to date withholding amount, the previous amount withheld, and the current withholding amount as the delta between the first two amounts. Once calculated, the system sends withholding rows, summarized by contract line, to PeopleSoft Billing for inclusion on the invoice.

When a withholding amount is eligible for release, you can enter the amount to be released or written off on the Withholding page. Release rows are associated with a release status that is initially set by the user to indicate that the row is available for processing. When the release row is submitted for processing, the system updates the status to indicate the processing status of the release row. Only one new release row may be entered at a time. When entering a release row, the system performs edit checks to verify that the amount of the release row is not greater than the remaining amount withheld.

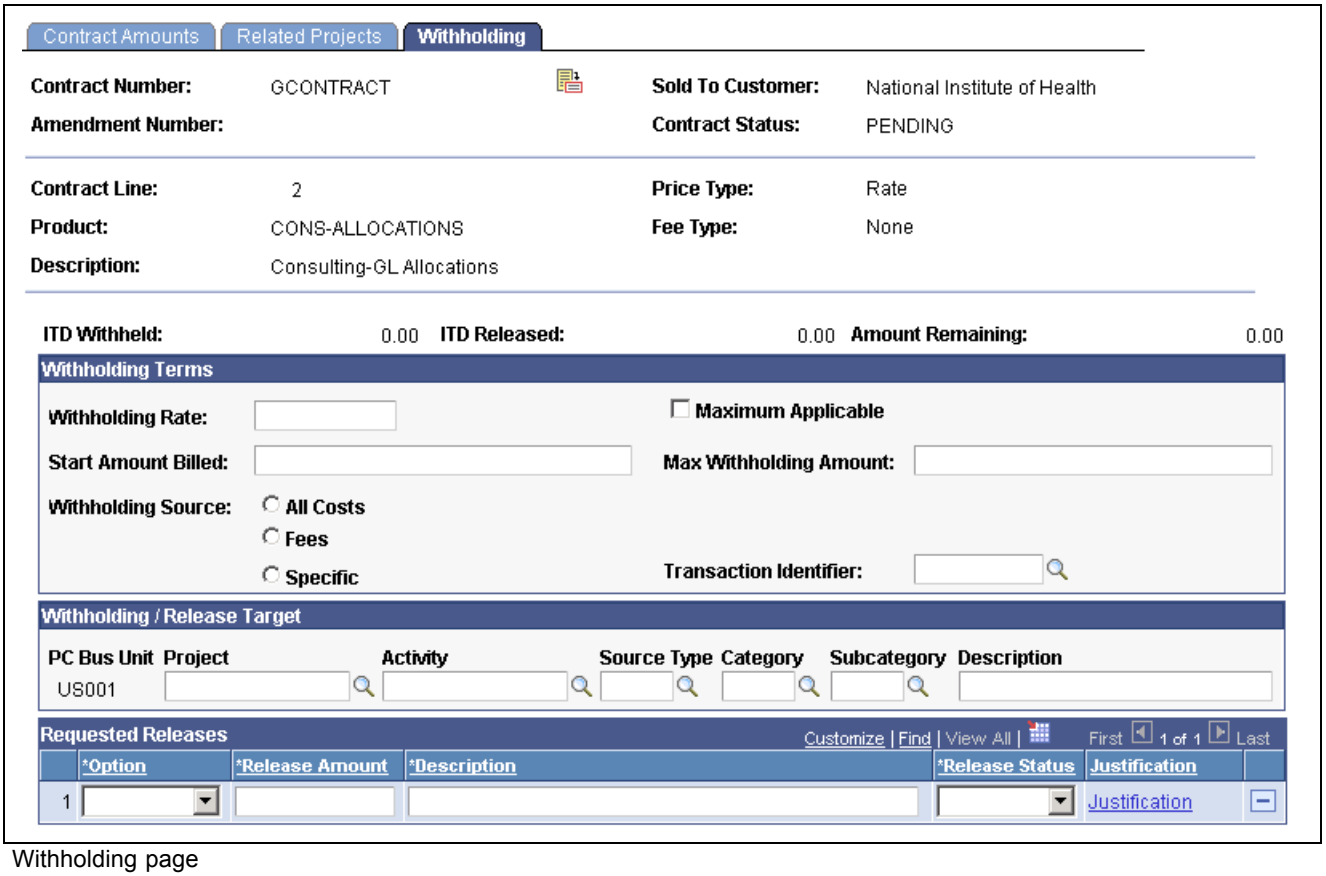
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Pages Used to Define Withholding and Release Terms

Page Name	Object Name	Navigation	Usage
Withholding	CA_WTH_TERMS	• Customer Contracts, Determine Price and Terms, Contract Terms, Withholding • Click the Contract Terms link on the Detail tab of the Contract – Lines page. Then, select Withholding.	Define the withholding and release terms for a rate-based contract line.
Release Justification	CA_WTH_JUST	Click the Justification link on the Withholding page.	Capture release justification data.

Defining Withholding and Release Terms

Access the Withholding page.



Withholding page

Entering data on this page and clicking Save indicates that this contract line is withholding applicable and is considered for withholding processing.

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After you have indicated that a contract line is withholding applicable, if you do not want the contract line to have withholding processed against it, you can either delete the contract line or enter withholding data for the contract line such that no withholding can be calculated. For example, to enter withholding data that does not trigger withholding calculations, you can enter a withholding rate of zero, a maximum withholding amount of zero, or a very large withholding start amount that would never be reached for the contract line.

Product Displays the product to which the withholding and release terms apply.

Fee Type Displays the fee type associated with the contract line. Contract lines associated with cost-plus functionality display a fee type of *Award*, *Fixed*, *Incentive*, or *Other*. Rate-based contract lines that are not associated with cost-plus functionality display a fee type of *None*.

ITD Withheld (inception to date withheld) Upon opening the page, displays the amount withheld from billing for the contract line, from the inception date of the contract to the current date . This amount is based on transaction data stored in the Project Transaction table.

ITD Released (inception to date released) Upon opening the page displays the previous withholding amount released to PeopleSoft Billing for the contract line, from the inception date of the contract to the current date. This amount is based on transaction data stored in the Project Transaction table.

Amount Remaining Displays the calculated difference between the amount withheld to date and the amount released to date upon opening the page.

Withholding Terms

Withholding Rate Enter the percentage rate used to calculate withholding amounts on billed and billable project transactions.

Maximum Applicable Select the Maximum Applicable check box to indicate that there is a maximum amount that can be withheld.

Start Amount Billed Enter the actual amount that must be processed through to PeopleSoft Billing for the contract line before the system can apply the withholding terms. Leave this field blank for the system to apply the withholding terms for all applicable transactions that occur for this contract line.

Max Withholding Amount (maximum withholding amount) Enter a maximum amount that can be withheld from the contract line amount. This field can only be populated when the Maximum Applicable check box is selected.

Withholding Source Select the type of project transactions that are eligible for withholding calculations. Select from:

- All Costs: Select this option to include every cost associated with the contract line in the withholding calculations.
- Fees: Select this option to include only fee transaction types associated with the contract line in the withholding calculations.
- Specific: Select this option to specify the transaction types associated with the contract line to include in the withholding calculations. This option works in conjunction with the Transaction Identifier field.

Transaction Identifier Select the transaction identifier that the system uses to determine which transactions to include in the withholding calculations for the contract line. Transaction identifiers must first be defined in PeopleSoft Project Costing

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and enable you to predefine groupings of valid project ChartFields used to identify specific transactions.

Note. You can only specify a transaction identifier if you have selected the Specific withholding source option.

Withholding/Release Target

PC Bus Unit (PeopleSoft Project Costing business unit) — Displays the PeopleSoft Project Costing business unit associated with the rate-based contract line on the Related Projects page.

Project — Select the project identifier that displays on the withholding and release summary lines passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Select from the projects associated with the contract line on the Related Projects page.

Activity — Select the activity identifier that displays on the withholding and release summary lines passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Select from the activities associated with the contract line on the Related Projects page.

Source Type — Select the Source Type project ChartField value that displays on the withholding and release summary lines passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Source types are defined in PeopleSoft Project Costing and enable you to define a value that identifies a transaction's purpose. Source types can be used to track, analyze and report on transactions.

Note. This field is required if the Input Control for Source Type is set to *Required* on the Project Costing Business Unit-Project Costing Options page.

Category — Select the Category project ChartField value that displays on the withholding and release summary lines passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Categories are defined in PeopleSoft Project Costing and enable you to further define source types to better track the types of costs occurring against your project and activities.

Note. This field is required if the Input Control for Category is set to *Required* on the Project Costing Business Unit-Project Costing Options page.

Subcategory — Select the Subcategory project ChartField value that displays on the withholding and release summary lines passed to PeopleSoft Billing from PeopleSoft Contracts and to PeopleSoft Project Costing from PeopleSoft Billing. Subcategories are defined in PeopleSoft Project Costing and enable you to further define source types to better track the types of costs occurring against your project and activities.

Note. This field is required if the Input Control for Subcategory is set to *Required* on the Project Costing Business Unit-Project Costing Options page.

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Description Enter the description that appears on the billing invoice to describe the withholding invoice line.

Requested Releases

Option Select the release option for the release amount row. Select from the following options:

- *Bill:* Select this option to pass the release row billing data to PeopleSoft Billing and add the release row amount to the invoice as a billable amount.
- *Write-Off:* Select this option to write off the release row amount and pass the write off data to PeopleSoft Billing and PeopleSoft Project Costing.

Release Amount Enter the amount that is released and billed to the customer or written off. This amount must be less than or equal to the remaining amount withheld to date for the contract line.

Description Enter the description that appears on the billing invoice to describe the released amount invoice line.

Release Status Displays the processing phase for the release row during release processing. The release row may be set to, or display, one of the following statuses:

- *Pending:* Set by the user as a default status. Release rows with a status of *Pending* are selected and processed by the withholding process.

  Note. You can have only one release row in *Pending* status for a contract line. No additional rows may be added until the pending row displays a status of *Complete.*

- *Ready:* Set by the user to indicate that the release row is available for processing. The withholding process does not select release rows for processing unless they are set to *Ready* status.

  Note. You can only have one release row in *Ready* status for a contract line. No additional rows may be added until the ready row displays a status of *Complete.*

- *In Process:* Set by the system after the withholding process is initiated by the system. Release rows with a status of *In Process* are display only and cannot be deleted.

  Note. You cannot add any additional release rows if the previous release row has a status of *In Process.*

- *Complete:* Set by the system after the PeopleSoft Billing to Projects/Contacts interface process is run. Additional release rows can only be added after the previous release row has a status of *Complete.*

Defining Release Justifications

Access the Release Justification page.

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When billing or writing off a portion of the amount withheld, you may want to document any justification for processing the release amount. PeopleSoft Contracts provides a free-form text box on the Release Justification page to document any additional data regarding the release. This page is informational only and does not impact withholding or release processing.

Managing Accounting Distributions for Withholding

When the Contracts Billing Interface process (CA_BI_INTFC) generates withholding and release rows, the system assigns one of the following analysis types to the transactions that are ultimately passed to PeopleSoft Billing and PeopleSoft Project Costing:

- *WTH*: Withholding analysis type assigned to withholding transaction rows.
- *WRL*: Withholding release analysis type assigned to release transaction rows.
- *WWO*: Withholding write-off analysis type assigned to withholding rows that are written off instead of released.
- *WAJ*: Withholding adjustment analysis type assigned to adjustments to withholding transaction rows that are generated as a result of adjusting a withholding invoice line in PeopleSoft Billing.
- *WRJ*: Withholding release adjustment analysis type assigned to adjustments to release transaction rows that are generated as a result of adjusting a withholding release invoice line in PeopleSoft Billing.

For rate-based contract lines, PeopleSoft Contracts uses accounting rules defined in PeopleSoft Project Costing to generate the appropriate accounting entries for transactions that occur against the contract lines. Accounting rules are defined by business unit and analysis type. Analysis types are used to determine which accounting rule is used to generate the appropriate accounting entries for a particular transaction row.

Withholding and release functionality is only applicable to rate-based contract line types and therefore requires accounting rules to generate its accounting entries. To generate accounting entries for all of your withholding and release scenarios, you must define accounting rules for each withholding analysis type for every business unit where withholding and release scenarios may occur.

Note. Because PeopleSoft Contracts uses an Unbilled Accounts Receivable (UAR) account to book accounting entries for withholding and release transaction rows, when setting up your accounting rules for *WTH* and *WRL* rows, you should use the same Unbilled Accounts Receivable (UAR) account code. This will ensure that your accounts remain in sync.

Accounting Entry Example for Withholding Transactions

When you process a withholding transaction, the system generates a transaction row with an analysis type of *WTH*. PeopleSoft Contracts sends an Unbilled Accounts Receivable (UAR) accounting entry to PeopleSoft Billing. PeopleSoft Billing creates the balancing accounting entry.

In this example, you have billed your customer for accumulated costs on a contract and 1,000.00 USD has been withheld from the invoice. The system creates the following accounting entries for the withholding transaction:

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Account	Debit	Credit
Unbilled Accounts Receivable	1000 USD	
Accounts Receivable		1000 USD

Accounting Entry Example for Release Transactions

When you process a withholding release transaction, the system generates a transaction row with an analysis type of *WRL*. PeopleSoft Contracts sends an accounting entry to PeopleSoft Billing to relieve the Withholding Unbilled Accounts Receivable account. PeopleSoft Billing creates the balancing accounting entry.

In this example, you are releasing 650.00 USD from the previous amount withheld and billing the amount to the customer. The system creates the following accounting entry for the withholding release row:

Account	Debit	Credit
Unbilled Accounts Receivable		650 USD
Accounts Receivable	650 USD	

Accounting Entry Example for Writing Off Withholding Amounts

If you are writing off a withholding amount instead of releasing it, you create a release row for the amount and select the release option of *Write Off*. The Contracts/Billing Interface process creates a transaction with a *WWO* analysis type and this data is passed to the Project Transaction (PROJ_RESOURCE) table in PeopleSoft Project Costing. The As-Incurred revenue process (PSA_ACCTGGL) creates the accounting entries for this type of transaction.

In this example, you are writing off 350.00 USD from the previous amount withheld instead of billing the customer. The As-Incurred revenue process uses the accounting rule defined for the *WWO* analysis type to create the following accounting entries:

Account	Debit	Credit
Unbilled Accounts Receivable		350 USD
Revenue	350 USD	

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, “Understanding Accounting Distributions”

PeopleSoft Enterprise Project Costing 9.0 PeopleBook , “Setting Up Accounting for Projects,” Defining Accounting Rules

Generating Billing Invoices

This section discusses:

- Bill processing for withholding and release transactions.

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- Managing over-release scenarios.

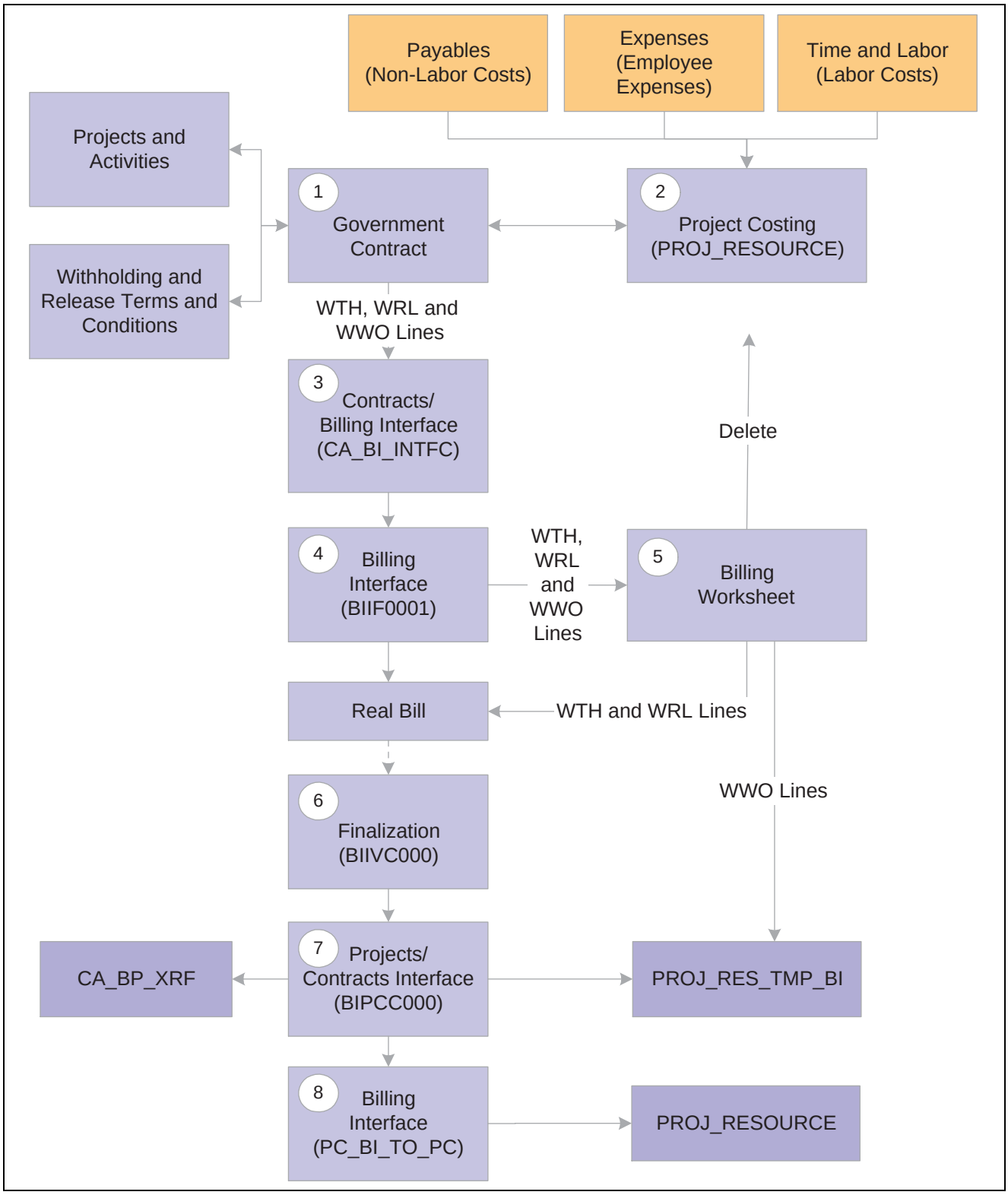
Bill Processing for Withholding and Release Transactions

Billing for withholding applicable contract lines consists of two steps:

1. Bill for transaction costs that have occurred against a contract line, and withhold a portion of those costs according to predefined terms and conditions.
2. Release amounts previously withheld from billed transactions costs and bill the customer for the released amount.

This process flow diagram illustrates the process flow associated with generating withholding and release billing:

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Contracts withholding billing process flow

The following steps describe the Contracts withholding and release billing process flow:

1. Before you can process withholding and release transactions, you must define withholding and release terms and conditions.

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The projects and activities that you associate with your contract lines are used to identify the transactions that the system uses to calculate the inception to date costs. Inception to date costs are the basis for calculating withholding amounts.

2. The system calculates withholding amounts using the most current transaction data that is stored in the Project Transaction (PROJ_RESOURCE) table in PeopleSoft Project Costing.

   This includes cost transactions associated with the projects and activities linked to the withholding applicable contract line, and any previously processed withholding and release rows.

Note. To ensure that the withholding calculation process properly calculates the previous amounts withheld, it is important that you run the processes identified in this process flow diagram in the sequence indicated. Running the processes sequentially enables the system to update the Project Transactions tables with the processed withholding-related transaction rows before the next instance of the withholding calculations are run.

---

3. Run the Contracts/Billing Interface (CA_BI_INTFC) process to calculate withholding amounts and process release amounts.

   This process selects only billing rows for contract lines associated to an as-incurred billing plan that is in *Ready* status. Release rows must also be in *Ready* status to be processed.

   The Contracts/Billing Interface process performs the following tasks:

   - Examines the eligible transactions and calculates the ITD costs.
   - Calculates withholding amounts according to the withholding terms and conditions.
   - Performs currency conversion to convert any foreign transaction amounts to the contract currency.
   - Generates and inserts withholding (WTH), withholding release (WRL), and withholding write-off (WWO) rows and associated accounting distribution data into the Billing Interface Staging tables (PS_INTFC_BI).

4. The Billing Interface (BIIF0001) process passes the billable data to PeopleSoft Billing.

   If the Pre-Approved check box on the billing plan is cleared, the billing interface process creates a temporary bill containing the withholding, withholding release and withholding write-off transaction rows to be approved or deleted using the billing worksheet.

   If the Pre-Approved check box is selected on the billing plan, the Billing Interface creates a permanent bill containing the withholding and withholding release rows and passes the withholding write-off transaction rows to the Project Costing Project Resource Temporary Billing table (PROJ_RES_TMP_BI) to then be sent back to PeopleSoft Project Costing.

   The Billing Interface process performs the following tasks:

   - Populates the Bill Header record with a temporary bill, to be approved or deleted using the Billing Worksheet page.
   - Populates the Bill Line record with the withholding (WTH), withholding release (WRL) and withholding write-off rows.
   - Populates the Bill Line Distribution Detail with the Unbilled Accounts Receivable distribution data from the accounting rules.

5. Approve or delete billable rows, withholding (WTH), withholding release (WRL), and withholding write-off (WWO) rows using the billing worksheet.

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Write-off rows are passed to the Project Resource Temporary table (PS_PROJ_RES_TMP_BI) with the analysis type of *WWO* and a PC_DISTRIB_STATUS of *N* (Not Distributed). Billing data that is approved is copied to a permanent bill in PeopleSoft Billing, assigned an invoice number, and updated to a *RDY* (Ready) status.

If you delete the withholding and release transactions from the billing worksheet, the system cancels the withholding rows and updates PeopleSoft Contracts and PeopleSoft Project Costing to reset the transaction statuses so that the withholding and release transactions can be processed the next time that the Contracts/Billing Interface process is run.

6. The billing finalization process (BIIVC001) performs a variety of tasks including, generating the invoice, including any summarized withholding bill lines on the invoice, setting the invoice date, calculating a due date, and updating the invoice status to *INV* (Invoiced).
7. After the invoice is finalized, you must run the Projects/Contracts Interface process (BIPCC000) .

   This process performs the following tasks:

   - Updates the Project Resource Temporary tables (PS_PROJ_RES_TMP_BI) with withholding (WTH) and withholding release (WRL) rows, and a Billing Distribution Status (BI_DISTRIB_STATUS) of *D* (Distributed).

     If manual adjustments are made to withholding or withholding release rows in PeopleSoft Billing, the Projects/Contracts Interface process also passes withholding adjustment (WAJ) rows and withholding release adjustment (WRJ) rows to the Project Resource Temporary tables to be passed to PeopleSoft Project Costing.
   - Updates the release status in the Contract Line Releases table to *Complete* for invoiced withholding release (WRL) bill lines.
   - Updates the Contracts Billing Cross Reference table (CA_BP_XREF) for the contract line billing plan with summarized bill data.
8. Run the Billing to Projects process (PC_BI_TO_PC) to update the Project Costing Project Transaction table (PROJ_RSOURCE) with the billed, withholding (WTH), withholding release (WRL), withholding write-off (WWO) rows, and billing distribution statuses from the Project Resource Temporary tables (PS_PROJ_RES_TMP_BI).

   This data is used to calculate the withholding amounts and inception to date costs the next time that the withholding process is run.

   If manual adjustments are made to withholding or withholding release rows, the resulting adjustment (WAJ or WRJ) rows are also passed to the Project Transactions table.

Managing Over-Release Scenarios

An over-release scenario occurs when more funds have or will be released than what was withheld to date for a specific contract line. Over release scenarios can occur for one of two reasons:

1. A change in withholding terms for a withholding applicable contract line is made that reduces the inception to date withholding amount after a release is requested or processed for that contract line.
2. A credit transaction is processed in the current billing cycle for a withholding applicable contract line after a release is requested or processed for that contract line.

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When the Contracts/Billing Interface process (CA_BI_INTFC) runs, it calculates and compares the inception to date withholding and release amounts. If the release amount is greater then the withheld amount, then the system determines that an over-release scenario has occurred. In over-release scenarios, the Contracts/Billing Interface process prevents all billing (BIL), Withholding (WTH), withholding release (WRL) and withholding write-off (WWO) rows from being passed to the billing interface. The system updates the process run status on the Process Monitor to *Success*, but generates a warning message in the message log documenting the problem. Before you can continue processing billing and withholding data for the contract line, you must first correct the situation.

To correct an over-release scenario:

- Review the message log generated by the Contracts/Billing Interface to determine the exact problem.
- Navigate to the Withholding Terms page for the contract and contract line, and create a negative release row or adjust the amount of the existing ready release row such that the new inception to date released amount is not greater than the new inception to date withheld amount. This enables the transactions for this contract line to process successfully.
- Rerun the Contracts/Billing Interface process for this specific contract line.

Amending Withholding and Release Terms

Because changes made to withholding terms and conditions can impact billing and revenue recognition, after a contract is active, any changes to these terms and conditions are controlled by amendment processing. Amendment processing enables you to maintain a historical record of these changes.

The following table identifies the withholding terms and conditions controlled by amendment processing:

Withholding Terms and Conditions	Controlled by Amendment Processing
Withholding Rate	Yes
Start Amount Billed	Yes
Maximum Amount Applicable indicator	Yes
Maximum Withholding Amount	Yes
Withholding Source	Yes
Transaction Identifier	Yes
Withholding Release Target details	Yes
Requested Release details	No

See Also

Chapter 16, “Managing Government Contracts,” Amending Withholding and Release Terms, page 289

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CHAPTER 11

Performing Variance Pricing

This chapter provides an overview of variance pricing and discusses how to:

- Define variance rates.
- Run variance pricing.

Understanding Variance Pricing

This section discusses:

- Variance rates.
- Variance pricing.
- Variance pricing statuses.

When a contract is awarded, a contractor can bill and recognize revenue for direct costs, indirect costs, and possibly fees associated with the performance of the contract. To calculate the indirect (overhead) costs associated with a government contract, a contractor utilizes provisional and forward pricing rates. Provisional and forward pricing rates are estimates of actual costs that are incurred throughout the life of the contract. Provisional and forward pricing rates are regulated and approved by the government, but may be subject to change throughout the life of a contract as a more accurate accounting of costs becomes known. Rate changes may be initiated by the government or the contractor. To manage these possible rate changes, PeopleSoft Contracts uses PeopleSoft Project Costing's variance pricing functionality.

Through its integration with PeopleSoft Project Costing, PeopleSoft Contracts enables you to capture and process any rate changes for indirect costs associated with the contract. Such rate changes generally impact a certain period of time within the contract. For a transaction to be eligible for variance pricing, at least one of its source or target rows must have been sent to the billing worksheet, passed to PeopleSoft Billing for invoicing, passed to PeopleSoft General Ledger for revenue recognition or have been used for fee calculations are eligible for variance pricing.

When rate changes occur, the system first verifies if the transaction rows are eligible for repricing. If they are, then variance pricing is ineligible for those transaction rows.

The Variance Pricing process runs the Repricing, then Price Unpriced, then Variance Pricing, and then the Pricing process for the rows created from the Variance Pricing process using the rate set and rate plan (if applicable) for the new rate. New indirect cost rows are generated by the system for the difference in the old and new rates, and the new rates are used to calculate indirect costs against any current or future transactions going forward. When a rate change is made to an eligible costing rate set that is associated with a rate plan, after the new transaction row is created, the system prices the new row using any applicable remaining rate sets contained in the rate plan.

PeopleSoft Contracts maintains a history of these rate changes for audit and reporting purposes.

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Variance Rates

When managing government contracts, you may need to define costing, billing, and revenue rates to calculate transaction costs, overhead, and revenue for your contract's rate-based contract lines. PeopleSoft Contracts uses rate sets and rate plans to perform this function. Rate sets enable you to define how specified contract-related transactions are priced for costing, billing, and revenue recognition. Rate plans enable you to combine multiple rate sets together to perform more complex pricing scenarios.

Revenue rates are only defined if you have selected the Separate Billing and Revenue check box on the Installation Options – Contracts page.

For government contracts, in addition to setting up rate sets for billing and revenue recognition, you also set up rate sets for costing transactions and calculating overhead amounts. These rate sets are identified by a rate definition type of *Cost*, and can contain provisional and forward pricing rates. Provisional rates are approved by the government and are used to calculate costs and overhead that is billed to the government. Forward pricing rates are determined by the contractor and submitted to the government for approval. Forward pricing rates are used to forecast costs and calculate overhead costs for revenue recognition.

To manage and track any changes to your provisional or forward pricing rates over the life of the contract, PeopleSoft Contracts uses variance pricing functionality. To enable the system to calculate and produce transaction rows for rate changes you must complete the following tasks:

- Define a rate set with a rate definition type of *Cost*.

  Your costing rate sets contain your provisional and forward pricing rates, and enable you to calculate indirect costs. Variance pricing is only applicable to active costing rates where associated transactions have been billed, recognized as revenue or used for fee calculations for cost-plus contract line. Any rate changes that occur are tracked and managed using the costing rate sets that you define for the contract.

  When rate changes are processed by Variance Pricing (PC_VAR_PRICING), the system generates transactions rows for the difference between the old indirect cost row and the new indirect cost row, prices the new row, assigns a system source of *PRV* (Variance Pricing) and the analysis type that was defined for the original target costing row.

- Associate the rate set or a rate plan that contains a costing rate set, to the contract lines.

  To calculate, bill, and recognize revenue for rate changes that occur throughout the life of the contract, you must define a rate plan that contains costing, billing, and revenue (optional) rate sets and assign the rate set to your rate-based contract lines.

- When a rate change has occurred, enable the variance pricing option on the costing rate set and enter the new target rate amount.

See Chapter 8, "Pricing Government Contracts," Pricing Rate-Based Contract Lines, page 79.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Working with PeopleSoft Project Costing," Rate Setup

PeopleSoft Enterprise Project Costing 9.0 PeopleBook , "Pricing Project Costs," Defining Rate Sets and Plans

Variance Pricing

When rate changes occur, you may need to adjust rates and pricing retroactively for transactions that have already been billed or have had revenue recognized, and apply the new rates to any transactions that have yet to be priced or billed. Variance pricing enables you to capture rate changes for your active contracts that impact indirect costs, and then apply those rate changes to your transactions retroactively for active contract lines. The system calculates the difference between the old and new rate and then applies the difference in rates against historical costs within a specified date range. New transactions are created for the difference in rates.

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Rate changes may occur throughout the life of the contract, under the following circumstances:

- Rate reviews: Provisional rates are reviewed and adjusted as needed.
- Forward pricing rate adjustments: Forward pricing rates are adjusted as more accurate cost estimates become known.
- Final audits: Cost estimates are compared to actual costs and indirect costs and adjustments are made to reconcile any cost differences.

Variance Pricing Example

Assume that a project has a provisional indirect cost rate of 30 percent. One month the project accumulates an actual direct labor cost of 100 USD and an actual indirect cost of 150 USD. Payroll sends direct and actual indirect costs to PeopleSoft General Ledger, which results in these accounting entries:

Account	Amount
Direct labor cost	100 USD
Actual indirect labor cost	150 USD
Cash	<250 USD>

Payroll sends direct costs to PeopleSoft Project Costing. PeopleSoft Project Costing calculates the indirect burden cost to the project as follows:

(Actual direct labor + (Actual direct labor × Provisional indirect cost rate)) =130 USD

PeopleSoft Project Costing sends the indirect burden cost to PeopleSoft General Ledger, which results in these accounting entries:

Account	Amount
Applied indirect burden cost (labor overhead)	130 USD
Applied over/under asset	<130 USD>

In this example, the actual indirect labor cost is booked to an asset account at the end of the accounting period. The resulting accounting entries are:

Account	Amount
Applied over/under asset	150 USD
Contra expense	<150 USD>

At the end of the year, an evaluation is made to determine if the applied indirect burden cost, based on the provisional indirect cost rate, is in line with the actual indirect cost. In this example, the applied indirect burden cost is 130 USD and the actual indirect cost is 150 USD, which leaves an applied over/under asset account balance of 20 USD.

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Based on the account balance, auditors determine that the indirect burden cost should be variance priced. Variance pricing is used to create a retroactive rate adjustment to align the provisional indirect cost with the actual indirect cost. The system calculates a variance pricing rate of 50 percent, calculates the difference between the original provisional indirect rate and the variance pricing rate, and applies it to the original direct cost. The new indirect cost is 20 USD, as follows:

((50 percent − 30 percent) × 100 USD) = 20 USD

The final accounting entry from PeopleSoft Project Costing to PeopleSoft General Ledger at year-end posts the result from the variance pricing process, and brings the balance of the applied over/under asset account to zero. The accounting entries are:

Account	Amount
Applied indirect cost (labor overhead)	20 USD
Applied over/under asset	<20 USD>

Variance Pricing Setup Requirements

Before entering retroactive rate changes for your contract lines, you must first complete the following steps required by the variance pricing process:

1. Create a contract with a contract classification of *Government*.
2. Assign rate-based contract lines to the contract.
3. Create a costing standard or contract-specific rate set or rate plan, and assign the rate set or rate plan to the applicable rate-based contract lines.

   Variance pricing is only applicable to rate sets with a Rate Definition Type of *Cost* that have the Enable Variance check box selected. However, to bill and recognize revenue for your contract-related direct and indirect costs, you must also create a billing rate set and revenue rate set (if you have selected the Separate Billing and Revenue check box on the Installation Options - Contracts page).

   Because you can assign only one rate set or rate plan to a rate-based contract line at one time, you will most likely combine your costing, billing, and revenue rate sets onto a rate plan in a manner that meets your pricing needs, and assign the rate plan to your rate-based contract lines.

   Note. Rate sets that are eligible for variance pricing cannot have the same field values for Analysis Type, Source Type, Category or Subcategory for both the source and target definition criteria. At least one value must be different between the source and target row. Using a wildcard character for any of these fields is considered to be the same field value for definition purposes, and would cause the rate set to be ineligible for variance pricing.

   See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Pricing Project Costs,” Defining Standard or Contract-Specific Rate Plans.
4. Assign active projects and activities to your rate-based contract lines.

   Transactions for rate-based contract lines are tracked using projects and activities associated with the contract line, and stored in the Project Costing Project Transaction (PROJ_RESOURCE) tables.
5. Set the contract to an active processing status and process transactions.

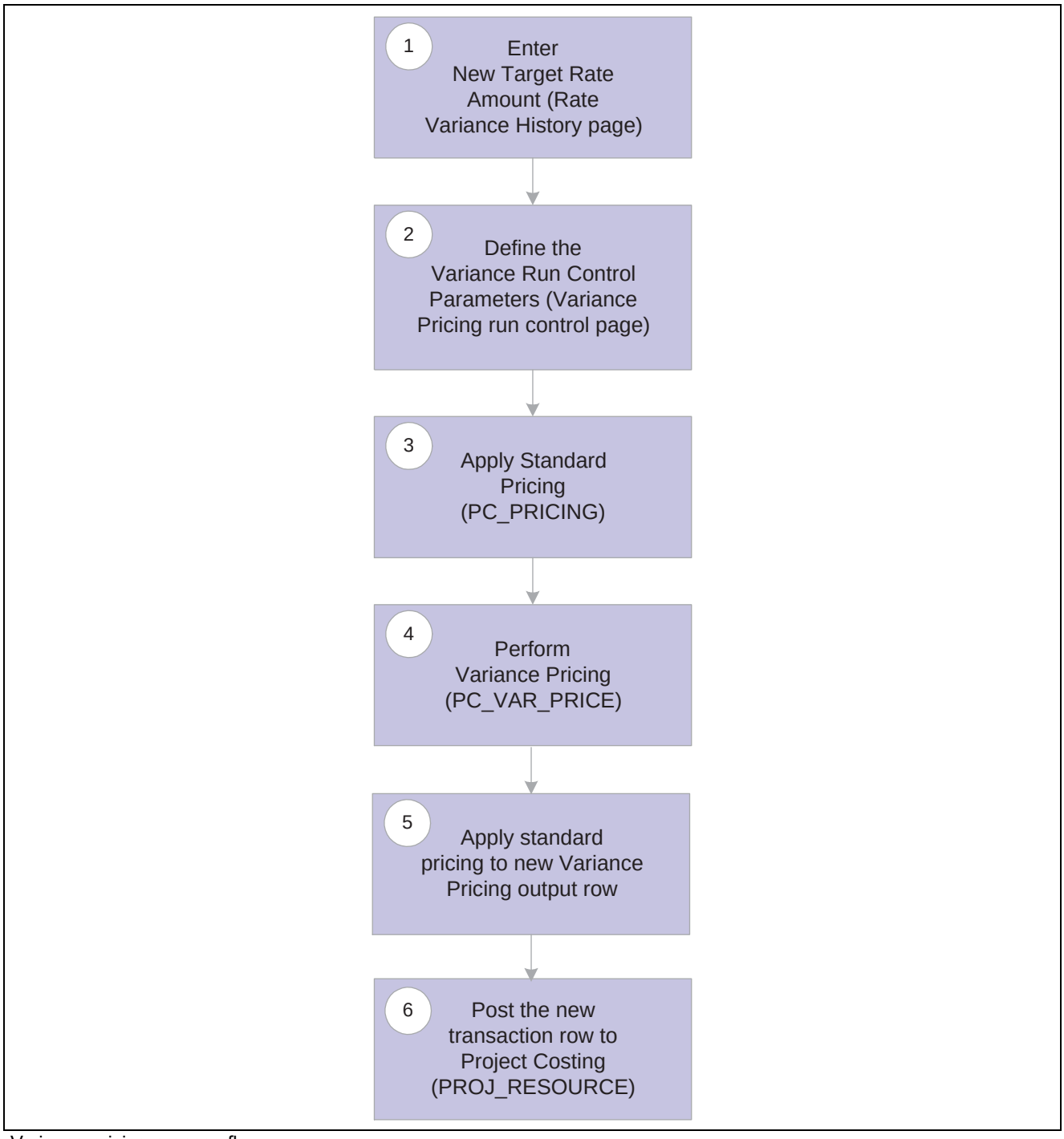
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Transactions that are eligible for variance pricing are project-related transaction associated with rate-based contract lines that are processed through PeopleSoft Project Costing. To process transactions for your contract and rate-based contract lines you must also define as-incurred billing and revenue plans and assign them to the applicable rate-based contract lines for billing and revenue processing for your transactions.

Variance Pricing Process Flow

After the contract has been activated and transactions have been processed, any rate changes that occur over the life of the contract can be applied using the variance pricing feature. The variance pricing feature enables you to apply your rate changes as needed by performing the steps described in this process flow diagram:

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Variance pricing process flow

These steps illustrate a high level example of using variance pricing to distribute transactions at a new rate that you previously distributed at a different rate:

1. Access the active costing rate set to enter the new rates for the target definition.

   Variance rates are generally applied retroactively, over a specified period of time. When accessing the costing rate set, you must use Correction mode to open the page as of the appropriate effective date. To access the Rate Variance History page, navigate to the Target page and enter the new rates for the target definition. Variance rates are tracked and processed using the Rate Variance History page.

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2. Define the variance pricing run control parameters.

   The Variance Pricing process selects the data to process based on the criteria that you specify on the Variance Pricing run control page and applies the following logic:

   - Selects rate plans that are associated with the costing rate set specified on the Variance Pricing run control page.
   - Selects active contracts and projects associated with the rate plan containing the costing rate set specified in the Variance Pricing run control page.
   - Projects associated with the costing rate set must be active, and contracts associated with the costing rate set cannot have a closed processing status.
   - Ensures that the target rate sequence is in *Pending* status.

3. Applies standard pricing.

   After a rate change is made, the variance pricing process calls the Pricing Engine (PC_PRICING) to apply the new rate to any transaction rows that have been priced, but not yet billed or booked to the general ledger, or that have not yet been priced. It also prices any transactions that have not been priced, but are eligible for pricing.

4. Performs variance pricing.

   The variance pricing process performs the following steps:

   a. Selects the eligible transactions that match the effective date and source criteria for the costing rate set.

      Eligible transactions include transaction rows that are not eligible for repricing and have a general ledger distribution status (GL_DISTRIB_STATUS) of *G* (Generated) or *D* (distributed), a billing distribution status (BI_DISTRIB_STATUS) of *W* (worksheet) or *D* (distributed), and do not have a system source of PRR (priced for revenue) or PRP (priced for billing). Transactions with a contracts fee status (CA_FEE_STATUS) of *1* (one), where the transaction has been used for billing or revenue fee calculations for cost-plus contract lines, are also eligible for variance pricing, whether or not the actual transaction has been billed or posted to the general ledger for revenue recognition.

      See Chapter 12, "Creating Cost-Plus Government Contract Lines," Understanding Cost-Plus Contract Fees, page 155.

   b. Calculates the difference between the old rate and the new rate using the following equation:

      (Original source) x (old rate) – (Original source) x (new rate). This amount may be positive or negative.

   c. Creates the new transaction rows for the difference and posts them to the Project Transaction table (PROJ_RESOURCE) in PeopleSoft Project Costing.

      The new transaction rows are assigned the analysis type assigned to the original target row, stamped with a system source of *PRV* (Variance Pricing), assigned a cost, revenue, and billing distribution status of *N* to enable cost stacking, billing, and revenue recognition to occur for the new transactions, and assigned a general ledger distribution status of *C*. The accounting date is specified on the run control page and the transaction date is stamped with the source transaction date.

5. Applies standard pricing to the newly created variance output row.

   Also, after the first target rate change is processed through variance pricing, the system runs the next target rate change for the rate set until all new rate target changes are complete. Rate stacking can also occur on the variance pricing row.

6. After the variance pricing process is complete, the system posts the new transaction rows to the Project Transaction table (PROJ_RESOURCE) where they are eligible for limit processing, withholding, fee processing, billing, and revenue recognition processing.

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Note. When you run the variance pricing process, the system automatically excludes contracts with a processing status of *Closed* Additionally, rows created as part of the variance pricing process are no longer eligible for repricing.

Variance Pricing Rate Stacking Example

When you make a rate change to a cost rate set that is associated with the a rate plan, after variance pricing generates the variance row, the system prices the new transaction row according to the rate plan associated with the costing rate set that is modified.

Step 1: In this example, assume that you have defined a rate plan as follows:

Rate Set	Basis	Analysis Type	Source Type	Category	Sub Category	Rate Amount	Target Analysis Type	Target Sub Category
PROV1	Original	PAY	LABOR	ENG	DIR	.50	PRV	FRING
						1.20	PRV	OVH
PROV2	Target	PRV	LABOR	%	OVH	.30	PRV	G&A
FRDP1	Original	PAY	LABOR	ENG	DIR	.60	FRD	FRING
						1.30	FRD	OVH
FRDP2	Target	FRD	LABOR	%	OVH	.40	FRD	G&A
BIL1	All	PAY	LABOR	ENG	DIR	1.0	BIL	
		PRV	%	%	%	1.0	BIL	
REV1	All	PAY	LABOR	ENG	DIR	1.0	REV	
		FRD	%	%	%	1.0	REV	

Step 2: A 1,000 USD payroll transaction is entered with the following criteria:

Analysis Type	Source Type	Category	Sub Category	Amount
PAY	LABOR	ENG	DIR	1,000 USD

Step 3: The system prices the transaction row using the rate plan defined in Step 1. The results of the process are as follows:

Analysis Type	Resource Type	Resource Category	Resource Sub Category	Foreign Amount	Resource ID	Resource ID From	Factor from Rate Set
PAY	LABOR	ENG	DIR	1000 USD	10001884	10001884	
PRV	LABOR	ENG	FRING	500 USD	10001885	10001884	.50

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Analysis Type	Resource Type	Resource Category	Resource Sub Category	Foreign Amount	Resource ID	Resource ID From	Factor from Rate Set
PRV	LABOR	ENG	OVH	1200 USD	10001886	10001884	1.20
PRV	LABOR	ENG	G&A	360 USD	10001887	10001884	.30
FRD	LABOR	ENG	FRING	600 USD	10001888	10001884	.60
FRD	LABOR	ENG	OVH	1300 USD	10001889	10001884	1.30
FRD	LABOR	ENG	G&A	520 USD	10001889	10001884	.40
BIL	LABOR	ENG	DIR	1000 USD	10001890	10001884	1.0
BIL	LABOR	ENG	FRING	500 USD	10001891	10001884	1.0
BIL	LABOR	ENG	OVH	1200 USD	10001892	10001884	1.0
BIL	LABOR	ENG	G&A	360	10001893	10001884	1.0
REV	LABOR	ENG	DIR	1000 USD	10001894	10001884	1.0
REV	LABOR	ENG	FRING	600 USD	10001895	10001884	1.0
REV	LABOR	ENG	OVH	1300 USD	10001896	10001884	1.0
REV	LABOR	ENG	G&A	520 USD	10001897	10001884	1.0

Step 4: After the transaction has been priced and processed through to PeopleSoft Billing and PeopleSoft General Ledger, a rate change occurs in the second provisional rate set (PROV2) which changes the rate from .30 to a new rate of .50. To perform variance pricing, you must access the rate set PROV2, and enter the new rate of .50 on the Rate Variance History page. When you run variance pricing the system creates a new variance row for the difference between the old rate and the new rate. The newly created row is as follows:

Analysis Type	Resource Type	Resource Category	Resource Sub Category	Foreign Amount	Resource ID	Resource ID From	Factor from Rate Set
PRV	LABOR	ENG	G&A	240 USD	10001900	10001884	.50

The system then continues pricing the new row according to the rate plan defined in Step 1 above. This results in the following new billing row:

Analysis Type	Resource Type	Resource Category	Resource Sub Category	Foreign Amount	Resource ID	Resource ID From	Factor from Rate Set
BIL	LABOR	ENG	G&A	240 USD	10001907	10001884	1.0

Whenever you make a change to a cost rate using the variance pricing functionality, and the rate set is part of a rate plan where rate stacking is defined, the system prices the new variance price row from the point where the change was made on down.

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Variance Pricing Statuses

When entering variance pricing rate changes, each row is assigned a status. The statuses are set and controlled by the system and control the type of action or processing that can occur against the variance rate row. The following rate target sequence statuses are delivered by the system:

- *Pending:* Appears by default when a new variance rate row is added.

  Only one pending rate row may be entered at a time for a target definition. When a variance pricing rate row is in pending status:

  - The rate field is editable.
  - The rate cannot be selected and used for pricing.
  - The rate displays only on the Rate Variance History page and does not appear on the Target page for the rate set.

- *Active:* After the new variance pricing rate is entered, and the Variance Pricing (PC_VAR_PRICING) process is run for the rate set, the system updates the status of the new rate to *Active.*

  Only one active rate row may exist at a time for a target definition. When a variance pricing rate row is in active status:

  - The rate field is display only and can no longer be edited.
  - The new rate is selected and used for pricing both by the Variance Pricing process (PC_VAR_PRICING), and the Pricing process (PC_PRICING).
  - The new rate is displayed on the Target page for the rate set and is associated with a sequence number.

- *Inactive:* After the new variance pricing rate is active, the previous rate row is set to an inactive status by the Variance Pricing process (PC_VAR_PRICING).

  Old rate rows are used in calculating the difference between the old and new rates. Multiple inactive rate rows can exist for a target definition. When a variance pricing rate row is in an inactive status:

  - The rate field for the inactive row is display only and can no longer be edited.
  - The old rate cannot be selected and used for pricing.
  - Inactive rates are displayed only on the Rate Variance History page.

Defining Variance Rates

This section discusses how to:

- Define variance rate sets.
- Define variance rates.

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Pages Used to Define Variance Rates

Page Name	Object Name	Navigation	Usage
Rate Sets	PC_RATE_DTL	• Setup Financials/Supply Chain, Product Related, Contracts, Templates, Rate Sets • Setup Financials/Supply Chain, Product Related, Project Costing, Pricing Structure, Rate Sets	Define source criteria to identify cost transactions from feeder systems used to calculate costs and overhead for contract-related transactions and enable users to enter rate variances on the Rate Sets - Target page.
Rate Sets - Target	PC_RATE_DTL_LN	• Click the Target link on a source row on the Rate Sets page. • Setup Financials/Supply Chain, Product Related, Contracts, Templates, Rate Sets, Target • Setup Financials/Supply Chain, Product Related, Project Costing, Pricing Structure, Rate Sets, Target	Define target data for rate set source rows, and access the Rate Variance History page to define variance rates for costing rate sets.
Rate Variance History	PC_VP_HISTORY	Select the Enable Variable check box on the Rate Sets page. Click the Target link on the source row. Click the History link on the Rate Sets - Target page.	View and enter variance price rates.

Defining Variance Rate Sets

Access the Rate Sets page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Pricing Project Costs,” Defining Rate Sets and Plans.

Defining Variance Rates

Access the Rate Variance History page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Integrating with Contracts for Government Contracting,” Creating Pricing Variances.

Running Variance Pricing

This section provides an overview of running variance pricing, and discusses how to run variance pricing.

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After you have defined your rate changes using the Rate Variance History page, the next step is to perform variance pricing. The Variance Pricing process calls the Pricing Engine (PC_PRICING) to price any unpriced rows or reprice any rows that have not yet been processed and applies the new rates that you defined.

Next, the Variance Pricing engine (PC_VAR_PRICING) calculates the difference between the old rate and the new rate for any transactions meeting the criteria of the rate set that have already been processed. This includes transactions with a general ledger distribution status (GL_DISTRIB_STATUS) of Generated or Distributed (*G* or *D*) or a PeopleSoft Billing distribution status (BI_DISTRIB_STATUS of Worksheet (*W*) or Distributed (*D*) or any transactions that have been used in the fee calculation process for cost-plus contract lines (fee status of one (*1*.)

Finally, the system applies the new delta rate amount to the transactions that meet the rate set criteria that have already been processed, and creates new transaction rows with the analysis type assigned to the Target definition for the original costing source, applies standard pricing to the newly created row, and posts the transaction to the Project Transaction (PROJ_RESOURCE) table in PeopleSoft Project Costing. The new rows are eligible for limit processing, withholding processing, fee processing, billing and revenue recognition.

Note. When running the variance pricing process (PC_VAR_PRICE), you must select a rate set Id on the run control page to ensure that the variance is accurately captured for all applicable project transactions within a given rate set. After a newly created variance pricing row is priced, you cannot reprice that row.

Page Used to Run Variance Pricing

Page Name	Object Name	Navigation	Usage
Variance Pricing	PC_VAR_PRICING	Project Costing, Utilities, Variance Pricing	Run the variance pricing process on selected rate sets.

Running Variance Pricing

Access the Variance Pricing page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Integrating with Contracts for Government Contracting,” Applying Pricing Variances.

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CHAPTER 12

Creating Cost-Plus Government Contract Lines

This chapter provides overviews of creating cost-plus contract lines, lists prerequisites and common elements, and discusses how to:

- Define fee calculations.
- Define cost-plus contract header data.
- Define cost-plus contract lines.
- Add products to contracts with cost-plus functionality.
- Create ad hoc products for cost-plus contract lines.
- Price cost-plus contract lines.
- Define cost-plus contract fees.
- Run the Pricing Engine for cost-plus contract lines.
- Set up revenue plans for cost-plus contract lines.
- Process cost-plus contract line revenue.
- Set up billing plans for cost-plus contract lines.
- Process billing for cost-plus contract lines.
- Review revenue and billing fees.
- Create amendments.

Understanding Creating Cost-Plus Government Contract Lines

This section discusses:

- Creating cost-plus government contracts.
- Cost-plus contract line accounting distribution.
- Project and activity assignments for cost-plus contract lines.

Government contracts are awarded based on bids submitted to the government that contain a company's estimated costs and rates for performing the contract. Once awarded, contractors must be able to effectively manage their costs and fees so that they stay within the terms and conditions outlined in the contract. This helps ensure that the contractor is appropriately reimbursed for their costs, and any fees that they receive represent a sufficient profit for their services.

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To ensure that they receive proper payment for their services, government contractors track, calculate, and report on direct costs, indirect costs, and fees. To accommodate this requirement, PeopleSoft Contracts enables you to define government contracts and associate rate-based contract lines with fee types (cost-plus). After the contract lines are added to the contract, you can define additional terms and conditions, set up accounting distributions, define limits, fee calculation data, projects, activities, and standard or contract-specific rate plans for the contract lines to enable you to bill and recognize revenue for your direct costs, indirect costs, and fees according to the terms and conditions of the contract.

Creating Cost-Plus Government Contracts

To define a contract with cost-plus functionality, complete the following steps:

1. Determine if you are calculating billing and revenue for your cost-plus contract lines using different rates.

   If so, select the Separate Billing and Revenue option on the Installation Options-Contracts page.

2. Define a new contract with a contract classification of *Government*.

   A contract must be assigned a contract classification of *Government* to have access to the government contracts and cost-plus functionality.

3. Add rate-based contract lines to the contract that are assigned a fee type of *Fixed, Award, Incentive* or *Other*.

   Cost-plus contract lines are represented as rate-based contract lines assigned a fee type. After you assign a fee type to the contract line, the system automatically generates the pages and fields specific to that fee type used in processing direct and indirect costs and fees.

4. Enter the awarded, funded, and revenue contract line amounts for billing and revenue, as well as billing and revenue fee amounts.

   Enter these amounts on the Contract Amounts page for each contract lines. These amounts represent limits for billing and revenue and are also used in fee calculations by the fee worksheets for each contract line. You can also enter the period of performance dates to control limits and bill processing on this page.

5. Assign projects and activities to the contract lines.

   PeopleSoft Contracts uses the projects and activities in PeopleSoft Project Costing to track and calculate costs associated with the contract lines and to calculate fees. You must assign at least one project and activity set to the contract line.

6. Define and assign a rate plan to the contract line.

   Rate plans consist of a grouping of rate sets used to price transactions that occur against the contract line. Cost-plus contract lines require that you calculate direct and indirect costs. To manage this complex pricing scenario, you must define costing, billing, and optionally revenue rate sets and then group them together onto one rate plan.

   As only one rate set or rate plan can be assigned to a contract line at any one point in time, you must assign rate plans to cost-plus contract lines to enable you to calculate the project transaction costs and then bill and recognize revenue for those expenses. You can define a standard set of rates and assign them to your contract lines, or you can define rates that are specific to the contract that you are creating.

7. Define revenue and billing plans and assign them to the contact lines.

   To bill and recognize revenue for your cost-plus contract lines and associated fees, you must define billing and revenue plans using the as-incurred revenue method and assign them to your contract lines. Cost-plus contact lines must be assigned to their own unique billing and revenue plans and must use the as-incurred billing and revenue method.

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You can set up and assign billing and revenue plans for your cost-plus contract lines manually, or automatically using billing/revenue plan templates. No matter which method that you use, when the billing and revenue plans are assigned to the contract lines, the system automatically creates a billing and revenue worksheet that is specific to the fee type.

Note. If you do not select the option to Separate Billing and Revenue on the Installation Options-Contracts page, the system will not generate a revenue worksheet, and all fields related to defining separate revenue amounts and fee data is hidden. However, you still must define a revenue plan to process revenue accounting entries for the contract line.

After you have completed all of your contract specific setup, you can begin processing transactions against the contract lines and generate invoices and revenue accounting entries for your contract lines and fees.

Cost-Plus Contract Line Accounting Distribution

PeopleSoft Contracts enables you to capture billing and revenue information for a contract and allocate that information to individual contract lines. You associate each contract line with billing and revenue accounting distributions, billing and revenue plans and methods, manage when the conditions for billing and recognizing revenue have been met, and generate invoices and journal entries to book the revenue to the general ledger. Before you can perform bill and revenue processing for your government contract lines, you must first set up the required accounting distributions.

For rate-based contract lines and rate-based contract lines associated with fee types, you must define accounting rules. Accounting rules are set up using the Project Costing Accounting Rules pages and are defined by PeopleSoft Contracts and PeopleSoft Project Costing business units and analysis type. Depending on whether you will be using different rates for your billing and revenue calculations for your contract lines, and have selected the Separate Billing and Revenue option on the Installation Options-Contracts page dictates the amount of accounting rules setup needed.

For billing purposes, the Contracts/Billing Interface (CA_BI_INTFC) process retrieves the unbilled accounts receivable ChartField values from the billing accounting rules. When the As-Incurred revenue process is run in PeopleSoft Contracts, it looks to the accounting rules defined to retrieve the appropriate revenue accounting distribution ChartFields for the eligible contract lines and fees.

The system processes all undistributed billing and revenue rows stored in the PROJ_RESOURCE table in PeopleSoft Project Costing and generates the billing and revenue accounting entries that can be billed and booked to the general ledger. To ensure that the system generates accounting entries for all of your eligible contact lines and fees, you must define an accounting rule for each analysis type associated with the PSWKS, PSREV and PSRV2 analysis groups.

Note. If you have elected to use separate rates for billing and revenue calculations and have selected the Separate Billing and Revenue option on the Installation Options-Contracts page, then you must also set up accounting rules using the REV (revenue) analysis type. This analysis type is associated with the PSRV2 analysis group and is used to generate the revenue accounting entries for your cost-plus contract lines and fees when the As-Incurred Revenue process is run.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Setting Up Accounting for Projects”.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, “Understanding Accounting Distributions,” Rate-based Contract Lines

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Project and Activity Assignments for Cost-Plus Contract Lines

PeopleSoft Contracts partners with PeopleSoft Project Costing to enable you to bill and recognize revenue for projects and activities associated with a contract. To enable you to properly price and track transactions associated with your projects and activities, you must associate the pricing rates, projects, and activities with your contract lines. For rate-based contract lines, you must assign at least one project and activity to your contract line. In addition, for cost-plus contract lines, you must indicate which project and activity set should be stamped on the fee rows generated for the contract line. At least one project and activity set must be selected for stamping on the fee row at any one point in time; however, you can change which project and activity set is used throughout the life of the contract line, outside of amendment processing.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Pricing Cost-Plus Contract Lines, page 150.

See Chapter 7, "Creating Government Contracts," Assigning Projects and Activities to a Contract Line, page 69.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Working with PeopleSoft Project Costing"

Prerequisites

Before you can set up a government contract with rate-based contract lines associated with fee types (cost-plus), you must complete the following steps:

1. Set up analysis types and analysis groups for processing forward pricing and provisional pricing rates.

   You also must define the analysis types that you want stamped on the fee rows generated by the system.

2. Define the fee types used in your contracts at the PeopleSoft Contracts business unit level.

   PeopleSoft Contracts supports the fee types of Award, Fixed, Incentive, and Other. Each of these fee types must be defined before you can assign them to your cost-plus contract lines and utilize the cost-plus functionality.

3. Select the Separate Billing and Revenue option on the Installation Options-Contracts page (optional).

   If you bill and recognize revenue using separate rates for your cost-plus contract lines, then you must select this option to activate the revenue worksheet and fee features. If you bill and recognize revenue using the same rates, then you do not have to select this option.

4. Define rate sets and rate plans.

   Rate plans must be assigned to your cost-plus contract lines to perform pricing for direct and indirect costs.

5. Define accounting rules used to assign billing and revenue accounting distributions to your contact lines and fees.

   You must define accounting rules for each analysis type in the PSWKS, and PSREV analysis groups. If you select the Separate Billing and Revenue option on the Installation Options-Contracts page, then you must also define accounting rules for each analysis type in the PSRV2 analysis group.

6. Create a contract with a contract classification of *Government*.

7. Add rate-based products to the contract that are assigned a fee type of *Fixed, Award, Incentive* or *Other*.

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After you have added your contract lines associated with fee types, you must complete the fee-specific fields and remaining contract line attributes, such as assigning projects and activities, and so on, that are required to enable you to bill and recognize revenue for your contract lines and fees.

Common Elements Used in This Chapter

Acct Date or **Accounting Date**
Enter the accounting date to indicate when the event is eligible for booking to the general ledger.

Accounting Date (Processing Options)
Select the accounting date to be stamped on the billing or revenue fee row when it is created by the system. This date populates the accounting date field for the fee transaction row in the Project Costing Project Transaction table. You can select from the following options:

- *Processing Date*: Select to use the system date that the process is run for the accounting date.
- *User Define*: Select to enter a specific date that the system uses as the accounting date when the process is run.

Add Milestone
Click to access the Milestone Entry page, where you can define a new milestone to add to a revenue plan fee event for your award and incentive revenue fees.

All Billable Costs
Displays the total of all cost rows assigned a billing (BIL) analysis type from the contract line's inception to the current date. This total comes from the eligible billing cost rows summed from the Project Costing Project Transactions tables that meet the following criteria:

- The analysis type for the cost is contained in the BIL analysis group defined in the fee type definition.
- The resource type for the cost is not excluded in the fee type definition.
- No fees have been generated against it, and the CA_FEE_STATUS is *blank*
- The transaction date for the costs is within the period of performance specified on the fee worksheet.

Note. Period of Performance dates are only enforced when the Control Limits and Billing check box is selected.

Amount (Events)
Displays the proposed award, additional award or incentive amount from the revenue fee worksheet. This amount is validated against the revenue fee limit and cannot be overridden on the event row. To change the proposed amount you must navigate to the revenue fee worksheet. Anytime that a proposed amount is modified, the system validates the amount against the revenue fee limit once the amount is entered and saved.

Costs Used in Fee Calculation (Project Costing-Billing)
Displays the total of all billable cost rows from the contract line's inception to the current date with a fee status of one (*1*). The minimum valid value for this field is zero, and the maximum valid value for this field is the total of all billable costs rows from the contract line's inception to the current date.

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This total comes from the billing cost rows stored in the Project Costing Project Transactions tables.

Current Period Billable Costs Displays the total of all billable costs rows with a blank fee status value. A blank fee status indicates that the billable costs row has not been used for fee calculations. This total comes from the billing cost rows stored in the Project Costing Project Transactions tables.

Days Lag For *Milestone* event types, you can specify a positive number in this field. The days lag is the number of days after the milestone has completed that the system waits before processing the event.

Event Displays the event sequence number. The award fee schedule enables you to enter additional event rows to process your revenue fees. The incentive fee schedule allows only one event fee row to be entered on the schedule.

Event Type Select the event type of milestone or date. Use an event type of *Date* to trigger revenue recognition for your award or incentive fees based on the accounting date specified for the event.

Use an event type of Milestone to trigger revenue recognition for your award or incentive fees based on the completion of a PeopleSoft Contracts or PeopleSoft Project Costing milestone.

Event Status (Award or incentive fee event schedule) Select the status of the event. The event status controls the timing of when the event can be processed. Select from the following statuses:

- *Pending:* Appears by default when you open the Revenue Plan award or incentive fee event schedule page.

  You can enter a fee event row in pending status and edit the fee event data.

- *Ready:* Set the fee event row to *Ready* status when you are ready to process the adjustment.

  When you run the As-Incurred Revenue (PSA_ACCTGGL) process to generate the event row, the system checks the amount against the award or incentive fee limit. Only one event row can be set to *Ready* status at any one time.

  Fee event rows in *Ready* status cannot be edited. You must first reset the status to pending to make any changes to the row.

- *Completed:* Set by the system when you run the As-Incurred revenue process.

  The system processes the revenue fee and sets the event row to a status of *Completed*. Award and incentive fee event rows in *Completed* status can no longer be edited.

Event Note Click the link to enter a free-form note regarding the fee event.

Funded Cost Limit Displays the funded limit amount entered on the Contract Amounts page for the contract line. The minimum valid value for this field is the inception to date actual costs that have had billing rows created. The maximum valid value for this field is the billing cost limit entered on the Contract Amounts page.

Funded Fee Limit Displays the funded fee limit amount entered on the Contract Amounts page for the contract line. The minimum valid value for this field is the inception to

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date fee amount that has been billed. The maximum valid value is the limit for the funded fee limit amount that is entered on the Contract Amounts page.

Override Select to override the amounts entered in the revenue fee limit, fee percent, and proposed fee fields. Any overrides that you enter only apply to the one fee row that is created and is subject to fee limit processing. Once the fee is generated, the system resets the override option to *Proposed* and resets any changed values back to their previous values.

Note. If no fee is to be recognized for the contract line, then you must manually enter zero in the proposed fee field and select the Override option. Otherwise, the system processes the fee amount proposed by the system.

Milestone Origin Select from the following values:

- *Contracts:* Associates the revenue recognition fee event to a milestone that was defined in PeopleSoft Contracts.
- *Projects:* Associates the revenue recognition fee event to a milestone that was defined in PeopleSoft Project Costing.

Milestone Nbr (Milestone Number) If you have a *Milestone* event type with an origin of *Contracts,* select a milestone number from the drop-down list box of all milestones that you have defined for this contract.

Milestone Status Displays the status of the selected milestone. Values are: *Pending, Ready, Completed,* and *Cancelled*.

Process Automatically Select to automatically verify that the proposed fee amount is within the specified limit parameters, accept the system proposed fee amount, and process the proposed fee amount to PeopleSoft Billing and PeopleSoft General Ledger for your billing and revenue fees.

Project Info If you have a *Milestone* event type with an origin of *Projects*, click to select the project and activity and activity status containing the milestone to which you want to link this revenue event.

Proposed Select to accept the proposed fee amount calculated by the system. This option is selected by default for the revenue fee worksheet.

Submit for Processing Click the button to run the fee limit processor and generate a billing or revenue fee row. The fee limit processor evaluates the proposed fee and determines if the fee amount is within the billing and revenue fee limits defined for the contract line. The fee limit processor can also be initiated when the fee worksheet is saved.

Total Contract Line Displays the total of the funded cost and funded fee limit amount for the contract line.

Defining Fee Calculations

To enable the PeopleSoft Contracts system to calculate fees for your cost-plus contract lines, you must first complete the system setup for the fees that are used in your contracts, and then enter the relevant fee calculation data used by the fee worksheets to calculate the proposed fee amounts for each contract line.

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To set up your system to enable fee processing, complete the following tasks:

- Set up the fee definitions for all fee types used in your contracts at the PeopleSoft Contracts business unit level.

  Note. If a fee definition is not set up for a specific fee type, that fee type cannot be associated with a contract line, added to a contract, and saved. Edit checks exist on the contract to prevent this situation from occurring.

- Set up the fee analysis groups and types used by the fee worksheets to calculate the proposed billing and revenue fee amounts.

After you have set up the fee requirements for your system, you must enter the relevant fee data for your cost-plus contract lines on the individual contracts to enable the system to calculate fees. All contract line cost data is stored in the Project Costing Project Transaction tables.

To set up your contract lines to enable fee processing, complete the following tasks:

- Complete the Contract Amounts page.

  Cost-plus contract lines are associated with a Contact Amounts page that enables you to define the funded, revenue and fee limit amounts that are used in the billing and revenue fee calculations. You can also enter period of performance date ranges on this page for cost and fee limit processing.

- Assign at least one project and activity to the contract line.

  Projects and activities must be assigned to the cost-plus contract lines to indicate which costs should be included in the inception to date cost calculations for fees. You also must select which project and activity set should be stamped on the generated billing and revenue fee rows.

- Assign an active rate plan to the contract line.

  Contract–specific or standard rate plans must be assigned to the cost-plus contract lines to enable the system to generate costs, indirect costs, billing and revenue rows used in the calculation of fee rows.

  If your contract lines do not require complex pricing, a single contract-specific or standard rate set can be used.

See Chapter 12, “Creating Cost-Plus Government Contract Lines,” Defining Cost-Plus Contract Fees, page 154; Chapter 12, “Creating Cost-Plus Government Contract Lines,” Defining Fee Worksheet Analysis Types, page 157; Chapter 12, “Creating Cost-Plus Government Contract Lines,” Defining Cost-Plus Contract Lines, page 139 and Chapter 12, “Creating Cost-Plus Government Contract Lines,” Pricing Cost-Plus Contract Lines, page 150.

Defining Cost-Plus Contract Header Data

This section provides an overview of defining contract header data for contracts containing cost-plus contract lines and discusses how to define contract headers for contracts containing cost-plus contract lines.

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Understanding Defining Contract Header Data for Contracts Containing Cost-Plus Contract Lines

The contact header enables you to define the customer data, as well as the overall terms and conditions for the contract, such as billing options, payment terms, contract start date, and relationship, if any, to other contracts. To apply the cost-plus functionality for a contract, you must define the contract, assign a contract classification of *Government*, and assign at least one rate-based contract line to the contract that is associated with a fee type other than *None*.

See Also

Chapter 7, "Creating Government Contracts," Understanding Defining Contract Header Data, page 47

Page Used to Define Contract Headers for Contracts Containing Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Contracts – General	CA_HDR_PNL	Customer Contracts, Create and Amend, General Information, General	Set up and manage contract header information.

Defining Contract Headers for Contracts Containing Cost-Plus Contract Lines

See Chapter 7, "Creating Government Contracts," Defining General Contract Information, page 46.

Defining Cost-Plus Contract Lines

This section provides an overview of defining cost-plus contract lines, lists common elements and discusses how to:

- Define cost-plus contract line terms and amounts for fixed fees.
- Define cost-plus contract line terms and amounts for award fees.
- Define cost-plus contract line terms and amounts for incentive fees.
- Define cost-plus contract line terms and amounts for other fees.

Understanding Defining Cost-Plus Contract Lines

Cost-plus contract lines are rate-based contract lines associated with a fee type. To track, calculate, and report on fees associated with a government contract, you must define a contract with a contract classification of *Government* and add rate-based contract lines to it that have been assigned a fee type of *Fixed, Award, Incentive* or *Other*. A government contract can contain any combination of rate-based contract lines associated with various fee types, but only one fee type can be assigned to a rate-based contract line. After you add the contract lines to the contract and save the contract, the system can create fee-specific pages to process and manage cost-plus attributes, such as funded amount, revenue and fee limits, period of performance billing controls, fee worksheets, and so on.

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After a fee type is assigned to a rate-based contract line, and that contract line is added to the contract and saved, the system generates a fee-specific Contract Amounts page, and Billing and Revenue Fee Worksheet pages, that once complete, enables the system to calculate fees. The data entered on the Contract Amounts page enables the system to calculate the funded and revenue fee amounts as well as capture base fee calculation data used by the billing and revenue fee worksheets. Because the attributes used for cost-plus contract processing are controlled at the contract line level, if a contract line is added with an incorrect fee type, you must delete that contract line and unassign any billing and revenue plans associated with it. You can then add a new contract line assigned to the correct fee type.

See Chapter 7, "Creating Government Contracts," Defining Contract Lines, page 51.

Common Elements Used in This Section

Awarded Cost Enter the awarded amount for the contract line. This amount is used as a control amount and cannot be exceeded by the entered funded amount.

Awarded Fee Enter the awarded fee amount for the contract line. This amount is used as a control amount and cannot be exceeded by the entered funded fee amount.

Awarded Total Displays the calculated total of the awarded costs and awarded fee amounts for the contract line.

Funded Cost Enter the funded costs amount for the contract line. This amount is used for limit processing for transactions occurring against this contract line. The amount that you enter here cannot exceed the awarded amount.

Funded Fee Enter the funded fee amount for this contract line. Government contracts generally contain limits on the amount of fees that can be billed. The amount entered here is used to limit the amount of fees that can be billed for this contract line. For fixed, award, and incentive fees, this field is populated by the system based on calculations using the funded cost amount; however, the value can be overridden. For a fee type of *Other*, you must enter the funded fee amount.

Funded Total Displays the calculated total of funded cost and funded fee amounts for the contract line.

Revenue Cost Enter the revenue costs for the contract line. This field will only appears for contract lines associated with a fee type (cost-plus) and you must have selected the *Separate Billing and Revenue* option on the Install Options-Contracts page. Enter a revenue cost amount when you need to set a separate revenue recognition limit amount for this contract line.

Revenue Fee Worksheet Click to access the revenue fee worksheet. This link will only appears for contract lines associated with a fee type (cost-plus) and you must have selected the *Separate Billing and Revenue* option on the Install Options-Contracts page.

Transaction Limits Click to access the Transaction Limits page and enter transaction limit criteria and amounts for this contract line.

See Chapter 9, "Creating and Managing Limits," Setting Up Transaction Limits, page 90.

Review Limits Click to access the Review Limits component. The Review Limits component enables you to review overall limit amounts, amounts remaining, and any amounts in excess for the contract line. For excess limit amounts, you can also view the details of the last processed transaction.

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See Chapter 9, "Creating and Managing Limits," Pages Used to Review Limit Processing, page 95.

Perform Limit Checking Click this button to perform limit checking for this contract line on an ad hoc basis. Clicking this button will launch the Limits (CA_LIMIT) process and run limit checking for the contract line's billing and revenue limit amounts if changes were made using amendment processing.

Start Date Enter the start date for the contract line. Government Contracts enables you to control billing and limit processing within a specified date range per contract line. After the contract is set to an active processing status, this date is no longer editable if the Control Limits and Billing option is selected.

End Date Enter the end date for the contracts line. After the contract is set to an active processing status, this date can be changed throughout the life of the contract, using amendment processing, but cannot be set to a date prior to the entered start date.

Control Limits and Billing Select the check box to control billing and limit processing for rate-based and rate-based contract lines associated with a fee type (cost-plus). When this option is selected, the Contracts/Billing Interface (CA_BI_INTFC) process and the Limits (CA_LIMIT) process will only select transactions for processing if the transaction date falls within the period of performance date. All other transactions are not processed.

Note. If you have not selected the option to separate billing and revenue on the Installation Options-Contracts page, the period of performance settings also apply to revenue, as the billing transaction rows (BIL) are used for both billing and revenue recognition purposes.

See Chapter 9, "Creating and Managing Limits," Setting Up Contract Amounts, page 87.

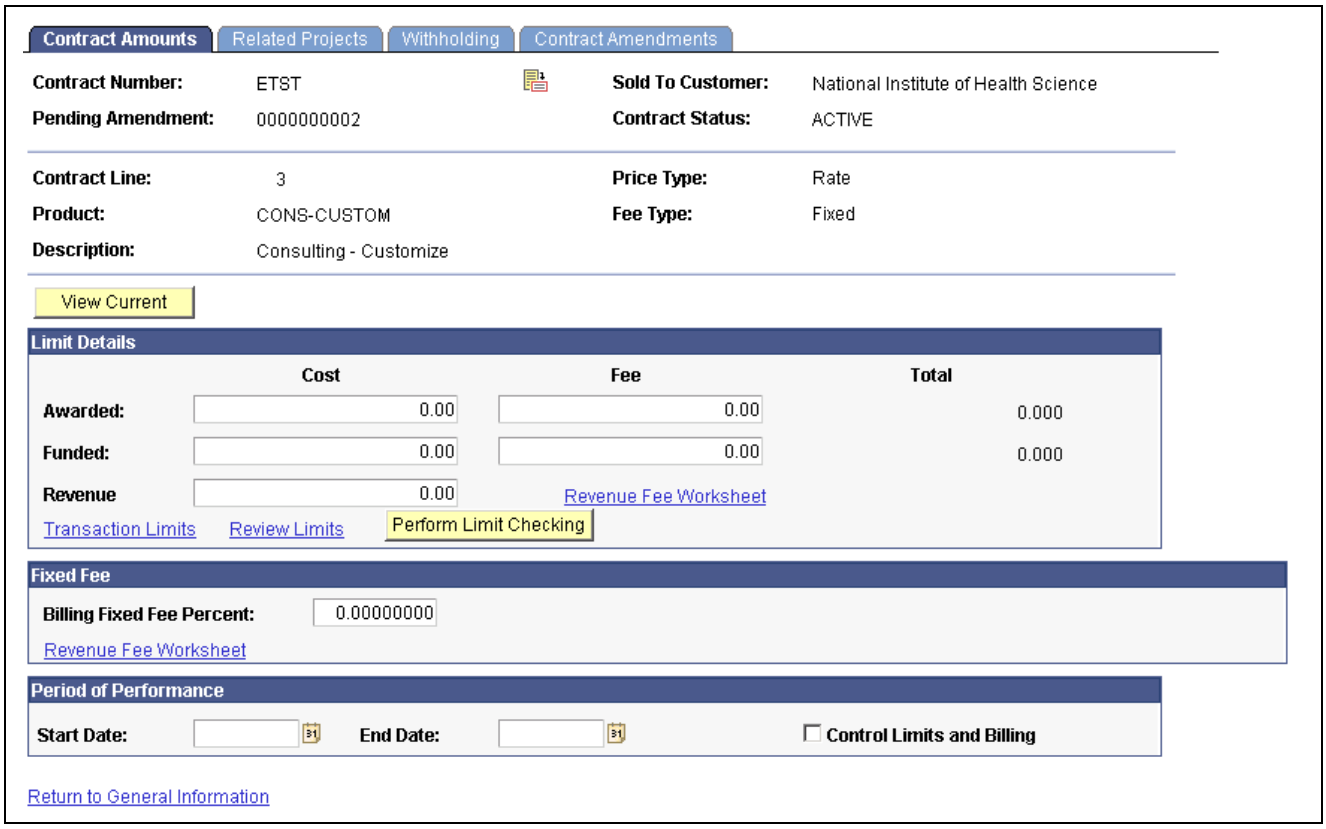
Page Used to Define Cost-Plus Contract Line Terms and Amounts

Page Name	Object Name	Navigation	Usage
Contract Amounts	CA_AMT_TERMS	• Customer Contracts, Determine Price and Terms, Contract Terms, Contract Amounts • Click the Contract Terms link on the Detail tab of the Contract – Lines page.	Define contract terms and conditions and set up limit processing parameters for rate-based contract lines associated with fee types of *Fixed*, *Award*, *Incentive* and *Other*.

Defining Cost-Plus Contract Line Terms and Amounts for Fixed Fees

Access the Contract Amounts page for fixed fees.

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Contract Amounts page

Fixed Fee

Billing Fixed Fee Percent Enter the fixed fee percent amount for the contract line. The fixed fee percent is multiplied by the total funded costs to determine the total funded fee amount. The fixed fee amount represent the profit earned on top of total costs for performing the service or creating the product defined on the contract, but is subject to a limit.

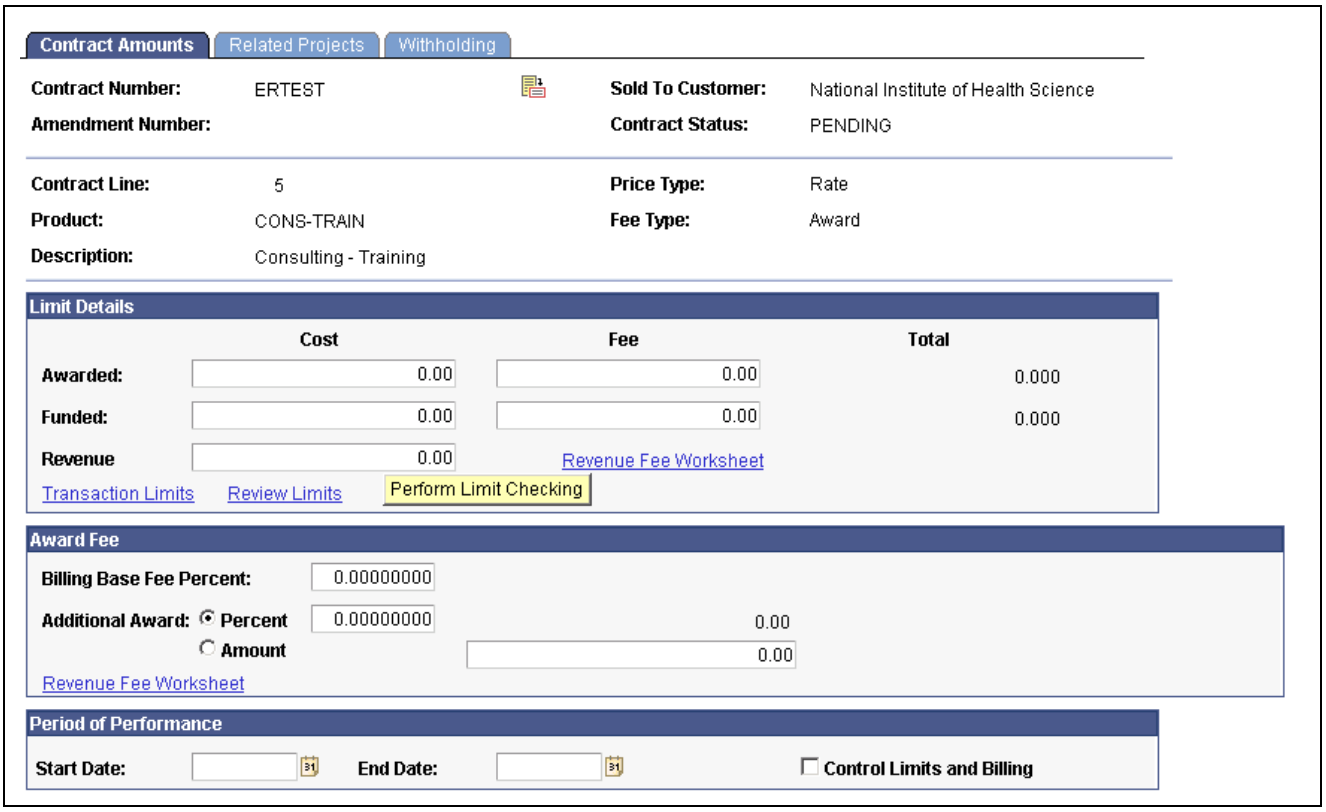
Revenue Fee Worksheet Click to access the revenue fee worksheet and define, calculate and manage fixed fee percentages, limit amounts and fee amounts for revenue. This link only appears if you have selected the Separate Billing and Revenue check box on the Installation Options-Contracts page, and after the revenue plan is defined for the contract line.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Fixed Fee Revenue Fee Worksheets, page 164.

Defining Cost-Plus Contract Line Terms and Amounts for Award Fees

Access the Contract Amounts page for award fees.

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Contract Amounts page

Award Fee

Billing Base Fee Percent Enter the billing base fee percent amount for the contract line. The billing base fee percent is multiplied by the total funded costs to determine the total funded fee amount. The billing base fee amount represent the agreed upon profit percentage earned on top of total costs for performing the service or creating the product defined on the contract, but is subject to a limit.

Note. If no base fee percentage is provided by the government, you can enter zero in this field, and the system will not calculate a base fee amount.

Additional Award Enter the additional award amount or percent available for work completed for this contract line. If you select the Percent option, and enter a percentage, the system multiplies the percentage by the funded cost amount and displays the result in the corresponding field. You can manually override the calculated amount if needed, or select the Amount option and enter the amount in the corresponding field.

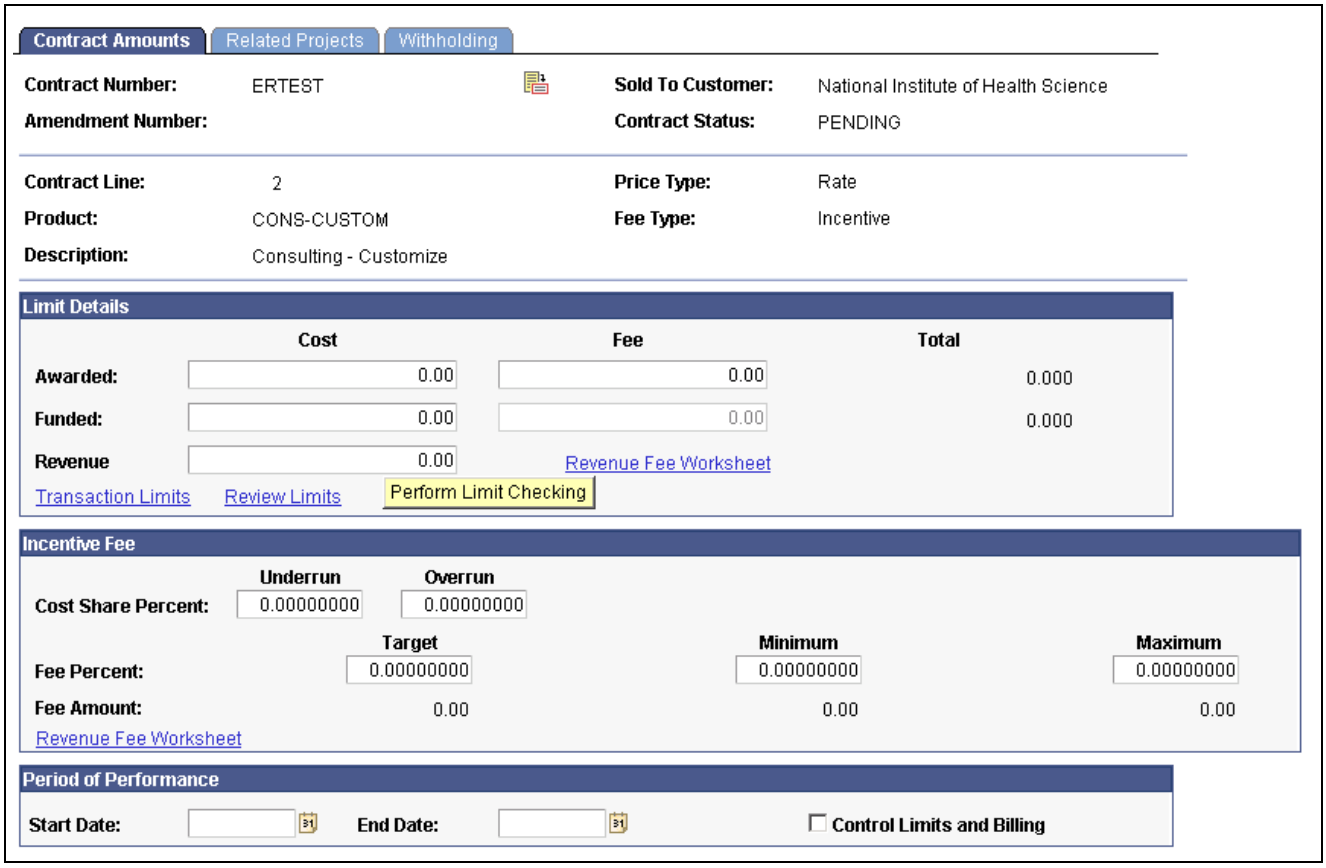
Revenue Fee Worksheet Click to access the revenue fee worksheet and define, calculate, and manage award fee percentages, limit amounts and fee amounts for revenue. This link only appears if you have selected the Separate Billing and Revenue check box on the Installation Options-Contracts page, and after the revenue plan is defined for the contract line.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Award Fee Revenue Fee Worksheets, page 165.

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Defining Cost-Plus Contract Line Terms and Amounts for Incentive Fees

Access the Contract Amounts page for incentive fees.



Contract Amounts page

Incentive Fee

Incentive fee calculations are based on the funded and revenue limit amounts that you enter on this page. If you leave these fields blank, then the system cannot properly calculate the fee amounts for billing and revenue. Revenue fee limit amounts are only required if you have selected the Separate Billing and Revenue option on the Installation Options-Contracts page.

Cost Share Percent: Underrun Enter the cost share underrun percentage that the system uses to adjust the target fee percentage that can be billed. Fee calculations are based on the funded cost amount.

Cost Share Percent: Overrun Enter the cost share overrun percentage that the system uses to adjust the target fee percentage that can be billed. Fee calculations are based on the funded cost amount.

Fee Percent: Target Enter the target fee percent that the system uses to calculate the target fee amount. Fee calculations are based on the funded cost amount.

Fee Percent: Minimum Enter the minimum billable fee percentage for the contract line. Fee calculations are based on the funded cost amount.

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Fee Percent: Maximum Enter the maximum billable fee percentage for the contract line. This fee percent is used to calculate the funded fee limit amount by multiplying the maximum fee percent by the funded cost amount.

Fee Amount: Target Displays the calculated result of the target fee percentage multiplied by the funded cost amount.

Fee Amount: Minimum Displays the calculated result of the minimum fee percentage multiplied by the funded cost amount.

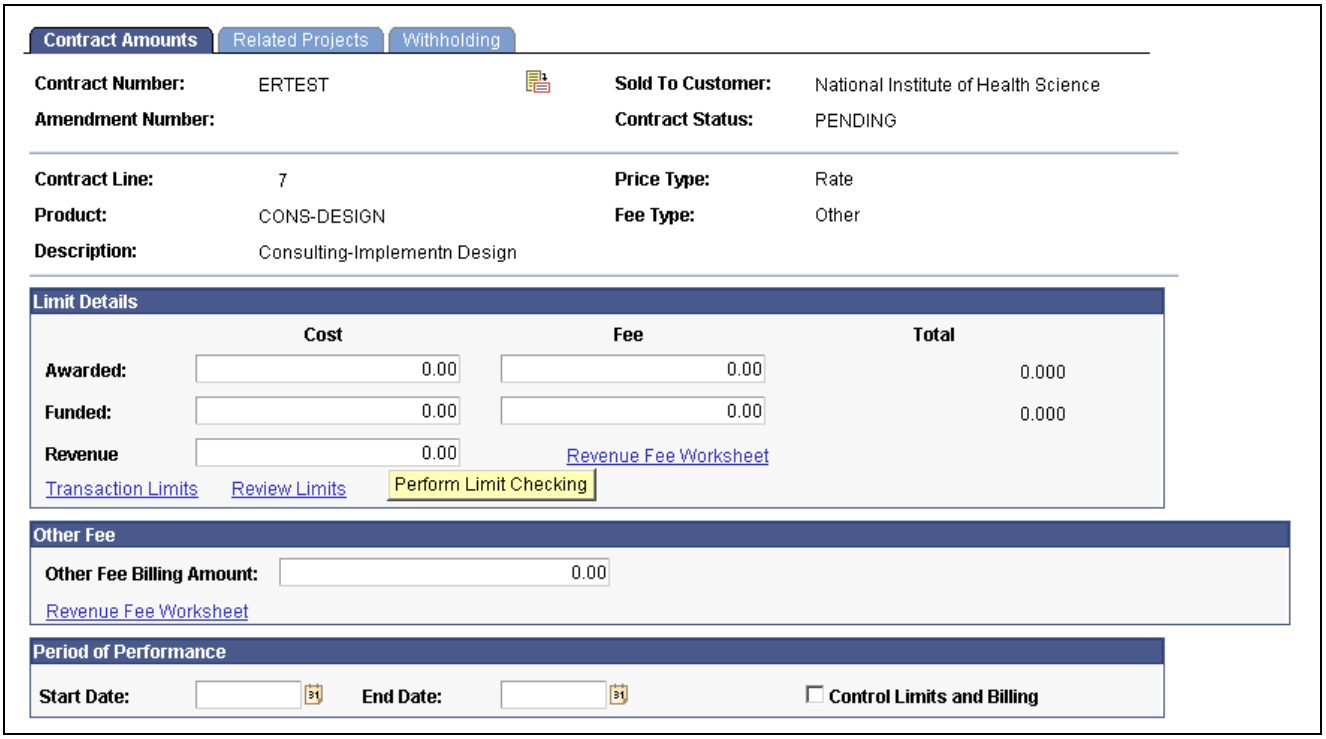
Fee Amount: Maximum Displays the calculated result of the maximum fee percentage multiplied by the funded cost amount.

Revenue Fee Worksheet Click to access the revenue fee worksheet and define, calculate, and manage incentive fee percentages, limit amounts, and fee amounts for revenue. This link only appears if you have selected the Separate Billing and Revenue check box on the Installation Options-Contracts page, and after the revenue plan is defined for the contract line.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Incentive Fee Revenue Fee Worksheets, page 168.

Defining Cost-Plus Contract Line Terms and Amounts for Other Fees

Access the Contract Amounts page for other fees.



Contract Amounts page

Other Fee

The fee type of *Other* is used to track and calculate fees that have no specific attributes. Using this fee type, you can enter a user-defined fee amount that is billed by the system each time that you run the fee process.

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Note. You can also use this fee type to enable cost-plus functionality for your contract lines, but not generate fees by assigning the fee type of *Other* to the contract line and entering a fee billing amount of zero.

Other Fee Billing Amount Enter the other billing fee amount for the contract line.

Revenue Fee Worksheet Click to access the revenue fee worksheet and define, calculate, and manage fee limit amounts and fee amounts for revenue. This link only appears if you have selected the Separate Billing and Revenue check box on the Installation Options-Contracts page, and after the revenue plan is defined for the contract line.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Other Fee Revenue Fee Worksheets, page 171.

Adding Products to Contracts with Cost-Plus Functionality

This section provides an overview of adding products with cost-plus functionality and discusses how to add products with cost-plus functionality to a government contract.

Understanding Adding Products with Cost-Plus Functionality

To enable the cost-plus functionality for a product, you assign a fee type to the product before adding it to the contract. Only rate-based products can be associated with a fee type and cost-plus functionality. Only one fee type can be associated to a rate-based contract line. When the product is added to the contract and the contract is saved, the system automatically creates a Contract Amounts page for the contract line that is specific to the fee type. If you use billing and revenue templates to automatically create billing and revenue plans for the cost-plus contract lines, then upon saving the contract, billing and revenue plans are automatically generated in a pending status. Billing and revenue worksheets that are specific to the contract line fee type are also automatically created and associated with the billing and revenue plans.

Note. If you add a contract line with an incorrect fee type to the contract, you must first delete the contract line and then add a new product with the correct fee type. This is required because the Contract Amounts page and billing and revenue worksheets (if billing and revenue plans are defined for the contract line) that are automatically created for the contract line are fee specific. If you have already defined billing and revenue plans for the contract lines, you must also unassign the billing and revenue plans from the contract line first before deleting the contract line.

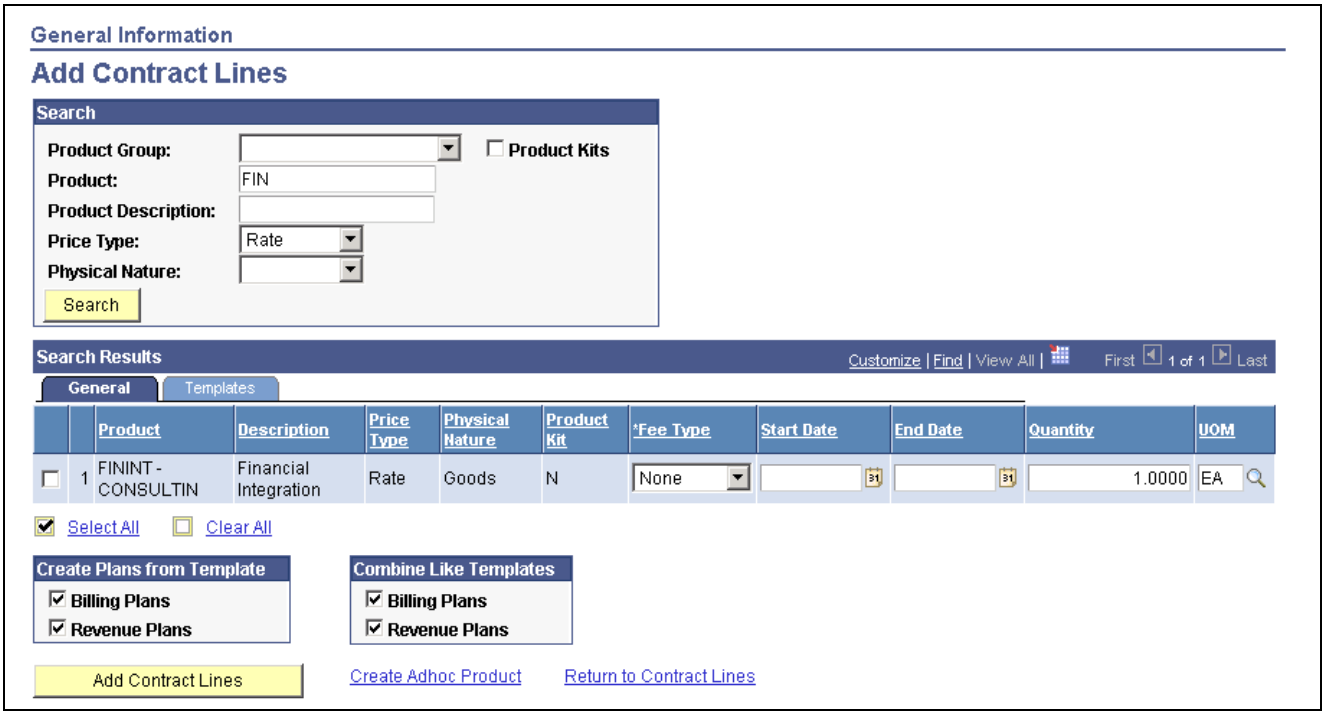
Page Used to Add Products to Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Add Contract Lines	CA_OFFERING_SRCH	Click the Add Contract Lines button on the Contract – Lines page.	Use to select and add amount-based, rate-based, and rate-based with fee types contract lines to a contract.

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Adding Products with Cost-Plus Functionality to a Government Contract

Access the Add Contract Lines page.



Add Contract Lines page

Search Products

Use the fields in this section to enter search criteria to limit the search results to only products matching your criteria. Only products associated with the *Rate* price type are eligible for cost-plus functionality. Only products associated with a price type of rate or amount are eligible to be added to government contracts.

Search Results: General Tab

Product Displays the product identifier for the product as entered on the Product Definition page.

Price Type Displays the price type assigned to the product on the Product Definition-Contracts Options page.

Fee Type Assign a fee type to products with a price type of *Rate* to add the product to the contract with cost-plus functionality. Values include:

- *None:* Appears by default. Select this value to add the product as a regular rate-based contract line without cost-plus functionality.
- *Award:* Select this value to calculate award fees for the contract line. Award fee represents a base fee percentage that is used to compute a base fee, and an extra award fee that government contractors are awarded for either producing certain deliverables or for finishing their work by a certain date (or a combination of these).

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- *Fixed:* Select this value to calculate fixed fees for the contract line. Fixed fees represent an agreed upon percentage between the government and the government contractor.
- *Incentive:* Select this value to calculate incentive fees for this contract line. Incentive fees represent cost-sharing scenarios for fees between the contractor and the government.
- *Other:* Select this value to calculate other fees for this contract line. Other fees represent any fee type that is not associated with any special attributes.

Start Date

Enter a start date for the contract line. The value that you enter here populates onto the Contract – Lines page. The system uses this start date to initiate billing for products with recurring price types.

In addition, if this contract line is associated with a template with a basis date source option of *Contract Line Start Date,* the system uses this start date when populating events onto the contract line.

Note. You must enter a value in the Contract Line Start Date field if a template with a basis date source option of *Contract Line Start Date* is associated with the product that you are adding to the contract.

Note. This field is not available for entry if you selected the Product Kits check box in the Search group box.

End Date

Enter an end date for the contract line. The value that you enter here populates onto the Contract – Lines page.

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

Note. This field is not available for entry if you selected the Product Kits check box in the Search group box. This field is also not available for entry if you selected *Recurring* in the Price Type field.

Quantity

Enter the quantity of the product selected.

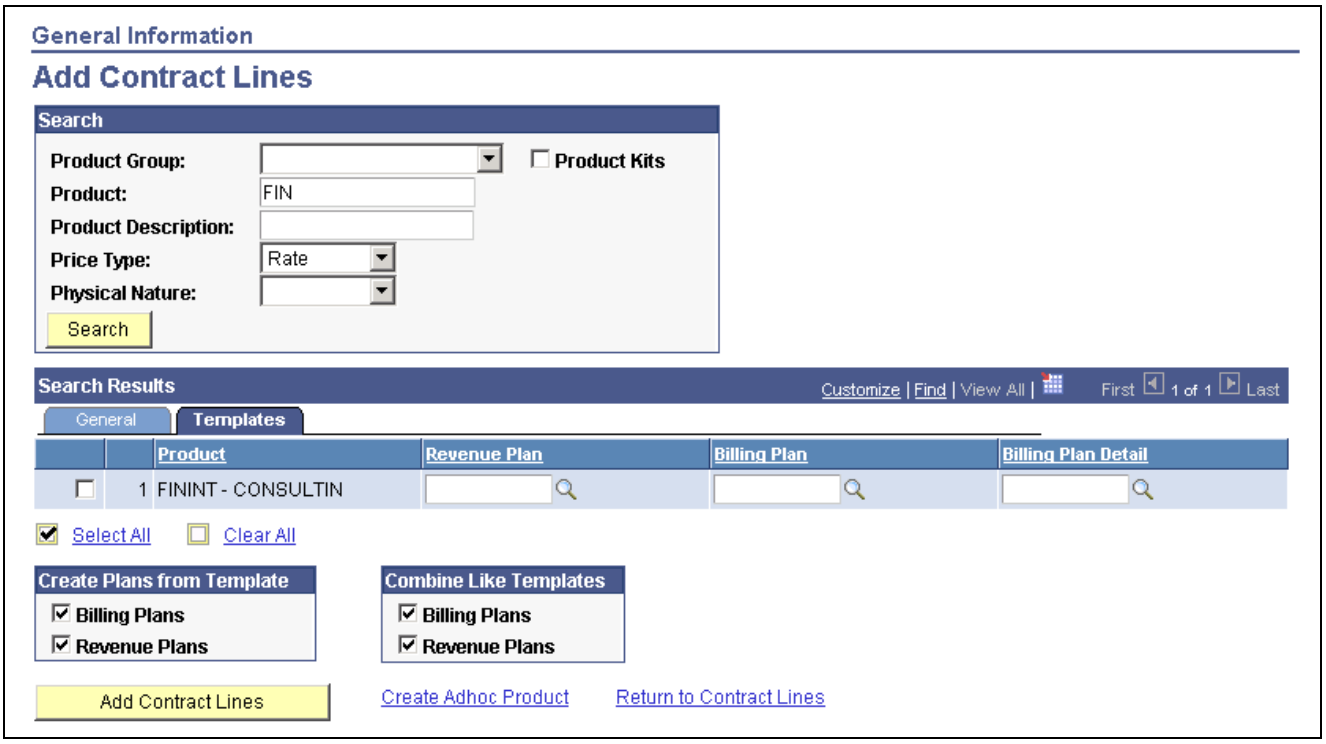
UOM (unit of measure)

Displays the default unit of measure assigned to the product. You can select a different unit of measure from those values previously defined for the product.

Search Results: Templates Tab

Select the Templates tab.

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Add Contract Lines page: Templates tab

Revenue Plan Select a predefined revenue plan template to automatically create a revenue plan for the contract line. Cost-plus contract lines require that you use revenue plan templates associated with an as-incurred revenue plan method. If you select a revenue plan template associated with a revenue plan method other then as-incurred, the system will not allow you to add the product onto the contract.

Billing Plan Select a predefined billing plan template to automatically create a billing plan for the contract line. Cost-plus contract lines require that you use billing plan templates associated with an as-incurred billing plan method. If you select a billing plan template associated with a billing plan method other then as-incurred, the system will not allow you to add the product onto the contract.

Billing Plan Detail Select a billing plan detail template to automatically populate the Billing Plan General page for the contract line.

Create Plans from Template Select to enable the system to automatically create billing and revenue plans from billing and revenue plan templates assigned to the product. Billing and revenue plan templates are automatically created when the products are added to the contract and the contract is saved.

Combine Like Templates Select to automatically combine multiple products onto the same billing or revenue plan when the product is assigned to the same billing or revenue plan template. This option does not apply to cost-plus contract lines as they must be assigned to their own individual billing and revenue plans. The attributes of the billing and revenue plans for cost-plus contract lines are created specifically to meet the needs of the fee type assigned to the rate-based product. This option can be used to combine billing and revenue plan for amount-based products and rate-based products assigned a fee type of *None*.

Add Contract Lines Click this button to add the selected products to your contract.

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Creating Ad Hoc Products for Cost-Plus Contract Lines

This section provides an overview of creating ad hoc products for cost-plus contract lines and discusses how to create ad hoc products for cost-plus contract lines.

Understanding Creating Ad Hoc Products for Cost-Plus Contract Lines

When adding contract lines to your government contracts, you can either select from the amount and rate-based products previously defined in your PeopleSoft Contracts system, or you can define a product that is specific to the contract that you are creating. Contract specific products are referred to as *ad hoc products* and are defined after you have created your contract and are adding your contract lines.

When you create an ad hoc product for a government contract, you must select a price type of either rate or amount. If you are defining an ad hoc product that will require cost-plus functionality, then you must specify *Rate* as the price type and you must also assign a fee type to the product of *Fixed, Award, Incentive* or *Other*. After you define the basic information for the product, you can add the product to the contract and assign the contract line attributes needed for processing.

Ad hoc products are only available to be used on the contract for which they were created. However, you can make these products generally available to your other contracts by using the Create Products from Ad Hoc Products feature in PeopleSoft Contracts.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Setting Up Products," Creating Products from Ad Hoc Products

Page Used to Create Ad Hoc Products for Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Create Adhoc Product	CA_PROD_ADHOC	Click Create Adhoc Product button on the Add Contract Lines page.	Create an ad hoc product that is used only for a specific contract. You can convert the product to be generally available to all government contracts also.

Creating Ad Hoc Products for Cost-Plus Contract Lines

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Creating Contracts," Creating Ad Hoc Product Lines and *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Setting Up Products," Creating Products from Ad Hoc Products.

Pricing Cost-Plus Contract Lines

This section provides an overview of pricing cost-plus contract lines and discusses how to define rate plans.

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Understanding Pricing Cost-Plus Contract Lines

This section discusses:

- Pricing cost-plus contract lines.
- Defining rate plans for cost-plus contract lines.

Pricing Cost-Plus Contract Lines

Rate-based contract lines are priced using PeopleSoft Project Costing rate sets and rate plans. Cost-plus contract lines have three cost components that must be calculated and reported to the government for the companies to receive proper payment for their services:

- Direct costs: Direct costs represent the actual costs directly associated with the contract and are generally reimbursed by the government at the actual cost rate.
- Indirect costs: Indirect costs represent overhead costs that are incurred as a result of performing the contract.

  Examples of indirect costs can include general and administrative expenses, fringe benefit expenses, and cost of money. To determine the amount of indirect costs that are eligible for reimbursement by the government and for revenue recognition, the contract uses government approved indirect costing rates. Indirect costs for billing purposes are based on provisional rates and exclude nonbillable costs. Indirect costs for revenue recognition are based on forward pricing rates and include nonbillable costs.

  A contractor could use the same rate for billing and revenue recognition or they may use completely separate rates. If separate rates are used, then the contractor would use variance pricing to balance the amount billed with the amount recognized as revenue, throughout or at the end of, the contract.
- Fees: Fees represent the profit that is received based on the services that are rendered by the government contractor.

  A government contract may include one, or a combination of, the fee types of Fixed, Award, Incentive, or Other. Only one fee type can be assigned to a rate-based contract line at any one point in time. Fees are subject to limits for billing and revenue and may have different limit levels applied for billing and for revenue.

Defining Rate Plans for Cost-Plus Contract Lines

To set up the complex pricing required for cost-plus contract lines, PeopleSoft Contracts uses PeopleSoft Project Costing rate sets and rate plans. If you will be using separate rates to calculate your indirect costs for billing and revenue you must define a billing rate set and a revenue rate set respectively. To calculate direct costs, you must define a costing rate set.

Because PeopleSoft Contracts only allows you to assign one rate set to a contract line at any particular point in time, after you define the rate sets required for your business needs, you must combine the rate sets onto a rate plan. The rate plan is assigned to the cost-plus contract line on the Related Projects page. It is this relationship that enables you to calculate the direct and indirect costs used to bill and recognize revenue for your cost-plus contract lines.

You define your rate sets to apply the rates you define to your source transactions. After you have defined all of the rate sets that you need, you assign the rate sets to a rate plan. The rate plan can contain as many costing rate sets as needed along with your billing and revenue rate sets. The rate plan enables you to stack your rate sets so that you can generate costing rows from your original source transactions and then generate another set of costing rows using the target rows from the previous rate set. You can then bill and recognize revenue based on the resulting target rows.

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When you define a rate set, you identify whether the rate set is a standard or contract-specific rate set. Standard rate sets can be used to price transactions for any contract in your organization. Contract-specific rate sets are rate sets designed for a particular contract and cannot be used to price transactions for any other contract except the one that it was built for. When defining rate plans, you identify whether the rate plan is a standard or contract-specific rate plan. Standard rate plans, which can only contain standard rate sets, can be used to price transactions for any contract in your organization. PeopleSoft Contracts enables you to create a contract-specific rate plan using standard or contract specific rate set types, or some combination of both, to provide you with the greatest degree of flexibility when defining your pricing requirements.

Defining Rate Plans for Cost-Plus Contract Lines Example

If you will be setting up complex pricing scenarios that include rate stacking you must define your rate sets accordingly. The following example discusses one possible scenario for setting up rate stacking.

You define a rate plan containing the following rate sets:

Rate Set	Basis	Rate Set Type	Rate Definition Type
PROV1	Original	Standard	Cost
PROV2	Target	Standard	Cost
FRDP1	Original	Standard	Cost
FRDP2	Target	Standard	Cost
BILL	All	Standard	Billing
REVENUE	All	Standard	Revenue

According to your rate plan setup and the basis value specified for each rate set, when you run the Pricing Engine, the system applies the cost rates, bill and revenue rates sequentially in the order that you have listed them on the rate plan. After the pricing engine has priced the original contract line transactions using the first provisional costing rate set, *PROV1*, the Pricing Engine applies the rates from the second provisional costing rate set, *PROV2* to the resulting target rows from the first rate set. The results will give you the indirect billing costs using your provisional rates.

To generate your forward pricing revenue costs, the Pricing Engine applies the rates from the first forward pricing rate set, *FRDP1*, to the contract line's original cost transactions. The Pricing Engine then applies the rates from the next forward pricing rate set, *FRDP2*, to the resulting target rows from the previous rate set, *FRDP1*.

By setting the basis for your billing and revenue rate sets to *All*; when the Pricing Engine generates the billing rows for the contract line, it will use the target rows from both provisional rate sets to generate the *BIL* rows that are eligible to be passed to PeopleSoft Billing. When the Pricing Engine generates the revenue rows for the contract line, it will use the target rows from both the forward pricing rate sets to generate the *REV* rows that are eligible for revenue recognition.

To enable the Pricing Engine to stack your indirect costs rates as described, you must define your rate sets properly. In the above example, for the second rate set to use the resulting target rows from the first rate set, you must include the target analysis type from the first rate set in the second rate sets source criteria. For example, your first rate set, *PROV1*, might include the following values in its source definition:

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Analysis Type	Source Type	Category	Subcategory	Project Role	Job Code	Time Reporting Code
PAY	LABOR	ENG	DIR	%	%	%

The rate set's target definition could include the following values:

Rate Option	Rate Amount	Description	Target Analysis Type	Target Source Type	Target Category	Target Subcategory
MUP	0.500	Fringe-Provisional	PRV	%	%	FRING
MUP	1.200	Overhead-Provisional	PRV	%	%	OVH
MUP	0.500	G&A-Provisional	PRV	%	%	G&A

When the Pricing Engine prices the original cost transactions using the rate set, *PROV1*, the resulting target rows will be assigned an analysis type of PRV. For the rate set, *PROV2*, to apply it's rates against the resulting target rows from the rate set *PROV1*, you must define the source and target definitions to include the following data:

Analysis Type	Source Type	Category	Subcategory	Project Role	Job Code	Time Reporting Code
PRV	LABOR	%	OVH	%	%	%

The rate set's target definition could include the following values:

Rate Option	Rate Amount	Description	Target Analysis Type	Target Source Type	Target Category	Target Subcategory
MUP	0.300	G&A on Overhead	PRV	%	%	G&A

By setting up the rate set, *PROV2*, as indicated above, the Pricing Engine will apply the rates to all transactions rows with the analysis type of *PRV* that meet the criteria defined in the rate set *PROV2*.

When you define your billing rate set to generate billing rows from your provisional indirect costs rates, you must include the target analysis type from your cost rates in your source criteria for your billing rate set. In this example, the rate plan indicates that the Pricing Engine should include all eligible provisional cost target rows when generating billing rows. To enable this to happen, you would set up your *BILL* rate set source criteria and target definition as follows:

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Analysis Type	Source Type	Category	Subcategory	Project Role	Job Code	Time Reporting Code
PAY	LABOR	ENG	DIR	%	%	%
PRV	%	%	%	%	%	%

The rate set's target definition could include the following values:

Rate Option	Rate Amount	Description	Target Analysis Type	Target Source Type	Target Category	Target Subcategory
NON	1.000	Billing for Direct Costs	BIL			
NON	1.000	Billing for Indirect Costs	BIL			

This same methodology described in this section for processing provisional rates and billing rows applies to processing forward pricing rates and generating revenue rows.

Page Used to Price Cost Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Rate Plans	PC_RATE_PLANS	• Setup Financials/Supply Chain, Product Related, Project Costing, Pricing Structure, Rate Plans • Project Costing, Project Costing Center, Configuration Pricing Structure, Rate Plans	Create any combination of cost, billing, and revenue rate sets together to perform complex pricing scenarios for your cost-plus contract lines. Revenue rate sets can only be defined if the Separate Billing and Revenue check box on the Installation Options-Contracts page is selected.

Setting Up Rate Plans

See Chapter 8, "Pricing Government Contracts," Defining Rate Plans, page 81.

Defining Cost-Plus Contract Fees

This section provides an overview of cost-plus contract fees and discusses how to:

- Define fee types.
- Define fee worksheet analysis types.

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Understanding Cost-Plus Contract Fees

This section discusses:

- Fee types.
- Setting up a contract to manage cost-plus contract fees.
- Fee statuses.

Fee Types

Cost-plus contract line fees represent the profit received for work performed on a government contract. PeopleSoft Contracts supports the following four fee types:

- Fixed: Fixed award fee types are the most common fee types used by the government.

  Fixed fees are an agreed upon percentage between the government and the government contractor. These fees are applied on top of total costs and represent the profit for performing the service or creating the products for the government. As with all fee types, fixed fees are subject to a funded and revenue fee limit amount determined by the government.

- Award: Award fees are comprised of two elements: the base fee amount and an additional award fee amount that can be earned by meeting certain deliverables, by finishing the work by a certain date, or some combination of these two actions.

  The additional award fee cannot be billed to the government until approval has been received to do so. The government contractor may receive all, part or none of the additional award fee. Both the base fee amount and the additional award fee are subject to funded and revenue fee limit amounts determined by the government.

- Incentive: Incentive fees are directly tied to the performance of the government contractor on the contract.

  The government shares costs that may be over or under a target cost amount. When the contract is completed, the contractor can request a fee amount based on the total funded costs, maximum and minimum fee range, and overrrun or underrun cost percentages that are agreed upon when the contract is signed. The fee request is also subject to both funded and revenue fee limits.

- Other: Other fees represent all other fee types that are not designated with any special attributes.

  Other fees enable you to capture an amount that you specify which is subject to billing and revenue fee limits defined by the user.

Setting Up a Contract to Manage Cost-Plus Contract Fees

To manage your contract line fees you define a contract with a contract classification of *Government*. You must select rate-based products to add to the contract and assign a fee type to the product requiring cost-plus functionality. Each contract line can represents one fee type. Only one fee type can be assigned to a contract line at any point in time, but a contract can contain multiple contract lines assigned to different fee types. When you assign fee types to a product and add them to a contract, cost-plus functionality is enabled, you can create and manage the fees for the contract lines as needed, and bill and recognize revenue for your fee amounts.

Fees are calculated using billing and revenue fee worksheets. If you choose to use different rates to calculate your billing and revenue fee amounts for your contract lines, then you will have separate billing and revenue fee worksheets. If you use the same rates for billing and revenue recognition, then you will only have billing fee worksheets and that fee worksheet data is used to calculate both billing and revenue recognition fees. However, billing and revenue plans are still required to bill and recognize revenue for the contract lines outside of fee processing.

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Billing and revenue fee worksheets are incorporated into the billing and revenue plans assigned to the contract lines. For cost-plus contract lines (rate-based contract lines associated with a fee type), you must define an individual billing and revenue recognition plan for each contract line, and you must use the billing and revenue recognition method of *As-Incurred*. Cost-plus contract lines require their own individual billing and revenue recognition plans because the billing and revenue fee worksheet created by the system for the billing and revenue plans assigned to the contract lines are unique to the fee type assigned.

Billing and revenue plans are required to generate invoices and accounting entries for the contract lines as work is completed. The billing and revenue fee worksheets are required to calculate the billing and revenue fee amounts that can be billed to your customer or recognized as revenue. To manage and process incentive and award fee amounts, Contacts delivers award schedules that enable you to define fee events that can be controlled using either dates or milestones.

In addition to calculating and managing your fee amounts, you must also define the limit amounts for your funded and revenue costs, as well as fee limits. When you prepare a fee worksheet for fee generation, the system calculates a proposed fee amount. You can accept the proposed fee amount or override that amount and enter a different amount. When you save the page or submit the fee for processing, the system automatically calls the fee limit processor. This process checks the fee amount requested against the billing or revenue fee limit defined as well as whether the transaction falls within any period of performance dates specified. If the requested fee amount is within the limit parameters, then the fee is passed and can be billed or recognized as revenue. If the fee amount exceeds the limit amount, then the fee request is rejected, and either reset to the system calculated proposed fee amount or reset to zero.

The fee amount is generated at a summary level and stamped with the project and activity designated as the target and assigned to the contract line on the Related Projects page.

Note. To display revenue fee data on the Limits report, you must either process the revenue fees or complete the revenue fee worksheet and save it.

Cost-Plus Contract Fee Statuses

When fees are calculated by the system, it uses the cost rows for the contract lines that are stored in the Project Costing Project Transaction tables. To ensure that costs are not used twice in fee calculations, the system assigns a fee status to each cost row. PeopleSoft Contracts uses the following fee statuses:

- *Blank*: A blank fee status indicates that no fees have been calculated using this cost row.

  Cost rows with a blank fee status can be used by the fee worksheet to generate fee rows.
- *1* (one): A fee status of *1* indicates that the cost row has already been used to calculate fees and cannot be used to generate additional fee rows.
- *2* (two): A fee status of *2* indicates that the cost row is an actual billing (BIL) fee row.
- *3* (three): A fee status of *3* indicates that the cost row is an actual billing (BIL) additional award fee row.
- *4* (four): A fee status of *4* indicates that the cost row is an actual revenue (REV) fee row.
- 5 (five): A fee status of *5* indicates that the cost row is an actual revenue (REV) additional award fee row.

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Pages Used to Define Cost Plus Fee Types

Page Name	Object Name	Navigation	Usage
Fee Definition	CA_BU_FEE_DEF	Setup Financials/Supply Chain, Business Unit Related, Contracts, Contracts Business Units, Fee Definition	Define the fee types that are assigned to your contracts and set up the processing criteria and transaction exclusions used in calculating and generating fee rows.
Analysis Groups	PROJ_AN_GRP_MAP	Setup Financials/Supply Chain, Product Related, Project Costing, Transaction Options, Analysis Groups, Analysis Groups	Define analysis groups containing the analysis types used by the system to calculate billing and revenue fees for cost-plus contract lines.

Setting Up Fee Definitions

Select the Contract BU Definition-Fee Definition page.

Before you can assign fee types to cost-plus contract lines, you must first define the fee types will be used for your contracts at the business unit level. Fee types enable you to define the criteria that is used for calculating and generating fee rows for your contract lines, and enable you to exclude specific transactions from those calculations.

PeopleSoft Contracts supports the fee types of *Fixed, Award, Incentive* and *Other*. When adding a contract line associated with a fee type (cost-plus) to a contract, you must have first defined the fee type or you cannot save the contract.

See Chapter 6, "Structuring PeopleSoft Contracts for Government Contracting," Defining PeopleSoft Contracts Business Units, page 28.

Defining Fee Worksheet Analysis Types

When defining the fee types associated with your cost-plus contract lines for fee calculations, you must specify the analysis groups that contain the billing and revenue analysis types assigned to the cost rows used in the calculation of fee amounts. If you are using different rates to calculate your billing and revenue fees, then you must define a billing and revenue fee analysis group and associate all relevant analysis types to them. If you will be using the same rates to calculate billing and revenue fees, then only a billing analysis group is required.

PeopleSoft Contracts delivers the following sample analysis groups and analysis types to enable you to calculate and process billing, revenue, and fee amounts for your contract lines:

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Analysis Groups	Analysis Types	Usage
BFEE (Billing Fee)	• BIL(Billing) • BLD (Billed) • BAJ (Billing adjustments)	The billing fee analysis group contains the analysis types used for billing fee calculations for cost-plus contract lines. As transactions occur against projects and activities associated with the contract line, they are priced, using the PeopleSoft Billing rate set, and stored in PeopleSoft Project Costing. The pricing process assigns the analysis type to the priced transactions.
RFEE (Revenue Fee)	• REV (Revenue) • BAJ (Billing adjustments)	The revenue fee analysis group contains the analysis types used for revenue fee calculations for cost-plus contract lines. As transactions occur against projects and activities assigned to the contract line, they are priced using the Revenue rate set, and stored in PeopleSoft Project Costing. The pricing process assigns the analysis type to the priced transactions. This analysis group is used only when you have selected theSeparate Billing and Revenue check box on the Installation Options-Contracts page. If you have not selected this option, then the fields for setting up this analysis group are hidden.
PSWKS (Billing Worksheet)	• BIL (Billing) • BRT (Billing retainage) • DEF (Billing deferral) • OLT (Over the limit) • PMR (Proposal Management reversal)	The PSWKS analysis group contains the analysis types selected by the Contracts/Billing Interface (CA_BI_INTFC) process to bill for contract lines and billing fee rows. **Note.** The BRT and PMR analysis types are not applicable to government contracts.

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Analysis Groups	Analysis Types	Usage
PSREV (Revenue)	• BAJ (Billing adjustments) • BIL (Billable amount) • BLD (Billed amount) • DSC (Billing discount) • OLT (Over-the-limit) • UAJ (Prepaid utilization adjustment) • UTL (Prepaid utilization billing) • WTO (Write off) • *WWO* (Withholding write-off)	The PSREV analysis group contains the analysis types selected by the As-Incurred Revenue (PSA_ACCTGGL) process to generate revenue accounting entries for rate-based contract lines, rate-based contract lines associated with fee types (cost-plus) and revenue fee rows. **Note.** If you have not selected the Separate Billing and Revenue option on the Installation Options-Contracts page, this is the analysis group used by the system when generating revenue accounting entries.
PSRV2 (Revenue separate from Billing)	• *BAJ* (Billing adjustments) • REV (Revenue) • ROL (Revenue over-the–limit) • UAJ (Prepaid utilization adjustment) • *UTL* (Prepaid utilization) • *WTO* (Write off) • *WWO* (Withholding write-off)	The PSRV2 analysis group contains the analysis types selected by the As-Incurred Revenue (PSA_ACCTGGL) process to generate revenue accounting entries for rate-based contract lines, rate-based contract lines associated with fee types (cost-plus) and revenue fee rows when you have selected the Separate Billing and Revenue check box on the Installation Options-Contracts page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , "Setting Up PeopleSoft Project Costing Control Data," Understanding Transaction-Related Control Data.

Running the Pricing Engine for Cost-Plus Contract Lines

This section provides an overview of setting up the pricing engine for cost-plus contract lines, and discusses how to set up the pricing engine for cost-plus contract lines.

Understanding Running the Pricing Engine for Cost-Plus Contract Lines

When a contract is awarded, a contractor can bill and recognize revenue for direct costs, indirect costs, and fees associated with the performance of the contract. Through its integration with PeopleSoft Project Costing, PeopleSoft Contracts enables you to define the rates and perform pricing to generate cost, billing, and revenue amounts on source transactions that occur against a government contract. Before you can create and record your costs and indirect costs for your contract lines you must define rate sets and rate plans and assign them to the contract lines. Rate plans are assigned to cost-plus contract lines to accommodate the complex pricing needs of government contracts associated with fees.

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After the contract is defined and activated, you can begin pricing the transactions that occur against the contract lines using the rate plans that you defined. When transactions are processed from feeder systems into PeopleSoft Project Costing, the Pricing Engine is called. The Pricing run control page enables you to select pricing options to generate cost rows, billing rows, revenue rows, or some combination of the three. The check boxes that you select correspond to the rate definition types assigned to the rate set of *Cost*, *Billing* or *Revenue*. For cost-plus contract lines, the pricing engine looks to the rate plan assigned to the contact line and process the costing rates, billing rates, and revenue rates in the order that they are entered on the rate plan.

To determine which rows are eligible for pricing and repricing for cost-plus contract lines, the system uses distribution statuses, system sources and fee statuses assigned to the transaction rows. When the pricing engine runs, it processes transaction rows that are assigned analysis types that are within the analysis group PSWKS (for billable transaction cost rows), PSCST (for costing transaction rows), PSREV (for revenue transaction rows), or PSRV2 (for revenue transaction rows if you are using separate rates for billing and revenue).

You can also use the pricing engine to reprice unpriced transaction rows or rows that were previously priced when rate changes occur. Rows can be repriced if they have not yet been billed, have not been sent to the general ledger, or if fees have not yet been created for the transaction row (the transaction row cannot have a fee status of *I*). Cost rows that have generated more then one billing or revenue row, or that are in the process of being billed or recognized as revenue, are ineligible for repricing.

Note. The same run control page is used to run pricing for both government contracts and non-government contracts. To run pricing for only government contracts, you must specify the contract classification of *Government* on the run control page.

See Also

Chapter 8, "Pricing Government Contracts," Pricing Rate-Based Contract Lines, page 79

Chapter 11, "Performing Variance Pricing," page 119

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Working with PeopleSoft Project Costing," Project Pricing

Page Used to Run the Pricing Engine for Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Pricing	PC_PRICING	Project Costing, Utilities, Pricing	Run the pricing process to price or reprice transaction rows for costs, billing, or revenue recognition for cost-plus contract lines.

Running the Pricing Engine for Cost-Plus Contract Lines

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , "Pricing Project Costs," Running the Pricing Application Engine Process.

Setting Up Revenue Plans for Cost-Plus Contract Lines

This section provides an overview of cost-plus revenue plans, lists prerequisites and common elements and discusses how to:

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- Define cost-plus revenue plans.
- Define fixed fee revenue fee worksheets.
- Define award fee revenue fee worksheets.
- Define incentive fee revenue fee worksheets.
- Define other fee revenue fee worksheets.
- Create award schedules.
- Create incentive fee schedules.
- Adjust award fees.
- Adjust incentive fees.
- Assign cost-plus contract lines to revenue plans.

Understanding Setting Up Revenue Plans for Cost-Plus Contract Lines

A government contract can consist of multiple contract lines with complex and diverse revenue recognition requirements. To manage these requirements, PeopleSoft Contracts uses revenue plans. For cost-plus contract lines, revenue plans store the timing of when revenue recognition occurs, enable you to define revenue events to control the processing of fees, and enable you to calculate fee amounts using a revenue fee worksheet. Revenue fee worksheets display the data from the billing fee worksheet to enable you to perform a side-by-side comparison of your billing and revenue fee data when managing your revenue fees.

Revenue plans are required for every contract line to process revenue for those contract lines. For cost-plus contract lines, every contract line must be assigned to a unique revenue recognition plan as the revenue fee worksheet associated with the revenue plan is unique to the fee type associated with the contract line.

If you have not selected the option to apply separate rates for billing and revenue, you will not have a revenue fee worksheet associated with your revenue plans, but will still be required to define revenue plans for your contract lines. When billing and revenue rates are the same, the system uses the billing fee worksheet to calculate and manage both billing and revenue fees.

When defining revenue plans for your cost-plus contract lines, you can assign the contract lines to revenue plans manually or by using an as-incurred revenue plan template. If you use a revenue plan template to set up the revenue plans for the contract lines, you can select the template on the Add Contract Lines page when adding the products to your contract, or you can select the template on the Assign Revenue Plans page. If you assign the revenue plan template to the contract line on the Add Contract Lines page, the system will automatically create the revenue plan after the contract line is added to the contract and saved.

After the contract line is added to the contract and the revenue plan is created, you must complete the fields on the revenue plan to enable processing to occur. Award and incentive fees also have an award schedule that must be completed to recognize fee revenue for those fee types. The award schedule enables you to set up events, using milestones or dates, that enable you to control when the fee amounts are processed.

To generate revenue for the contract lines and any associated fees, the contract must be in an active processing status, the contract line must be active and the revenue plan and any associated events must have a status of *Ready*. If you are using milestones to control processing for award or incentive fee events, they must have a status of complete.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Revenue Plans”.

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Prerequisites

Before you can manage revenue for cost-plus contract lines, you must first create a contract with a contract classification of *Government*, add contract lines associated with fee types to the contract, and associate projects, activities and a rate plan to the contract line.

Common Elements Used in This Section

Acct Date Opt (accounting date option) — Accounting date option.

All Recognizable Costs — Displays the total of all cost rows assigned a revenue (REV) analysis type from the contract line's inception to the current date. This total comes from the revenue rows stored in the Project Costing Project Transactions tables.

Calculated Revenue Fee Ceiling — Displays the calculated total of the total contract line value (the sum total of the funded and revenue limit amounts) less all recognizable costs to date, less the estimated costs to complete, less fees already recognized.

Costs Used In Fee Calculation (Project Costing-Revenue) — Displays the total of all revenue rows from the contract line's inception to the current date that have been assigned a fee status of one (*1*). To ensure that cost rows are not used multiple times for fee calculations, they are assigned a fee status. A fee status of *1* indicates that the cost row has been used for fee calculations. The minimum valid value for this field is zero, and the maximum valid value for this field is the total of all revenue rows from the contract line's inception to the current date.

This total comes from the revenue rows stored in the Project Costing Project Transactions tables.

Cur Period Recognizable Costs (current period recognizable costs) — Displays the total of all revenue rows with a blank fee status value. A blank fee status indicates that the revenue row has not been used for fee calculations. This total comes from the revenue rows stored in the Project Costing Project Transactions tables.

Estimated Run Rate — Displays the computed value of all recognizable costs divided by the sum total of all recognizable costs plus the total of the estimated costs to complete.

Estimated Cost to Complete — Displays the sum total of transactions with a date that is greater than the current date and are assigned analysis types associated with the PeopleSoft Estimated Cost to Complete Analysis group (PSECC). Estimated costs to complete are generally budgeted costs to complete the contract. These transactions are stored in the Project Costing Project Transaction tables.

Revenue Cost Limit — Displays the revenue limit amount entered on the Contract Amounts page for the contract line. The minimum valid value for this field is the inception to date actual costs that have been recognized as revenue. The maximum valid value for this field is the revenue limit amount entered on the Contract Amounts page.

Revenue Fee Limit — Displays the revenue fee limit amount for the contract line using the amount of the funded fee limit or the calculated revenue fee ceiling, whichever is less. However, you can override this amount if needed. This amount is managed in the individual fee worksheet and can be changed outside of amendment processing.

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Pages Used to Manage Revenue for Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Revenue Plan	CA_ACCTPLAN	Customer Contracts, Schedule and Process Revenue, Define Revenue Plan, Revenue Plan	Define a revenue plan for cost-plus contract lines. For each revenue plan that you define, you select a revenue recognition method of as-incurred for the revenue plan, manage the revenue fee worksheet and define revenue fee events for fee types of award and incentive.
Revenue Fee Worksheet	CA_AP_FEE_WS	Customer Contracts, Create and Amend, General information, General. Click the Revenue Plans link. Click the link for the revenue plan ID, Revenue Fee Worksheet.	Evaluate, manage, and generate revenue fee amounts for your cost-plus contract lines.
Revenue Plan	CA_ACCTPLAN	Customer Contracts, Create and Amend, General information, General. Click the Revenue Plans link. Click the link for the revenue plan ID, Revenue Fee Worksheet. Click the Award Fee Amount Proposed link or the Proposed Incentive Fee link, Revenue Plan.	Define revenue fee events for award and incentive fee types.
Fee Adjustment	CA_AP_FEE_ADJ	Customer Contracts, Create and Amend, General information, General. Click the Revenue Plans link. Click the link for the revenue plan ID, Revenue Fee Worksheet. Click the Proposed Incentive Fee link, Revenue Plan. Click the Adjustment Fee link, Fee Adjustment.	Enter fee adjustment amounts when fee amounts, percentages, or limits have changed over the life of the contract.
Assign Revenue Plan	CA_AP_LINK	Customer Contracts, Schedule and Process Revenue, Assign Revenue Plan	Assign or unassign contract lines to revenue plans. You can first define revenue plans and assign the contract lines to these existing revenue plans, or you can first assign the lines to a new revenue plan and then define the details of the revenue plan.

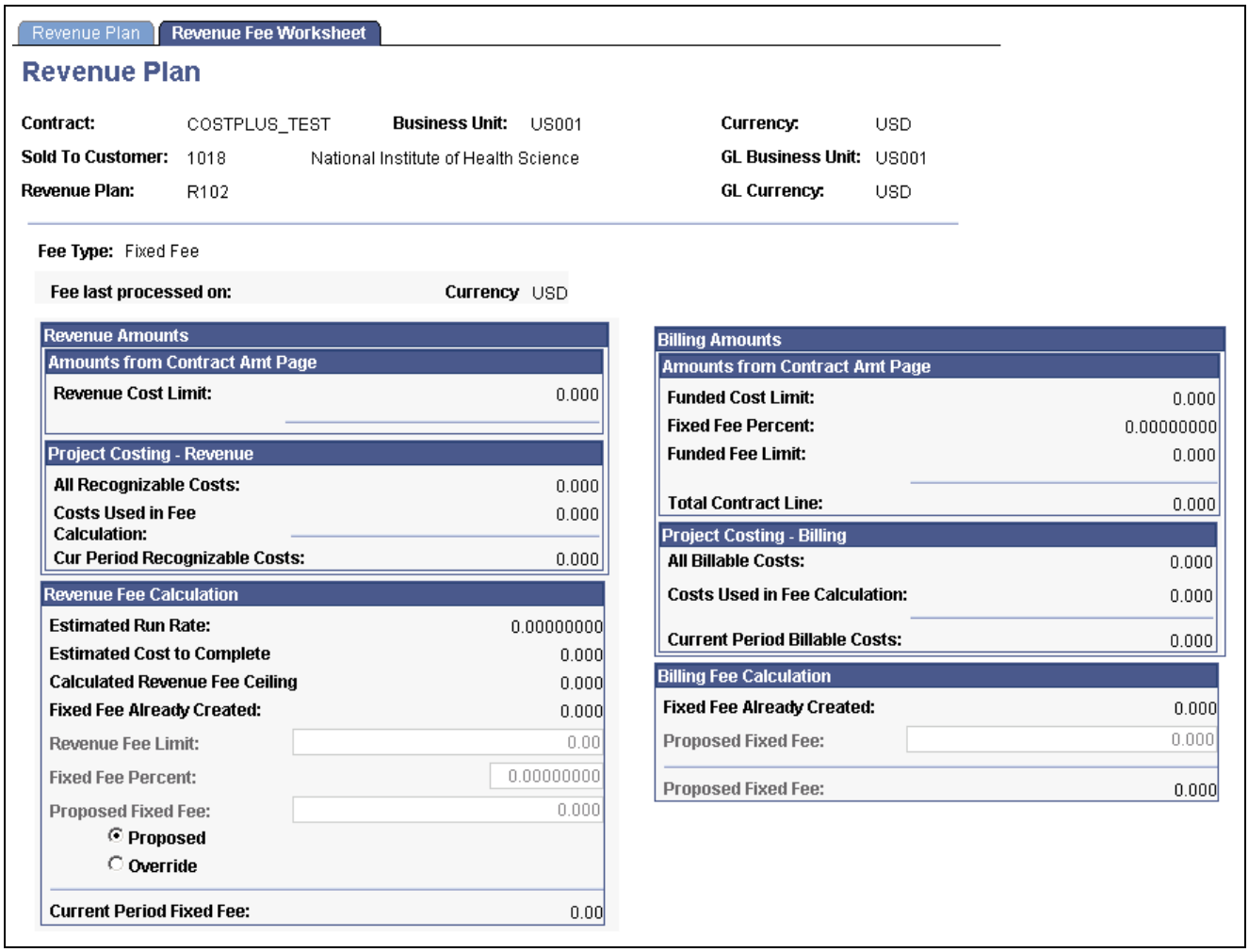
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Defining Cost-Plus Revenue Plans

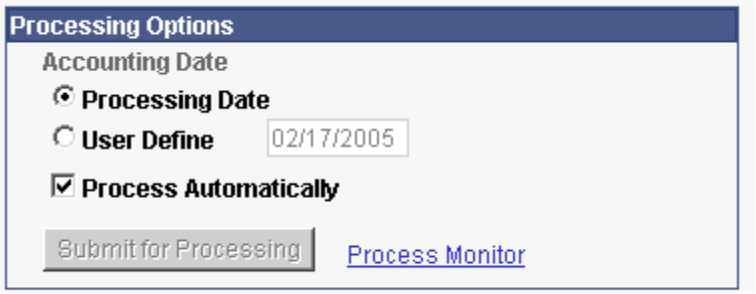
See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Setting Up Revenue Plans," Defining Revenue Plans.

Defining Fixed Fee Revenue Fee Worksheets

Access the Revenue Fee Worksheet page for fixed fees.



Revenue Fee Worksheet page (1 of 2)



Revenue Fee Worksheet page (2 of 2)

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When you define a revenue plan for a cost-plus contract line associated with a fee type of *Fixed*, the system automatically creates a revenue plan with a revenue fee worksheet containing fields that are specific to fixed fee processing.

Revenue Fee Calculation

Fixed Fee Already Created Displays the total for the fixed fee revenue rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

Note. For this value, the system retrieves the fixed fee revenue rows that are assigned the analysis type specified in the Revenue Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Fixed Fee Percent Displays the calculated total of the revenue fee limit divided by the sum of all recognizable costs plus the estimated cost to complete. This amount can be overridden if needed.

Proposed Fixed Fee Displays the calculated total of the current period's recognizable costs (all revenue cost rows for the contract line with a blank fee status) multiplied by the revenue fixed fee percent. In calculating the proposed fee amount, the system evaluates current period costs, fee percentages, the fee limit, the fees created to date, and any changes or adjustments made. You can accept the proposed fee or override it by entering a different fee amount and selecting the Override option.

Note. If you select the processing option of Process Automatically, the system uses the fee amount proposed by the system.

Current Period Fixed Fee Displays the fixed fee total for the current period after the fee limits process has run.

Billing Amounts - Amounts from Contract Amt Page

Fixed Fee Percent Displays the fixed fee percentage entered on the Contract Amounts page for the contract line.

Billing Fee Calculation

Fixed Fee Already Created Displays the total for the fixed fee billing rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

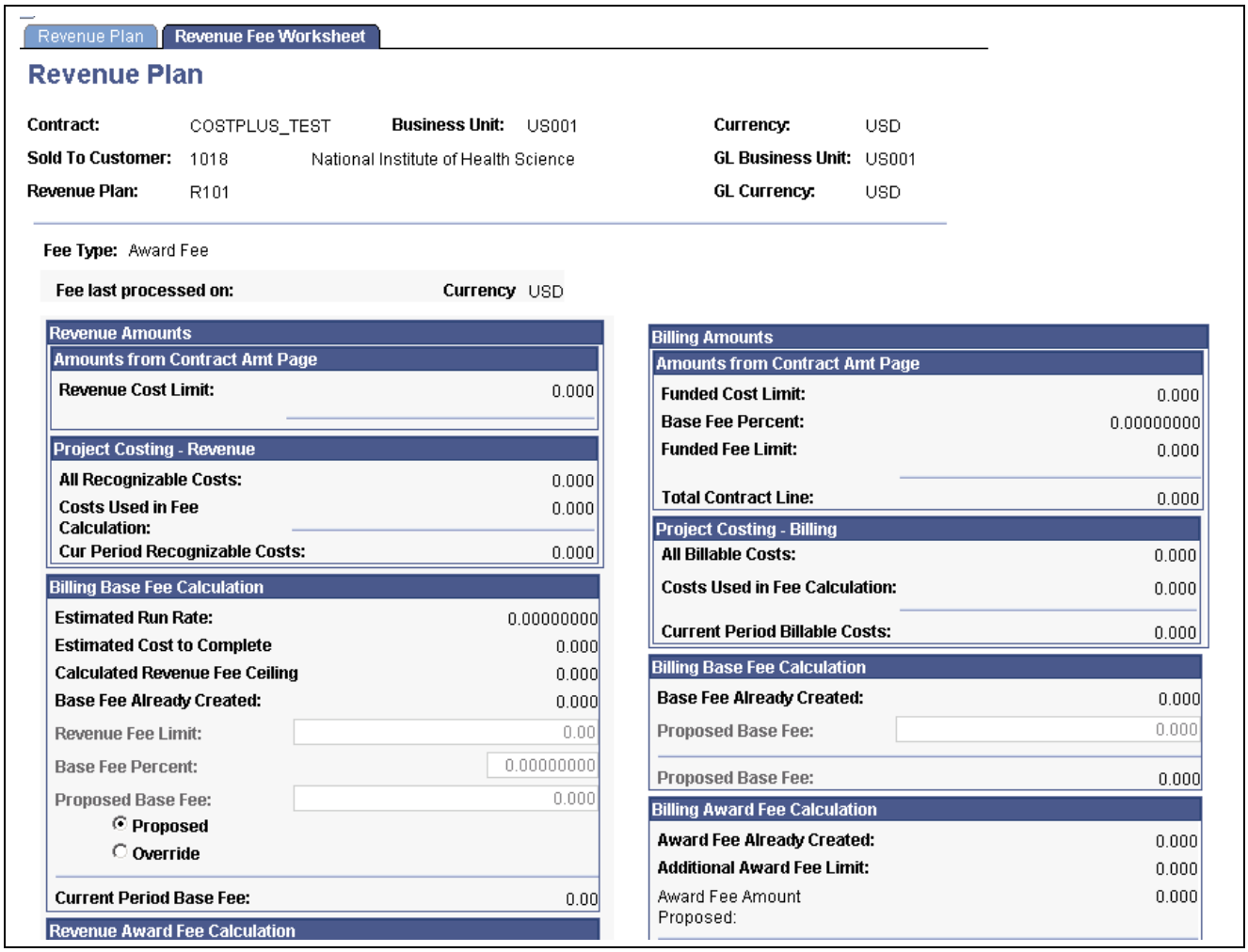
Note. For this value, the system retrieves the fixed fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Proposed Fixed Fee Displays the proposed fixed fee amount from the billing worksheet for the contract line.

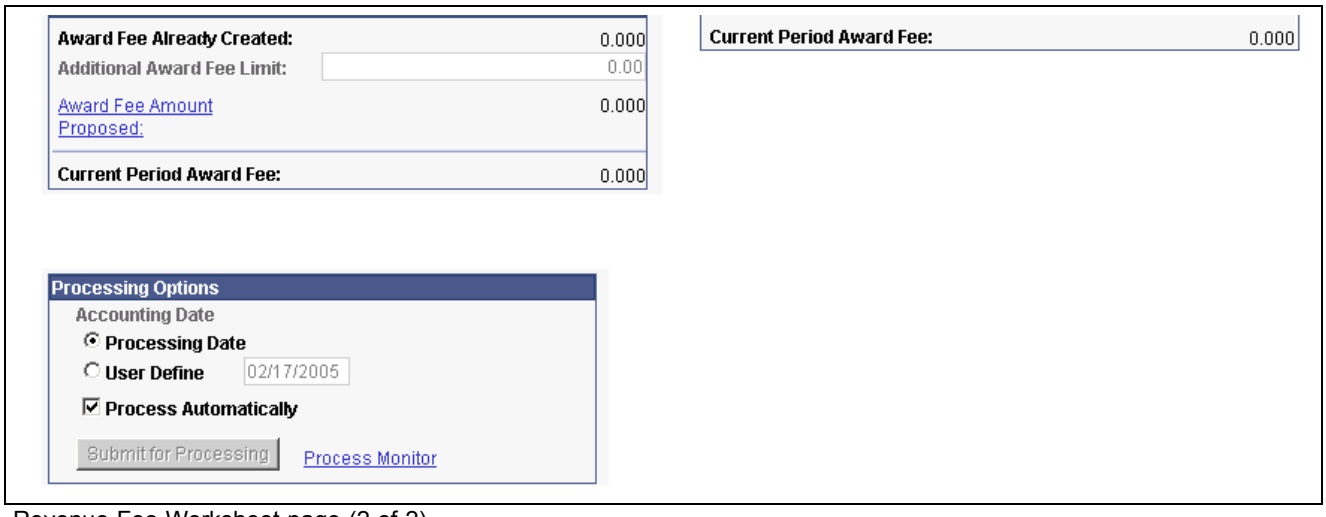
Defining Award Fee Revenue Fee Worksheets

Access the Revenue Fee Worksheet page for award fees.

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Revenue Fee Worksheet page (1 of 2)



Revenue Fee Worksheet page (2 of 2)

When you define a revenue plan for a cost-plus contract line associated with a fee type of *Award*, the system automatically creates a revenue plan with a revenue fee worksheet containing fields that are specific to award fee processing. Award fees are managed using milestone or date events. You define your events using the award schedule.

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Billing Base Fee Calculation

Base Fee Already Created Displays the total for the award base fee revenue rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

Note. For this value, the system retrieves the award base fee revenue rows that are assigned the analysis type specified in the Revenue Target Fee Attributes group box on the Fee Definition page for this fee type. The Fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Base Fee Percent Displays the calculated total of the revenue fee limit divided by the sum of all recognizable costs plus the estimated cost to complete. This amount can be overridden if needed.

Proposed Base Fee Displays the calculated total of the current period's recognizable costs (all revenue cost rows for the contract line with a blank fee status) multiplied by the revenue base fee percent. You can accept the proposed fee or override it by entering a different fee amount and selecting the Override option.

Note. If you select the processing option of Process Automatically, the system uses the fee amount proposed by the system.

Current Period Base Fee Displays the award base fee total for the current period after the fee limits process has run.

Revenue Award Fee Calculation

Award Fee Already Created Displays the total for the additional award fee revenue rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

Note. For this value, the system retrieves the additional award fee revenue rows that are assigned the analysis type specified in the Revenue Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Additional Award Fee Limit Displays the additional award fee limit based on the amounts defined on the Contract Amounts page for the contract line. You can override this value if needed.

Award Fee Amount Proposed Displays the calculated total of the current period's recognizable costs (all revenue cost rows for the contract line with a blank fee status) multiplied by the revenue award fee percent.

Current Period Award Fee Displays the additional revenue award fee total for the current period after the fee limits process has run.

Billing Amounts - Amounts from Contract Amt Page

Base Fee Percent Displays the award base fee percentage entered on the Contract Amounts page for the contract line

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Billing Base Fee Calculation

Base Fee Already Created Displays the total for the award base fee billing rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

Note. For this value, the system retrieves the award base fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Proposed Base Fee Displays the proposed award base fee amount from the billing worksheet for the contract line.

Billing Award Fee Calculation

Award Fee Already Created Displays the total for the additional award fee billing rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

Note. For this value, the system retrieves the additional award fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Additional Award Fee Limit Displays the additional award fee limit defined in the Contract Amounts page for the contract line.

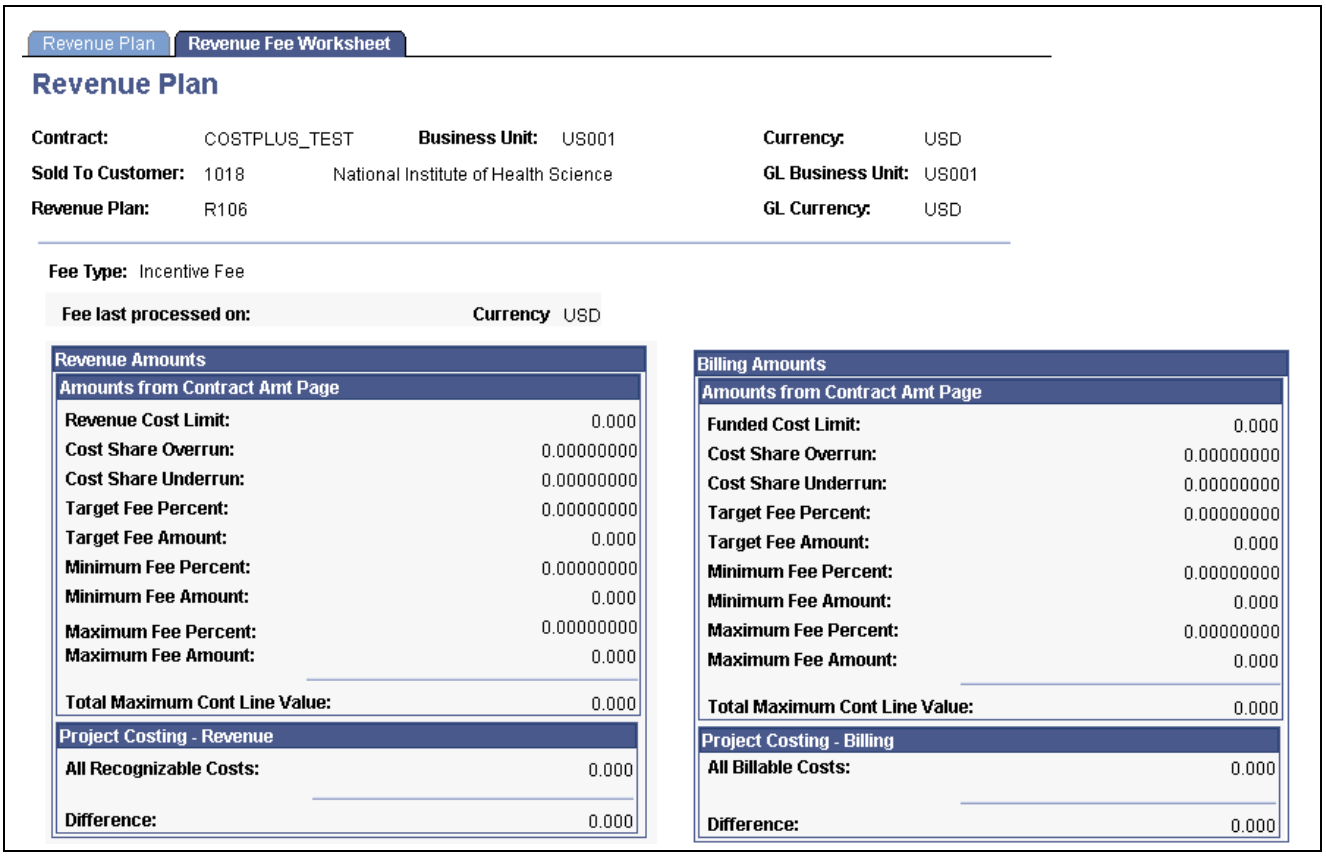
Award Fee Amount Proposed Displays the proposed additional award fee amount from the billing worksheet for the contract line.

Current Period Award Fee Displays the additional billing award fee total for the current period after the fee limits process has run.

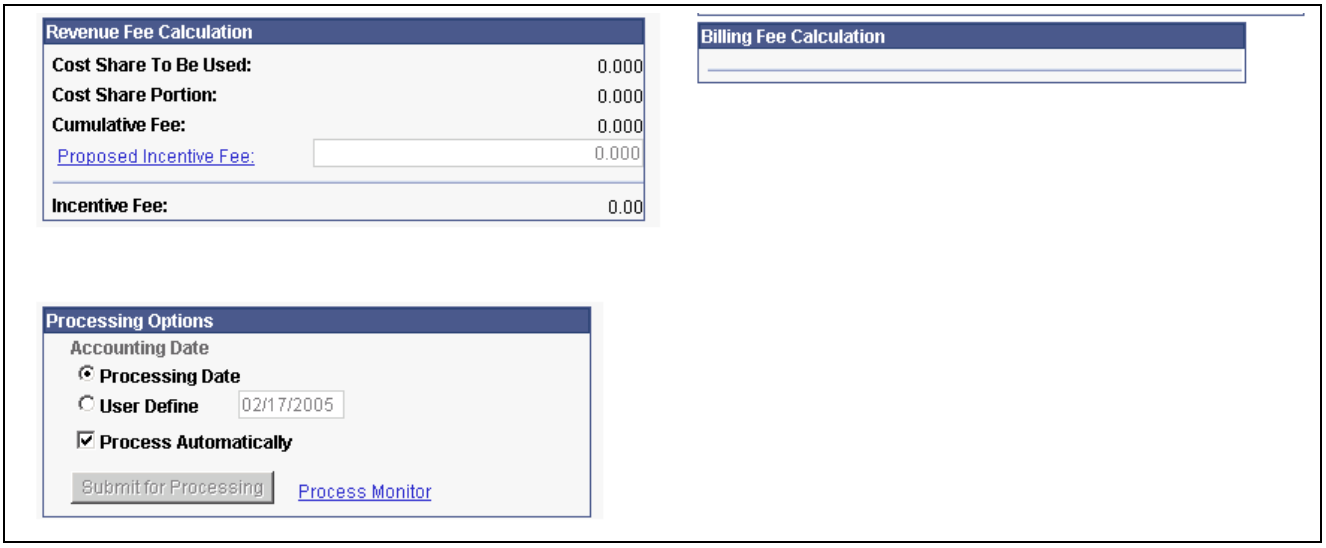
Defining Incentive Fee Revenue Fee Worksheets

Access the Revenue Fee Worksheet page for incentive fees.

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Revenue Fee Worksheet page (1 of 2)



Revenue Fee Worksheet page (2 of 2)

When you define a revenue plan for a cost-plus contract line associated with a fee type of *Incentive*, the system automatically creates a revenue plan with a revenue fee worksheet containing fields that are specific to incentive fee processing. Incentive fees are managed using milestone or date events. Define your events using the Award Schedule page. When entering in your fee percentages, zero is the lowest value that can be entered.

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Revenue Amounts - Amounts from Contract Amt Page

Cost Share Overrun Displays the cost share overrrun percentage entered on the Contract Amounts page. The overrun percentage is used to adjust the target fee percentage that can be recognized as revenue.

Cost Share Underrun Displays the cost share underrun percentage entered on the Contract Amounts page. The overrun percentage is used to adjust the target fee percentage that can be recognized as revenue.

Target Fee Percent Displays the target fee percentage entered on the Contract Amounts page. The target fee percentage is used to calculate the target fee amount.

Target Fee Amount Displays the calculated total of the revenue cost limit amount multiplied by the target fee percent.

Minimum Fee Percent Displays the minimum fee percentage entered on the Contract Amounts page. This value represents the minimum fee percentage that can be recognized as revenue for the contract line.

Minimum Fee Amount Displays the calculated total of the revenue cost limit amount multiplied by the minimum fee percent.

Maximum Fee Percent Displays the maximum fee percentage entered on the Contract Amounts page. This value represents the maximum fee percentage that can be recognized as revenue for the contract line.

Maximum Fee Amount Displays the calculated total of the revenue cost limit amount multiplied by the maximum fee percent.

Total Maximum Cont Line Value (total maximum contract line value) Displays the calculated total of the revenue cost limit amount plus the maximum fee amount.

Project Costing - Revenue

Difference Displays the calculated total of the revenue cost limit amount less the total actual revenue costs to date for the contract line.

Revenue Fee Calculation

Cost Share To Be Used Displays the cost share overrun or underrun percentage entered on the Contract Amounts page. If the actual revenue costs from the contract line's inception to date are greater than the revenue cost limit amount, then the cost share overrun percentage is used. If the actual revenue costs from the contract line's inception to date are less than the revenue cost limit amount, then the cost share underrun percentage is used.

Cost Share Portion Displays the calculated total of the value displayed in the Project Costing-Revenue Difference field multiplied by the percentage in the Cost Share To Be Used field.

Cumulative Fee Displays the calculated total of the cost share portion plus the target fee amount.

Proposed Incentive Fee Displays the proposed incentive fee amount calculated by the system for the contract line. If the actual revenue costs to date are less then or equal to the

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revenue cost limit, the system uses the lesser of the cumulative fee amount or the maximum fee amount for the proposed incentive fee. If the actual revenue costs to date are greater then the revenue costs limit, then the system uses the greater of the cumulative fee amount or the minimum fee amount for the proposed incentive fee.

Incentive Fee Displays the revenue incentive fee total for the current period after the fee limits process has run.

Billing Amounts - Amounts from Contract Amt Page

Cost Share Overrun Displays the cost share overrrun percentage entered on the Contract Amounts page. The overrun percentage is used to adjust the billable target fee percentage.

Cost Share Underrun Displays the cost share underrun percentage entered on the Contract Amounts page. The overrun percentage is used to adjust the billable target fee percentage.

Target Fee Percent Displays the target fee percentage entered on the Contract Amounts page. The target fee percentage is used to calculate the target fee amount.

Target Fee Amount Displays the calculated total of the funded cost limit amount multiplied by the target fee percent.

Minimum Fee Percent Displays the minimum fee percentage entered on the Contract Amounts page. This value represents the minimum fee percentage that can be billed for the contract line.

Minimum Fee Amount Displays the calculated total of the funded cost limit amount multiplied by the minimum fee percent.

Maximum Fee Percent Displays the maximum fee percentage entered on the Contract Amounts page. This value represents the maximum fee percentage that can be billed for the contract line.

Maximum Fee Amount Displays the calculated total of the funded cost limit amount multiplied by the maximum fee percent.

Total Maximum Cont Line Value (total maximum contract line value) Displays the calculated total of the funded cost limit amount plus the maximum fee amount.

Project Costing - Billing

Difference Displays the calculated total of the funded cost limit amount less the total actual billing costs to date for the contract line.

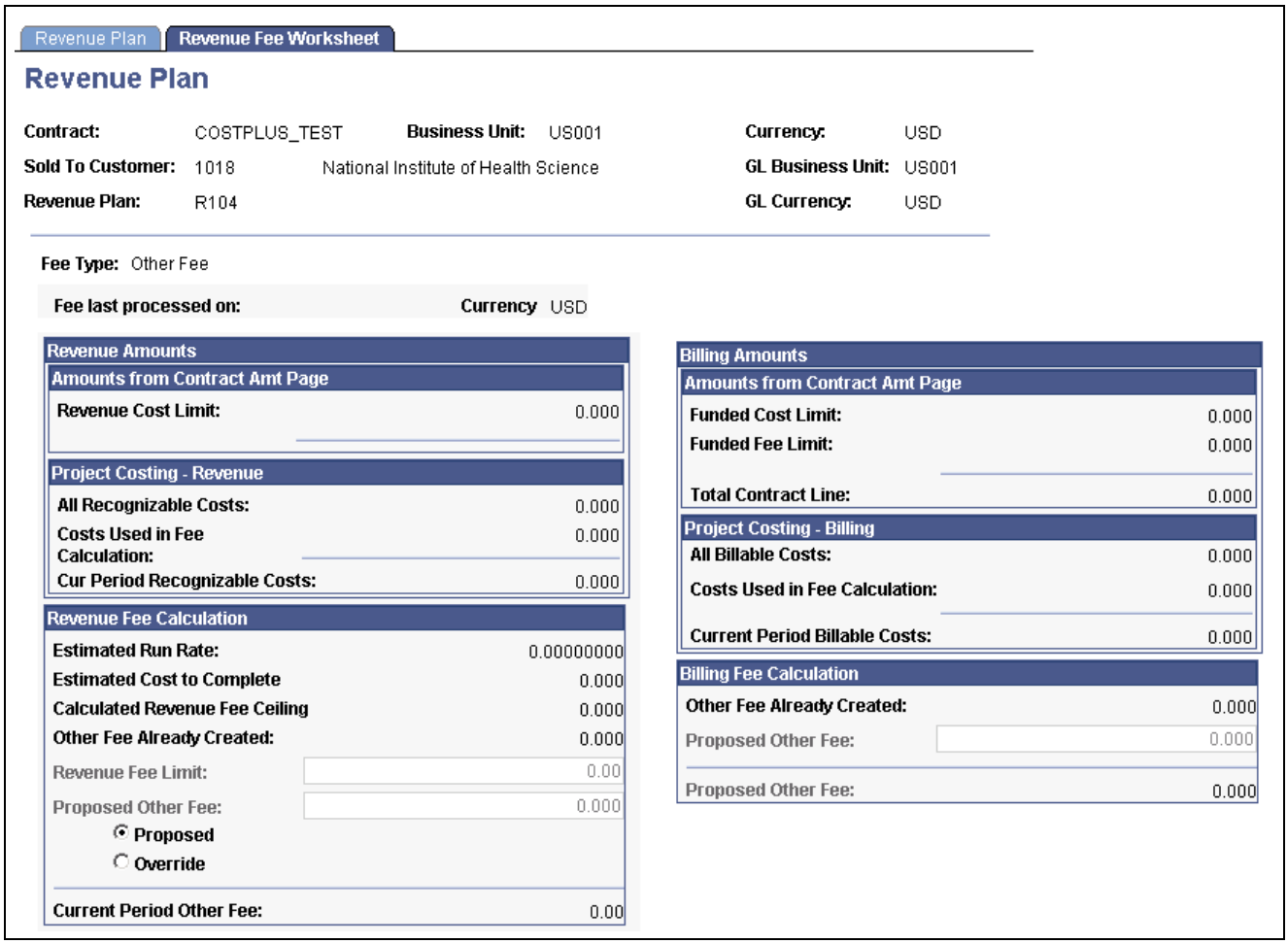
Billing Fee Calculation

Displays the billing incentive fee total for the current period after the fee limits process has run.

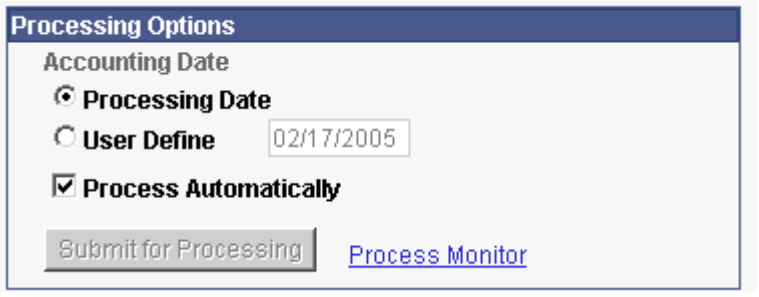
Defining Other Fee Revenue Fee Worksheets

Access the Revenue Fee Worksheet for other fees.

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Revenue Fee Worksheet page (1 of 2)



Revenue Fee Worksheet page (2 of 2)

When you define a revenue plan for a cost-plus contract line associated with a fee type of *Other*, the system automatically creates a revenue plan with a revenue fee worksheet with fields that are specific to award fee processing.

Revenue Fee Calculation

Other Fee Already Created Displays the total for the other fee revenue rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

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Note. For this value, the system retrieves the other fee revenue rows that are assigned the analysis type specified in the Revenue Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Proposed Other Fee Enter the proposed other fee amount. When you save the page or submit the worksheet, the system will evaluate the proposed fee amount against the revenue fee limit to determine if it is within the limit amount. The proposed billing other fee amount appears in this field by default when the revenue fee worksheet is first created.

Note. The proposed fee amount that you enter will be the proposed other fee amount for future periods until you manually change the value. After you change the value, the newly entered value will be the new proposed other fee amount for future periods, until you manually change it again, or until the revenue other fee limit is reached.

Current Period Other Fee Displays the revenue other fee total for the current period after the fee limits process has run.

Billing Fee Calculation

Other Fee Already Created Displays the total for the other fee billing rows created to date for the contract line. This data is retrieved for the Project Costing Project Transaction table.

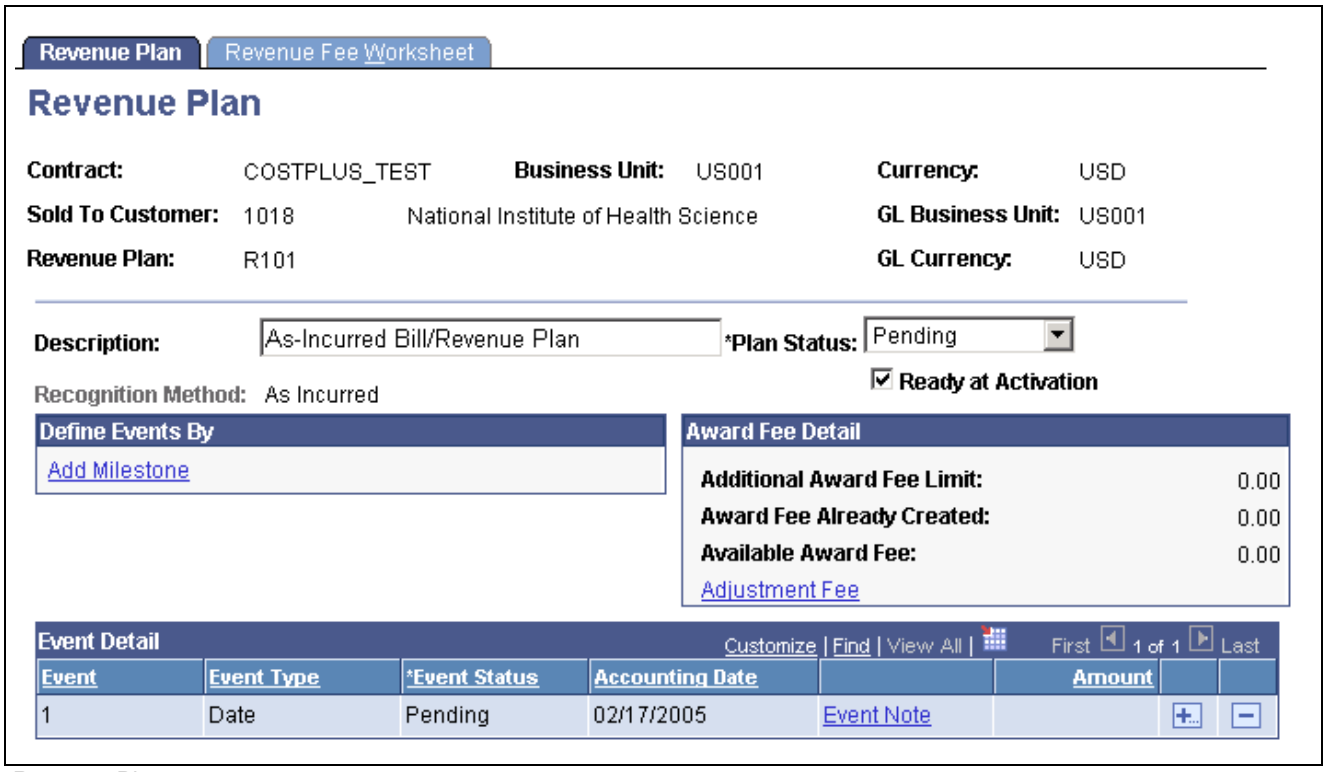
Note. For this value, the system retrieves the other fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Proposed Other Fee Displays the billing other fee total for the current period after the fee limits process has run.

Creating Award Schedules

Access the Revenue Plan page for the award fee schedule.

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Revenue Plan page

The Revenue Plan – Award Schedule page is used to define events for award fees. The events fields appear when you navigate to the Revenue Plan page from the Revenue Fee Worksheet for Award fees. You can define milestone or date event types to control the timing of when revenue is recognized for award fees. You can enter multiple event rows, but only one event can be set to a *Ready* status at a time, including adjustment fee events.

Note. Before creating an adjustment fee event using this page, all other events defined on this page must have a status of completed or pending.

Award Fee Detail

Additional Award Fee Limit Displays the additional award fee limit amount defined on the Contract Amounts page for the contract line assigned to this revenue plan.

Award Fee Already Created Displays the total for the award fee revenue rows created to date for the contract line assigned to this revenue plan. This data is retrieved for the Project Costing Project Transaction table.

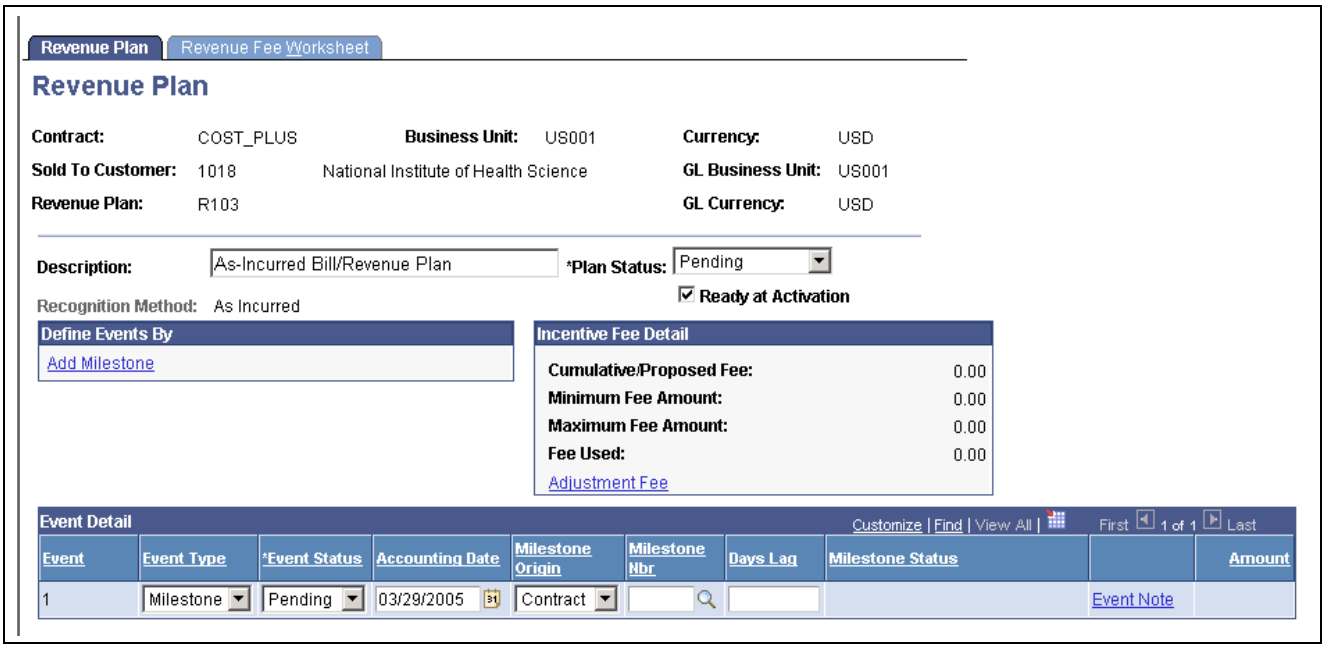
Available Award Fee Displays the calculated total of the additional award fee limit less the award fee amount already created.

Adjustment Fee Click to access the Fee Adjustment page where you can enter a fee adjustment event. Fee adjustments cannot be set to *Ready* status if a fee event on the Revenue Plan page is set to *Ready* status.

Creating Incentive Fee Schedules

Access the Revenue Plan page for the incentive fee schedule.

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Revenue Plan page

The Incentive schedule page is used to define an event for incentive fees. The events fields appear when you navigate to the Revenue Plan page from the Revenue Fee Worksheet for incentive fees. You can define a milestone or date event type to control the timing of when revenue is recognized for incentive fees. You can only enter one event row in this schedule, including adjustment fee events.

Note. Before creating an adjustment fee event using this page, all other events defined on this page must have a status of completed or pending.

Incentive Fee Detail

Cumulative/Proposed Fee Displays the cumulative or proposed fee amount from the incentive fee worksheet.

Minimum Fee Amount Displays the calculated minimum fee amount from the incentive fee worksheet.

Maximum Fee Amount Displays the calculated maximum fee amount from the incentive fee worksheet.

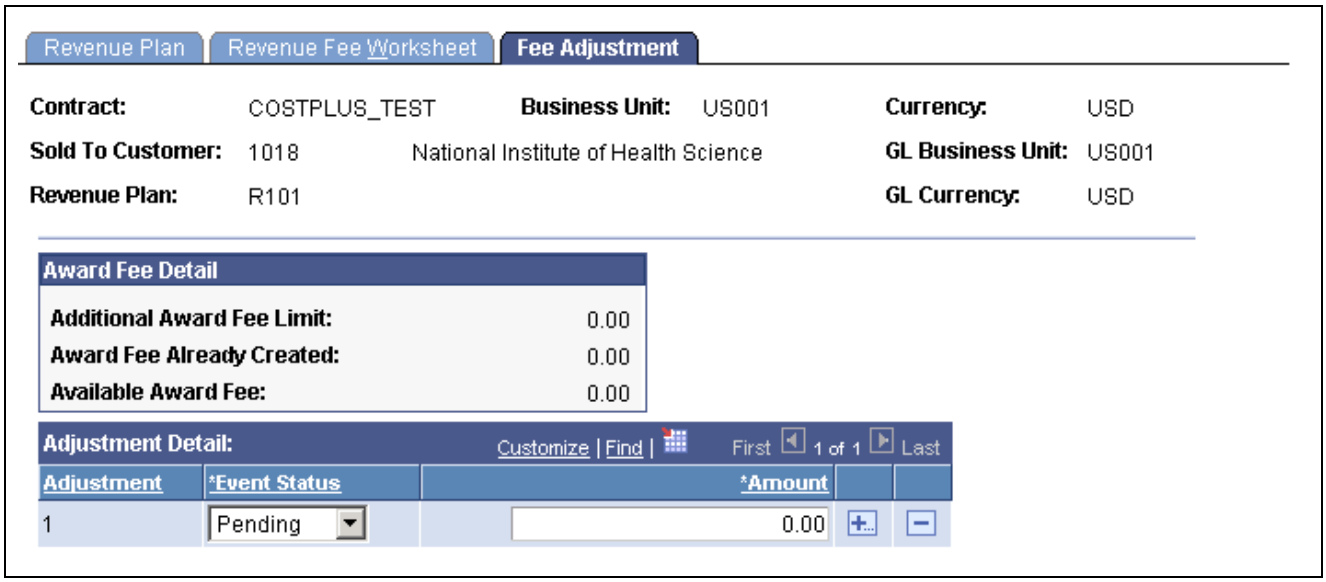
Fee Used Displays the minimum, maximum or cumulative fee amount used by the system for incentive fee revenue.

Adjustment Fee Click to access the Fee Adjustment page where you can enter a fee adjustment event. Fee adjustments cannot be set to *Ready* status if a fee event on the Revenue Plan page is set to *Ready* status.

Adjusting Award Fees

Access the Fee Adjustment page for award fees.

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Fee Adjustment page

The Fee Adjustment page enables you to adjust fee amounts that have been processed. You can enter either a negative or positive amount, up to the fee amount that has been recognized to date. Revenue fees that have not yet been processed are adjusted using the revenue fee worksheet, Proposed Amount field. Adjustments to your award fees are not controlled by amendment processing.

Award Fee Details

Additional Award Fee Limit Displays the additional award fee limit amount defined on the Contract Amounts page for the contract line assigned to this revenue plan.

Award Fee Already Created Displays the total for the additional award fee revenue rows created to date for the contract line assigned to this revenue plan. This data is retrieved from the Project Costing Project Transaction table.

Available Award Fee Displays the calculated total of the additional award fee limit less the award fee amount already created.

Adjustment Detail

Adjustment Displays the sequence number automatically assigned to the adjustment row.

Event Status Select the status of the event. The event status controls the timing of when the event can be processed. Select from the following statuses:

- *Pending:* Appears by default when you open the Fee Adjustment page.

  You can enter a fee adjustment row in pending status and edit the fee adjustment amount.

- *Ready:* Set the fee adjustment row to *Ready* status when you are ready to process the adjustment.

  When you run the As-Incurred Revenue (PSA_ACCTGGL) process to generate the adjustment row, the system checks the adjustment amount against the award fee limit. Only one award fee adjustment row can be set to *Ready* status at any one time. You cannot set an award fee adjustment row to *Ready* status if an award revenue fee event row is in *Ready* status.

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Award adjustment rows in *Ready* status cannot be edited. You must first reset the status to pending to make any changes to the row.

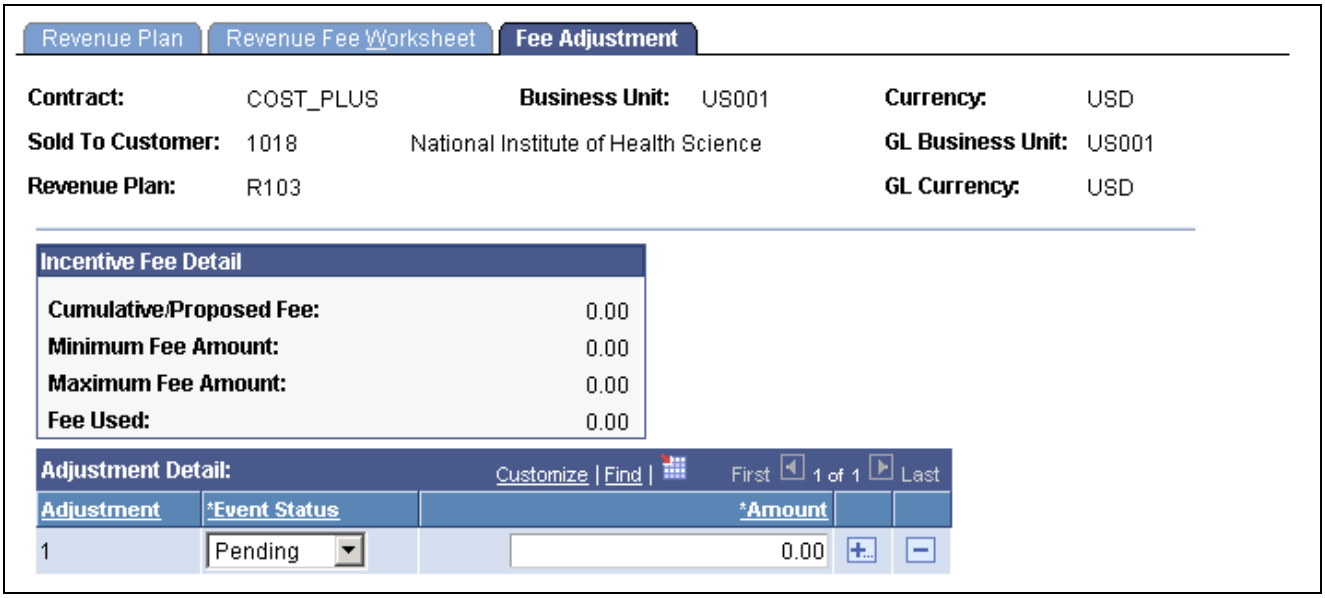
- *Completed:* Set by the system when you run the As-Incurred revenue process.

  The system processes the revenue fee adjustment, creates an adjustment entry on the Award schedule page with a status of *Adjustment*, and sets the adjustment row to a status of *Completed*. Award adjustment rows in *Completed* status can no longer be edited.

Amount Enter a positive or negative fee adjustment amount. The amount that you enter cannot be greater or less than the fee amount that has been recognized to date and cannot exceed the fee limit amount.

Adjusting Incentive Fees

Access the Fee Adjustment page for incentive fees.



Fee Adjustment page

The Fee Adjustment page enables you to adjust fee amounts that have been processed. You can enter either a negative or positive amount, but it cannot adjust it such that the fee amount would be higher than the fee limit and it also cannot be an overall negative fee (cannot be less than zero). Revenue fees that have not yet been processed are adjusted using the revenue fee worksheet, Proposed Amount field. Adjustments to your incentive fees are not controlled by amendment processing.

Incentive Fee Detail

Cumulative/ Proposed Fee Displays the cumulative or proposed fee amount from the incentive fee worksheet.

Minimum Fee Amount Displays the calculated minimum fee amount from the incentive fee worksheet.

Maximum Fee Amount Displays the calculated maximum fee amount from the incentive fee worksheet.

Fee Used Displays the minimum, maximum or cumulative fee amount used by the system for incentive fee revenue.

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Adjustment Detail

Adjustment Displays the sequence number automatically assigned the adjustment row.

Event Status Select the status of the event. The event status controls the timing of when the event can be processed. Select from the following statuses:

- *Pending:* Appears by default when you open the Fee Adjustment page.

  You can enter a fee adjustment row in pending status and edit the fee adjustment amount.

- *Ready:* Set the fee adjustment row to *Ready* status when you are ready to process the adjustment.

  When you run the As-Incurred Revenue (PSA_ACCTGGL) process to generate the adjustment row, the system checks the adjustment amount against the incentive fee minimum and maximum fee ranges. Only one fee adjustment row can be set to *Ready* status at any one time. You cannot set an incentive fee adjustment row to *Ready* status if the incentive revenue fee event row is in *Ready* status.

  Incentive fee adjustment rows in *Ready* status cannot be edited. You must first reset the status to pending to make any changes to the row.

- *Completed:* Set by the system when you run the As-Incurred revenue process.

  The system processes the revenue fee adjustment, creates an adjustment entry on the Incentive schedule page with a status of *Adjustment*, and sets the adjustment row to a status of *Completed*. Incentive adjustment rows in *Completed* status can no longer be edited.

Amount Enter a positive or negative fee adjustment amount. The amount that you enter cannot be greater or less than the fee amount that has been recognized to date and cannot exceed the fee minimum and maximum amounts.

Assigning Cost-Plus Contract Lines to Revenue Plans

You can assign cost-plus contract lines to as-incurred revenue plans using the Assign Revenue Plans page. If you add a cost-plus contract line to a contract with an incorrect fee type, and a revenue plan has already been assigned to the contract line, you must first unassign the contract line from the revenue plan using the Unassign button on this page and then delete the contract line, and re-add it with the correct fee type assigned to the contract line.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Revenue Plans,” Assigning Contract Lines to Revenue Plans.

Processing Cost-Plus Contract Line Revenue

This section provides an overview of processing revenue for cost-plus contract lines and discusses how to:

- Process revenue for cost-plus contract lines.
- Adjust revenue for cost-plus contract lines.

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Understanding Processing Revenue for Cost-Plus Contract Lines

Processing revenue for cost-plus contract lines consists of two parts: generating revenue accounting entries for the contract lines and generating revenue accounting entries for the associated contract line fees. Before you can generate accounting entries for cost rows and fees, you must complete the following tasks:

- Define the accounting rules containing the PeopleSoft Project Costing ChartField combinations and business units for your contract line transactions.
- Assign a standard or contract specific rate set or rate plan to your cost-plus contract lines.
- Assign projects and activities to your active cost-plus contract lines.
- Assign your cost-plus contract lines to as-incurred revenue plans.

  Your revenue fee worksheets are part of your revenue plans, and as such, enable you to process both revenue for your cost transactions and any associated fees.
- Set your contract to an active processing status.
- Set the as-incurred revenue plans and any associated events to a status of *Ready*.

Before generating revenue accounting entries for cost-plus contact line fees, you must first calculate and generate the fees for each contract line. Using the fee worksheets, you must evaluate the system calculated, proposed fee amount and either accept the amount or enter a different amount. When you click the Submit button on the fee worksheet, the system will evaluate the proposed amount against the revenue limits and fee criteria and determine if the proposed amount can be processed. Once processed, summarized fee rows are generated and posted to the Project Transaction tables in PeopleSoft Project Costing using the fee definition criteria setup for the contract's business unit. If you have selected the Separate Billing and Revenue option on the Installation Options-Contracts page, then you must use the revenue fee worksheets to calculate and generate the revenue fee rows. If you have not selected the Separate Billing and Revenue option on the Installation Options-Contracts page, you must use the billing fee worksheet to calculate and generate both the billing and the revenue fee rows. Fee rows can be created outside of revenue processing and do not change the status of the revenue plan.

After you have generated the fees you can run the As-Incurred Revenue (PSA_ACCTGGL) process to generate the accounting entries for both your contract lines and associated fees. The As-Incurred revenue process performs the following steps:

1. Selects all eligible revenue and fee transactions from the Project Transactions table (PROJ_RESOURCE) for processing.

   If you have selected the Separate Billing and Revenue option on the Installation Options-Contracts page, the As-Incurred Revenue process selects transactions that are assigned analysis types associated with the PSRV2 analysis group. If you have not selected this option, or if the contract line is associated with a fee type of *None*, then the As-Incurred revenue process selects transactions that are assigned analysis types associated with the PSREV analysis group.
2. Creates revenue accounting entries for the contract lines and fees according to the processing criteria specified on the As-Incurred Revenue run control page and writes them to the Contracts/Projects Accounting Line (CA_ACCTG_LN_PC) table and assigns the transaction rows a general ledger distribution status (GL_DISTRB_STATUS of Generated (*G*).

   You must run the journal generator process to post the accounting entries from the (CA_ACCTG_LN_PC) table to the general ledger.
3. Changes the status of the revenue plans and award and incentive fee events to *In Progress*.

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After the journal generator has posted the accounting entries to the general ledger, you must run the Journal Generator Load Update (CA_LOAD_UPD) process to update PeopleSoft Contracts and PeopleSoft Project Costing with the processed revenue data, set the revenue distribution status in the CA_ACCTG_LN_PC table from Generated (*G*) to Distributed (*D*) for revenue transactions, and set the Cost distribution status from Generated (*G*) to Distributed (*D*) for costing transactions.

Streamline Processing

PeopleSoft Contracts delivers streamline processing to enable you to generate fees and recognize revenue for cost transactions using a single process. By performing a few simple setup tasks, you can set up the As-Incurred Revenue process to perform all of the steps for generating accounting entries for your cost transactions and associated fees, post the entries to the general ledger, and update PeopleSoft Contracts and PeopleSoft Project Costing with the results.

To set up streamline processing for revenue generation for cost-plus contract lines and fees, perform the following steps:

1. Set up the accounting definition defaults for the Journal Generator at the installation level on the Contracts – Installation Options page.
2. Select the Process Automatically option on the revenue fee worksheets.

   By selecting the Process Automatically option on the revenue fee worksheets, the As-Incurred Revenue process initiates the fee processor to evaluate the fee amount proposed by the system to determine if it meets the revenue fee limit criteria, and submits the fee for processing. The fee is then processed through to the general ledger and fee data updates are sent back to PeopleSoft Contracts and PeopleSoft Project Costing.
3. Select the Process Milestones option on the Process Project Accounting page. (Optional)

   If you are using milestone events for your award or incentive fee schedules, then the milestone status must be complete before the revenue event can be processed. By selecting this option on the Process Project Accounting page, the As-Incurred revenue process initiates the Milestone Processing Application Engine process (CA_MS_PRCS) to update any eligible milestone statuses to *Complete*.
4. Select the Process Journal Entries option on the Process Project Accounting page.

   By selecting the Process Journal Entries option, the As-Incurred Revenue (PSA_ACCCTGGL) process automatically runs the Journal Generator process and the Journal Generator Update process to book the revenue accounting entries to general ledger for your cost-plus contract lines and fees, and then updates PeopleSoft Contracts and PeopleSoft Project Costing with the booked revenue data.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Processing Revenue Recognition," Processing Rate-based Revenue (PSA_ACCTGGL)

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Page Used to Process Revenue for Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Process Project Accounting	RUN_PSA_ACCTGGL	Customer Contracts, Schedule and Process Revenue, Process As Incurred Revenue, Process Project Accounting.	Run this process to write revenue for rate-based contract lines and rate-based contract lines associated with fee types (cost-plus) to CA_ACCTG_LN_PC. This process picks up rate-based contract lines assigned to as-incurred revenue plans and any associated fees. The system sets the GL_DISTRIB_STATUS for lines and fees that it writes to the CA_ACCTG_LN_PC table to *G* (generated).

Processing Revenue for Cost-Plus Contract Lines

Access the Process Project Accounting page.

See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , "Setting Up Accounting for Projects," Processing Transactions Using Accounting Rules.

Adjusting Revenue for Cost-Plus Contract Lines

Throughout the life of the contract, changes may occur that impact revenue costs, limit amounts, or fees. To manage revenue adjustments, PeopleSoft Contracts uses amendment processing to enable you to keep a historical record of any changes that you make. To manage revenue fee adjustments, you must use the revenue fee worksheets and the Fee Adjustment page (if adjusting award or incentive fees).

The following table lists some examples of revenue adjustments that you might make and the tasks required to complete the changes:

Revenue Adjustment	Tasks	Controlled by Amendment Processing
Increase or decrease revenue fee percentage for fixed or award fee types.	Enter the fee percentage change on the appropriate Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes
Increase or decrease the revenue cost share percentage for incentive fee types.	Enter the fee percentage change on the Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes
Increase or decrease the revenue target fee for incentive fee types.	Enter the fee percentage change on the Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes

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Revenue Adjustment	Tasks	Controlled by Amendment Processing
Increase or decrease the revenue maximum or minimum fee for incentive fee types.	Enter the fee percentage change on the Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes
Reduce revenue fee amounts due to cost adjustments.	Use the revenue fee worksheet for the contract line and enter a negative revenue fee amount. The fee adjustment cannot be greater than the revenue amount already recognized to date.	No **Note.** To maintain a historical record of this transaction, use the internal notes page for the contract.
Increase revenue fee amounts due to cost adjustments.	Use the revenue fee worksheet for the contract line and enter the revenue fee adjustment amount.	No **Note.** To maintain a historical record of this transaction, use the internal notes page for the contract.
Modify the revenue or revenue fee limit amount.	Enter the new revenue limit or revenue fee limit amount on the appropriate Contract Amounts page.	Yes

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Award Fee Revenue Fee Worksheets, page 165.

Setting Up Billing Plans for Cost-Plus Contract Lines

This section provides an overview of cost-plus billing plans, lists prerequisites, and discusses how to:

- Define cost-plus billing plans.
- Define fixed fee billing fee worksheets.
- Define award fee billing fee worksheets.
- Define incentive fee billing fee worksheets.
- Define other fee billing fee worksheets.
- Create award fee schedules.
- Create incentive fee schedules.
- Adjust award fees.
- Adjust incentive fees.
- Update tax information.
- View billing history.
- Assign cost-plus contract lines to billing plans.

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Understanding Setting Up Billing Plans for Cost-Plus Contract Lines

PeopleSoft Contracts integrates with PeopleSoft Project Costing and PeopleSoft Billing to enable you to generate invoices for cost-plus contract lines and fees. As transactions occur against a contract line, the Pricing Engine prices the transaction and posts the resulting transaction rows in the Project Costing Project Transactions table. Fee rows are also posted to the Project Costing Project Transactions table when fees are generated from the billing worksheets. The Contracts/Billing Interface (CA_BI_INTFC) process selects the eligible billing and fee rows from PeopleSoft Project Costing and passes the transactions to PeopleSoft Billing for invoice generation.

To manage bill processing for cost-plus contract lines, PeopleSoft Contracts uses billing plans. Billing plans store the timing of when billing occurs, enable you to define billing events to control the processing of fees, and enable you to calculate fee amounts using a billing fee worksheet. Billing plans are required for every contract line to process billing for those contract lines.

For cost-plus contract lines, every contract line must be assigned to a unique billing plan as the billing fee worksheet associated with the billing plan is unique to the fee type associated with the contract line. If you have not selected the option to apply separate rates for billing and revenue, the billing fee worksheet is used to calculate both billing and revenue fees.

When defining billing plans for cost-plus contract lines, you can assign the contract lines to billing plans manually or by using an as-incurred billing plan template. If you use a billing plan template to set up the billing plans for the contract lines, you can select the template on the Add Contract Lines page when adding the products to your contract, or you can select the template on the Assign Billing Plan page. If you assign the billing plan template to the contract line on the Add Contract Lines page, the system will automatically create the billing plan after the contract line is added to the contract and saved. A billing plan detail template can also be used to populate or override general billing information on the billing plan when creating a billing plan manually or when using a billing plan template.

After the contract line is added to the contract and the billing plan is created, you must complete the fields on the billing plan to enable processing to occur. Award and incentive fees also have an award schedule that must be completed to generate a billing fee for those fee types. The award schedule enables you to set up events, using milestones or dates, that enable you to control when the fee amounts are processed.

To generate invoices for the contract lines and any associated fees, the contract must be in an active processing status, the contract line must be active, and the billing plan and any associated events must have a status of *Ready*. If you are using milestones to control processing for award or incentive fee events, they must have a status of *Complete*.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Billing Plans”.

Prerequisites

Before you can manage billing for cost-plus contract lines, you must first create a contract with a contract classification of *Government*, add contract lines associated with fee types to the contract, and associate projects, activities, and a rate plan to the contract line.

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Pages Used to Manage Billing for Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Billing Plan - Billing Plan General	CA_BP_GEN_INFO	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Billing Plan General	Define the high-level billing information for a billing plan. The system associates the information that you define on this page with all billing lines that you create under this billing plan. This information is then sent to PeopleSoft Billing.
Billing Plan - Billing Fee Worksheet	CA_BP_FEE_WS	Customer Contracts, Create and Amend, General information, General. Click the Billing Plans link. Click the link for the billing plan ID, Billing Fee Worksheet.	Evaluate, manage, and generate billing fee amounts for cost-plus contract lines.
Billing Plan - Events	CA_BP_EVENTS	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Billing Plan General, Billing Fee Worksheet Click the Award Fee Amount Proposed or Proposed Incentive Fee link on the Billing Fee Worksheet page.	Define billing fee events for award and incentive fee types.
Billing Plan – Fee Adjustments	CA_BP_FEE_ADJ	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Billing Plan General, Billing Fee Worksheet. Click the Award Fee Amount Proposed or Proposed Incentive Fee link on the Billing Fee Worksheet page. Click the Adjustment Fee link on the Events page.	Enter fee adjustment amounts when fee amounts, percentages, or limits have changed over the life of the contract.
Billing Plan - Tax Parameters	CA_BP_TAX_AI	Customer Contracts, Schedule and Process Billing, Define Billing Plan, Tax Parameters	Update tax information for contract lines associated with fixed-fee billing plans. You can update the tax parameters for any contract lines for which you have not created a bill plan line. Tax codes are applied and calculated at the bill line level so that each bill line can be taxed at a different rate.

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Page Name	Object Name	Navigation	Usage
Billing Plan - History	CA_BP_XREF	Customer Contracts, Schedule and Process Billing, Define Billing Plan, History	View the status for all billing activity related to this bill plan ID.
Assign Billing Plan	CA_BP_LINK	Customer Contracts, Schedule and Process Billing, Assign Billing Plan	Assign or unassign contract lines to billing plans. You can first define billing plans and assign the contract lines to these existing billing plans, or you can first assign the lines to a new billing plan and then define the details of the billing plan.

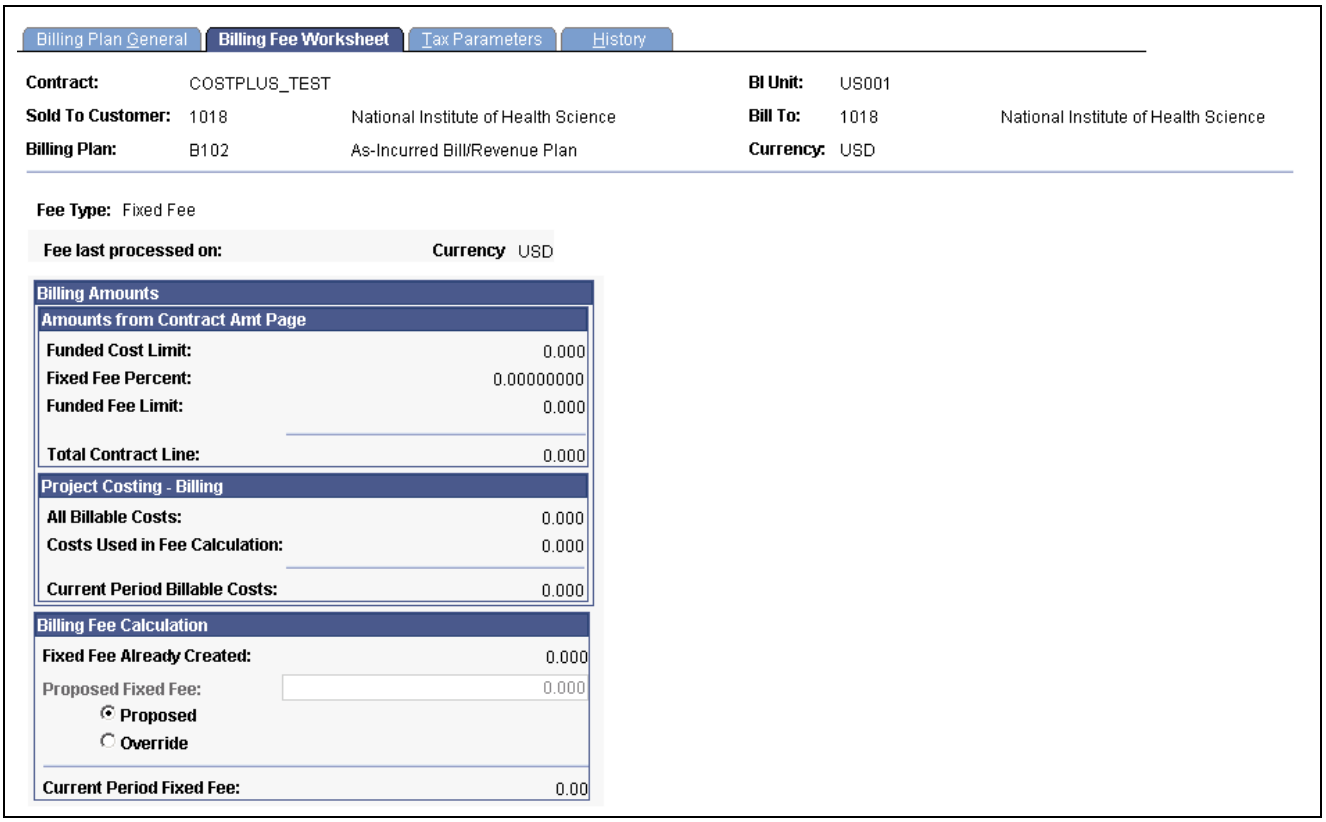
Defining Cost-Plus Billing Plans

Access the Billing Plan - Billing Plan General page.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Setting Up Billing Plans," Defining High-Level Billing Plan Information.

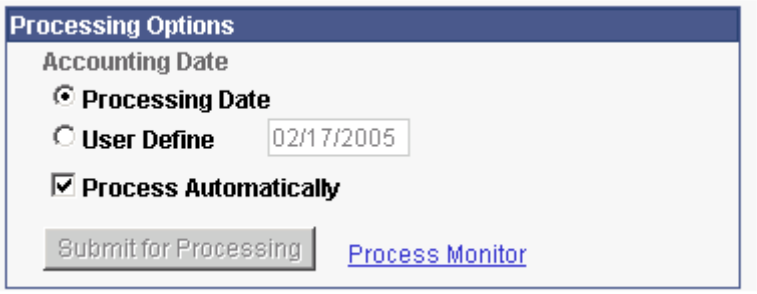
Defining Fixed Fee Billing Fee Worksheets

Access the Billing Plan – Billing Fee Worksheet page for fixed fees.



Billing Plan – Billing Fee Worksheet page (1 of 2)

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Billing Plan – Billing Fee Worksheet page (2 of 2)

When you define a billing plan for a cost-plus contract line associated with a fee type of *Fixed*, the system automatically creates a billing plan with a billing fee worksheet containing fields that are specific to fixed fee processing.

Billing Amounts - Amounts from Contract Amt Page

Fixed Fee Percent Displays the fixed fee percentage defined on the Contract Amounts page for the contract line. The fixed fee percent is multiplied by the total funded costs to determine the total funded fee amount.

Billing Fee Calculation

Fixed Fee Already Created Displays the total to date for all billable fixed fee rows already created for the contract line.

For this value, the system retrieves the fixed fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

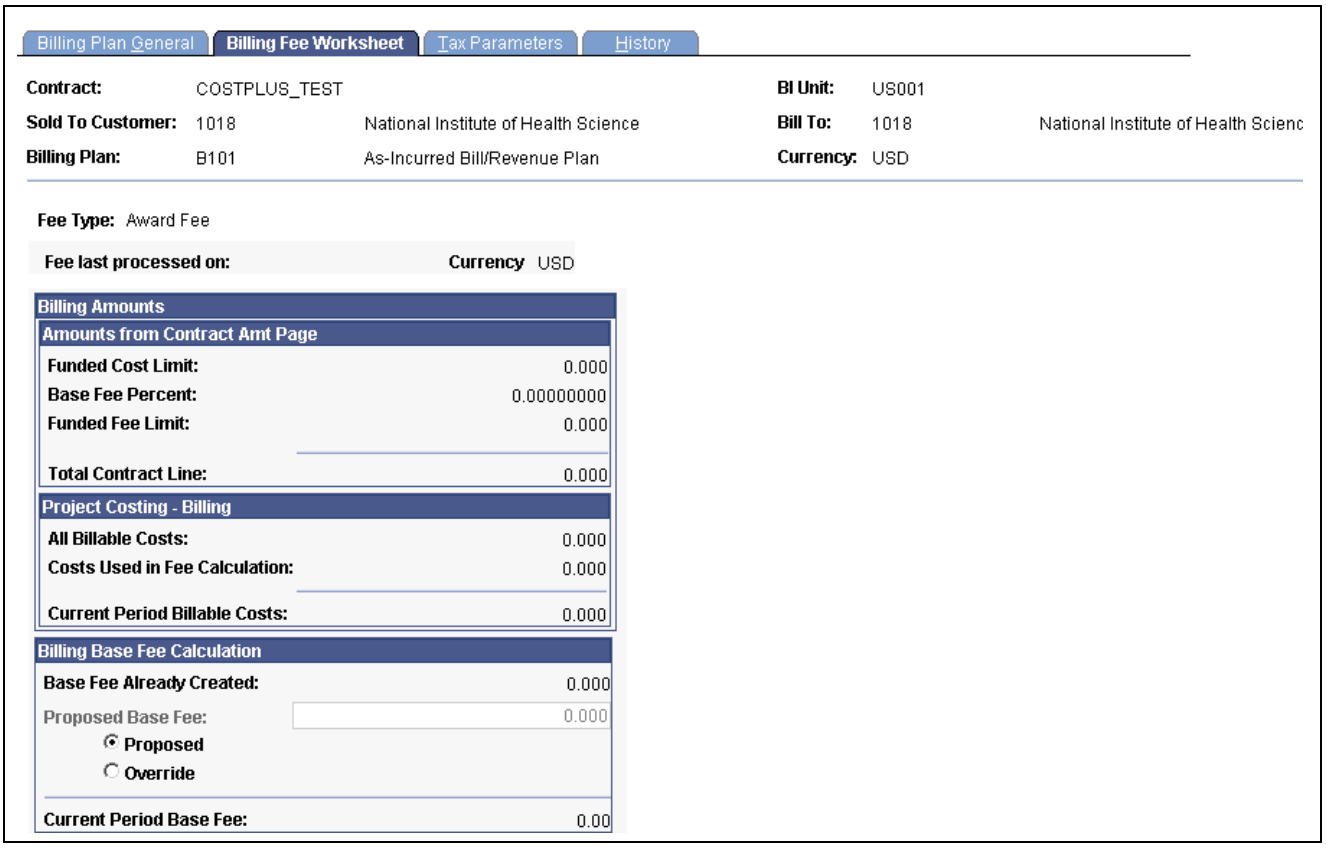
Proposed Fixed Fee Displays the calculated total of all billable cost rows to date for the contract line for which fees have not been created, multiplied by the fixed fee percentage. You can override this value if needed.

Current Period Fixed Fee Displays the billing fixed fee total for the current period after the fee limits process has run.

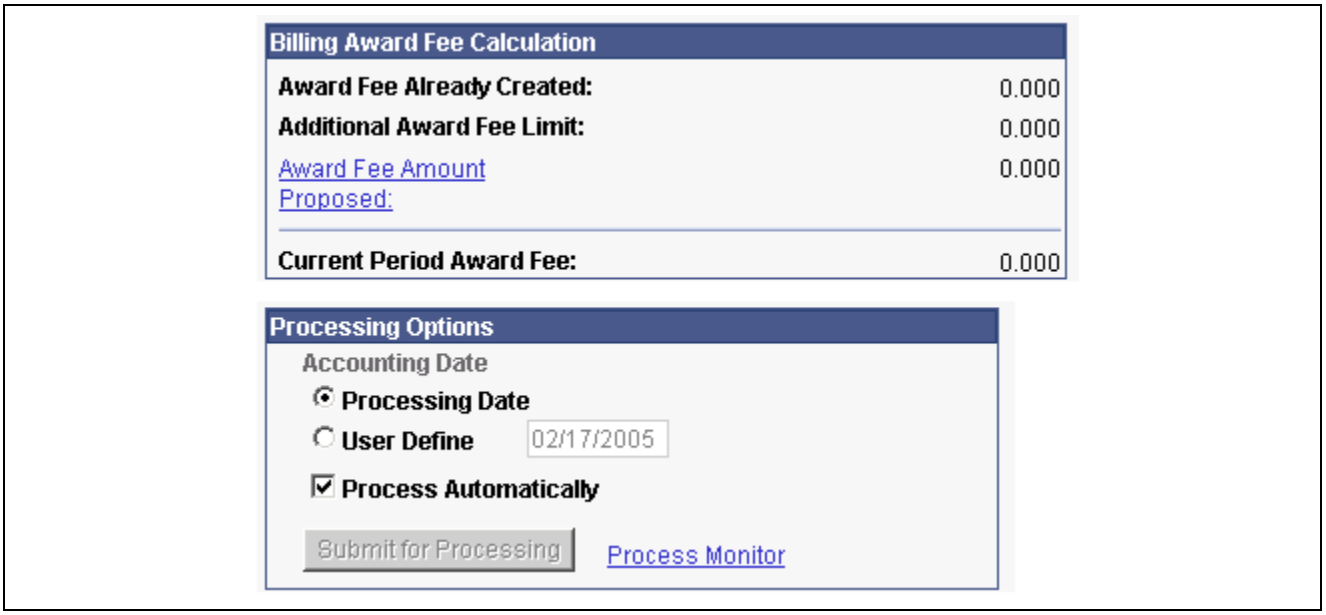
Defining Award Fee Billing Fee Worksheets

Access the Billing Plan – Billing Fee Worksheet for award fees.

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Billing Plan – Billing Fee Worksheet page (1 of 2)



Billing Plan – Billing Fee Worksheet page (2 of 2)

When you define a billing plan for a cost-plus contract line associated with a fee type of *Award*, the system automatically creates a billing plan with a billing fee worksheet containing fields that are specific to award fee processing.

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Billing Amounts - Amounts from Contract Amt Page

Base Fee Percent Displays the base fee percentage defined on the Contract Amounts page for the contract line. The billing base fee percent is multiplied by the total funded costs to determine the total funded fee amount.

Billing Base Fee Calculation

Base Fee Already Created Displays the total to date for all billable base fee rows already created for the contract line.

For this value, the system retrieves the award fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Proposed Base Fee Displays the calculated total of all billable cost rows to date for the contract line for which fees have not been created, multiplied by the base fee percentage. You can override this value if needed.

Current Period Base Fee Displays the billing base fee total for the current period after the fee limits process has run.

Billing Award Fee Calculation

Award Fee Already Created Displays the total to date for all billable award fee rows already created for the contract line.

For this value, the system retrieves the award fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Additional Award Fee Limit Displays the additional award fee limit percentage entered on the Contract Amounts page for the contract line.

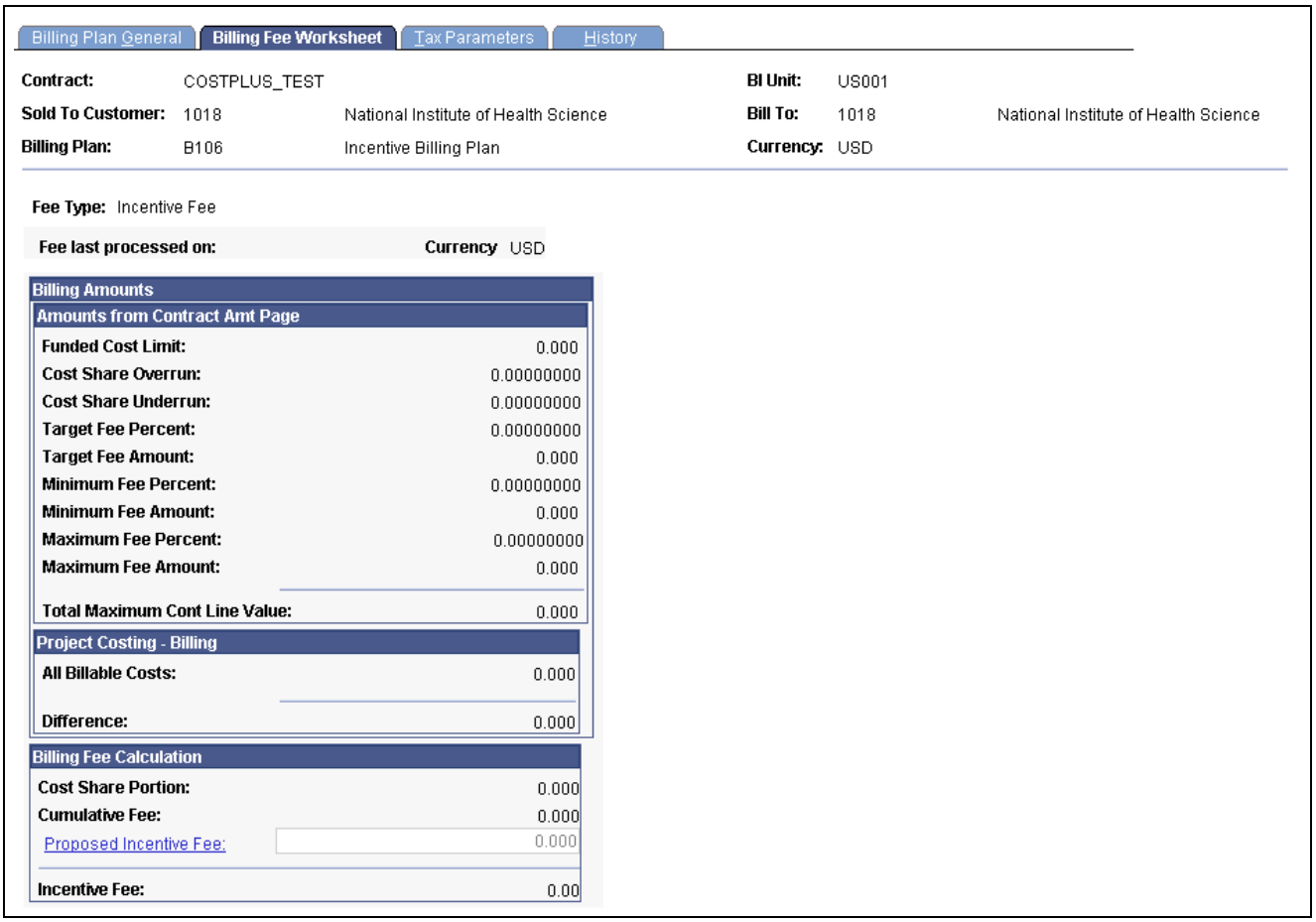
Award Fee Amount Proposed Displays the calculated total of all billable cost rows to date for the contract line for which fees have not been created, multiplied by the award fee percentage. You can override this value if needed.

Current Period Award Fee Displays the billing award fee total for the current period after the fee limits process has run.

Defining Incentive Fee Billing Fee Worksheets

Access the Billing – Plan Billing Fee Worksheet for incentive fees.

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Billing Plan – Billing Fee Worksheet page (1 of 2)



Billing Plan – Billing Fee Worksheet page (2 of 2)

When you define a billing plan for a cost-plus contract line associated with a fee type of *Incentive*, the system automatically creates a billing plan with a billing fee worksheet containing fields that are specific to incentive fee processing.

Billing Amounts - Amounts from Contract Amt Page

Cost Share Overrun Displays the cost share overrun percentage entered on the Contract Amounts page for the contract line. Then system uses the cost share overrun percentage to adjust the target fee percentage that can be billed.

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Cost Share Underrun Displays the cost share underrun percentage entered on the Contract Amounts page for the contract line. The system uses the cost share underrun percentage to adjust the target fee percentage that can be billed.

Target Fee Percent Displays the target fee percentage entered on the Contract Amounts page for the contract line. The system uses the target fee percentage to calculate the target fee amount.

Target Fee Amount Displays the calculated total of the funded cost limit multiplied by the target fee percentage.

Minimum Fee Percent Displays the minimum fee percentage entered on the Contract Amounts page for the contract line. This percentage represents the minimum fee percentage that can be billed for the contract line.

Minimum Fee Amount Displays the calculated total of the funded cost limit multiplied by the minimum fee percentage.

Maximum Fee Percent Displays the maximum fee percentage entered on the Contract Amounts page for the contract line. This percentage represents the maximum fee percentage that can be billed for the contract line.

Maximum Fee Amount Displays the calculated total of the funded cost limit multiplied by the maximum fee percentage.

Total Maximum Cont Line Value (total maximum contract line value) Displays the calculated total of the funded cost limit plus the maximum fee amount.

Project Costing - Billing

Difference Displays the calculated total of the funded cost limit minus all available billable costs to date for the contract line.

Billing Fee Calculation

Cost Share Portion Displays the calculated total of the difference amount between the funded cost limit and all available billing cost rows for the contract line multiplied by the cost share percentage to be used. The cost share percentage used is either the underrun or overrun cost share percentage depending on whether the total inception to date billable costs are less than or greater than the funded cost limit amount respectively.

Cumulative Fee Displays the calculated total of the cost share portion amount plus the target fee amount.

Proposed Incentive Fee Displays the proposed incentive fee for the contract line. If the actual billable costs to date are less then or equal to the funded cost limit, the system uses the lessor of the cumulative fee amount or the maximum fee amount for the proposed incentive fee. If the actual billable costs to date are greater then the funded costs limit, then the system uses the greater of the cumulative fee amount or the minimum fee amount for the proposed incentive fee.

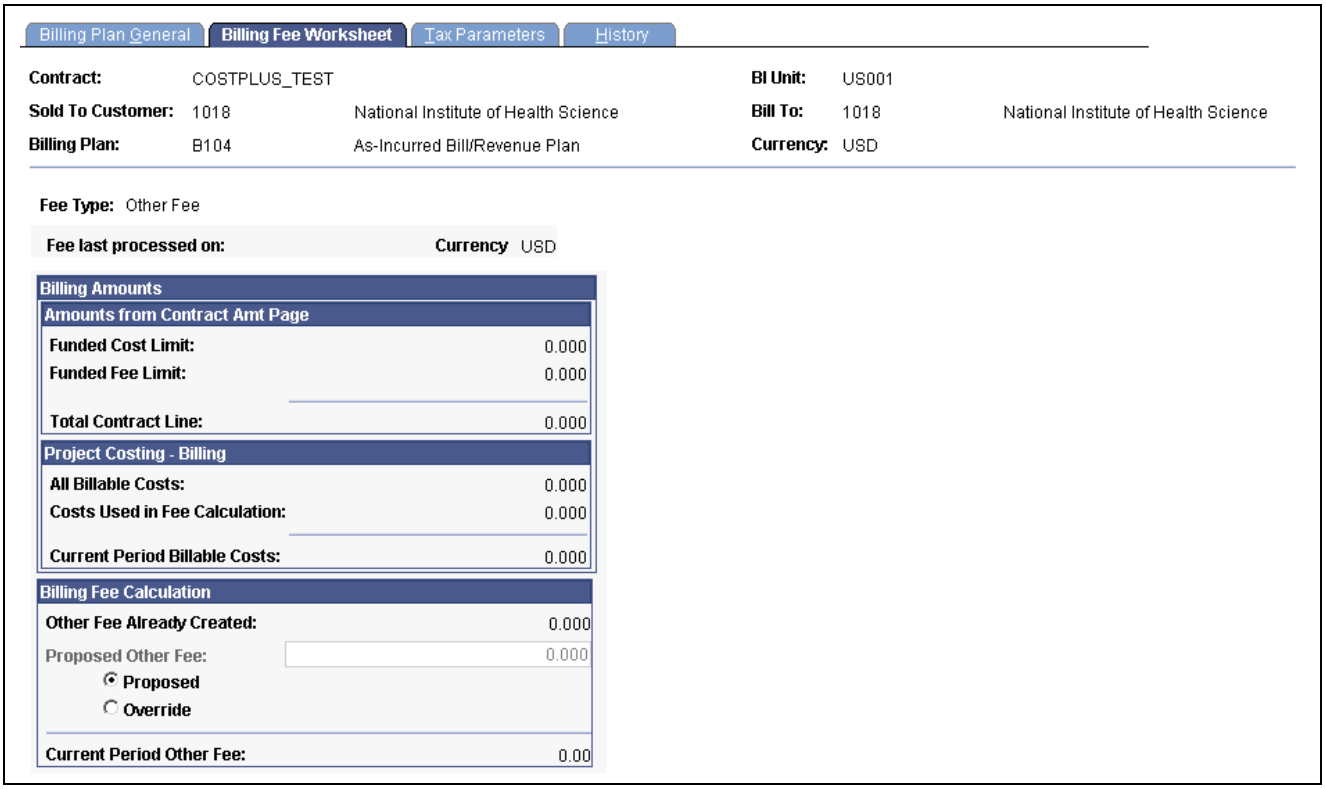
This amount can be overwritten if needed, but must be within the minimum and maximum fee ranges defined for the contract line.

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Incentive Fee Displays the billing incentive fee total for the current period after the fee limits process has run.

Defining Other Fee Billing Fee Worksheets

Access the Billing Plan – Billing Fee Worksheet for other fees.



Billing Plan – Billing Fee Worksheet page (1 of 2)



Billing Plan — Billing Fee Worksheet page (2 of 2)

When you define a billing plan for a cost-plus contract line associated with a fee type of *Other*, the system automatically creates a billing plan with a billing fee worksheet containing fields that are specific to other fee processing.

Billing Fee Calculation

Other Fee Already Created Displays the total to date for all billable other fee rows already created for the contract line.

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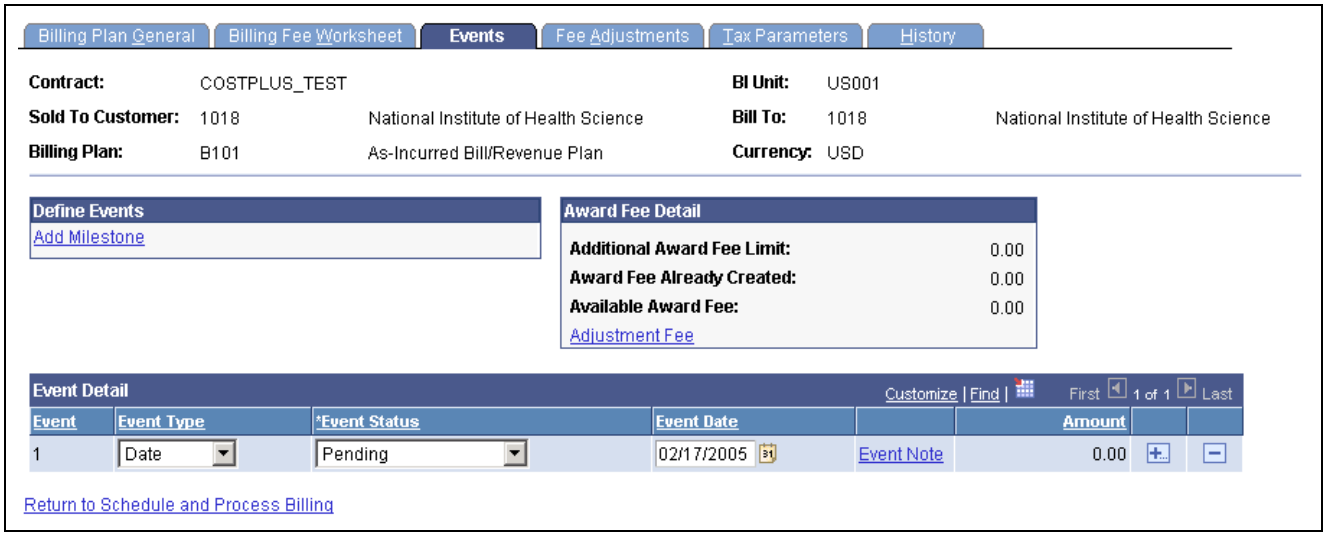
For this value, the system retrieves the other fee billing rows that are assigned the analysis type specified in the Billing Target Fee Attributes group box on the Fee Definition page for this fee type. The fee definition is defined on the Contracts Business Unit component (BUS_UNIT_TBL_CA).

Proposed Other Fee Displays the other fee amount entered on the Contract Amounts page for the contract line. This amount can be overwritten if needed.

Current Period Other Fee Displays the billing other fee total for the current period after the fee limits process has run.

Creating Award Fee Schedules

Access the Billing Plan - Events page.



Billing Plan - Events page

The award schedule page is used to define events for award fees. The events fields appear when you navigate to the Billing Plan page from the Billing Fee Worksheet for Award fees. You can define milestone or date event types to control the timing of when bills are generated for award fees. You can enter multiple event rows, but only one event can be set to a *Ready* status at a time.

Award Fee Detail

Additional Award Fee Limit Displays the additional award fee limit amount defined on the Contract Amounts page for the contract line assigned to this billing plan.

Award Fee Already Created Displays the total for the award fee billing rows created to date for the contract line assigned to this billing plan. This data is retrieved for the Project Costing Project Transaction table.

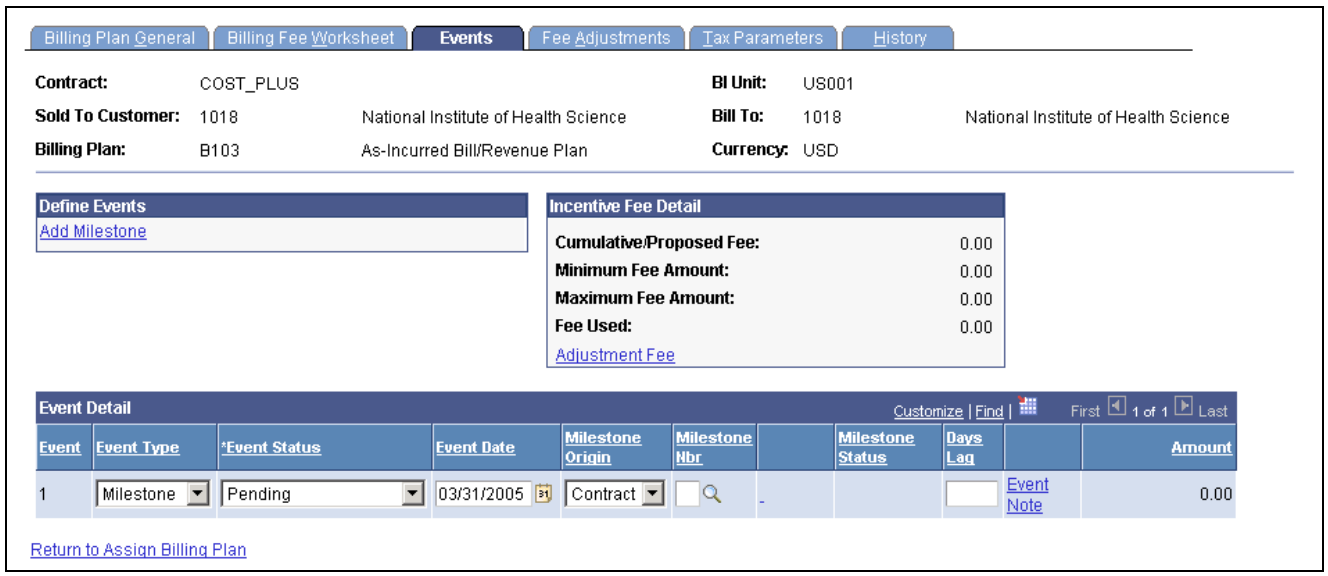
Available Award Fee Displays the calculated total of the additional award fee limit less the award fee amount already created.

Adjustment Fee Click to access the Fee Adjustment page where you can enter a fee adjustment event. Fee adjustments cannot be set to *Ready* status if a fee event on the Billing Plan - Events page is set to *Ready* status.

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Creating Incentive Fee Schedules

Access the Billing Plan – Events page for the incentive fee schedule.



Billing Plan - Events page

The Incentive schedule page is used to define an event for incentive fees. The events fields appear when you navigate to the Billing Plan page from the Billing Fee Worksheet for incentive fees. You can define a milestone or date event type to control the timing of when a bill is generated for incentive fees. You can only enter one event row in this schedule.

Incentive Fee Detail

Cumulative/Proposed Fee Displays the cumulative or proposed fee amount from the incentive fee worksheet.

Minimum Fee Amount Displays the calculated minimum fee amount from the incentive fee worksheet.

Maximum Fee Amount Displays the calculated maximum fee amount from the incentive fee worksheet.

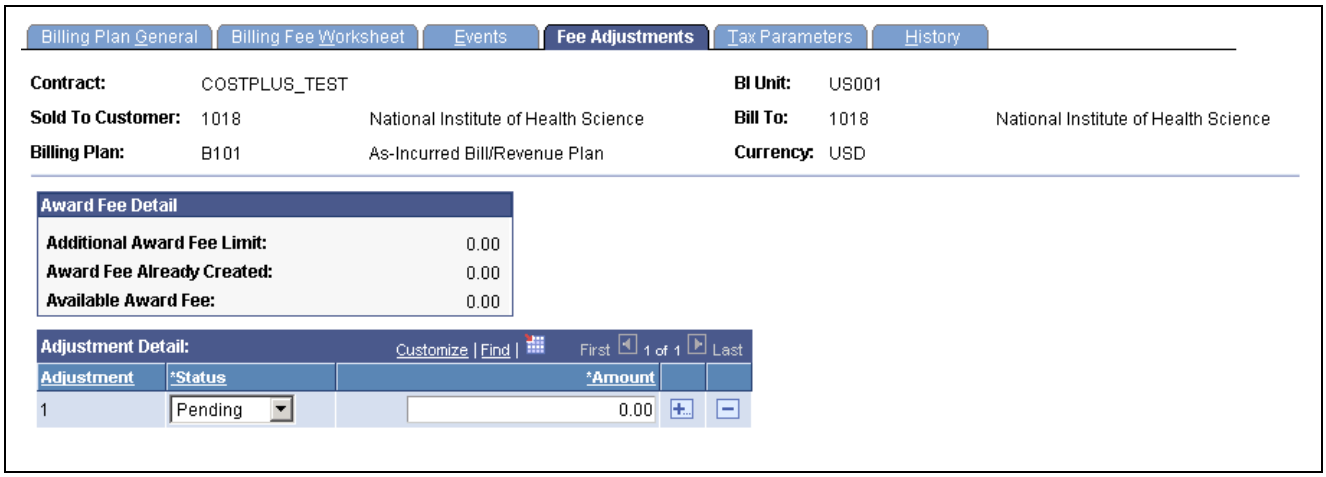
Fee Used Displays the minimum, maximum or cumulative fee amount used by the system for incentive fee billing.

Adjustment Fee Click to access the Fee Adjustment page where you can enter a fee adjustment event. Fee adjustments cannot be set to *Ready* status if a fee event on the Billing Plan page is set to *Ready* status.

Adjusting Award Fees

Access the Billing Plan – Fee Adjustments page for award fees.

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Billing Plan – Fee Adjustments page

The Fee Adjustments page enables you to adjust fee amounts that have been processed. You can enter either a negative or positive amount, up to the fee amount that has been billed to date. Billing fees that have not yet been processed are adjusted using the billing fee worksheet, Proposed Amount field. Adjustments to award fees are not controlled by amendment processing.

Award Fee Details

Additional Award Fee Limit Displays the additional award fee limit amount defined on the Contract Amounts page for the contract line assigned to this billing plan.

Award Fee Already Created Displays the total for the additional award fee billing rows created to date for the contract line assigned to this billing plan. This data is retrieved for the Project Costing Project Transaction table.

Available Award Fee Displays the calculated total of the additional award fee limit less the award fee amount already created.

Adjustment Detail

Adjustment Displays the sequence number automatically assigned to the adjustment row.

Event Status Select the status of the event. The event status controls the timing of when the event can be processed. Select from the following statuses:

- *Pending:* Appears by default when you open the Fee Adjustment page.

  You can enter a fee adjustment row in pending status and edit the fee adjustment amount.

- *Ready:* Set the fee adjustment row to *Ready* status when you are ready to process the adjustment.

  When you run the Contracts/Billing Interface (CA_BI_INTFC) process to generate the adjustment row, the system checks the adjustment amount against the award fee limit. Only one award fee adjustment row can be set to *Ready* status at any one time. You cannot set an award fee adjustment row to *Ready* status if an award revenue fee event row is in *Ready* status.

  Award adjustment rows in *Ready* status cannot be edited. You must first reset the status to pending to make any changes to the row.

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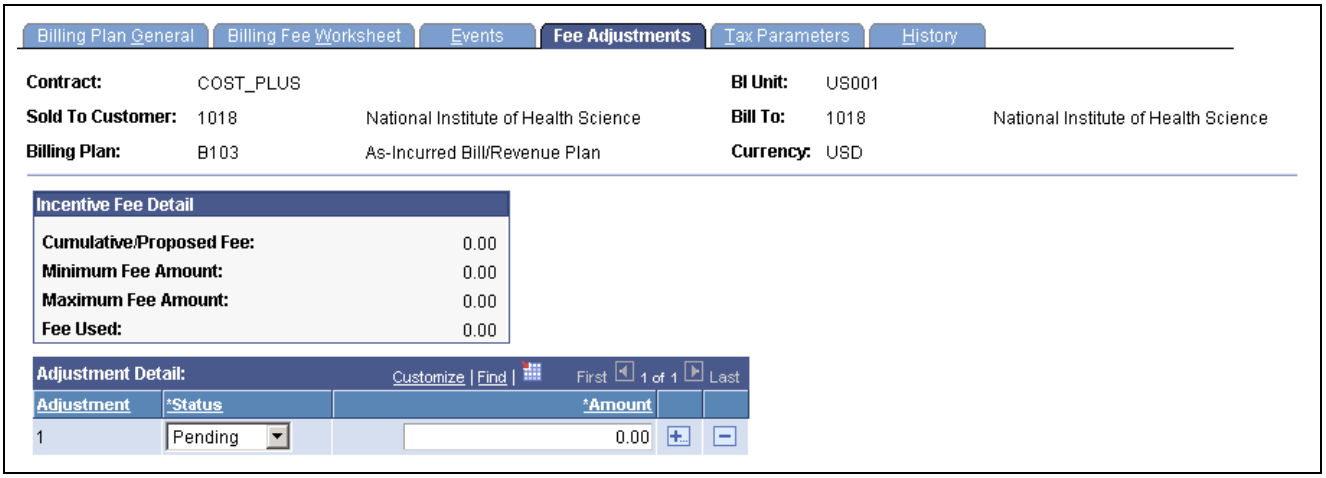
- *Completed:* Set by the system when you run the Contracts/Billing Interface process.

  The system processes the billing fee adjustment, creates an adjustment entry on the Award schedule page with a status of *Adjustment*, and sets the adjustment row to a status of *Completed*. Award adjustment rows in *Completed* status can no longer be edited.

Amount Enter a positive or negative fee adjustment amount. The amount that you enter cannot be greater or less than the fee amount that has been billed to date and cannot exceed the fee limit amount.

Adjusting Incentive Fees

Access the Billing Plan – Fee Adjustments page for incentive fees.



Billing Plan – Fee Adjustments page

The Fee Adjustments page enables you to adjust fee amounts that have been processed. You can enter either a negative or positive amount, up to the fee amount that has been billed to date. Billing fees that have not yet been processed are adjusted using the billing fee worksheet, Proposed Amount field. Adjustments to incentive fees are not controlled by amendment processing.

Incentive Fee Detail

Cumulative/ Proposed Fee Displays the cumulative or proposed fee amount from the incentive fee worksheet.

Minimum Fee Amount Displays the calculated minimum fee amount from the incentive fee worksheet.

Maximum Fee Amount Displays the calculated maximum fee amount from the incentive fee worksheet.

Fee Used Displays the minimum, maximum or cumulative fee amount used by the system for incentive fee billing.

Adjustment Detail

Adjustment Displays the sequence number automatically assigned the adjustment row.

Event Status Select the status of the event. The event status controls the timing of when the event can be processed. Select from the following statuses:

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- *Pending:* Appears by default when you open the Fee Adjustment page.

  You can enter a fee adjustment row in pending status and edit the fee adjustment amount.

- *Ready:* Set the fee adjustment row to *Ready* status when you are ready to process the adjustment.

  When you run the Contracts/Billing Interface (CA_BI_INTFC) process to generate the adjustment row, the system checks the adjustment amount against the incentive fee minimum and maximum fee ranges. Only one fee adjustment row can be set to *Ready* status at any one time. You cannot set an incentive fee adjustment row to *Ready* status if the incentive revenue fee event row is in *Ready* status.

  Incentive fee adjustment rows in *Ready* status cannot be edited. You must first reset the status to pending to make any changes to the row.

- *Completed:* Set by the system when you run the Contracts/Billing Interface process.

  The system processes the billing fee adjustment, creates an adjustment entry on the Incentive schedule page with a status of *Adjustment*, and sets the adjustment row to a status of *Completed*. Incentive adjustment rows in *Completed* status can no longer be edited.

Amount Enter a positive or negative fee adjustment amount. The amount that you enter cannot be greater or less than the fee amount that has been billed to date and cannot exceed the fee minimum and maximum amounts.

Updating Tax Information

Access the Billing Plan - Tax Parameters page.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Billing Plans,” Updating Tax Information.

Viewing Billing History

Access the Billing Plan - History page.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Billing Plans,” Viewing Billing History.

Assigning Cost-Plus Contract Lines to Billing Plans

You can assign cost-plus contract lines to as-incurred billing plans using the Assign Billing Plan page. If you add a cost-plus contract line to a contract with an incorrect fee type, and a billing plan has already been assigned to the contract line, you must first unassign the contract line from the billing plan using the Unassign button on this page and then delete the contract line, and re-add it with the correct fee type assigned to the contract line.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Setting Up Billing Plans,” Assigning Contract Lines to Billing Plans.

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Processing Billing for Cost-Plus Contract Lines

This section provides an overview of processing billing for cost-plus contract lines and discusses how to:

- Process billing for cost-plus contract lines.
- Adjust billing for cost-plus contract lines.

Understanding Processing Billing for Cost-Plus Contract Lines

Processing billing for cost-plus contract lines includes generating invoices for the costs related to the contract lines themselves and generating invoices for any associated fees. Before you can generate invoices for your contract lines and fees, you must first complete the following tasks:

- Define accounting rules containing the PeopleSoft Project Costing ChartField combinations and business units for your contract line transactions.
- Assign a rate plan to your cost-plus contract lines.
- Assign projects and activities to your active cost-plus contract lines.
- Assign your cost-plus contract lines to as-incurred billing plans.

  The billing plans contain the billing fee worksheets and enable you to process billing for both your contract lines and any associated fees.
- Set your contract to an active processing status.
- Set the as-incurred billing plan and any associated events to a status of *Ready*.

Before generating invoices for your billing fees, you must first calculate and generate the fees using the billing fee worksheets on the billing plan. Using the fee worksheets, you must evaluate the system calculated, proposed fee amount and either accept the amount or enter a different amount. When you click the Submit button on the fee worksheet, the system evaluates the proposed amount against the billing fee limits and fee criteria and determines if the proposed amount can be processed. Once processed, summarized fee rows are generated and posted to the Project Transaction tables in PeopleSoft Project Costing using the fee definition criteria setup for the contract's business unit.

To generate invoices for your fee amounts and your cost-plus contract lines, you must run the Contracts/Billing Interface (CA_BI_INTFC) process for rate-based contract lines. The Contracts/Billing Interface process is the first step in the billing process, and includes the following steps:

1. Selects eligible billing and fee rows from the Project Costing Project Transaction (PROJ_RESOURCE) table for processing and posts the billing data to the Billing Interface (BI_INTFC) tables.

   The system selects billable transaction rows for processing that are associated with an analysis type assigned to the PSWKS analysis group and that are tied to contract lines that are linked to as-incurred billing plans in *Ready* status. For award and incentive fees, the system also selects billable fee rows that are associated with billing fee events with a ready status.
2. After the Contracts/Billing Interface process has been run, you then run the Billing Interface (BIIF001) process to generate real or temporary bills for your contract lines and fees.
3. Depending on how your bill processing is set up for your contracts, the Billing Interface process passes the temporary bills to the billing worksheet for review and approval.
4. After the billing rows are approved on the billing worksheet, the system passes the billing data to PeopleSoft Billing for invoice generation and bill finalization.

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5. After the invoices are finalized for your contract lines and fees, you must run the Projects/Contracts Interface (BIPCC000) process to update PeopleSoft Project Costing and PeopleSoft Contracts with the billed data.

   The Projects/Contracts Interface process updates the billing plan history page with the finalized bill rows and updates the billing plan event status (for award and incentive fee events) to *Completed*.

6. The last step in performing bill processing for your contract lines and fees is to run the Project Costing/Billing Interface (PC_BI_TO_PC) process to update the PeopleSoft Project Costing tables with the finalized bill data and update the billing distribution status for the billed rows to *D* (distributed).

Streamline Processing

PeopleSoft Contracts delivers streamline processing to enable you to generate invoices for your cost-plus contract lines and associated fees using a single process. By performing a few simple setup tasks, you can set up the Contracts/Billing Interface (CA_BI_INTFC) process for rate-based billing to perform all of the steps for generating invoices for cost transactions and associated fees and update PeopleSoft Contracts and PeopleSoft Project Costing with the results.

To set up streamline processing for invoice generation for cost-plus contract lines and fees, perform the following steps:

1. Select the Process Automatically option on the billing fee worksheets.

   By selecting the Process Automatically option on the billing fee worksheets, the Contracts/Billing Interface process initiates the fee processor to evaluate the fee amount proposed by the system to determine if it meets the billing fee limit criteria, and submits the fee for processing. The fee is then processed through to PeopleSoft Billing, and finalized fee data updates are sent back to PeopleSoft Contracts and PeopleSoft Project Costing.

2. Select the Pre Approved and Direct Invoice check boxes on the Billing Plan-General page for the contract lines.

   Selecting the Pre Approved check box enables the system to bypass the billing worksheet approval process. Selecting the Direct Invoice check box enables the system to pass the billing data all the way through to billing finalization and updating PeopleSoft Contracts and Projects with the billed data for your contract lines and associated fees.

3. (Optional) Select the Process Milestones option on the Process As Incurred Billing page.

   If you are using milestone events for your award or incentive fee schedules, then the milestone status must be complete before the billing event can be processed. By selecting this option on the Process As Incurred Billing page, the Contracts/Billing Interface process initiates the Milestone Processing Application Engine process (CA_MS_PRCS) to update any eligible milestone statuses to *Complete*.

After you have performed these setup steps, when you run the Contracts/Billing Interface process, the system generates billing fee rows using the proposed fee amounts from the billing fee worksheets, verifies that the proposed fees are within the limits specified and passes the fee data on to PeopleSoft Billing. The system also generates billing rows for all eligible contract line transactions where the billing plans and any corresponding billing fee events are set to *Ready* status. These billing and fee rows are passed to PeopleSoft Billing for invoice generation and finalization and then the billed data is passed back to PeopleSoft Project Costing and PeopleSoft Contracts.

See Also

Chapter 13, “Processing the Contracts Billing Interface,” page 203

PeopleSoft Enterprise Contracts 9.0 PeopleBook, “Processing Contracts Billing,” Running the Contracts Billing Interface Process (CA_BI_INTFC)

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Page Used to Process Billing for Cost-Plus Contract Lines

Page Name	Object Name	Navigation	Usage
Process As Incurred Billing	RUN_CA_BI	Customer Contracts, Schedule and Process Billing, Process As Incurred Billing	Run this process to load *as-incurred* billing information from PeopleSoft Contracts and PeopleSoft Project Costing into Billing to create bills for your cost-plus contract lines and fees.

Processing Billing for Cost-Plus Contract Lines

Access the Process As Incurred Billing page.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Processing Contracts Billing," Running the Contracts Billing Interface Process for As-Incurred Billing.

Adjusting Billing for Cost-Plus Contract Lines

Throughout the life of the contract, changes may occur that impact billing costs, limit amounts, or fees. To manage billing adjustments, PeopleSoft Contracts uses amendment processing to enable you to keep a historical record of any changes that you make. To manage billing fee adjustments, you must use the billing fee worksheets and the Fee Adjustment page (if adjusting award or incentive fees).

The following table lists some examples of billing adjustments that you might make and the tasks required to complete the changes:

Billing Adjustment	Tasks	Controlled By Amendment Processing
Increase or decrease billing fee percentage for fixed or award fee types.	Enter the fee percentage change on the appropriate Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes
Increase or decrease the billing cost share percentage for incentive fee types.	Enter the fee percentage change on the Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes
Increase or decrease the funded target fee for incentive fee types.	Enter the fee percentage change on the Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes
Increase or decrease the funded maximum or minimum fee for incentive fee types.	Enter the fee percentage change on the Contract Amounts page. The overall fee percentage cannot exceed 100 percent or be less than zero.	Yes

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Billing Adjustment	Tasks	Controlled By Amendment Processing
Reduce the funded fee amounts due to cost adjustments.	Use the billing fee worksheet for the contract line and enter a negative billing fee amount. The fee adjustment cannot be greater than the fee amount already invoiced to date.	No **Note.** To maintain a historical record of this transaction, use the internal notes page for the contract.
Increase funded fee amounts due to cost adjustments.	Use the billing fee worksheet for the contract line and enter the billing fee adjustment amount.	No **Note.** To maintain a historical record of this transaction, use the internal notes page for the contract.
Modify the funded amount limit or funded fee limit amount.	Enter the new funded amount limit or funded fee limit amount on the appropriate Contract Amounts page.	Yes

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Defining Award Fee Billing Fee Worksheets, page 186.

Reviewing Revenue and Billing Fees

This section provides an overview of reviewing billing and revenue fees for cost-plus contract lines and discusses how to:

- Review revenue fees.
- Review billing fees.
- Review cost, revenue, and billing transactions in PeopleSoft Project Costing.

Understanding Reviewing Billing and Revenue Fees

PeopleSoft Contracts enables you to capture billing and revenue information for government contracts and allocate that information across contract lines. After your contracts are active, you may need to review the billing and revenue recognition statuses of your contracts and any associated fees. PeopleSoft Contracts delivers several online inquiry pages to enable you to view billing and revenue plans associated with the contract line, statuses of those plans, financial details of the contract line amounts, fees billed or recognized to date, and so on. Using these online inquiry pages you can view the overall status of the contract at a particular point in time from a high level, or you can drill down into specific contracts, billing plans, or revenue recognition plans to view more detailed information.

See Also

Chapter 14, "Managing Revenue and Billing for Government Contracts," Understanding Revenue and Billing Management for Government Contracts, page 219

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Pages Used to Review Billing and Revenue Fees

Page Name	Object Name	Navigation	Usage
Review Revenue - As Incurred	CA_AP_DTL_ASIN	• Customer Contracts, Review Revenue, As Incurred, Review Revenue-As Incurred • Click the Method link for a specific revenue plan on the Review Revenue - Plans page.	Inquire about the details for revenue plans for rate-based contract lines and rate-based contract lines associated with fee types. From this page, you can review the details of the revenue and fees that have been booked, and redistribute that revenue.
Review Billing - As Incurred	CA_BI_MGMT_AI_PNL	Customer Contracts, Review Billing, As Incurred, Review Billing-As Incurred	Inquire on the status of as-incurred billing plans. From this page, you can view the amounts and fees that have been billed to date and the amounts that are pending. You can place billing plans on hold and you can navigate to more detailed information.
Cost Review	PC_PM_SUMM_COST	Project Costing, Interactive Reports, Manager Transaction Review Select the Cost Review tab.	Review revenue, billing, and cost transaction data for your cost-plus contract lines that is stored in PeopleSoft Project Costing. You can use the Cost Review tab to manually adjust cost transactions in PeopleSoft Project Costing.

Reviewing Revenue Fees

See Chapter 14, "Managing Revenue and Billing for Government Contracts," Reviewing Revenue, page 220.

Reviewing Billing Fees

See Chapter 14, "Managing Revenue and Billing for Government Contracts," Reviewing Billing Activity, page 227.

Reviewing Cost, Revenue, and Billing Transactions in PeopleSoft Project Costing.

Throughout the life of the contract situations may occur where transactions need adjusting. You should always adjust transactions in the original feeder systems when possible to ensure that all of your systems remain in sync with one another. All transactions for cost-plus contract lines are stored in the Project Costing Project Transaction tables. To view the cost, billing, and revenue transactions for your cost-plus contract lines, you can use the Managing Transaction Review pages.

Note. While it is possible to adjust transactions from this page, it is not recommended.

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See *PeopleSoft Enterprise Project Costing 9.0 PeopleBook* , “Reviewing and Adjusting Project Costs,” Reviewing Cost Transactions.

Creating Amendments

As government contracts containing cost-plus contract lines generally extend over a period of years, throughout that time changes may occur that impact fee percentages, funded amount limits, revenue limits, and so on. After a contract has been activated, many of the contact’s components can only be modified using amendment processing. Most of the fields on the Contracts Amounts page are controlled by amendment processing; however, the fields on the fee worksheets are not controlled by amendment processing.

When you make amendment changes to the Contract Amounts page, the fee worksheets should all be updated so that the changes are incorporated in the fee calculations the next time that the fee worksheets are used.

See Chapter 16, “Managing Government Contracts,” Amending Cost-Plus Contract Lines, page 293.

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CHAPTER 13

Processing the Contracts Billing Interface

This chapter provides an overview of the PeopleSoft Contracts billing process for government contracts and discusses how to run the Contracts/Billing Interface process.

Understanding the Contracts Billing Process for Government Contracts

This section discusses:

- PeopleSoft Contracts integration with PeopleSoft Billing and PeopleSoft Project Costing for government contracts.
- The Contracts Billing Interface process (CA_BI_INTFC).
- Streamlined billing.

PeopleSoft Contracts Integration with PeopleSoft Billing and PeopleSoft Project Costing for Government Contracts

One of the features of PeopleSoft Contracts is the ability to track and generate invoices for direct costs, indirect costs, and fees. Through its integration with PeopleSoft Project Costing and PeopleSoft Billing, PeopleSoft Contracts enables you to generate invoices for all of your contract lines. For amount-based contract lines, PeopleSoft Contracts sends billing data directly to PeopleSoft Billing. For rate-based contract lines and rate-based contract lines associated with fee types (cost-plus), you can track cost transactions originating in feeder systems such as Payables or Expenses, price those transactions in PeopleSoft Project Costing, calculate direct costs, indirect costs and fees, and pass the billable transaction amounts to PeopleSoft Billing using PeopleSoft Contracts.

To generate invoices for your rate-based contract lines, you must define rates, associate the rates to the contract line, and link projects and activities to the contract line. As cost transactions are processed, the system uses these relationships to determine how the transactions are priced and processed. For both amount-based and rate-based contract lines, you must also define billing plans and assign your contract lines to them. Billing plans are the mechanism by which contract line transactions are selected for billing by the Contracts/Billing Interface process.

When you run the Contracts/Billing Interface process, it selects billing plan lines marked as ready to bill (for amount-based contract lines) and resource rows (for rate-based contract lines) from the PeopleSoft Project Costing Project Transaction tables (PROJ_RESOURCE) that are marked as billable. These billable rows are sent to the Billing Interface tables (INTFC_BI) as bill lines for processing through to PeopleSoft Billing. After the invoices are generated, you can update PeopleSoft Contracts and PeopleSoft Project Costing with the billed data, enabling you to keep an accurate accounting of rows actually invoiced to use for withholding, limit processing, fee calculations and progress payments.

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See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Working with PeopleSoft Project Costing"

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Setting Up Billing Plans"

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Processing Contracts Billing"

The Contracts Billing Interface Process (CA_BI_INTFC)

The Contracts/Billing Interface process (CA_BI_INTFC) is the mechanism by bills are sent from PeopleSoft Contracts and PeopleSoft Project Costing to PeopleSoft Billing. These bills can represent costs, indirect costs, fees, withholding and release amounts, progress payment amounts, and amount-based contract line amounts, and so on.

The Contracts/Billing Interface process creates real and temporary bills. Temporary bills are routed to the billing worksheet where they are reviewed by the Billing Administrator, and accepted or cancelled. Temporary bills that are approved are converted into real bills for PeopleSoft Billing to complete bill processing and finalization. Cancelled bills are reset in the PeopleSoft Contracts and Project Costing Project Transaction tables, where they are reviewed and adjusted (if needed) before being selected for processing the next time that the Contracts/Billing process is run.

Before the Contracts/Billing Interface process is run for government contracts to process billable transactions, you must first complete the following steps:

1. Define a government contract and assign active contract lines to the contract.
2. Assign rates, projects, and activities to the contract lines (only required for rate-based contract lines).
3. Define funding, revenue and transaction limits for the contract lines (only required if enforcing limit controls on rate-based contract lines).
4. Define funding and revenue fee limits for the contract lines (only required for rate-based contract lines associated with fee types (cost-plus)). If you don't want the system to apply a limit to the funding and revenue fees for cost-plus contract lines, enter zero for the funding and revenue fee limit amounts.
5. Define withholding and release criteria for the contract lines (only required if enforcing withholding on rate-based contract lines).
6. Set up progress payment criteria for the contract lines (only required if administering progress payments for amount-based contract lines).
7. Define and link each contract line to a billing plan. After the contract is activated, the billing plans and any associated events must be in a ready status to be processed by the Contracts/Billing Interface.

   For contract lines associated with prepaid amounts, you must also define billing plans for the prepaid amount. For contract lines associated with progress payments, you must also assign a billing plan to the progress payment worksheet.
8. For rate-based contract lines, and rate-based contract lines associated with fee types (cost-plus), pricing must be completed against incoming transactions for the contract lines before billing can occur for those transactions.
9. For rate-based contract lines associated with fee types (cost-plus), the billing fee worksheet can optionally be completed to review and accept or override the billing fee. The Contracts to Billing interface runs the Fee engine to calculate all billing fees not previously submitted.

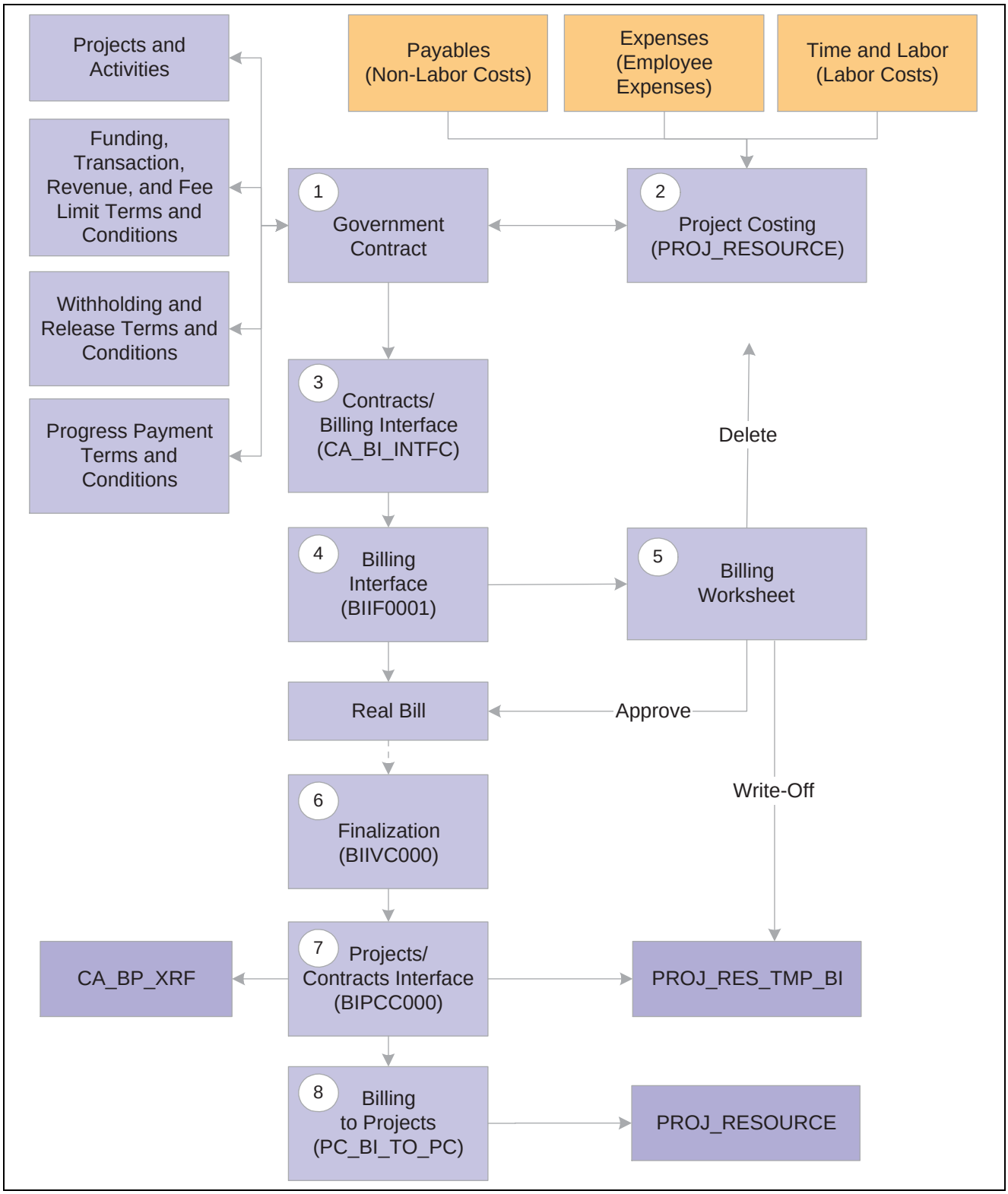
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Contracts Billing Process Flow for Government Contracts

After your contract is defined and set up to include all required parameters for the customer, you can begin processing transactions against the contract and billing the customer.

This process flow diagram depicts the billing process flow for government contracts. The numbered steps correspond to the numbers in the diagram:

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Contracts billing process flow for government contracts

The PeopleSoft Contracts for Government Contracting bill processing flow includes the following steps:

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1. When defining your contract, depending on the terms and conditions identified by your customer, you may need to enter additional terms and conditions for withholding, fee processing, progress payment processing, limits, and project and activity tracking.

   After you define your contract and complete all of your set up, including defining and assigning all of your contract lines to billing plans and activating the contract, you can begin billing for your contract cost transactions.

2. Process cost transactions for rate-based contract lines and rate-based contract lines associated with fee types (cost-plus) into PeopleSoft Project Costing.

   This process calls the Pricing Engine, which in turn also calls Limit Processing, evaluating and applying any funded, transaction or revenue limits that are defined for the rate-based contract lines.

3. Run the Contracts/Billing Interface process.

   This process selects and passes the following data to the Billing Interface:

   - Contract lines and cost transaction rows that are assigned to a billing plan (and events if defined) that are in *Ready* status.
   - Billing Fee amounts for rate-based contract lines assigned to fee types (cost-plus) processed by the Fee Limit Process, as reviewed and accepted or overridden by the user on the billing fee worksheet page or as calculated by the Fee engine.

     Note. You can optionally review and accept or override the proposed fee amount on the contract line's billing fee worksheet and then submit the fee for processing before the fee amount is included on the contract line's invoice.

     When you manually submit the billing fee worksheet for processing, the system calls the Fee Limit Processor and determines if the fee amount is eligible for processing, and then passes the billing fee amount to the Project Costing Project Transaction tables (PROJ_RESOURCE) where it is selected for processing by the Contracts/Billing Interface.

   - Automatically calls the Withholding process to calculate withholding amounts and generates withholding, withholding release, and withholding write-off rows .
   - Progress payment request rows.
   - Automatically calls the Progress Payment Liquidation process to evaluate and liquidate any outstanding progress payments.

4. Run the Billing Interface process (BIIF0001) in PeopleSoft Billing.

   The Billing Interface process generates real or temporary bills. Temporary bills are passed to the billing worksheet for evaluation and approval or deletion by the Billing Administrator.

5. Approve the billing worksheet.

   When you approve a billing worksheet with the billing option of bill, the system creates a real bill with an assigned invoice number and updates PeopleSoft Contracts accordingly. This includes withholding (WTH) and withholding release (WRL) rows . Approved withholding write-off rows (WWO rows where the billing option is write-off) are passed to PeopleSoft Project Costing with a corresponding update to the PeopleSoft Contracts withholding release record. Any rows that are deleted in the billing worksheet are reset in PeopleSoft Contracts and PeopleSoft Project Costing respectively, to be processed the next time the Contracts/Billing Interface process is run.

6. Run the Finalization process (BIIVC000). Run the Finalization process on the real bill rows created.

   The Finalization process performs a variety of tasks, including calculating taxes (on regular bill rows), setting the invoice date, and calculating the due date.

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7. Run the Projects/Contracts Interface process (BIPCC000). After you run the Finalization process, you run the Projects/Contracts Interface process.

   This process updates PeopleSoft Contracts and PeopleSoft Project Costing with the following data from PeopleSoft Billing:

   - Finalized bill information.
   - Withholding release data.
   - Finalized progress payment request data.
   - Progress payment committed amounts and liquidated amounts.
   - Billing plan statuses are updated to *Complete*.

8. Run the Billing to Projects process (PC_BI_TO_PC). Run the Billing to Projects process for rate-based contract lines to update PeopleSoft Project Costing tables with billing, withholding, withholding release, billing and withholding adjustments, and withholding write-off data.

Contracts/Billing Interface Process and Withholding

PeopleSoft Contracts enables you to bill for transaction costs that occur against a contract line, and withhold a portion of those costs according to predefined terms and conditions. After defining your withholding and release terms and conditions and activating the contracts, you can run the Contracts/Billing Interface process to generate withholding transactions and process release rows.

When you run the Contracts/Billing Interface process, it automatically calls the Withholding process (CA_WTH_CALC) to calculate withholding amounts. Any requested release amounts entered for the contract lines are evaluated and passed to PeopleSoft Billing . The Contracts/Billing Interface process generates three types of withholding rows:

- Withholding transaction rows, which are generated by the Withholding process (CA_WTH_CALC) and assigned an analysis type of *WTH*.
- Withholding Release transaction rows, which are entered by the user on the Withholding page and are assigned an analysis type of *WRL*.
- Withholding Write-Off transaction rows, which are entered by the user on the Withholding page and are assigned an analysis type of *WWO*.

All three of these withholding rows are passed to the Billing Interface (BIIF001) for processing. The withholding and withholding release transaction rows, once approved, are stored as real bills in PeopleSoft Billing for invoicing. Withholding release transaction rows that are written off (WWO rows) are passed to the Project Resource Temporary Billing table (PROJ_RES_TMP_BI) in PeopleSoft Project Costing, and are not stored as real bills in PeopleSoft Billing for further billing processing.

After the invoice is finalized, the Projects/Contracts Interface process (BIPCC000) is run to update the Billing Distribution status to *D* (Distributed), populate the Project Costing Temporary tables with data for the withholding, release and any adjustment rows, and updates the release row status in PeopleSoft Contracts to *Complete*. The last step is to run the Retrieve Billing Items process (PC_BI_TO_PC), which moves the data from the Project Costing Temporary tables to the Project Costing transaction table, where it is used the next time that withholding and release transactions are calculated.

See Chapter 10, “Setting Up and Processing Withholding,” Generating Billing Invoices, page 112.

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Contracts/Billing Interface Process And Limit Processing

The Limits process (CA_LIMITS) applies your defined funded and revenue line and transaction limits to billing and revenue transactions that occur against your contract lines. You can run the limits process manually; as a stand alone process, as part of pricing when pricing or repricing transaction rows, or as part of the pricing process when processing incoming transaction from feeder systems.

Note. Fee limits are defined on the Contract Amounts page and are applied by the Fee Limit Processor when you submit the proposed fee amounts from the Billing and Revenue Fee Worksheets, when you run the PeopleSoft Contracts to Billing Interface, or when you run the Process As Incurred Revenue processes for rate-based contract lines associated with fee types (cost-plus).

See Chapter 9, "Creating and Managing Limits," page 83.

Contracts/Billing Interface Process And Progress Payments

PeopleSoft Contracts enables you to bill the government for progress payment amounts, then liquidate those amounts against regular bills after your contracted items are delivered. To manage this process, you must define billing plans for both your progress payment requests and the contract lines associated with the progress payment amount.

When billing for progress payment amounts, you define your progress payment terms and conditions, create a progress payment worksheet and initiate a progress payment request. Run the Contracts/Billing Interface process to send progress payment requests through to PeopleSoft Billing.

When you are ready to liquidate the progress payment amount, run the Contracts/Billing Interface process to initiate billing for the contract line item. This process triggers the Progress Payment Liquidation process (CA_PGP_LIQ) to evaluate the bill line and liquidate any outstanding progress payments against it. The liquidation process performs the following steps:

1. Calculates the amount available for liquidation (progress payment remaining amount less the progress payment committed amount).
2. Determines if the contract lines associated with the billing line are linked to the same set of progress payment terms.
3. Calculates the maximum liquidation amount (available billing amount multiplied by the liquidation rate factor).
4. Liquidates the calculated amount against the regular bill (either the total amount available for liquidation or the maximum calculated liquidation amount; whichever is less).

Note. Progress payment requests update the progress payment amount and the remaining amount only when the progress payment request is finalized. This prevents the progress payment request from being liquidated against another bill that is processed on the same process instance.

See Chapter 15, "Establishing Progress Payments," page 235.

Streamlined Billing

Utilize streamlined billing to reduce the number of steps for invoicing bills, fees, withholding amounts, and progress payments. Streamlined billing enables you to process transactions from PeopleSoft Contracts to PeopleSoft Billing and back to PeopleSoft Contracts with one job, after the necessary streamline billing parameters are defined in your system. To initiate streamline processing, you must select the Pre-approved and Direct Invoicing check boxes on the Billing Plan – General page.

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PeopleSoft Contracts delivers the following additional streamline billing options:

- Select the Process Milestones check box on the Process As Incurred Billing or Process Other Billing Methods pages to run the milestone update process prior to running the Contacts/Billing Interface process.
- Select the Process Automatically check box on the Billing Fee worksheet page for rate-based contract lines associated with fee types (cost-plus).

  By selecting this check box, the system checks the limit for the billing fee, creates the billing fee, and sends the fee to PeopleSoft Billing.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Processing Contracts Billing," Streamlined Billing.

See Also

Chapter 13, "Processing the Contracts Billing Interface," Streamlined Billing, page 209

Running the Contracts/Billing Interface Process

This section lists common elements and discusses how to:

- Run the Contracts/Billing Interface process for as-incurred billing.
- Run the Contracts/Billing Interface process for amount-based billing.

Common Elements Used in This Section

Program Name Displays the name of the process that this run control page performs. This run control page runs the Contracts/Billing Interface process (CA_BI_INTFC).

Billing Business Unit Select a PeopleSoft Billing business unit to run the Contracts Billing Interface process for a specific billing business unit.

Bill To Select to filter your processing parameters by the customer receiving the invoice.

Billing Plan Select a billing plan ID to run the Contracts Billing Interface process for a specific billing plan.

Billing Method Select a billing method for the system to run only the Contracts/Billing Interface process for contract lines associated to ready billing plans assigned the billing method specified. For the Process As Incurred Billing page, *As Incurred* appears by default in this field and cannot be overridden. For the Process All Other Billing Methods page, select a billing method of *Immediate, Milestone,*, *Percent Complete* or *Value Based*.

Billing Specialist Select a billing specialist to run the Contracts/Billing Interface process for a specific billing specialist.

Billing Cycle Identifier or **Billing Cycle ID** Select to filter your processing parameters by the billing cycle ID.

Event Date Enter a date to run this process for billing plan events that occur on or before the specified date.

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Invoice Date Displays the date that the run control page is opened and processed. The current date appears by default and can be modified. This is the date that prints on the invoice if the invoice date is not updated by the invoice finalization process in PeopleSoft Billing.

Process Milestones Select this check box to set up the system to automatically run the Process Milestones process prior to running the Contracts/Billing Interface process.

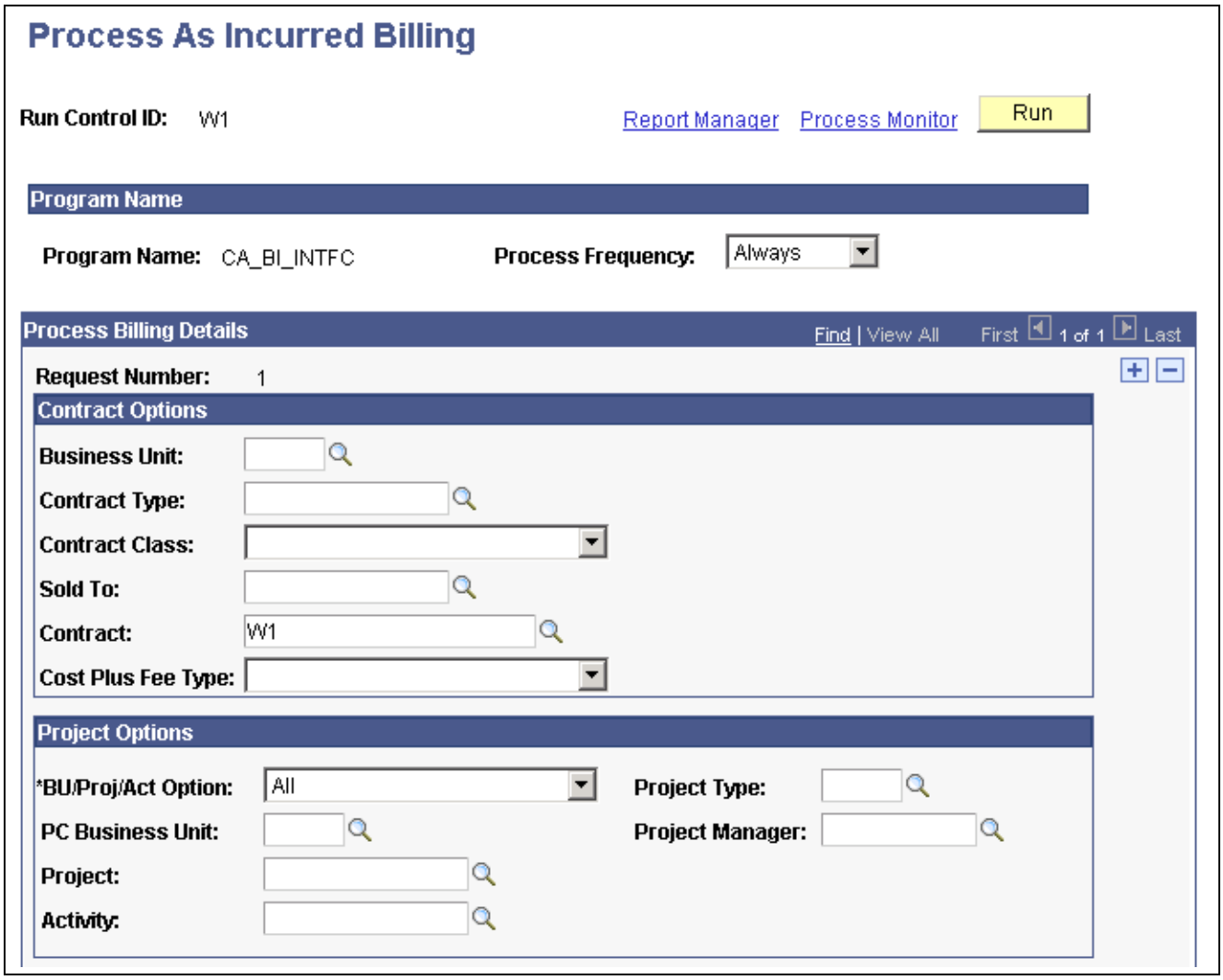
Pages Used to Run the Contracts Billing Interface Process

Page Name	Object Name	Navigation	Usage
Process As Incurred Billing	RUN_CA_BI	Customer Contracts, Schedule and Process Billing, Process As Incurred Billing	Run this process to load rate-based contract line billing information from PeopleSoft Contracts and PeopleSoft Project Costing into PeopleSoft Billing to create bills
Process Other Billing Methods	RUN_CA_FF	Customer Contracts, Schedule and Process Billing, Process Other Billing Methods	Run this process to load fixed-price contract line billing information from PeopleSoft Contracts into PeopleSoft Billing to create bills.

Running the Contracts/Billing Interface Process For As-Incurred Billing

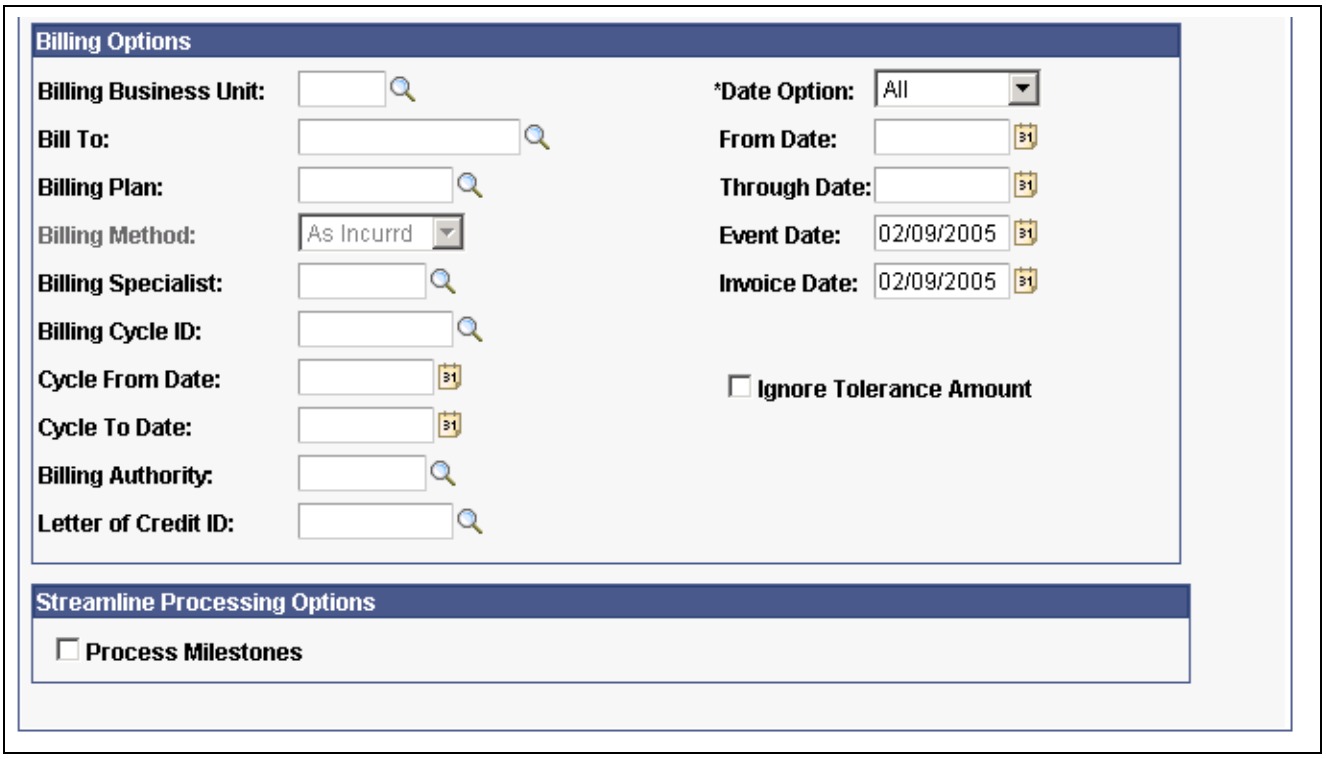
Access the Process As Incurred Billing page.

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Process As Incurred Billing page (1 of 2)

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Process As Incurred Billing page (2 of 2)

Process Billing Details

Use the request number to set up multiple sets of filtering criteria to run the Contracts/Billing Interface process for a specific set of contract line, such as rate-based contract lines associated with a specific fee type (cost-plus).

Contract Options

Use the fields in this group box to limit the billing data that is included in the run of this process. Filter by PeopleSoft Contracts business unit, contract type, contract classification, sold to customer, contract number, or cost-plus fee type. If you leave all fields blank, the process picks up all available billing activity in PeopleSoft Contracts.

Note. Entering field values to filter the run control criteria does not limit the prompt values that appear in other fields on the As-Incurred Billing run control page. The Contracts/Billing Interface process uses the combination of filter criteria that you defined to limit the transactions that are selected for processing.

Cost Plus Fee Type

Select a fee type to run the Contracts/Billing Interface process for rate-based contract lines associated with a particular fee type. If a fee type is selected, the project and activity fields cannot be used to further restrict the contract lines selected for billing. The lowest level of criteria that can be selected is Contract or Billing Plan. You can select from the following fee values:

- *Award Fee:* Select to process only rate-based contract lines associated with a fee type of *Award*.
- *Fixed Fee:* Select to process only rate-based contract lines associated with a fee type of *Fixed*.
- *Incentive Fee:* Select to process only rate-based contract lines associated with a fee type of *Incentive*.

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- *None:* Select to process only rate-based contract lines associated with a fee type of *None*. This processes time and material rate-based contract lines (not cost-plus).
- *Other:* Select to process only rate-based contract lines associated with a fee type of *Other*.

Use the request number sequencing option to select more than one fee type on the run control page. Leave the field blank to run the Contracts/Billing Interface process for all fee types.

Project Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in PeopleSoft Project Costing.

Select values for any of the PeopleSoft Project Costing options to filter processing criteria: PC Business Unit, Project, Activity ID, Project Type, and Project Manager.

BU/Proj/Act Option (business unit/project/activity option)

Select a value to filter the information that is pulled from PeopleSoft Project Costing. Values include:

- *All:* Run this process for all available PeopleSoft Project Costing business units, projects, and activities.
- *Business Unit:* Filter the PeopleSoft Project Costing source data by adding values to the PC Business Unit field. You may further filter the data by adding values to the Project Type and Project Manager fields.
- *Business Unit/Project:* Filter the PeopleSoft Project Costing source data by adding values to these fields: PC Business Unit and Project..

Note. It is recommended that you leave the Project Type and Project Manager fields blank when selecting this value as the system may return inconsistent results if these fields are populated with values that do not match the project indicated.

- *Business Unit/Project/Activity:* Filter the PeopleSoft Project Costing source data by adding values to these fields: PC Business Unit, Project ID, and Activity.

Note. It is recommended that you leave the Project Type and Project Manager fields blank when selecting this value as the system may return inconsistent results if these fields are populated with values that do not match the project and activity indicated.

Billing Options

Use these fields to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in PeopleSoft Contracts and PeopleSoft Project Costing.

Cycle From Date Enter the cycle from date. The date that you enter in this field appears by default in the From Date field. You can override the from date.

Cycle To Date Enter the cycle to date. The date that you enter in this field appears by default in the Through Date field. You can override the through date.

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Billing Authority Person responsible for the overall approval of the billing plan. Select a billing authority to run this process for a specific billing authority. This field only applies to PeopleSoft Enterprise Grants users and is not applicable to government contracts.

Letter of Credit ID Select a letter of credit reference number to run this process for a specific letter of credit. This field only applies to PeopleSoft Enterprise Grants users and is not applicable to government contracts.

Date Option Select a date option to narrow this process to billing activity within a certain time frame. Values include:

- *Acct Dt:*(accounting date) Run this process for billing activity that occurs within an accounting (general ledger period) date. You must enter values in the From Date and Through Date fields.
- *Trans Dt:* (transaction date) Run this process for billing activity that has occurred within a transaction (system date) date. You must enter values in the From Date and Through Date fields.
- *All:* Run this process for all available billing activity. If you select this option, you do not need to enter a value in the Through Date field.

From Date Displays the first date on which the process identifies available billing activity. The system uses this field for accounting and transactional date purposes only.

Through Date Displays the last date on which the process identifies available billing activity. The cycle through date must be equal or greater than the cycle from date. The value that you enter in the Cycle To Date field appears by default in this field. You can override the default value. The system uses this field for accounting and transactional date purposes only.

Ignore Tolerance Amount Select this check box to allow project rows to process through to PeopleSoft Billing even if the minimum bill amount set on the as-incurred billing plan has not been reached.

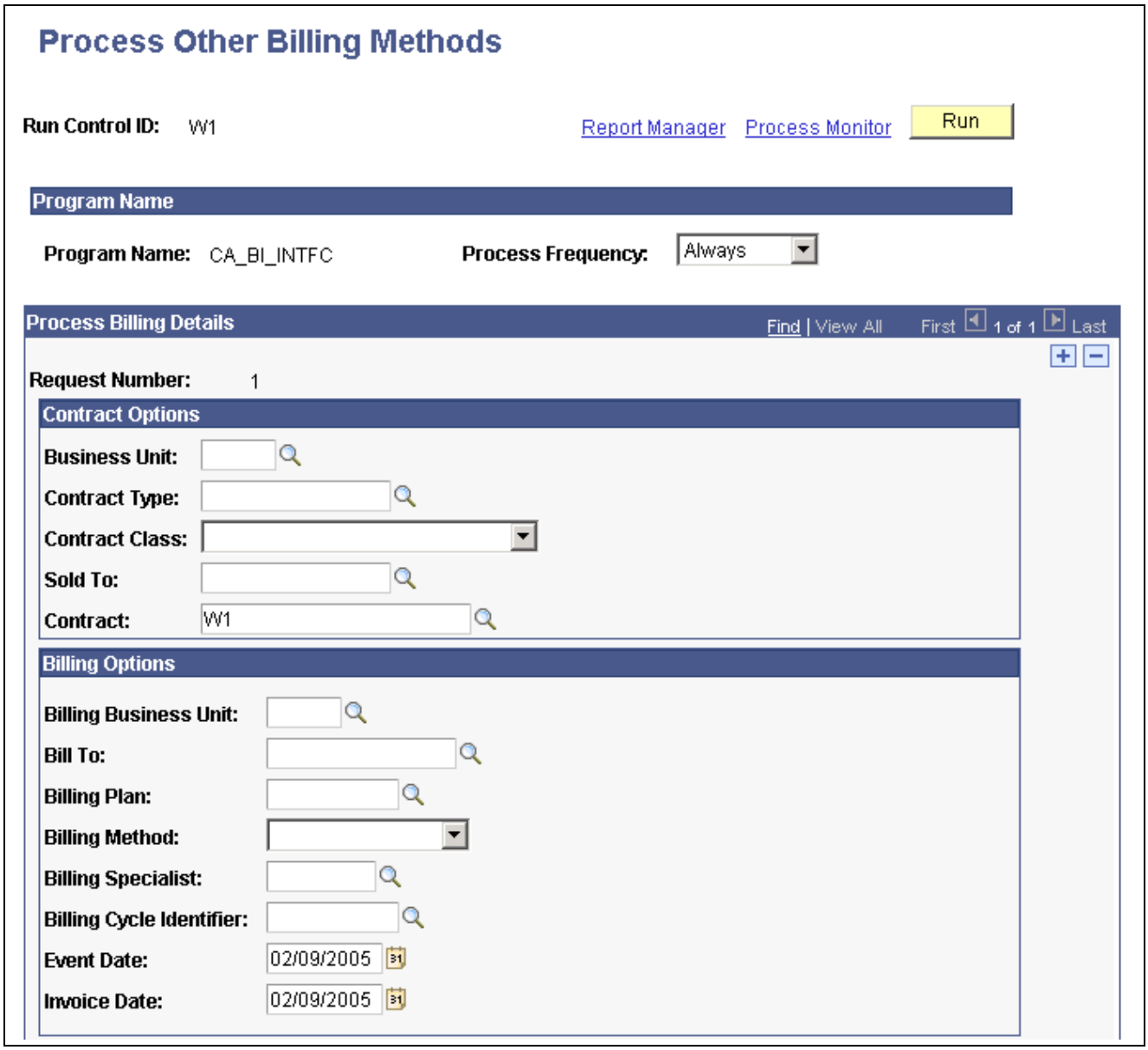
Streamline Processing Options

Process Milestones Select this check box to set up the system to automatically run the Process Milestones process. Use this option in conjunction with the Process Automatically check box on the billing fee worksheet to check the limit for the billing fee, create the billing fee, and send the costs and fee to PeopleSoft Billing.

Running the Contracts/Billing Interface Process For Fixed-Fee Billing

Access the Process Other Billing Methods page.

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Process Other Billing Methods page (1 of 2)



Process Other Billing Methods page (2 of 2)

Contract Options

Use the fields in this group box to limit the billing data that is included in the run of this process. Filter by PeopleSoft Contracts business unit, contract type, contract classification, sold to customer, or contract number. If you leave all fields blank, the process picks up all available billing activity in PeopleSoft Contracts.

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Note. Entering field values to filter the run control criteria does not limit the prompt values that appear in other fields on the Process Other Billing Methods run control page. The Contracts/Billing Interface process uses the combination of filter criteria that you defined to limit the transactions that are selected for processing.

Billing Options

Use the fields in this group box to limit the billing data that is included in the run of this process. If you leave all fields blank, the process picks up all available billing activity in PeopleSoft Contracts.

Streamline Processing Options

Process Milestones Select this check box to set up the system to automatically run the Process Milestones process prior to running the Contracts/Billing Interface process.

Process Project Progress Select this check box to set up the system to automatically run the Percent Complete Update process prior to running the Contracts/Billing Interface process. This option does not apply to PeopleSoft Contracts.

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CHAPTER 14

Managing Revenue and Billing for Government Contracts

This chapter provides an overview of revenue and billing management for government contracts and discusses how to:

- Review revenue.
- Review billing activity.

Understanding Revenue and Billing Management for Government Contracts

This section lists prerequisites and discusses:

- Revenue and billing management.
- Revenue redistribution.

Prerequisites

Before you can manage revenue and billing data for government contracts, you must first define your contract with a contract classification of *Government*, add contract lines to the contract, define billing and revenue plans and associate contract lines to them, activate the contract, set billing and revenue plans to *Ready* status, and process billing and revenue for the contract.

Revenue and Billing Management

PeopleSoft Contracts enables you to capture billing and revenue information for your government contracts and allocate that information across contract lines. This includes defining accounting distribution data for your contract lines for billing and revenue processing purposes, assigning the contract lines to billing and revenue recognition plans, managing when the conditions for generating invoices and revenue accounting entries have been met, and generating invoices and revenue journal entries for your contract lines for direct and indirect costs, fees, progress payments, and so on.

Managing billing and revenue for your contract lines consists of monitoring and updating billing and revenue plan statuses, event statuses where applicable, processing invoices and journal entries, and making any necessary adjustments to billing and revenue that has been processed.

PeopleSoft Contracts provides several online inquiries and processing options to facilitate this process. Using PeopleSoft Contracts, you can:

- View the overall billing and revenue plans for your contracts based on query criteria that you define.
- Mass update billing and revenue plan statuses for your contract lines.

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- Navigate into individual billing and revenue plans for contract lines to view or update information using the billing and revenue management pages.
- Reverse billing activity that has already been processed, or place billing and revenue plans on hold.
- Redistribute rate-based revenue that has already been recognized.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Managing Revenue Recognition," Understanding Revenue Management

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Managing Contracts Billing," Understanding Billing Management

Revenue Redistribution

You can initiate redistribution of revenue accounting associated with rate-based contract lines and rate-based contract lines associated with fee types (cost-plus) from the revenue management pages in PeopleSoft Contracts. For revenue plans that have an as-incurred revenue recognition method, the revenue management pages enable you to view all projects and activities for all contract lines associated with that revenue plan.

The Redistribute Revenue page displays the processed revenue rows for the contract line revenue plan selected from the search dialog box. To redistribute recognized revenue, select the revenue rows for redistribution, enter the redistribution criteria, and run the redistribution process. The redistribution process reverses the revenue entry from the original accounts and creates a new entry using the new accounts that you specify.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Managing Revenue Recognition," Redistributing Rate-Based (As-Incurred) Revenue.

Reviewing Revenue

This section provides an overview of reviewing revenue, lists common elements and discusses how to:

- Review As-Incurred revenue plans.
- Inquire on rate-based accounting journal entries.

Understanding Reviewing Revenue

PeopleSoft Contracts provides a number of online inquiry pages that enable you to effectively manage revenue recognition for all of your contracts. Using these pages you can view and manage the revenue plans, events, and projects assigned to your contract lines from a high level, or you can drill down into a more detailed view using links and additional inquiry pages to adjust or update a specific revenue recognition plan.

PeopleSoft Contracts provides the following revenue inquiry options:

- Review Revenue-Plans page.

  Use this page to view the revenue plans assigned to your contract lines, view processed and pending revenue amounts for each revenue plan, or redistribute revenue for a selected revenue plan.

- Review Revenue-Events page.

  Use this page to view the specific events defined for your revenue plans and place specific events on hold.

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- Review Revenue-As Incurred page.

  Use this page to view the details of booked revenue and redistribute that revenue.

- Contract Reversal page.

  Use this page to reverse revenue and billing for an entire contract.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Managing Revenue Recognition," Reviewing Revenue

Common Elements Used in This Section

Contract	Enter the contract number to filter your search results to display only as-incurred revenue plans associated with the contract selected.
Contract Classification	Select to filter the search results by the contract classification assigned to the contract. To search for billing plans that are only attached to government contracts, select the contract classification of *Government*.
Fee Type	Select to filter the search results by the fee type assigned to the rate-based contract lines on a contract. Values include *None*, *Fixed Fee*, *Award Fee*, *Incentive Fee* and *Other Fee*.
GL Business Unit (PeopleSoft General Ledger business unit)	Select to filter the search results by the general ledger business unit associated with the Contract business unit assigned to your contracts.
PC Business Unit (PeopleSoft Project Costing business unit)	Select to filter the search results by the PeopleSoft Project Costing business unit assigned to the rate-based contract lines on your contracts.
Revenue Plan	Select to filter the search results by a specific revenue plan identifier for a contract. To use this field you must first select a contract identifier.

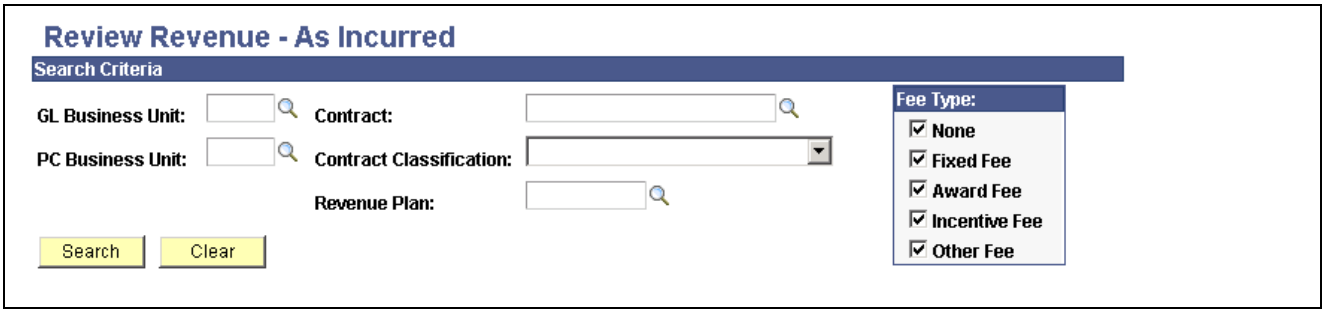
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Pages Used to Review Revenue

Page Name	Object Name	Navigation	Usage
Review Revenue-As Incurred	CA_AP_DTL_ASIN	• Customer Contracts, Review Revenue, As Incurred, Review Revenue-As Incurred • Click the Method link for a specific as-incurred revenue plan on the Review Revenue - Plans page.	Inquire on the details for revenue plans with an as-incurred revenue recognition method. From this page, you can review the details of booked revenue and redistribute that revenue.
As Incurred Accounting Lines	CA_ACCT_RATE_JRNL	Customer Contracts, Review Revenue, As Incurred Jrnl Acctg Lines, As Incurred Accounting Lines	Inquire on the accounting entries for rate-based contract lines and rate-based contract lines associated with fee types (cost-plus), after you run the rate-based revenue process (Accounting Rules Engine) and your accounting entries are processed by the Journal Generator Update process and posted to the general ledger.

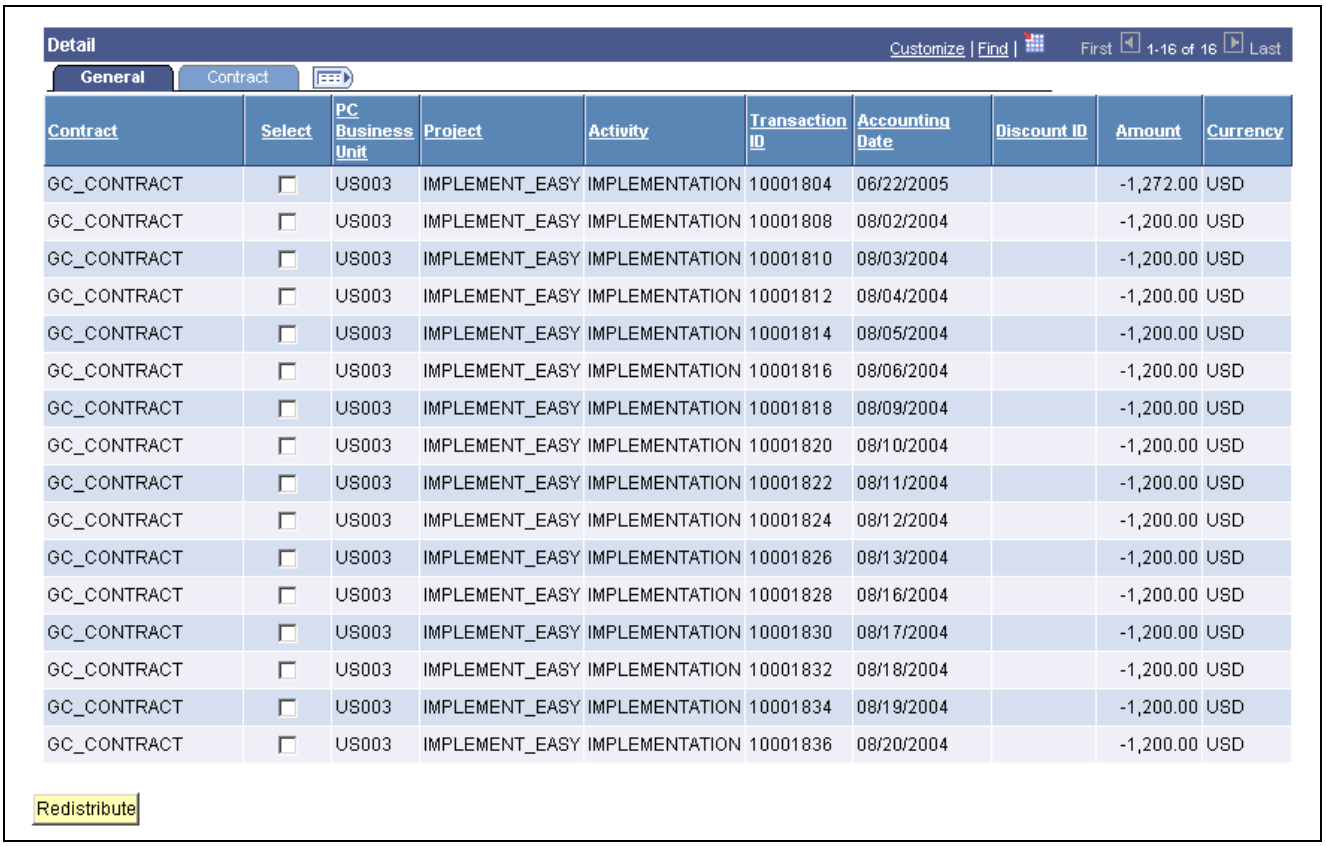
Reviewing As-Incurred Revenue Plans

Access the Review Revenue - As Incurred page.



Review Revenue – As Incurred page (1 of 2)

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Detail

Customize | Find | First 1-16 of 16 Last

General Contract

Contract	Select	PC Business Unit	Project	Activity	Transaction ID	Accounting Date	Discount ID	Amount	Currency
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001804	06/22/2005		-1,272.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001808	08/02/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001810	08/03/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001812	08/04/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001814	08/05/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001816	08/06/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001818	08/09/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001820	08/10/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001822	08/11/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001824	08/12/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001826	08/13/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001828	08/16/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001830	08/17/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001832	08/18/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001834	08/19/2004		-1,200.00	USD
GC_CONTRACT	☐	US003	IMPLEMENT_EASY	IMPLEMENTATION	10001836	08/20/2004		-1,200.00	USD

Redistribute

Review Revenue – As Incurred page (2 of 2)

Search Criteria

Use the fields in the Search Criteria group box to filter search results by entering specific values in these fields. If you leave all of the fields blank, the search returns all as-incurred revenue plans for all *Active* contracts within your system. Click the Search button to carry out a search based on the search criteria that you enter. Search results appear in the Details scroll area. Amounts appear in the contract currency.

Details: General Tab

Select Select this check box to redistribute the rate-based contract line revenue booked for a transaction row.

PC Business Unit Displays the PeopleSoft Project Costing business unit associated with the contract line.

Project Displays the project identifier associated with the revenue processed for the contract line.

Activity Displays the activity identifier associated with the revenue processed for the contract line. Contract lines are linked to projects at the activity level–directly or indirectly. Each activity ID can be associated with only one rate-based contract line.

Transaction ID Displays the transaction identifier associated with the revenue processed for the contract line.

Accounting Date Displays the accounting date, which reflects the accounting period in which entries were booked for the contract line.

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Amount Displays the amount of revenue recognized for this row.

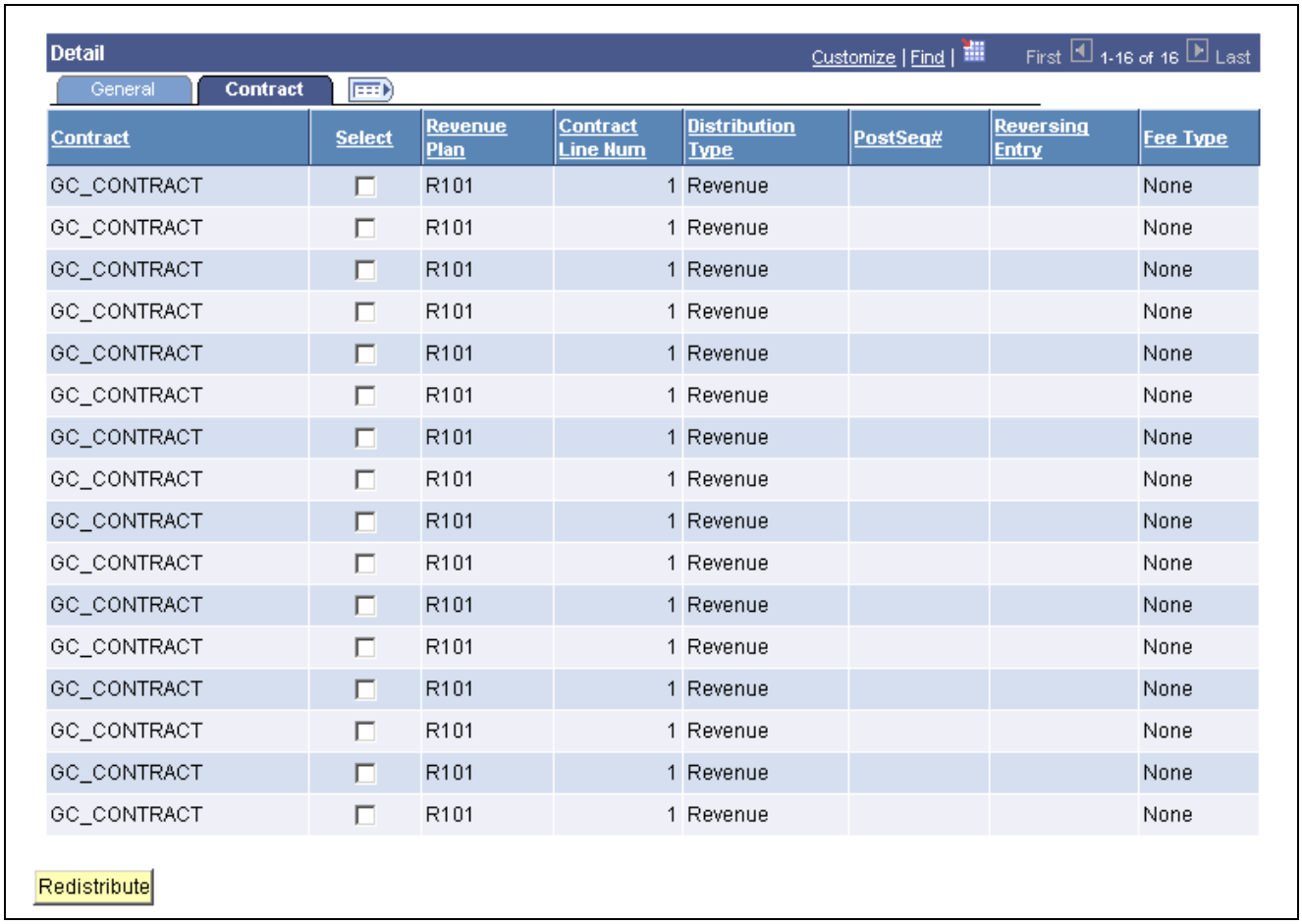
Redistribute Click this button to redistribute the revenue for the rows that you selected on the General tab of the Detail scroll area.

Review Revenue – As Incurred: Contract Tab

Select the Review Revenue – As Incurred: Contract tab.



Review Revenue – As Incurred: Contract tab (1 of 2)



Review Revenue – As Incurred: Contract tab (2 of 2)

Contract Line Num (contract line number) Displays the contract line associated with the revenue plan for this project and activity ID combination. Each project is linked to a contract line, and each contract line is assigned to a revenue plan.

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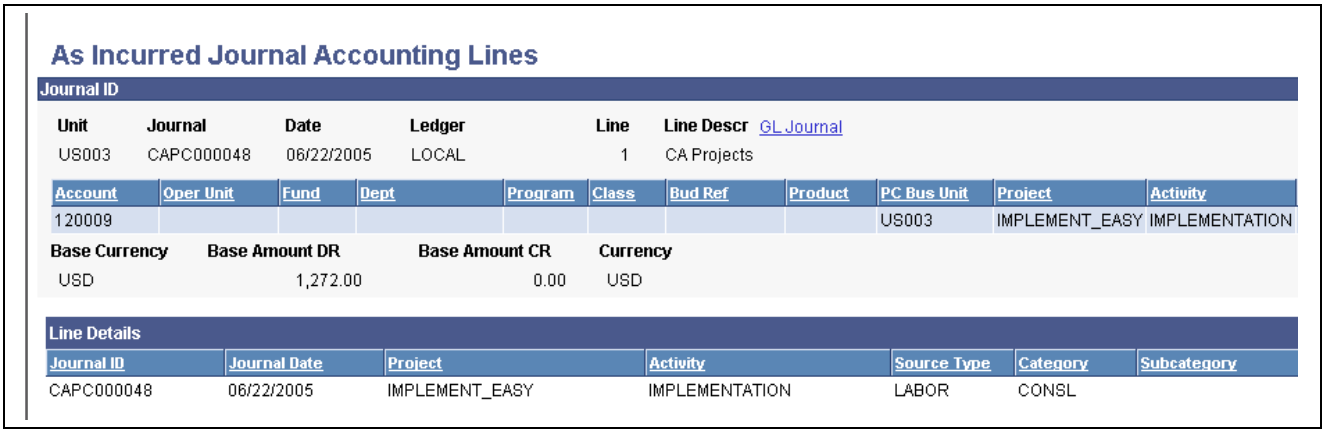
Distribution Type Displays the distribution type associated with the accounting entry. Each accounting entry is distinguished by distribution type. Examples include revenue and Unbilled Accounts Receivable.

PostSeq# (posting sequence number) Displays the posting sequence number associated with the accounting entry. When you have multiple accounting entries for the same contract line, revenue recognition event, and distribution type, such as when you split revenue across departments, the system uses a posting sequence number to make them unique.

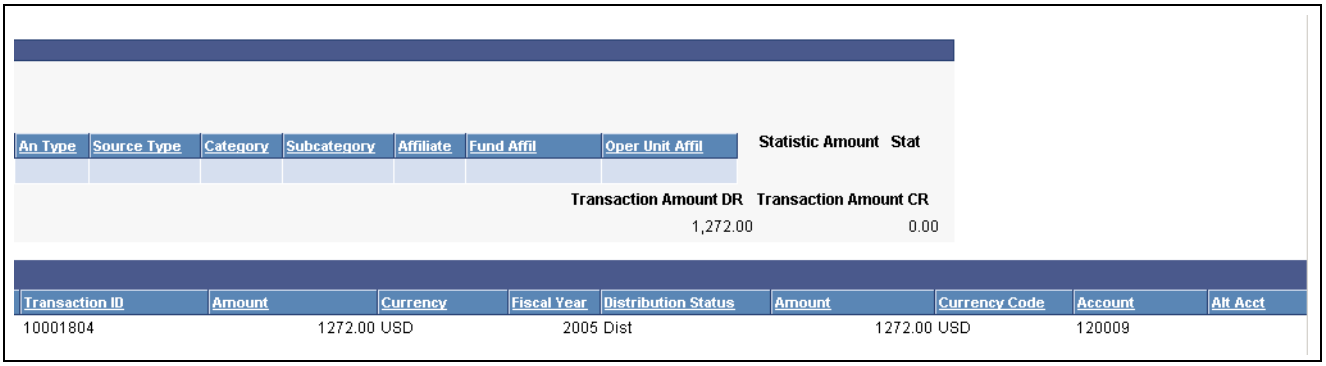
Reversing Entry Indicates if this entry was redistributed.

Inquiring About Rate-Based Accounting Journal Entries

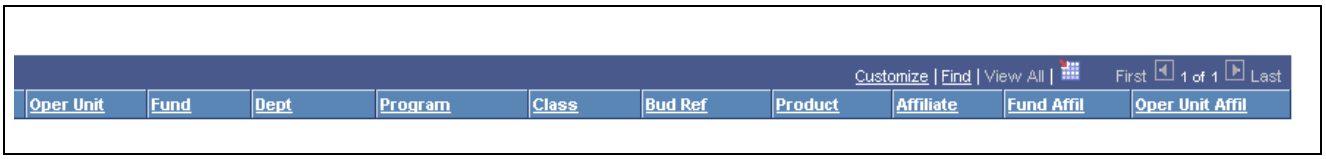
Access the As Incurred Journal Accounting Lines page.



As Incurred Journal Accounting Lines page (1 of 3)



As Incurred Journal Accounting Lines page (2 of 3)



As Incurred Journal Accounting Lines page (3 of 3)

To view the data on this page, the contract accounting entries for your rate-based contract lines must be successfully posted to the general ledger by the Journal Generator process.

GL Journal Click to access the journal for this accounting line.

Journal ID Displays the PeopleSoft General Ledger journal identifier assigned by the Journal Generator process when booking the revenue row to the general ledger.

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Journal Date	Displays the date that the journal entry was booked to the general ledger.
Project	Displays the project identifier associated with the revenue row booked to the general ledger.
Activity	Displays the activity identifier associated with the revenue row booked to the general ledger.
Transaction ID	Displays the transaction identifier associated with the revenue row generated for the contract line.
Amount	Displays the amount of revenue recognized for this journal entry.
Fiscal Year	Displays the fiscal year associated with a revenue budget.
Distribution Status	Displays the distribution status for the journal entry.
Account	Displays the account code of the account assigned to the journal entry. Account codes classify the nature of a transaction.
Alt Account (Alternate Account)	Displays the alternate account assigned to the journal entry. Alternate accounts classify the nature of a transaction for regulatory authorities and are used for statutory accounting.
Oper Unit (Operating Unit)	Displays the operating unit assigned to the journal entry. Use operating units to indicate a location.
Fund	Displays the fund code assigned to the journal entry. Fund codes are the primary structural units of Education and Government accounting.
Dept (Department)	Displays the department ChartField code assigned to the journal entry. Departments are used to track information according to a divisional breakdown of your organization. Use department ChartFields to indicate who is responsible for or affected by a transaction.
Program	Displays the program ChartField code assigned to the journal entry. Program codes track revenue and expenditures for programs within or across your organizations. Use program ChartFields to identify groups of related activities, cost centers, revenue centers, responsibility centers and academic programs.
Class	Displays the class ChartField code assigned to the journal entry. Use class ChartFields to identify specific appropriations.
Bud Ref (Budget Reference)	Displays the budget reference ChartField code associated to the journal entry. Use budget references to identify unique budgets when individual budgets share budget keys and overlapping budget periods.
Product	Displays the product ChartField code associated to the journal entry. The product ChartField captures additional information useful for profitability and cash flow analysis by product sold or manufactured.
Affiliate	Displays the affiliate ChartField code associated with the journal entry. Use affiliate codes to map transactions between business units when using a single interunit account.
Fund Affil (Fund Affiliate)	Displays the fund affiliate ChartField code associated with the journal entry. Use fund affiliate codes to correlate transactions between funds when using a single intraunit account.

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Oper Unit Affil (Operating Unit Affiliate)	Displays the operating unit affiliate code associated with the journal entry. Use operating unit affiliates to correlate transactions between operating units when using a single intraunit account.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Managing Revenue Recognition," Inquiring About Rate-Based Accounting Journal Entries

Reviewing Billing Activity

This section provides an overview of reviewing billing activity, lists prerequisites and common elements, and discusses how to:

- Review billing plans.
- Review statuses for As-Incurred billing plans.

Understanding Reviewing Billing Activity

PeopleSoft Contracts provides a number of online inquiry pages to enable you to effectively manage your billing activity for your contract lines. From the billing management pages, you can review multiple contract billing plans together, navigate to individual billing plans to update information that controls contracts billing activity, view historical data for an individual billing plan, and reverse billing activity.

PeopleSoft Contracts provides the following billing inquiry options:

- Review Billing-Plans page.

  Use this page to view the billing plans assigned to your contract lines, view processed and pending billing amounts for each billing plan, update the plan status for one or more billing plans, reverse a billing plan for the contract, or navigate to the Billing Plans-History page to view billing transaction history for the billing plan.

- Review Billing-Events page.

  Use this page to view the details associated with specific events defined for your billing plans, place specific events on hold, update the event status for one or more billing plan event, or reverse an event.

- Review Billing - As Incurred page.

  Use this page to view the details of billed amounts, billing amounts pending for as-incurred billing plans or navigate to the Billing Plans-History page to view billing transaction history for the billing plan. You can also use this page to place as-incurred billing plans on hold.

- Contract Reversal page.

  Use this page to reverse billing for an entire contract. If you reverse an entire contract, only those contract lines associated with billing plans containing the billing plan methods of *Milestone*, *Percent Complete*, *Immediate* and *Value-based* are reversed on the contract.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Managing Contracts Billing," Reviewing and Reversing Billing Activity

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Prerequisites

Before you can manage billing plans for your government contracts, you must first define a contract with a contract classification of *Government*, add contract lines, define billing plans and assign contract lines to them, activate the contract, and set the billing plans to *Ready* status.

Common Elements Used in this Section

Billing Business Unit Select to filter the search results by the PeopleSoft Billing Business Unit associated with the contract.

Billing Plan or **Bill Plan ID** Select to filter the search results by the billing plan identifier associated with the contract line. Each contract can contain multiple billing plans, and multiple contract lines may be assigned to one billing plan. You must first select a contract number before you can search by billing plan ID.

Billing Plan Status Select a billing plan status to search for billing plans with a specific billing plan status.

Bill To Customer Select to filter the search results using a specific Bill To Customer associated with the contract. The Bill To Customer is the customer receiving the invoice.

Business Unit Select to filter the search results by the PeopleSoft Contracts business unit assigned to the contract.

Contract Classification Select to filter the search results by the contract classification assigned to the contract. To search for billing plans that are only attached to government contracts, select the contract classification of *Government*.

Customer Displays the customer ID for the customer associated with the contract.

Detail Click this link to view pending and billed amounts, event statuses, or projects associated with contract billing plans.

Fee Type Select to filter the search results by the fee type assigned to the rate-based contract lines on a contract. Values include *None*, *Fixed Fee*, *Award Fee*, *Incentive Fee* and *Other Fee*.

History Click this link to access and view the contracts billing history details for the billing plan.

Hold Select to search for all billing plans or events that are placed on hold.

Hold Date Displays the current system date when a billing plan or event has been placed on hold.

You can place a billing plan on hold after the billing plan is in a status greater than *Ready.* The system automatically places a billing plan on hold when you initiate a reversal for amount-based contract lines or when amendment processing affects events.

Project Select to filter the search results by a project assigned to the contract lines.

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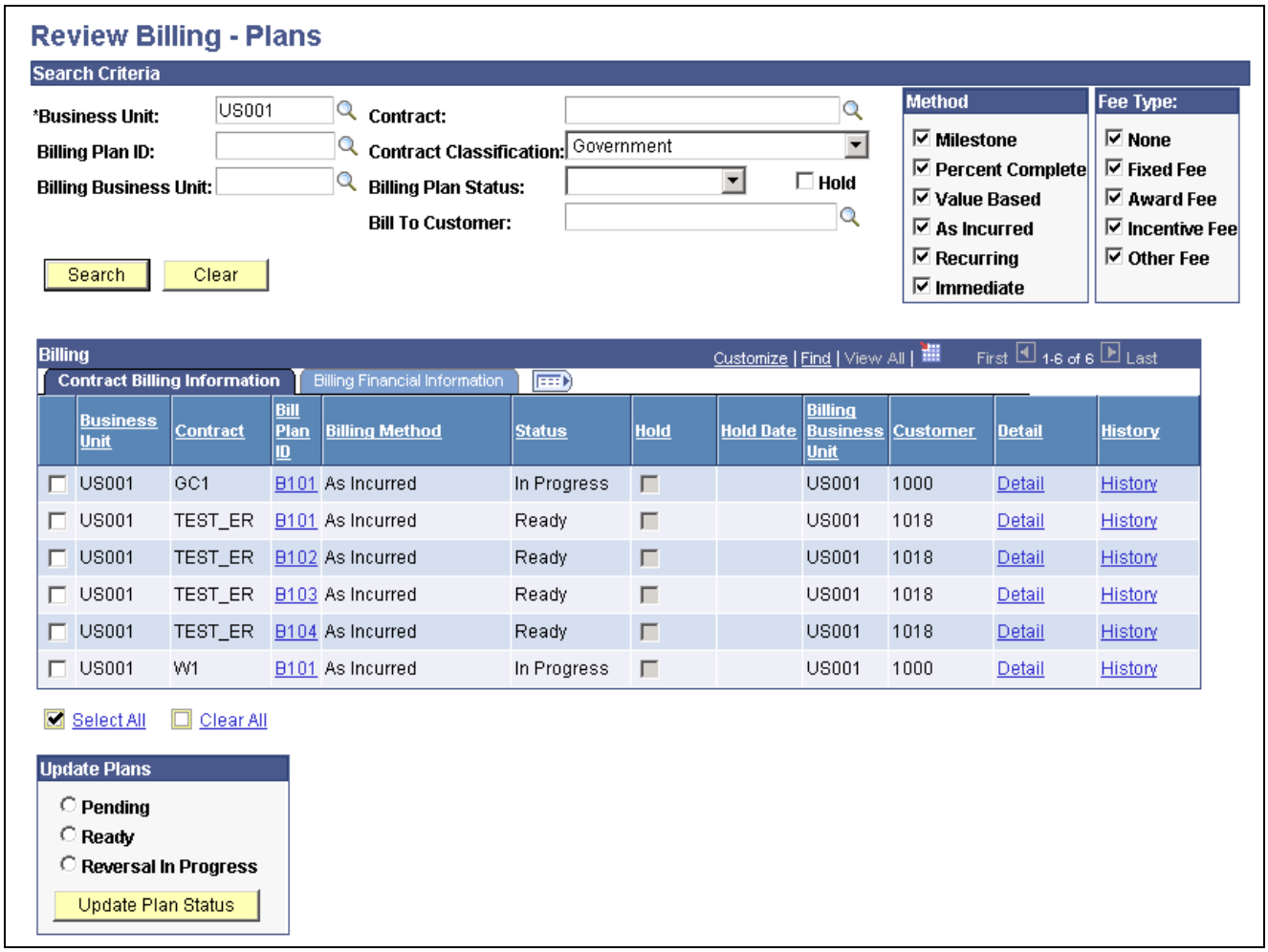
Pages Used to Review Billing Activity

Page Name	Object Name	Navigation	Usage
Review Billing - Plans	CA_BI_MGMT_INQ_PNL	Customer Contracts, Review Billing, Plans, Review Billing - Plans	View billing plan activity or update plan status for both pending and billed amounts, for any cross-section of the Contracts system. Update plan status to *Pending* or *Ready.* Reverse billing for *Milestone* and *Immediate* billing plans.
Review Billing - Events	CA_BI_MGMT_EVENTS	Customer Contracts, Review Billing, Events, Review Billing - Events	View amounts by billing event that have been billed to date and are pending. Inquire on the status of billing events. Place billing plan events on hold, update event statuses, and navigate to more detailed information. Reverse billing for billing plan events.
Review Billing - As Incurred	CA_BI_MGMT_AI_PNL	Customer Contracts, Review Billing, As Incurred, Review Billing - As Incurred	Inquire on the status of as-incurred billing plans. From this page, you can view the amounts that have been billed to date and the amounts that are pending. You can place billing plans on hold and you can navigate to more detailed information.

Reviewing Billing Plans

Access the Review Billing - Plans page.

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Review Billing - Plans page

Search Criteria

Use the fields in the search criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all billing plans for all active contracts within your system.

Method

Select the check box of a billing plan - billing method to limit your search to include only those billing plans with a billing method equal to the billing methods that you selected. If you leave all check boxes blank, the system returns all billing plans matching the remainder of your search criteria. Billing method choices include: *Milestone, Percent Complete, Value Based, As Incurred, Recurring,* and *Immediate*. The method of *Recurring* does not apply to government contracts.

Note. To view billing plans for amount-based contract lines or to view billing plans that are not directly tied to contract lines (for prepaid amounts and progress payments), you must select the check box for the Fee Type of *None*.

Review Billing - Plans Page: Contract Billing Information Tab

(select) Select a check box to update the status for this billing plan to *Pending, Ready,* or *Reversal in Progress.* Depending on your selection in the Update Plans

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group box, when you click the Update Plan Status button, the system updates the status of the billing plan.

Billing Plan ID Click to view details pertaining to this billing plan ID.

Billing Method Displays the billing method of the billing plan associated with the contract line.

Status Displays the current status of the billing plan associated with the contract line.

Hold Indicates if the billing plan has been placed on hold.

Update Plans

The status for each row in the Billing region of the page can be changed from *Ready* to *Pending* or from *Pending* to *Ready.* You can update the status of multiple billing plans at the same time by selecting the new status (either *Pending* or *Ready),* selecting the check box next to the appropriate billing plans, clicking the Update Plan Status button, and then saving the page.

Pending Select to update the status of the selected billing plan to *Pending.*

Ready Select to update the status of the selected billing plan to *Ready.*

Reversal In Progress Select to reverse all or a portion of the bill amount processed for the selected billing plan. Click the Update Plan Status button to reverse the billing amount. If the billing plan status is *Completed,* and all billing plan lines are successfully reversed, the next time that you run the Contracts/Billing Interface process, the system updates the plan's status to *Reversed.*

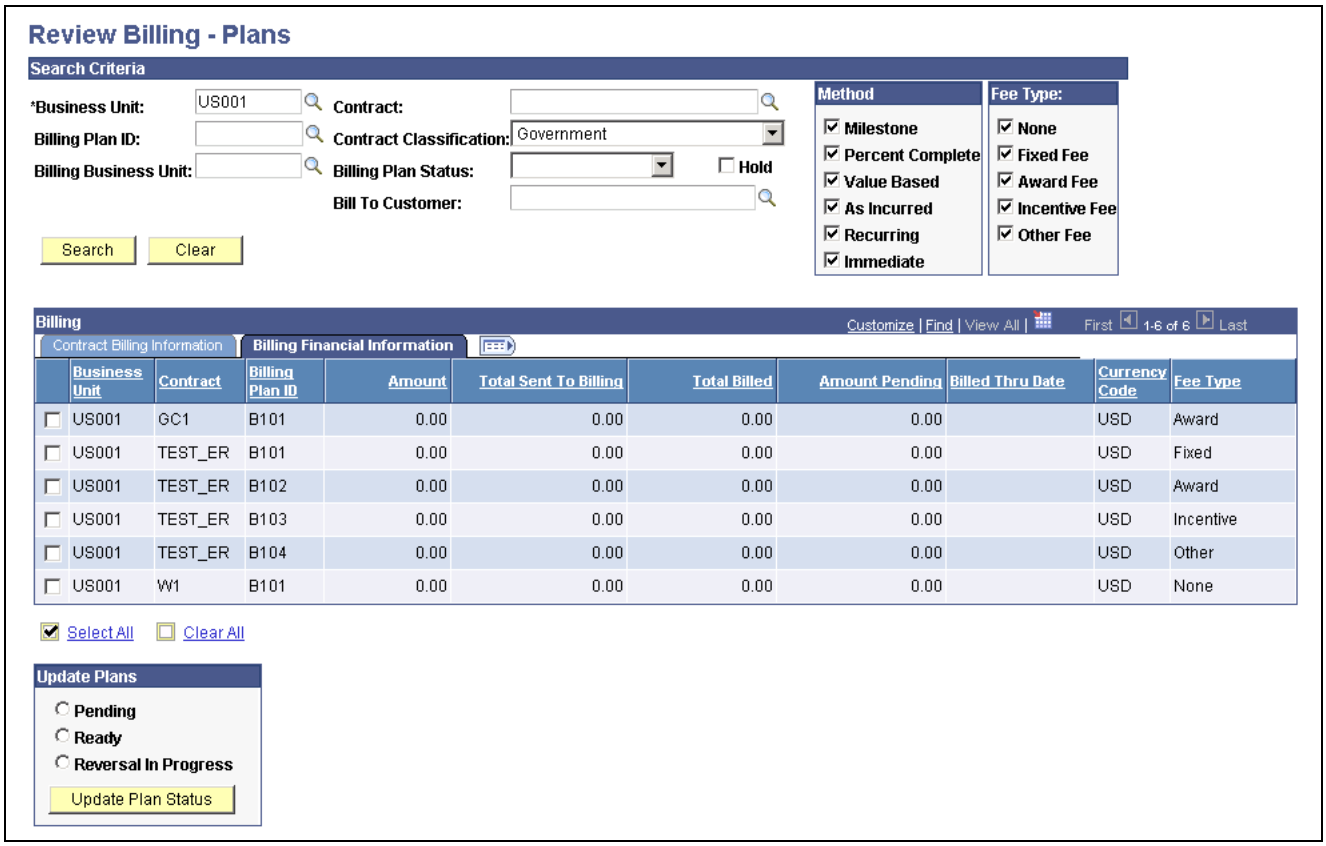
Note. This option only applies to amount-based contract lines.

Update Plan Status Click to update the billing plan status of the selected contract lines in the Billing group box with the pending, ready, or reversal in progress status that you selected. If you selected the Reversal In Progress option, clicking this button initiates the reversal for the billing plan.

Review Billing - Plans Page: Billing Financial Information Tab

Select the Review Billing – Plans: Billing Financial Information tab.

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Review Billing - Plans page: Billing Financial Information tab

Amount Displays the net amount for this billing plan ID, for billing plan IDs associated with amount-based contract lines.

Total Sent To Billing Displays the amount associated with a billing plan ID processed by the Contracts/Billing Interface process and sent to PeopleSoft Billing.

Total Billed Displays the amount that has been finalized and billed by PeopleSoft Billing and then written back by PeopleSoft Billing to the Contracts/Billing cross-reference table.

Amount Pending Displays the amount pending (equals the total amount sent to billing less the total amount billed) for amount-based contract lines associated with the billing plan.

Billed Thru Date Displays the date through which the contract line has billed for recurring contract lines. This field does not apply to government contracts.

Currency Code Displays the currency code associated with the billing plan.

Fee Type Displays the fee type associated with the rate-based contract line linked to the billing plan.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Setting Up Billing Plans for Cost-Plus Contract Lines, page 182.

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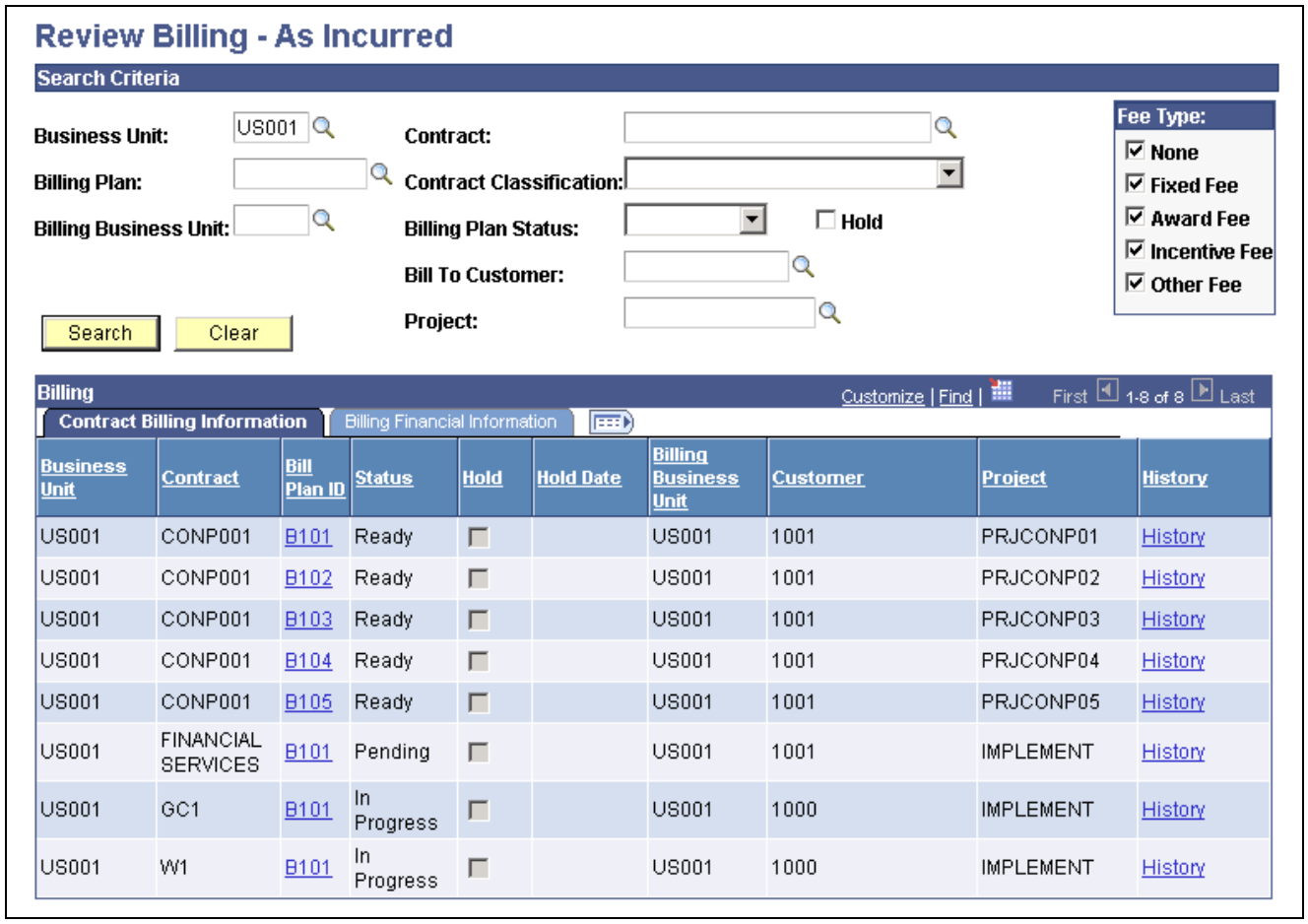
Review Billing Plan Events

Access the Review Billing-Events page.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "Managing Contracts Billing," Reviewing Billing Events.

Reviewing Statuses for As-Incurred Billing Plans

Access the Review Billing - As Incurred page.



Business Unit	Contract	Bill Plan ID	Status	Hold	Hold Date	Billing Business Unit	Customer	Project	History
US001	CONP001	B101	Ready			US001	1001	PRJCONP01	History
US001	CONP001	B102	Ready			US001	1001	PRJCONP02	History
US001	CONP001	B103	Ready			US001	1001	PRJCONP03	History
US001	CONP001	B104	Ready			US001	1001	PRJCONP04	History
US001	CONP001	B105	Ready			US001	1001	PRJCONP05	History
US001	FINANCIAL SERVICES	B101	Pending			US001	1001	IMPLEMENT	History
US001	GC1	B101	In Progress			US001	1000	IMPLEMENT	History
US001	W1	B101	In Progress			US001	1000	IMPLEMENT	History

Review Billing - As Incurred page

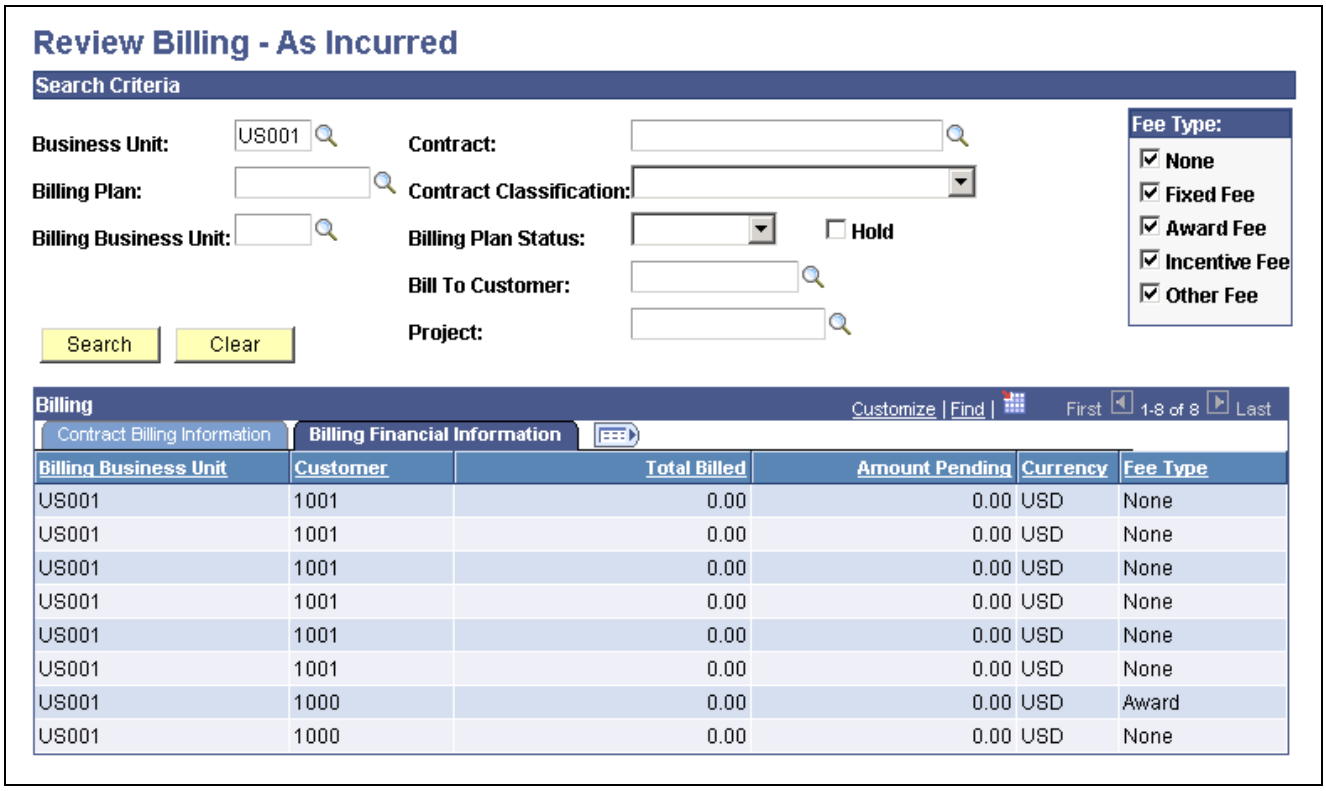
Use the fields in the Search Criteria group box to filter your search results by entering specific values in these fields. If you leave all fields blank, the search returns all billing information for all active contracts within your system. To search for only active government contracts, select the contract classification of *Government*.

Project Select to filter your search results by a specific project. When defining rate-based contract lines and rate-based contract lines associated with fee type (cost-plus), you link the contract lines to PeopleSoft Project Costing projects.

Review Billing - As Incurred Page: Billing Financial Information Tab

Select the Review Billing – As Incurred: Billing Financial Information tab.

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Review Billing - As Incurred page: Billing Financial Information tab

Total Billed Displays the total amount finalized and billed by PeopleSoft Billing, for as-incurred billing plans, and then written back by PeopleSoft Billing to the Contracts/Billing cross-reference table.

Amount Pending Displays the pending billable amount in PeopleSoft Project Costing that has not yet been invoiced for your rate-based contract lines associated with the billing plan.

Fee Type Displays the fee type associated with the contract line linked to the billing plan. Rate-based contract lines associated with fee types are linked to individual as-incurred billing plans.

See Chapter 12, "Creating Cost-Plus Government Contract Lines," Setting Up Billing Plans for Cost-Plus Contract Lines, page 182.

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CHAPTER 15

Establishing Progress Payments

This chapter provides an overview of progress payment amounts and discusses how to:

- Define progress payment terms.
- Manage progress payment worksheets.
- Manage progress payments.

Understanding Progress Payment Amounts

Some government contracts may include progress payments as part of the contract's financing terms. Progress payments enable the contractor to receive payment prior to a regular bill being issued for item delivery (which may occur late in the contract period).

Progress payment requests are issued from the contractor to the government, as costs are incurred, using an approved progress payment rate percentage. Such requests can be issued regularly, based on a schedule, or progress of work.

Once the items in the contract are delivered, and a regular bill is issued, progress payment amounts are liquidated according to progress payment liquidation rates.

This section discusses:

- Progress payment business process flow.
- Progress payment statuses.
- Progress payment billing.
- Progress payment liquidation.
- Progress payment accounting.
- Progress payment processing.

Progress Payment Business Process Flow

The following list identifies the steps for setting up and processing a progress payment:

1. Create a contract with a contract classification of *Government*.
2. Add amount-based contract lines to the contract associated with progress payment amounts.

Note. Government contracts can include amount-based or rate-based (Time and Material or fee associated) contract lines on the same contract. However, progress payments can only be associated with amount-based contract lines.

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3. Define progress payment terms:
    a. Assign progress payment and liquidation rates.
    b. Assign a distribution code to the progress payment for progress payment liability.
    c. Assign defined projects, activities, and amount-based contract lines to the progress payment terms for use during liquidation.
    d. Set the progress payment terms to *Ready* status.
4. Define billing and revenue plans for the contract lines.
5. Perform amount allocation for the contract.
6. Set the contract processing status to *Active*.
7. Prepare the progress payment request using the progress payment worksheet.
8. Define an immediate billing plan for the progress payment request.
9. Run the Contracts/Billing Interface process to initiate billing for the progress payment amount.
10. Complete the billing process for the progress payment request.
11. After the contract items are ready for delivery and you are ready to bill, set the billing plans (or events) for amount-based contract lines to *Ready* status.
12. Run the Contracts/Billing Interface process to generate the regular bill for the items delivered and initiate liquidation of the progress payment amount.
13. Complete the billing process for the items delivered and liquidation of the progress payment.

Progress Payment Statuses

When defining progress payment terms, you need to assign a status. Progress payment terms statuses are managed by the user, and control the actions that can be performed against the progress payment. Progress payment status values include:

Pending

When creating a new progress payment row, *Pending* appears by default as the status. All fields for pending progress payment terms rows are fully editable and are not subject to system edit checking. No processing occurs against pending progress payment terms. Progress payment terms rows that have a status of *Pending* can be deleted.

Ready

After the progress payment terms information is complete, and the progress payment is ready for processing, manually update the status of the progress payment terms row to *Ready*.

Progress payment term rows in *Ready* status are edit checked by the system, most of the fields become unavailable for edit, and the progress payment terms are eligible for billing and liquidation (if the progress payment amount is greater than zero, and the contract is activated).

Progress payment terms cannot be set to *Ready* status if the Progress Payment Rate or Liquidation Rate is greater than 100, or a negative rate.

Note. Progress payment term rows in *Ready* status can be changed back to *Pending* status only if the contract has a processing status of *Pending*. Any changes required after the contract has a processing status of *Active* must be performed using amendment processing.

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Completed

After the progress payment amount has been fully liquidated, manually set the status of the progress payment terms row to *Completed*. No processing occurs on progress payment rows with a status of *Completed*.

When setting the progress payment terms status to *Completed*, the system performs the following steps:

- Verifies that the unliquidated amount equals zero.
- Verifies that the committed amount equals zero.
- Verifies that the progress payment amount does not equal zero.
- Automatically updates the completed date.

Note. Progress payment term rows with a status of *Completed* can be changed back to a status of *Ready* for an active contract, if additional progress payment requests are required. However, the completed date is not reset in these instances.

Cancelled

Progress payment term rows in either *Pending* or *Ready* status can be manually set to a status of *Cancelled* if the following conditions are true:

- The progress payment amount equals zero.
- The unliquidated amount equals zero.
- The committed amount equals zero.

Note. If billing or liquidation has occurred on a progress payment amount, you must first reverse those amounts to bring the corresponding balances to zero before you can set the status to *Cancelled.*

This table shows the relationship between contract processing statuses and progress payment terms and associated billing plan statuses:

Contract Processing Status	Progress Payment Terms and Billing Plan Statuses
Pending	• Set progress payment terms to *Pending*, *Ready,* or *Cancelled* status. • Progress payment billing plans cannot be created until the contract processing status is set to *Active*.
Active	• Set progress payment terms to *Pending*, *Ready*, *Completed*, or *Cancelled* status. • Set progress payment billing plans to *Pending* or *Ready* status. During processing, the system sets the progress payment billing plan status to *In Progress*, *Complete,* or eventually*Recycled* or *Reversed*.
Closed	• You must set progress payment terms to*Completed* or *Cancelled* status. • You must set progress payment billing plans statuses to *Completed* or *Cancelled*.

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Progress Payment Billing

PeopleSoft Contracts enables you to bill the government for progress payment amounts, then liquidate those amounts against regular bills after your contracted items are delivered. To manage this process, you must define billing plans for both your progress payment requests and the contract lines associated with the progress payment amount. Billing plans control the timing and parameters for contract bills.

To bill for progress payment amounts, you must complete the progress payment worksheet, set up a billing plan that uses the *Immediate* billing method, and assign it to the progress payment worksheet. A separate Immediate billing plan is required for each occurrence of a progress payment request and cannot span multiple progress payment requests or multiple contract lines. Any adjustments made to progress payment bills require a new immediate billing plan to be created.

Note. Although progress payment amounts and prepaid amounts may coexist on the same contract, they cannot be combined onto the same immediate billing plan. Progress payment amounts do not include taxes. Instead, all taxation occurs on the regular bill.

Setting up and assigning Immediate billing plans for your progress payment requests can be done manually or automatically. When you perform computations in the progress payment worksheet, and the worksheet is approved, the system may create an Immediate billing plan in either *Ready* or *Pending* status (depending on the billing plan template setup).

To bill for delivered items associated with your contract lines, you can set up billing plans using the *Milestone*, *Percent Complete*, or *Immediate* billing plan method and assign them to the corresponding contract lines. When regular bills are processed for these items, the system liquidates the progress payment amounts against the bill amount according to the progress payment liquidation rate specified for the progress payment terms.

When setting up billing plans for contract lines associated with progress payment terms, it is important to note that PeopleSoft Contracts provides the user complete flexibility when setting up and sharing billing plans across contract lines associated with the same price type. However, for contract lines associated with progress payment terms, consider the following points:

- PeopleSoft Contracts enables you to combine contract lines with the same billing parameters onto the same billing plan.
- You can combine contract lines that have the same billing parameters, whether or not the contract lines are associated with the same set of progress payment terms, different sets of progress payment terms, or no progress payment terms at all.
- Contract lines combined onto a single billing plan, but not associated to the same set of progress payment terms are prorated during the liquidation process based on the contract line net amount.

  The system uses this proration calculation to determine how much of the total billed amount is associated with the contract line linked to the set of progress payment terms.

  The calculated prorated amount is used to complete the liquidation calculation.

  Note. To avoid proration of your billed amount for progress payment liquidation purposes, it is strongly recommended that you only combine contract lines that are associated with the same set of progress payment terms onto a single billing plan.

See Chapter 15, "Establishing Progress Payments," Defining Progress Payment Terms, page 244 and Chapter 15, "Establishing Progress Payments," Defining the Progress Payment Worksheet, page 258.

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See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Structuring Contracts," Defining Revenue and Billing Plan Templates

Progress Payment Liquidation

To manage progress payments, PeopleSoft Contracts enables you to bill for the progress payment amount, and then subsequently liquidate that amount against the bill when the item is delivered. The amount of the progress payment that can be liquidated against a bill is capped by the liquidation rate specified in the progress payment terms.

To liquidate progress payment amounts against regular bills, you must:

- Set up a billing plan for the contract lines associated with the progress payment terms.
- Identify a liquidation rate for the progress payment terms.
- Associate contract lines, projects, and activities to the progress payment terms.
- Run the Contracts/Billing Interface process (CA_BI_INTFC) to initiate billing for the contract line item.

  This process triggers the Progress Payment Liquidation process (CA_PGP_LIQ) to evaluate the bill line and liquidate any outstanding progress payments against it.

Note. Progress payment liquidation only occurs if the progress payment amount and remaining amount are greater than zero. The progress payment amount and remaining amount are updated only after the progress payment request is finalized, so a progress payment request cannot be billed and liquidated in the same run of the Contracts/Billing Interface.

The Progress Payment Liquidation process performs the following tasks:

- Calculates the amount available for liquidation (remaining amount minus committed amount).
- Determines if the contract lines associated with the billing line is linked to the same set of progress payment terms.

  Note. Contract lines that are not associated with the same set of progress payment terms are subtracted out of the total billed amount used in the liquidation calculations.

- Calculates the maximum liquidation amount (available billing amount multiplied by the liquidation rate factor).
- Liquidates the calculated amount against the regular bill (either the total amount available for liquidation or the maximum calculated liquidation amount; whichever is less).

  Note. Liquidation bill lines display on the invoice as a credit amount using the liquidation description that you entered on the Progress Payment Terms - Liquidation page.

Progress Payment Accounting

Progress payment processing creates accounting entries when you bill for the progress payment amount, and when you liquidate the progress payment amount.

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Progress payments are booked to a liability account instead of a revenue account. When setting up your progress payment terms, you must define either the account distribution code or ChartField set that the system uses to create the accounting entries. When defining the accounting distribution for the liability account, you must use an account code or distribution code that is associated with an Unbilled Accounts Receivable (UAR) distribution type.

Only one accounting line is created per progress payment request. Project ChartField data specified on the Progress Payment Terms - Accounting Distribution tab is used for accounting purposes and passed to PeopleSoft Billing. You cannot split progress payment liability accounting distributions between multiple projects and activities.

When progress payment request are submitted for processing, the liability account information specified for the progress payment terms is sent to PeopleSoft Billing, creating a debit to billed accounts receivable (AR) and a credit to the progress payment liability account.

When the progress payment amount is liquidated, during regular billing for the contract line items associated with the progress payment terms, the system sends a credit amount to PeopleSoft Billing for the liquidated amount. To create the accounting entries for the billed amount and to relieve the credit liability account for the progress payment; the system creates a debit to billed accounts receivable (AR), a debit to the progress payment liability account, and a credit to revenue. The progress payment liability account is eventually netted out to zero once the progress payment is fully liquidated.

Progress Payment Accounting Example

This example shows the accounting implications for processing a 1,000 USD progress payment amount and its subsequent liquidation using an 80 percent liquidation rate:

Process Step	Accounts Receivable	Progress Payment Credit Liability	Revenue
A 1,000 USD progress payment amount is billed. PeopleSoft Billing creates these accounting entries using the ChartField data sent from PeopleSoft Contracts:	1000	(1000)	
A 2,000 USD contract line item is billed that is associated with the progress payment amount. PeopleSoft Billing creates these accounting entries using the ChartField data sent from PeopleSoft Contracts:	1000	1000	(2000)

Note. In this example, even though the liquidation amount for the bill amount is 1,600 USD (2000 x 80%), the liquidation amount is capped at the amount of the progress payment (1,000 USD). So the bill and credit liability are reduced by this amount.

Progress Payment Processing

Processing progress payments involves the following processes:

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- Calculate Inception to Date Costs process.
- Contracts Billing Interface process.
- Progress Payment Liquidation process.

Calculate Inception to Date Costs (Calculate ITD Costs process)

To calculate allowable progress payment request amounts based on the projects and activities costs tracked in Project Transactions, you must first run the Calculate ITD Costs (CA_PGP_CALC) process. This batch process retrieves the current inception to date and estimated cost to complete costs from the Project Transactions (PROJ_RESOURCE) table for projects and activities associated to the progress payment terms, then inserts the resulting rows into the Progress Payment Costs (CA_PGP_COSTS) table. Any rows (associated with the same As of Date) that already exist in the table are updated and overwritten by the process. After the process is complete, you can copy the costs data from the Progress Payment Costs table into the various fields in the progress payment worksheet.

See Chapter 15, "Establishing Progress Payments," Accumulating Progress Payments Costs, page 265.

Contracts Billing Interface Process

The Contracts/Billing Interface process (CA_BI_INTFC) is used to populate the billing interface tables and generate bills for contracts. For progress payment processing, this process is used to process progress payment requests and liquidation through to PeopleSoft Billing.

Progress payment request bills are controlled by the immediate billing plan associated with the progress payment worksheet. The Contacts/Billing Interface processes progress payments that are associated with progress payment terms with a *Ready* status, have an immediate billing plan associated to the progress payment worksheet in *Ready* status, and the contract is in *Active* processing status. If all of these conditions are met, the Contracts/Billing Interface process performs the following actions:

- Creates a bill line type of REV.
- Updates the billing plan status for the immediate bill plan to *In Progress*.
- Inserts a row into the Contracts/Billing Plan Cross-Reference (CA_BP_XREF) table.

  Each row inserted into the Contracts/Billing Plan Cross-Reference table inherits the sequence number (CA_PGP_SEQ) associated with the progress payment terms to uniquely identify that row as a progress payment request row for a specific set of progress payment terms.

After the bills are finalized in PeopleSoft Billing, you must run the Billing to Project Costing/Contracts Interface process (BIPCC000) to update the bill row in the billing plan history page to a status of *FIN* (finalized) and update the progress payment amount and unliquidated amount to include the finalized progress payment request amount.

Warning! The Billing to Project Costing/Contracts Interface process updates the progress payment tables and fields with the original progress payment amounts that are sent to PeopleSoft Billing. Any manual adjustments made in PeopleSoft Billing for these amounts are ignored by the system and can cause the applications to be out of sync. It is strongly recommended that any required adjustments are made in PeopleSoft Contracts.

See Chapter 15, "Establishing Progress Payments," Managing Progress Payments, page 269.

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Progress Payment Liquidation process

Progress payment liquidation is triggered by the processing of billing plans for amount-based contract lines that are associated with progress payment terms. After the Contracts/Billing Interface process selects contract line amounts for bill processing, but prior to passing the billing data to PeopleSoft Billing, the Progress Payment Liquidation process (CA_PGP_LIQ) is called. This process liquidates eligible progress payment amounts against bills for contract line items that are delivered.

The Progress Payment Liquidation process only liquidates progress payment amounts if the progress payment terms are defined and have a status of *Ready*, the contract processing status is active, and the progress payment amount has not been fully liquidated.

The Progress Payment Liquidation process performs the following actions:

- Creates a bill line type of UTL.
- Creates a negative bill line amount that is passed as a credit to PeopleSoft Billing.
- Calculates the liquidation amount.
- Updates the committed amount with the amount to be liquidated.
- Inserts a row in the Contracts/Billing Plan Cross-Reference (CA_BP_XREF) table for the contract's line liquidated billing plan reflecting the credit sent to PeopleSoft Billing.

  Each row inserted into the Contracts/Billing Plan Cross-Reference table inherits the sequence number associated with the progress payment terms to uniquely identify that row as a progress payment liquidation row for a specific set of progress payment terms.

After the bills are finalized in PeopleSoft Billing, you must run the PeopleSoft Billing to Project Costing/Contracts Interface process to relieve the committed amount, update the unliquidated amount accordingly and update the row status in the Contracts Billing Cross reference table to Finalized (*FIN*) status.

Note. Progress payment requests must be finalized to be eligible for liquidation.

Defining Progress Payment Terms

This section provides an overview of progress payment terms and discusses how to:

- Define progress payment terms.
- Define progress payment terms for contract lines.
- Define progress payment terms for projects.

Understanding Progress Payment Terms

Progress payment terms define the parameters and details for both processing progress payment requests and liquidating the progress payment amounts against regular bills after the contracted items are delivered. Progress payment terms must be defined and made ready before you can manage the progress payment. A contract can contain one or multiple sets of progress payment terms.

Progress payment terms include:

- Progress payment terms status.
- Progress payment rate.
- Liquidation rate.

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- Contact lines to which the progress payment applies.
- Project and activity data used to determine costs for progress payment and liquidation calculations.
- Immediate billing plan templates used to set up progress payment billing plans (optional).

Progress payment and liquidation rates can be identified at the PeopleSoft Contracts business unit level, and the values appear by default on the Progress Payment page on the General tab.

Pages Used to Establish Progress Payment Terms

Page Name	Object Name	Navigation	Usage
Progress Payment Terms	CA_PGP_TERMS	• Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms • Select Progress Paymentsfrom the More drop-down list box on any page of the Contract Entry component (CA_HDR_PNG).	Establish progress payment processing terms.
Progress Payment Terms - Billing	CA_PGP_TERMS	• Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms Select the Billing tab. • Select Progress Payments from the More drop-down list box on any page of the Contract Entry component (CA_HDR_PNG), then select the Billing tab.	Assign billing plan templates to automatically create billing plans for progress payment worksheets, and access the progress payment worksheet.
Progress Payment Terms - Accounting Distribution	CA_PGP_TERMS	• Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms Select the Accounting Distribution tab. • Select Progress Payments from the More drop-down list box on any page of the Contract Entry component (CA_HDR_PNG), then select the Accounting Distribution tab.	Define the accounting distribution data that the system uses to create accounting entries for progress payment bills and liquidations.

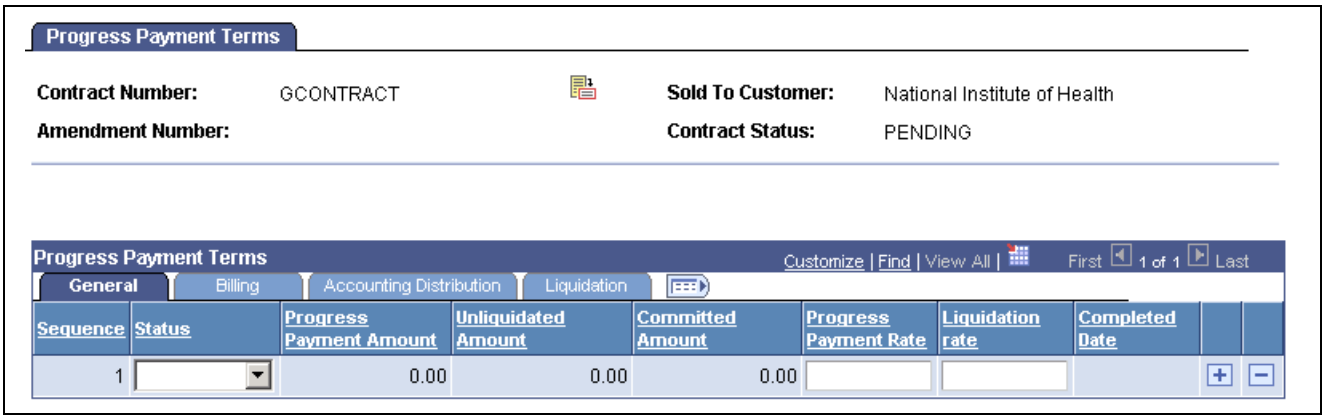
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Page Name	Object Name	Navigation	Usage
Progress Payment Terms - Liquidation	CA_PGP_TERMS	• Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms Select the Liquidation tab. • Select Progress Payments from the More drop-down list box on any page of the Contract Entry component (CA_HDR_PNG), then select the Liquidation tab.	Define the criteria that the system uses to liquidate progress payments.
Contract Lines	CA_PGP_TERMS	• Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms Select the Liquidation tab. Click the Contract Lines link. • Select Progress Paymentsfrom the More drop-down list box on any page of the Contract Entry component (CA_HDR_PNG), select the Liquidation tab, then click the Contract Lines link.	Associate amount-based contract lines to the progress payment terms. The system uses the contract lines associated with the progress payment terms to calculate the contract fixed price amount and to determine if a contract line's billing plan is eligible for liquidation.
Projects and Activities	CA_PGP_TERMS	• Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms Select the Liquidation tab. Click the Projects and Activities link. • Select Progress Payments from the More drop-down list box on any page of the Contract Entry component (CA_HDR_PNG). Select the Liquidation tab. Click the Projects and Activities link.	Associate the projects and activities considered in cost calculations for the progress payment terms.

Defining Progress Payment Terms

Access the Progress Payments Terms page.

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Progress Payment Terms page

Progress Payment Terms - General

Select the Progress Payment Terms - General tab.

Sequence Displays a unique sequence identifier for each single set of progress payment terms. The system generated identifier starts at the number one, and is automatically increased sequentially by the system.

Status Select a status, which controls the actions that you can perform and the system processing that can occur for the progress payment terms defined. Select from the values of: *Pending, Ready, Completed,* or *Cancelled.*

See Chapter 15, "Establishing Progress Payments," Progress Payment Statuses, page 236.

Progress Payment Amount Displays the total amount billed to the customer for the progress payment requests. The calculation is based on inception to date (ITD) incurred costs, total contract amount and progress payment and liquidation rates. This value is updated by the Projects/Contracts Interface process each time that a progress payment bill is finalized. This field is for informational purposes only.

Unliquidated Amount Displays the total amount of the progress payment not yet applied to a regular bill. The Projects/Contacts Interface process updates this field after the progress payment liquidations are finalized.

Committed Amount Displays the progress payment amount liquidated, but not yet finalized in PeopleSoft Billing. This field is initially populated when the Contracts/Billing Interface process is run. After the bills are finalized, and the Projects/Contacts Interface process is run, the system clears the committed amount from this field and update the Unliquidated Amount field to adjust for the amount that is liquidated and finalized in PeopleSoft Billing.

Progress Payment Rate Enter the Federal Acquisition Regulations (FAR) progress payment rate that the system uses to calculate progress payment request amounts. If you define this rate at the PeopleSoft Contracts business unit level, the value appears by default in this field. You can override the field value when the progress payment terms are in *Pending* status and prior to processing the progress payment request . After the progress payment terms are changed to *Ready* status, and a progress payment request is processed, the value can be changed only using amendment processing.

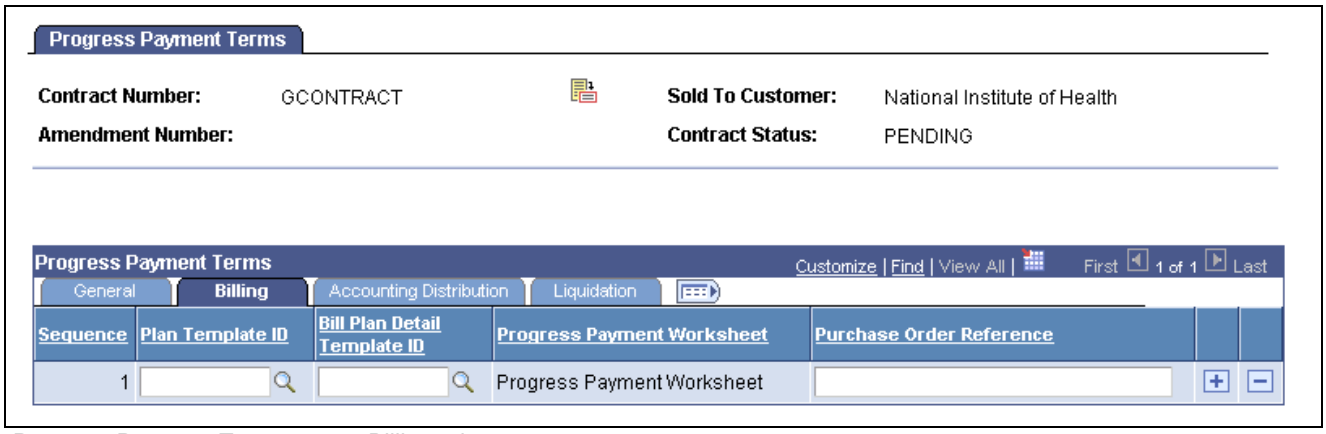
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Liquidation Rate Enter the Federal Acquisition Regulations (FAR) liquidation rate that the system uses when determining the portion of the progress payment that can be liquidated against a bill. If you have defined this rate at the PeopleSoft Contracts business unit level, the value appears by default in this field. You can override the field value when the progress payment terms are in *Pending* status, and prior to processing the progress payment request. After the progress payment terms are changed to *Ready* status, and a progress payment request is processed, the value can be changed only using amendment processing.

Completed Date Displays the date that the progress payment was fully liquidated and the progress payment terms status was set to *Completed* by the user. This date is automatically populated by the system and is not updated or reset if the progress payment terms row is changed back to *Ready* status for any additional processing.

Progress Payment Terms - Billing

Select the Progress Payment Terms - Billing tab.



Progress Payment Terms page - Billing tab

Plan Template ID Select a billing plan template to automatically create Immediate billing plans in the progress payment worksheet. Billing plans control the timing of bill processing for contracts. Billing plan templates enable you to set automation options that the system uses to automatically create a billing plan in *Ready* status when the Approve button is selected on the progress payment worksheet. Leave this field blank to manually create an Immediate billing plan from the progress payment worksheet.

Note. The system automatically creates a billing plan in *Ready* status only if you have selected the Approve Progress Payment check box on the Immediate billing plan template. If this check box is not selected on the billing plan template associated with the progress payment terms, then the system automatically creates the billing plan in *Pending* status.

Bill Plan Detail Template ID Select a billing plan detail template to automatically create Immediate billing plans in the progress payment worksheet. Billing Plan Detail templates enable you to override the billing field values that are defined for a PeopleSoft Contracts billing business unit and contract header that appear by default on the billing plan.

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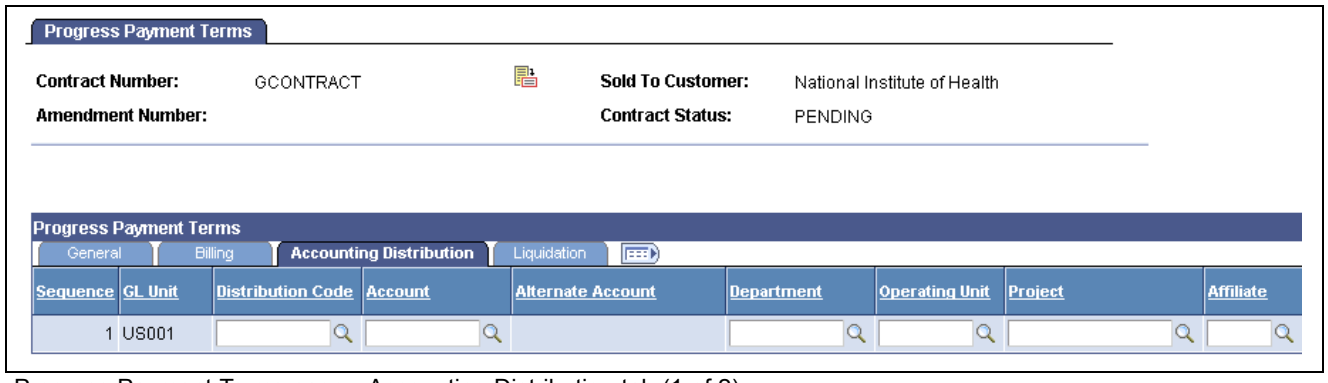
Leave this field blank to manually create an Immediate billing plan and accept the billing defaults for your progress payment worksheet.

Progress Payment Worksheet Click to access the progress payment worksheet, where you compute progress payment requests and approve progress payment bills for processing. This link is only available when the progress payment terms row is in *Ready* status and the contract is in an *Active* processing status.

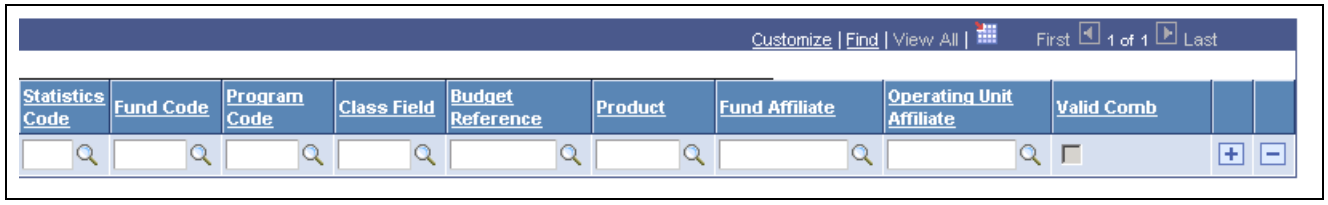
Purchase Order Reference Enter a specific purchase order reference number or any other reference data associated with a progress payment. This information is included on the progress payment request bill. If you enter a purchase order reference on the Contract Entry - General page, the data appears in this field by default.

Progress Payment Terms - Accounting Distributions

Select the Progress Payment Terms - Accounting Distribution tab.



Progress Payment Terms page - Accounting Distribution tab (1 of 2)



Progress Payment Terms page - Accounting Distribution tab (2 of 2)

Note. Accounting distribution data for the progress payment must be populated before the progress payment terms can be set to *Ready* status.

GL Unit (PeopleSoft General Ledger business unit) Displays the general ledger business unit associated with the contracts business unit for this contract. This field is informational only.

Distribution Code Select a distribution code that represents the credit liability for the progress payment. Distribution codes represent a combination of general ledger ChartField values. Once a distribution code is selected, the system will automatically populate the ChartField field values associated with the distribution code.

Note. Distribution codes set up for progress payment liability accounting must be associated with an Unbilled Accounts Receivable (*Unbill AR*) Distribution Type.

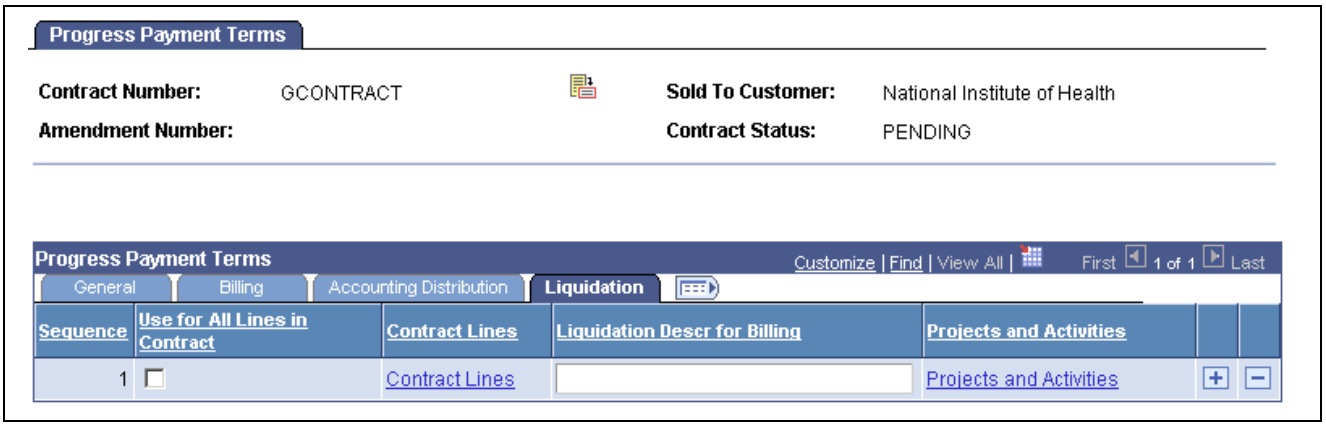
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Alternate Account	Classifies the nature of a transaction for regulatory authorities. Used for statutory accounts. The Alternate Account field displays only if the general ledger business unit associated with the contracts business unit has the Alternate Account enabled.
Department	Used to indicate who is responsible for or affected by the transaction.
Operating Unit	Used to indicate a location, such as a distribution warehouse or a sales center. It can also be used for responsibility reporting, such as a profit center.
Project	Captures additional information useful for project accounting. Progress payment liability accounting cannot be split among multiple projects or activities.
Affiliate	Used as one approach for interunit journal processing and consolidated reporting. Provides a way to map transactions between business units while using a single intercompany account.
Statistics Code	Identifies nonmonetary amounts. Statistic codes are associated with a specific unit of measurement.
Fund Code	Enter the Fund account ChartField value associated with the progress payment liability. Fund codes are the primary structural units of Education and Government accounting.
Program Code	Enter the Program Code ChartField value associated with the progress payment liability. Program codes track revenue and expenditures for programs within or across your organizations. They can be used to identify groups of related activities, cost centers, revenue centers, responsibility centers and academic programs.
Class Field	Enter the Class Field ChartField value associated with the progress payment liability. Class fields can be used to identify specific appropriations.
Budget Reference	Enter the Budget Reference ChartField value associated with the progress payment liability. Budget references are used to identify unique budgets, when individual budgets share budget keys and overlapping budget periods.
Product	Enter the Product ChartField value associated with the progress payment liability. The product ChartField captures additional information useful for profitability and cash flow analysis by product sold or manufactured.
Fund Affiliate	Enter the Fund Affiliate ChartField value associated with the progress payment liability. Fund affiliate codes are used to correlate transactions between funds when using a single intraunit account.
Operating Unit Affiliate	Enter the Operating Unit Affiliate ChartField value associated with the progress payment liability. Operating unit affiliates are used to correlate transactions between operating units when using a single intraunit account.
Valid Comb (valid ChartField combination)	After you enter the Distribution Code or ChartField values for your progress payment terms and save the terms, ChartField combination editing verifies that the accounting distributions are valid for the PeopleSoft General Ledger business unit listed.

Progress Payment Terms - Liquidation

Select the Progress Payment Terms - Liquidation tab.

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Progress Payment Terms page - Liquidation tab

Use for All Lines in Contract

Select the check box to automatically link the progress payment terms to all amount-based contract lines on the contract. When this check box is selected, no other progress payment term rows can be added to the contract, and any newly added amount-based contract lines are automatically associated with the progress payment terms.

After the check box is selected, it can only be changed if the progress payment terms row is in *Pending* status. To change the setting after the progress payment terms are in *Ready* status and the contract is active, open the contract in amendment mode, clear the check box, and then click the Contract Lines link to access the Contract Lines page, where you can delete any amount-based contract lines that should not be included in the liquidation process.

Note. Clearing the Use for All Lines in Contract check box only, does not unassign contract lines from the progress payment terms. You must also navigate to the Contract Lines page to delete the specific contract lines.

This check box is available only if one set of progress payment terms is defined for the contract. If there are multiple sets of progress payment terms defined for the contract, the check box appears as display only.

Contract Lines

Click to access the Contract Lines page, where you can select the amount-based contract lines to link to the progress payment terms and use for the liquidation computations. You also use this page to delete contract lines that no longer apply to the progress payment.

Liquidation Descr for Billing (liquidation description for Billing)

Enter the description that displays on the liquidation rows on the invoice.

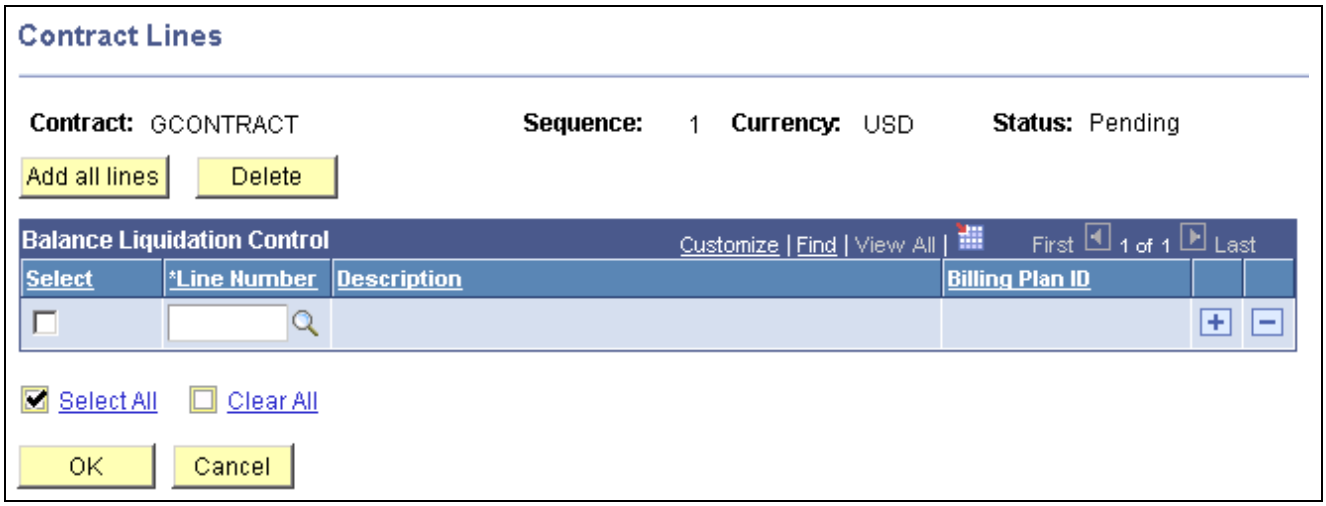
Projects and Activities

Click to access the Projects and Activities page, where you can select the projects and activities to use to compute ITD and estimated costs. These costs form the basis for progress payment request amounts and liquidation computations.

Defining Progress Payment Terms for Contract Lines

Access the Contract Lines page.

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Contract Lines page

Add all lines

Click the Add all lines button to automatically load all amount-based contract lines into the Contract Lines page. After contract lines are assigned to a set of progress payment terms, they cannot be assigned to any other set of progress payment terms for the contract. At least one contract line must be associated with a set of progress payment terms before the progress payment terms can be changed to *Ready* status.

After you use the Add all lines button or manually add a contract line to the page, the Add all lines button becomes unavailable until the page is saved.

Note. If the Use for All Lines in Contract check box is selected on the Progress Payment Terms - Liquidation tab, the contract lines associated with the progress payment are display only, and contract lines cannot be added or deleted from this page.

Delete

Click the Delete button to delete selected rows from the Contract Lines page. After contract lines are deleted from the grid and the Progress Payment Terms page is saved, the contract lines can be associated with another set of progress payment terms on the contract.

Note. If the progress payment terms are in *Ready* status and the contract is active, you can delete contract lines from the grid only in amendment mode. If liquidation has occurred for the progress payment terms, a warning message will let the user know that he may have to review what has already been billed and liquidated for that contract line and an adjustment to the progress payment amount (credit) or bill plan reversal may be required.

Select

Select the contract lines to be deleted from the contract lines grid that you have loaded manually or by clicking the Add all lines button.

Line Number

Select the contract line number, from all eligible amount-based contract lines on the contract, to associate with your progress payment terms for use in the progress payment liquidation process.

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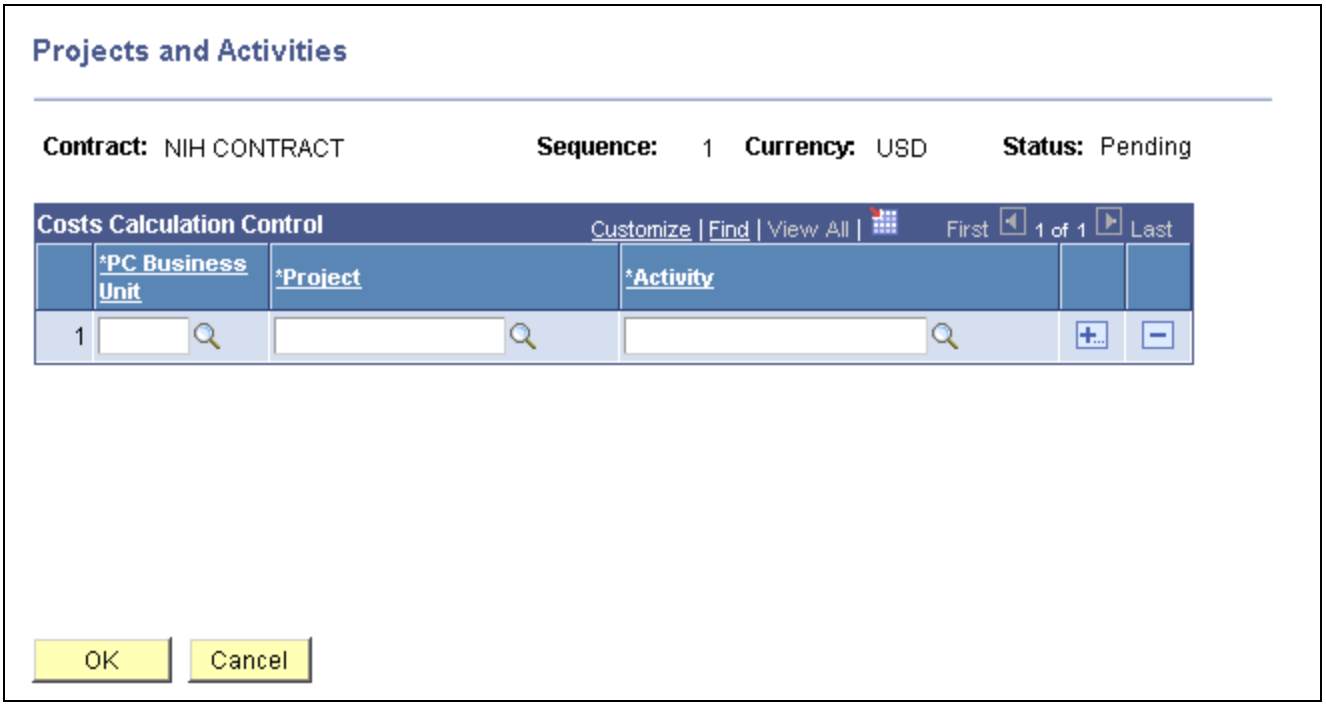
Note. You cannot enter the same contract line multiple times in the grid. The prompt for the contract line number is only updated after the progress payment page is saved. If you delete a contract line from one set of progress payment terms, that contract line is not available to be added to another set of progress payment terms until you have saved the progress payment terms page where the contract line was deleted.

Select All Select this check box to select all contract lines entered in the grid for deletion.

Clear All Select the Clear All check box to clear all of the selected check boxes for the contract lines displaying in the grid.

Defining Progress Payment Terms for Projects

Access the Projects and Activities page.



Projects and Activities page

The project and activity information that you enter on this page is used by the system to calculate inception to date and estimated costs for progress payment calculations. You can modify this information at any time. However, if modifications are made, you must run the Calculate Inception to Date Costs process (CA_PGP_CALC) to update the system with your changes. If you add or delete contract lines to the progress payment terms, any associated projects and activities must be manually adjusted using this page.

PC Business Unit (PeopleSoft Project Costing business unit) Enter the PeopleSoft Project Costing business unit for the progress payment terms. The PeopleSoft Project Costing business unit selected filters the list of projects and activities that you can associate with the progress payment terms and is used to calculate Inception to Date and Estimated costs. At least one PeopleSoft Project Costing business unit, project and activity must be entered before setting the progress payment terms to *Ready* status. You cannot use the % (percent) symbol in this field to wildcard the field value.

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Note. You can associate any PeopleSoft Project Costing business unit, project and activity to the progress payment terms on the contract. You do not have to associate the project and activity to the contract line in order to include them in progress payment liquidation calculations. However, simply assigning the project and activity to the contract line does not automatically include them in the calculation of progress payment costs and no audit is performed to keep the project and activity fields in sync.

To ensure that the projects and activities are included in the Inception to Date and Estimated costs calculations, you must enter them on the Project and Activities page for the progress payment terms.

Project Enter the project identifier for the project included in progress payment liquidation calculations.

Activity Enter the activity identifier for the project activity included in progress payment liquidation calculations. To include all activities defined under the project specified in the Project field, you can wildcard the field by entering the % (percent) character.

If only specific project activities should be included in the liquidation calculations, insert a row to enter each activity manually.

Managing Progress Payment Worksheets

This section provides an overview of managing progress payment worksheets and calculations, lists prerequisites, and discusses how to:

- Define the progress payment worksheet.
- Accumulate progress payment costs.
- Review progress payment costs data.

Understanding Progress Payment Worksheets

After you have defined your contract, set up your progress payment terms, and are ready to request a progress payment amount; you can prepare a progress payment request using the progress payment worksheet. Progress payment worksheets enable you to calculate the amount of the progress payment request for invoicing to the customer and then approve it for billing.

When preparing the progress payment request, you can import any costs that are considered for the progress payment request. The system does some of this work for you by retrieving stored cost data in PeopleSoft Project Costing. This data is stored in the Project Transactions (PROJ_RESOURCE) table, under analysis types that are associated with the PeopleSoft Inception to Date (PSITD) and PeopleSoft Estimated Cost to Complete (PSECC) analysis groups.

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The PeopleSoft Inception to Date (PSITD) analysis group is used to store costs incurred by the contractor as of the beginning of the contract. All analysis types associated with this analysis group are considered costs and are included in the Inception to Date cost calculations. The PeopleSoft Estimated Cost to Complete (PSECC) analysis group is used to store estimated or anticipated costs to be able to meet contract deliverables between a given date and the end of the contract. These include analysis types associated with budgeted or forecasted costs and are included in the estimated cost to complete calculation.

When you are ready to populate the worksheet, run the Accumulate Progress Payment Costs process (CA_PGP_CALC) to retrieve the most current cost data from the PROJ_RESOURCE table and update various fields in the progress payment worksheet. After the fields are populated, you can update or modify certain fields to include any additional costs that are eligible for progress payment requests. After the worksheet is completed and submitted, it is no longer editable.

Running the Accumulate progress Payment Costs process can be done in batch, right before populating the worksheet, in real time, through the Review Costs page, or not at all. You are not required to run the process prior to populating the worksheet if you are completing the worksheet manually. However, running the process enables you to retrieve the most current costing data from PeopleSoft Project Costing and reduces the amount of data entry required to complete the worksheet.

Progress payment amounts are billed using an immediate billing plan associated with the progress payment worksheet.

Note. The structure of the progress payment worksheet conforms to the requirements and structure of form 1443 to enable you to easily map these values to your form. PeopleSoft Contracts does not support any automatic or direct mapping to these forms.

See Also

Chapter 15, "Establishing Progress Payments," Defining the Progress Payment Worksheet, page 258

Understanding Progress Payment Calculations

Calculating progress payment amounts can be a very complex task. To facilitate this process, PeopleSoft Contracts delivers the following features:

- A batch process to retrieve cost data that is applicable to progress payment calculations.
- A worksheet to assist in determining the allowable progress payment request amount.
- Formulas to automatically calculate certain line items within the worksheet.

Retrieve Cost Data

PeopleSoft Contracts stores cost rows in the Project Transactions (PROJ_RESOURCE) table in PeopleSoft Project Costing. When you are ready to process a progress payment request, run the Accumulate Progress Payment Costs process (CA_PGP_CALC) to retrieve the most current eligible costs from the PROJ_RESOURCE table. To determine which costs are eligible for progress payment processing, the system looks at costs rows that meet the following criteria:

- Costs rows that have an accounting date that is less than or equal to the as of date specified for the batch process for inception to date costs (PSITD), and costs rows that have an accounting date that is greater than the as of date specified for the batch process for estimated cost (PSECC).
- Cost rows with analysis types that are associated with the PSITD or PSECC analysis groups.
- Costs rows associated with the projects and activities linked to the progress payment terms being processed.

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The system retrieves the cost rows that meet the criteria listed above, and updates the Contracts Progress Payment Costs table (CA_PGP_COSTS). After the system populates the table with the cost data, you can copy the information into the progress payment worksheet to calculate the progress payment request amount.

See Chapter 15, "Establishing Progress Payments," Accumulating Progress Payments Costs, page 265.

Determine Progress Payment Amounts

PeopleSoft Contracts delivers a worksheet to assist you in calculating the amount of your progress payment request. Using the worksheet, you can:

- Determine the progress payment amount.
- Approve the worksheet and enable it for billing plan processing.
- Automatically create an immediate billing plan to bill for the progress payment request amount.

To populate the worksheet, you can run the Accumulate Progress Payment Costs process to retrieve the eligible costs from PeopleSoft Project Costing, modify the resulting values in the worksheet, and use the delivered formulas to calculate the final amount. Additionally, you can manually enter a progress payment amount, approve the worksheet, and send the request for processing through to PeopleSoft Billing.

See Chapter 15, "Establishing Progress Payments," Defining the Progress Payment Worksheet, page 258.

Worksheet Calculations

To facilitate the worksheet calculations for progress payment amounts, PeopleSoft Contracts delivers built-in formulas that calculate certain fields in the worksheet. The results of these calculations cannot be manually edited but instead must be modified by updating the factors that are used in the calculations.

This table describes the delivered calculations in the progress payment worksheet:

Worksheet Field	Formula	Example
11. Total Costs Eligible	Item 9 + Item 10	Costs paid to date: 10,000 USD Incurred costs to date: 25,000 USD Total costs eligible: 35,000 USD
12a. Total Eligible Costs Incurred to Date	Item 11 + Item 14a	Total costs eligible: 35,000 USD Progress payments paid to subcontractors: 500 USD Total eligible costs incurred to date: 35,500 USD
13. Item 11 Multiplied By 6a (Total Costs Eligible Multiplied by the Progress Payment Rate)	Item 11 x Item 6a	Total costs eligible: 35,000 USD Progress payment rate: 75% Item 11 multiplied by 6a: 26,250 USD
14c. Unliquidated Progress Payment to Subcontractors	Item 14a - Item 14b	Progress payments paid to subcontractors: 500 USD Liquidated progress payment to subcontractors: 0 USD Unliquidated progress payment to subcontractors: 500 USD

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Worksheet Field	Formula	Example
14e. Eligible Subcontractors Progress Payments	Item 14 c + Item 14d	Unliquidated progress payment to subcontractors: 500 USD Subcontractor progress billing approved: 200 USD Eligible subcontractors progress payments: 700 USD
15. Total Amount (Item 13 + 14e)	Item 13 + Item 14e	Item 11 multiplied by item 6a: 26,250 USD Eligible subcontractors progress payments: 700 USD Total amount: 26,950 USD
16. Item 5 x Item 6b (Contract Fixed Price Multiplied by the Progress Payment Liquidation Rate)	Item 5 x Item 6b	Contract fixed price: 100,000 USD Progress payment liquidation rate: 75% Item 5 x item 6b: 75,000 USD
17. Lesser of Item 15 or 16	Min (Item 15, Item 16)	Total amount: 26,950 USD Item 5 x item 6b: 75,000 USD Lesser of item 15 or 16: 26,950 USD
18. Total of previous progress payments requested	Sum (CA_PGP_AMT)	Total Amount of Progress Payments requested to date: 0 USD **Note.** This field displays the summary total of all progress payment requests that have been finalized or are still in progress, so this amount may be greater than the progress payment amount stored in the Progress Payment table (CA_PGP_TERMS) in the Progress Payment Amount field (CA_PGP_AMT)
19. Maximum Balance Eligible for Progress Payment	Item 17 – Item 18	Lesser of item 15 or 16: 26,950 USD Total amount of previous progress payments requested: 5000 USD Maximum balance eligible for progress payment: 21,950 USD
20b. Costs Eligible Applicable to Items Delivered	Item 11 – Item 20a	Total costs eligible: 35,000 USD Costs included in item 11 (Items delivered): 7500 USD Costs eligible applicable to items delivered: 27,500 USD
20c. Item 20b x Item 6a (Costs Eligible Applicable to Items Delivered Multiplied by the Progress Payment Rate Factor)	Item 20b x Item 6a	Costs eligible applicable to items delivered: 27,500 USD Progress payment rate factor: 75% Item 20b x Item 6a: 20,625 USD
20e. Limitation (Item 20c + 20d)	Item 20c + Item 20d	Item 20b x progress payment rate factor: 20,625 USD Eligible Subcontractor progress payments: 700 USD Limitation (Item 20c + Item 20d): 21,325 USD

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Worksheet Field	Formula	Example
21b. Contract Price of Items Not Delivered	Item 5 – Item 21a	Contract fixed price: 100,000 USD Contract price of items delivered: 7500 USD Contract price of items not delivered: 92,500 USD
21c. Item 21b x 6 b (Contract Price of Items Not Delivered Multiplied by the Liquidation Rate factor)	Item 21b x Item 6b	Contract price of items not delivered: 92,500 USD Liquidation rate factor: 75% Item 21b x 6b: 69,375 USD
21e. Limitation (Item 21c + 21d)	Item 21c + Item 21d	Item 21c x progress payment liquidation factor: 69,375 USD Unliquidated advance payments: 0 Limitation (Item 21c + Item 21d): 69,375 USD
22. Maximum Unliquidated Progress Payment: Lesser of 20e or 21e	Min(Item 20e,Item 21e)	Limitation (Item 20c + 20d): 21,325 USD Limitation (Item 21c +Item 21d): 69,375 USD Maximum unliquidated progress payment amount: 21,325 USD
24. Unliquidated Progress Payment (Item 18–23)	Item 18 – Item 23	Total of previous progress payments requested: 5000 USD Total amount applied to reduce progress payments: 2500 USD Unliquidated progress payment: 2500 USD
25. Maximum permissible progress payment (Item 22–24)	Item 22 – Item 24	Maximum unliquidated progress payment amount: 21,325 USD Unliquidated progress payment amount: 2500 USD Maximum permissible progress payment amount: 18,825 USD
26. Progress Payment Amount	Min (Item 25, Item 19)	Maximum Balance Eligible for Progress Payment: 21,950 USD Maximum permissible progress payment amount: 18,825 USD Progress Payment Amount: 18,825 USD

Prerequisites

Before you can prepare and process a progress payment worksheet, you must:

- Set up the PeopleSoft Inception to Date (PSITD) analysis group.

  For example, this analysis group can contain such analysis types as; Actual Costs (ACT), Actual Time and Labor Costs (PAY), Estimated Time and Labor Costs (TLA) and Actual Cost Sharing Costs (CAC). This analysis group is used to calculate the costs incurred by the contractor as of the beginning of the contract.

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- Set up the PeopleSoft Estimated Costs to Complete (PSECC) analysis group containing the Budget (BUD) analysis type.

  This analysis group is used to calculate the estimated or anticipated costs to meet the contract deliverables between a given date and the end of the contract.

- Create a contract that contains amount-based contract lines.
- Define progress payment terms.
- Associate the progress payment terms to at least one active amount-based contract line.
- Associate the progress payment terms to at least one project and activity combination.
- Define and associate an immediate billing plan to the progress payment worksheet.

Warning! To prepare and process progress payments using the Accumulate Progress Payment Costs process, you must use the analysis groups PSITD and PSECC that are delivered with the system. Any analysis types that you use to represent your actual and estimated costs must be included in these analysis groups respectively, for the system to perform the progress payment calculations correctly.

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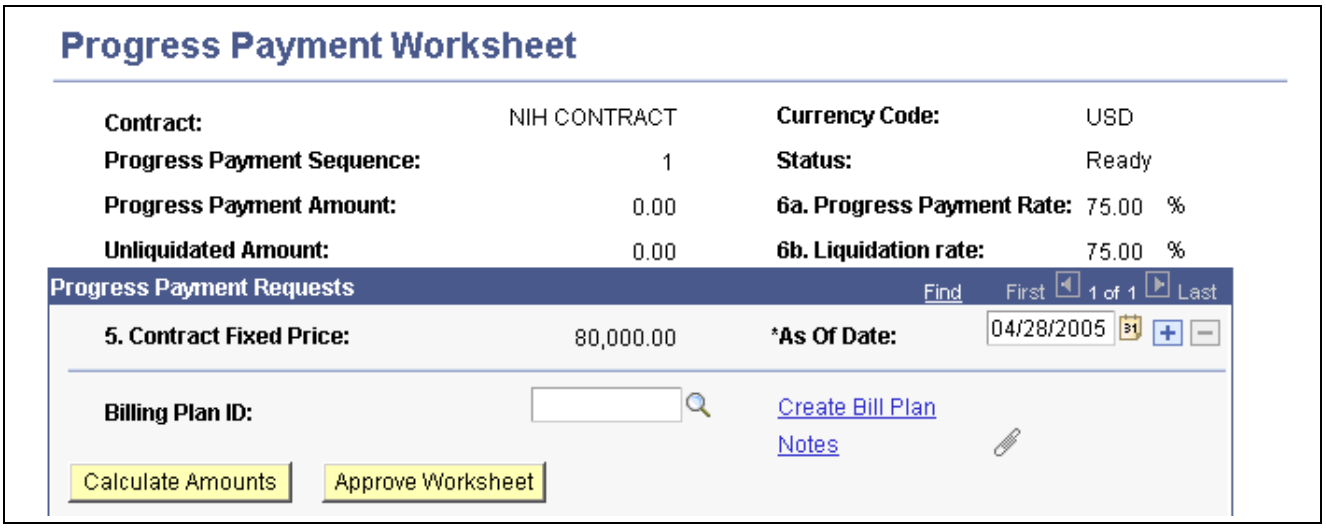
Pages Used to Manage Progress Payment Worksheets

Page Name	Object Name	Navigation	Usage
Progress Payment Worksheet	CA_PGP_WKS	• Customer Contracts, Manage Progress Payments, Worksheets, Progress Payment Worksheet • Click the Progress Payment Worksheet link on the Billing tab of the Progress Payments component.	Calculate progress payment amounts and submit them for billing.
Accumulate Progress Payment Costs	RUN_CA_PGP_COSTS	• Customer Contracts, Manage Progress Payments, Accumulate Costs, Accumulate Progress Payment Costs • Click the Calculate ITD Costs button on the Costs and Contract Fixed Price page in the Progress Payment Worksheet page.	Retrieve incurred and estimated costs from the Project Transactions (PROJ_RESOURCE) table to determine eligible costs for progress payment requests, update or inserts the resulting rows into the Contracts Progress Payments Costs (CA_PGP_COSTS) table, or calculate contracts fixed price as a batch process.
Costs and Contract Fixed Price	CA_PGP_COST	 Click the Costs and Contract Fixed Price button on the Progress Payment Worksheet page.	View incurred or estimated costs used in the progress payment worksheet calculations. When viewing the incurred or estimated costs on the Costs and Contract Fixed Price page, the system retrieves the data from the Contracts Progress Payment Costs table based on the As of Date on the worksheet. If an exact date match is not found, the system uses the closest past As of Date to populate the page. If no data is available then the page is blank.

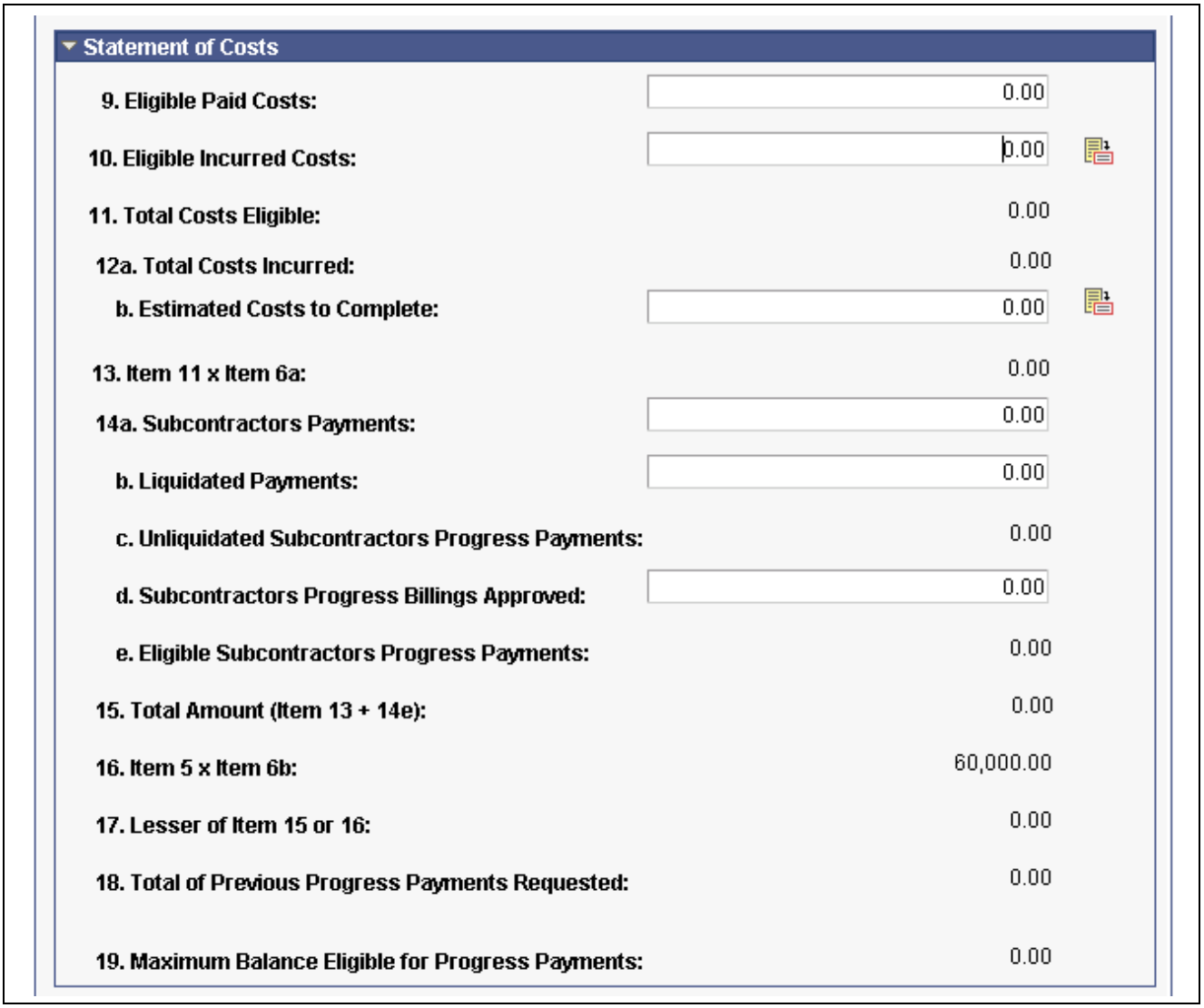
Defining the Progress Payment Worksheet

Access the Progress Payment Worksheet page.

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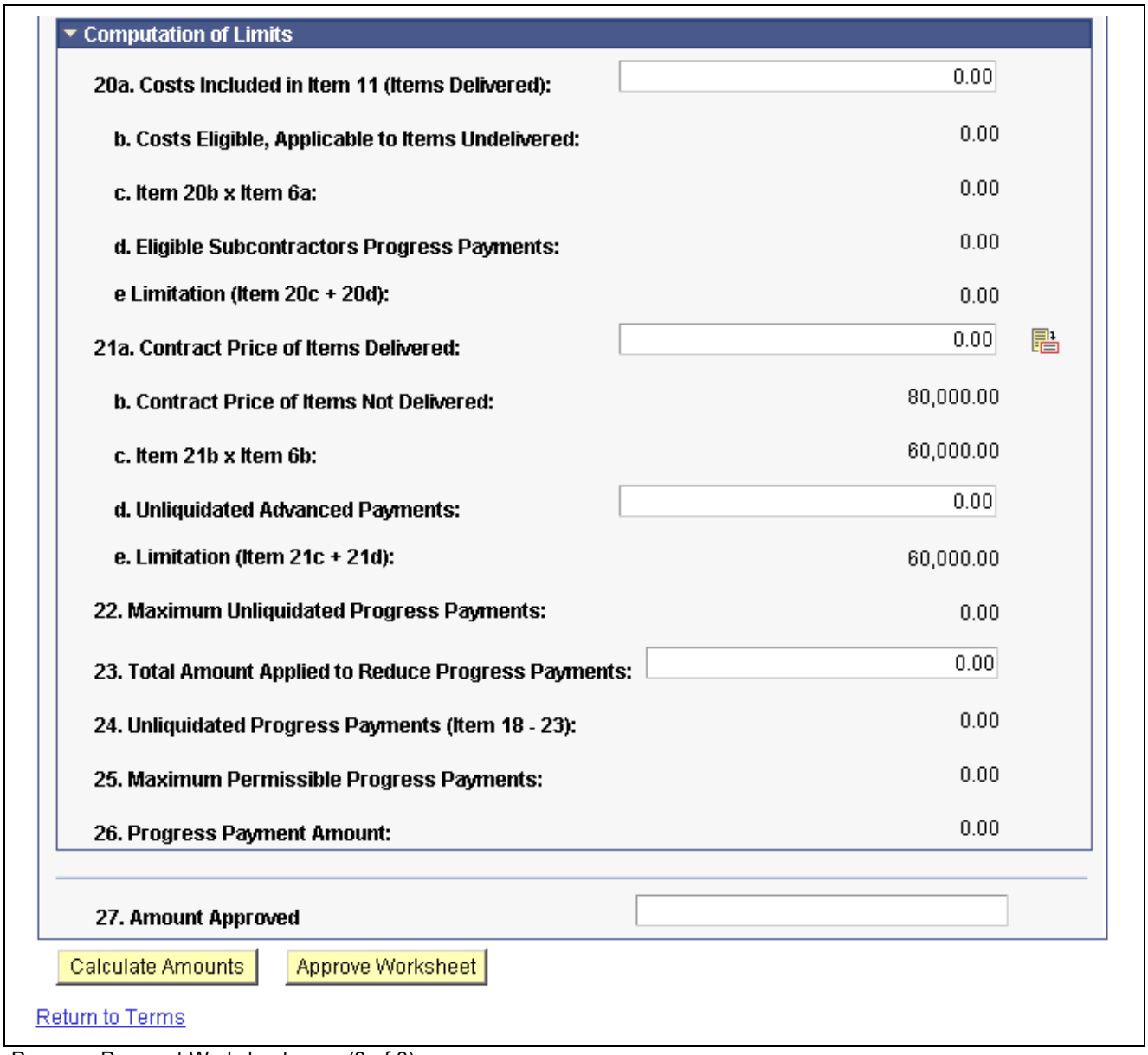


Progress Payment Worksheet page (1 of 3)



Progress Payment Worksheet page (2 of 3)

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Progress Payment Worksheet page (3 of 3)

Progress Payment Request

The progress payment worksheet displays a scroll area which identifies each unique instance of a progress payment request or bill. When you access the worksheet, the system displays the most current worksheet first, with scroll arrows that enable you to view past progress payment requests or bills. If the progress payment terms are set to *Completed* or *Cancelled* status, new worksheets cannot be added and any pending worksheets cannot be edited.

Note. Due to progress payment worksheet sequencing requirements, once a worksheet is created and saved, it cannot be deleted.

Contract Fixed Price Displays the total amount of the amount-based contract lines currently associated with the progress payment terms. This value is impacted by any additions or deletions of contract lines associated with the progress payment terms.

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Bill Plan Id

Enter a predefined immediate billing plan to process the progress payment worksheet request. If you specified a billing plan template and billing plan detail template when setting up your progress payment terms, leave this field blank, and the system automatically creates an immediate billing plan using the template data once the request is approved. If using a predefined immediate billing plan, that billing plan cannot be shared with any other progress payment worksheets or contract lines.

Note. If you have set up the billing plan template automation to ready the billing plan upon worksheet approval, the system creates an immediate billing plan in *Ready* status.

Create Bill Plan

Click the Create Bill Plan link to create a billing plan directly from the progress payment request worksheet. This link opens the Billing Plan component (CA_BILLPLAN) for an Immediate billing plan.

After you complete the required fields for the billing plan, and click the *OK* button, the system returns you to the Progress Payment Worksheet page and displays a link for the billing plan identifier in place of the Create Bill Plan link.

Note. Billing plans assigned to progress payment worksheets cannot be set to *Ready* status until the worksheet has been approved.

Calculate Amounts

Click the Calculate Amounts button to automatically recalculate any formula field in the worksheet and incorporate any changes that are made to any of the cost fields or factors. This action recalculates and updates the noneditable fields on the worksheet page.

If changes are made to the worksheet and you do not recalculate or save the worksheet prior to approving the worksheet, the system processes the worksheet with the original figures.

Note. Clicking the *Approve* button does not automatically trigger any recalculations of changed fields, but instead saves the worksheet as is.

Approve Worksheet

Click the Approve Worksheet button to submit the progress payment request for billing. After you click the button, the system performs the following actions:

- Verifies that the progress payment amount does not equal zero.
- Verifies that the progress payment amount is not greater than the contract fixed price.
- Updates the Approved status in the Progress Payment Worksheet (CA_PGP_WKS) table to *Yes*.
- Automatically creates an immediate billing plan using the following information:
  - Billing plan and billing plan detail templates specified in the Progress Payment Terms component (CA_PGP_TERMS).

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- Billing plan identifier specified on the progress payment worksheet.

Note. If you approve the worksheet and have not assigned a billing plan and billing plan detail template, the system issues an error message.

- Sets or updates the billing plan status to *Ready*, for billing plans with the Approve Progress Payments check box selected at the billing plan template level.

Note. If you manually assign a billing plan to the progress payment worksheet and do not select the Approve Progress Payments check box for the billing plan template, the billing plan is created in *Pending* status, and you must manually update the billing plan status to *Ready* after you approve the progress payment worksheet.

- Verifies that any negative progress payment amounts are not greater than the unliquidated amount.
- Creates a credit bill for any negative progress payment amounts.

As of Date Displays the date used to calculate the inception to date costs.

Notes Click the Notes link to open a free-form text field and enter any additional notes regarding a specific worksheet.

 (Attachments) Click the Attachments button to attach any additional documents containing detailed explanations of the computations for the progress payment amount.

Save Click the Save button to save the worksheet. If changes are made to the worksheet, it is recommended that you recalculate your worksheet totals prior to saving the worksheet to verify the new totals.

Statement of Costs

The statement of costs section of the worksheet contains the data used to calculate ITD and estimated costs to complete (ECC) costs, which are used to determine the specific progress payment amount as of the date indicated in the Progress Payment Request group box. The numbered fields correspond to the Contractors Request for Progress Payment form 1443.

Eligible Paid Costs Enter the total amount of any costs associated with the contract that you have already paid and are eligible for progress payment amounts as per the progress payment clause.

Eligible Incurred Costs Displays the amount of the eligible incurred costs to date for the contract items associated with the progress payment terms. This amount is the results of the most recent ITD costs calculations performed by the system. You can copy the resulting amount from Costs and Contract Fixed Price page or manually enter values to incorporate any additional eligible costs.

If you adjust the amount for this field, you must recalculate the worksheet totals before approving the new progress payment request amount.

Total Costs Eligible Displays the total overall amount of eligible costs available for progress payment requests. This amount is the total of the values entered or displayed in the Eligible Paid Costs and Eligible Incurred Costs fields. This amount is automatically calculated by the system and cannot be modified.

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Total Costs Incurred (total costs incurred to date) — Displays the total eligible costs incurred to date. This amount is the total of your contract costs incurred to date plus any progress payments paid to subcontractors to date. These values are stored in the Total Costs Eligible and Subcontractors Payments fields. This total is calculated by the system and cannot be modified.

Estimated Costs to Complete — Displays the estimated additional costs to complete the contract items associated with the progress payment terms. This amount is the result of the most recent estimated additional cost to complete (ECC) calculations performed by the system. You can copy the amount from the Costs and Contract Fixed Price page or manually enter values to incorporate any additional eligible costs.

Item 11 x Item 6a — Displays the calculated results of the total costs that are eligible for progress payment requests multiplied by the progress payment rate factor defined on the Progress Payment Terms - General page. This amount is calculated by the system and cannot be modified.

Subcontractors Payments — Enter the total progress payment amount paid to date to subcontractors for the contract. This amount is not populated by the system and must be manually entered.

Liquidated Payments — Enter the total progress payment amount paid to subcontractors that has been liquidated. This amount is not populated by the system and must be manually entered.

Unliquidated Subcontractors Progress Payments — Displays the difference between the total progress payment amount paid to subcontractors and the amount liquidated (item 14a minus item 14b). This is a calculated amount and cannot be edited.

Subcontractors Progress Billings Approved — Enter the current amount of the progress payment paid to subcontractors that has been approved for billing, but not yet invoiced. This amount is not populated by the system and must be manually entered.

Eligible Subcontractors Progress Payments — Displays the total of the Unliquidated Subcontractors Progress Payments plus the Subcontractors Progress Billings Approved (item 14c plus item 14d). This is a calculated amount and cannot be edited.

Total Amount (Item 13 + 14e) — Displays the total costs eligible for progress payments multiplied by the progress payment rate factor, plus any eligible subcontractor progress payment amounts (unliquidated progress payment amounts and amounts approved for billing but not yet invoiced). This is a calculated amount and cannot be edited.

Item 5 x Item 6b — Displays the total amount of the contract lines associated with the progress payment terms multiplied by the liquidation rate factor. This is a calculated amount and cannot be edited.

Lesser of Item 15 or 16 — Compares the total costs eligible for progress payments to the contract line amounts associated with the progress payment terms multiplied by the liquidation factor, and displays the lesser amount. The resulting field value is the total cost amount eligible for consideration for progress payments.

Total of Previous Progress Payments Requested — Displays the total amount of progress payment requests previously requested. This amount includes progress payment bills that are finalized or in progress. This field is automatically calculated when you click the Calculate Amounts button.

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Maximum Balance Eligible for Progress Payment Displays the total of the amount of costs eligible for consideration for progress payments minus the total amount of progress payments previously requested. This is a calculated amount and cannot be edited.

Computation of Limits

The Computations of Limits section of the worksheet contains any costs for items already delivered or invoiced as of the progress payment request date. The system incorporates these costs to take into consideration the costs of items delivered compared to their contract price. These amounts are incorporated into the worksheet calculations to reduce the eligible progress payment amount. The final result of these computations is the maximum amount that you can approve for a progress payment request.

Note. This part of the worksheet must only be populated if you have items that have been delivered or invoiced.

Costs included in Item 11 (Items Delivered) Of your total paid costs and incurred costs to date, enter the amount that you included in that total for items that have already been delivered, invoiced or accepted to date for the contract.

Costs Eligible Applicable to Items Undelivered Displays the difference between the total amount of your paid and incurred costs to date that are eligible for progress payments less any amounts associated with items that have already been delivered, invoiced or accepted (item 11 minus item 20a). This is a calculated amount and cannot be edited.

Item 20b x Item 6a Displays the total costs for contract items eligible for progress payments not delivered, invoiced or accepted, multiplied by the progress payment rate factor. This is a calculated amount and cannot be edited.

Eligible Subcontractors Progress Payments Displays the total amount entered for progress payments for subcontractors not yet liquidated plus any progress payment amounts that have billing approved but not invoiced.

Limitation (Item 20c + 20d) Displays the total of the costs eligible for progress payments associated with items not delivered, invoiced or accepted, multiplied by the progress payment rate factor plus any eligible subcontractor progress payment amounts. This is a calculated amount and cannot be edited.

Contract Price of Items Delivered Enter the total price for items delivered, invoiced and accepted for contract lines associated with the progress payment. This amount is computed based on the billed amounts associated with the contract lines that are associated with the progress payment. You can copy the amount from the Costs and Contract Fixed Price page or manually enter values to incorporate any additional eligible amounts.

Contract Price of Items not Delivered Displays the total for the contract price associated with the progress payment terms less the total price of items delivered, invoiced or accepted (item 21a). This is a calculated amount and cannot be edited.

Item 21b x Item 6b Displays the total amount for items not delivered multiplied by the liquidation rate factor specified for the progress payment terms. This is a calculated amount and cannot be edited.

Unliquidated Advanced Payments Enter the amount of progress payments received to date not yet liquidated, plus any accrued interest for the payments. This amount is not populated by the system and must be manually entered.

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Limitation (Item 21c + 21d) Displays the total of calculated costs for items not delivered multiplied by the liquidation factor plus the amount for any progress payments received but not yet liquidated. This is a calculated amount and cannot be edited.

Maximum Unliquidated Progress Payments Compares the total costs for items not delivered that are eligible for progress payments, multiplied by the progress payment rate factor, plus any eligible subcontractor progress payments, (item 20e), with the contract costs associated with items not delivered multiplied by the liquidation factor, minus any progress payments that have not been liquidated, (item 21e), and displays the lesser amount. The resulting field value is the maximum unliquidated progress payment amount.

Total Amount Applied to Reduce Progress Payments Enter the amount to date of progress payments received that have been liquidated. This amount is represented by the difference between the progress payment amount and the unliquidated amount displayed on the progress payment terms page. This field can be manually updated to also include payments and exclude bills where liquidation has occurred but have not yet been paid. This field is calculated when you click the Calculate Amounts button only if the field has a value of zero.

Unliquidated Progress Payments (Item 18 - 23) Displays the total amount of progress payments requested to date less the total amount of progress payments liquidated to date. This is a calculated amount and cannot be edited.

Maximum Permissible Progress Payments Displays the maximum permissible progress payment amount.

Progress Payment Amount Displays the amount of the progress payment calculated by the worksheet that is available for billing. This amount is calculated by comparing the maximum balance available for progress payment requests (item 19) to the maximum amount permissible for progress payment requests (item 25), and displays the lesser amount. This is a calculated amount and cannot be edited.

Any manual adjustments or retainages that are required must be manually entered in the Amount Approved field.

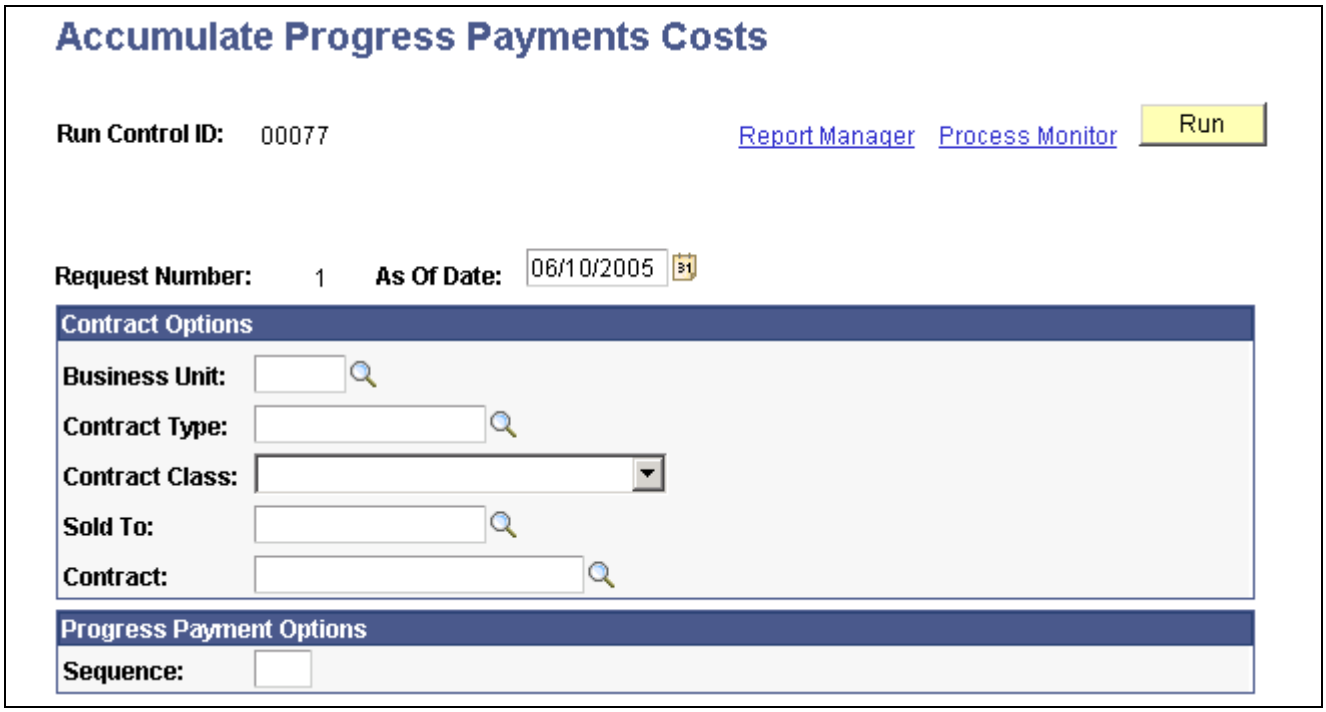
Amount Approved The value from the Progress Payment Amount field (item 26) appears by default in this field when it is first calculated and if the value in the Amount Approved field equals zero. You can manually override the amount or enter a negative amount if a refund or credit note is required. The amount entered in this field is sent to PeopleSoft Billing after the progress payment worksheet is approved and the Contracts/Billing interface process is run.

Note. Limited edit checks are performed on this field, so it is recommended that you verify that the progress payment request amount is valid prior to clicking the Approve Worksheet button.

Accumulating Progress Payments Costs

Access the Accumulate Costs page.

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Accumulate Progress Payment Costs page

As of Date Enter the date that the system uses to retrieve cost information from the PeopleSoft Project Costing Project Transaction (PROJ_RESOURCE) table. The system retrieves applicable costs data where the accounting date is equal to or less than the as of date and budget data where the accounting date is greater than the as of date. This is a required field.

Sequence Enter the progress payment sequence identifier associated with a particular set of progress payment terms to retrieve costs for projects and activities associated with that progress payment terms row.

Review Progress Payment Costs Data

Access the Cost and Contract Fixed Price page.

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Costs and Contract Fixed Price page

Results

As of Date Displays the effective date of the inception to date cost rows and estimated costs to complete rows calculated and retrieved by the system from the Project Transaction table. The latest as of date displays first.

Inception to Date Costs Run the Accumulate Costs process (CA_PGP_CALC) to populate this field with the inception to date costs for the contract whose accounting date is less than or equal to the as of date.

Note. Cost amounts are displayed in the contract currency.

Estimated Costs to Complete Run the Accumulate Costs process (CA_PGP_CALC) to populate this field with the estimated (budgeted) costs to complete for the contract whose budget accounting date is greater than or equal to the as of date. The value can be copied onto the worksheet for inclusion in the progress payment computations.

Note. Cost amounts are displayed in the contract currency.

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Copy to Item 12b Select this check box to copy the amount in the Estimated Costs to Complete field to the corresponding field in the progress payment worksheet (item 12b). If a value already exists on the worksheet, the system enables you to select which value to use.

Note. This check box can only be selected for one effective dated row on the Cost and Contract Fixed Price page.

Total Costs at Completion Displays the total of the inception to date costs plus the estimated costs to complete. This is a calculated amount and cannot be edited.

Contract Fixed Price Displays the total amount of the amount-based contract lines associated with the progress payment terms.

Loss Ratio Factor Displays the results of the contract fixed price amount divided by the total costs at completion for the contract (inception to date costs plus estimated costs to complete costs). This ratio cannot be greater than 1.0 in order to cap the eligible costs at the total contract price. If the calculated amount exceeds 1.0, the system automatically changes the loss ratio factor to 1.0.

Total Costs Eligible Displays the calculated total of the total costs at completion multiplied by the loss ratio factor.

Copy to Item 10 Select this check box to copy the calculated results of the total costs eligible to the corresponding Eligible Incurred Costs field. If a value already exists on the worksheet, the system enables you to select which value to use.

Note. This check box can only be selected for one effective dated row on the Cost and Contract Price page.

Contract Price Items Delivered Displays the total amount billed for the contract lines associated to the progress payment terms. This amount is calculated based on billing plans associated to those contract lines that have billing plan lines with statuses of *FIN* (Finalized).

Copy to Item 21a Select this check box to copy the calculated amount for items delivered to the corresponding Contract Price of Items Delivered field. If a value already exists on the worksheet, the system enables you to select which value to use.

Note. This check box can only be selected for one effective dated row on the Cost and Contract Price page.

Streamline Processing Option

Calculate ITD Costs (calculate inception to date costs) Click the Calculate ITD Costs button to launch the Accumulate Costs process. The process is run synchronously and the page is refreshed as soon as the process is ended.

As of Date When using the streamline processing options to run the Accumulate Costs process, enter the date that the system uses when retrieving cost information from the Project Costing Project Transaction (PROJ_RESOURCE).

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Managing Progress Payments

Managing progress payments includes monitoring your progress payment balances, evaluating and approving progress payment worksheets, liquidating progress payment balances and making any necessary adjustments over the life of the progress payment. You can make adjustments to the terms of the progress payments using amendment processing, or you can manage the processing of the progress payment terms themselves, including cancelling the progress payment terms, or cancelling the billing plans associated with the progress payment terms.

Throughout the life of the contract, various events can happen which may affect the progress payments billing and liquidation. These can include:

- Addition of a new contract line.
- Amending an existing contract line amount.
- Cancelling an existing contract line.
- Removing a contract line from progress payment terms.
- Reversing or cancelling a progress payment request.

Warning! Because each of these events can imply a change that directly or indirectly impacts progress payment terms or processing, such as, adding a contract line or issuing a refund, it is important that the user consider the implications of their actions on progress payment bills or liquidations. The complexity of the scenario could potentially lead to invalid progress payment data and should be reviewed by the user when any changes occur on contracts or contract lines associated with progress payments.

If you set the progress payment terms to a status of *Complete*, no further progress payment requests or liquidation can be processed. If additional progress payments are received, you can reverse the progress payment status to *Ready* to continue processing. When setting progress payment terms to a *Complete* status, the unliquidated and committed amount must be equal to zero, and the progress payment amount must be greater than zero.

If you set the progress payment terms status to *Cancelled*, no progress payment requests or liquidation can occur. However, after progress payment terms are set to a *Cancelled* status, you cannot reset the status to *Ready* to resume processing.

Before you can cancel a set of progress payment terms, the progress payment amount, remaining amount and committed amount must all equal zero. To cancel progress payment terms, you must reverse any billing and liquidation that has already occurred. To cancel an immediate billing plan associated with a progress payment worksheet that has already been submitted, delete the bill lines on the Billing Worksheet.

This section discusses:

- Tracking progress payment balances.
- Reversing progress payment billing plans.
- Deleting progress payment billing transactions.
- Amending progress payment terms.

Tracking Progress Payment Balances

When managing progress payments for a contract line, the system tracks three main amounts related to the progress payment balance: progress payment amount, unliquidated amount , and committed amount.

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The following example describes how the system populates and tracks these amounts throughout the progress payment life cycle.

1. You approve a progress payment worksheet amount for 1,000 USD and run the contracts/billing interface process. After you finalize the invoice for the progress payment amount, the system posts the following entries in the Contracts Progress Payment table (CA_PGP_TERMS):

Progress Payment Amount	Unliquidated Amount	Committed Amount
1,000 USD	1,000 USD	0

2. A real bill for the contract line associated with the progress payment is generated for 500 USD. You run the Contracts/Billing Interface process, a utilization row is created and the system posts the following entry to PeopleSoft Contracts:

Progress Payment Amount	Unliquidated Amount	Committed Amount
1,000 USD	1,000 USD	500 USD

3. The real bill is finalized in PeopleSoft Billing for the contract line and utilization row. The system posts the following entries in PeopleSoft Contracts:

Progress Payment Amount	Unliquidated Amount	Committed Amount
1,000 USD	500 USD	0

Every time that you approve a progress payment request and finalize the bill for the progress payment request amount, the system updates the progress payment and unliquidated amounts. When a liquidation occurs (from the generation of a contract line bill), the system updates the committed amount with the liquidation amount, and then clears the entry and adjusts the unliquidated balance when the bill is finalized.

The above balances are viewed on the Progress Payment Terms pages and the Progress Payment Worksheet. Progress payment requests as well as liquidation amounts are included in the total billed amount on the Contract Summary page.

Reversing Progress Payment Billing Plans

Before you can cancel a contract associated with progress payment terms, cancel progress payment terms or cancel a billing plan associated with progress payment terms, the progress payment amount, unliquidated amount and liquidated amount must all equal zero. If these fields do not equal zero, then you must first reverse these amounts.

You may need to reverse progress payment billing plans in the following situations:

- Progress payment terms must be cancelled, and billing or liquidation has occurred.
- The billing plan assigned to the progress payment worksheet must be cancelled and billing has occurred.
- An amount-based contract line associated with a set of progress payment terms needs to be cancelled, and a billing plan has already been set up and liquidation has occurred against the contract line.
- An amount-based contract line associated with a set of progress payment terms need to be amended to reduce its amount.
- A contract containing progress payment terms needs to be reversed or cancelled.
- A contract line needs to be unassigned from Progress Payment terms.

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Liquidation rows are associated with the bills generated from the billing plans that are assigned to the amount-based contract lines associated with the progress payment terms. As real bills are generated for the items, liquidation occurs against the available progress payment amount for the contract line. When you reverse progress payment bills, you reverse the billing plan attached to the progress payment worksheet. When you reverse bills associated with the contract line linked to the progress payment terms, the system also reverses any liquidation that has occurred, and updates the unliquidated amount and the progress payment amount.

Note. You can only reverse a progress payment billing plan (associated with a progress payment worksheet) for the amount that has not yet been liquidated. You cannot create a negative unliquidated amount.

For example, you have processed two progress payment requests for 5,000 USD each, for a total of 10,000 USD. You then process a bill for items delivered for 12,000 USD which results in an 8,000 USD liquidation amount against the progress payment amounts, and a net billed amount to the customer of 4,000 USD. If you then processed a reversal for one of the progress payment amounts for 5,000 USD, the system would not allow it, as the reversal would create a negative unliquidated amount of –3,000 USD (2,000 USD unliquidated amount remaining less 5,000 USD progress payment reversal equals a –3,000 USD unliquidated amount).

In this scenario, before processing the reversal for the progress payment request, you would first need to reverse the billed amount for 4,000 USD (reversal of the billed 12,000 USD and also reverses the 8,000 USD liquidated amount), and then process the reversal for the 5,000 USD progress payment bill.

When cancelling progress payment terms all billing and liquidation that has occurred against the progress payment terms must first be reversed.

Note. It is strongly recommended that you perform any refunds or manual adjustments in the PeopleSoft Contracts system to maintain synchronicity between PeopleSoft Billing and PeopleSoft Contracts for progress payment billing data.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Managing Contracts Billing,” Reviewing and Reversing Billing Activity.

Deleting Progress Payment Billing Transactions

In some situations, after a bill is issued for a contract line associated with progress payment terms where liquidation has occurred, and sent to PeopleSoft Billing, an adjustment may be required. In this situation, you can delete the billing row along with the liquidation utilization row and reset the related amounts.

When you run the Contracts/Billing Interface process for progress payment requests, the system processes the bill lines in the same manner as regular immediate billing plans. After the system passes the bill lines to the Billing Worksheet, you can either accept the bill row or delete it.

If you delete the bill row, the billing plan is reset to a status of *Recycled*and the system processes the liquidation the next time that the Contracts/Billing Interface is run.

See *PeopleSoft Enterprise Billing 9.0 PeopleBook*, “Integrating with PeopleSoft Contracts, Project Costing, Grants, and Pay/Bill Management”.

Amending Progress Payment Terms

Progress payment terms are associated with a status. When the progress payment terms are in a pending status, you can define your terms details and make any adjustments that are needed. After the progress payment terms are set to *Ready* status and processing has occurred against the progress payment terms, you must use amendment processing to make most adjustments to the terms. PeopleSoft Contracts uses amendment processing to enable you to maintain a historical record of any changes that impact the obligations and entitlements associated with the contract.

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For progress payments, the following actions are controlled by amendment processing:

- Modification of the progress payment or liquidation rates.

  Note. Any modifications to the progress payment and liquidation rates made at the PeopleSoft Contracts business unit level do not automatically update the rates defined on the progress payment terms page. Instead you must manually update the progress payment and liquidation rates displayed on any existing progress payment terms. Any newly defined progress payment terms then use the new rates defined at the PeopleSoft Contracts business unit level.

- Modification of the amount-based contract lines assigned to the progress payment terms. This includes adding new lines or deleting existing contract lines.
- Modification to the Use for All Contract Lines check box.

  If you originally set up your progress payment terms to apply to all amount-based contract lines on the contract, and then later decide that the progress payment applies to only certain amount-based contract lines on the contract, you must use amendment processing to apply this change.

  Note. If new amount-based contract lines are added to a contract that is associated with the progress payment terms, the new contract lines must first be applied to the contract using amendment processing. Then you would need to create a second amendment to associate the newly added contract lines to the progress payment terms, unless the Use for All Lines in Contract check box has been selected when Progress Payments terms have been setup. If this check box is selected, then the system automatically associates the newly added contract lines to the progress payment terms.

- Addition of a new set of progress payment terms to the contract after it has been set to an active processing status.

  Note. If you have a set of progress payment terms in pending status on a contract that has a processing status of *Active*, you can modify that set of progress payment terms outside of amendment processing. However, after progress payment terms are set to *Ready* status, amendment processing must be used to make any changes to the progress payment terms.

See Chapter 16, "Managing Government Contracts," page 273.

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CHAPTER 16

Managing Government Contracts

This chapter provides overviews of reviewing contract summaries and amending a contract and discusses how to:

- Review contract summaries.
- Amend a contract.
- Amend withholding and release terms.
- Amend limits.
- Amend cost-plus contract lines.
- Process amendments.

Understanding Reviewing Contract Summaries

The Contract Summary page provides complete access to key contract information in one place. Using this page you can view or link to the following information:

- Overall costs, fees, time and materials, and fixed amounts defined for the contract.
- Total amount billed to date.
- Total cash collected to date.
- Total revenue recognized to date.
- Total anticipated revenue forecasted to date.
- Billing and revenue plan statuses for your contract lines.
- Projects associated with the contract and their current status.
- Any milestones associated with the contract and whether or not they impact your billing or revenue processing.

Reviewing Contract Summaries

This section discusses how to review contract summaries.

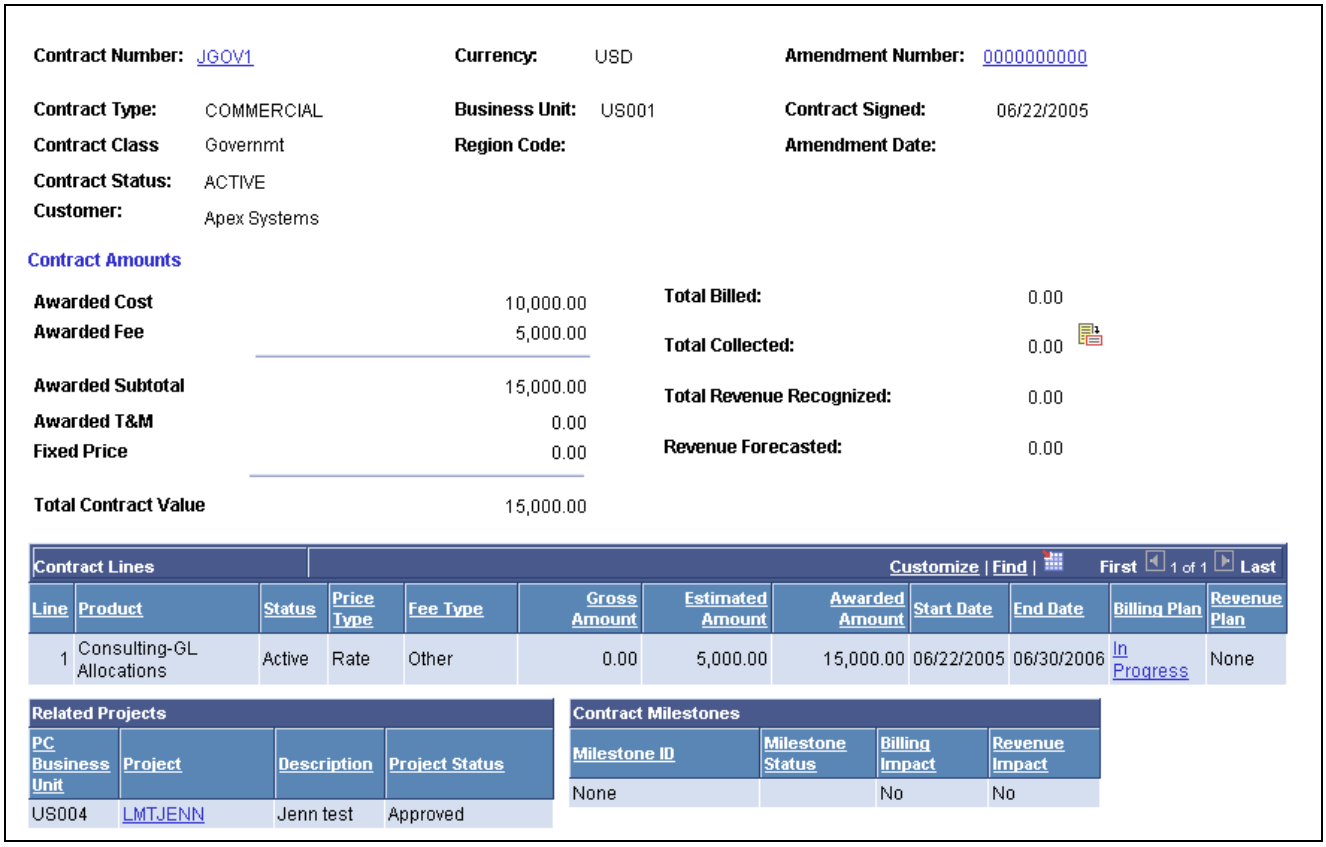
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Page Used to Review Contract Summaries

Page Name	Object Name	Navigation	Usage
Contract Summary	CA_CONTR_SUM_PNL	Customer Contracts, Review Contract Summary, Contract Summary	Review contract summary details.

Reviewing Contract Summaries

Access the Contract Summary page.



Contract Summary page

This page displays the contract type, contract classification, contract status, customer information, contract business unit, contact signed date, and other vital contract data. Links appear for the contract number and amendment number to navigate you directly to the contract or amendment as needed.

Total Billed Displays the total amount after billing finalization (BIIVC000) and the Projects/Contracts Interface process (BIPCC000) are complete. This amount also includes any progress payment bills, prepaid bills, and any progress payment liquidation or prepaid utilization amounts. This is the actual amount sent to the customer.

Total Collected Displays the total amount that is collected to date including any applicable sales tax. There may be a difference between the total billed and total collected amounts because the total collected amount includes sales tax. The value for this field comes from the Accounts Receivable payment data. If Accounts Receivable is not installed, zero displays in this field.

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Total Revenue Recognized Displays the total revenue amount booked to the general ledger to date after the Retrieve GL Updates (CA_LOAD_UPD) process is run.

Revenue Forecasted Displays the current summarized revenue forecast data for the contract.

Contract Amounts

Awarded Cost Displays the summarized total of awarded costs for cost-plus contract lines. This amount is entered on the Contract Amounts page for individual contract lines and represents the total awarded costs from the government for the contract lines.

Awarded Fee Displays the total awarded fee amounts associated with cost-plus contract lines. In specified cost-reimbursement pricing arrangements, the awarded fee represents an agreed-to amount, beyond the initial estimate of costs, allowed as profit. This amount is entered on the Contract Amounts page for individual contract lines and represents the total awarded fees allowable by the government for the contract lines.

Awarded Subtotal Displays the calculated subtotal of the total awarded costs and total awarded fees for contracts containing cost-plus contract lines.

Awarded T&M (awarded time and materials) Displays the summarized total of any awarded amounts entered for rate-based contact lines not associated with fees (not cost-plus). This amount is entered on the Contract Amounts page and represents the full amount of the contract awarded by the government for those contract lines.

Fixed Price Displays the summarized total amount defined for amount-based contract lines associated with the contract.

Total Contract Value Displays the summarized total of the values displayed in the Awarded Subtotal field, Awarded T&M field, and the Fixed Price field.

Note. Contract line and transaction limit amounts are not included in the totals calculations.

Contract Lines

This region lists details related to the contract lines associated with the contract, including the contract line number, product description, price type, and so on.

Status Displays the status for the contract line. Cancelled contract lines will also display on this page. For amount-based contract lines, if the contract line was cancelled retroactively, the system will display a gross amount value of zero. If the contract line was cancelled as of a certain date, the system will display the contract line gross amount value as of that date.

Fee Type Displays the fee type, if any, associated with the contract line. Cost-plus contract lines are rate-based lines associated with a fee type of *Fixed*, *Award*, *Incentive*, or *Other*. Non-cost-plus contract lines are associated with a fee type of *None*.

Gross Amount Displays the fixed price amount associated with amount-based contract lines.

Estimated Amount Displays the total amount entered for rate-based contract lines on the Create Forecast page.

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Awarded Amount Displays the total of any awarded amounts entered for a rate-based contact line. The award amounts are entered on the Contract Amounts page and represents the full amount of costs and fees (if applicable) awarded by the government for the contract line.

Start Date Displays the start date entered for the period of performance for the contract line for rate-based contract lines. For amount-based contract lines, this field displays the start date entered on the Contract Lines page.

End Date Displays the end date entered for the period of performance for the contract line for rate-based contract lines. For amount based contract lines, this field displays the end date entered on the Contract Lines page.

Billing Plan Displays the billing plan status, as a link, for any billing plan defined for the contract line. Click the link to access the Billing Plan General page, to view more detailed information about the contract line's billing plan.

Revenue Plan Displays the revenue plan status, as a link, for any revenue plan defined for the contract line. Click the link to access the Revenue Plan page, to view more detailed information about the contract line's revenue plan.

Related Projects

This region includes information about any projects, project business unit, the project description, and project status associated with the contract on the Related Projects page.

Project Displays the project ID of any projects associated with this contract, as a link. Click the link to access the Project Summary page for the associated project.

Contract Milestones

This region includes information about any milestones associated with the contract, the status of the milestone, and whether the milestone impacts billing or revenue.

Milestone ID (milestone identifier) Displays the milestone identifier for any milestones associated with the contract, as a link. Click the link to access the Contract Milestones page for the contract.

Milestone Status Displays the status of the milestone.

Billing Impact Indicates whether this milestone impacts billing plans that are associated to this contract.

Revenue Impact Indicates whether this milestone impacts revenue plans that are associated to this contract.

Understanding Amendments for Government Contracts

A contract amendment is any change made to an active contract where you are altering certain obligations and entitlements of the contract. This could include modifications to the data contained in the contract entry component, limit changes, changes to withholding terms and conditions, changes to progress payment terms, and so on. Using amendment processing, PeopleSoft Contracts enables you to maintain an audit trail, as well as a historical record, of certain changes made to the contract throughout its life cycle.

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To amend an active contract, use the amendment processing feature. After a contract is active, you can create a new amendment or open an existing, pending amendment by clicking the Amend Contract button from any page within the contract entry components (CA_HDR_PNG), or using any of the following contract pages:

- Contract Amounts page (for rate-based contract lines).
- Related Projects page.
- Withholding page.
- Progress Payment Terms page.

When you click the Amend Contract button, you access the Amendments page. If a pending amendment exists, your changes are added to it. If there is no existing, pending amendment, the system creates a new amendment. On the Amendments page you define the high-level details of the amendment, including the amendment type and amendment reason. The edits that you can make through Amendment Processing include activating *pending* contract lines, cancelling *active* contract lines, changing amounts on *active* contract lines, adding new contract lines, modifying the terms and conditions for withholding or limits, and so on.

After you have opened the contract in amendment mode, most changes that you make are performed directly on the same contract entry, limits, withholding, or progress payments pages that you use to initially set up that information. However, any changes made to the values of amount-based contract lines, require you to access the Amendment Details and Amendment Amount Allocation pages, and enter your changes there.

You can make as many changes as needed to the contract while you are in amendment mode, as long as the amendment has a status of *Pending*. After you save your changes, the system stores the amendment details in separate amendment tables. These changes do not display on the contact unless you are in amendment mode. After you have completed all of the changes that you need to make, you can set the amendment to *Ready* status and process the amendment. PeopleSoft Contracts enables you to process amendments for a single contract using theProcess Amendment button on the Amendment Details page, or process amendments for multiple contracts using the Process Amendments (CA_CHG_CTRL) batch process. The system processes any amendments in *Ready* status where the amendment date is less than or equal to the amendment processing run date. After the process is complete, the amendment details appear on the contract as the current version of the contract.

See Chapter 16, “Managing Government Contracts,” Amending Withholding and Release Terms, page 289.

See Chapter 16, “Managing Government Contracts,” Amending Cost-Plus Contract Lines, page 293.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, “Amending Contracts”.

This section lists prerequisites and common elements and discusses:

- Amendment statuses.
- Status process flows for amendments.

Prerequisites

When creating an amendment, enter an amendment type and reason code to specifically identify and track the types of amendments being made to a contract. If you use amendment type and reason codes, you must first define them in the system before creating an amendment.

Common Elements Used in This Section

Amend Contract Click this button on any page within the Contract Entry components, Related Projects, Contract Amounts page, Withholding page, or Progress Payments

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Terms page, to create an amendment or edit an existing pending amendment for an active contract.

Amendment or **Pending Amendment**
Displays the amendment number. Upon the initial entry of a new amendment, the system automatically assigns the amendment a numeric value.

When you activate the contract, the system records the contract activation as amendment number 0000000000. This represents the beginning of the amendment audit trail.

An active contract always shows the last completed amendment in the Amendment field. The Pending Amendment field appears when you are in amendment mode. If you have a pending contract, these fields do not appear.

Amendment Amount Allocation
Click to allocate amended amounts for amount-based contract lines.

Amendment Reason
Select an amendment reason. Amendment reasons provide users with a quick reference as to why an amendment was initiated. This field is for informational purposes only and is not used by amendment processing.

Amendment Status or **Amend Status**
Displays the processing status of the amendment.

Amendment Type
Select an amendment type. Amendment types are high-level indicators that enable you to create categories of amendments. This field is for informational purposes only and is not used by amendment processing.

Review Notes
Click to enter custom note text with this amendment.

Process Date
Displays the date on which the amendment is eligible for processing. When you run amendment processing, the system picks up any amendments with a status of *Ready* and a process date less than or equal to the system run date.

Amendment Statuses

Amendment status controls when amendment data can be entered into the system, when the system can process an amendment, and when an amendment becomes effective. An amendment may hold one of the following four statuses:

Pending
This status appears by default when an amendment is first created. All fields on a contract that are available for amendment processing are editable. Only one pending amendment is allowed at a time for a contract. Amendments in *Pending* status are not selected for processing by the Amendments process.

Ready
Manually set the amendment status to *Ready* after you have completed your amendment data entry and are ready to process the amendment. Only one ready amendment is allowed at a time for a contract. Only amendments in *Ready* status are selected for processing by the Amendments process.

After an amendment is set to *Ready* status and saved, the system performs the following edit checks:

- The amount allocation option is set to *Complete* if the amendment included the addition or price modifications of amount-based contract lines.
- Accounting distributions contain valid ChartField combinations for any amount-based contract lines that were added.

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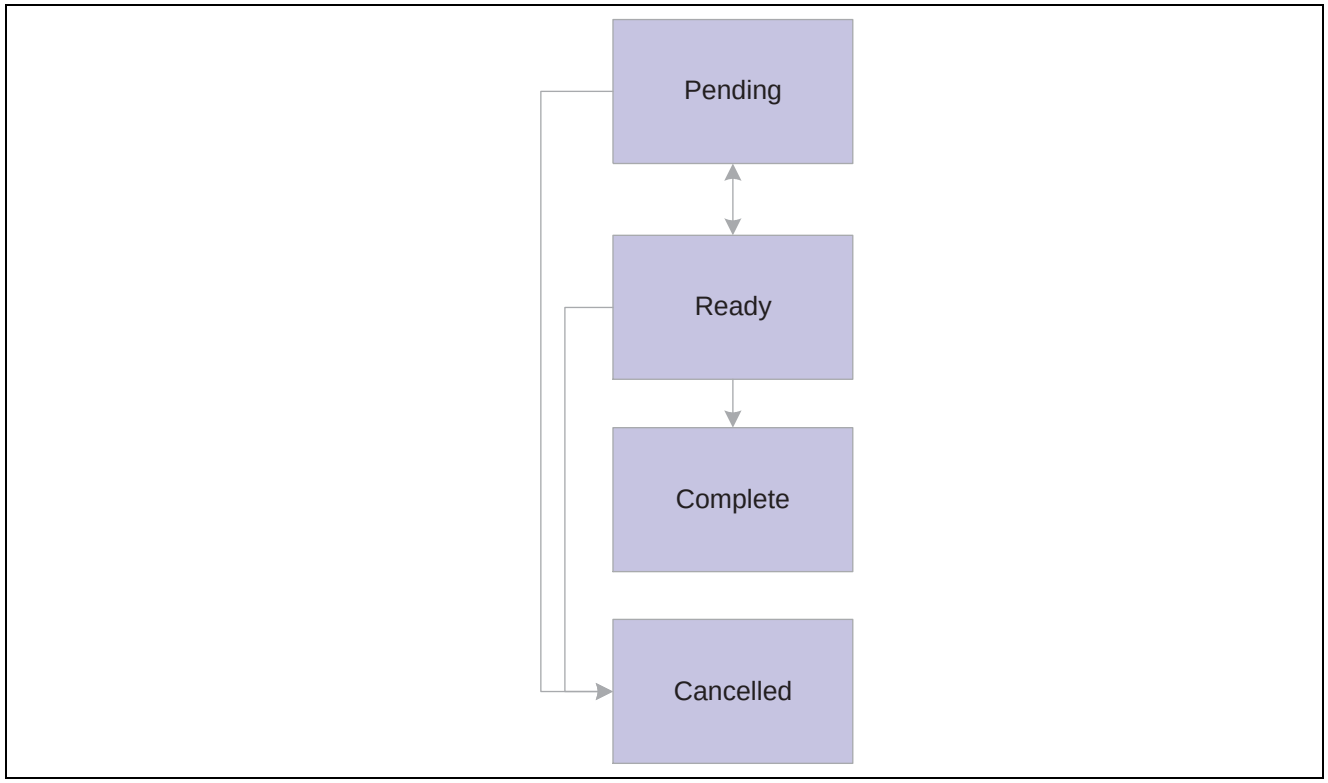
Complete If the amendment is set to *Ready* status and the amendment date is equal to or less than the process date on the amendment run control, the system performs the following steps:

- Creates any amended events as needed.
- Places any billing and revenue plans associated with amount-based contract lines that are cancelled or whose fixed price amount is changed, on hold, and sets them to a status of *Action Required*.
- Updates the amendment status to *Complete*.
- Displays the amended items in the current version of the contract.

Cancelled Manually set a pending or ready amendment to *Cancelled*. After an amendment is cancelled, it cannot be modified or reset to pending or ready status. To cancel an amendment that has already been processed, create a new amendment and reverse the changes made in the prior amendment.

Status Flows for Amendments

The following diagram illustrates the process flow associated with amendment processing statuses:



Status flow for contract amendments

Manage amendment statuses according to the following process flow rules:

- Amendments in *Pending* processing status can be set to *Ready* or *Cancelled* status.
- Amendments in *Ready* processing status can manually be set back to *Pending* status or *Cancelled* status. Once processed, the system will update the status to *Complete*.
- You can manually set an amendment to *Cancelled* status from *Pending* or *Ready* status.

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However, once the amendment has been cancelled, you cannot reset the amendment to any other processing status.

Amending a Contract

This section discusses how to:

- Create and edit amendments.
- Enter amendment details.
- Review and manage amendment details.
- Perform amendment amount allocation changes.

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Pages Used to Amend a Contract

Page Name	Object Name	Navigation	Usage
Contract - General	CA_HDR_PNL	Customer Contracts, Create and Amend, General Information, Contract - General	Click the Amend Contract button on any page within the contract component to create an amendment.
Contract Amounts	CA_AMT_TERMS	Customer Contracts, Determine Price and Terms, Contract Terms, Contract Amounts	Click the Amend Contract button on the Contract Amounts page to create an amendment for rate-based contract lines.
Related Projects	CA_DETAIL_PROJ	Customer Contracts, Determine Price and Terms, Contract Terms, Related Projects	Click the Amend Contract button on the Related Projects page to create an amendment for rate-based contract lines.
Withholding	CA_WTH_TERMS	Customer Contracts, Determine Price and Terms, Contract Terms, Withholding	Click the Amend Contract button on the Withholding page to create an amendment for withholding terms and conditions associated with rate-based contract lines.
Progress Payment Terms	CA_PGP_TERMS	Customer Contracts, Manage Progress Payments, Terms, Progress Payment Terms	Click the Amend Contract button on the Progress Payment Terms page to create an amendment for progress payment terms associated with amount-based contract lines.
Amendments	CA_CHG_HDR_PNL	Customer Contracts, Create and Amend, General Information, Amendments	Enter the amendment type, reason code and process date when initiating an amendment for the first time. Also, view a list of all amendments made to a contract and navigate to the details of those amendments.
Amendment Details	CA_CHG_DTL_PNL	• Customer Contracts, Create and Amend, Amendment Details • Click the Detail link on the General tab of the Amendments page.	Review and manage amendment details and modify amount-based contract line amounts to amend the Fixed Price value of the contract.
Amendment Amount Allocation	CA_AMEND_PRICE_PNL	Customer Contracts, Determine Price and Terms, Amendment Amount Allocation	Allocate the amended fixed price contact amount across amount-based contract lines impacted by the amendment.

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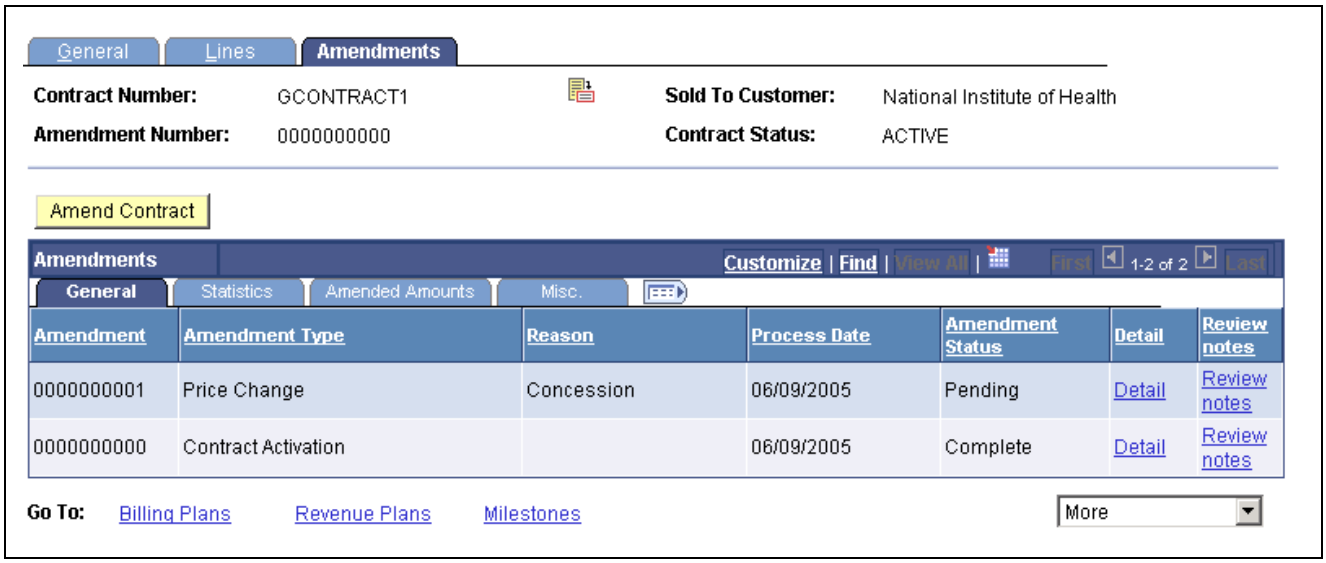
Creating and Editing Amendments

Access the Contract - General, Contract Amounts, Related Project, Withholding, or Progress Payment Terms pages.

To create a new amendment or edit an existing, pending amendment, click the Amend Contract button on any of the above pages or from within the Contract Entry Component (CA_HDR_PNG).

Entering Amendment Details

Access the Contracts - Amendments page.



Contract – Amendments page

Amendments - General

Select the Amendments - General tab.

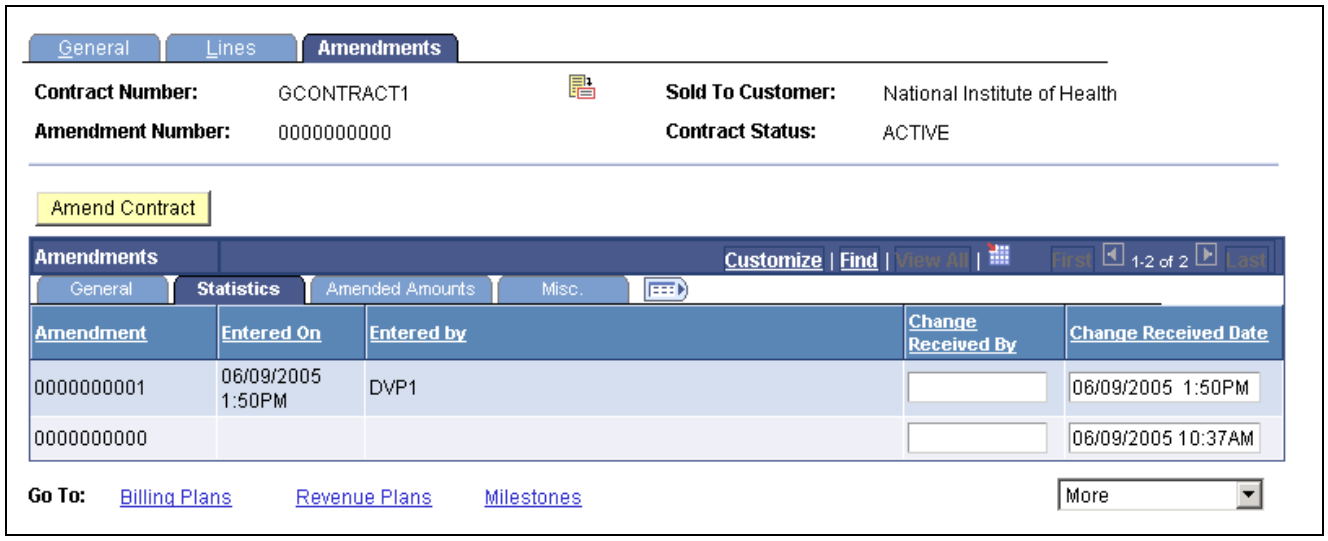
Detail Click the Detail link to enter details such as fixed price contract amount changes, or additional user-defined reference data for the overall amendment.

Review Notes Click to review notes attached to this amendment.

Amendments - Statistics

Select the Amendments - Statistics tab.

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Amendments – Statistics tab

Entered On Displays the system date and time indicating when an amendment was first saved.

Entered by Displays the ID of the user entering the amendment.

Change Received By Displays the ID of the user who receiving the amendment.

Change Received Date Displays the system date and time indicating when an amendment was received.

Amendments - Amended Amounts

Select the Amendments - Amended Amounts tab.



Amendments – Amended Amounts tab

Fixed Price Displays the adjusted amount entered for amount-based contract lines on the Amendment Amount Allocation page for this amendment.

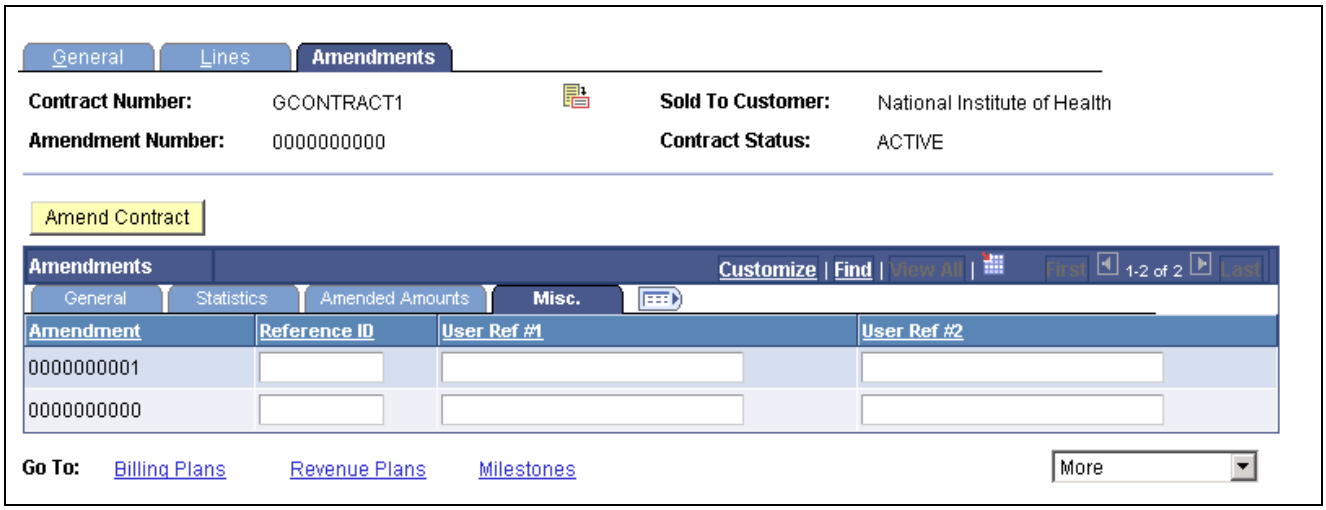
Cancelled Fixed Price Displays the summarized total fixed price amount for amount-based contract lines that have been cancelled in this amendment.

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Net Change Displays the total net change in the contract fixed price amount based on any amended amount changes made to amount-based contract lines in this amendment.

Amendments - Misc.

Select the Amendments - Misc. tab



Amendments – Misc. tab

Reference ID (reference identifier) Enter free-form text information to create a reference identifier for the amendment. This field is informational only and does not impact amendment processing.

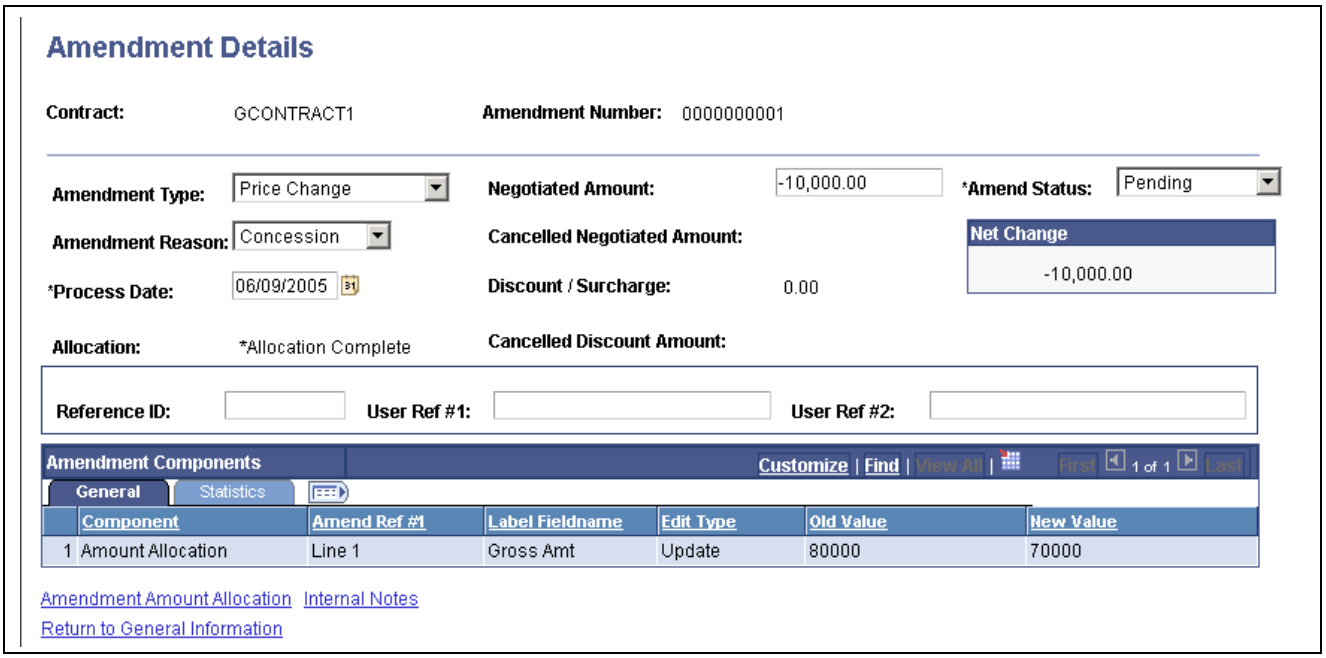
User Ref #1 (user reference number one) Enter free-form text information to add additional reference data for the amendment. This field is informational only and does not impact amendment processing.

User Ref #2 (user reference number two Enter free-form text information to add secondary additional reference data for the amendment. This field is informational only and does not impact amendment processing.

Reviewing and Managing Amendment Details

Access the Amendment Details page.

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Amendment Details page

When you access the Amendment Details page, the system displays many of the fields that were completed on the Amendments page. You can edit the following page elements on the Amendment Details page if the amendment is still in *Pending* status:

- Amendment Type
- Amendment Reason
- Process Date
- Negotiated Amount
- Amend Status
- Reference ID
- User Ref #1
- User Ref #2

Allocation Displays the amount allocation status for amount-based contract lines, when line amounts were changed for this amendment. Any time that you modify contract line amounts for amount-based contract lines, you must completely allocate those amount changes across your amount-based contract lines using the Amendment Amount Allocation page.

Amendment Amount Allocation Click to access the Amendment Amount Allocation page to enter any changes to amount-based contract amounts and allocate those changes across amount-based contract lines.

Amendment Components - General

Select the Amendment Components - General tab.

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Component Displays a description of the record where the change occurred. For example, if you made a change on the Contract - Lines page, the system displays *Contract Line* in this field.

Amend Ref #1 Displays additional information about each change, to provide context for the amendment when you view amendment details out of context. You can have multiple changes for a single amendment. The system captures each individual change that you make and stores it in a consolidated amendment detail table.

Label Fieldname Displays the label from the page associated with the field that you changed.

Edit Type Displays the action performed on the field that you changed. Values are:

Insert: You added a new row.

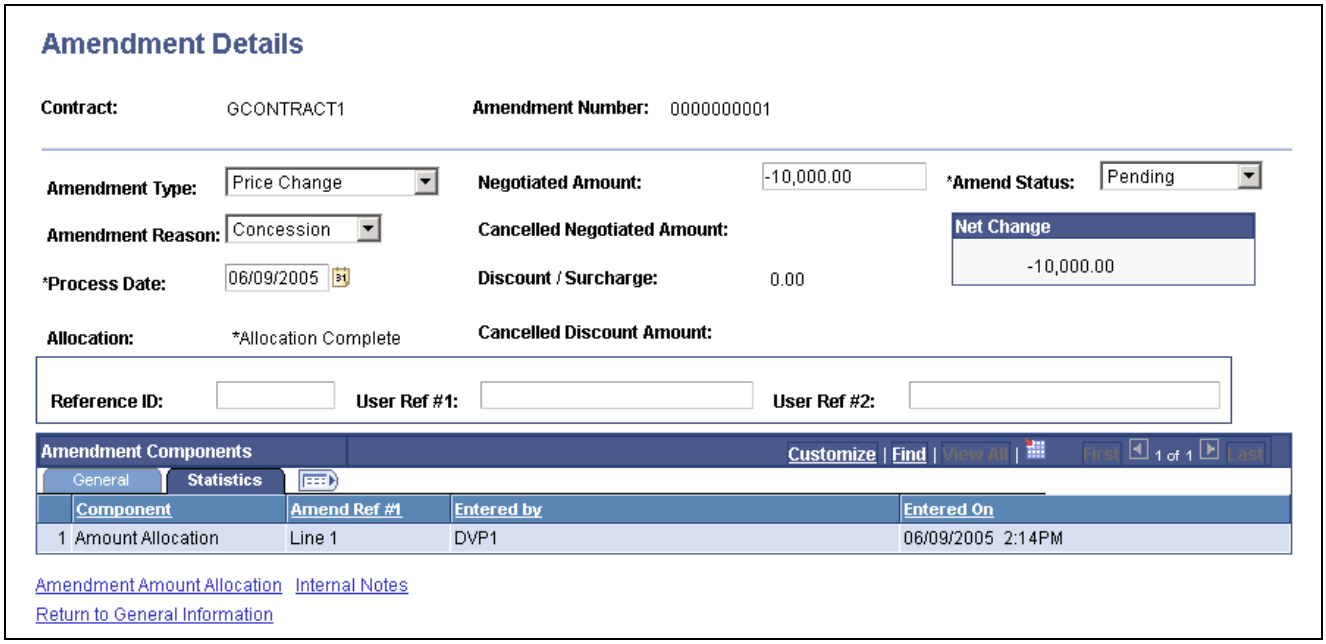
Update: You changed an existing row.

Old Value Displays the original value that is being changed by the amendment for *Update* edit types.

New Value Displays the new value that is the result of the amendment for *Update* and *Insert* edit types.

Amendment Components - Statistics

Select the Amendment Components - Statistics tab



Amendment Details page – Statistics tab

Entered by Displays the ID of the user entering the amendment.

Entered On Displays the system date and time indicating when an amendment was first saved.

Performing Amendment Amount Allocation Changes

Access the Amendment Amount Allocation page.

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Adjustment Amount Enter the overall amount used to adjust your contract line amounts. This amount applies only to amount-based contract lines. You must allocate the adjusted amount across your amount-based contract lines as needed. This amount can be a positive or negative amount.

Net Change Displays the net amount, which is carried down from the entered adjustment amount.

Unallocated Adjustment Amount Displays the amended amount that has not been allocated across the amount-based contract lines. This amount must equal zero before you can set the Allocation field to *Complete*, and set the amendment status to *Ready*.

Allocation Select the status of amount allocations. Values include:

- *Incomplete:* This value appears by default and indicates that amount allocation has not been completely performed for amended amounts for amount-based contract lines.
- *Complete:* Select this value once you have allocated any contract line amount changes across all eligible amount-based contract lines.

Recalculate When you click Recalculate, the system calculates the adjustment amount by summing the gross amounts that you have allocated to the individual contract lines.

If you selected the Reprice check box for any contract lines, when you click the Recalculate button, the system retrieves the list price from the PeopleSoft Enterprise Pricer or Product Master, multiplies it by the quantity and updates the Extended Price,Negotiated Amount, and Net Amount fields for the selected contract lines.

Contract Line Pricing - Amounts

Select the Contract Line Amendment Amount Allocation - Amounts tab.

Reprice Select this check box to reprice the contract line. When you select this option and then click the Recalculate button, the system retrieves the list price from the PeopleSoft Enterprise Pricer or Product Master, multiplies it by the quantity and updates the Extended Price,Negotiated Amount, and Net Amount fields for the selected contract lines.

Current Amount Displays the contract line's current amount.

Fixed Price Enter the fixed amount for any amount-based contract lines.

Adjustment Amount Displays the adjustment amount applied to each amount-based contract line. The total of all adjustment amounts must equal the overall adjustment amount entered for the contract line. This amount appears after you click the Recalculate button at either the overall amendment or line level.

Adjust Billing Retroactively Select this option when amending an amount-based contract line to adjust billing retroactively.

When selected, this option reverses amounts that have been billed, and sets the billing plan status to *Action Required*.

When this option is not selected, the system only adjusts events and billable amounts going forward. This option can also be selected at the business unit level and overridden at the contract line level.

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Note. Amendments cannot be processed against billing or revenue events that are in progress.

Adjust Revenue Retroactively

Select this option when amending an amount-based contract line to adjust revenue retroactively.

When selected, this option reverses amounts that have been booked to the general ledger and sets the associated revenue plan status to *Action Required*.

When this option is not selected, the system only adjusts events and revenue amounts going forward. This option can also be selected at the business unit level, and overridden at the contract line level.

Note. Amendments cannot be processed against billing or revenue events that are in progress.

Reverse Amounts

Select this option when cancelling an amount-based contract line and retroactively reversing the entire amount of the contract line to zero.

If this option is not selected, the system does not adjust any billing or revenue plans that have a status of *Completed*. Billing and revenue plans are assigned a status of *Action Required*, and any remaining future events must be adjusted to equal the amount of the contract line at the time of cancellation.

Note. Amendments cannot be processed against billing or revenue events that are in progress.

Net Amount

Displays the total fixed price including the amount of any positive or negative adjustments made to the contract line.

Line Totals

Adjustment Amount

Displays the total adjusted amount for all amount-based contract lines impacted by pricing adjustments for this amendment.

Contract Line Pricing - Detail

Select the Contract Line Amendment Amount Allocation-Detail tab.

This tab displays the pricing details associated with the contract lines.

Qty (quantity)

Displays the quantity associated with the contract line. You can change this value at any time prior to processing the amendment. When you change the quantity, the system automatically updates the associated quantity on the Billing Plan Lines page after the amendment is processed.

Extended Price

Displays the list price multiplied by quantity for amount-based contract lines.

Return to Amendment Details

Click to navigate to the Amendment Details page for the contract.

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Amending Withholding and Release Terms

This section discusses amending withholding and release terms.

Understanding Withholding and Release Amendments

Amendment processing enables you to track and manage any changes made to a contract or its terms and conditions and maintain a historical record of those changes. As withholding terms and conditions impact billing and revenue recognition (for withholding write-offs), many of the fields and features associated with withholding processing are controlled by amendment processing.

When managing a contract that contains withholding, adjustments to the withholding or release terms and conditions may be required throughout the life of the contract. These changes could include:

- Changes to withholding rates.
- Adjustments to withholding or release transaction rows that have been passed to PeopleSoft Billing.

Managing Changes to Withholding Terms

Government contracts can sometimes span multiple years. During that time, the government may change the rates used to calculate withholding amounts for a contract's lines. When rate changes occur, the contractor must adjust invoices from the contracts inception to date. PeopleSoft Contracts enables you to manage these rate adjustments using amendment processing.

After rates are changed, the system uses the new withholding rate to calculate the new inception to date amount to be withheld, sums all previously withheld amounts, and calculates the difference to be withheld in the current billing cycle.

To manage withholding and release rate adjustments, complete the following steps:

1. Enable amendment processing and make any necessary adjustments to the withholding rates, terms or conditions.
2. Process the amendment.
3. Run the Contracts/Billing Interface process.

   The Contracts/Billing Interface process:

   - Calculates the new inception to date amount to be withheld, using the new withholding terms.
   - Sums all previously withheld amounts.
   - Calculates the difference to be withheld in the current billing cycle, creates a withholding (WTH) row containing the amount of the difference, and passes the WTH row to PeopleSoft Billing for processing.
4. Run the Update Contracts/Projects Data process (BIPCC000).

   The Contracts/Projects Data process updates the Project Resource Temporary tables (PS_PROJ_RES_TMP_BI) with all withholding (WTH) and withholding release (WRL) rows created due to the rate change. It also updates the Billing Distribution Status (BI_DISTRIB_STATUS) for the invoiced withholding bill lines to *D* (Distributed).
5. Run the Projects Retrieve Billing Items process (PC_BI_TO_PC).

   The Projects Retrieve Billing Items Process inserts the withholding rows into the Project Costing Project Transaction (PROJ_RESOURCE) table.

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Managing Manual Adjustments to Withholding and Release Rows in PeopleSoft Billing

The Contracts/Billing Interface (CA_BI_INTFC) process calls the Withholding Calculation process (CA_WITH_CALC) to calculate withholding amounts and process withholding release amounts and then passes the resulting withholding rows to PeopleSoft Billing for processing. If an adjustment is required to a withholding-applicable bill line, a withholding line, or a withholding release line, it is recommended that you delete the withholding-applicable bill lines, withholding line, or withholding release line from the billing worksheet prior to billing finalization. You can then make any necessary adjustments to the billing, withholding, or withholding release data in PeopleSoft Project Costing or PeopleSoft Contracts, and then run the Contracts/Billing Interface to process the updated rows.

However, if the withholding-applicable, withholding, or withholding release bill rows have already been approved in the billing worksheet and adjustments are required, you must manually calculate and adjust the withholding and withholding release rows in PeopleSoft Billing.

To manually adjust withholding or release transaction rows in PeopleSoft Billing, complete the following steps:

1. Manually override the amount for the withholding (WTH) or withholding release (WRL) invoice line in PeopleSoft Billing.
2. Run the billing processes including the billing finalization process (BIIVC001) .

   This process generates the invoice, includes summarized withholding bill lines on the invoice, sets the invoice date, calculates a due date, and updates the invoice status to *INV* (Invoiced).
3. Run the Projects/Contracts Interface process (BIPCC000).

   This process passes withholding adjustment (WAJ) rows and withholding release adjustment (WRJ) rows to the Project Resource Temporary (PS_PROJ_RES_TMP_BI) tables, along with any withholding (WTH) and withholding release (WRL) rows, and sets the Billing Distribution Status (BI_DISTRIB_STATUS) to *D* (Distributed).
4. Run the Billing to Projects process (PC_BI_TO_PC) to update the Project Costing Project Transaction (PROJ_RSOURCE) table with the resulting withholding adjustment (WAJ) data or withholding release adjustment (WRJ) data.

   This process also passes any billed (BLD), billed adjustment (BAJ), withholding (WTH), withholding release (WRL), or withholding write-off (WWO) rows, along with billing distribution status data to PeopleSoft Project Costing which is used to calculate the withholding amounts and inception to date costs the next time that the withholding process is run.

Note. When adjusting withholding bill rows in PeopleSoft Billing using the Adjust Selected Bill Lines or Adjust Entire Bill pages, it is recommended that these types of adjustments are only made on project related bills to insure that the adjustment information is successfully passed to PeopleSoft Project Costing.

See Also

Chapter 10, “Setting Up and Processing Withholding,” Amending Withholding and Release Terms, page 117

Amending Limits

This section discusses amending limits.

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Understanding Amending Limits

Throughout the life of a government contract, you may increase or decrease the limit amount that you have defined. After a limit has been set and the contract is active, you must use amendment processing to modify the limit. When amending limits, you must consider the downstream effects on any amounts that have been billed or recognized as revenue, and whether or not additional adjustments are needed.

After you modify limits using amendment processing, it is recommended that you run the Limits process (CA_LIMITS) right away. By running the Limits process right after amending a limit, any amounts that were previously marked as over-the-limit are reevaluated against the new limit amounts and converted to bill (BIL) rows when possible. If you do not run the Limits process after amending limit amounts, the processed amount and excess amount totals on the Limits report does not reflect the possible conversion of over-the limit transactions to bill (BIL) rows and may therefore be out of date.

This section discusses:

- Amending period of performance controls.
- Modifying transaction limits.
- Increasing limit amounts when billing and revenue recognition has already occurred.
- Decreasing limit amounts when billing and revenue recognition has already occurred.

See Chapter 9, "Creating and Managing Limits," page 83.

Amending Period of Performance Controls

After you have set up limits that include period of performance controls, and activated the contract, you cannot change the period of performance start date. To increase a limit for a contract line that is controlled by period of performance dates, you have two options:

- Amend the contract line, increase the limit (funded amount or fee amounts) and increase the period of performance end date.

  This option applies the new limit to the full length of the contract line, from the original start date all the way through to the new end date.

- Amend the contract and add a new contract line with its own period of performance start and end dates, limit amounts, project and activities.

  This option requires you to assign the new contract to a different project and activity combination to enable separate pricing and limit management to occur.

Modifying Transaction Limits

Transaction limits enable you to apply multiple limit amounts to multiple sets of transactions for a singular contract line. After a contract is activated, you can only increase transaction limits or add a new limit. You cannot decrease a contract line transaction limit amount, change the transaction identifier, or delete a limit amount unless the contract is in a *Pending* processing status.

Increasing Limit Amounts When Billing and Revenue Recognition Has Already Occurred

Throughout the life of the contract, you may receive additional funding, or need to bill or recognize revenue for transactions that were previously marked as over-the-limit. To manage these situations, you can increase the contract line limit amount, increase the period of performance date range for your contract line, or both. Using amendment processing, you can address either of those scenarios by completing the following steps:

1. Open the contract in amendment mode.

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When using amendment processing to increase the funded amount, funded costs, or funded fee amounts on a contract line, the system performs edit checking to prevent you from increasing the limit amount above the awarded amount entered on the Contract Amounts page for the contract line.

2. Increase the contract funded amount limits or the transaction limit amounts as needed.
3. Increase the Period of Performance end date if needed.

   After a contract is active, you can no longer modify the Start Date for the Period of Performance date range, if the Control Limits and Billing check box is selected. You can only modify the end date.
4. Set the amendment to *Ready* status and run amendment processing to include the limit changes in the current version of the contract.
5. Run the Limits (CA_LIMITS) process to recalculate the processed amount and excess amount totals and convert any previously marked over-the-limit transactions to billing and revenue rows where possible.

After the limits are increased, the next time that you run limit processing for billing or revenue, the system will first check to see if any existing over-the-limit billing (OLT) or over-the-limit revenue (ROL) rows can be released before processing any new billing or revenue rows against the new limit amounts.

Decreasing Limit Amounts When Billing and Revenue Recognition Has Already Occurred

When entering data using amendment mode to reduce the funded amount, funded costs or funded fee amounts on a contract line, the system performs edit checking to prevent you from reducing the limit amount below the amount that has been processed to date. The system considers processed amounts as billable amounts that have been or are to be processed. When reducing a limit amount, you may have one of the following scenarios:

- Reduce the limit amount to equal the amount processed to date.

  To perform this scenario, complete the following steps:

  1. Run the Limits (CA_LIMITS) process to recalculate the processed amount and excess amount totals and convert any previously marked over-the-limit transactions to billing and revenue rows where possible.

     This action enables the system to display the most current limit data.
  2. Open the contract in amendment mode.
  3. Modify the contract line limit amounts to reduce the limits as needed.
  4. Run amendment processing to include the limit changes in the current version of the contract.
- Reduce the limit amount below the amount that has been processed to date.

  To perform this scenario, complete the following steps:

  1. Create a manual adjustment in PeopleSoft Billing to reduce the amount billed by the amount that you want to reduce the limit.

     Optionally, you can also create a negative transaction entry in the Resource Entry page in PeopleSoft Project Costing, depending on which transactions you are trying to adjust.
  2. If you are reducing the revenue limit, create a manual adjustment in PeopleSoft General Ledger for the revenue amount booked.
  3. If you are reducing the revenue fee limit, create a negative entry on the Revenue Fee Worksheet.
  4. Run the PeopleSoft Contracts and PeopleSoft Billing processes to create a billing adjustment transaction entry (BAJ) on the Project Transactions (PROJ_RESOURCE) table.

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Note. There are no additional processes to run to complete your revenue adjustments as they are manual adjustments.

5. Run the Limits (CA_LMT) process with the Recalculate Totals Only option selected to update your processed amounts and excess amounts.
6. Open the contract in amendment mode.
7. Modify the contract line limit amounts to reduce the limits as needed.
8. Run amendment processing.

Amending Cost-Plus Contract Lines

This section discusses amending cost-plus contract lines.

Understanding Amending Cost-Plus Contract Lines

Cost-plus contract lines are rate-based contract lines associated with a fee type of *Fixed*, *Award*, *Incentive* or *Other*. Before the contract can be activated, fee rates and terms must be entered on the Contract Amounts page (which is displayed dynamically according to the fee type assigned to the contract line) to enable proper fee calculations. Then, to bill or recognize revenue for your costs and fees, as-incurred billing and revenue plans must be defined for your cost-plus contract lines.

As government contracts containing cost-plus contract lines generally extend over a period of years, fee rates or fee limits may change throughout the life cycle of the contract. After a contract has been activated, amendment processing must be used to effect any changes that impact fees.

Amending Contract Amounts for Cost-Plus Contract Lines

After the contract is set to an *Active* processing status, any changes to the Contract Amounts page must be performed using amendment mode.

You can open the contract in amendment mode from within the Contract Amounts page by clicking the Amend Contract button. After you are in amendment mode, you can make any required changes to the open fields on the page. Any changes made to the cost limit amount or percentages defined on the Contract Amounts page will automatically update the corresponding fee worksheet, after the amendment is processed. Then, the next time that a fee is processed for the effected worksheet, the modified percentage or amount is used for fee creation, processing and limit checking.

Amending Billing and Revenue Plan Assignments for Cost-Plus Contract Lines

The Contract Amounts, Billing, and Revenue Fee Worksheet pages are dynamic in nature, and are designed to meet the requirements of the fee type assigned to the rate-based contract line. The Billing and Revenue Fee Worksheet pages are available for use when a billing and revenue recognition plan is assigned to the contract line. As-incurred billing and revenue recognition plans can be automatically created and assigned to the contract line using Revenue/Billing Plan templates, or manually, after you have added the contract line with its associated fee type to the contract. Because the Contracts Amounts, Billing, and Revenue Fee worksheets are specific to the fee type associated with the contract line, each cost-plus contract line must have its own billing and revenue plan.

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Once the billing and revenue plans are assigned to the contract line, if the fee type assigned to the contract line must be changed, you have the following options:

1. If the contract is in *Pending* processing status, unlink the billing and revenue plans using the Unassign button on the Billing and Revenue Plan Assignment pages, delete the contract line for which a fee change is required, and add a new contract line with the appropriate fee.

   To change the billing and revenue plan assignment only, for a cost-plus contract line, use the Unassign button on the Billing and Revenue Plan Assignment pages to unlink the contract line from the billing and revenue plans, and then manually reassign the contract line to new plans using the same Billing and Revenue Plan Assignment pages.

2. If the contract is in *Active* processing status, and no billing or revenue recognition has occurred against the contract line for which a fee type change is required, you must first set the billing and revenue plan statuses to pending or cancelled and then unlink the billing and revenue plans using the Unassign button on the Billing and Revenue Plan Assignment pages.

   Next, you must amend the contract and cancel the contract line for which a fee change is required, and add a new contract line with the appropriate fee. Process the amendment for the changes to take effect.

Note. Any time that you unassign cost-plus contract lines from billing and revenue plans, whether or not the fee type is also changed, you must reenter any previously entered data into the new Fee Worksheet pages, as data does not transfer from one set of pages to another for different fee types or different billing and revenue plans.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Setting Up Revenue Plans"

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Setting Up Billing Plans"

Processing Amendments

This section provides an overview of processing amendments and discusses how to process amendments in batch.

Understanding Amendment Processing

After all of the business rules are met, and the amendment is set to *Ready* status, you must run the amendment process to include the amendments in the current version of the contract, and update the amendment status to *Complete*. You can process amendments for a single contract using the Process Amendments button, or process amendments for multiple contracts using the Processing Amendments (CA_CHG_CTRL) batch process.

Depending on the types of changes that you make, the amendment may impact your billing and revenue recognition plans and associated events, which may require further action on your part after the amendment process is complete.

See Also

PeopleSoft Enterprise Contracts 9.0 PeopleBook, "Amending Contracts," Understanding Contract Amendments

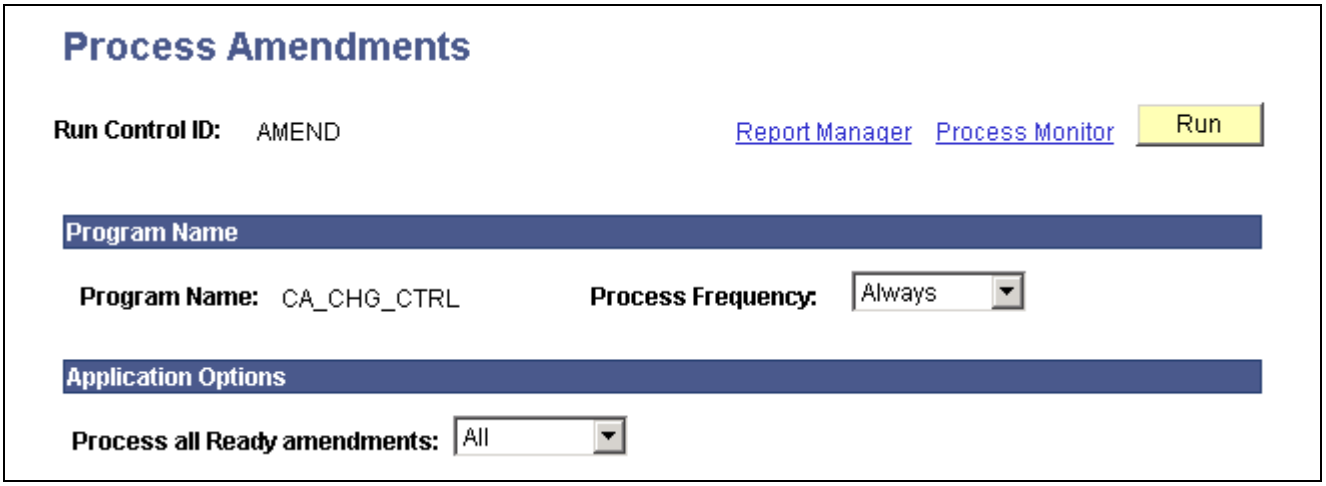
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Page Used to Process Amendments

Page Name	Object Name	Navigation	Usage
Process Amendments	RUN_CA_CHG	Customer Contracts, Create and Amend, Process Amendments	Use batch processing to process amendments with a status of *Ready*.

Processing Amendments

Access the Processing Amendments page.



Processing Amendments

Process all Ready amendments

Select the range of amendments for which this process will run. Select from the following values:

- *All:* Select *All* to include all contract amendments in *Ready* status across all contracts business units with a process date that is less than or equal to the run date.
- *Value:* Select *Value* to limit amendment processing to only one specific contract identifier that contains an amendment in *Ready* status with a process date that is less than or equal to the run date.

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APPENDIX A

Contracts Web Libraries for Government Contracting

This appendix provides an overview of web libraries and discusses PeopleSoft Contracts web libraries for government contracting.

Understanding Web Libraries

A web library is a derived or work record whose name starts with WEBLIB_. PeopleSoft embeds all internet scripts (iScripts) in records of this type. An iScript is a specialized PeopleCode function that generates dynamic web content. Administrators must make sure that users have the proper access to web libraries. For example, the default navigation system for PeopleSoft Enterprise Pure Internet Architecture users is implemented by using a web library. If users do not have the proper authorization to the web library and its associated scripts, then they do not have proper access to the system. If users are not authorized to a particular web library or iScript, then they cannot invoke it. After you add a web library, you set the access for each script function individually. Invoking an iScript requires the assembly of a URL. Developers assemble the URL by using PeopleCode.

See Also

Enterprise PeopleTools PeopleBook: PeopleCode API Reference

Enterprise PeopleTools PeopleBook: Security Administration

Enterprise PeopleTools PeopleBook: Internet Technology

Contracts Web Libraries for Government Contracts

This table lists the web libraries that are used and delivered with Contracts for government contracts:

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Web Library Name	Description
WEBLIB_PORTAL	Contains the following five fields with FieldFormula iScript PeopleCode, each of which relate to a functional area of the portal: PORTAL_HOMEPAGE: Support for homepage runtime interaction, including the homepage version of the menu navigation. PORTAL_NAV: Main support routines for navigation. PORTAL_HEADER: Support for the header portion of the page and some generic routines. PORTAL_DYN_TEMP: Support for the dynamic template. PORTAL_PGLT_PREV: Support for the pagelet preview functionality.
WEBLIB_PT_NAV	Contains iScripts for the menu pagelet and left-hand navigation for transaction pages.
WEBLIB_RPT	Contains iScript for the Run report to window output option. Supports access to the new browser window.
WEBLIB_PTPP_SC	Renders navigation pages and Main Menu navigation pagelet.
WELIB_PTPP_PGT	Renders navigation pagelets without Pagelet Wizard.
WEBLIB_PTPPB	Contains iScript for displaying Pagelet Wizard pagelets as homepage pagelets and template pagelets.
WEBLIB_PTPPB1	Contains an iScript for displaying Pagelet Wizard pagelets as WSRP portlets.
WEBLIB_PPM	Generates Performance Monitor functions.
WEBLIB_PTDIAG	Generates Diagnostic Framework functions.
WEBLIB_QUERY	Contains the PeopleCode to generate a URL for running queries.
WEBLIB_SOAPTOCI	This is the entry point for ExcelToCI and the WSDL Discovery.
WEBLIB_TIMEOUT	Generates an inactivity timeout warning script.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "PeopleSoft Contracts Web Libraries," PeopleSoft Contracts Web Libraries.

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APPENDIX B

PeopleSoft Contracts for Government Contracting Reports

This appendix provides an overview of PeopleSoft Contracts for Government Contracting reports and enables you to view summary tables of all reports.

Note. For samples of these reports, see the Portable Document Format (PDF) files that are published on CD-ROM with your documentation.

See Also

PeopleSoft Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler

PeopleSoft Contracts for Government Contracting Reports: A to Z

This table lists the reports that contain features that are specific to government contracts. All reports delivered for non-government contracts are documented in the PeopleSoft Enterprise Contracts PeopleBook.

See *PeopleSoft Enterprise Contracts 9.0 PeopleBook*, "PeopleSoft Contracts Reports".

Report ID and Report Name	Description	Navigation	Run Control Page
CA_LMT or CA_LMT_XP Active Contracts Limit Amount Management Report	Displays the details of a government contract's limit amounts including funded and revenue cost limit amounts, amount remaining for the limit, amounts in excess, and transaction and processing dates for the limits. The details of the report are determined by the criteria that you set on the Limit Amount Report run control page.	Customer Contracts, Reports, Limit Amount, CA_LMT	RUN_CA_LMT_RPT

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Report ID and Report Name	Description	Navigation	Run Control Page
CA_LMT2 or CA_LMT2_XP Active Contracts Fee Limits Management Report	Displays the details of a government contract's cost plus contract lines' fee limits including fee type, fee processed amount, fee limit, amount and percentage remaining for the fee limit, and last processing date for the fee limits. The details of the report are determined by the criteria that you set on the Limit Amount Report run control page. **Note.** Cost-plus contract line revenue fees must be entered and saved on the revenue fee worksheet to appear on the fee limit report.	Customer Contracts, Reports, Limit Amount, Fee Limit Report	RUN_CA_LMT_RPT

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Glossary of PeopleSoft Enterprise Terms

absence entitlement This element defines rules for granting paid time off for valid absences, such as sick time, vacation, and maternity leave. An absence entitlement element defines the entitlement amount, frequency, and entitlement period.

absence take This element defines the conditions that must be met before a payee is entitled to take paid time off.

academic career In PeopleSoft Enterprise Campus Solutions, all course work that a student undertakes at an academic institution and that is grouped in a single student record. For example, a university that has an undergraduate school, a graduate school, and various professional schools might define several academic careers—an undergraduate career, a graduate career, and separate careers for each professional school (law school, medical school, dental school, and so on).

academic institution In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.

academic organization In PeopleSoft Enterprise Campus Solutions, an entity that is part of the administrative structure within an academic institution. At the lowest level, an academic organization might be an academic department. At the highest level, an academic organization can represent a division.

academic plan In PeopleSoft Enterprise Campus Solutions, an area of study—such as a major, minor, or specialization—that exists within an academic program or academic career.

academic program In PeopleSoft Enterprise Campus Solutions, the entity to which a student applies and is admitted and from which the student graduates.

accounting class In PeopleSoft Enterprise Performance Management, the accounting class defines how a resource is treated for generally accepted accounting practices. The Inventory class indicates whether a resource becomes part of a balance sheet account, such as inventory or fixed assets, while the Non-inventory class indicates that the resource is treated as an expense of the period during which it occurs.

accounting date The accounting date indicates when a transaction is recognized, as opposed to the date the transaction actually occurred. The accounting date and transaction date can be the same. The accounting date determines the period in the general ledger to which the transaction is to be posted. You can only select an accounting date that falls within an open period in the ledger to which you are posting. The accounting date for an item is normally the invoice date.

accounting split The accounting split method indicates how expenses are allocated or divided among one or more sets of accounting ChartFields.

accumulator You use an accumulator to store cumulative values of defined items as they are processed. You can accumulate a single value over time or multiple values over time. For example, an accumulator could consist of all voluntary deductions, or all company deductions, enabling you to accumulate amounts. It allows total flexibility for time periods and values accumulated.

action reason The reason an employee's job or employment information is updated. The action reason is entered in two parts: a personnel action, such as a promotion, termination, or change from one pay group to another—and a reason for that action. Action reasons are used by PeopleSoft Enterprise Human Resources, PeopleSoft Enterprise Benefits

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	Administration, PeopleSoft Enterprise Stock Administration, and the COBRA Administration feature of the Base Benefits business process.
action template	In PeopleSoft Enterprise Receivables, outlines a set of escalating actions that the system or user performs based on the period of time that a customer or item has been in an action plan for a specific condition.
activity	In PeopleSoft Enterprise Learning Management, an instance of a catalog item (sometimes called a class) that is available for enrollment. The activity defines such things as the costs that are associated with the offering, enrollment limits and deadlines, and waitlisting capacities. In PeopleSoft Enterprise Performance Management, the work of an organization and the aggregation of actions that are used for activity-based costing. In PeopleSoft Enterprise Project Costing, the unit of work that provides a further breakdown of projects—usually into specific tasks. In PeopleSoft Workflow, a specific transaction that you might need to perform in a business process. Because it consists of the steps that are used to perform a transaction, it is also known as a step map.
address usage	In PeopleSoft Enterprise Campus Solutions, a grouping of address types defining the order in which the address types are used. For example, you might define an address usage code to process addresses in the following order: billing address, dormitory address, home address, and then work address.
adjustment calendar	In PeopleSoft Enterprise Campus Solutions, the adjustment calendar controls how a particular charge is adjusted on a student's account when the student drops classes or withdraws from a term. The charge adjustment is based on how much time has elapsed from a predetermined date, and it is determined as a percentage of the original charge amount.
administrative function	In PeopleSoft Enterprise Campus Solutions, a particular functional area that processes checklists, communication, and comments. The administrative function identifies which variable data is added to a person's checklist or communication record when a specific checklist code, communication category, or comment is assigned to the student. This key data enables you to trace that checklist, communication, or comment back to a specific processing event in a functional area.
admit type	In PeopleSoft Enterprise Campus Solutions, a designation used to distinguish first-year applications from transfer applications.
agreement	In PeopleSoft Enterprise eSettlements, provides a way to group and specify processing options, such as payment terms, pay from a bank, and notifications by a buyer and supplier location combination.
allocation rule	In PeopleSoft Enterprise Incentive Management, an expression within compensation plans that enables the system to assign transactions to nodes and participants. During transaction allocation, the allocation engine traverses the compensation structure from the current node to the root node, checking each node for plans that contain allocation rules.
alternate account	A feature in PeopleSoft Enterprise General Ledger that enables you to create a statutory chart of accounts and enter statutory account transactions at the detail transaction level, as required for recording and reporting by some national governments.
analysis database	In PeopleSoft Enterprise Campus Solutions, database tables that store large amounts of student information that may not appear in standard report formats. The analysis database tables contain keys for all objects in a report that an application program can use to reference other student-record objects that are not contained in the printed report. For instance, the analysis database contains data on courses that are considered

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	for satisfying a requirement but that are rejected. It also contains information on courses captured by global limits. An analysis database is used in PeopleSoft Enterprise Academic Advisement.
Application Messaging	PeopleSoft Application Messaging enables applications within the PeopleSoft Enterprise product family to communicate synchronously or asynchronously with other PeopleSoft Enterprise and third-party applications. An application message defines the records and fields to be published or subscribed to.
AR specialist	Abbreviation for *receivables specialist.* In PeopleSoft Enterprise Receivables, an individual in who tracks and resolves deductions and disputed items.
arbitration plan	The arbiter when multiple price rules match the transaction. This plan determines the order in which the price rules are applied to the transaction base price.
assessment rule	In PeopleSoft Enterprise Receivables, a user-defined rule that the system uses to evaluate the condition of a customer's account or of individual items to determine whether to generate a follow-up action.
asset class	An asset group used for reporting purposes. It can be used in conjunction with the asset category to refine asset classification.
attribute/value pair	In PeopleSoft Enterprise Directory Interface, relates the data that makes up an entry in the directory information tree.
auction event	In PeopleSoft Strategic Sourcing, a sourcing event where bidders actively compete against one another to achieve the best price or score.
audience	In PeopleSoft Enterprise Campus Solutions, a segment of the database that relates to an initiative, or a membership organization that is based on constituent attributes rather than a dues-paying structure. Examples of audiences include the Class of '65 and Undergraduate Arts & Sciences.
authentication server	A server that is set up to verify users of the system.
base time period	In PeopleSoft Enterprise Business Planning, the lowest level time period in a calendar.
benchmark job	In PeopleSoft Enterprise Workforce Analytics Solution, a benchmark job is a job code for which there is corresponding salary survey data from published, third-party sources.
bid response	In PeopleSoft Strategic Sourcing, the response by a bidder to an event.
billing career	In PeopleSoft Enterprise Campus Solutions, the one career under which other careers are grouped for billing purposes if a student is active simultaneously in multiple careers.
bio bit or bio brief	In PeopleSoft Enterprise Campus Solutions, a report that summarizes information stored in the system about a particular constituent. You can generate standard or specialized reports.
book	In PeopleSoft Enterprise Asset Management, used for storing financial and tax information, such as costs, depreciation attributes, and retirement information on assets.
branch	A tree node that rolls up to nodes above it in the hierarchy, as defined in PeopleSoft Tree Manager.
budgetary account only	An account used by the system only and not by users; this type of account does not accept transactions. You can only budget with this account. Formerly called "system-maintained account."

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budget check In commitment control, the processing of source transactions against control budget ledgers, to see if they pass, fail, or pass with a warning.

budget control In commitment control, budget control ensures that commitments and expenditures don't exceed budgets. It enables you to track transactions against corresponding budgets and terminate a document's cycle if the defined budget conditions are not met. For example, you can prevent a purchase order from being dispatched to a vendor if there are insufficient funds in the related budget to support it.

budget period The interval of time (such as 12 months or 4 quarters) into which a period is divided for budgetary and reporting purposes. The ChartField allows maximum flexibility to define operational accounting time periods without restriction to only one calendar.

business activity The name of a subset of a detailed business process. This might be a specific transaction, task, or action that you perform in a business process.

business event In PeopleSoft Enterprise Receivables, defines the processing characteristics for the Receivable Update process for a draft activity.

In PeopleSoft Enterprise Sales Incentive Management, an original business transaction or activity that may justify the creation of a PeopleSoft Enterprise Incentive Management event (a sale, for example).

business process A standard set of 17 business processes are defined and maintained by the PeopleSoft Enterprise product families and are supported by the Business Process Engineering group. An example of a business process is Order Fulfillment, which is a business process that manages sales orders and contracts, inventory, billing, and so forth.

See also *detailed business process.*

business unit constraints In PeopleSoft Strategic Sourcing, these constraints apply to a selected Strategic Sourcing business unit. Spend is tracked across all of the events within the selected Strategic Sourcing business unit.

business task The name of the specific function depicted in one of the business processes.

business unit A corporation or a subset of a corporation that is independent with regard to one or more operational or accounting functions.

buyer In PeopleSoft Enterprise eSettlements, an organization (or business unit, as opposed to an individual) that transacts with suppliers (vendors) within the system. A buyer creates payments for purchases that are made in the system.

buy event In PeopleSoft Strategic Sourcing, for event creators, the purchase of goods or services, most typically associated with a request for quote, proposal, or reverse auction.For bidders, the sale of goods or services.

campus In PeopleSoft Enterprise Campus Solutions, an entity that is usually associated with a distinct physical administrative unit, that belongs to a single academic institution, that uses a unique course catalog, and that produces a common transcript for students within the same academic career.

cash drawer A repository for monies and payments taken locally.

catalog item In PeopleSoft Enterprise Learning Management, a specific topic that a learner can study and have tracked. For example, "Introduction to Microsoft Word." A catalog item contains general information about the topic and includes a course code, description, categorization, keywords, and delivery methods. A catalog item can have one or more learning activities.

catalog map In PeopleSoft Enterprise Catalog Management, translates values from the catalog source data to the format of the company's catalog.

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catalog partner In PeopleSoft Enterprise Catalog Management, shares responsibility with the enterprise catalog manager for maintaining catalog content.

categorization Associates partner offerings with catalog offerings and groups them into enterprise catalog categories.

category In PeopleSoft Enterprise Campus Solutions, a broad grouping to which specific comments or communications (contexts) are assigned. Category codes are also linked to 3C access groups so that you can assign data-entry or view-only privileges across functions.

channel In PeopleSoft MultiChannel Framework, email, chat, voice (computer telephone integration [CTI]), or a generic event.

ChartField A field that stores a chart of accounts, resources, and so on, depending on the PeopleSoft Enterprise application. ChartField values represent individual account numbers, department codes, and so forth.

ChartField balancing You can require specific ChartFields to match up (balance) on the debit and the credit side of a transaction.

ChartField combination edit The process of editing journal lines for valid ChartField combinations based on user-defined rules.

ChartKey One or more fields that uniquely identify each row in a table. Some tables contain only one field as the key, while others require a combination.

checkbook In PeopleSoft Enterprise Promotions Management, enables you to view financial data (such as planned, incurred, and actual amounts) that is related to funds and trade promotions.

checklist code In PeopleSoft Enterprise Campus Solutions, a code that represents a list of planned or completed action items that can be assigned to a staff member, volunteer, or unit. Checklists enable you to view all action assignments on one page.

claimback In the wholesale distribution industry, a contract between supplier and distributor, in which monies are paid to the distributor on the sale of specified products or product groups to targeted customers or customer groups.

class In PeopleSoft Enterprise Campus Solutions, a specific offering of a course component within an academic term.

See also *course.*

Class ChartField A ChartField value that identifies a unique appropriation budget key when you combine it with a fund, department ID, and program code, as well as a budget period. Formerly called *sub-classification.*

clearance In PeopleSoft Enterprise Campus Solutions, the period of time during which a constituent in PeopleSoft Enterprise Contributor Relations is approved for involvement in an initiative or an action. Clearances are used to prevent development officers from making multiple requests to a constituent during the same time period.

clone In PeopleCode, to make a unique copy. In contrast, to *copy* may mean making a new reference to an object, so if the underlying object is changed, both the copy and the original change.

cohort In PeopleSoft Enterprise Campus Solutions, the highest level of the three-level classification structure that you define for enrollment management. You can define a cohort level, link it to other levels, and set enrollment target numbers for it.

See also *population* and *division*.

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collection To make a set of documents available for searching in Verity, you must first create at least one collection. A collection is set of directories and files that allow search application users to use the Verity search engine to quickly find and display source documents that match search criteria. A collection is a set of statistics and pointers to the source documents, stored in a proprietary format on a file server. Because a collection can only store information for a single location, PeopleTools maintains a set of collections (one per language code) for each search index object.

collection rule In PeopleSoft Enterprise Receivables, a user-defined rule that defines actions to take for a customer based on both the amount and the number of days past due for outstanding balances.

comm key See *communication key.*

communication key In PeopleSoft Enterprise Campus Solutions, a single code for entering a combination of communication category, communication context, communication method, communication direction, and standard letter code. Communication keys (also called *comm keys* or *speed keys*) can be created for background processes as well as for specific users.

compensation object In PeopleSoft Enterprise Incentive Management, a node within a compensation structure. Compensation objects are the building blocks that make up a compensation structure's hierarchical representation.

compensation structure In PeopleSoft Enterprise Incentive Management, a hierarchical relationship of compensation objects that represents the compensation-related relationship between the objects.

component interface A component interface is a set of application programming interfaces (APIs) that you can use to access and modify PeopleSoft Enterprise database information using a program instead of the PeopleSoft client.

condition In PeopleSoft Enterprise Receivables, occurs when there is a change of status for a customer's account, such as reaching a credit limit or exceeding a user-defined balance due.

configuration parameter catalog Used to configure an external system with PeopleSoft Enterprise. For example, a configuration parameter catalog might set up configuration and communication parameters for an external server.

configuration plan In PeopleSoft Enterprise Incentive Management, configuration plans hold allocation information for common variables (not incentive rules) and are attached to a node without a participant. Configuration plans are not processed by transactions.

constituents In PeopleSoft Enterprise Campus Solutions, friends, alumni, organizations, foundations, or other entities affiliated with the institution, and about which the institution maintains information. The constituent types delivered with PeopleSoft Enterprise Contributor Relations Solutions are based on those defined by the Council for the Advancement and Support of Education (CASE).

constraint A business policy or rule that affects how a sourcing event is awarded. There are three types of constraints: business, global, and event.

content reference Content references are pointers to content registered in the portal registry. These are typically either URLs or iScripts. Content references fall into three categories: target content, templates, and template pagelets.

context In PeopleCode, determines which buffer fields can be contextually referenced and which is the current row of data on each scroll level when a PeopleCode program is running.

In PeopleSoft Enterprise Campus Solutions, a specific instance of a comment or communication. One or more contexts are assigned to a category, which you link to

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	3C access groups so that you can assign data-entry or view-only privileges across functions. In PeopleSoft Enterprise Incentive Management, a mechanism that is used to determine the scope of a processing run. PeopleSoft Enterprise Incentive Management uses three types of context: plan, period, and run-level.
control table	Stores information that controls the processing of an application. This type of processing might be consistent throughout an organization, or it might be used only by portions of the organization for more limited sharing of data.
cost plus contract line	A rate-based contract line associated with a fee component of Award, Fixed, Incentive, or Other. Rate-based contract lines associated with a fee type of None are not considered cost-plus contract lines.
cost plus pricing	In PeopleSoft Enterprise Pricer, a pricing method that begins with cost of goods as the basis.
cost profile	A combination of a receipt cost method, a cost flow, and a deplete cost method. A profile is associated with a cost book and determines how items in that book are valued, as well as how the material movement of the item is valued for the book.
cost row	A cost transaction and amount for a set of ChartFields.
counter sale	A face-to-face customer transaction where the customer typically selects items from the storefront or picks up products that they ordered ahead of time. Customers pay for the goods at the counter and take the goods with them instead of having the goods shipped from a warehouse.
course	In PeopleSoft Enterprise Campus Solutions, a course that is offered by a school and that is typically described in a course catalog. A course has a standard syllabus and credit level; however, these may be modified at the class level. Courses can contain multiple components such as lecture, discussion, and lab. See also *class.*
course share set	In PeopleSoft Enterprise Campus Solutions, a tag that defines a set of requirement groups that can share courses. Course share sets are used in PeopleSoft Enterprise Academic Advisement.
current learning	In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's in-progress learning activities and programs.
data acquisition	In PeopleSoft Enterprise Incentive Management, the process during which raw business transactions are acquired from external source systems and fed into the operational data store (ODS).
data cube	In PeopleSoft Analytic Calculation Engine, a data cube is a container for one kind of data (such as Sales data) and works with in tandem with one or more dimensions. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and online analytical processing (OLAP) cubes in PeopleSoft Cube Manager.
data elements	Data elements, at their simplest level, define a subset of data and the rules by which to group them. For Workforce Analytics, data elements are rules that tell the system what measures to retrieve about your workforce groups.
dataset	A data grouping that enables role-based filtering and distribution of data. You can limit the range and quantity of data that is displayed for a user by associating dataset rules with user roles. The result of dataset rules is a set of data that is appropriate for the user's roles.

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delivery method

In PeopleSoft Enterprise Learning Management, identifies the primary type of delivery method in which a particular learning activity is offered. Also provides default values for the learning activity, such as cost and language. This is primarily used to help learners search the catalog for the type of delivery from which they learn best. Because PeopleSoft Enterprise Learning Management is a blended learning system, it does not enforce the delivery method.

In PeopleSoft Enterprise Supply Chain Management, identifies the method by which goods are shipped to their destinations (such as truck, air, and rail). The delivery method is specified when creating shipment schedules.

delivery method type

In PeopleSoft Enterprise Learning Management, identifies how learning activities can be delivered—for example, through online learning, classroom instruction, seminars, books, and so forth—in an organization. The type determines whether the delivery method includes scheduled components.

detailed business process

A subset of the business process. For example, the detailed business process named Determine Cash Position is a subset of the business process called Cash Management.

dimension

In PeopleSoft Analytic Calculation Engine, a dimension contains a list of one kind of data that can span various contexts, and it is a basic component of an analytic model. Within the analytic model, a dimension is attached to one or more data cubes. In PeopleSoft Cube Manager, a dimension is the most basic component of an OLAP cube and specifies the PeopleSoft metadata to be used to create the dimension's rollup structure. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and OLAP cubes in PeopleSoft Cube Manager.

direct receipt

Items shipped from a warehouse or vendor to another warehouse.

direct ship

Items shipped from the vendor or warehouse directly to the customer (formerly referred to as *drop ship*).

directory information tree

In PeopleSoft Enterprise Directory Interface, the representation of a directory's hierarchical structure.

division

In PeopleSoft Enterprise Campus Solutions, the lowest level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a division level, link it to other levels, and set enrollment target numbers for it.

See also *population* and *cohort*.

document sequencing

A flexible method that sequentially numbers the financial transactions (for example, bills, purchase orders, invoices, and payments) in the system for statutory reporting and for tracking commercial transaction activity.

dynamic detail tree

A tree that takes its detail values—dynamic details—directly from a table in the database, rather than from a range of values that are entered by the user.

edit table

A table in the database that has its own record definition, such as the Department table. As fields are entered into a PeopleSoft Enterprise application, they can be validated against an edit table to ensure data integrity throughout the system.

effective date

A method of dating information in PeopleSoft Enterprise applications. You can predate information to add historical data to your system, or postdate information in order to enter it before it actually goes into effect. By using effective dates, you don't delete values; you enter a new value with a current effective date.

EIM ledger

Abbreviation for *Enterprise Incentive Management ledger.* In PeopleSoft Enterprise Incentive Management, an object to handle incremental result gathering within the scope of a participant. The ledger captures a result set with all of the appropriate traces to the data origin and to the processing steps of which it is a result.

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elimination set In PeopleSoft Enterprise General Ledger, a related group of intercompany accounts that is processed during consolidations.

entry event In PeopleSoft Enterprise General Ledger, Receivables, Payables, Purchasing, and Billing, a business process that generates multiple debits and credits resulting from single transactions to produce standard, supplemental accounting entries.

equitization In PeopleSoft Enterprise General Ledger, a business process that enables parent companies to calculate the net income of subsidiaries on a monthly basis and adjust that amount to increase the investment amount and equity income amount before performing consolidations.

equity item limit In PeopleSoft Enterprise Campus Solutions, the amounts of funds set by the institution to be awarded with discretionary or gift funds. The limit could be reduced by amounts equal to such things as expected family contribution (EFC) or parent contribution. Students are packaged by Equity Item Type Groups and Related Equity Item Types. This limit can be used to assure that similar student populations are packaged equally.

event A predefined point either in the Component Processor flow or in the program flow. As each point is encountered, the event activates each component, triggering any PeopleCode program that is associated with that component and that event. Examples of events are FieldChange, SavePreChange, and RowDelete.

In PeopleSoft Enterprise Human Resources, also refers to an incident that affects benefits eligibility.

event constraints In PeopleSoft Strategic Sourcing, these constraints are associated with a specific sourcing event. Spend is tracked within the selected event.

event propagation process In PeopleSoft Enterprise Sales Incentive Management, a process that determines, through logic, the propagation of an original PeopleSoft Enterprise Incentive Management event and creates a derivative (duplicate) of the original event to be processed by other objects. PeopleSoft Enterprise Enterprise Sales Incentive Management uses this mechanism to implement splits, roll-ups, and so on. Event propagation determines who receives the credit.

exception In PeopleSoft Enterprise Receivables, an item that either is a deduction or is in dispute.

exclusive pricing In PeopleSoft Enterprise Order Management, a type of arbitration plan that is associated with a price rule. Exclusive pricing is used to price sales order transactions.

fact In PeopleSoft Enterprise applications, facts are numeric data values from fields from a source database as well as an analytic application. A fact can be anything you want to measure your business by, for example, revenue, actual, budget data, or sales numbers. A fact is stored on a fact table.

financial aid term In PeopleSoft Enterprise Campus Solutions, a combination of a period of time that the school determines as an instructional accounting period and an academic career. It is created and defined during the setup process. Only terms eligible for financial aid are set up for each financial aid career.

financial sanctions For U.S. based companies and their foreign subsidiaries, a federal regulation from the Office of Foreign Assets Control (OFAC) requires that vendors be validated against a Specially Designated Nationals (SDN) list prior to payment.

For PeopleSoft Payables, eSettlements, Cash Management, and Order to Cash, you can validate your vendors against any financial sanctions list (for example, the SDN list, a European Union list, and so on).

forecast item A logical entity with a unique set of descriptive demand and forecast data that is used as the basis to forecast demand. You create forecast items for a wide range of uses, but they ultimately represent things that you buy, sell, or use in your organization and for which you require a predictable usage.

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fund In PeopleSoft Enterprise Promotions Management, a budget that can be used to fund promotional activity. There are four funding methods: top down, fixed accrual, rolling accrual, and zero-based accrual.

gap In PeopleSoft Enterprise Campus Solutions, an artificial figure that sets aside an amount of unmet financial aid need that is not funded with Title IV funds. A gap can be used to prevent fully funding any student to conserve funds, or it can be used to preserve unmet financial aid need so that institutional funds can be awarded.

generic process type In PeopleSoft Process Scheduler, process types are identified by a generic process type. For example, the generic process type SQR includes all SQR process types, such as SQR process and SQR report.

gift table In PeopleSoft Enterprise Campus Solutions, a table or so-called *donor pyramid* describing the number and size of gifts that you expect will be needed to successfully complete the campaign in PeopleSoft Enterprise Contributor Relations. The gift table enables you to estimate the number of donors and prospects that you need at each gift level to reach the campaign goal.

GDS Abbreviation for *Global Distribution System.* Broad-based term to describe all computer reservation systems for making travel plans.

GL business unit Abbreviation for *general ledger business unit.* A unit in an organization that is an independent entity for accounting purposes. It maintains its own set of accounting books.

See also *business unit.*

GL entry template Abbreviation for *general ledger entry template.* In PeopleSoft Enterprise Campus Solutions, a template that defines how a particular item is sent to the general ledger. An item-type maps to the general ledger, and the GL entry template can involve multiple general ledger accounts. The entry to the general ledger is further controlled by high-level flags that control the summarization and the type of accounting—that is, accrual or cash.

GL Interface process Abbreviation for *General Ledger Interface process.* In PeopleSoft Enterprise Campus Solutions, a process that is used to send transactions from PeopleSoft Enterprise Student Financials to the general ledger. Item types are mapped to specific general ledger accounts, enabling transactions to move to the general ledger when the GL Interface process is run.

global constraints In PeopleSoft Strategic Sourcing, these constraints apply across multiple Strategic Sourcing business units. Spend is tracked across all of the events from the multiple Strategic Sourcing business units.

group In PeopleSoft Enterprise Billing and Receivables, a posting entity that comprises one or more transactions (items, deposits, payments, transfers, matches, or write-offs).

In PeopleSoft Enterprise Human Resources Management and Supply Chain Management, any set of records that are associated under a single name or variable to run calculations in PeopleSoft business processes. In PeopleSoft Enterprise Time and Labor, for example, employees are placed in groups for time reporting purposes.

ideal response In PeopleSoft Strategic Sourcing, a question that requires the response to match the ideal value for the bid to be considered eligible for award. If the response does not match the ideal value, you can still submit the bid, but it will be disqualified and ineligible for award.

incentive object In PeopleSoft Enterprise Incentive Management, the incentive-related objects that define and support the PeopleSoft Enterprise Incentive Management calculation process and results, such as plan templates, plans, results data, and user interaction objects.

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incentive rule In PeopleSoft Enterprise Sales Incentive Management, the commands that act on transactions and turn them into compensation. A rule is one part in the process of turning a transaction into compensation.

incur In PeopleSoft Enterprise Promotions Management, to become liable for a promotional payment. In other words, you owe that amount to a customer for promotional activities.

initiative In PeopleSoft Enterprise Campus Solutions, the basis from which all advancement plans are executed. It is an organized effort targeting a specific constituency, and it can occur over a specified period of time with specific purposes and goals. An initiative can be a campaign, an event, an organized volunteer effort, a membership drive, or any other type of effort defined by the institution. Initiatives can be multipart, and they can be related to other initiatives. This enables you to track individual parts of an initiative, as well as entire initiatives.

inquiry access In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user only to view data.

See also *update access.*

institution In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.

integration A relationship between two compatible integration points that enables communication to take place between systems. Integrations enable PeopleSoft Enterprise applications to work seamlessly with other PeopleSoft Enterprise applications or with third-party systems or software.

integration point An interface that a system uses to communicate with another PeopleSoft Enterprise application or an external application.

integration set A logical grouping of integrations that applications use for the same business purpose. For example, the integration set ADVANCED_SHIPPING_ORDER contains all of the integrations that notify a customer that an order has shipped.

item In PeopleSoft Enterprise Inventory, a tangible commodity that is stored in a business unit (shipped from a warehouse).

In PeopleSoft Enterprise Demand Planning, Inventory Policy Planning, and Supply Planning, a noninventory item that is designated as being used for planning purposes only. It can represent a family or group of inventory items. It can have a planning bill of material (BOM) or planning routing, and it can exist as a component on a planning BOM. A planning item cannot be specified on a production or engineering BOM or routing, and it cannot be used as a component in a production. The quantity on hand will never be maintained.

In PeopleSoft Enterprise Receivables, an individual receivable. An item can be an invoice, a credit memo, a debit memo, a write-off, or an adjustment.

item shuffle In PeopleSoft Enterprise Campus Solutions, a process that enables you to change a payment allocation without having to reverse the payment.

itinerary In PeopleSoft Expenses, a collection of travel reservations. Itineraries can have reservations that are selected and reserved with the travel vendor. These itineraries are not yet paid for and can be referred to as *pending reservations.* Reservations that have been paid for are referred to as *confirmed reservations.*

joint communication In PeopleSoft Enterprise Campus Solutions, one letter that is addressed jointly to two people. For example, a letter might be addressed to both Mr. Sudhir Awat and Ms. Samantha Mortelli. A relationship must be established between the two individuals in the database, and at least one of the individuals must have an ID in the database.

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keyword In PeopleSoft Enterprise Campus Solutions, a term that you link to particular elements within PeopleSoft Enterprise Student Financials, Financial Aid, and Contributor Relations. You can use keywords as search criteria that enable you to locate specific records in a search dialog box.

KPI An abbreviation for *key performance indicator.* A high-level measurement of how well an organization is doing in achieving critical success factors. This defines the data value or calculation upon which an assessment is determined.

KVI Abbreviation for *Known Value Item.* Term used for products or groups of products where the selling price cannot be reduced or increased.

landlord In PeopleSoft Real Estate Management, an entity that owns real estate and leases the real estate to tenants.

LDIF file Abbreviation for *Lightweight Directory Access Protocol (LDAP) Data Interchange Format file.* Contains discrepancies between PeopleSoft Enterprise data and directory data.

learner group In PeopleSoft Enterprise Learning Management, a group of learners who are linked to the same learning environment. Members of the learner group can share the same attributes, such as the same department or job code. Learner groups are used to control access to and enrollment in learning activities and programs. They are also used to perform group enrollments and mass enrollments in the back office.

learning components In PeopleSoft Enterprise Learning Management, the foundational building blocks of learning activities. PeopleSoft Enterprise Learning Management supports six basic types of learning components: web-based, session, webcast, test, survey, and assignment. One or more of these learning component types compose a single learning activity.

learning environment In PeopleSoft Enterprise Learning Management, identifies a set of categories and catalog items that can be made available to learner groups. Also defines the default values that are assigned to the learning activities and programs that are created within a particular learning environment. Learning environments provide a way to partition the catalog so that learners see only those items that are relevant to them.

learning history In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's completed learning activities and programs.

lease In PeopleSoft Real Estate Management, a legally binding agreement between a landlord and a tenant, where the tenant rents all or part of a physical property from the landlord.

lease abstract In PeopleSoft Real Estate Management, a summarized version of the complete lease contract with only the important terms. The lease abstract usually fits on one page and does not include legal terminology.

ledger mapping You use ledger mapping to relate expense data from general ledger accounts to resource objects. Multiple ledger line items can be mapped to one or more resource IDs. You can also use ledger mapping to map dollar amounts (referred to as *rates*) to business units. You can map the amounts in two different ways: an actual amount that represents actual costs of the accounting period, or a budgeted amount that can be used to calculate the capacity rates as well as budgeted model results. In PeopleSoft Enterprise Warehouse, you can map general ledger accounts to the EW Ledger table.

library section In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan (or template) and that is available for other plans to share. Changes to a library section are reflected in all plans that use it.

line In PeopleSoft Strategic Sourcing, an individual item or service upon which there can be a bid.

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linked section In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan template but appears in a plan. Changes to linked sections propagate to plans using that section.

linked variable In PeopleSoft Enterprise Incentive Management, a variable that is defined and maintained in a plan template and that also appears in a plan. Changes to linked variables propagate to plans using that variable.

LMS Abbreviation for *learning management system.* In PeopleSoft Enterprise Campus Solutions, LMS is a PeopleSoft Enterprise Student Records feature that provides a common set of interoperability standards that enable the sharing of instructional content and data between learning and administrative environments.

load In PeopleSoft Enterprise Inventory, identifies a group of goods that are shipped together. Load management is a feature of PeopleSoft Enterprise Inventory that is used to track the weight, the volume, and the destination of a shipment.

local functionality In PeopleSoft Enterprise HRMS, the set of information that is available for a specific country. You can access this information when you click the appropriate country flag in the global window, or when you access it by a local country menu.

location Locations enable you to indicate the different types of addresses—for a company, for example, one address to receive bills, another for shipping, a third for postal deliveries, and a separate street address. Each address has a different location number. The primary location—indicated by a *1*—is the address you use most often and may be different from the main address.

logistical task In PeopleSoft Enterprise Services Procurement, an administrative task that is related to hiring a service provider. Logistical tasks are linked to the service type on the work order so that different types of services can have different logistical tasks. Logistical tasks include both preapproval tasks (such as assigning a new badge or ordering a new laptop) and postapproval tasks (such as scheduling orientation or setting up the service provider email). The logistical tasks can be mandatory or optional. Mandatory preapproval tasks must be completed before the work order is approved. Mandatory postapproval tasks, on the other hand, must be completed before a work order is released to a service provider.

market template In PeopleSoft Enterprise Incentive Management, additional functionality that is specific to a given market or industry and is built on top of a product category.

mass change In PeopleSoft Enterprise Campus Solutions, mass change is a SQL generator that can be used to create specialized functionality. Using mass change, you can set up a series of Insert, Update, or Delete SQL statements to perform business functions that are specific to the institution.

See also *3C engine.*

match group In PeopleSoft Enterprise Receivables, a group of receivables items and matching offset items. The system creates match groups by using user-defined matching criteria for selected field values.

MCF server Abbreviation for *PeopleSoft MultiChannel Framework server.* Comprises the universal queue server and the MCF log server. Both processes are started when *MCF Servers* is selected in an application server domain configuration.

merchandising activity In PeopleSoft Enterprise Promotions Management, a specific discount type that is associated with a trade promotion (such as off-invoice, billback or rebate, or lump-sum payment) that defines the performance that is required to receive the discount. In the industry, you may know this as an offer, a discount, a merchandising event, an event, or a tactic.

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meta-SQL Meta-SQL constructs expand into platform-specific SQL substrings. They are used in functions that pass SQL strings, such as in SQL objects, the SQLExec function, and PeopleSoft Application Engine programs.

metastring Metastrings are special expressions included in SQL string literals. The metastrings, prefixed with a percent (%) symbol, are included directly in the string literals. They expand at run time into an appropriate substring for the current database platform.

multibook In PeopleSoft Enterprise General Ledger, multiple ledgers having multiple-base currencies that are defined for a business unit, with the option to post a single transaction to all base currencies (all ledgers) or to only one of those base currencies (ledgers).

multicurrency The ability to process transactions in a currency other than the business unit's base currency.

national allowance In PeopleSoft Enterprise Promotions Management, a promotion at the corporate level that is funded by nondiscretionary dollars. In the industry, you may know this as a national promotion, a corporate promotion, or a corporate discount.

NDP Abbreviation for *Non-Discountable Products.* Term used for products or groups of products where the selling price cannot be decreased.

need In PeopleSoft Enterprise Campus Solutions, the difference between the cost of attendance (COA) and the expected family contribution (EFC). It is the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is called *need analysis.*

node-oriented tree A tree that is based on a detail structure, but the detail values are not used.

Optimization Engine A PeopleTools component that Strategic Sourcing leverages to evaluate bids and determine an ideal award allocation. The award recommendation is based on maximizing the value while adhering to purchasing and company objectives and constraints.

pagelet Each block of content on the home page is called a pagelet. These pagelets display summary information within a small rectangular area on the page. The pagelet provide users with a snapshot of their most relevant PeopleSoft Enterprise and non-PeopleSoft Enterprise content.

participant In PeopleSoft Enterprise Incentive Management, participants are recipients of the incentive compensation calculation process.

participant object Each participant object may be related to one or more compensation objects.

See also *compensation object.*

partner A company that supplies products or services that are resold or purchased by the enterprise.

pay cycle In PeopleSoft Enterprise Payables, a set of rules that define the criteria by which it should select scheduled payments for payment creation.

payment shuffle In PeopleSoft Enterprise Campus Solutions, a process allowing payments that have been previously posted to a student's account to be automatically reapplied when a higher priority payment is posted or the payment allocation definition is changed.

pending item In PeopleSoft Enterprise Receivables, an individual receivable (such as an invoice, a credit memo, or a write-off) that has been entered in or created by the system, but hasn't been posted.

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PeopleCode PeopleCode is a proprietary language, executed by the PeopleSoft Enterprise component processor. PeopleCode generates results based on existing data or user actions. By using various tools provided with PeopleTools, external services are available to all PeopleSoft Enterprise applications wherever PeopleCode can be executed.

PeopleCode event See *event.*

PeopleSoft Pure Internet Architecture The fundamental architecture on which PeopleSoft 8 applications are constructed, consisting of a relational database management system (RDBMS), an application server, a web server, and a browser.

performance measurement In PeopleSoft Enterprise Incentive Management, a variable used to store data (similar to an aggregator, but without a predefined formula) within the scope of an incentive plan. Performance measures are associated with a plan calendar, territory, and participant. Performance measurements are used for quota calculation and reporting.

period context In PeopleSoft Enterprise Incentive Management, because a participant typically uses the same compensation plan for multiple periods, the period context associates a plan context with a specific calendar period and fiscal year. The period context references the associated plan context, thus forming a chain. Each plan context has a corresponding set of period contexts.

person of interest A person about whom the organization maintains information but who is not part of the workforce.

personal portfolio In PeopleSoft Enterprise Campus Solutions, the user-accessible menu item that contains an individual's name, address, telephone number, and other personal information.

phase A level 1 task, meaning that if a task had subtasks, the level 1 task would be considered the phase.

pickup quantity The product quantity that the customer is taking with them from the counter sales environment.

plan In PeopleSoft Enterprise Sales Incentive Management, a collection of allocation rules, variables, steps, sections, and incentive rules that instruct the PeopleSoft Enterprise Incentive Management engine in how to process transactions.

plan context In PeopleSoft Enterprise Incentive Management, correlates a participant with the compensation plan and node to which the participant is assigned, enabling the PeopleSoft Enterprise Incentive Management system to find anything that is associated with the node and that is required to perform compensation processing. Each participant, node, and plan combination represents a unique plan context—if three participants are on a compensation structure, each has a different plan context. Configuration plans are identified by plan contexts and are associated with the participants that refer to them.

plan template In PeopleSoft Enterprise Incentive Management, the base from which a plan is created. A plan template contains common sections and variables that are inherited by all plans that are created from the template. A template may contain steps and sections that are not visible in the plan definition.

planned learning In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's planned learning activities and programs.

planning instance In PeopleSoft Enterprise Supply Planning, a set of data (business units, items, supplies, and demands) constituting the inputs and outputs of a supply plan.

population In PeopleSoft Enterprise Campus Solutions, the middle level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and

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	Admissions for enrollment management. You can define a population level, link it to other levels, and set enrollment target numbers for it. See also *division* and *cohort.*
portal registry	In PeopleSoft Enterprise applications, the portal registry is a tree-like structure in which content references are organized, classified, and registered. It is a central repository that defines both the structure and content of a portal through a hierarchical, tree-like structure of folders useful for organizing and securing content references.
predecessor task	A task that you must complete before you start another task.
price breaks	In PeopleSoft Strategic Sourcing, a price discount or surcharge that a bidder may apply based on the quantity awarded.
price components	In PeopleSoft Strategic Sourcing, the various components, such as material costs, labor costs, shipping costs, and so on that make up the overall bid price.
price list	Enables you to select products and conditions for which the price list applies to a transaction. During a transaction, the system either determines the product price based on the predefined search hierarchy for the transaction or uses the product's lowest price on any associated, active price lists. This price is used as the basis for any further discounts and surcharges.
price rule	The conditions that must be met for adjustments to be applied to the base price. Multiple rules can apply when conditions of each rule are met.
price rule conditions	Conditions that select the price-by fields, the values for the price-by fields, and the operator that determines how the price-by fields relate to the transaction.
price rule key	The fields that are available to define price rule conditions (which are used to match a transaction) on the price rule.
primacy number	In PeopleSoft Enterprise Campus Solutions, a number that the system uses to prioritize financial aid applications when students are enrolled in multiple academic careers and academic programs at the same time. The Consolidate Academic Statistics process uses the primacy number indicated for both the career and program at the institutional level to determine a student's primary career and program. The system also uses the number to determine the primary student attribute value that is used when you extract data to report on cohorts. The lowest number takes precedence.
primary name type	In PeopleSoft Enterprise Campus Solutions, the name type that is used to link the name stored at the highest level within the system to the lower-level set of names that an individual provides.
process category	In PeopleSoft Process Scheduler, processes that are grouped for server load balancing and prioritization.
process group	In PeopleSoft Enterprise Financials, a group of application processes (performed in a defined order) that users can initiate in real time, directly from a transaction entry page.
process definition	Process definitions define each run request.
process instance	A unique number that identifies each process request. This value is automatically incremented and assigned to each requested process when the process is submitted to run.
process job	You can link process definitions into a job request and process each request serially or in parallel. You can also initiate subsequent processes based on the return code from each prior request.

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process request A single run request, such as a Structured Query Report (SQR), a COBOL or Application Engine program, or a Crystal report that you run through PeopleSoft Process Scheduler.

process run control A PeopleTools variable used to retain PeopleSoft Process Scheduler values needed at runtime for all requests that reference a run control ID. Do not confuse these with application run controls, which may be defined with the same run control ID, but only contain information specific to a given application process request.

product A PeopleSoft Enterprise or third-party product. PeopleSoft organizes its software products into product families and product lines. Interactive Services Repository contains information about every release of every product that PeopleSoft sells, as well as products from certified third-party companies. These products appear with the product name and release number.

product adds The pricing functionality where buying product A gets product B for free or at a price (formerly referred to as *giveaways*).

product bidding In PeopleSoft Strategic Sourcing, the placing of a bid on behalf of the bidder, up or down to the bidder's specified amount, so that the bidder can be the leading bidder.

product category In PeopleSoft Enterprise Incentive Management, indicates an application in the PeopleSoft Enterprise Incentive Management suite of products. Each transaction in the PeopleSoft Enterprise Incentive Management system is associated with a product category.

product family A group of products that are related by common functionality. The family names that can be searched using Interactive Service Repository are Oracle's PeopleSoft Enterprise, PeopleSoft EnterpriseOne, PeopleSoft World, and third-party, certified partners.

product line The name of a PeopleSoft Enterprise product line or the company name of a third-party certified partner. Integration Services Repository enables you to search for integration points by product line.

programs In PeopleSoft Enterprise Learning Management, a high-level grouping that guides the learner along a specific learning path through sections of catalog items. PeopleSoft Enterprise Learning Systems provides two types of programs—curricula and certifications.

progress log In PeopleSoft Enterprise Services Procurement, tracks deliverable-based projects. This is similar to the time sheet in function and process. The service provider contact uses the progress log to record and submit progress on deliverables. The progress can be logged by the activity that is performed, by the percentage of work that is completed, or by the completion of milestone activities that are defined for the project.

project transaction In PeopleSoft Enterprise Project Costing, an individual transaction line that represents a cost, time, budget, or other transaction row.

promotion In PeopleSoft Enterprise Promotions Management, a trade promotion, which is typically funded from trade dollars and used by consumer products manufacturers to increase sales volume.

prospects In PeopleSoft Enterprise Campus Solutions, students who are interested in applying to the institution.

In PeopleSoft Enterprise Contributor Relations, individuals and organizations that are most likely to make substantial financial commitments or other types of commitments to the institution.

proxy bidding In PeopleSoft Strategic Sourcing, the placing of a bid on behalf of the bidder, up or down to the bidder's specified amount, so that the bidder can be the leading bidder.

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publishing In PeopleSoft Enterprise Incentive Management, a stage in processing that makes incentive-related results available to participants.

rating components In PeopleSoft Enterprise Campus Solutions, variables used with the Equation Editor to retrieve specified populations.

record group A set of logically and functionally related control tables and views. Record groups help enable TableSet sharing, which eliminates redundant data entry. Record groups ensure that TableSet sharing is applied consistently across all related tables and views.

record input VAT flag Abbreviation for *record input value-added tax flag.* Within PeopleSoft Enterprise Purchasing, Payables, and General Ledger, this flag indicates that you are recording input VAT on the transaction. This flag, in conjunction with the record output VAT flag, is used to determine the accounting entries created for a transaction and to determine how a transaction is reported on the VAT return. For all cases within Purchasing and Payables where VAT information is tracked on a transaction, this flag is set to Yes. This flag is not used in PeopleSoft Enterprise Order Management, Billing, or Receivables, where it is assumed that you are always recording only output VAT, or in PeopleSoft Enterprise Expenses, where it is assumed that you are always recording only input VAT.

record output VAT flag Abbreviation for *record output value-added tax flag.*

See *record input VAT flag.*

recname The name of a record that is used to determine the associated field to match a value or set of values.

recognition In PeopleSoft Enterprise Campus Solutions, the recognition type indicates whether the PeopleSoft Enterprise Contributor Relations donor is the primary donor of a commitment or shares the credit for a donation. Primary donors receive hard credit that must total 100 percent. Donors that share the credit are given soft credit. Institutions can also define other share recognition-type values such as memo credit or vehicle credit.

reference data In PeopleSoft Enterprise Sales Incentive Management, system objects that represent the sales organization, such as territories, participants, products, customers, and channels.

reference object In PeopleSoft Enterprise Incentive Management, this dimension-type object further defines the business. Reference objects can have their own hierarchy (for example, product tree, customer tree, industry tree, and geography tree).

reference transaction In commitment control, a reference transaction is a source transaction that is referenced by a higher-level (and usually later) source transaction, in order to automatically reverse all or part of the referenced transaction's budget-checked amount. This avoids duplicate postings during the sequential entry of the transaction at different commitment levels. For example, the amount of an encumbrance transaction (such as a purchase order) will, when checked and recorded against a budget, cause the system to concurrently reference and relieve all or part of the amount of a corresponding pre-encumbrance transaction, such as a purchase requisition.

regional sourcing In PeopleSoft Enterprise Purchasing, provides the infrastructure to maintain, display, and select an appropriate vendor and vendor pricing structure that is based on a regional sourcing model where the multiple ship to locations are grouped. Sourcing may occur at a level higher than the ship to location.

relationship object In PeopleSoft Enterprise Incentive Management, these objects further define a compensation structure to resolve transactions by establishing associations between compensation objects and business objects.

remote data source data Data that is extracted from a separate database and migrated into the local database.

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REN server Abbreviation for *real-time event notification server* in PeopleSoft MultiChannel Framework.

requester In PeopleSoft Enterprise eSettlements, an individual who requests goods or services and whose ID appears on the various procurement pages that reference purchase orders.

reservations In PeopleSoft Expenses, travel reservations that have been placed with the travel vendor.

reversal indicator In PeopleSoft Enterprise Campus Solutions, an indicator that denotes when a particular payment has been reversed, usually because of insufficient funds.

RFI event In PeopleSoft Strategic Sourcing, a request for information.

RFx event In PeopleSoft Strategic Sourcing, a request for proposal or request for a quote event when bidders submit their overall best bids and during which bidders do not actively compete against one another.

role Describes how people fit into PeopleSoft Workflow. A role is a class of users who perform the same type of work, such as clerks or managers. Your business rules typically specify what user role needs to do an activity.

role user A PeopleSoft Workflow user. A person's role user ID serves much the same purpose as a user ID does in other parts of the system. PeopleSoft Workflow uses role user IDs to determine how to route worklist items to users (through an email address, for example) and to track the roles that users play in the workflow. Role users do not need PeopleSoft user IDs.

roll up In a tree, to roll up is to total sums based on the information hierarchy.

run control A run control is a type of online page that is used to begin a process, such as the batch processing of a payroll run. Run control pages generally start a program that manipulates data.

run control ID A unique ID to associate each user with his or her own run control table entries.

run-level context In PeopleSoft Enterprise Incentive Management, associates a particular run (and batch ID) with a period context and plan context. Every plan context that participates in a run has a separate run-level context. Because a run cannot span periods, only one run-level context is associated with each plan context.

saved bid In PeopleSoft Strategic Sourcing, a bid that has been created but not submitted. Only submitted bids are eligible for award.

score In PeopleSoft Strategic Sourcing, the numerical sum of answers (percentages) to bid factors on an event. Scores appear only to bidders on auction events.

SCP SCBM XML message Abbreviation for *Supply Chain Planning Supply Chain Business Modeler Extensible Markup Language message.* Supply Chain Business Modeler uses XML as the format for all data that it imports and exports.

search query You use this set of objects to pass a query string and operators to the search engine. The search index returns a set of matching results with keys to the source documents.

search/match In PeopleSoft Enterprise Campus Solutions and PeopleSoft Enterprise Human Resources Management Solutions, a feature that enables you to search for and identify duplicate records in the database.

seasonal address In PeopleSoft Enterprise Campus Solutions, an address that recurs for the same length of time at the same time of year each year until adjusted or deleted.

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section In PeopleSoft Enterprise Incentive Management, a collection of incentive rules that operate on transactions of a specific type. Sections enable plans to be segmented to process logical events in different sections.

security event In commitment control, security events trigger security authorization checking, such as budget entries, transfers, and adjustments; exception overrides and notifications; and inquiries.

sell event In PeopleSoft Strategic Sourcing, for event creators, the sale of goods or services most typically associated with forward auctions. For bidders, the purchase of goods or services.

serial genealogy In PeopleSoft Enterprise Manufacturing, the ability to track the composition of a specific, serial-controlled item.

serial in production In PeopleSoft Enterprise Manufacturing, enables the tracing of serial information for manufactured items. This is maintained in the Item Master record.

service impact In PeopleSoft Enterprise Campus Solutions, the resulting action triggered by a service indicator. For example, a service indicator that reflects nonpayment of account balances by a student might result in a service impact that prohibits registration for classes.

service indicator In PeopleSoft Enterprise Campus Solutions, indicates services that may be either withheld or provided to an individual. Negative service indicators indicate holds that prevent the individual from receiving specified services, such as check-cashing privileges or registration for classes. Positive service indicators designate special services that are provided to the individual, such as front-of-line service or special services for disabled students.

session In PeopleSoft Enterprise Campus Solutions, time elements that subdivide a term into multiple time periods during which classes are offered. In PeopleSoft Enterprise Contributor Relations, a session is the means of validating gift, pledge, membership, or adjustment data entry . It controls access to the data entered by a specific user ID. Sessions are balanced, queued, and then posted to the institution's financial system. Sessions must be posted to enter a matching gift or pledge payment, to make an adjustment, or to process giving clubs or acknowledgements.

In PeopleSoft Enterprise Learning Management, a single meeting day of an activity (that is, the period of time between start and finish times within a day). The session stores the specific date, location, meeting time, and instructor. Sessions are used for scheduled training.

session template In PeopleSoft Enterprise Learning Management, enables you to set up common activity characteristics that may be reused while scheduling a PeopleSoft Enterprise Learning Management activity—characteristics such as days of the week, start and end times, facility and room assignments, instructors, and equipment. A session pattern template can be attached to an activity that is being scheduled. Attaching a template to an activity causes all of the default template information to populate the activity session pattern.

setup relationship In PeopleSoft Enterprise Incentive Management, a relationship object type that associates a configuration plan with any structure node.

share driver expression In PeopleSoft Enterprise Business Planning, a named planning method similar to a driver expression, but which you can set up globally for shared use within a single planning application or to be shared between multiple planning applications through PeopleSoft Enterprise Warehouse.

short-term customer A customer not in the system who is entered during sales order entry using a template.

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single signon With single signon, users can, after being authenticated by a PeopleSoft Enterprise application server, access a second PeopleSoft Enterprise application server without entering a user ID or password.

source key process In PeopleSoft Enterprise Campus Solutions, a process that relates a particular transaction to the source of the charge or financial aid. On selected pages, you can drill down into particular charges.

source transaction In commitment control, any transaction generated in a PeopleSoft Enterprise or third-party application that is integrated with commitment control and which can be checked against commitment control budgets. For example, a pre-encumbrance, encumbrance, expenditure, recognized revenue, or collected revenue transaction.

sourcing objective For constraints, the option to designate whether a business rule is required (mandatory) or is only recommended (target).

speed key See *communication key.*

SpeedChart A user-defined shorthand key that designates several ChartKeys to be used for voucher entry. Percentages can optionally be related to each ChartKey in a SpeedChart definition.

SpeedType A code representing a combination of ChartField values. SpeedTypes simplify the entry of ChartFields commonly used together.

staging A method of consolidating selected partner offerings with the offerings from the enterprise's other partners.

standard letter code In PeopleSoft Enterprise Campus Solutions, a standard letter code used to identify each letter template available for use in mail merge functions. Every letter generated in the system must have a standard letter code identification.

statutory account Account required by a regulatory authority for recording and reporting financial results. In PeopleSoft Enterprise, this is equivalent to the Alternate Account (ALTACCT) ChartField.

step In PeopleSoft Enterprise Sales Incentive Management, a collection of sections in a plan. Each step corresponds to a step in the job run.

storage level In PeopleSoft Enterprise Inventory, identifies the level of a material storage location. Material storage locations are made up of a business unit, a storage area, and a storage level. You can set up to four storage levels.

subcustomer qualifier A value that groups customers into a division for which you can generate detailed history, aging, events, and profiles.

Summary ChartField You use summary ChartFields to create summary ledgers that roll up detail amounts based on specific detail values or on selected tree nodes. When detail values are summarized using tree nodes, summary ChartFields must be used in the summary ledger data record to accommodate the maximum length of a node name (20 characters).

summary ledger An accounting feature used primarily in allocations, inquiries, and PS/nVision reporting to store combined account balances from detail ledgers. Summary ledgers increase speed and efficiency of reporting by eliminating the need to summarize detail ledger balances each time a report is requested. Instead, detail balances are summarized in a background process according to user-specified criteria and stored on summary ledgers. The summary ledgers are then accessed directly for reporting.

summary time period In PeopleSoft Enterprise Business Planning, any time period (other than a base time period) that is an aggregate of other time periods, including other summary time periods and base time periods, such as quarter and year total.

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summary tree A tree used to roll up accounts for each type of report in summary ledgers. Summary trees enable you to define trees on trees. In a summary tree, the detail values are really nodes on a detail tree or another summary tree (known as the *basis* tree). A summary tree structure specifies the details on which the summary trees are to be built.

syndicate To distribute a production version of the enterprise catalog to partners.

system function In PeopleSoft Enterprise Receivables, an activity that defines how the system generates accounting entries for the general ledger.

system source The system source identifies the source of a transaction row in the database. For example, a transaction that originates in PeopleSoft Enterprise Expenses contains a system source code of BEX (Expenses Batch).

When PeopleSoft Enterprise Project Costing prices the source transaction row for billing, the system creates a new row with a system source code of PRP (Project Costing pricing), which represents the system source of the new row. System source codes can identify sources that are internal or external to the PeopleSoft Enterprise system. For example, processes that import data from Microsoft Project into PeopleSoft Enterprise applications create transaction rows with a source code of MSP (Microsoft Project).

TableSet A means of sharing similar sets of values in control tables, where the actual data values are different but the structure of the tables is the same.

TableSet sharing Shared data that is stored in many tables that are based on the same TableSets. Tables that use TableSet sharing contain the SETID field as an additional key or unique identifier.

target currency The value of the entry currency or currencies converted to a single currency for budget viewing and inquiry purposes.

task A deliverable item on the detailed sourcing plan.

tax authority In PeopleSoft Enterprise Campus Solutions, a user-defined element that combines a description and percentage of a tax with an account type, an item type, and a service impact.

template A template is HTML code associated with a web page. It defines the layout of the page and also where to get HTML for each part of the page. In PeopleSoft Enterprise, you use templates to build a page by combining HTML from a number of sources. For a PeopleSoft Enterprise portal, all templates must be registered in the portal registry, and each content reference must be assigned a template.

tenant In PeopleSoft Real Estate Management, an entity that leases real estate from a landlord.

territory In PeopleSoft Enterprise Sales Incentive Management, hierarchical relationships of business objects, including regions, products, customers, industries, and participants.

third party A company or vendor that has extensive PeopleSoft Enterprise product knowledge and whose products and integrations have been certified and are compatible with PeopleSoft Enterprise applications.

tiered pricing Enables different portions of a schedule to be priced differently from one another.

time span A relative period, such as year-to-date or current period, that various PeopleSoft General Ledger functions and reports can use when a rolling time frame, rather than a specific date, is required.

total cost In PeopleSoft Strategic Sourcing, the estimated dollar cost (sum of real price dollars and potential “soft” or non-price dollars) of a particular award approach.

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travel group In PeopleSoft Expenses, the organization's travel rules and polices that are associated with specific business units, departments, or employees. You must define at least one travel group when setting up the PeopleSoft Expenses travel feature. You must define and associate at least one travel group with a travel vendor.

travel partner In PeopleSoft Expenses, the travel vendor with which the organization has a contractual relationship.

3C engine Abbreviation for *Communications, Checklists, and Comments engine.* In PeopleSoft Enterprise Campus Solutions, the 3C engine enables you to automate business processes that involve additions, deletions, and updates to communications, checklists, and comments. You define events and triggers to engage the engine, which runs the mass change and processes the 3C records (for individuals or organizations) immediately and automatically from within business processes.

3C group Abbreviation for *Communications, Checklists, and Comments group.* In PeopleSoft Enterprise Campus Solutions, a method of assigning or restricting access privileges. A 3C group enables you to group specific communication categories, checklist codes, and comment categories. You can then assign the group inquiry-only access or update access, as appropriate.

trace usage In PeopleSoft Enterprise Manufacturing, enables the control of which components will be traced during the manufacturing process. Serial- and lot-controlled components can be traced. This is maintained in the Item Master record.

transaction allocation In PeopleSoft Enterprise Incentive Management, the process of identifying the owner of a transaction. When a raw transaction from a batch is allocated to a plan context, the transaction is duplicated in the PeopleSoft Enterprise Incentive Management transaction tables.

transaction state In PeopleSoft Enterprise Incentive Management, a value assigned by an incentive rule to a transaction. Transaction states enable sections to process only transactions that are at a specific stage in system processing. After being successfully processed, transactions may be promoted to the next transaction state and "picked up" by a different section for further processing.

Translate table A system edit table that stores codes and translate values for the miscellaneous fields in the database that do not warrant individual edit tables of their own.

tree The graphical hierarchy in PeopleSoft Enterprise systems that displays the relationship between all accounting units (for example, corporate divisions, projects, reporting groups, account numbers) and determines roll-up hierarchies.

tuition lock In PeopleSoft Enterprise Campus Solutions, a feature in the Tuition Calculation process that enables you to specify a point in a term after which students are charged a minimum (or *locked*) fee amount. Students are charged the locked fee amount even if they later drop classes and take less than the normal load level for that tuition charge.

unclaimed transaction In PeopleSoft Enterprise Incentive Management, a transaction that is not claimed by a node or participant after the allocation process has completed, usually due to missing or incomplete data. Unclaimed transactions may be manually assigned to the appropriate node or participant by a compensation administrator.

universal navigation header Every PeopleSoft Enterprise portal includes the universal navigation header, intended to appear at the top of every page as long as the user is signed on to the portal. In addition to providing access to the standard navigation buttons (like Home, Favorites, and signoff) the universal navigation header can also display a welcome message for each user.

update access In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user to edit and update data.

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	See also *inquiry access*.
user interaction object	In PeopleSoft Enterprise Sales Incentive Management, used to define the reporting components and reports that a participant can access in his or her context. All PeopleSoft Enterprise Sales Incentive Management user interface objects and reports are registered as user interaction objects. User interaction objects can be linked to a compensation structure node through a compensation relationship object (individually or as groups).
variable	In PeopleSoft Enterprise Sales Incentive Management, the intermediate results of calculations. Variables hold the calculation results and are then inputs to other calculations. Variables can be plan variables that persist beyond the run of an engine or local variables that exist only during the processing of a section.
VAT exception	Abbreviation for *value-added tax exception.* A temporary or permanent exemption from paying VAT that is granted to an organization. This terms refers to both VAT exoneration and VAT suspension.
VAT exempt	Abbreviation for *value-added tax exempt.* Describes goods and services that are not subject to VAT. Organizations that supply exempt goods or services are unable to recover the related input VAT. This is also referred to as exempt without recovery.
VAT exoneration	Abbreviation for *value-added tax exoneration.* An organization that has been granted a permanent exemption from paying VAT due to the nature of that organization.
VAT suspension	Abbreviation for *value-added tax suspension.* An organization that has been granted a temporary exemption from paying VAT.
warehouse	A PeopleSoft Enterprise data warehouse that consists of predefined ETL maps, data warehouse tools, and DataMart definitions.
weight or weighting	In PeopleSoft Strategic Sourcing, how important the line or question is to the overall event. Weighting is used to score and analyze bids. For RFx and RFI events, weightings may or may not appear to bidders.
work order	In PeopleSoft Enterprise Services Procurement, enables an enterprise to create resource-based and deliverable-based transactions that specify the basic terms and conditions for hiring a specific service provider. When a service provider is hired, the service provider logs time or progress against the work order.
worker	A person who is part of the workforce; an employee or a contingent worker.
workset	A group of people and organizations that are linked together as a set. You can use worksets to simultaneously retrieve the data for a group of people and organizations and work with the information on a single page.
worksheet	A way of presenting data through a PeopleSoft Enterprise Business Analysis Modeler interface that enables users to do in-depth analysis using pivoting tables, charts, notes, and history information.
worklist	The automated to-do list that PeopleSoft Workflow creates. From the worklist, you can directly access the pages you need to perform the next action, and then return to the worklist for another item.
XML link	The XML Linking language enables you to insert elements into XML documents to create a links between resources.
XML schema	An XML definition that standardizes the representation of application messages, component interfaces, or business interlinks.
XPI	Abbreviation for *eXtended Process Integrator.* PeopleSoft XPI is the integration infrastructure that enables both real-time and batch communication with JD Edwards EnterpriseOne applications.

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yield by operation In PeopleSoft Enterprise Manufacturing, the ability to plan the loss of a manufactured item on an operation-by-operation basis.

zero-rated VAT Abbreviation for *zero-rated value-added tax.* A VAT transaction with a VAT code that has a tax percent of zero. Used to track taxable VAT activity where no actual VAT amount is charged. Organizations that supply zero-rated goods and services can still recover the related input VAT. This is also referred to as exempt with recovery.

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