

Oracle® Project Billing

User Guide

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Oracle Project Billing User Guide, Release 12.1

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Primary Author: Rinku Mohapatra

Contributor: Aritra Bandyopadhyay, Rajiv Degala, Umamaheswari Subramanian

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Oracle welcomes customers' comments and suggestions on the quality and usefulness of this document. Your feedback is important, and helps us to best meet your needs as a user of our products. For example:

- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
- Did you find any errors in the information?
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- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Oracle E-Business Suite Release Online Documentation CD available on My Oracle Support and www.oracle.com. It contains the most current Documentation Library plus all documents revised or released recently.

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Preface

Intended Audience

Welcome to Release 12.1 of the *Oracle Project Billing User Guide*.

This guide contains the information you need to understand and use Oracle Project Billing.

See Related Information Sources on page x for more Oracle E-Business Suite product information.

Deaf/Hard of Hearing Access to Oracle Support Services

To reach Oracle Support Services, use a telecommunications relay service (TRS) to call Oracle Support at 1.800.223.1711. An Oracle Support Services engineer will handle technical issues and provide customer support according to the Oracle service request process. Information about TRS is available at <http://www.fcc.gov/cgb/consumerfacts/trs.html>, and a list of phone numbers is available at <http://www.fcc.gov/cgb/dro/trsphonebk.html>.

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Structure

- 1 Overview of Oracle Project Billing**
- 2 Contract Projects**
- 3 Agreements and Project Funding**
- 4 Events**
- 5 Revenue Accrual**
- 6 Invoicing**
- 7 Inter-Project Billing**
- 8 Billing in a Global Environment**
- 9 Federal Government Projects**

Related Information Sources

You can choose from many sources of information, including online documentation, training, and support services, to increase your knowledge and understanding of Oracle Projects.

Integration Repository

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

Online Documentation

All Oracle E-Business Suite documentation is available online (HTML or PDF).

- **PDF** - See the Oracle E-Business Suite Documentation Library for current PDF documentation for your product with each release. The Oracle E-Business Suite Documentation Library is also available on My Oracle Support and is updated frequently.
- **Online Help** - Online help patches (HTML) are available on My Oracle Support.
- **Release Notes** - For information about changes in this release, including new features, known issues, and other details, see the release notes for the relevant product, available on My Oracle Support.
- **Oracle Electronic Technical Reference Manual** - The Oracle Electronic Technical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for each Oracle E-Business Suite product. This information helps you convert data from your existing applications and integrate Oracle E-Business Suite data with non-Oracle applications, and write custom reports for Oracle E-Business Suite products. The Oracle eTRM is available on My Oracle Support.

Guides Related to All Products

Oracle E-Business Suite User's Guide

This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) available with this release of Oracle Projects (and any other Oracle E-Business Suite products). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent programs.

You can access this user's guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

Oracle Projects Documentation Set

Oracle Projects Implementation Guide

Use this guide to implement Oracle Projects. This guide also includes appendixes covering function security, menus and responsibilities, and profile options.

Oracle Projects Fundamentals

Oracle Project Fundamentals provides the common foundation shared across the Oracle Projects products (Project Costing, Project Billing, Project Resource Management, Project Management, and Project Portfolio Analysis). Use this guide to learn fundamental information about the Oracle Projects solution.

This guide includes a Navigation Paths appendix. Use this appendix to find out how to access each window in the Oracle Projects solution.

Oracle Project Costing User Guide

Use this guide to learn detailed information about Oracle Project Costing. Oracle Project Costing provides the tools for processing project expenditures, including calculating their cost to each project and determining the General Ledger accounts to which the costs are posted.

Oracle Project Management User Guide

This guide shows you how to use Oracle Project Management to manage projects through their lifecycle - from planning, through execution, to completion.

Oracle Project Portfolio Analysis User Guide

This guide contains the information you need to understand and use Oracle Project Portfolio Analysis. It includes information about project portfolios, planning cycles, and metrics for ranking and selecting projects for a project portfolio.

Oracle Project Resource Management User Guide

This guide provides you with information on how to use Oracle Project Resource Management. It includes information about staffing, scheduling, and reporting on project resources.

Oracle Projects Glossary

The Oracle Projects glossary provides definitions of terms that are shared by all Oracle Projects applications. If you are unsure of the meaning of a term you see in an Oracle Projects guide, please refer to the glossary for clarification. You can find the glossary in the online help for Oracle Projects, and in *Oracle Projects Fundamentals*.

User Guides Related to This Product

Oracle Assets User Guide

In Oracle Assets, you can post capital project costs to become depreciable fixed assets. Refer to this guide to learn how to query mass additions imported from Oracle Projects to Oracle Assets and to review asset information. Use this guide to understand the implementation steps required for application use, including defining depreciation books, depreciation method, and asset categories. It also contains information on setting up assets in the system, maintaining assets, retiring and reinstating assets, depreciation, group depreciation, accounting and tax accounting, budgeting and budgetary control, online inquiries, impairment processing, and Oracle Assets reporting. This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle U.S. Federal Financials Implementation Guide

This guide provides information on how to implement Oracle U.S. Federal Financials. Use this guide to learn about the steps required to set up account codes, Federal reporting, subledger accounting, and other features used by U.S. Federal agencies and businesses that work with U.S. Federal agencies.

Oracle U.S. Federal Financials User Guide

This guide gives instructions for using Oracle U.S. Federal Financials. This product provides the basis for an integrated financial management solution for Federal agencies, providing features such as budgetary control, fund accounting, online funds checking, cost accumulation and allocation, United States Standard General Ledger (US SGL) accounts, Treasury cash accounts, regulatory and ad hoc reporting, multiple fund receivables accounting, and multiple organization capabilities.

Oracle Financials Implementation Guide

This guide describes how to implement the Oracle Financials E-Business Suite. It takes you through the steps of setting up your organizations, including legal entities, and their accounting, using the Accounting Setup Manager. You can find information on intercompany accounting and sequencing of accounting entries with relevant examples.

Oracle General Ledger Implementation Guide

This guide provides information on how to implement Oracle General Ledger. Use this guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

Oracle General Ledger User's Guide

This guide provides you with information on how to use Oracle General Ledger. Use this guide to learn how to create and maintain ledgers, ledger currencies, budgets, and journal entries. This guide also includes information about running financial reports.

Oracle Grants Accounting User Guide

This guide provides you with information about how to implement and use Oracle Grants Accounting. Use this guide to understand the implementation steps required for application use, including defining award types, award templates, allowed cost schedules, and burden set up. This guide also explains how to use Oracle Grants Accounting to track grants and funded projects from inception to final reporting.

Oracle HRMS Documentation Set

This set of guides explains how to define your employees, so you can give them operating unit and job assignments. It also explains how to set up an organization (operating unit). Even if you do not install Oracle HRMS, you can set up employees and

organizations using Oracle HRMS windows. Specifically, the following manuals will help you set up employees and operating units:

- **Oracle HRMS Enterprise and Workforce Management Guide**

This user guide explains how to set up and use enterprise modeling, organization management, and cost analysis.

- **Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide**

Use this guide to find out about setting up employees and managing your people resources.

Oracle Internet Expenses Implementation and Administration Guide

This guide explains how to configure Oracle Internet Expenses and describes its integration with other applications in the E-Business Suite, such as Oracle Payables and Oracle Projects. It describes the implementation steps required for application use, including how to set up policy and rate schedules, credit card policies, audit automation, and the expenses spreadsheet. You can also learn about the client extensions that you can use to extend the Oracle Internet Expenses functionality.

Oracle Inventory User's Guide

If you install Oracle Inventory, refer to this manual to learn how to define project-related inventory transaction types and how to enter transactions in Oracle Inventory. This manual also describes how to transfer transactions from Oracle Inventory to Oracle General Ledger.

Oracle Payables Implementation Guide

This guide provides you with information on how to implement Oracle Payables. Use this guide to understand the implementation steps required for how to set up suppliers, payments, accounting, and tax.

Oracle Payables User's Guide

This guide describes how to use Oracle Payables to create invoices and make payments. In addition, it describes how to enter and manage suppliers, import invoices using the Payables open interface, manage purchase order and receipt matching, apply holds to invoices, and validate invoices. It contains information on managing expense reporting, procurement cards, and credit cards. This guide also explains the accounting for Payables transactions.

Oracle Payments Implementation Guide

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements

against credit cards and bank accounts from Oracle Receivables. This guide also describes how Oracle Payments is integrated with financial institutions and payment systems for receipt and payment processing, known as funds capture and funds disbursement, respectively. Additionally, the guide explains to the implementer how to plan the implementation of Oracle Payments, how to configure it, set it up, test transactions, and how to use it with external payment systems.

Oracle Project Manufacturing Implementation Manual

Oracle Project Manufacturing allows your company to associate manufacturing costs and inventory with a project and task. Use this manual as your first source of information if you are implementing Oracle Project Manufacturing.

Oracle Property Manager Implementation Guide

Use this guide to learn how to implement Oracle Property Manager and perform basic setup steps such as setting system options and creating lookup codes, contacts, milestones, grouping rules, term templates, and a location hierarchy. This guide also describes the setup steps that you must complete in other Oracle applications before you can use Oracle Property Manager.

Oracle Property Manager User Guide

Use this guide to learn how to use Oracle Property Manager to create and administer properties, space assignments, and lease agreements.

Oracle Public Sector Financials User Guide

Oracle Public Sector Financials is an overlay of features that extend the existing functionality of Oracle Financials for the specific needs of the public sector. This guide provides information about setting up and using Oracle Public Sector Financials. These features include multi-fund accounts receivable, encumbrance reconciliation reports, Governmental Accounting Standards Board (GASB) 34/35 asset accounting, enhanced funds available inquiry, the Funds Available Detail report, and the Funds Check API.

Oracle Purchasing User's Guide

This guide describes how to create and approve purchasing documents, including requisitions, different types of purchase orders, quotations, RFQs, and receipts. This guide also describes how to manage your supply base through agreements, sourcing rules, and approved supplier lists. In addition, this guide explains how you can automatically create purchasing documents based on business rules through integration with Oracle Workflow technology, which automates many of the key procurement processes.

Oracle Receivables User Guide

This guide provides you with information on how to use Oracle Receivables. Use this

guide to learn how to create and maintain transactions and bills receivable, enter and apply receipts, enter customer information, and manage revenue. This guide also includes information about accounting in Receivables. Use the Standard Navigation Paths appendix to find out how to access each Receivables window.

Oracle Subledger Accounting Implementation Guide

This guide provides setup information for Oracle Subledger Accounting features, including the Accounting Methods Builder. You can use the Accounting Methods Builder to create and modify the setup for subledger journal lines and application accounting definitions for Oracle subledger applications. This guide also discusses the reports available in Oracle Subledger Accounting and describes how to inquire on subledger journal entries.

Oracle Time & Labor Implementation and User Guide

This guide describes how to capture work patterns such as shift hours so that this information can be used by other applications such as Oracle General Ledger and Oracle Projects.

Installation and System Administration

Maintaining Oracle E-Business Suite Documentation Set

This documentation set provides maintenance and patching information for the Oracle E-Business Suite DBA. *Oracle E-Business Suite Maintenance Procedures* provides a description of the strategies, related tasks, and troubleshooting activities that will help ensure the continued smooth running of an Oracle E-Business Suite system. *Oracle E-Business Suite Maintenance Utilities* describes the Oracle E-Business Suite utilities that are supplied with Oracle E-Business Suite and used to maintain the application file system and database. It also provides a detailed description of the numerous options available to meet specific operational requirements. *Oracle E-Business Suite Patching Procedures* explains how to patch an Oracle E-Business Suite system, covering the key concepts and strategies. Also included are recommendations for optimizing typical patching operations and reducing downtime.

Oracle Alert User's Guide

This guide explains how to define periodic and event alerts to monitor the status of your Oracle E-Business Suite data.

Oracle E-Business Suite Concepts

This book is intended for all those planning to deploy Oracle E-Business Suite Release 12, or contemplating significant changes to a configuration. After describing the Oracle E-Business Suite architecture and technology stack, it focuses on strategic topics, giving a broad outline of the actions needed to achieve a particular goal, plus the installation

and configuration choices that may be available.

Oracle E-Business Suite Developer's Guide

This guide contains the coding standards followed by the Oracle E-Business Suite development staff. It describes the Oracle Application Object Library components needed to implement the Oracle E-Business Suite user interface described in the *Oracle E-Business Suite User Interface Standards for Forms-Based Products*. It also provides information to help you build your custom Oracle Forms Developer forms so that they integrate with Oracle E-Business Suite. In addition, this guide has information for customizations in features such as concurrent programs, flexfields, messages, and logging.

Oracle E-Business Suite Installation Guide: Using Rapid Install

This book is intended for use by anyone who is responsible for installing or upgrading Oracle E-Business Suite. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle E-Business Suite Release 12, or as part of an upgrade from Release 11i to Release 12. The book also describes the steps needed to install the technology stack components only, for the special situations where this is applicable.

Oracle E-Business Suite System Administrator's Guide Documentation Set

This documentation set provides planning and reference information for the Oracle E-Business Suite System Administrator. *Oracle E-Business Suite System Administrator's Guide - Configuration* contains information on system configuration steps, including defining concurrent programs and managers, enabling Oracle Applications Manager features, and setting up printers and online help. *Oracle E-Business Suite System Administrator's Guide - Maintenance* provides information for frequent tasks such as monitoring your system with Oracle Applications Manager, administering Oracle E-Business Suite Secure Enterprise Search, managing concurrent managers and reports, using diagnostic utilities including logging, managing profile options, and using alerts. *Oracle E-Business Suite System Administrator's Guide - Security* describes User Management, data security, function security, auditing, and security configurations.

Oracle E-Business Suite User Interface Standards for Forms-Based Products

This guide contains the user interface (UI) standards followed by the Oracle E-Business Suite development staff. It describes the UI for the Oracle E-Business Suite products and tells you how to apply this UI to the design of an application built by using Oracle Forms.

Other Implementation Documentation

Oracle Diagnostics Framework User's Guide

This manual contains information on implementing and administering diagnostics tests

for Oracle E-Business Suite using the Oracle Diagnostics Framework.

Oracle E-Business Suite Flexfields Guide

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

Oracle E-Business Suite Integrated SOA Gateway Implementation Guide

This guide explains the details of how integration repository administrators can manage and administer the entire service enablement process based on the service-oriented architecture (SOA) for both native packaged public integration interfaces and composite services - BPEL type. It also describes how to invoke Web services from Oracle E-Business Suite by working with Oracle Workflow Business Event System, manage Web service security, and monitor SOAP messages.

Oracle E-Business Suite Integrated SOA Gateway User's Guide

This guide describes how users can browse and view the integration interface definitions and services that reside in Oracle Integration Repository.

Oracle E-Business Suite Multiple Organizations Implementation Guide

This guide describes how to set up and use Oracle Projects with the Multiple Organization feature for Oracle E-Business Suite, so you can define and support different organization structures when running a single installation of Oracle Projects.

Oracle iSetup User's Guide

This guide describes how to use Oracle iSetup to migrate data between different instances of the Oracle E-Business Suite and generate reports. It also includes configuration information, instance mapping, and seeded templates used for data migration.

Oracle Workflow Administrator's Guide

This guide explains how to complete the setup steps necessary for any product that includes workflow-enabled processes. It also describes how to manage workflow processes and business events using Oracle Applications Manager, how to monitor the progress of runtime workflow processes, and how to administer notifications sent to workflow users.

Oracle Workflow Developer's Guide

This guide explains how to define new workflow business processes and customize existing workflow processes embedded in Oracle E-Business Suite. It also describes how

to define and customize business events and event subscriptions.

Oracle Workflow User's Guide

This guide describes how Oracle E-Business Suite users can view and respond to workflow notifications and monitor the progress of their workflow processes.

Oracle XML Publisher Administration and Developer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce outputs to meet a variety of business needs. Outputs include: PDF, HTML, Excel, RTF, and eText (for EDI and EFT transactions). Oracle XML Publisher can be used to generate reports based on existing Oracle E-Business Suite report data, or you can use Oracle XML Publisher's data extraction engine to build your own queries. Oracle XML Publisher also provides a robust set of APIs to manage delivery of your reports via e-mail, fax, secure FTP, printer, WebDav, and more. This guide describes how to set up and administer Oracle XML Publisher as well as how to use the Application Programming Interface to build custom solutions. This guide is available through the Oracle E-Business Suite online help.

Oracle XML Publisher Report Designer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Using Microsoft Word or Adobe Acrobat as the design tool, you can create pixel-perfect reports from the Oracle E-Business Suite. Use this guide to design your report layouts. This guide is available through the Oracle E-Business Suite online help.

Training and Support

Training

Oracle offers a complete set of training courses to help you and your staff master Oracle Projects and reach full productivity quickly. These courses are organized into functional learning paths, so you take only those courses appropriate to your job or area of responsibility.

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

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Projects working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle E-Business Suite Data

Oracle **STRONGLY RECOMMENDS** that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle E-Business Suite.

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

Overview of Oracle Project Billing

This chapter covers the following topics:

- Overview of Oracle Project Billing
- Billing Options for Projects and Tasks
- Accounting Transactions

Overview of Oracle Project Billing

Oracle Project Billing provides you with the ability to define revenue and invoicing rules for your projects, generate revenue, create invoices, and integrate with other Oracle Applications to process revenue and invoices. Oracle Project Billing also integrates with Oracle Receivables.

Oracle Project Billing enables you to perform the following functions:

- Enter project customers and contacts with whom you have negotiated and contracted project work
- Enter agreements (contracts) from your customers and either:
 - fund projects with the agreements, or
 - apply receipts to agreements and fund projects with the advance amounts
- Generate revenue using various methods including time and materials, percent complete, and cost plus
- Create draft invoices from detail transactions and milestones for online approval by your project or accounting managers
- Generate revenue accounting events and create accounting in Oracle Subledger Accounting

- Report project revenue, invoice, and receivables status online and in reports

Billing Options for Projects and Tasks

You specify project and task options to control how Oracle Project Billing processes your transactions. Use the Options region in the Projects, Templates window to specify the billing options for your projects and tasks:

The following table lists the billing options you can specify for your project and tasks:

Billing Options	Description
Customers and Contacts	Use this option to specify your customers and contacts
Currency	Use this option to specify the billing currency conversion attributes
Billing	<p>Use this option to specify the following for a project:</p> <ul style="list-style-type: none"> - Distribution rule that determines the revenue accrual method and the invoice method for the project - Invoice formats - Retention withholding and retention billing formats - Funding rules - Other invoice information - Date-effective funds consumption
Billing Assignments	Use this option to assign a billing extension that creates revenue or billing events that suit your business needs
Credit Receivers	Use this option to define which employees receive credit for a project
Retention	Use this option to define retention terms for your project customer

Billing Options	Description
Bill Rates and Discount Overrides	<p>Use this option to define the following billing schedules for your project:</p> <ul style="list-style-type: none"> - Standard billing schedules - Employee bill rate and discount overrides - Job bill rate and discount overrides - Labor multipliers - Job assignment overrides - Job billing title overrides - Non-labor bill rate and discount overrides

For detailed setup instructions for each option, see: *Billing Setup, Oracle Projects Fundamentals*. For detailed setup instructions for billing implementation options, see: *Implementation Options, Oracle Projects Implementation Guide*.

Accounting Transactions

Oracle Project Billing allows you to generate draft invoices and draft revenue using separate processes, which you can run at different times. To allow for different billing cycles and revenue accrual, Oracle Projects creates the accounting distribution lines during invoice and revenue generation.

During the AutoInvoice process in Oracle Receivables, the balance on the advance is reduced (if applicable). The default account that is credited with the invoice amount is either the unbilled receivables (UBR) account or the unearned revenue (UER) account, depending on whether you accrue revenue before or after you generate invoices.

You can apply advance receipts to an agreement using the Apply Receipt window. When you run the program PRC: Generate Draft Invoices, the program reduces the available advance balance associated with the agreement.

Accounting Transactions for Revenue, Invoices, and Advances

The following examples illustrate how Oracle Projects accounts for revenue transactions.

Advance

After an advance receipt is applied to an agreement, Oracle Receivables creates the prepayment entry. The following table shows an example of a prepayment entry that Oracle Receivables creates:

Account	Debit	Credit
On Account Cash	200.00	
Prepayment		200.00

Revenue

Once revenue is created, Oracle Projects runs AutoAccounting to determine the appropriate default accounts. AutoAccounting selects all of the AutoAccounting parameters for each item or event, determines the account coding, validates the account coding against the general ledger, and updates each revenue distribution line with the appropriate default account.

Any items or events that fail in AutoAccounting are marked accordingly, and the associated draft revenue is marked with a generation error. See: Overview of AutoAccounting, *Oracle Projects Implementation Guide*.

Account	Debit	Credit
Unbilled Receivables and/or Unearned Revenue	200.00	
Revenue		200.00

Invoice

When you run the program to interface invoices to Oracle Receivables, Oracle Projects runs AutoAccounting to determine the appropriate default accounts. If the invoice fails AutoAccounting, then the program marks the draft invoice with an error. See: Overview of AutoAccounting, *Oracle Projects Implementation Guide*.

The following table shows entries Oracle Projects creates when the Interface Invoices to Oracle Receivables process is run:

Account	Debit	Credit
Receivables	200.00	
Unbilled Receivables and/or Unearned Revenue		200.00

Collections

The following table shows a Collections entry Oracle Receivables creates:

Account	Debit	Credit
Cash	200.00	
Receivables		200.00

The following table shows a prepayment matching entry that Oracle Receivables creates:

Account	Debit	Credit
Prepayment	200.00	
Receivables		200.00

Examples of Revenue and Invoice Accounting Transactions

The following examples shows accounting transactions for revenue accrual and billing.

Example 1: Accrue prior to billing

The following table shows a revenue transaction entry prior to billing:

Account	Debit	Credit
Unbilled Receivables	200.00	
Revenue		200.00

The following table shows an invoice transaction entry prior to billing:

Account	Debit	Credit
Receivables	200.00	

Account	Debit	Credit
Unbilled Receivables		200.00

Example 2: Invoice prior to accrual

The following table shows an invoice transaction entry prior to accrual:

Account	Debit	Credit
Receivables	200.00	
Unearned Revenue		200.00

The following table shows a revenue transaction entry prior to accrual:

Account	Debit	Credit
Unearned Revenue	200.00	
Revenue		200.00

Example 3: Accrue prior to invoicing and invoice partial amount of work

The following table shows a revenue transaction entry prior to invoicing:

Account	Debit	Credit
Unbilled Receivables	200.00	
Revenue		200.00

The following table shows a partial invoice transaction entry:

Account	Debit	Credit
Receivables	100.00	

Account	Debit	Credit
Unbilled Receivables		100.00

Example 4: Pre-bill and accrue more than pre-bill

The following table shows a pre-bill transaction entry:

Account	Debit	Credit
Receivables	200.00	
Unearned Revenue		200.00

The following table shows an accrue more than pre-bill transaction entry:

Account	Debit	Credit
Unearned Revenue	200.00	
Unbilled Receivables	100.00	
Revenue		300.00

Contract Projects

This chapter covers the following topics:

- Overview of Contract Projects
- Entering a Contract Project and Generating Revenue and Invoices
- Billing Methods
- Rates
- Integration with Oracle Project Contracts

Overview of Contract Projects

You use contract projects to track activities, cost, revenue, and billing for services performed for and reimbursed by a customer. Types of contract projects include:

- Time and Materials
- Fixed Price
- Cost Plus

Related Topics

Setting Up a Contract Project, page 2-1

Funding a Contract Project, page 3-6

Accruing Revenue for a Project, page 5-1

Invoicing a Project, page 6-1

Entering a Contract Project and Generating Revenue and Invoices

A contract project is the primary billing unit at which you specify the following

information:

- Revenue accrual method
- Billing method
- Billing cycle
- Other billing information

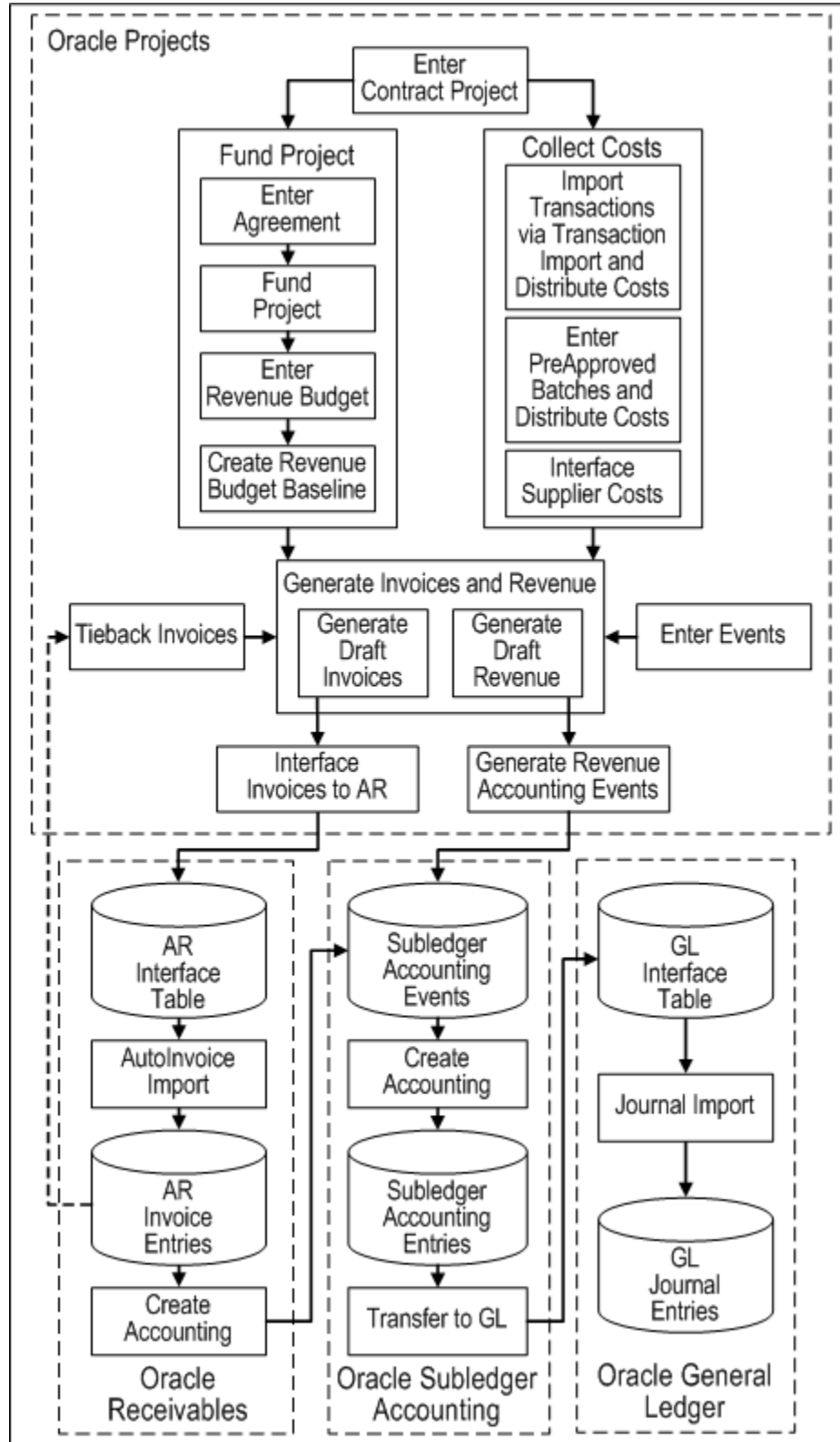
For contract projects, you define additional information for revenue accrual and billing based on requirements of your project, your company, and your customer. For example, you can enter billing terms, bill rates and billing titles, status, and credit receivers for contract projects only.

To enter a contract project and generate revenue and invoices

1. Enter a contract project and tasks. See: *Billing Options for Projects and Tasks, Oracle Projects Fundamentals*. See also: *Creating Projects, Oracle Projects Fundamentals*.
2. Enter an agreement. See: *Entering an Agreement, page 3-2*.
3. Fund the contract project. See: *Funding a Project, page 3-6*.
4. Enter and create a baseline version of the revenue budget for the contract project. See: *Entering a Budget Draft, Oracle Project Management User Guide* and *Creating a Baseline for a Budget Draft, Oracle Project Management User Guide*.
5. Optionally, perform adjustments. See: *Adjusting Expenditure Items, Oracle Project Costing User Guide* and *Types of Invoice Adjustments, Oracle Project Costing User Guide*.
6. Distribute costs, and generate invoices and revenue. See: *Submitting Requests, Oracle Projects Fundamentals*.

The following figure illustrates the flow for entering a contract project and generating revenue and invoices for the contract project:

Entering a Contract Project and Generating Revenue and Invoices



As illustrated in the figure Entering a Contract Project and Generating Revenue and Invoices, page 2-3, to enter a contract project and generate revenue and invoices, you must perform the following activities:

Enter Contract Project

You can copy a project template or another project to create a contract project. The project or project template that you copy must be associated with a contract class project type. You can then perform activities such as adding or removing tasks, updating billing information, updating billing overrides, and updating customer information.

Fund Project

Before you can generate revenue or invoices for a project, you must fund the project and create a baseline version of the revenue budget. The steps are as follows:

1. **Enter agreement:** Set up one or more agreements, with one or more customers, to define the funding source from your project customers.
2. **Fund project:** Fund the project by associating funding amounts from one or more customer agreements with the project.
3. **Enter revenue budget:** Enter a revenue budget for the project. The amount of the revenue budget must equal the total funding amount for the project.
4. **Create revenue budget baseline:** Create a baseline version for the project revenue budget.

Collect Costs

You can use expenditure transaction information to generate revenue. You can capture expenditure transaction data from the following the following sources:

- **Import transactions via Transaction Import and distribute costs:** You can import costed or uncosted expenditures. You must distribute the costs for any uncosted expenditures that you import to generate information for the Generate Draft Revenue process.

Note: To import expense reports costs, the transactions must be *Raw Cost GL Accounted*. You cannot import uncosted or unaccounted expense report transactions.

- **Enter preapproved batches and distribute costs:** For example, you can enter timecards, usage, and miscellaneous costs. You must run the cost distribution processes to generate information for the Generate Draft Revenue process.
- Interface supplier costs from Oracle Purchasing and Oracle Payables to Oracle Projects

Enter Events

Optionally, you can define project events in order to trigger the recognition of revenue, create revenue adjustments, or generate invoices based on event criteria that you specify.

Generate Draft Revenue

The revenue generation process calculates revenue and determines default revenue accounting using AutoAccounting. You can submit either the process PRC: Generate Draft Revenue for a Single Project or the process PRC: Generate Draft Revenue for a Range of Projects. After you generate revenue, you perform the following activities to complete revenue processing:

1. **Generate revenue accounting events:** Run the process PRC: Generate Revenue Accounting Events to calculate unearned revenue and unbilled receivables amounts and determine the default accounts using AutoAccounting. This process generates accounting events in Oracle Subledger Accounting.
2. **Create accounting:** The process PRC: Create Accounting creates draft or final accounting entries in Oracle Subledger Accounting for the accounting events. When you run the process in final mode, you can optionally choose to have it initiate the following activities:
 - **Transfer to GL:** The process can transfer the final accounting entries to the GL interface tables.
 - **Journal Import:** If you choose to transfer the final accounting to Oracle General Ledger, the process PRC: Create Accounting also initiates the Journal Import process in Oracle General Ledger. This process brings the revenue journal entries from the interface tables into Oracle General Ledger.
 - **Posting:** Optionally, if you choose to transfer the final accounting to Oracle General Ledger, then you can have the process initiate posting in Oracle General Ledger.

Generate Draft Invoices

The process generates customer invoices and determines a default receivables account using AutoAccounting. You can run either the process PRC: Generate Draft Invoices for a Single Project or the process PRC: Generate Draft Invoices for a Range of Projects. After you generate, approve, and release the invoice, you perform the following activities to complete invoice processing:

1. **Interface invoices to AR:** Run the process PRC: Interface Invoices to Receivables to calculate the unearned revenue and unbilled receivables amount and determine the default accounts using AutoAccounting. This process interfaces the draft invoices to the Oracle Receivables interface tables.
2. **AutoInvoice Import:** Run AutoInvoice Import in Oracle Receivables to import the invoices into Oracle Receivables from the interface tables.

3. **Tieback invoices from receivables:** Run the process PRC: Tieback Invoices from Receivables in Oracle Projects to confirm the interfaced amounts.
4. **Create Accounting:** Run the process Submit Accounting in Oracle Receivables to create accounting for the invoices in Oracle Subledger Accounting. When you run this process, you can choose to create draft or final accounting entries in Oracle Subledger Accounting. When you choose to create the accounting entries in final mode, you can optionally choose to have the process initiate the following activities:
 - **Transfer to GL:** The process can transfer the final accounting entries to the GL interface tables.
 - **Journal Import:** If you choose to transfer the final accounting to Oracle General Ledger, the process Submit Accounting also initiates the Journal Import process in Oracle General Ledger. This process brings the invoice journal entries from the interface tables into Oracle General Ledger.
 - **Posting:** Optionally, if you choose to transfer the final accounting to Oracle General Ledger, then you can have the process initiate posting in Oracle General Ledger.

Billing Methods

You use billing methods to specify how Oracle Projects generates bills for projects.

The following table shows the predefined billing methods in Oracle Projects:

Billing Method	Description
Cost/Cost	Accrues revenue and bills using the ratio of actual cost to budgeted cost (percent complete)
Cost/Event	Accrues revenue using the ratio of actual cost to budgeted cost (percent complete) and bills based on events
Cost/Work	Accrues revenue using the ratio of actual cost to budgeted cost (percent complete) and bills as work occurs
Event/Event	Accrues revenue and bills based on events
Event/Work	Accrues revenue based on events and bills as work occurs

Billing Method	Description
Work/Event	Accrues revenue as work occurs and bills based on events
Work/Work	Accrues revenue and bills as work occurs

To specify the billing method for a project, see: Billing Information, *Oracle Projects Fundamentals*.

Rates

A bill rate is an amount or percentage that is applied to a unit (of time and materials) to calculate revenue and invoicing. Bill rates are used for time and materials projects. You can specify the following bill rates in Oracle Projects:

- Employee Bill Rates: Standard hourly bill rates or percentage markups assigned to employees. You can assign a different bill rate to each employee for customer invoicing.
- Job Bill Rates: Standard hourly bill rates assigned by job title. For example, all System Administrators can have one bill rate, while all Consultants can have a different bill rate.
- Non-Labor Bill Rates: Standard bill rates or standard markups assigned to non-labor expenditure type or non-labor resources.

Related Topics

Standard Billing Schedules, *Oracle Projects Fundamentals*

Using Rates for Billing, *Oracle Projects Fundamentals*

Rate Schedule Definition, *Oracle Projects Implementation Guide*

Assigning Bill Rates

You can assign and override the bill rates that are defined during implementation. Use the Bill Rates and Overrides options in the Projects, Templates window to override bill rates. See: Rate Overrides, *Oracle Projects Fundamentals*.

Controlling Billing by Top Task

You can control revenue accrual and invoices by the top task of a project.

1. Navigate to the Control Billing by Top Task window.
2. Find the project you want.
3. Indicate whether you want to hold, accrue, or bill:
Hold Accrual Choose this button to hold revenue accrual for this project at this top task.
Hold Billing Choose this button to hold billing for this project at this top task.
Ready to Accrue Choose this button if you are ready to accrue for this project at this top task.
Ready to Bill Choose this button if you are ready to bill for this project at this top task.
4. Save your work.

Related Topics

Accruing Revenue for a Project, page 5-1

Invoicing a Project, page 6-1

Integration with Oracle Project Contracts

Oracle Project Billing integrates with Oracle Project Contracts to create delivery based billing events that drive billing based on completed deliverables in the Deliverable Tracking System.

Delivery-Based Billing Events

Delivery-based billing events are created based on completed deliverables in the Deliverable Tracking System (DTS) in Oracle Project Contracts. They are used only with Oracle Project Contracts integration.

In the Oracle Project Contracts DTS, you can designate a contract deliverable line as billable. After a contract deliverable is delivered to the customer, the DTS initiates an Oracle Projects event. The billing event is automatically created in Oracle Projects for further processing. You can bill either individual events or multiple events at once.

Generating a Delivery-Based Billing Event from the DTS

When items are ready for billing (for example, shipped and inspected), you can select all billable deliverables ready for billing, enter an event type and date, and create an event eligible for draft invoicing.

Note: You cannot add, edit, or delete events created from the Oracle

Project Contracts DTS in Oracle Projects. Changes to events must be made in the DTS.

Tie Back Billing Event to Deliverables

You can tie back the billing event created for a deliverable to the deliverable for collection activity tracking.

Workflow Message to Project Manager on Event Creation

The project manager can receive a workflow notification that a billing event has been created for the contract project. The project manager can then review the event and make changes as necessary in the Oracle Project Contracts DTS.

See also: *Oracle Project Contracts User Guide*.

Events Summary Window: Delivery-Based Billing Fields

The fields in the Events Summary window display information about delivery-based billing events created from the Oracle Project Contracts DTS. These fields are display-only.

The following table shows the Delivery Based Billing Events fields in the Event Summary window:

Item	Description
Bill Quantity	Quantity of billed amount.
UOM	Unit of measure.
Inventory Organization	If populated, the inventory organization of the inventory item being billed.
Inventory Item	The inventory item being billed.
Unit Price	The unit price (total event amount divided by bill quantity).
Reference1 through Reference10	User-defined reference fields.

Subprojects Association

If you are using Oracle Project Contracts, you can associate a project task with one or

more projects to create a project hierarchy. This project hierarchy provides you with the ability to have multiple billing methods per project, complex organizational work structures, and different overhead rate structures within a project. For more information about billing project contracts, see: *Oracle Project Contracts User Guide*.

You can select either the project number or project name for each project with which you want the task associated. The View Subproject button displays the Projects, Templates window for the selected project.

Agreements and Project Funding

This chapter covers the following topics:

- Agreements
- Project Funding
- Funding Revaluation
- Project Funding Inquiry Window Reference
- Quick Agreement / Funding Projects
- Funding a Project Template
- Copying a Template to Create a Quick Agreement Project
- Budgeting for Project Templates

Agreements

In Oracle Projects, an agreement represents any form of contract, written or verbal, between you and one of your customers. For example, an agreement may correspond to a purchase order, a continuing service agreement, or a verbal authorization.

Related Topics

Entering Agreements, page 3-2

Defining an Agreement

An agreement provides the funding for projects and tasks. Each agreement you define includes the following items:

- A customer
- A hard or a soft limit for revenue and/or invoice

- A currency amount
- An organization that owns the agreement

If you specify a hard revenue and invoice limit on an agreement, Oracle Projects prevents revenue accrual and billing activity beyond the amount you funded to a particular project or task.

If you specify a soft revenue and invoice limit, Oracle Projects provides a warning telling you when revenue and billing for the project exceeds the amount you funded.

Note: You can specify a hard limit for both revenue and invoice limit, or a hard limit for revenue or invoice limit.

No project or task can accrue revenue without an agreement to fund its revenue budget.

Entering Agreements

You can enter an agreement representing a purchase order, retainer letter, or any other funding agreement you make with a customer in any currency regardless of your project functional currency. When you record an agreement, you can specify payment terms for invoices against the agreement, and whether there are limits to the amount of revenue you can accrue and bill against the agreement. See also Agreement Templates, page 3-27 and Quick Agreement/Funding Projects, page 3-25.

If it is required by your business, you can apply advance receipts to an agreement.

From the Agreements window, you can open the Funding window to allocate funds to one or more projects (or to top tasks within a project), and to see how much unused funding remains for an agreement. Each agreement that funds a project can be entered in a different currency.

For any agreement, you can review the revenue and billing activity associated with the agreement, such as the amount of revenue accrued, the amount invoiced, and the amount of funding that is allocated and has a baseline.

All revenue and invoices in Oracle Projects are recorded against an agreement, and all items that accrue revenue against an agreement subsequently bill against the same agreement.

To enter an agreement

1. Navigate to the Agreement window.
2. Enter the Customer who is providing the agreement funding.
3. Enter the name of the operating unit to which the agreement belongs.
4. Enter a Number to identify this agreement, such as the customer's purchase order number.

The agreement number must be unique for this customer and agreement type, although two customers can each have an agreement with an identical agreement number.

Important: You cannot change this number once you create an invoice against this agreement and interface the invoice to Oracle Receivables.

5. Enter an agreement Type.
6. Choose the currency code of the agreement from the list of values. The list of values is restricted to the currencies defined in Oracle General Ledger.

Note: The currency field can only be updated if the Multi Currency Billing implementation option is enabled at the operating unit and the funds have not been allocated.

7. Enter the Amount of this agreement.
8. Enter the payment terms (defined in Oracle Receivables) for any invoices funded by this agreement.
9. Choose the Revenue Hard Limit or/and Invoice Hard Limit check box to impose a hard limit on revenue accrual and invoice generation for projects funded by this agreement. Otherwise, Oracle Projects imposes a soft limit.

A **hard limit** prevents revenue accrual and invoice generation beyond the amount allocated to a project or task by this agreement. A **soft limit** issues a warning when revenue accrual and invoice generation exceed the amount allocated to a project or task.

10. If advance receipts application is required by your business, enable Advance Required.
11. Enter a start date and an expiration date for the agreement. You can leave the expiration date blank if you do not want the agreement to expire. If you generate draft revenue or an invoice for projects funded by this agreement after the agreement expiration date, Oracle Projects creates distribution warnings for revenue and invoices.
12. Optionally enter a Description of this agreement.
13. Enter the administrator of the agreement.

Note: An agreement administrator can be a future-dated employee.

However, this is not recommended or likely, because agreement owners are almost always current employees.

14. Enter the name of the organization that owns the agreement.

Note: You can choose any project owning organization (in the project owning organization hierarchy assigned to the operating unit) as the organization that owns the agreement.

15. Enter a Creation Date.
16. If you want to control the order in which the Agreement funding is consumed, then enter a Billing Sequence Number.
17. Optionally enter Customer Order Number and Line of Accounting.
18. Save your work.

Agreements with Advance Payments

You can require advance payments on an agreement and record advance payments as they are made. When you generate draft invoices for projects that are funded by the agreement, the advance balance that is displayed on the funding summary is reduced. You then interface the invoice to Receivables. The AutoInvoice process in Oracle Receivables reduces the balance on the advance.

You cannot apply advance payments to agreements that fund intercompany projects or projects in other operating units.

Note: If an agreement is Advance Required enabled and a portion of the funding available is allocated to a project, you must apply receipts to enable further funding and view total and available agreement funding amounts.

Requiring Advance Payments

You can set up an agreement to require advance payments by selecting the Advance Required on the agreement. You can also use the Advance Required client extension to determine which agreements require advance payments. On these agreements, you can enter funding only up to the amount of advance payments.

The ability to change the Advance Required agreement option is controlled by function security.

Entering an Advance Payment

You enter advance payments in Oracle Receivables. When you enter advance payments in Oracle Receivables, you enter the following attributes:

- Enter the receipt in the same operating unit that owns the associated agreement.
- For Receipt Customer, enter the agreement customer.
- For Receipt Currency, enter the agreement currency

Applying a Receipt

To apply advance payments:

1. In the Agreements window, query the agreement to which you want to apply payments.
2. Choose Apply Receipts.
3. In the Apply Receipts window, select a receipt. The receipts that are displayed are those that have been entered for the agreement customer in the agreement currency, and that have not been fully applied.
4. The On Account Amount field displays the amount remaining to be applied from the selected receipt. Enter the Advance Amount that you want to apply to the agreement.

You can apply multiple receipts can be applied to one agreement. You cannot apply the same receipt to multiple agreements.

Canceling Application of a Receipt

To cancel ("unapply") advance payments:

1. In the Agreements window, query the agreement to which you want to cancel an advance payment.
2. Choose Unapply Receipts.
3. In the Unapply Receipts window, select a receipt. The receipts that are displayed are those that have been applied to the agreement.
4. Choose Unapply Receipt.

Viewing Receipts

To view receipts applied to an agreement:

1. In the Agreements window, query the agreement to which you want to apply payments.
2. Choose View Receipts.
3. The View Receipts window displays receipts that have been applied to the agreement.

Viewing Agreement Summary Amounts

To view agreement summary amounts:

1. Query the agreement you want to review in the Agreement window. The Summary Amounts region displays the overall agreement amounts in the agreement's currency for the following:
 - Amount of the Agreement
 - Allocated, Not Baseline Funding
 - Allocated, Baseline Funding
 - Not Allocated
 - Net Revenue
 - Revenue Write-off
 - Invoiced Amount
 - Advance Amount
2. Choose the Summary button to view the funding and billing amounts for the agreement in more detail in the Summary Project Funding window.
3. Choose Funding History in the Funding Summary window to view the allocation history for this agreement.

Project Funding

You must fund a project before the project can accrue revenue and be billed. Funding is the step that allocates an amount associated with a customer agreement to a specific project. The total amount of allocated project funding must equal the current approved project revenue budget amount in order to successfully baseline the project. Optionally, top tasks on projects can be individually funded. If top tasks are funded, then the same requirement of matching budget amounts to funding amounts applies at the top task level of the project.

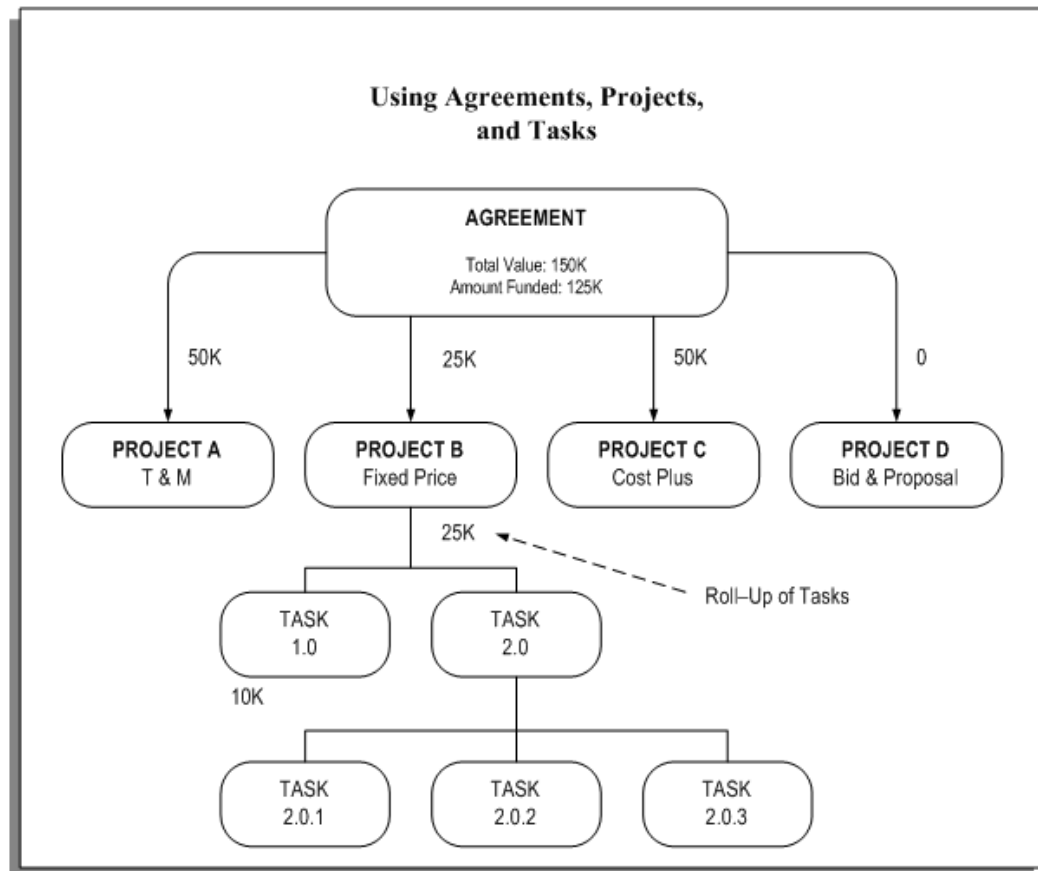
Oracle Projects allows you to define agreements, projects, and tasks to organize your project work. Funding Multiple Projects and Tasks, page 3-8 illustrates an example of how you can use an agreement to fund multiple projects and tasks.

In this example, a single agreement is used to fund four projects. The agreement has a total value of \$150,000. The amount funded is \$125,000.

- Project A, a time and materials project, is funded at \$50,000 at the project level.
- Project B, a fixed price project, is funded at \$25,000. It has a work breakdown structure with two tasks, namely Task 1.0 and Task 2.0. Task 1.0 is funded at \$10,000. The remainder of the funding for Project B is assigned to Task 2.0. Task 2.0 has three sub-tasks: Task 2.0.1, Task 2.0.2, and Task 2.0.3.
- Project C, a cost plus project, is funded at \$50,000.
- Project D, a bid and proposal project, has been funded with \$0. While this does not allow the project to generate any revenue, it gives the user a link to relate specific bid & proposal projects to agreements for reporting purposes.

The Agreements section, page 3-1 describes how to use agreements to fund projects and tasks in more detail.

Funding Multiple Projects and Tasks



In Oracle Projects, an agreement represents any form of contract, written or verbal, between you and one of your customers. For example, an agreement may correspond to a purchase order, a continuing service agreement, or a verbal authorization.

Related Topics

Entering Agreements, page 3-2

Fund Across Operating Units

You can fund different projects across operating units by enabling the Allow Funding Across Operating Units functionality in the Billing tab of the Implementation Options window. See: Allow Funding Across Operating Units, *Oracle Projects Implementation Guide*

Fund at the Project Level

There are many different ways to link agreements, projects and tasks. You should learn

the benefits and consequences of each method to create clear policies.

If you use the Date-Effective Funds Consumption option on a project, the billing sequence and effective dates for each agreement determine the order in which agreements/customers are invoiced for projects funded by multiple agreements.

Amounts are not prorated between agreements when hard limits are met. In this case, you do not specify a percentage contribution for each customer.

One Customer, One Agreement

Use one agreement when you have one customer and one contract.

This should be your most frequent case. All revenue is accrued and all invoices billed against the same agreement. The same agreement may fund other projects without changing the operation of the system.

Multiple Customers, One Agreement Per Customer

Use one agreement per customer when you have multiple paying customers, no additional contracts with any of the customers, and a requirement to invoice by contract.

All revenue and invoice amounts are divided between customers according to the percentage splits defined for the project in the Customers and Contract Project options. Each run of revenue generation creates one draft revenue per customer, and each run of invoice generation creates one draft invoice per customer. The draft revenue and invoices for all customers contain the same items, but with prorated amounts.

Oracle Projects supports only one percentage split between customers over the life of a project. You cannot change an existing percentage split.

One Customer, Multiple Agreements

Use multiple agreements when you have one customer, but several contracts, and a requirement to invoice by contract.

For example, a project that was originally funded by one purchase order is subsequently funded by another purchase order. The customer has requested that each invoice reference a specific purchase order. In this case, you would fund the project from two agreements, one for each purchase order. The PRC: Generate Draft Invoice process produces two invoices - one against each purchase order agreement from which funding is used.

When generating an invoice for expenditure items or events for a project that is enabled for Date-Effective Funds Consumption and has multiple agreements with available funds, the billing process first looks at the start date and end dates of the agreements.

If the expenditure items or events fall within the dates of more than one agreement, the billing process uses the billing sequence number to determine the application order of agreements. If the Date-Effective Funds Consumption option on a project is not enabled, the billing process uses hard limit agreements first followed by soft limit

agreements in order of agreement expiration date and prorates items between the agreements used.

Multiple Customers, Multiple Agreements Per Customer

Use multiple agreements per customer when you have multiple paying customers, multiple contracts with one or more of the customers, and a requirement to invoice by contract.

This method is a combination of the two above. Revenue is prorated between the customers according to their percentage split. For each customer, revenue is placed on agreements by the same rules as for multiple agreements and a single customer.

Fund at the Task Level

One Customer, One Agreement

Use one agreement when you have one customer and one contract.

Use this method only if you want to accrue revenue cost-to-cost at the task level or impose hard or soft revenue limits at the task level.

Task level funding with one agreement does NOT create separate task invoices. However, you can define an invoice format to group expenditure items by task.

Important: If you enter funding for a project at the top task level, you must assign invoice formats (for labor, non-labor, and retention) to the project that use a top task level grouping option. You assign invoice formats in the Revenue and Billing Information window. If you assign invoice formats that use a project level grouping option, Oracle Projects does not generate invoices for the project.

If you enter funding for a project at the project level, you can assign invoice formats to the project that use either a project level or top task level grouping option.

Case Study: Funding for Hard Limits at the Task Level

Fremont Corporation has a contract with XYZ Company for \$100,000. There are three phases to the project, each with a separate hard limit. Each phase is set up as a top task, and funded with a hard revenue limit:

- Task 1: Design (\$20,000)
- Task 2: Programming Services (\$60,000)
- Task 3: QA/Testing (\$20,000)

One Customer, Multiple Agreements

Use multiple agreements when you have one customer, but a requirement to create a separate invoice for each top task.

You can use this method to accrue revenue cost-to-cost or impose hard or soft revenue limits by task, as well as automatically create separate invoices by task.

To create separate invoices by task, you must use a different agreement to fund each task. If you use more than one agreement for a single task, the agreements are used according to the precedence described earlier for projects.

For any agreement, you can review the revenue and billing activity associated with the agreement, such as the amount of revenue accrued, the amount invoiced, and the amount of funding that is allocated and has a baseline.

Multiple Customers, One Agreement Per Customer

Use one agreement per customer when you have multiple paying customers with one customer paying for each piece of the work, no additional contracts with your customers, and a requirement to invoice by contract.

Note: To define project customers with no contribution and associate them with each top task, enable Customer at Top Task on the project Revenue and Billing Information option.

To define project customers with no contribution (so that the system uses Date-Effective Funds Consumption logic to determine what to bill each customer) and fund the project at the task level, enable Date-Effective Funds Consumption as part of the project Revenue and Billing Information option.

Multiple Customers, Multiple Agreements Per Customer

Use multiple agreements per customer when you have multiple paying customers with one customer paying for each piece of the work, multiple contracts with one or more of the customers, and a requirement to invoice by contract.

Note: To define project customers with no contribution and associate them with each top task, enable Customer at Top Task on the project Revenue and Billing Information option. Oracle Project Billing then groups all revenue and invoice amounts by top task and bills the customer associated with the top task.

To define project customers with no contribution (so that the system uses Date-Effective Funds Consumption logic to determine what to bill each customer) and fund the project at the task level, enable Date-Effective Funds Consumption as part of the project Revenue and

Billing Information option.

Funding Multiple Projects With One Agreement

You can allocate funds from one agreement to any number of projects or top level tasks.

If your business deals with very large contracts, and divides the work into separate projects, you can use one agreement to fund each project. You may assign some of the work to a time and materials project, other work to a fixed price project, and other related bid and proposal work to an indirect project. The agreement represents the total value of the contract. You can generate separate invoices for each contract project.

An agreement may also represent a contract to do an unspecified amount of work over a period of time. You can create a project as various pieces of work are defined. Each of these projects is funded by the master agreement.

Funding a Project

You can allocate an agreement's funds to a project or top-level task in the agreement's currency. Using conversion attributes, each funding amount in the agreement currency is converted to the project functional and project currency. You can divide these funds among several projects or tasks. In addition to allocating funds, you can reverse agreement funding from a project or task, up to the amount accrued or invoiced. See: *Currency Conversion Attributes, Oracle Projects Fundamentals*.

Note: You cannot fund at the task level for multiple-customer projects unless the Customer at Top Task option is enabled or the Date-Effective Funds Consumption option is enabled.

You can also view the funding line's baseline status for this project or task.

Note: Only baseline funding is used for revenue or invoice generation.

When a project is funded by amounts that are in more than one currency, the funding amounts are converted to a common currency to determine a project's total funding across all agreements. The processes that generate revenue and invoices for a project use this total amount. During revenue and invoice processing, Oracle Projects performs fund checking using the total funding amount in the project functional currency (revenue) and invoice processing currency (invoice).

Note: The funding currency can be used as the invoice processing currency only when all funding amounts are in the same currency.

To fund a project:

1. Navigate to the Agreement form and query the agreement you want.
2. Choose the Funding button.
3. In the Fund Projects window, enter the number of the project you want to fund with this agreement. The list of values displayed for this field is dependent on the following:
 - If Allow Funding Across Operating Units is enabled for your operating unit, then:
 - The list of values contains projects from other operating units
 - If multi-currency is disabled for a project, then:
 - The list of values is restricted to projects whose project functional currency is the same as the agreement currency.
 - The list of values contains all projects for which the Allow Funding Across Operating Units functionality is enabled.
 - If multi-currency is enabled for a project, then:
 - The list of values contains all projects except projects whose invoice processing currency is selected as the funding currency, and that already have funding in a currency that is different from the agreement currency.

For example, if a project with the invoice processing currency equal to the funding currency has already been funded by an agreement in GBP (agreement currency), then you cannot fund the project with another agreement in a different currency (EUR).
 - If receipts are applied to the agreement, then:
 - You cannot fund the projects from other operating units, and
 - You cannot fund the intercompany projects
4. Enter the number of the top-level task you want to fund with this agreement. If you do not want to restrict funding for a particular task, leave this field blank.

Note: If the project is funded at the task level and the Customer at Top Task option is enabled for the project, the list of values is restricted to the top tasks associated with the customer.
5. Enter the Amount you want to allocate to this project or task.

6. Enter a Date to record when you allocated agreement funds to this project or task. The Date Allocated is used as the rate date to determine the exchange rate when the Rate Date Type for the project's funding currency attribute is PA/Invoice Date.
7. If you enter an agreement currency that is different from the project functional currency, use the Folder tools to enter the conversion attributes when you fund the agreement in the Fund Projects window.
8. Enter the Funding Classification to indicate the nature of the allocations. Funding lines can be aggregated by funding classification and reported accordingly using Project Intelligence. See: Using Project Intelligence chapter in *Oracle Daily Business Intelligence*.
9. Save your work.

Reviewing Project Funding Information

To review project funding information:

1. Query the project or agreement in the Project Funding Inquiry window. See: Project Funding Inquiry Window Reference, page 3-23.

You can access the Project Funding Inquiry window can be accessed from the Fund Projects window.

Reversing Funds from a Project

To reverse funds from a project:

1. Enter a negative amount if you want to reverse funds from a project or task and allocate the funds elsewhere, or to leave the funds available for future funding. You can decrease the funding amount up to the amount already accrued or invoiced for the project or task.

Related Topics

Currency, *Oracle Projects Fundamentals*

Currency Conversion Attributes, *Oracle Projects Fundamentals*

Funding Revaluation

Funding revaluation allows you to periodically revalue your project funding, taking into account the effects of currency fluctuations between funding and project functional currency. Companies operating in a multi currency environment, with fixed price contracts, typically require that project funding amounts reflect the fluctuations in the currency exchange rate by:

- Revaluating project funding prior to revenue and invoice processing by:

- Considering currency fluctuations between funding and functional currency on funding backlog
- Creating funding adjustment lines in functional currency
- Including foreign exchange gains and losses (FXGL) for paid invoices on project revenue
- Auditing the revaluated funding amounts and components, and reprocess revaluation as needed

Revalue Funding

Before generating revenue and processing invoices, funding is revalued to determine the total available funding on a project and to ensure that invoices are generated in accordance with the hard limits set. To revalue funding, you run the following concurrent programs:

- PRC: Revalue Funding for a Single Project
- PRC: Revalue Funding for a Range of Projects

Projects are included in the concurrent programs and eligible for revaluation based on the following criteria:

- The project level option Revalue Funding is enabled
- It is a contract project with baseline funding
- The project has no unreleased draft revenue or invoices
- The project has no unbaseline revaluation adjustment funding lines - applicable only for the PRC: Revalue Funding for a Range of Projects process.

Note: The PRC: Revalue Funding for a Single Project process will delete the unbaseline revaluation adjustment funding lines, and the realized currency gains and losses events, which are created by an earlier run.

Funding Revaluation Components

The Funding Revaluation process includes the following components:

- Backlog
- Paid Invoices

- Unpaid Invoices
- Realized Gains and Losses

To view the detailed components used in the Funding Revaluation process, you run the audit report AUD: Revaluated Funding Audit Report.

Funding Backlog

The Revaluate Funding process first determines the current project funding backlog amount. Project funding backlog is the remaining project funding available to be billed to the customers. The funding backlog subject to revaluation is the total baseline funding amount less invoices issued to customers, both paid and unpaid.

After deriving the funding backlog amount, the Funding Revaluation process calls the Funding Revaluation Factor client extension. The Funding Revaluation Factor client extension allows you to apply a funding revaluation factor to the funding backlog amount. This extension can be used to implement escalation indices defined for a contract. The factor can increase or decrease the funding backlog amount subject to revaluation and is applied to the funding backlog amount in the funding currency. The funding revaluation rate is applied to the funding backlog amount to derive the revaluated backlog amount in project functional and invoice processing currency.

The process then creates a net funding adjustment line with the funding line classification "Revaluation" in the project functional currency. The process adjusts the current value of project funding available for revenue and invoice processing. If you have the option "Baseline Funding Without Budget" enabled, you can automatically create a baseline for the funding adjustments and update the budgets as part of the revaluation process. If this option is not enabled, you must adjust the budgets and create a baseline for the funding adjustments manually after revaluating funding.

To enable funding revaluation for a project you must check the Revaluate Funding check box when you set up your project types and projects.

Note: Revaluated Backlog amounts are calculated for both the invoice processing currency (IPC) and the project functional currency (PFC).

Include Foreign Exchange Gains And Losses (FXGL)

You can optionally include gains and losses for paid and unpaid project invoices, in the Funding Revaluation process. The process calculates the foreign exchange gain or loss (FXGL) associated with the project and agreement, and adjusts project revenue accordingly. The gain or loss will increase or decrease the revenue for the project but will not affect the unbilled receivables or unearned revenue amounts.

To include the effects of the foreign exchange gains and losses in the project revenue, you must:

- Enable the "Funding Revaluation Includes Gains and Losses" option at the implementation, project type and project level.
- Define event types for the Realized Gains and Realized Losses event classifications in the Billing tab of the Project Types window.
- Setup the function transactions, Realized Gains Account and Realized Losses Account for the AutoAccounting function Revenue and Invoice Account.

Paid Project Invoices

When cash is applied to invoices, Oracle Receivables calculates and posts the realized gains and losses to the General Ledger currency gain and loss accounts of the operating unit. The Revalue Funding process includes these gains and losses on paid project invoices to record the effect of the transaction as a realized gain or loss against the project revenue.

Unpaid Project Invoices

Unpaid project invoices consist of all issued project invoices less AR cash receipts. Issued project invoices include all released project invoices whether or not they have been transferred to Oracle Receivables. Though the cash applied in AR may include tax and other components as defined by the cash application rules, the revaluation process considers only the cash applied to the invoice line type "Line."

The paid project invoices are deducted from the total project invoiced to determine the unpaid project invoice amounts. The resulting unpaid project invoice amount is revalued by applying the revaluation rate.

Note: When determining unpaid project invoice amounts with retention lines, cash receipt amounts applied to retention invoices are treated like regular invoices, except when retention is at the project level and funding is at the task level. In that case, applied cash is allocated at the task level on a first in first out basis. Cash is first applied to the earliest retention line at the task level. After that line is paid, the remaining cash is applied to the second retention line, and so on.

Revaluated Funding in Project Functional Currency (PFC)

The revaluated funding in project functional currency is calculated as follows:

Total Revaluated Funding Amount in PFC = Revaluated Funding Backlog in PFC + Revaluated unpaid project invoice amount in PFC + Cash applied to project invoices in PFC + Realized Gains - Realized Losses.

The net funding adjustment in PFC = Total Revaluated funding amount in PFC - Total baseline funding amount in PFC before revaluation.

Revaluated Funding in Invoice Processing Currency (IPC)

Funding revaluation needs to be performed in the invoice processing currency to revalue the backlog in IPC to control future invoicing. The revaluated funding in invoice processing currency is calculated as follows:

Total Revaluated Funding Amount in IPC = Revaluated Funding backlog in IPC

The net funding adjustment in IPC = Total Revaluated funding amount in IPC - Prior baseline funding adjustment amount in IPC - Funding backlog in IPC before revaluation

To track your revaluation currency gains and losses differently from the unbilled receivable realized gains and loss account, you must set up function transactions called *Realized Gains Account* and *Realized Losses Account* for the AutoAccounting function *Revenue and Invoice Accounts*. Oracle Projects uses AutoAccounting to determine the default realized gains and realized losses accounts.

Important: You must set up Oracle Projects AutoAccounting so that the derived accounts match the general ledger currency realized gains and realized losses accounts in Oracle Receivables.

If you define your own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Projects derives using AutoAccounting. If you define your own subledger accounting rules, then you must set up rules so that the derived accounts match the general ledger currency realized gains account and realized losses account in Oracle Receivables.

Reviewing Funding Adjustment Lines

You can view the various revaluation components of the funding adjustment line from the folder in the Funding History window. Navigate to the Project Funding Inquiry window and select an Agreement in the Summary by Agreement region. Click on the Funding History button. You can choose the various revaluation component fields to include in the folder.

Example of Funding Revaluation

Following is an example of how funding revaluation is calculated for a company whose functional currency is different from the funding currency.

In this example the company has the following agreement in place with a customer:

- The functional currency of the operating unit of the company is US Dollars (USD)
- The customer's agreement/funding is provided in British Pounds (GBP)
- Project functional currency (USD) is selected as the invoice processing currency
- Agreement funded on 01-Jan-2001
- Customer requests to be invoiced in GBP

The following table shows the billing transactions that occur during the Jan-2001 period:

Date	Description	Funding Currency (GBP)	Exchange Rate (GBP:USD)	Project Functional Currency (USD)	Exchange Rate (GBP:USD)	Invoice Processing Currency (USD)
01-Jan-2001	Total project funding amount [A]	1,000,000 GBP		1,550,000 USD		1,550,000 USD
	Issued project invoices (includes paid and unpaid) [B+C=F]	300,000 GBP		465,000 USD		465,000 USD
	Project funding backlog [A-F=G]	700,000 GBP		1,095,000 USD		1,095,000 USD
	AR cash receipt to project invoices during the period[D]	(200,000) GBP		(310,000) USD		
	AR Realized Gain/Loss from cash receipts to project invoices [E]			-2000 USD		

Date	Description	Funding Currency (GBP)	Exchange Rate (GBP:USD)	Project Functional Currency (USD)	Exchange Rate (GBP:USD)	Invoice Processing Currency (USD)
	Project invoices issued but not paid [F-D=H]	100,000 GBP				
31-Jan-2001	Project funding to revalue to project functional currency [G+H=I]	800,000 GBP				

Prior to generating revenue on 31-Jan-2001, the project funding in GBP is revalued in project functional currency. The currency exchange rate from GBP to USD on 31-Jan-2001 is 1.58.

Revaluation to project functional currency on 31-Jan-2001 includes the following three components:

- Unpaid project invoice
- Project funding backlog
- Realized currency gains and losses from cash receipts applied to project invoices

The project funding requiring revaluation is determined as shown by the following table:

Date	Description	Funding Currency (GBP)	Exchange Rate (GBP:USD)	Project Functional Currency (USD)	Exchange Rate (GBP:USD)	Invoice Processing Currency (USD)
01-Jan-2001	Total project funding amount [A]	1,000,000 GBP		1,550,000 USD		1,550,000 USD

Date	Description	Funding Currency (GBP)	Exchange Rate (GBP:USD)	Project Functional Currency (USD)	Exchange Rate (GBP:USD)	Invoice Processing Currency (USD)
	Issued project invoices (includes paid and unpaid) [B+C=F]	300,000 GBP		465,000 USD		465,000 USD
	Project funding backlog [A-F=G]	700,000 GBP		1,095,000 USD		1,095,000 USD
	AR cash receipt to project invoices during the period[D]	(200,000) GBP		(310,000) USD		
	AR Realized Gain/Loss from cash receipts to project invoices [E]			-2000 USD		
	Project invoices issued but not paid [F-D=H]	100,000 GBP				
31-Jan-2001	Project funding to revalue to project functional currency [G+H=I]	800,000 GBP				

The following table details the total project funding amount after revaluation:

Date	Description	Funding Currency (GBP)	Exchange Rate (GBP:USD)	Project Functional Currency (USD)	Exchange Rate (GBP:USD)	Invoice Processing Currency (USD)
	Project invoices issued but not paid [J]	1,000,000 GBP	1.58	1,580,000 USD		
	Project funding backlog [K]	700,000 GBP	1.58	1,106,000 USD	1.58	1,106,000 USD
	Project invoices paid [D]			(310,000) USD		
	AR Realized Gain/Loss from cash payments to project invoices [E]			-2000 USD		
31-Jan-2001	Total project funding amount after revaluation [L]			1,572,000 USD [L=J+K+D+E]		1,106,000 USD [L=K]

The revaluation process generates the funding adjustment line as detailed in the following table:

Date	Description	Funding Currency (GBP)	Project Functional Currency (USD)	Invoice Processing Currency (USD)
31-Jan-2001	Funding Revaluation Adjustment [M]		22,000 USD [L-A]	11,000 USD [L-G]

A new event line is created as shown in the following table:

Event Type	Event Amount (Project Functional Currency)
Realized Loss	2000 USD

After generating project revenue and revenue accounting events, the accounting entries for the realized loss are as follows:

Dr. Event Revenue Account 2000

Cr. Realized Losses Account 2000

Dr. Realized Losses Account 2000

Cr. Project Specific Realized Losses 2000

Related Topics

Revaluated Funding Audit Report, *Oracle Projects Fundamentals*

Revalue Funding for a Single Project, *Oracle Projects Fundamentals*

Revalue Funding for a Range of Projects, *Oracle Projects Fundamentals*

Delete Revaluated Funding for a Range of Projects, *Oracle Projects Fundamentals*

Funding Revaluation Factor Client Extension, *Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*

Implementation Options, *Oracle Projects Implementation Guide*

Event Types, *Oracle Projects Implementation Guide*

Project Types, *Oracle Projects Implementation Guide*

Project Types: Billing Information, *Oracle Projects Implementation Guide*

Accounting for Revenue and Invoices, *Oracle Projects Implementation Guide*

Project Funding Inquiry Window Reference

Use this Project Funding Inquiry window to view information about project funding and to baseline your budget automatically. For a given project, you can view the amount invoiced, the amount of net revenue accrued, the revenue write-off balances, as well as other funding information.

You can view summary amounts for funding allocated to a particular project by agreement and top level task, such as baseline amounts, the amount of revenue accrued and invoiced, as well as the customer providing agreement funding. Amounts can be viewed in the project functional, project, funding currency, or invoice processing currency by selecting the respective tabbed region. Funding amounts can be viewed only when all project funding is in the same currency.

You can also use this window to view a history of project funding allocation, such as the incremental allocation amounts, and the allocation date.

You can use the Project Retention Inquiry window to review retention information, see *Reviewing Retention Information*, page 6-17.

Baseline a Budget

You can also use this window to baseline a revenue budget if the Baseline Funding Without Budget option is enabled in the Revenue and Billing Information window. See: *Project Types: Funding, Oracle Projects Implementation Guide*. Click on the Baseline Funding button to baseline the funding and create a revenue budget for the project. A revenue budget is created for the project that includes all funding from the agreements that fund the project. The revenue budget has the following attributes:

- The budget type is Approved Revenue Budget
- The currency of the budget is the project functional currency
- The Budget Entry Method is Project Level or Task Level

If funding changes for a project, you can baseline the funding again. A new version of the budget is created each time the funding has a baseline.

Note: When a budget is created by baseline funding, you cannot change the budget lines or version using the budget windows. The budget can only be viewed. In addition, once you have used the system defined budget entry methods, they cannot be modified.

Funding

Currency: Currency in which the amounts are displayed.

Not Baselined: The total funding amount that does not have a baseline for this project or task.

Baselined: The total funding amount that has a baseline for this project or task.

Total: The total funding allocated to this project or task.

Billing

Net Revenue: The net amount of revenue accrued for this project or task, regardless of revenue transfer status.

Revenue Write-Off: The total amount of revenue write-off events.

Invoiced Amount: The total amount invoiced for this project including any retention amount withheld, regardless of invoice transfer status.

Retention

Withheld: The total amount of retention withheld for this project or top task.

Billed: The total amount of withheld retention billed for this project or top task.

Note: If you fund your project at the top task and retention level is at the project level, the Summary Amounts region will not display withheld and billed retention information.

Funding Summary by Agreement

Funding amounts can be viewed in the project functional currency. To view funding amounts for each agreement in the project, funding, and invoice processing currency, use the folder to select the fields for display.

Agreement Number: The agreement number from which funds are allocated.

Top Task Number: The task number to which funds are allocated, if you have funded your project at the top level task level.

Funding History Window

Funding amounts are in the funding/agreement currency. To view funding amounts in the project, funding, and invoice processing currency, use the folder technology to select the fields for display.

Date: The date this funding line was allocated.

By: The person responsible for allocating this funding line.

Funding Amount: The incremental amount of agreement funding allocated by this detail funding line.

Funding Classification: Funding classification of the funding line.

Baselined: This check box indicates whether the funding line has a baseline.

Quick Agreement / Funding Projects

Many companies have short-term projects, lasting one to ten days, which they want to bill. Oracle Projects provides an easy way to set up these short-term contract projects. You can create a project template that is associated with an agreement, funding, and baseline budgets. When you create a new project by copying the template, the agreement funding, and baseline budgets will also be copied to the new project.

The project template is funded with an agreement template; the revenue budget and funding may have a baseline. When you copy a new project from the project template, you specify the customer in the Quick Entry options, and Oracle Projects copies the

agreement, funding, and baseline budgets from the template to the project. You can specify the agreement amount in Quick Entry. If the project is of short duration, you may elect to have a nominal agreement amount (such as \$1.00) with a soft limit.

Related Topics

Project Templates for Quick Agreement, page 3-2

Agreement Template, page 3-27

Funding a Project Template, page 3-28

Budgeting for Project Templates, page 3-29

Copying a Template to Create a Quick Agreement Project, page 3-28

Project Templates for Quick Agreement

Project Options

When you are creating a project template that will be used to create a quick agreement, you must enter a customer in the Customer option of the project. You will use this customer in the agreement template that creates the agreement/funding for the quick agreement project. You can only have one customer in a template that will be used to create Quick Agreement projects. The customer billing contribution must equal 100%. If you have more than one customer in the project template, you will not be able to associate the project template with an agreement template.

Define any other project and task options that are appropriate for the project. A Quick Agreement template has no special restrictions or requirements other than those noted in the above paragraph.

Quick Entry Setup

When creating a project template for quick agreement projects, you must enable the Customer field in the Quick Entry setup. You then select the customer relationship to use when creating the project customer (*primary*, for example). When you create a project by copying the template, you enter the appropriate customer in Quick Entry. The customer in the agreement template will be replaced by the customer you enter in Quick Entry.

You can also enter an agreement amount and agreement owning organization in the quick entry fields.

Enable any other Quick Entry fields that are appropriate for the project. A Quick Agreement template has no special restrictions or requirements other than those noted in the above paragraph.

Related Topics

Project Template Design Considerations, *Oracle Projects Fundamentals*

Defining Quick Entry Fields, *Oracle Projects Fundamentals*

Agreement Template

To create a Quick Agreement, you set up an agreement template that will be associated with a project template. See: Defining Agreement Templates, *Oracle Projects Implementation Guide*.

A project created from the project template associated with the agreement template will have an agreement created for it with the values entered in the agreement template. The only exceptions are the Agreement Number and Expiration Date. The Agreement Number will be the same as the Project Number you enter in Quick Entry. The Expiration Date will be based on the relationship between the project start date and the agreement template Expiration Date.

For example, if the project start date of the project template is January 1, 1996, the agreement template expiration date is January 10, 1996, and the new project's start date is July 15, 1996, then the agreement for the new project will be created with an expiration date of July 25, 1996.

Agreement templates can only be viewed in the Agreement Template Entry window. You cannot view agreement templates in the Agreement Entry window.

Related Topics

Entering Agreements, page 3-2

Creating a Quick Agreement Project

To create a quick agreement project

1. Set up a Project Template with a Customer Quick Entry field and a customer defined in the project option.
2. Set up an Agreement Template with the same customer entered in the Customer option in the Project Template.
3. Select any currency as well as a default owning organization for the Agreement template.
4. Within the Agreement Template, fund the Project Template at either the project or task level.
5. Create a revenue and/or cost budget for the Project Template. Baseline the budgets.
6. Copy the Project Template to a new project. The new project will be ready to bill as

soon as it is created.

Funding a Project Template

Each agreement template that funds a project template can fund only one project template. Conversely, each project template can only be funded by one agreement template.

When you fund an agreement template, only project templates (not projects) will be listed in the Project List of Values.

When you create a new project from the project template associated with the agreement template, you enter a starting date for the project. The funding date for the new project will be based on the funding date you entered in the agreement template, adjusted by the difference between the project template start date and the project start date.

For example, if the funding date in the agreement template is January 1, 1997 and the project template has a start date of June 1, 1996, when you create a new project whose start date is July 15, 1996, The funding for the new project will have an allocation date of July 15, 1997.

You can fund agreement templates at either the project or task level.

Copying a Template to Create a Quick Agreement Project

To create a Quick Agreement Project, you select a template to copy. Oracle Projects copies the template to the new project, along with the agreement, funding, and baseline budgets based on the following rules:

- If an agreement template is associated with the project template, the agreement and funding are copied. If a customer is specified in Quick Entry, the template customer is replaced with the specified customer. The agreement number is replaced with the project number. If a project start date is entered in Quick Entry, the agreement expiration date and funding allocated date are shifted accordingly. You can override the agreement amount, currency and owning organization values defined in the agreement template, but cannot override any conversion attributes defined in the agreement template.

Note: If the agreement amount is entered in quick entry it creates only one funding line at the project level, even if the template was funded at the task level. If you override the agreement amount or the currency, the budget has a baseline automatically only if you have the Baseline Funding Without Budget checkbox enabled in the Revenue and Billing Information window.

- The funding, cost budget, and revenue budget are copied to the project. If these

budgets have a baseline, they are copied as baseline.

- If the project template has a baseline revenue budget and the new project has no project customer for a contract project, no agreement, funding, or baseline revenue budget will be copied. However, if there is a baseline cost budget, it will be copied as baseline and the baseline revenue budget will be copied as a draft revenue budget to the new project.
- If the template project has a baseline revenue budget but not baseline cost budget and the new project has a COST/COST, COST/EVENT, or COST/WORK distribution rule, the draft cost budget, if any exists, will be copied, along with the draft revenue budget, as well as agreement and funding, but with no baseline.
- If the Customer field in Quick Entry is null, the new project will have no customer, agreement, or funding. Any budgets will be copied as draft budgets.
- If Customer is not a Quick Entry field, the new project will have the same customer as the template and will also have an agreement, funding, and baseline budgets.
- If the customer entered in Quick Entry does not have a primary bill-to and ship-to site, you will receive an error message and will not be able to create the new project with that customer.

Budgeting for Project Templates

Enter budgets for the project template you will use to create Quick Agreements. After the budgets are created, baseline the budgets. New projects created from the template will have baseline budgets equal to the amounts entered in the budgets for the project template.

Related Topics

Budget Entry, *Oracle Project Management User Guide*

Events

This chapter covers the following topics:

- Events
- Adjusting Revenue Events
- Events Summary Window Reference
- Event Details Window
- Event Revenue Distribution Lines Window

Events

Use the Event Details window to enter and review events for a project or top task. Examples of events include an invoice reduction, a performance bonus, revenue write-off, or adjusting revenue. You can also change the bill hold status of an event using these windows.

For transactions that involve foreign currencies, all amounts displayed in the Event windows are shown in the event transaction currency.

Entering Events in Any Currency

Events can be entered in any currency when multi-currency is enabled for the associated project. The currency in which the event is entered or created is called the event transaction currency. Oracle Projects uses the currency conversion attributes stored for each event to convert revenue and invoice amounts for manually entered and automatically created events from the event transaction currency to the project functional, project currency, and the funding currency.

The following table describes the conversion currency attribute fields for the project functional currency and the project currency:

Field	Comments
Currency Code	Currency code of the project functional currency or the project currency
Rate Type	<p>Required field. List of values is restricted to the rate types defined in Oracle General Ledger</p> <p>Exchange rate type used to determine the conversion rate from the event transaction currency to the project functional and project currency</p> <p>Default value is derived from the project setup</p>
Rate Date	<p>Exchange rate date used to determine the conversion from event transaction currency to the project functional currency and the project currency</p> <p>Default value is derived from the project setup if the exchange rate type defined for the project is Fixed Date</p> <p>Can be updated if the rate date type defined for the project is Fixed Date</p>
Rate	<p>Rate used to convert from the event transaction currency to the project functional currency or the project currency</p> <p>Display only field if the Exchange Rate Type is not User. Can be entered if the Exchange Rate Type is User</p> <p>Required if the Exchange Rate Type is User</p>
Revenue Date	Exchange rate date used during the revenue generation process to convert from the event transaction currency to the project functional currency and the project currency
Revenue Rate	Exchange rate used during the revenue generation process to convert from the event transaction currency to the project functional currency and the project currency

Field	Comments
Revenue Amount	Revenue amount in project functional currency or the project currency that is calculated during the revenue generation process by applying the project functional currency conversion attributes and the project currency currency conversion attributes respectively.
Bill Date	Exchange rate date used during the invoice generation process to convert from the event transaction currency to the project functional currency and the project currency
Bill Rate	Exchange rate used during the invoice generation process to convert from the event transaction currency to the project functional currency and the project currency
Bill Amount	Bill amount in project functional currency and the project currency that is calculated during the invoice generation process by applying the project functional currency conversion attributes and the project currency conversion attributes, respectively.

The following table explains the conversion currency attributes for the funding currency:

Field	Comments
Rate Type	<p>Exchange rate type used to determine the exchange rate from the event transaction currency to the funding currency</p> <p>Default value is derived from the project setup</p> <p>List of values is restricted to the exchange rate types defined in Oracle General Ledger</p>

Field	Comments
Rate Date	<p>Exchange rate date used to determine the exchange rate from the event transaction currency to the funding currency</p> <p>Default value is the Exchange Rate Date defined for the project if the Funding Rate Date Type defined for the project is Fixed Date</p> <p>Can be entered if the Funding Rate Date type for the project is Fixed</p>
Rate	<p>Rate used to convert from the event transaction currency to the funding currency</p> <p>Display only field if the Exchange Rate Type is not User. Can be entered if the Exchange Rate Type is User</p> <p>Required if the Exchange Rate Type is User</p>

Adjusting Revenue Events

You can enter adjusting revenue events when you enable the Adjusting Revenue check box in the Event Details window.

Note: You can enable the Adjusting Revenue check box only for manual event types.

Entering adjusting revenue events allows you to adjust revenue for a project without reopening the project accounting period. Adjusting revenue amounts do not have an effect on invoicing. Therefore, you cannot enter a value in the Bill Amount field for these events.

After you make the adjustments and regenerate revenue in Oracle Projects, submit the process PRC: Generate Revenue Accounting Events. Next, submit the process PRC: Create Accounting. You can select *Revenue* for the Process Category parameter when you run the Create Accounting process to include only revenue accounting events. When you run the Create Accounting process in final mode, you can optionally transfer the final accounting to Oracle General Ledger.

Note: The revenue generation process assigns sequential revenue numbers to the draft revenue as it is generated. When adjusting events are entered for a project, a gap in numbering can occur when revenue is

deleted and regenerated.

Determining Accounting Dates

When Enhanced Period Processing is enabled, both the PA Date and GL Date for adjusting revenue are determined based on the Accrue Through Date you enter when you submit the revenue generation process. The PA Date and the GL Date are always equal to the Accrue Through Date, even when the accounting periods that include the Accrue Through Date have a closed status in Oracle Projects. The accounting period in General Ledger must have an open status.

When Enhanced Period Processing is not enabled, the PA date for the draft revenue is determined based on the Accrue Through Date, and the GL Date is based on the PA Date. The PA Date is the ending date of the open or closed PA period that includes the Accrue Through Date. The GL Date is the ending date of the GL period that includes the PA Date. The accounting period in General Ledger must have an open status.

For information on determining PA and GL date for non-adjusting revenue events, see: Date Processing in Oracle Projects, *Oracle Projects Fundamentals*.

Adjusting Revenue Events: Example

The rules for determining PA and GL dates are shown in the following example.

The PA Periods in this example are shown in the following table:

Period	Start Date	End Date
Jan-W3-02	14-Jan-2002	20-Jan-2002
Jan-W4-02	21-Jan-2002	27-Jan-2002
Jan-W5-02	28-Jan-2002	03-Feb-2002

The GL Periods in this example are shown in the following table:

Period	Start Date	End Date
Jan-02	01-Jan-2002	31-Jan-2002
Feb-02	01-Feb-2002	28-Feb-2002

An adjusting revenue event for \$100.00 and a non-adjusting revenue event for \$150.00

are entered. Both have an Event Date of 20-Jan-2002. The Accrue Through Date is 25-Jan-2002 for both events.

Case 1: Enhanced Period Processing is not Enabled

The table below illustrates the PA Date and the GL Date determined by the system for adjusting revenue when Enhanced Period Processing is not enabled and the PA Period (Jan-W4-02) that includes the Accrue Through Date is open.

Event	Accrue Through Date	PA Date	GL Date
Adjusting Revenue	25-Jan-2002	27-Jan-2002	31-Jan-2002
Non-Adjusting Revenue	25-Jan-2002	27-Jan-2002	31-Jan-2002

The table below illustrates the PA Date and the GL Date determined by the system for adjusting revenue when Enhanced Period Processing is not enabled and the PA Period (Jan-W4-02) that includes the Accrue Through Date is closed.

Event	Accrue Through Date	PA Date	GL Date
Adjusting Revenue	25-Jan-2002	27-Jan-2002	31-Jan-2002
Non-Adjusting Revenue	25-Jan-2002	03-Feb-2002	28-Feb-2002

Case 2: Enhanced Period Processing is Enabled

The table below illustrates the PA Date and the GL Date determined by the system for adjusting revenue when Enhanced Period Processing is enabled. The PA Period (Jan-W4-02) that includes the Accrue Through Date and the GL Period (Jan-02) that includes the Accrue Through Date are both open.

Event	Accrue Through Date	PA Date	GL Date
Adjusting Revenue	25-Jan-2002	25-Jan-2002	25-Jan-2002
Non-Adjusting Revenue	25-Jan-2002	25-Jan-2002	25-Jan-2002

The following table illustrates the PA Date and the GL Date determined by the system for adjusting revenue when Enhanced Period Processing is enabled. The PA Period (Jan-W4-02) that includes the Accrue Through Date and the GL Period (Jan-02) that includes the Accrue Through Date are both closed.

Event	Accrue Through Date	PA Date	GL Date
Adjusting Revenue	25-Jan-2002	25-Jan-2002	25-Jan-2002
Non-Adjusting Revenue	25-Jan-2002	28-Jan-2002	01-Feb-2002

There are two Event Window modes:

- **Project.** The Project mode Event Windows allow you to enter and view events for a single project only. You must enter a project number or name in the Find Project Events window before you can execute the query. If project security has been implemented, you can only select projects that you are allowed to see.
- **All.** The All mode Event Windows allow you to enter and view events across projects for the selected operating unit. You are not required to enter a project number or name in the Find Events window. You can structure your query to retrieve information across projects for the selected operating unit.

The mode in which you access the Event Window is determined by your user responsibility, as set up by your System Administrator. Under the Project Billing Super User and Project Costing Super User responsibilities, which are supplied by Oracle Projects, you have access to both modes.

To Review or Enter Events

1. Navigate to the Find Events window (Billing > Events).
 - To view or enter events in summary format, enter your search criteria and choose Find. See Events Summary Window Reference, page 4-8.
 - To enter a new event in the Event Details window, choose New. See Event Details Window, page 4-10.
2. From the Events Summary window, choose:
 - **Revenue** to view event revenue distribution lines information.
 - **Totals** to view the total bill amount and total revenue amount for the events displayed based on your search criteria.

Note: The total bill amount and the total revenue amount are displayed only if all the events queried are in the same currency.

- **Open** to view all of the event information for a single event in one window. See: Event Details Window, page 4-10.

Related Topics

Generate Revenue Accounting Events, *Oracle Projects Fundamentals*
Create Accounting, *Oracle Projects Fundamentals*
Generate Draft Revenue, *Oracle Projects Fundamentals*
Event Types, *Oracle Projects Implementation Guide*
Events Summary Window Reference, page 4-8
Event Details Window, page 4-10
Event Revenue Distribution Lines Window, page 4-11
Function Security for Event Windows, *Oracle Projects Implementation Guide*
Integration with Oracle Project Contracts, page 2-8

Events Summary Window Reference

The Events Summary window uses folder technology, allowing you to customize the window to display the fields you want to view. Some of the information displayed in this window is shown in the following table:

Item	Description
Project Number	The number of the project for the event
Project Name	The name of the project
Task Number	The number of the top task for the event
Task Name	The name of the top task
Agreement Number	The number of the agreement under which the event will be billed

Item	Description
Product Source	The name of the external system from which the event was imported
Event Reference	The name of the event in the external system from which the event was imported
Event Number	The number of the event
Event Type	The event type
Event Classification	The event classification of the event type
Date	The date the event is eligible for processing
Currency	The currency of the event
Bill Amt	The bill amount if the event affects billing for this project/task
Revenue Amt	The revenue amount if this event affects revenue accrual. The amount for write-off revenue may not exceed this project's unbilled receivables amount.
Description	The event description. Except for events having a classification of Write-Off, this description appears on the invoice line billing this event.
Organization	The organization name for the event. You assign organizations to events to credit project revenue to different organizations. You can also use events in AutoAccounting to account for revenue at the expenditure organization level.

Item	Description
Bill Hold Flag	<p>The bill hold flag for this event. The options are:</p> <p>No - Do not hold from billing.</p> <p>Once - Hold from the next billing only.</p> <p>Yes - Hold from future billing indefinitely.</p> <p>You cannot hold billing on revenue write-offs. The Bill Hold Flag is only enabled for events that can be billed.</p> <p>You can update this flag from the Event Summary Window.</p>
Billed	Flag that indicates whether this event has been billed
Revenue Hold Flag	<p>The revenue hold flag for this event. The options are:</p> <p>No - Do not hold from revenue accrual.</p> <p>Yes - Hold from future revenue accrual indefinitely.</p> <p>This flag is applicable only for the Realized Gains and Realized Losses events created by the Revalue Funding process.</p> <p>The Revenue Hold Flag for the realized gains is set to Yes if the corresponding revaluation adjustment funding does not have a baseline, and set to No when the revaluation adjustment funding has a baseline.</p>

Event Details Window

Use the Event Details window to enter, modify, or review all of the information for a single event on one screen.

To enter events

1. Navigate to the Event Details window.
2. Enter the details of the project, task, and event.

Note: Event number must be greater than zero, and cannot be changed once the event is billed or revenue generated.

3. Optionally enter the agreement number of the agreement on which the event will be billed.
4. Enter the organization of the event.
5. Enter a description for the event.
6. In the currency field, enter any currency defined in Oracle General Ledger.
7. Click on the Currency button to review or override the currency conversion attributes defined for the project. See: *Entering Events in Any Currency*, page 4-1.
8. Check the Adjusting Revenue check box if you are entering an event to adjust revenue amount. See: *Adjusting Revenue Amounts*, page 4-4.

Note: After an event has been processed for revenue or invoicing, you cannot change the event transaction currency or the currency conversion attributes.

For field descriptions in the Event Details window, see: *Events Summary Window Reference*, page 4-8.

Event Revenue Distribution Lines Window

The Event Revenue Distribution Lines window displays information about the revenue distribution lines for an event.

The following information is displayed for the selected event:

- Project Functional Amount - displays amount in project functional currency
- Revenue Transaction Amount - displays amount in project functional currency if you selected the Project Functional Currency Only option for the revenue transaction currency on your project, or displays amount in invoice transaction currency if you selected the Project Functional Currency and Invoice Transaction Currency option for the revenue transaction currency
- Default Account and Description
- Draft Revenue Number and Line
- PA Date and Period

- GL Date and Period

Revenue Accrual

This chapter covers the following topics:

- Accruing Revenue for a Project
- Generating and Adjusting Revenue
- Deriving Revenue in Foreign Currency
- Revenue Accrual and Invoicing
- Release Revenue, Generate Revenue Accounting Events, and Create Accounting
- Adjusting Revenue
- Reviewing Revenue
- How to Review Revenue
- Viewing Accounting Lines
- Accruing Revenue and Generating Invoices Based on Percent Complete
- Revenue-Based Cost Accrual
- Other Revenue Issues

Accruing Revenue for a Project

Oracle Projects generates revenue based on the transactions that you charge to your projects. You configure your projects to accrue revenue based on your company policies. You can review revenue amounts online and you can also adjust transactions. Oracle Projects then processes transactions to adjust the revenue amounts for your project.

When you generate revenue, Oracle Projects calculates revenue, creates revenue events, creates expenditure item revenue details, and maintains funding balances. You run the process PRC: Generate Revenue Accounting Events to derive default GL accounts using AutoAccounting and generate accounting events. You run the process PRC: Create Accounting to create accounting in Oracle Subledger Accounting. If you define your

own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Projects derives using AutoAccounting.

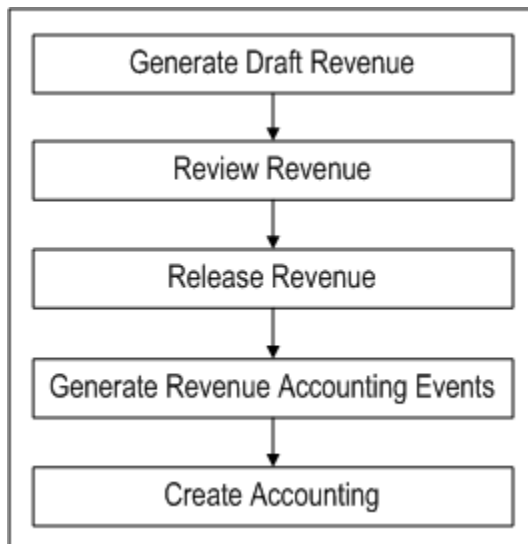
Revenue Flow

The Oracle Projects revenue flow follows the following steps detailed in the Revenue Flow, page 5-2 illustration.

1. Generate draft revenue
2. Review revenue
3. Release revenue
4. Generate revenue accounting events
5. Create accounting

This section describes each step, as well as procedures such as adjusting revenue and creating revenue events and hard limits.

Revenue Flow



Steps Before Generating Revenue

Oracle Projects provides control as to which projects are ready for revenue generation. It processes only funded, fully defined projects.

You must complete the following steps before generating revenue for a contract project in Oracle Projects:

1. Baseline the project budget and funding

Note: You must enter and submit an approved revenue budget and allocate funds to the project or task before you can baseline it or automatically create a baseline budget when you baseline funding. See also: *Baseline Funding Without Budget, Oracle Projects Implementation Guide.*

2. Distribute costs for billable expenditures charged to the project

Note: If you do not want to accrue revenue for a specific top task, deselect the Ready to Accrue check box in the Control Billing by Top Task window. Oracle Projects assumes you want to generate revenue and invoices for all billable top tasks on contract projects.

3. Optionally, reevaluate the funding.

Related Topics

Revenue Accrual and Invoice Generation Based on Percent Complete, page 5-21

Creating a Baseline for a Budget Draft, *Oracle Project Management User Guide*

Entering a Draft, *Oracle Project Management User Guide*

Entering Agreements, page 3-2

Funding a Project, page 3-12

Submitting Requests, *Oracle Projects Fundamentals*

Generating and Adjusting Revenue, page 5-8

Funding Revaluation, page 3-14

Revenue Generation Process

When you generate revenue, Oracle Projects first selects projects, tasks, and their associated events and expenditure items that are eligible for revenue generation. Oracle Projects next calculates the potential revenue and then creates revenue events and expenditure items.

During the revenue generation process, revenue and billing amounts are calculated in the billing transaction currency. Revenue is processed using a common currency, called the revenue processing currency, which is always the project functional currency. Revenue amounts in the billing transaction currency are converted to project functional currency, project currency, and funding currency during the revenue generation process.

For expenditure items, exchange rate date for currency conversion is based on the profile option PA: Use Original Exchange Rate Date for Recalculation of Revenue. This

profile option determines how previously generated and released revenue is recalculated. When you enable this profile option, the exchange rate date for currency conversion for expenditure items with previously generated revenue is the exchange rate date of the initially created revenue line. For expenditure items where no revenue has been generated, exchange rate date for currency conversion is the open PA Date of the accrue through date of the current revenue run.

If you do not enable this profile option, all expenditure items will have the exchange rate date for currency conversion as the open PA Date of the accrue through date.

Revenue recognition, funds check, and unbilled receivables/unearned revenue are processed in the revenue processing currency. For reporting purposes, Oracle Projects maintains funding balances in the project functional currency, the project currency, and the funding currency.

Note: When you enter conflicting currency conversion rate attributes for the same currency, conversion attributes defined for the project functional currency take precedence over those assigned to the project currency or the funding currency. Conversion attributes defined for the project currency take precedence over those assigned to the funding currency. For more information on currency conversion attributes, see: Currency Conversion Attributes, *Oracle Projects Fundamentals*.

Related Topics

Entering Events in Any Currency, page 4-1

Generate Draft Revenue, *Oracle Projects Fundamentals*

Selection Criteria

Revenue is accrued for projects, expenditure items, and events based on the following criteria:

Projects: Oracle Projects first determines if a project is eligible for revenue accrual. To accrue revenue, a project must meet the following criteria:

- Must be a contract project
- Must have a status that allows revenue generation. For more information, see: Project Statuses: *Oracle Projects Implementation Guide*.
- Must have a baseline revenue budget
- Within the specified range (if you specify a start and end project number, for mass generation only)
- Must have expenditure items or events that are eligible for revenue accrual or

transaction independent billing extensions that are assigned at the project type, project, or top task level

Expenditure Items: For each project selected, Oracle Projects then selects expenditure items that are eligible for revenue accrual based on the following criteria for items:

- Approved
- On a ready-to-accrue task
- Billable (except for cost-to-cost projects)
- Cost distributed
- Not revenue distributed, partially distributed, or marked for revenue recalculation (except for cost-to cost projects)
- Occurred on or before the accrue through date (except for cost-to cost projects)

If the project uses cost-to-cost revenue accrual, items must also:

- Have project or task cost budgets that include burdened costs and revenue budgets that include revenue amounts

Note: Without these amounts, Oracle Projects cannot successfully generate revenue for your project.

- Have a cost distribution line which must be in a PA Period that starts on or before the accrue through date
- If the revenue accrual is based on percent complete, you must have entered percent complete at the funding level.

If the Date-Effective Funds Consumption option is selected, then the expenditure item date must be within the Agreement start and expiration dates.

Events: For each project selected, Oracle Projects then selects events that are eligible for revenue accrual based on the following criteria for events:

- On a ready-to-accrue task
- Are not revenue distributed
- Have a completion date on or before the accrue through date
- Revenue amount not equal to zero
- Have an event type classification of Write-On, Write-Off, Manual, or Automatic

- Have realized gains, realized losses

If the Date-Effective Funds Consumption option is selected, then the event date must be within the Agreement start and expiration dates.

Billing Extensions: For each project selected, Oracle Projects then selects expenditure items and events that are eligible for revenue accrual based on the criteria that you define in your billing extensions. If you define transaction independent billing extensions, Oracle Projects executes these extensions for each project with an active billing assignment, even if there are no transactions to process. See also: *Billing Extensions, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Calculate Potential Revenue

Oracle Projects next calculates the total potential revenue that can be accrued for each project. Potential revenue is the full revenue amount that could be accrued if enough funding is available. Projects that use task level funding calculate the potential revenue for each task, while projects that are funded at the project level have a single potential revenue amount for the project.

Oracle Projects calculates the bill amounts for all expenditure items when calculating revenue, except for cost and event billing projects, which do not bill expenditure items.

As-Work-Occurs (Time and Materials)

For projects that use as-work-occurs (or time and materials) revenue accrual, the total potential revenue is simply the sum of the revenue of all expenditure items plus events.

For these projects, Oracle Projects calculates the revenue for each expenditure item by applying a bill rate or markup. Items that have partially accrued revenue due to having previously reached a hard limit do not have their revenue and bill rates recalculated. For information on how Oracle Projects determines bill rates for billable expenditure items, see: *Using Rates for Billing, Oracle Projects Fundamentals*.

After all bill rates are assigned, Oracle Projects rejects those items for which no bill rate or markup is found, and creates distribution warnings.

Note: If a markup is used to calculate revenue and bill amount, and the discount applied to the markup results in revenue that is less than the raw cost, then revenue is billed at raw cost.

Oracle Projects also calculates the bill amounts for each item for projects which accrue cost-to-cost revenue based on percent spent, but bill on a time and material basis.

Determining Billing Titles

As part of the revenue generation process, Oracle Projects determines job and employee billing titles.

Oracle Projects determines the effective job for labor items first from the task

assignment override, then the project assignment override, and finally the primary job assignment. It then uses this job, along with the task job title override, project job title override, and primary job title, to determine the job billing title for each labor item.

Oracle Projects determines the employee billing title for labor items from the task employee billing title override, the project employee billing title, and the primary employee billing title.

See also:

Job Assignment Overrides, *Oracle Projects Fundamentals*

Job Billing Title Overrides, *Oracle Projects Fundamentals*

Cost-to-Cost (Percent Spent)

For projects using cost-to-cost revenue accrual method, Oracle Projects uses the following formula to calculate revenue (in the project functional currency) to accrue for the revenue generation run:

$$CCR(RUN) = \text{Lesser of (Remaining funding available if using hard limit) and } ((AC/BC (BR-ER)) - AR)$$

Where, for a project or task: CCR(RUN) = Cost-to-cost revenue for current run

- AC = Actual total burdened cost through PA Period on or before the accrue through date
- BC = Budgeted baseline burdened cost*
- BR = Budgeted baseline revenue*
- ER = Entered event revenue
- AR = Revenue previously accrued in PA Period on or before accrue through date

Note: *Oracle Projects uses the cost and revenue budget types that you specify on the Cost-to-Cost billing extension.

Oracle Projects accrues the cost-to-cost revenue using an automatic event with an event type that you specified for the cost-to-cost billing extension. See: *Billing Extensions, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Related Topics

Revenue Accrual and Invoice Generation Based on Percent Complete, page 5-21

Overview of Rates, *Oracle Projects Fundamentals*

Creating Event and Expenditure Item Draft Revenue

After Oracle Projects calculates potential revenue for expenditure items, it searches for agreements against which to accrue draft revenue, based on the project customer billing contributions and the amount of funding available. Oracle Projects first creates draft revenue for events, then for expenditure items.

Related Topics

Accounting Transactions for Revenue, page 1-3

Revenue Flow Detail Report, *Oracle Projects Fundamentals*

Potential Revenue Summary Report, *Oracle Projects Fundamentals*

Generating and Adjusting Revenue

You can generate revenue for a single project, or for a range of projects using the PRC: Generate Draft Revenue process.

Note: You can also delete the revenue of a single project using the PRC: Delete Draft Revenue of a Single Project process. See: Delete Draft Revenue of a Single Project, *Oracle Projects Fundamentals*.

When you generate revenue, Oracle Projects first selects projects, tasks, and their associated events and expenditure items that are eligible for revenue generation. Oracle Projects next calculates the potential revenue and then creates revenue events and expenditure items. See: Revenue Generation Process, page 5-3.

Oracle Projects also calculates the bill amounts of each expenditure item, based on the revenue accrual method associated with a particular project.

When Oracle Projects creates revenue, it also searches for available funding for each revenue item. We discuss each of these topics in detail below after we tell you how to generate revenue.

To generate revenue across a range of projects

1. Submit the PRC: Generate Draft Revenue for a Range of Projects process in the Submit Request window to run multiple revenue generation processes. See: Submitting Requests, *Oracle Projects Fundamentals*.

Tip: You should run Generate Draft Revenue on a specified processing cycle (for example, weekly) to calculate revenue for projects across the company. You can also run the process on demand by project to process adjustments.

Use the rescheduling parameters to configure the Generate Draft Revenue process

to run automatically, according to a defined schedule.

To generate revenue for a single project

1. Submit the PRC: Generate Draft Revenue for a Single Project process from the Submit Request window. See: Submitting Requests, *Oracle Projects Fundamentals*.

Deriving Revenue in Foreign Currency

Oracle Project Billing always generates revenue in project, project functional, and project funding currencies. Oracle Project Billing generates invoice amounts in invoice transaction currency. The invoice transaction currency is an attribute that you define for each customer. On a multi-currency project the invoice transaction currency can be a *foreign* currency. To include exchange rate gains or losses in foreign currency for unbilled receivables and unearned revenue amounts when revaluating accounts in Oracle General Ledger, Oracle Projects enables you to derive revenue including unbilled receivables and unearned revenue in invoice transaction currency.

Note: To derive revenue in the invoice transaction currency, disable the Invoice by Bill Transaction Currency option when defining the currency options for your project.

You can define Revenue Transaction Currency options for your project. By default, Oracle Project Billing selects the *Project Functional Currency Only* option for revenue transaction currency. This ensures that the Generate Draft Revenue concurrent program generates revenue in project functional currency. To enable the Generate Draft Revenue concurrent program to additionally derive revenue in invoice transaction currency, select the *Project Functional Currency and Invoice Transaction Currency* option.

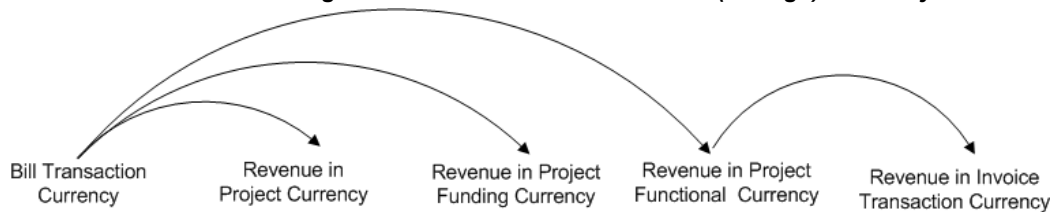
When you select *Project Functional Currency and Invoice Transaction Currency* as your revenue transaction currency, the Generate Revenue Accounting Events process calculates unbilled receivables and unearned revenue amounts in invoice transaction currency. For information on the calculation formula, see: Generate Revenue Accounting Events, *Oracle Projects Fundamentals*.

Note: For realized gains or losses events, because these amounts are always only calculated in project functional currency, the revenue transaction amounts for these is always zero.

The following diagram illustrates the flow that the Generate Draft Revenue concurrent program uses to derive revenue in foreign currency. By default, the Generate Draft Revenue concurrent program uses the billing amounts entered in billing transaction currency to generate revenue amounts in project, project functional, and project funding currencies. If you select *Project Functional Currency and Invoice Transaction Currency* as your revenue transaction currency, the Generate Draft Revenue concurrent program converts the revenue it generates in project functional currency to revenue in invoice

transaction currency.

Process Flow for Converting Revenue To Invoice Transaction (Foreign) Currency



Related Topics

Reviewing Revenue, page 5-13

Billing in a Global Environment, page 8-1

Generate Draft Revenue, *Oracle Projects Fundamentals*

Billing Currency Options, *Oracle Projects Fundamentals*

For information on revaluing balances, see the *Oracle General Ledger User's Guide*.

Revenue Accrual and Invoicing

Generate Draft Revenue uses the overrides and schedules to process projects using As Work Occurs revenue accrual and/or invoicing. These projects are assigned one of the following distribution rules: WORK/WORK, WORK/EVENT, EVENT/WORK.

Burden Schedules

Generate Draft Revenue follows the burden schedule precedence for items charged to tasks that use a burden schedule; it does not use bill rate overrides for these items.

Burden Schedules and Labor Multipliers

You may decide to use labor multipliers instead of a labor burden schedule if you are using a one tier multiplier for labor items. With a one tier labor multiplier, the use of labor multipliers and burden schedule overrides for labor will result in same bill amounts but the method of processing will be different.

You can also use labor multipliers with a standard burden schedule for multiplier-tier revenue accrual and billing. This allows you to define one negotiated labor multiplier on top of the standard cost buildup provided by the standard burden schedule. The labor multiplier is treated as another burden multiplier. The calculation is:

$$\text{Bill Amount} = \text{Burdened Amount} \times (1 + \text{Labor Multiplier})$$

You can also report this labor multiplier as another burden cost component in the

PA_INV_BURDEN_DETAILS_LM_V view. The labor multiplier component is not displayed in the PA_INV_BURDEN_DETAILS_V view. See: *Oracle eBusiness Suite Electronic Technical Reference Manual*.

Bill Rate Schedules

Generate Draft Revenue follows the standard bill rate precedence for items charged to tasks that use a bill rate schedule. This precedence includes employee bill rate overrides, job bill rate overrides, non-labor bill rate overrides, job assignment overrides, and task schedules.

Related Topics

Revenue Flow Detail Report, *Oracle Projects Fundamentals*

Potential Revenue Summary Report, *Oracle Projects Fundamentals*

Using Rates for Billing, *Oracle Projects Fundamentals*

Release Revenue, Generate Revenue Accounting Events, and Create Accounting

After you release revenue, you run the concurrent programs PRC: Generate Revenue Accounting Events and PRC: Create Accounting. When you run the concurrent program PRC: Create Accounting in final mode, you can choose to have the concurrent program transfer the final accounting to Oracle General Ledger.

You cannot update or delete released revenue. Oracle Projects processes adjustments to released revenue by adjusting revenue transactions.

When you generate revenue for a range of projects, it has a status of Released. When you generate revenue for a single project, it has a status Pending.

Releasing Revenue

You can release revenue using the Revenue Review window.

When you release an invoice which is based on revenue details (such as a Time and Materials invoice), Oracle Projects automatically releases the associated revenue. You use the Invoice Summary window to release an invoice.

If you regenerate draft revenue for a single project, then the process deletes any Pending draft revenue and replaces it with the new amount.

Generating Revenue Accounting Events

After you generate and release the revenue, you run the concurrent program PRC: Generate Revenue Accounting Events. The concurrent program determines default

unearned revenue and unbilled receivables accounts using AutoAccounting and generates accounting events for Oracle Subledger Accounting.

Note: If you set the profile option PA: Interface Unreleased Revenue to GL to yes, then Oracle Projects automatically releases any unreleased revenue when you run the concurrent program PRC: Generate Revenue Accounting Events. For information about this profile option, see: Profile Options, *Oracle Projects Implementation Guide*.

Creating Accounting

You run the concurrent program PRC: Create Accounting to create accounting entries in Oracle Subledger Accounting for the accounting events. If you define your own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Projects derives using AutoAccounting. When you run the concurrent program PRC: Create Accounting in final mode, you can choose to transfer the final accounting to Oracle General Ledger.

Related Topics

Releasing Invoices, page 6-23

Submitting Requests, *Oracle Projects Fundamentals*

Integrating with Oracle General Ledger, *Oracle Projects Fundamentals*

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Adjusting Revenue

Revenue is automatically adjusted when you adjust an invoice that bills the associated revenue. You can adjust draft revenue and draft invoices by adjusting expenditure items using the Expenditure Items window. For example, you can change the status of an expenditure item from billable to non-billable, or transfer an expenditure item to a different project from the one it is charged to.

Important: Make all revenue adjustments in Oracle Projects. Do not adjust project revenue in Oracle General Ledger, because the revenue amounts will not reconcile to the amounts in Oracle Projects.

After you adjust revenue in Oracle Projects, you run the concurrent program PRC: Generate Revenue Accounting Events to generate revenue accounting events for the adjustments. Next, you run the concurrent program PRC: Create Accounting to create accounting for the accounting events in Oracle Subledger Accounting.

Oracle Projects predefines a *Revenue Adjustment* event class and specifies that the *Revenue* event class is its *predecessor* in Oracle Subledger Accounting. This approach ensures that the concurrent program PRC: Create Accounting creates accounting for the original revenue transactions before it creates the accounting for any adjustments. This sequence is important because the final accounting for adjustments is based on the final subledger accounting for the original transactions. For additional information, see: Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

Note: If you disable the predefined journal line types and create your own, you must define two journal line types, one for the original revenue transaction and one for the adjustment.

You also can create revenue events to adjust the revenue amount associated with a project, independent of the expenditure items charged to the project. Revenue events have a classification of Write-On, Write-Off, Manual, or Automatic. You use the Events window to enter revenue events for projects or top tasks. The Events window is accessible from the Billing Information option.

Related Topics

Adjustments to Supplier Costs, *Oracle Project Costing User Guide*

Adjusting Expenditure Items, *Oracle Project Costing User Guide*

Events, page 4-1

Entering Project and Task Options, *Oracle Projects Fundamentals*

Entering Tasks (WBS) for a Project, *Oracle Projects Fundamentals*

Reviewing Revenue

Use the Revenue Review windows to review detailed information about project revenue.

The information you can view in these windows includes:

- Amount in project functional currency and revenue transaction currency
- Revenue category
- Event description
- Information about a revenue item's distribution lines
- Agreement providing the revenue funding
- Date the revenue accounting event was generated

- Distribution warnings encountered while generating draft revenue

You can use Revenue Review to delete or regenerate a project's unreleased revenue or to release and unrelease revenue. See: Revenue Flow, page 5-2.

Access to Revenue Review can be controlled by function security and project security. Function security can be used to control the release, unrelease, and run functions in Revenue Review. For more information, see: Function Security in Oracle Projects, *Oracle Projects Implementation Guide*.

Revenue Summary Window Reference

Use this window to view information about the revenue that meets your search criteria. The Revenue Summary window uses folder technology, allowing you to customize the window to display the fields you want to view.

The following table shows some of the fields available for display in the Revenue Summary window:

Item	Description
Accrue Through	The accrue through date used to calculate the draft revenue
Agreement	The number of the agreement providing the revenue funding
Credited Number	The number of the draft revenue that was credited by this revenue (if this revenue credits another revenue number)
Customer Bill Split	The percentage of billing to the customer
Customer	Customer name
Customer Number	Customer number
Draft Revenue	The draft revenue number
Exception Reason	Revenue exception reason
Generation Error	Check box indicating if there was a revenue generation error
GL Date	The date of the GL posting period

Item	Description
Interface Date	Date the revenue accounting event was generated
PA Date	The date of the PA period in which the revenue was generated
Project Name	The name of the project on which the revenue was earned
Project Number	The number of the project on which the revenue was earned
Released Date	Date released
Resource Accumulated	Check box indicating if accumulated to a resource
Project Functional Revenue Amount	The revenue amount in project functional currency
Revenue Status	Revenue status
Project Functional UBR	Amount of unbilled receivable for the revenue. The Revenue window also displays the corresponding account number.
Project Functional UER	Amount of unearned revenue included in the revenue amount. The Revenue window also displays the corresponding account number.
Project Functional Revenue Currency	The currency code for the project functional currency.

Revenue Window

Use the Revenue window to view all of the revenue information for a single draft revenue in one window. In addition to the information in the Revenue Summary window, the Revenue window displays the following information:

- **Released Date.** If the draft revenue is released, the released date.
- **Warning.** Check box indicating if revenue generation encountered warnings. You

can view warnings by selecting Revenue Exceptions in the Revenue window.

- **Adjusting Revenue:** Check box indicating if the revenue is Adjusting Revenue.

Revenue Window Selections

From the Revenue window, you can choose **Run Request**, **Unrelease**, or **Release**. These buttons are described under Revenue Summary Window Reference, page 5-14.

Select **Lines** to display the lines that comprise the selected revenue. See: Revenue Lines Window, page 5-17.

Revenue Processing Information

The Review window contains revenue processing information displayed in two tabbed regions. You can display the region you want by selecting from the tab control:

- Choose **Interface** to review the accounting status of revenue in project functional currency.
 - **GL Date**
 - **Unbilled Receivable Amount.** Oracle Projects displays the default account number for unbilled receivables.
 - **Unearned Revenue Amount.** Oracle Projects displays the default account number for unearned revenue.
- Choose **Revenue Exceptions** to view exception reasons and warnings.

Following are some examples of exception reasons:

- A generation error was encountered during revenue generation
- Accounting events could not be generated

Some examples of warnings include:

- Revenue has reached the hard limit
 - Revenue has reached or has accrued beyond the soft limit
 - Items with missing labor (or non-labor) bill rates or markups were encountered
 - Agreement has expired
- Choose **Revenue in Transaction Currency** to review the accounting status of revenue in invoice transaction currency.
 - **GL Date**

- **Unbilled Receivable Amount.** Oracle Projects displays the default account number for unbilled receivables.
- **Unearned Revenue Amount.** Oracle Projects displays the default account number for unearned revenue.
- **Revenue Transaction Currency**
- **Revenue Transaction Amount**

Note: To enable this tab, enable multi-currency billing and revenue transaction currency for your project, and select *Project Functional Currency and Invoice Transaction Currency* as your revenue transaction currency.

Revenue Lines Window

The Revenue Lines window displays the task, revenue source, revenue category, and amount for the revenue lines that comprise a draft revenue item.

The Revenue Lines window displays the following information for each selected revenue line:

- Line Number
- Task Number
- Task Name
- Revenue Source
- Revenue Category
- Project Functional Revenue Amount
- Project Functional Currency
- Project Currency
- Project Revenue Amount
- Funding Currency
- Funding Revenue Amount
- Revenue Transaction Amount

- Revenue Transaction Currency

Choose Details to view details of the selected revenue line in the Revenue Line Details window.

Revenue Line Details Window

Use the Revenue Line Details window to view revenue line details for a selected revenue line. The Revenue Line Details window uses folder technology, allowing you to customize the window to display the fields you want to view. Some of the fields available for display in this window are:

- Default Account Description
- Accrual Rate
- Accrued Revenue
- Borrowed/Lent
- Employee Billing Title
- Employee Name and Number
- Employee/Supplier Name and Number
- Expenditure Batch, Comment, Organization, and Type
- Function Transaction
- Default Account
- Item Date
- Job Billing Title and Job Name
- Non-Labor Resource and Non-Labor Resource Organization
- Original Transaction Reference
- Project Functional Revenue Amount
- Quantity
- Raw Cost
- Revenue Transaction Amount

- Revenue Transaction Currency
- Revenue Transaction Exchange Rate
- Revenue Transaction Rate Date
- Revenue Transaction Rate Type
- Supplier Name
- Task Number and Name
- Transaction Source
- Unit

Note: The accrual rate of a revenue distribution line is the rate of the line that is used to calculate the accrued revenue for the line.

When displaying inventory transactions imported from Oracle Project Manufacturing, the Revenue Line Details window shows the base unit of measure (Unit) associated with the inventory item. For all other transactions, the window shows the unit of measure associated with the expenditure type. For information on defining expenditure types, see the *Oracle Projects Implementation Guide*.

Tip: Use the Event Revenue Distribution Lines window to view revenue distribution lines for an event. For information on the fields displayed in the window, see: Events, page 4-1.

How to Review Revenue

To review project revenue

1. Navigate to the Find Revenue window.
2. Enter your search criteria and then choose Find.

The Revenue Summary window opens.

For a description of the fields displayed in the Revenue Summary window, see Revenue Summary Window Reference, page 5-14.

If you select multiple lines, the Release and Unrelease buttons will display the number of items you selected (for example, Release 1, Release 2, etc.) See: Selecting Multiple Records *Oracle Applications System Administrator's Guide*

3. From the Revenue Summary window, choose:

- **Run Request** to regenerate revenue or delete revenue for a project. When you delete or regenerate draft revenue using this window, you submit the **PRC: Generate Draft Revenue** process or the **PRC: Delete Draft Revenue of a Single Project** process.

You can delete draft revenue or regenerate draft revenue only for revenue having a status of Unreleased or Generation Error.

If you regenerate draft revenue for a project that has unreleased draft revenue, Oracle Projects deletes the project's unreleased draft revenue before it creates new draft revenue.

See: Generate Draft Revenue, *Oracle Projects Fundamentals*.

- **Unrelease** to change revenue status from Released to Unreleased.

Note: You can unrelease revenue only if you have not performed any of the following actions: released draft invoices for this draft revenue, subsequently generated draft revenue, and summarized draft revenue for the project.

- **Release** to release unreleased revenue.

Note: You cannot release revenue if you encountered any errors while generating the draft revenue.

- **Totals** to view the total revenue amount for the draft revenue displayed based on your search criteria.
- **Lines** to view the revenue lines. See: Revenue Lines Window, page 5-17.
- **Open** to view all of the revenue information for a single draft revenue on one screen. See: Revenue Window, page 5-15.

Viewing Accounting Lines

You can use the View Accounting option from the Tools menu to review the accounting entries for revenue transactions for which you have created accounting in Oracle Subledger Accounting. If the revenue is not accounted in Oracle Subledger Accounting, then the drilldown does not show any information.

You must run the process PRC: Create Accounting in final mode for the accounting events associated with the revenue transactions before you can view the accounting entries. If a revenue transaction has multiple revenue distribution lines, then you can

see the accounting only for those revenue distribution lines accounted in Oracle Subledger Accounting.

To view accounting lines

1. Query the revenue transaction you want to view.
2. Choose View Accounting from the Tools menu.

You see the View Revenue Accounting window.

Note: The View Revenue Accounting window is a folder that you can customize to add or remove columns. See: Customizing the Presentation of Data in a Folder *Oracle Applications User's Guide*.

3. (Optional) To view the accounting detail for the selected line as T-accounts, choose T-Accounts. In the Options window that opens, select from the Default Window poplist, and then choose from the window buttons to drill down.

Note: From an Oracle General Ledger journal, you can select the Drilldown option from the Tools menu to view subledger journal entry lines associated with that journal. See: Drilling Down to Oracle Projects from Oracle General Ledger, *Oracle Projects Fundamentals*.

4. (Optional) You can view accounting in reporting currencies when you assign reporting currencies to a ledger. To view accounting in a reporting currency, select the Reporting Currency button. Next choose a ledger in the Choose Reporting Currency window, and select the Change button.

Accruing Revenue and Generating Invoices Based on Percent Complete

Oracle Projects can generate revenue and invoices based on the *financial physical percent complete* that you enter for a project. You can enter the physical percent complete for all the levels in the financial breakdown structure (FBS). However, to generate revenue or invoices based on physical percent complete, you must have physical percent complete at the funding level (project or top task).

Note: The currency of the automatically created events is always the project functional currency. Conversion attributes entered in the Billing Assignments window are not used by the Percent Complete extension. See: Currency Conversion Attributes, *Oracle Projects Fundamentals*.

You enter physical percent complete for an As Of Date. Oracle Projects can maintain physical percent complete history. When you use physical percent complete as the basis for revenue accrual or generation of draft invoices, Oracle Projects uses the As Of Date

to determine the corresponding physical percent complete.

Depending on the type of integration between the workplan and financial structure on a project, Oracle Projects can update physical percent complete on the financial structure using the physical percent complete for tasks on the workplan structure. For information on integration between workplan and financial structures, see: *Integrating Workplan and Financial Structures, Oracle Projects Fundamentals*.

Oracle Projects rolls up the physical percent complete on the financial breakdown structure based on the physical percent complete rollup method that you set for the financial structure. For information on updating physical percent complete on the financial structure, see: *Deriving Physical Percent Complete for Financial Structures, Oracle Project Management User Guide*.

Revenue accrual based on physical percent complete is different from percent complete based on a budget (Actual Cost / Budgeted Cost). The method based on budgets, is also sometimes referred to as *Percent Spent* or *Cost-to-Cost Revenue Accrual*. See: *Cost-to-Cost (Percent Spent)*, page 5-7.

Revenue accrual based on physical percent complete is also different from revenue accrual on an as-work-occurs (or time and materials) basis, where the total potential revenue is the sum of the revenue of all expenditure items plus events. See: *As Work Occurs (Time and Materials)*, page 5-6.

Oracle Projects performs the physical percent complete revenue calculation using the following predefined billing extensions:

- Percent Complete Revenue
- Percent Complete Invoicing

The revenue and invoice processes call the appropriate billing extension to calculate the revenue or invoice amount and to create an event. The percent complete extensions pick up physical percent complete at the project level that is rolled up from the task level, as well as user-entered physical percent complete.

See also, *Setup Requirements for Percent Complete Revenue and Invoicing, Oracle Projects Implementation Guide*.

Processing Percent Complete Revenue and Invoicing

To accrue revenue or generate draft invoices based on physical percent complete, you submit the PRC: Generate Draft Revenue or PRC: Generate Draft Invoices process. To submit the process for one project, submit PRC: Generate Draft Revenue for a Single Project or PRC: Generate Draft Invoice for a Single Project. You can also submit a project streamline request.

The revenue or invoice process performs the following steps:

1. The process calls the billing extension for each project or top task (depending on whether the project is funded at the project or top task level). The calling procedure

specifies whether it is a revenue or invoice calling process and whether the call is made at the project or task level.

2. The billing extension determines the budget amounts, event amount, existing revenue amounts, funding balance, and physical percent complete.
3. If the physical percent complete cannot be determined, then the physical percent complete used by the process is zero, the revenue or draft invoice amount is zero, and no event is created.
4. The process calculates the accrued revenue or draft invoice amount, using the formulas shown in the formulas described under Percent Complete Revenue Accrual, page 5-23 and Percent Complete Invoice Generation, page 5-23.
5. The billing extension creates an event. The description of the event includes the event type and the formula that was used to calculate the revenue or draft invoice amount.

Percent Complete Revenue Accrual

The Percent Complete Revenue Accrual formula is shown below:

Accrued Revenue = the lesser of A or B:

- A = Remaining funding balance if agreement has a hard limit
- B = ((Budgeted revenue-event revenue) * Percent complete at funding level/100) - Existing revenue

Where

- Existing Revenue = Total revenue accrued previously by percent complete events
- Existing Revenue = Total revenue accrued previously by percent complete events
- Event Revenue = Total event revenue accrued other than revenue amount accrued by percent complete events

Percent Complete Invoice Generation

The Percent Complete Invoice Generation formula is shown below:

Draft Invoice = the lesser of A or B

- A = Remaining funding balance if agreement has a hard limit
- B = ((Budgeted revenue-event invoice) * Percent complete at funding level/100) - Existing invoice

Where

- Existing invoice = Total invoice accrued previously by percent complete events
- Event invoice = Total event invoice accrued other than invoice amount accrued by percent complete events

The event revenue or invoice is subtracted from budgeted revenue to obtain the net available budgeted revenue or invoice amounts. The process then effectively apportions the event revenue or invoice for the duration of the project.

Agreements with Hard Limits

If the agreement funding the project has a hard limit, the Remaining Funding Balance is the amount of funding left. This portion of the formula (part A) is required because revenue for an event cannot be partially accrued. If the amount calculated in part B of the formula is greater than the amount of funding, then the Remaining Funding Balance is taken as the accrued revenue or draft invoice. An event is still created in this case.

If the agreement has no hard limit, only part B of the formula is used.

Related Topics

Percent Complete, page 5-24

Events, page 4-1

Event Types, *Oracle Projects Implementation Guide*

Billing Extensions, *Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*

Automatic Events, *Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*

Setting Up Cost-to-Cost Revenue, *Oracle Projects Implementation Guide*

Entering Agreements, page 3-2

Generate Draft Invoices, *Oracle Projects Fundamentals*

Generate Draft Revenue, *Oracle Projects Fundamentals*

Percent Complete

You can enter physical percent complete manually for a financial structure. You also have the option to update physical percent complete using workplan physical percent complete values. Oracle Projects can use physical percent completion information for revenue accrual and billing, and for reporting purposes.

You can maintain physical percent complete information at all levels of the financial structure. Oracle Projects maintains a history of the physical percent complete information.

In addition, you can use, an API (application program interface) to maintain physical percent complete information. The interface is named UPDATE_PROGRESS. See: Oracle Project Management APIs, *Oracle Projects APIs, Client Extensions, and Open*

Interfaces Reference.

Physical percent complete entries can be used in billing extensions. See: *Designing Billing Extensions, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference.*

Related Topics

Accruing Revenue and Generating Invoices Based on Percent Complete, page 5-21

Deriving Physical Percent Complete for Financial Structures, *Oracle Project Management User Guide*

Work Types, *Oracle Projects Implementation Guide*

Revenue-Based Cost Accrual

Cost accruals are the accounting transactions to account for expenses in the same accounting period in which revenue is generated. Cost accruals are also referred to as *Cost of Goods Sold* or *Cost of Sales*.

According to the matching principle required by Generally Accepted Accounting Principles (GAAP), expenses (cost) incurred in earning revenue must be accrued in the same accounting period as the revenue. If you do not follow this matching principle, the financial statement and the reported profitability of the company are affected. If the current period expenses are accrued immediately, but related revenues are accrued in a future period, then the profitability of the company is reduced for the current period. To conform to the matching principle, you must defer expenses until revenue is accrued.

In Oracle Projects, cost distribution and revenue generation are two separate processes. Consequently, it is possible to account for expenses (costs) and revenue in different accounting periods. You must determine your accounting procedures and setup to ensure that you match expenses to revenue.

You must determine if your company uses cost accruals during revenue generation. The answer depends on the revenue accrual methods that your company uses. Some companies recognize revenue in the same period as costs. This type of accounting is typically done with work based or time and materials revenue accrual. For such companies, cost accruals are not needed. Other companies use a method that recognizes revenue in future periods after cost is accrued. For these companies, cost accruals are required.

With cost accruals, you initially account for the costs incurred as an asset in a cost work in process (WIP) account. You determine whether you account raw or burdened cost as the cost WIP. When you accrue revenue, the costs are recognized as expense by using cost accruals.

Cost Accrual Implementation Example

Oracle Projects provides an example implementation of cost accruals. The example

includes billing extensions that create events to produce the appropriate accounting. See: Cost Accrual Calculation using Billing Extensions, *Oracle Projects Implementation Guide*.

You can use the example with the provided extensions without modification. Your business requirements for cost accruals may be different from the requirements on which the example is based. If this is the case, you must implement your own cost accrual process and logic, using the example provided by Oracle Projects as a model. See: Implementing Your Own Cost Accrual Procedures and Extensions, *Oracle Projects Implementation Guide*.

The implementation example illustrates how to perform the following activities required for cost accrual:

- Calculate cost accrual amounts based on the accrued revenue amounts and budgeted cost and revenue amounts. The example uses a billing extension to create events that produce the appropriate accounting.
- Define the appropriate setup data to support cost accrual calculation and the corresponding accounting entries.
- Initiate project closing accounting entries using a project status with a system status of *Pending Close*.
- Implement rules to ensure that all accounting entries are complete before a project status can be changed from one with a system status of *Pending Close* to one with a system status of *Closed*.
- Create columns in the Project Status Inquiry window to view the cost WIP and cost accrual amounts.

Cost Accrual Accounting Entries

The implementation examples for cost accruals provided by Oracle Projects generate the following accounting entries for cost accruals:

The following table shows the accounting entries for distributing costs (may be raw or burdened costs):

Account	Debit	Credit
Cost WIP Account (Asset)	<Cost Amount>	
Expense Clearing Account (Liability)		<Cost Amount>

The following table shows the accounting entries for generating revenue:

Account	Debit	Credit
UBR/UER Account (Asset/Liability)	<Revenue Amount>	
Revenue Account (Revenue)		<Revenue Amount>
Cost Accrual (Expense)	<Cost Accrual Amount>	
Cost Accrual Contra Account (Contra Asset)		<Cost Accrual Amount>

The following table shows the accounting entries for project closing:

Account	Debit	Credit
Cost Accrual Contra Account (Contra Asset)	<Cost Accrual Amount>	
Cost Accrual Account (Expense) (Balancing entry; may be credit if cost accrual amount is greater than cost amount)	<Cost Amount> less <Cost Accrual Amount>	
Cost WIP Account		<Cost Amount>

Cost Accrual Accounting

In cost accrual accounting, costs are accounted for in a cost WIP account as they are incurred and distributed during the life of the project. You determine if you account for cost WIP with the raw or burdened costs. Based on this decision, you define your AutoAccounting rules for the raw cost or burdened cost accounting.

Note: If you define your own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Projects derives using AutoAccounting.

As revenue is accrued, the cost accrual amount is calculated and the expense account is debited via a Cost Accrual entry. A Cost Accrual Contra account is credited. A Cost Accrual Contra account is used instead of a Cost WIP account to allow you to easily

view and reconcile the Cost WIP and Cost Accrual Contra accounts during the life of the project.

When the project is pending close, you must perform appropriate project closing entries. At this time you must ensure that the Cost Accrual (expense) amount equals the Cost WIP amount. You must fully credit the Cost WIP account and debit the Cost Accrual Contra account. When this is done, you have moved all cost WIP amounts to the Cost Accrual (expense) account. The balancing entry that accounts for the difference of the cost accrual amount and the cost amount is an entry to the Cost Accrual account.

If the project status is changed from a closed status to an active status after closing entries, the closing entries are automatically reversed the next time the Generate Draft Revenue process is run for the project. See: Close the Project, page 5-30.

Case Study: Using Cost Accrual for a Project

A Project is created with the following values:

- Project Number: CA-Project01
- Project Name: CA-Project for Documentation
- Distribution Rule: WORK/WORK
- Employee Bill Rate Override: Amy Marlin 1,000 hourly

One additional task, Task 2, is added.

Budget and Fund the Project

The following uncategorized, non-time-phased budgets are created:

- Cost Budget
 - Budget Type: Approved Cost Budget
 - Quantity: 1000
 - Raw Cost: 250,000
- Revenue Budget
 - Budget Type: Approved Revenue Budget
 - Revenue: 1,000,000

Project CA-Project01 is funded in agreement CA-01 with a soft limit purchase order from the customer for \$1,000,000 US. The budget and funding have a baseline.

Enter Timecard

The following timecard is entered:

Batch: CA-01-tc

Ending Date: 13-APR-1997

Employee: Marlin, Amy

You enter, submit, and release the pre-approved timecard batch shown in the following table:

Expenditure Item Date	Project Number	Task Number	Expenditure Type	Quantity	Raw Cost
12-APR-1977	CA-Project01	1	Professional	50	3000
13-APR-1997	CA-Project01	2	Professional	50	3000
Total				100	6000

You run the process PRC: Distribute Labor Costs. The cost rate for Amy Marlin is \$60.00 per hour. Next, you run the process PRC: Generate Cost Accounting Events with *Labor Costs* as the value for the Process Category parameter. Finally, you run the process PRC: Create Accounting in final mode with *Labor Costs* as the value for the Process Category parameter. This process creates subledger accounting entries for the labor costs.

The accounting entries shown in the following table are created for these costs:

Account	Debit	Credit
Cost WIP	6,000.00	
Payroll Clearing		6,000.00

Generate Revenue and Cost Accrual

You run the process PRC: Generate Draft Revenue for a Single Project. Because this project uses the WORK/WORK revenue distribution rule, the draft revenue is calculated as follows:

$$(100 \text{ hours} * \$1,000 \text{ per hour}) - 0 = \$100,000$$

The cost accrual is calculated as follows, using the algorithm in the Revenue-Based Cost Accrual Formula Example, *Oracle Projects Implementation Guide*.

$(100,000 / 1,000,000 * 250,000) - 0 = 25,000$

The cost accrual events are created and accounted as shown in the following table:

Account	Debit	Credit
Cost Accrual	25,000.00	
Cost Accrual Contra		25,000.00

Revenue accounting entries are created as shown in the following table:

Account	Debit	Credit
Unbilled Revenue	100,000.00	
Revenue		100,000.00

After you release the revenue, you run the process PRC: Generate Revenue Accounting Events. Finally, you run the process PRC: Create Accounting in final mode with *Revenue* as the value for the Process Category parameter. This process creates subledger accounting entries for the revenue.

Close the Project

Using the Project Closing procedure, the project status is set to *Pending Close*. This status change initiates the closing cost accrual entries. You run the process PRC: Generate Draft Revenue for a Single Project and the process creates and accounts for three events as shown in the following table:

Account	Debit	Credit
Cost Accrual Contra	25,000.00	
Cost WIP		6,000.00
Cost Accrual (Balance so that Cost Accrual = Cost WIP at end of project)		19,000.00

After you release the revenue, you run the process PRC: Generate Revenue Accounting Events. Finally, you run the process PRC: Create Accounting in final mode with *Revenue*

as the value for the Process Category parameter. This process creates subledger accounting entries for the revenue.

The project status can now be changed to *Closed*. If the project is reopened (if its status is changed to an active status with a system status other than *Pending Close* or *Closed*), these three events are reversed the next time the Generate Draft Revenue process is run for the project.

Other Revenue Issues

This section discusses the following revenue issues:

- Funding multiple customers or multiple agreements
- Hard limits and partial accrual

Funding and Multiple Customers or Multiple Agreements

When you generate revenue, Oracle Projects determines which agreement an event or revenue item is accrued and billed against. Each time Oracle Projects finds available funding for an expenditure item or an event, it creates a revenue item and updates the funding amount billed on that agreement.

Expenditure Items and Events

When revenue is generated, the system searches for agreements that fund the project against which to accrue potential revenue. When an agreement is found against which to accrue revenue, the appropriate funding record is updated with the amount accrued.

Whenever Oracle Projects creates draft revenue against an agreement, the event revenue is split among the customers on the project according to their bill split percentage.

If Oracle Projects cannot find enough funding for the full potential revenue amount, it creates partial revenue for the expenditure items.

If multiple agreements fund the revenue generated for an expenditure item or event, Oracle Projects creates a revenue distribution line for each project (or task) and agreement funding the revenue. Therefore, a single expenditure item or event may have more than one revenue distribution line, with each line billed on separate invoices.

When the Date-Effective Funds Consumption option is enabled for a project, the system does not create partial revenue for expenditure items or events. The full amount is always applied against the funding from one agreement, and appears on only one invoice. (An exception to this is if the expenditure item is recalculated, and is split into multiple draft revenue.)

Hard Limits and Partial Accrual

Hard Limits

You specify a hard limit for an agreement to limit revenue accrual and billing of a project funded by that agreement to the amount funded. You specify whether to use hard limits in the Agreement window. Funding cannot be reduced below the accrued revenue if hard limit for revenue exists. See: *Entering Agreements*, page 3-2.

Events

Oracle Projects accrues revenue for an event only if enough funding is available to accrue the full event amount.

Expenditure Items and Partial Accruals

Unlike events, for which revenue can be accrued only if funding exists for the full amount of the event, expenditure items can be partially accrued against agreements with hard limit funding. You can accrue expenditure item revenue up to hard revenue limits by partially accruing the potential revenue.

Note: Partial accruals are only permitted for projects that do not have the Date-Effective Funds Consumption option enabled.

If Oracle Projects encounters expenditure items funded by an agreement with a hard revenue limit, and all of the potential revenue cannot be accrued on the agreement, the expenditure items for the current revenue generation run of the project are marked as partially accrued. These partially accrued items can be fully accrued by adding more funding before the next time you generate revenue.

Oracle Projects calculates the proration for partial accruals based on the following formula:

$$AR(ITEM) = PR(ITEM)/PR(RUN) * AR(RUN)$$

Where, for an item:

- $AR(ITEM)$ = Partial accrued revenue for an item
- $PR(ITEM)$ = Potential revenue for an item
- $PR(RUN)$ Total potential revenue of all items processed in the current run
- $AR(RUN)$ = Total accrued revenue on the project or task for the current run based on available funding

For example, say Task 3.0 is funded with \$1,000 from an agreement with a hard limit, and expenditures charged to the task create potential revenue of \$6940, which is in

excess of \$1,000. When revenue is generated for task 3.0, Oracle Projects reaches the revenue limit at \$1,000. Oracle Projects creates partially distributed revenue for the task and accrues a portion of each expenditure item's potential revenue as we show in the table below:

Employee Name	Labor Hours	Bill Rate	Potential Revenue *	Partially Distributed Revenue
Cheng	6 hours	180.00	1,080.00	155.62
Cheng	6 hours	180.00	1,080.00	155.62
Gray	6 hours	100.00	600.00	86.46
Gray	6 hours	100.00	600.00	86.46
Marlin	2 hours	145.00	290.00	41.79
Marlin	2 hours	145.00	290.00	41.79
Robinson	6 hours	250.00	1,500.00	216.13
Robinson	6 hours	250.00	1,500.00	216.13

Total Potential Revenue is \$6940.00. Potential revenue is the amount of revenue that would have been generated with sufficient funding or no hard limit.

Total Partially Distributed Revenue is \$1000.00.

Invoicing

This chapter covers the following topics:

- Invoicing a Project
- Components of an Invoice
- Hard Limits
- Generating Invoices
- Retention Billing
- Reviewing Invoices
- Approving, Releasing, and Printing Invoices
- Changing Invoice Currency Attributes (Recalculating an Invoice)
- Viewing Invoices
- Viewing Invoices in Oracle Receivables
- Adjusting Project Invoices
- Adjusting an Invoice
- Conditions That Allow Specific Invoice Actions
- Integrating with Oracle Receivables

Invoicing a Project

Oracle Projects provides you with rich functionality to help you meet your invoice processing needs. Using Oracle Projects features, you can manage and control your invoices, review and adjust them online, and review the detailed information that backs up your invoice amounts.

When you generate invoices, Oracle Projects calculates bill amounts, creates formatted invoices for printing and posting, and maintains funding balances.

Related Topics

Invoice Flow, page 6-2

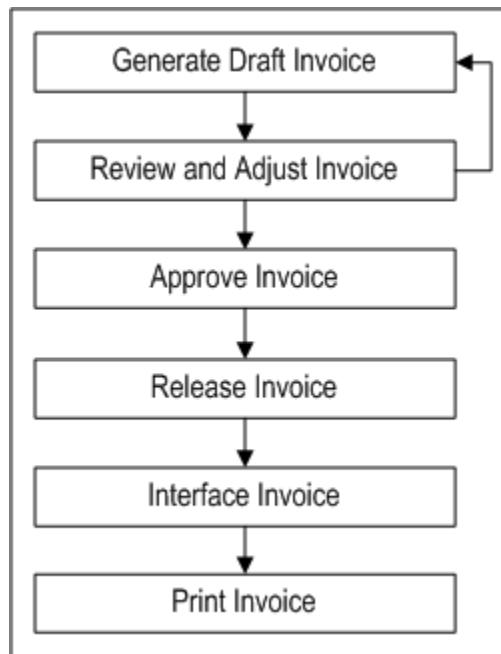
Invoice Flow

The Invoice Flow, page 6-2 diagram shows the following flow of steps:

1. Generate Draft Invoice
2. Review and Adjust Invoice. If necessary, regenerate draft invoice, review and adjust.
3. Approve Invoice
4. Release Invoice
5. Interface Invoice
6. Print Invoice

In the pages that follow, we discuss each of these steps. We also tell you how to view invoices in Oracle Receivables, create invoice adjustments, and address other topics that help you to simplify your invoicing needs.

Invoice Flow



Related Topics

Steps To Take Before Generating Invoices, page 6-3

Steps To Take Before Generating Invoices

Oracle Projects provides controls as to which projects are ready for invoice generation.

You must complete the following steps before generating invoices for a contract project in Oracle Projects:

1. Enter an agreement and fund the project, using the Enter Agreements window. See: *Entering Agreements*, page 3-2.
2. If you want to generate revenue or invoices for the project based on percent complete, enter percent complete information either at the project or the funding level (project or top task). See: *Revenue Accrual and Invoice Generation Based on Percent Complete*, page 5-21.
3. If you want the project customer to be billed in a currency other than the project functional currency, enter currency attributes for the project customer.

Note: To enter currency attributes, you must enable the multi-currency billing functionality. See: *Setting Up Multi-Currency Billing*, *Oracle Projects Implementation Guide*.

4. If you are using multi-currency billing, enter project level currency conversion attributes.
5. Enter budgets. See: *Entering a Budget Draft*, *Oracle Project Management User Guide*.

Note: If your project uses the cost-to-cost invoice generation method, you must include burdened costs in your cost budget and revenue amounts in your revenue budget. Without these amounts, Oracle Projects cannot successfully generate invoices for your project.

6. Baseline the project budget and funding. See: *Creating a Baseline for a Budget Draft*, *Oracle Project Management User Guide*.

Note: You must fund the budget before you can baseline it.

7. For projects using as-work-occurs billing, generate revenue for expenditure items using the Generate Draft Revenue process. See: *Generate Draft Revenue*, *Oracle Projects Fundamentals*.
8. For projects using event billing, enter billing events using the Event option in the Project or Task window. See: *Events*, page 4-1.

Note: If you do not want to generate an invoice for a specific top task on your project, uncheck the Ready to Bill check box in the Control Billing by Top Task window. Oracle Projects assumes you want to invoice all billable top tasks on contract projects.

9. Optionally, reevaluate your funding.

Related Topics

Billing Cycles, *Oracle Projects Implementation Guide*

Funding Revaluation, page 3-14

Components of an Invoice

Certain components of an invoice are determined when you generate a draft invoice. We discuss some of these components below. For more information concerning how project information affects invoices, and information about the components of a released invoice in Oracle Receivables, refer to the sections below. The following table describes components of a draft invoice in Oracle Projects.

Component	Description
GL Date	The GL Date is determined from the open or future period in which the invoice date falls, based on the period status in Oracle Receivables. If Oracle Receivables is not installed, the GL date is determined based on the period status in Oracle General Ledger.
Bill Through Date	The date through which Oracle Projects picks up events and expenditure items to be billed on an invoice.
Customer Billing Address	The billing address you select for the customer in the Customers window or the Project Customers window.
Customer Shipping Address	The work site you select in the Customers window or the Project Customers window.
Draft Invoice Number	The Oracle Projects draft invoice number. This number indicates the sequential invoice number generated for a project.

Component	Description
Invoice Date	The date that is printed on the invoice and the date on which an invoice receivable's aging begins. You specify the invoice date when you generate the invoice. This date is used to convert the billing amounts in the billing transaction currency to billing amounts in the project functional, project, and funding currency if the Rate Date Type conversion attribute is defined as PA/Invoice Date for the project.
Invoice Comment	The default value is the invoice comment entered for the project. You can also enter a comment for each invoice in the Invoice window.
Invoice Lines	Invoice lines are comprised of groupings of expenditure items (for T&M billing), or can be a single line item (for event billing).

In addition, there are other factors that impact invoice generation. You specify these factors when you enter a project. They provide default values or rules when you generate an invoice. The terms in the table below help you to understand how information is derived from your project setup to create an invoice.

Component	Description
Billing Cycle Code	The code that indicates when to generate invoices automatically a project; determined from the project. The bill cycle code is used only during mass invoice generation. See: <i>Billing Cycles, Oracle Projects Implementation Guide</i> .
First Bill Offset Days	The number of days that elapse between the project start date and the date of the project's first invoice; determined from the project. Bill offset days are used only during mass invoice generation.

Component	Description
Invoice Formats	Uses the invoice formats defined for a project (T & M only). See: <i>Determining Your Invoice Printing Method, Oracle Projects Implementation Guide</i> .
Distribution Rule	Determines how bills are generated for a project; determined from the project. (T & M and Events)
Billing Titles	The job and employee billing titles printed on an invoice using the effective billing titles.
Invoice Currency	The invoice currency selected for the project customer.
Invoice Processing Currency	The common currency that summarizes billing transactions and funding amounts and performs fund checking when generating invoices.

Certain components of an invoice are determined when you release a draft invoice, interface it to Oracle Receivables, and create an invoice from it in Oracle Receivables. We discuss some of these components in the table below.

Component	Description
Invoice Date	The date that is printed on the invoice and the date on which an invoice receivable's aging begins. You can change the invoice date when you release the invoice. However, Oracle Projects does not recalculate the invoice using a new conversion rate based on the new AR Invoice Date.

Component	Description
Invoice Number (AR)	The number of an invoice that is printed on an invoice, and the number that can be tracked in Oracle Receivables. This number can be system generated, or a number that you enter which uniquely identifies the invoice in Oracle Receivables, depending on how you implemented your invoice numbering system in Oracle Projects. The invoice number is determined when you release an invoice.
Invoice Transaction Type	<p>If you choose decentralized invoice processing during implementation, this is the name of the organization that is the invoice processing organization for the project owning organization. Otherwise, this is the default transaction type of <i>Projects Invoice</i> or <i>Projects Credit Memo</i> based on the <i>PROJECTS INVOICES</i> batch source. You can override the transaction type of an invoice using the transaction type billing extension.</p> <p>You can also use the AR transaction type extension to determine the AR transaction type when you interface invoices to Oracle Receivables.</p> <p>An invoice transaction type determines if it is an invoice or a credit memo.</p>
Notes	The invoice comment determined from the project comment. You can override this default for each invoice before you interface the invoice to Oracle Receivables.
Payment Terms	The payment terms in Oracle Receivable are determined from the agreement that is used to fund an invoice.
Salesperson	If you define project managers as salespeople, then this is the project manager of the invoice's project. If you do not define project managers as salespeople, this value is blank. See: Salespersons and Credit Types, <i>Oracle Projects Implementation Guide</i> .

Component	Description
Ship to address	The ship to address specified for this customer on this project.

Hard Limits

You specify a hard limit for an agreement to limit revenue accrual and billing of a project funded by that agreement to the amount funded. Hard limits can be set for both revenue and invoice or for either revenue or invoice. You specify whether to use hard limits for an agreement in the Agreements form. Funding cannot be reduced below the invoiced amount if hard limit for invoice exists. See: *Entering Agreements*, page 3-2.

When Oracle Projects encounters a hard limit when generating an invoice, it selects expenditure items until the hard limit is met, or until all additional items would cause the hard limit to be exceeded. However, the amount that Oracle Projects bills is the full bill amount for each expenditure item, not the partially accrued (partially distributed) revenue amount.

For example, say Task 3.0 is funded with \$1,000 from an agreement with a hard limit, and expenditures charged to the task create potential billable items in excess of \$1,000. When an invoice is generated for task 3.0, Oracle Projects reaches the hard limit at \$1,000. Oracle Projects bills as many expenditure items as it can up to the limit of \$1,000. Oracle Projects looks at the earliest expenditure items billed against Task 3.0 as its criteria of which items to select to bill first under the \$1,000 limit. According to the example in the following table, Oracle Projects bills \$940. Additional eligible items exist, none with an amount of \$60 or less.

The following table shows the amount billed by Oracle Projects:

Employee Name	Quantity Billed	Bill Rate per Unit	Bill Amount	Amount Invoiced
Marlin	6 hours	60.00	360.00	360.00
Gray	1 hours	40.00	40.00	40.00
Marlin	9 hours	60.00	540.00	540.00
Total Amount of Invoice				940.00

Generating Invoices

You can generate an invoice for a single project, or for all projects having potential invoices by running the PRC: Generate Draft Invoice process. When you generate an invoice, Oracle Projects first selects projects, tasks, and their associated events and expenditure items that are eligible for billing.

Oracle Projects next creates invoice items for billing events, revenue events, and for expenditure items based on invoice formats defined for labor and non-labor items. When Oracle Projects creates invoice items, it also searches for available funding for each invoice item.

Oracle Projects also calculates the bill amounts of each expenditure item, based on either the invoice method associated with a particular project or the top task if Invoice Method at Top Task is enabled for the project. See: *Accruing Revenue for a Project*, page 5-1.

When you generate invoices, you specify an Invoice Date as well as a Bill Through Date as process parameters. The Bill Through Date is the date through which you want Oracle Projects to process all eligible expenditure items and events. Oracle Projects creates an invoice using expenditure items and events dated on or before the bill through date you specify.

The Invoice Date parameter is used as the AR Invoice Date for all the invoices generated. You can override the AR Invoice Date when you manually release an invoice. If the Rate Date Type conversion attribute is defined as PA/Invoice Date, then the Invoice Date process parameter determines the exchange rates to convert the billing transaction currency to billing amounts in the project functional currency, project currency, and the funding currency. See: *Generate Draft Invoices, Oracle Projects Fundamentals*.

Billing amounts in the billing transaction currency are converted to project functional currency, project currency, and the funding currency amounts during the invoice generation process. Billing amounts in the invoice processing currency are converted to invoice currency using the invoice currency conversion attributes.

Note: When the invoice processing currency is not the same as the project functional currency but the invoice currency is the same as the project functional currency, invoice currency conversion attributes are ignored and no conversion is done from invoice processing currency to invoice currency. The project functional invoice amount defaults to the invoice amount.

When multi-currency is enabled for a project, the invoice processing currency can be either the project functional currency, the project currency, or the funding currency. When multi-currency is not enabled for a project, the invoice processing currency is the project functional currency. See also: *Billing in a Global Environment*, page 8-1.

When the Invoice by Billing Transaction Currency is enabled for the project, you can generate separate invoices for a project by each billing transaction currency, even though one or more invoices may be funded by the same agreement. Therefore, expenditures that are billed using markups or burden schedules to derive the bill amounts are grouped according to their expenditure transaction currencies.

For example, if a project is funded by only one agreement and the project has labor expenses that use bill rates in GBP and expense report expenditures in USD that use markups, separate invoices are generated for the project, although the project is funded by one agreement. One invoice includes all the labor items, and the invoice transaction currency is GBP. Another invoice includes all the expense reports, and the invoice transaction currency is USD.

You can generate retention invoices at the same time as your project invoices, or separately. Retention invoices bill previously withheld amounts.

To generate invoices across a range of projects

1. Submit the PRC: Generate Draft Invoices for a Range of Projects in the Submit Request window to run multiple invoice generation processes in parallel. See: *Submitting Requests, Oracle Projects Fundamentals*.

Tip: You should run Generate Draft Invoice on a specified processing cycle (for example, weekly) to generate invoices for projects whose billing cycles are due across the entire company. You can also run the process on demand to process off schedule invoices.

Use the rescheduling parameters to configure the Generate Draft Invoice process to run automatically, according to a defined schedule.

To generate invoices for a single project

1. Submit the PRC: Generate Draft Invoices for a Single Project process from the Submit Request window or choose Run Request from the Invoice Summary window or Invoice window. See: *Generate Draft Invoices, Oracle Projects Fundamentals*.

Selection Criteria

Projects: Oracle Projects first determines if a project is eligible for invoice generation using the following criteria:

- Must be a contract project
- Must have a status that allows invoice generation. For more information, see: *Project Statuses, Oracle Projects Implementation Guide*.
- Must have a baseline budget and funding

- Must have expenditure items or events that are eligible for invoice generation or transaction-independent billing extensions that are assigned at the project type, project, or top task level

If you submit the process for **all projects**, it checks the eligibility of each project to bill according to its billing cycle. A project must meet the following billing cycle criteria before it can generate an invoice:

- Must not have any pending invoices (Unreleased)
- At least one bill cycle past the bill through date (or creation date if no bill through date exists) of the last non-crediting invoice
- At least first bill offset days past the project start date (or project creation date if no start date exists) if you have not yet invoiced a particular project
- If the billing date is calculated by a client extension, and the client extension returns a null value for the billing date, then the process will not pick up the project.
- To generate retention invoices, the project must be eligible to bill retention.

When submitted for a **single project**, the Generate Draft Invoices process ignores billing cycle. Also, if you have any unreleased draft invoices, they are deleted and a new draft invoice is created.

Note: For projects that use *work* billing on their revenue distribution rule (such as T & M), you must generate draft revenue before you can generate an invoice.

Tasks: To be billed on an invoice, a project's top tasks must have a ready to bill status. This is done automatically when you create a project, but you may choose to change the top task bill status to Not Ready to Bill in the Control Billing by Top Task window. A project's lowest tasks must be billable. You specify billability in the Task Details window.

Expenditure Items: To be included on an invoice, an expenditure item must meet the following criteria:

- Expenditure item must have a billable status
- Expenditure item must be partially or fully revenue distributed
- Expenditure item must not be on billing hold
- Expenditure item must not be already invoiced
- The project billing distribution rule must be Work (T & M) and not *Event*

- Expenditure item date must be on or before the bill through date
- If the Date-Effective Funds Consumption option is selected, then the expenditure item date must be within the agreement start and expiration dates

Events: To be included on an invoice, an event must meet the following criteria:

- Event must not be already invoiced
- Event completion date must be on or before the bill through date
- Event must be revenue distributed (for write-on revenue events only)
- If the Date-Effective Funds Consumption option is selected, then the event date must be within the agreement start and expiration dates

The above criteria do not apply if the event type classification is Scheduled Payment, Deferred Revenue, Invoice Reduction, Manual, or Automatic(for billing events only)

Note: An automatic event created by billing extensions after an adjustment must include the number of the original event. Without this information, Oracle Receivables cannot autoinvoice the automatic event. If Oracle Projects does not find this value during the invoice generation process, it will display the following message in the log file: "Cannot find a proper inv line credited for this adjusted event." See: *Inserting Events, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Billing Extensions: For each project selected, Oracle Projects then selects expenditure items and events that are eligible for invoice generation based on the criteria that you define in your billing extensions. If you define transaction independent billing extensions, Oracle Projects executes these extensions for each project with an active billing assignment, even if there are no transactions to process. See also: *Billing Extensions, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Retention: If the project is eligible to bill retention, the retention amounts are billed based on the Retention Billing terms defined for the project customer. See also, *Retention Billing*, page 6-14.

Invoice Generation Option: Select one of the following choices:

- Include Retention Invoices: Generate both project and retention invoices. This option is the default setting for this parameter.
- Exclude Retention Invoices: The process excludes retention invoices.
- Retention Invoices Only: The process generates retention invoices only.

Agreements and Creating Invoices

Oracle Projects bills each customer based on their billing contribution and the available funding from the customer agreement. If a customer is on credit hold in Oracle Receivables, Oracle Projects creates an invoice with a generation error for that customer.

When you generate an invoice, Oracle Projects determines which customer agreement an event or invoice item should be billed against.

Each time Oracle Projects finds available funding for an expenditure item or an event, it creates an invoice item and updates the funding amount billed on that agreement.

Billing Events: Billing events are events for which there is no associated revenue. Because billing events have not accrued revenue against an agreement, a billing event can be billed against any agreement that has sufficient funding to cover the entire amount of the event (unless an agreement was specified on the event).

Note: You cannot delete an event with multiple invoices if one of the invoices has been processed against the event.

When processing a Scheduled Payment event, Oracle Projects marks expenditure items as billed using the first-in, first-out (FIFO) method based on the expenditure item date. The total of the FIFO marked items of an event may not exactly equal the amount of the event. The total item amount is an estimation of the total work performed which backs up the scheduled payment amount for internal reporting.

Write-On Events: Write-on events are events that have accrued revenue against an agreement, or have been previously billed and canceled against an agreement. They must be billed to that same agreement. Revenue events typically have an event classification of Write-On.

Expenditure Items: Since expenditure items have already accrued revenue against an agreement, they must bill against that same agreement. Oracle Projects selects all of the eligible items, groups and summarizes them according to their project's invoice format, and bills them up to the limit of the available funding.

Invoice Set: For each given run of invoice generation for a project, if multiple customer agreements exist, Oracle Projects creates multiple invoices within a unique invoice set. You must approve, release, and cancel all invoices within an invoice set together by performing an action on a single invoice within the invoice set.

Reports for Reviewing Invoices

You can use the Invoice Review report to review the draft invoices of a project before approving and releasing them for interface to Oracle Receivables. See: Invoice Review Report, *Oracle Projects Fundamentals*.

Use the invoice flow reports to identify where your draft invoices are in the invoice processing flow. See: Invoice Flow Detail and Summary Reports, *Oracle Projects*

Related Topics

Retention Billing, page 6-14

Generate Draft Invoices, *Oracle Projects Fundamentals*

Retention Billing

Retention is a provision in a contract to hold back a portion of invoiced amounts for the duration of the project. Oracle Projects enables you to set up withholding and billing terms for retention, invoice retention amounts, and account for unbilled retention.

Defining the Retention Level

Retention provisions in contracts can vary greatly. Contracts may require that the withholding and billing of retained amounts for a project customer be managed at either the project or top task level. Contracts for work-based billing may require that amounts be withheld by expenditure category, while those for event-based billing require that amounts be withheld by event category. Contracts may also include a variety of conditions for the billing of withheld amounts.

For each project customer, you can define retention terms at either the project level or the top task level to reflect the granularity of the terms specified by the contract with the project customer. You cannot change the retention level after an amount has been withheld for the project customer.

Defining Retention Terms

Retention Terms determine how amounts are withheld from project invoices and how the withheld amounts are billed to the project customer. Retention terms include:

- Withholding Terms
- Withholding Terms by Expenditure Category
- Withholding Terms by Event Revenue Category
- Billing Terms

Withholding Terms

These terms apply to all sources of project invoice amounts for the specified project or top task. For each term, you can define a withholding percentage or amount. Optionally, a threshold amount can be defined to determine the maximum amount to be withheld per term.

Each term represents a distinct retention withholding basis. This basis is used to determine the grouping of retention lines on project invoices. You can choose to define more detailed withholding terms by:

Expenditure category: For work-based billing

Event revenue category: For event-based billing

Withholding Terms by Expenditure Category

You define withholding terms for specific classifications of cost, such as labor or materials. The following expenditure classifications are available for this definition:

- Expenditure category
- Expenditure type
- Non-Labor resource

Terms defined at a more granular level take precedence over those defined at less granular levels. For example, a term defined for an expenditure category of Labor and an expenditure type of Regular Time will take precedence over a term defined only for the expenditure category of Labor.

Withholding Terms by Event Revenue Category

You define withholding terms for specific types of milestone events such as fees or incentives. The following classifications are available for this definition:

- Revenue category
- Event type

Terms defined at a more granular level take precedence over those defined at less granular levels. For example, a term defined for a revenue category of Milestone and an event type of Fee will take precedence over a term defined for only the revenue category of Milestone.

Billing Terms

Retention invoices bill project customers for previously withheld retention amounts. Billing terms control the timing and calculation of retention invoices. You define retention billing terms at the same retention level as retention withholding terms.

In defining a billing term, you can select one of the following retention billing methods:

- Total Withheld Amount
- Percent Complete
- Billing Cycle

- Retention Billing Client Extension

Total Withheld Amount Method

When the amount of unbilled retention on a project or top task exceeds a stated threshold (total amount), the invoice generation process automatically creates a retention invoice for the specified percentage (billing percentage) or amount (billing amount).

You define the following information for this method:

- Total amount: Upon reaching this total, a percentage of the withheld amount or a specified amount is billed.
- Billing percentage or billing amount: A percentage or a specific amount of the withheld amount is billed.

Percent Complete Method

When your project or top task reaches the specified percent complete, retention invoices are generated automatically. The invoice generation process selects projects or top tasks that have a physical percent complete equal to or greater than the specified percent complete for this retention billing method, and projects or top tasks that have a total withheld retention balance that has not been billed. You define the following information for this method:

- Percent complete
- Billing percentage or
- Billing amount

Billing Cycle

Retention invoices are generated automatically based on a billing cycle. The invoice generation process selects the following projects or top tasks projects or top tasks for which a retention invoice has not been generated in the current billing cycle, and projects or top tasks that have a total withheld retention balance that has not been billed.

You define the following information for this method:

- Cycle name
- Billing percentage, or
- Billing amount

You select a retention billing cycle defined in the Cycles window to determine when to bill previously withheld amounts. The initial offset date for the retention billing cycle is

the invoice date of the earliest project invoice in which retention was withheld.

Enter the billing percentage or an amount of previously withheld amounts to bill. The retention billing cycle schedule determines when retention invoices are generated.

Retention Billing Client Extension

You can define your business rules for billing withheld amounts using the Retention Billing client extension. For more information, see: *Retention Billing Client Extension, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Accounting for Unbilled Retention

To account for unbilled retention separately from the unbilled receivables, you define AutoAccounting rules for the function transaction named *Unbilled Retention Account* for the AutoAccounting function *Revenue and Invoice Accounts*. To generate a default account for unbilled retention using the defined Unbilled Retention Account AutoAccounting rules, you must also enable the Account for Unbilled Retention check box in the Billing tab in the Implementation Options window. If you do not enable this feature, Oracle Projects uses the Unbilled Receivable Account AutoAccounting rules when interfacing project and retention invoices to Oracle Receivables.

Note: Only those projects created after Account for Unbilled Retention check box is enabled will derive the Unbilled Retention account using the Unbilled Retention Account function transaction.

If you define your own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Projects derives using AutoAccounting. If the Oracle Subledger Accounting overwrites accounts, then you must drill down to Oracle Subledger Accounting from Oracle Receivables to view the final accounts.

Note: You can view only the original default unbilled retention accounting in Oracle Projects.

Related Topics

Accounting for Revenue and Invoices, *Oracle Projects Implementation Guide*

Billing Information, *Oracle Projects Fundamentals*

Reviewing Retention Information

You can view withheld and billed retention amounts at the project or top task. Additionally, you can view the details of withheld amounts per withholding terms.

- Project Retention Inquiry: You can view the total amount of withheld retention

amount for a project or top task in the Project Retention Inquiry window. Amounts are in project functional, project and funding currency.

- Retention Details Window: To review retention terms and withheld amounts for an individual agreement, select an agreement and click the Details button in the Project Retention Inquiry window. Amounts are in project functional, project and funding currency.

Reviewing Invoices

You can review each invoice before you approve and release it for billing. Use the Invoice Summary window or the Invoice Review report to review invoices. Alternatively, navigate to the Billing subtab of the Financial tab of your project. For more information, see *Billing Workbench, Oracle Project Fundamentals*.

You can review invoice information such as:

- invoice amount
- withheld amount
- invoice lines
- withheld basis amount
- currency attributes
- expenditure items that back up invoice items
- invoice customer

In addition to reviewing invoice information, review an invoice to ensure that it did not encounter any generation errors or distribution warnings during generation and to monitor the status of your invoices. If you encounter a draft invoice with a generation error, correct the error and regenerate the invoice.

If you implemented supplier payment control, you can view the supplier invoices linked to the draft invoice you are reviewing, track required supplier deliverables, release holds, and unlink supplier invoices. You can also link new supplier invoices to the draft invoice you are reviewing. For details, see *Invoice Window Regions*, page 6-19. For more information on supplier payment control, see *Payment Control, Oracle Project Costing User Guide*.

The system generates invoice line descriptions in the base language. The customer language (which is derived from the "Bill Site" associated with project customer) is also associated with the invoice. You can see this association in the Customer Language field in the folder for the Invoice Summary window.

You can enter the translated text in the customer billing language for each invoice line

(use the Translated Text Field in the folder in the Invoice Lines window). You can enter the text any time before the invoice is interfaced to Oracle Receivables. When you print the invoice in Receivables, the translated text will print on the invoice. For more information, see: Multilingual Support in Oracle Projects, *Oracle Projects Fundamentals*.

You can use the Invoice Review report to review the draft invoices associated with a project. You can use this report to verify your draft invoices before approving and releasing them for interface to Oracle Receivables. This report also shows detail items billed on an invoice. See: Invoice Review Report, *Oracle Projects Fundamentals*.

Invoice Review Windows

The Invoice Summary, Invoice Lines, and Invoice Line Details windows are folder-type windows. In these windows, many of the fields, including the currency fields, are not displayed in the default folder. You may want to create folders that display the fields you need, for the types of entries you need to make. For example, if you use retention billing you can create a folder in the Invoice Summary window that displays the field Retention Invoice indicating whether the invoice is a standard or retention invoice. Similarly, you can create a folder in the Invoice Lines window that displays the field Invoice Line Type indicating whether the invoice line is of the type Standard or Retention. For information about folder forms see: Administering Folders *Oracle Applications System Administrator's Guide*.

To review invoices

1. Navigate to the Find Invoices window.
2. Enter selection criteria and choose Find to view invoices in the Invoice Summary window.

Alternatively, you can navigate to the Billing subtab of the Financials tab. For more information, see Billing Workbench, *Oracle Project Fundamentals*.

To review detailed invoice information: In the Invoice Summary window, select a standard invoice or retention invoice and choose Open.

Important: Because you have the capability to generate invoices in different currencies, you can have different invoices in different currencies for the same project. The Totals are therefore shown only in the project functional amount.

Invoice Window Regions

Following are the regions that you can select in the Invoice window to view invoice information:

- **Address:** This region shows:
 - Bill To Name

- Bill To Number
- Billing Address
- Ship To Name
- Ship To Number
- Shipping Address
- Contact Name
- **Comment:** This region shows the invoice comment.
- **Approved, Interface:** This region shows:
 - Approved Date
 - Released Date
 - Interface Date
 - GL Date
 - Approved By Name
 - Released By Name
 - Unbilled Receivable amount and currency code (functional currency)
 - Unbilled Retention amount and currency code (functional currency)
 - Unearned Revenue amount and currency code (functional currency)
 - AP Status
 - AP Interface Date
- **Receivable:** This region shows Oracle Receivables information, including:
 - AR Invoice Number
 - Invoice Date
 - Total Amount of Invoice Lines and currency code (invoice currency)
 - Tax Amount and currency code (invoice currency)

- Credit Memo Reason
- Original Balance, Applied Amount, Credited Amount, Written-Off Amount, and Remaining Balance (in the invoice currency)
- **Invoice Exception:** This region shows invoice warnings and exception reasons.
- **Agreement:** This region shows the agreement number, type, and terms.
- **Rounding:** This region shows the rounding amounts calculated by Oracle Projects to reconcile the functional currency amounts of invoices in Projects and Receivables.

The following information is displayed:

Conversion to Invoice Currency:

- **Invoice Amount:** The total invoice amount in the functional currency.
- **Conversion Rate:** The rate used by Oracle Projects to convert from the functional currency to the invoice currency.
- **Receivables Amount:** The amount interfaced to Oracle Receivables, in the invoice currency.

GL Posting and Invoice Rounding (in the functional currency):

- **Unbilled Receivables:** The Unbilled Receivables amount
- **Unbilled Retention:** The Unbilled Retention amount
- **Unearned Revenue:** The Unearned Revenue amount
- **Functional Amount:** The sum of the Unbilled Receivables, Unbilled Retention, and the Unearned Revenue. This figure is equal to the functional currency invoice amount.
- **Rounding Amount:** The Invoice Rounding amount calculated in Oracle Projects and posted to the Invoice Rounding account to reconcile the functional currency amount.
- **Receivables Amount:** The Receivables amount in functional currency. This number is the sum of the Functional Amount and the Rounding Amount.

For more information about Invoice Rounding, see: Invoice Rounding, *Oracle Projects Implementation Guide*.

To review invoice lines: In the Invoice window, choose the Lines button to review the invoice lines created for your invoice.

To review invoice line details: From the Invoice Lines window, choose the Details

button to review expenditure items that support the standard invoice line and to view the withholding basis amount for retention lines. You can also click on the Tools menu from the Invoice Details Lines window to adjust expenditure items.

To review retention invoice line details: From the Invoice Lines window, choose the Details button to review the distribution lines for expenditure items and events that determine the withholding basis for retention line types on project invoices. Navigate to the Withholding Basis Amount Details window using the Details button.

To review draft invoices: Choose either the Print button in the Invoice Summary window or the Print Draft button in the Invoice window to print a hard copy of the draft invoice.

To review supplier invoices: From the Invoice Summary window, navigate to the Tools menu and select the Linked Supplier Invoices tools menu option. On the Invoice Details page that opens, navigate to the Linked Supplier Invoices tab to review invoice details of linked supplier invoices, track supplier deliverables, review hold reasons and release holds, and link or unlink supplier invoices. For more information, see Invoice Details Page, *Oracle Projects Fundamentals* and Supplier Workbench, *Oracle Projects Fundamentals*.

Related Topics

Adjusting Project Invoices, page 6-28

Approving, Releasing, and Printing Invoices

After an invoice has been reviewed, it can be approved, released, and printed.

Approving Invoices

After you review invoices and make any necessary adjustments, you need to approve them before you can release them for interfacing to Oracle Receivables. There are two ways to approve invoices:

Automatic invoice approval

1. The Automatic Invoice Approve/Release Extension allows you to approve invoices automatically as part of the Generate Draft Invoice process. See: Automatic Invoice Approve/Release Extension, *Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Manual invoice approval

1. Usually your project administrator or project manager approves invoices. Oracle Projects records the invoice approval information of the person who approved the invoice and the date it was approved.

To approve an invoice manually

1. Navigate to the Find Invoices window.

2. Find the invoice or invoices you want to approve.
3. In the Invoice window or Invoice Summary window, choose the Approve button.

Note: In the Invoice Summary window you can approve multiple invoices at one time. Highlight multiple invoices and then choose the Approve button. See: *Selecting Multiple Records, Oracle Applications User's Guide*.

4. Save your work.

Releasing Invoices

After you approve invoices, you need to release them for interface to Oracle Receivables.

There are two ways to release invoices:

Automatic invoice release

1. The Automatic Invoice Approve/Release Extension allows you to release invoices automatically as part of the Generate Draft Invoice process. See: *Automatic Invoice Approve/Release Extension, Oracle Projects APIs, Client Extensions, and Open Interfaces Reference*.

Important: Once you release an invoice in Oracle Projects, you cannot change or delete it. You can adjust a released invoice. Oracle Projects processes adjustments to released invoices by creating crediting invoice transactions.

After you release an invoice, you need to interface the invoice with Oracle Receivables using Oracle Projects processes. These processes interface draft invoices, create invoices, and tie back invoices. See: *Integrating with Oracle Receivables*, page 6-39.

Manual invoice release

1. Usually your accounting department releases invoices. Oracle Projects records the invoice release information of the person who released the invoice and the date it was released.

Before you release an invoice, you determine if the invoice has tax information. See: *Applying Tax to Project Invoices, Oracle Projects Implementation Guide*.

To release an invoice manually

1. Navigate to the Find Invoices window.
2. Find the invoice you want to release.

3. In the Invoice window or Invoice Summary window, choose the Release button.

Note: You cannot release multiple invoices at one time. They must be released individually, because you must provide the invoice date and invoice number. (If you have elected to use automatic invoice numbering, you only need to enter the invoice date.)

4. Review the invoice date before you release the invoice to confirm that it falls in an open GL and PA period. If the invoice date falls in a closed period, you can change it to a date that falls in an open period.
5. Select a credit memo reason if the invoice class is Canceling Invoice, Credit Memo, or Write-Off. You must select a credit memo reason if Require Credit Memo Reason is enabled in the Billing tab of the Implementation Options window. See *Implementing Oracle Projects Foundation, Oracle Projects Implementation Guide*.

Note: The values available in the Credit Memo field are defined in Oracle Receivables.

6. Save your work.

Printing Invoices

You can print invoices either from Oracle Projects, or from Oracle Receivables, depending on how your company implements your invoice printing method.

Important: If you print your invoices from Oracle Projects, you do not need to interface invoices before printing them.

To print an invoice from Oracle Projects

1. Find the invoice you want to print in the Invoice Summary window and choose Print.

You can also print from the Invoice window by selecting Print Draft.

Oracle Projects will print the MGT: Invoice Review report. See: Invoice Review, *Oracle Projects Fundamentals*.

See also:

- Selecting Multiple Records, *Oracle Applications User Guide*.
- Determining Your Invoice Printing Method, *Oracle Projects Implementation Guide*.

Changing Invoice Currency Attributes (Recalculating an Invoice)

You can change the invoice currency attributes of an invoice if:

- the invoice is unreleased, and
- the invoice is not a crediting invoice, and
- you are allowed to do so by function security (Invoice Recalculate)

The recalculate button is displayed in the Invoice window and the invoice Summary window only for eligible invoices.

To change invoice currency attributes

1. Navigate to the Invoice Summary window.
2. Select an invoice that is eligible for recalculation and choose Recalculate. A window is displayed showing the following fields:
 - Project Currency
 - Invoice Processing Currency
 - Invoice Currency
 - Invoice Rate Type
 - Invoice Rate Date
 - Invoice Exchange Date
3. Make the necessary changes in the currency attributes, and choose OK.

The recalculation to convert from the invoice processing currency to invoice currency is done online (the action does not call the Generate Invoice process).

Viewing Invoices

You can view invoices in Oracle Projects or in Oracle Receivables. You can also drill down from the Invoice Summary window or the Invoice window in Oracle Projects to the AR Transaction Overview form in Oracle Receivables.

Viewing Invoices in Oracle Projects

You can view invoice information by project, or for an individual invoice. When you view invoice information for a project, you can view information such as the amount invoiced, the amount of unbilled receivables, and the amount of unearned revenue.

In addition, you can view invoice information and outstanding receivables balances for each invoice for a project using the Project Status Inquiry and Funding Inquiry forms.

Unbilled Receivables Aging Report

You can use the Unbilled Receivables Aging report to review a project's unbilled receivables which includes eligible revenue items that have not yet been invoiced, or those items included in draft invoices that are not yet released. This report lists the amounts of the unbilled receivables in four age buckets, and you specify in the report parameters the number of days that you want in each bucket. When there is a negative revenue amount, this report attempts to automatically offset the negative revenue with positive revenue. If there is not enough positive revenue to offset the negative revenue in the bucket that contains the negative revenue, the negative amount is carried forward to the next younger aging bucket and the process is repeated. If positive revenue is not found to offset the negative revenue, the negative revenue amount is reported in the youngest aging bucket on the report.

For additional information, see: Unbilled Receivables Aging, *Oracle Projects Fundamentals*.

Note: This report is not intended to be used to reconcile Oracle Projects with Oracle General Ledger and Oracle Subledger Accounting.

To view invoices in Oracle Projects

1. Navigate to the Find Invoices window.
2. Find the invoice(s) you want to review by entering search criteria in the Find Invoices window. Choose Find.
3. View summary invoice information in the Invoice Summary window.
 - To drill down to the Oracle Receivables Transaction Overview form, select the invoice you want to review, and choose **AR Invoice**. (The **AR Invoice** button is only enabled if function security is implemented in such a way that the user is able to see the button.) From the Transaction Overview form in Oracle Receivables, you can access the following forms using the Tools menu:
 - Calls
 - Account Details
 - Activities
 - To view detail invoice information, select the invoice you want to review, and choose **Open** to open the Invoice window.

- To view invoice lines for an invoice, choose **Invoice Lines** to open the Invoice Lines window. Choose **Detail** to view invoice line details.
- To drill down to the Oracle Receivables Transaction Overview form from the Invoice window, choose **AR Invoice**. (The **AR Invoice** button is only enabled if function security is implemented in such a way that the user is able to see the button.)

See also: *Function Security, Oracle Projects Implementation Guide.*

Viewing Invoices in Oracle Receivables

Each invoice and invoice line in Oracle Projects is translated into an invoice and invoice line in Oracle Receivables when you successfully interface and create an invoice in Oracle Receivables. You can view any invoice in Oracle Receivables that originates in Oracle Projects either from an Oracle Projects invoice inquiry window, or by using Oracle Receivables.

Oracle Projects does not interface invoice line detail (such as expenditure item details or event details) to Oracle Receivables. The following information appears for each line:

- UOM = Each
- Quantity = 1
- Unit Price = amount of invoice line
- Item = (Oracle Projects leaves this field blank)

Use the Invoice Number, Invoice Date, and/or Total Invoice Amount to query Oracle Projects invoice information in Oracle Receivables.

In addition, for any invoice, you can query on the following project information in the Invoice Transaction Flexfield that Oracle Projects passes to Oracle Receivables. You query this information by specifying values in the PROJECTS INVOICES context value descriptive flexfield for the Invoice Transaction Flexfield.

- Project Number
- Draft Invoice Number
- Agreement Number
- Project Organization
- Project Manager

When you process invoices in Oracle Receivables, you can also identify invoices in

Oracle Receivables based on project information, using the value that you specify for the AR: Transaction Flexfield Quickpick Attribute profile value. You can set this profile to display any project information that Oracle Projects passes to Oracle Receivables in the Transaction Flexfield. The value you specify is displayed under the 'Reference' column in Lists of Values in the following Oracle Receivables forms:

- QuickCash
- Reapply Receipts
- Record A Call
- View Call History
- Reapply Credits
- Enter Receipts

See also: *Oracle Receivables User Guide*.

Adjusting Project Invoices

You can adjust anything on draft invoices before you approve and release them. You can perform many of the same actions on an invoice that you can on project expenditures. See: Expenditure Adjustments, *Oracle Project Costing User Guide*.

Note: If you perform an adjustment on an invoice's expenditure items and events, you need to submit the appropriate process to reflect those adjustments. For example, if you change an expenditure item's status from billable to non-billable, you need to submit the appropriate processes to recalculate cost, regenerate revenue, and regenerate the invoice.

When you regenerate invoices, you can exclude new transactions, delete only unapproved invoices, and exclude projects with draft invoices that have manually linked pay when paid supplier invoices.

- **Exclude New Transactions:** Select this check box if you want to exclude new transactions during the regeneration process. When you select this option, only expenditure items or events on existing invoices subject to regeneration are processed.
- **Delete Only Unapproved Invoice:** Select this check box if you want to delete only unapproved invoices during the regeneration process. Otherwise, all unreleased invoices are deleted.
- **Delete Linked Pay When Paid Invoices:** Select this check box if you want to delete

draft invoices that are manually linked to supplier invoices on pay when paid holds during regeneration. Deleting an invoice removes the links to supplier invoices. Leave this check box deselected to skip projects with draft invoices that are manually linked to supplier invoices when regenerating invoices.

When you regenerate a project's unreleased draft revenue and unreleased draft invoices, Oracle Projects deletes the project's unreleased draft revenue and invoices and creates new draft revenue and invoices.

Types of Invoice Adjustments

You can adjust invoices at the invoice line detail level in the Invoice Line Details window. You can perform most of the same types of adjustments on invoices that you can perform on expenditure items. See: *Expenditure Adjustments, Oracle Project Costing User Guide*.

The following table describes the adjustments you can make to invoices:

Level	Adjustment Type	Steps to complete adjustment
Invoice	Change Billing Address	<ol style="list-style-type: none">1. Add new address in Oracle Receivables2. Change address in Oracle Projects by choosing the Customers and Contacts project option.3. Regenerate invoice
Invoice	Change Billing Contact	<ol style="list-style-type: none">1. Add new contact in Oracle Receivables2. Change contact in Oracle Projects by choosing the Customers and Contacts project option.3. Regenerate invoice
Invoice	Change Invoice Currency	<ol style="list-style-type: none">1. In the Invoice or Invoice Summary window, choose Recalculate.2. Make changes in the currency attributes.3. Choose OK.

Level	Adjustment Type	Steps to complete adjustment
Invoice	Change Agreement Type or Terms	<ol style="list-style-type: none"> 1. Change information in Agreements window 2. Regenerate invoice
Invoice	Change Comment	<ol style="list-style-type: none"> 1. Correct comments in Invoice window 2. Save
Invoice	Bill Through Date incorrect	Regenerate invoice (and revenue if necessary) with correct Through Date
Invoice	Invoice Amount Incorrect	<ol style="list-style-type: none"> 1. Analyze how revenue was created 2. Make changes as appropriate 3. Regenerate revenue and invoice
Invoice Lines	Wrong invoice line format	<ol style="list-style-type: none"> 1. Change invoice lines format in Billing Information window, Project options 2. Regenerate invoice
Invoice Lines	Wrong amount on invoice line	<ol style="list-style-type: none"> 1. Analyze how amount was created 2. Make changes as appropriate 3. Regenerate revenue and invoice
Invoice Lines	Retention amount incorrect	<ol style="list-style-type: none"> 1. Change Retention Billing Terms in the Retention Terms window. 2. Regenerate invoice

Level	Adjustment Type	Steps to complete adjustment
Invoice Lines	Change tax classification code	Change the tax classification code in the Invoice Lines window. (You can do this only if you are allowed to based on the profile option eBTax: Allow Override of Tax Classification Code.)
Invoice Lines	Change tax exemption	Change the tax classification code in the Invoice Lines window. (You can do this only if you are allowed to based on the profile option eBTax: Allow Override of Customer Exemptions.)
Invoice Lines Details	Item should not be billed	<ol style="list-style-type: none"> 1. Select Tools Menu 2. Choose Non-Billable option 3. In the Invoices window choose Run Request, Regenerate Revenue and Invoices
Invoice Lines Details	Item should not be billed at this time	<ol style="list-style-type: none"> 1. Select Tools Menu 2. Choose Billing Hold or One-Time Hold option 3. In the Invoices window choose Run Request, Regenerate Invoices
Invoice Lines Details	Bill Amount is incorrect	<ol style="list-style-type: none"> 1. Analyze how amount was created 2. Make changes as appropriate 3. From Tools Menu choose appropriate Recalc actions 4. Regenerate revenue and invoice

Level	Adjustment Type	Steps to complete adjustment
Invoice Lines Details	Only part of the expenditure item can be invoiced	<ol style="list-style-type: none"> 1. From the Tools Menu choose Split 2. After splitting the item, select Non-Billable for the part that cannot be invoiced 3. Recalc cost, revenue, and invoice
Invoice Lines Details	Item does not belong on this project or task	<ol style="list-style-type: none"> 1. From the Tools Menu, choose Transfer 2. After transferring the item, Recalc cost, revenue, and invoice

Cancel a released invoice

Canceling an invoice causes the creation of a credit memo for the entire amount of the canceled invoice. All items on the canceled invoice are returned to an unbilled status and are eligible for rebilling during the next billing cycle. In addition, Oracle Projects updates the funding balance on the agreement that funded the original invoice.

The credit memo always has the same invoice currency and currency attributes as the invoice being credited. You cannot perform a Recalculate function on a crediting memo.

You cannot cancel an invoice if payments have been applied against it in Oracle Receivables or if an invoice has credit memos applied against it. You can cancel an invoice only if it is released and has no payments, adjustments, or crediting invoices applied against it. Once the cancellation is completed, you cannot delete the credit memo created by the cancellation action. That is, you cannot reverse an invoice cancellation.

Note: You cannot edit the bill amount of an event that has been interfaced to Oracle Receivables, and subsequently canceled. You must create a new event that is eligible again for billing.

Write off an invoice

Writing off an invoice creates a crediting invoice against the original invoice for the write-off amount you request. When you write off an invoice, Oracle Projects reverses the invoice amount from the receivables account and places it into a write off expense account when you interface the write off to Oracle Receivables.

Note: You can also write off an invoice that is linked to supplier invoices which are on pay when paid hold. For more information, see *Payment Control, Oracle Project Costing User Guide*.

You can either write-off at invoice level or invoice line level. If you write off at the invoice level, the write off amount is prorated across the invoice lines. For line level write offs, you can specify the write off amount by line or enter a write off amount to be prorated across the selected lines.

Note: Write off amount entered at invoice level is applied to the total invoice amount. Write off amount entered at invoice line level is applied to the total invoice line amount.

The write off creates a negative invoice in Oracle Projects that is attached to the original invoice. Oracle Projects records the appropriate write-off accounting transaction in Oracle Receivables when you interface the invoices to Oracle Receivables.

The crediting invoice always has the same invoice currency and currency attributes as the invoice being credited. You cannot perform a Recalculate function on a crediting invoice.

You can only write off an invoice whose status is Accepted. The write-off amount you enter can be any amount up to the outstanding receivable balance on the invoice.

To partially write off an invoice with tax, write off the invoice in Oracle Projects and interface it to Oracle Receivables so that Oracle Projects and Oracle Receivables reconcile. Complete and adjust the invoice in Oracle Receivables.

See also: *Rounding for an Invoice Write Off, Oracle Projects Implementation Guide*.

Create credit memos

Oracle Projects automatically creates a credit memo each time you adjust detail expenditure items billed on a released invoice. The credit memo reverses the amount on the invoice by the amount of the adjusting item. The invoice transaction currency of the credit memo is the same as the currency of the released invoice.

To create a crediting invoice for a project that is not associated with a particular invoice, you should create an invoice reduction event for that project. When you generate the next invoice, Oracle Projects creates a negative invoice that is not attached to the original invoice. After you interface the negative invoice to Oracle Receivables, you can manually apply the negative invoice to any receipt from that customer in Oracle Receivables.

Note: Do not create credit memos in Oracle Receivables for Oracle Projects invoices. Adjustments made in Oracle Receivables will not be reflected in Oracle Projects, and will cause your amounts to be out of

balance with Oracle Projects.

Overapplied Credits: When Oracle Projects sends a credit memo that is greater than the original invoice amount outstanding in Oracle Receivables, Oracle Receivables overapplies the remaining credit memo balance to the original invoice, creating a negative outstanding amount on the invoice.

Tax information for credit memos: When Oracle Projects creates a credit memo associated with an existing invoice, the tax information for the crediting invoice is the same as the tax information for the original invoice in Oracle Projects.

Apply invoice concessions

An invoice concession allows you to manually credit an invoice without adjusting the transactions. Applying a concession to an invoice creates a crediting invoice against the original invoice for the amount of the concession. When you apply a concession, Oracle Projects adjusts the amount from either the unbilled receivables account or unearned revenue account when you interface the concession invoice to Oracle Receivables.

Note: You can also apply concessions to an invoice that is linked to supplier invoices which are on pay when paid hold. For more information, see Payment Control, *Oracle Project Costing User Guide*.

You can apply a concession even when a credit memo is associated with the original invoice. You can apply the concession amount either at the invoice level or apply it to a group of invoice lines. For invoice level concessions, the concession amount can be prorated across the invoice lines. For line level concessions, you can either specify the concession amount by line or enter a concession amount to be prorated across the selected lines.

The concession creates a crediting invoice in Oracle Projects that is attached to the original invoice. Oracle Projects interfaces the concession invoice as a credit memo to Oracle Receivables.

You can only apply a concession to a released invoice. The concession amount you apply can be more than the invoice amount. You can over credit an invoice by applying concession.

The concession invoice is generated as Approved, but can be deleted if you determine that the customer does not need the concession.

The crediting invoice has the same invoice currency and currency attributes as the invoice being credited. You cannot cancel or write-off a concession invoice.

Concessions can be applied to retention invoices, but cannot be applied to intercompany invoices. Unreleased concession invoices are deleted during the invoice regeneration process.

Note: Concession amount entered at invoice level is applied to the total invoice amount. Concession amount entered at invoice line level is applied to the total invoice line amount.

Delete an invoice

You may determine it is not appropriate to create an invoice for the customer at this time. You can delete unreleased draft invoices. Deletions do not require credit memos.

Note: Once the invoices are released you can only cancel them.

Related Topics

Types of Invoice Adjustments, page 6-29

Adjusting an Invoice

To adjust an invoice

1. Navigate to the Invoice Review window.
2. Find the invoice you want to adjust.
3. Choose the Open, Lines, and Details buttons to open the Invoice Line Details window.
4. From the Tools menu, choose the adjustment you want to make.
5. Choose Run Request from the Invoice window to process the adjustment. See: *Processing Adjustments, Oracle Project Costing User Guide*.

Note: To write off at the invoice line level, select the invoice lines in the Invoice Lines window.

To cancel a released invoice:

1. Choose the Credit button in either the Invoice Summary or Invoice window.
2. Choose Cancel Invoices.
3. When you choose OK, Oracle Projects submits a process to create a credit invoice.

Note: You cannot delete a cancellation (credit memo) once Oracle Projects performs the cancellation. To reverse the credit memo, rebill the expenditure items or create a new event.

To write off an invoice at the invoice level

1. Choose the Credit button from either the Invoice Summary or Invoice window.

Note: You can write off an invoice only if it has a status of Accepted.

2. Enter the write off amount for the invoice. The write off amount is prorated across all the invoice lines.
3. Choose OK. Oracle Projects submits a process to write off the invoice.

Note: To write off an amount at the invoice line level, select the invoice lines in the Invoice Lines window. See To apply a concession at the invoice lines level, page 6-35

To apply a concession at the invoice level

1. Choose the Credit button in the Invoice Summary or Invoice window.
2. Choose Apply Concession and enter the concession amount. The concession amount is prorated across all the invoice lines.
3. Choose OK. Oracle Projects submits the process to apply the concession.

To apply a concession at the invoice line level

1. Choose the Lines button in the Invoice Summary or Invoice window.
2. Select the invoice lines you want to apply the concession to. If you select more than one invoice line, the concession amount is prorated across the selected invoice lines.
3. Click the Credit button. Choose Apply Concession, and enter the concession amount. The concession amount is prorated across all the invoice lines.
4. Optionally, to apply a fixed concession amount to an invoice line or group of invoice lines, enter the specific amount in the Credit Amount column.

Note: If you applied a fixed concession amount to the invoice lines, the total amount of the concession applied defaults in the Amount field. .

5. Choose OK. Oracle Projects submits the process to apply the concession.

To create an independent crediting invoice

1. Find the project for which you want to create the credit invoice in the Projects, Templates Summary window.

2. Open the project and select the Events option under Billing Information.
3. Enter an Invoice Reduction type event for the project or top task, as appropriate based on your invoice format.
4. Save. When the Generate Draft Invoices process is run for your project, a credit invoice will be created.

To delete an unreleased draft invoice

1. Find the invoice you want in the Invoice Summary window.
2. Choose Run Request.
3. Click on the Delete Invoices option button.

Note: Deleting a draft invoice that is linked to supplier invoices on pay when paid hold, deletes the links to these supplier invoices. For more information, see *Payment Control, Oracle Project Costing User Guide* and *Supplier Workbench, Oracle Projects Fundamentals*.

4. Choose OK.

Related Topics

Types of Invoice Adjustments, page 6-29

Conditions That Allow Specific Invoice Actions

In the Invoice Summary Window, the buttons and Tools Menu items that perform actions on an invoice are enabled or disabled, depending on the characteristics of the invoice that is selected. These characteristics are listed in the following table.

The following table clarifies when you can perform each action on an invoice:

Invoice Action	Conditions Required for Action To Take Place
Approve Invoice	Invoice has no generation errors. Invoice has not been approved or released.
Adjust Invoice	Invoice has no generation errors. Invoice has not been released.

Invoice Action	Conditions Required for Action To Take Place
Release Invoice	<p>Invoice has no generation errors.</p> <p>Invoice has been approved.</p> <p>Invoice has not been released.</p>
Cancel an Invoice	<p>Invoice has no generation errors.</p> <p>Invoice has been approved.</p> <p>Invoice has been released.</p> <p>Invoice has not been canceled.</p> <p>Invoice is not a credit memo.</p> <p>Invoice has not been written off</p> <p>Invoice does not have a credit memo applied against it.</p>
Write Off an Invoice	<p>Invoice has no generation errors.</p> <p>Invoice has been approved.</p> <p>Invoice has been released.</p> <p>Invoice has not been canceled.</p> <p>Invoice is not a credit memo.</p> <p>Invoice status is Accepted.</p>
Apply Concession	<p>Invoice is not a credit memo</p> <p>Invoice has no generation errors</p> <p>Invoice has been approved</p> <p>Invoice has been released</p> <p>Invoice has not been canceled</p>
Print Invoice Review Report	<p>No conditions apply. All selected draft invoices will be printed in the Invoice Review Report.</p>

Integrating with Oracle Receivables

Oracle Projects fully integrates with Oracle Receivables to process your invoices and track customer payments. Oracle Projects generates draft invoices interfaces them to Oracle Receivables.

You can interface released invoices and invoice lines from Oracle Projects to Oracle Receivables whenever you are ready and as many times during an accounting period as you wish.

When you interface invoices to Oracle Receivables, you use an Oracle Projects process that collects all eligible released draft invoices in Oracle Projects and interfaces them to Oracle Receivables interface tables. This process also maintains project balances of unbilled receivables and unearned revenue and creates accounting transactions for these amounts.

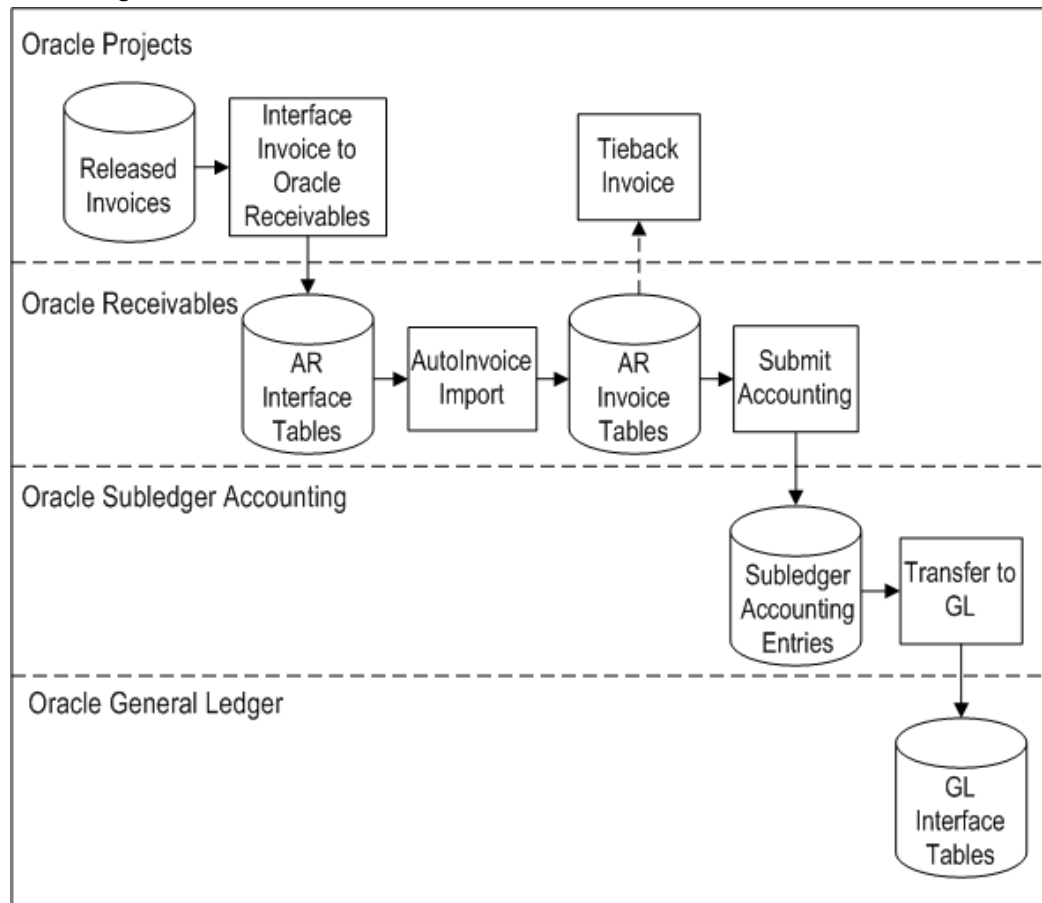
After the draft invoices are interfaced to the Oracle Receivables interface tables, they await further processing by Oracle Receivables AutoInvoice process. The AutoInvoice process matches the invoices to the prepayments that have been applied to the agreement.

After you run the AutoInvoice program to create invoices in Oracle Receivables, you tie back successfully interfaced invoices as well as rejected invoices using another Oracle Projects process. During the tieback process, rejected invoices are corrected and interfaced again to Oracle Receivables.

You run the Submit Accounting process in Oracle Receivables to create accounting for the invoices in Oracle Subledger. If you define your own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Receivables derives using the Account Generator. To define your own Oracle Subledger Accounting setup for Oracle Receivables, you must access the Accounting Methods Builder from an Oracle Receivables responsibility. For more information, see the *Oracle Subledger Accounting Implementation Guide*.

The following figure illustrates this processing flow.

Interfacing Invoices with Oracle Receivables



You can use standard Oracle Projects reports to track your invoices as you interface data between Oracle Projects and Oracle Receivables. You can also use AutoInvoice output reports to review imported transaction data and transaction data that fails when you run AutoInvoice.

For information pertaining to performing an action on a project invoice, such as generating, canceling, crediting, or writing off an invoice; and tracking customer payments on an invoice, see: *Invoicing a Project*, page 6-1.

Related Topics

Determining Your Invoice Printing Method, *Oracle Projects Implementation Guide*

Implementing Oracle Receivables for Oracle Projects Integration, *Oracle Projects Implementation Guide*

Importing Invoice Information into Oracle Receivables Applications Using AutoInvoice
Oracle Financials and Oracle Public Sector Financials Implementation Manual

Data that Oracle Projects Predefines

Oracle Projects predefines most of the information that AutoInvoice needs to create your customer invoices in Oracle Receivables, such as an invoice batch source, transaction types for your invoices and credit memos, as well as other information.

Invoice Batch Source

An invoice batch source indicates the source of an invoice that you interface to Oracle Receivables. An invoice batch source also determines how AutoInvoice processes an invoice.

The batch source controls your invoice batch numbering sequence, supplies transactions with a default transaction type and grouping rule, and indicates which calculation and validation options you want AutoInvoice to use. All Oracle Projects transactions use the same Oracle Receivables batch source. Oracle Projects predefines a batch source of PROJECTS INVOICES.

Important: Do not modify the invoice batch source that is predefined and used by Oracle Projects.

Invoice Transaction Types

An invoice transaction type tells AutoInvoice how to process an invoice transaction. A transaction type determines whether a transaction:

- Generates an open receivables balance
- Posts to your general ledger
- Is printed

Oracle Projects creates standard invoices with an invoice transaction type. An invoice credit memo transaction type reduces the amount outstanding on the original invoice by the amount of the credit and reverses the appropriate general ledger transactions.

Oracle Projects predefines two invoice transaction types for the processing of invoices:

- Projects Invoice - creates an open receivable, posts to the general ledger, and is printed
- Projects Credit Memo - corresponds to the invoice transaction type for processing credit memos and writeoffs; creates an open receivable, posts to the general ledger, and is not printed by default.

You use the Oracle Receivables Transaction Types form to define additional transaction types. See: Define Transaction Types for Invoice Processing, *Oracle Projects Implementation Guide*.

Important: Do not modify transaction types that are predefined and used by Oracle Projects.

Line Ordering Rules

Line ordering rules tell AutoInvoice how to order Oracle Projects invoice lines on an invoice. Oracle Projects predefines an invoice line ordering rule named *Projects Line Order* that uses the following attributes:

- Project Manager
- Line Number
- Line Type (Standard or Tax)

Important: Do not modify the line ordering rule that is predefined and used by Oracle Projects.

Line Grouping Rules

Line grouping rules tell AutoInvoice how to group Oracle Projects invoice lines into an invoice. Each grouping rule is associated with the batch source that you use for your invoicing.

Oracle Projects predefines a grouping rule named *Projects Grouping Rule* that uses the following attributes:

- Project Number
- Draft Invoice Number
- Agreement Number
- Project Organization

Important: Do not modify the line grouping rule that is predefined and used by Oracle Projects.

Credit Memo Reason QuickCodes

Oracle Projects predefines two QuickCodes to process credit memos and writeoffs. Oracle Receivables predefines the Credit Memo *Reason* QuickCode Type under which Oracle Projects predefines two credit memo reason QuickCodes:

- Projects Write Off

- Projects Credit Memo

Submitting Processes

We recommend that you interface invoices to Oracle Receivables using Oracle Projects streamline processes. When you use a streamline process, you submit one request that interfaces invoices to Oracle Receivables, runs AutoInvoice, and ties back invoices to Oracle Projects. The streamline process submits each process sequentially. We discuss each of these processes in the pages that follow.

You use the following streamline options to interface invoices with Oracle Receivables:

- XI: Interface Draft Invoice to AR
- XRXI: Interface Draft Revenue to GL and Draft Invoice to AR

You submit a streamline process by requesting the PRC: Submit Interface Streamline Process in the Submit Request window.

If you need to perform an individual function (such as interfacing invoices), you can use an individual process.

Related Topics

Submitting Requests, *Oracle Projects Fundamentals*

Processes in Oracle Projects, *Oracle Projects Fundamentals*

Interface Invoices to Oracle Receivables

When you interface invoices and invoice lines to Oracle Receivables, Oracle Projects places invoice information into Oracle Receivables interface tables.

GL Date

The GL Date of the invoice determines the accounting period in which it affects your general ledger account. Oracle Projects determines the GL Date as the end date of the open or future GL period in which the invoice date falls as defined in Oracle Receivables, when you generate an invoice.

If you are using the enhanced period processing option, Oracle Projects determines the GL Date the same as the invoice date for open GL periods or the start date of the next open or future GL period.

See: Date Processing in Oracle Projects, *Oracle Projects Fundamentals*.

Accounting Transactions

When you interface invoices to Oracle Receivables, Oracle Projects uses AutoAccounting to determine several default receivables accounts for each invoice. For

details about these default accounts, see: Accounting for Revenue and Invoices, *Oracle Projects Implementation Guide*.

The accounting transactions that the process creates are interfaced to Oracle Receivables interface tables. Oracle Projects only uses Oracle Receivables AutoAccounting to determine default tax accounts for invoice lines with tax classification codes, see: Accounting Transactions, page 1-3.

You run the Submit Accounting process in Oracle Receivables to create accounting for the invoices in Oracle Subledger. If you define your own detailed accounting rules in Oracle Subledger Accounting, then Oracle Subledger Accounting overwrites default accounts, or individual segments of accounts, that Oracle Receivables derives using the Account Generator. To define your own Oracle Subledger Accounting setup for Oracle Receivables, you must access the Accounting Methods Builder from an Oracle Receivables responsibility. For more information, see the *Oracle Subledger Accounting Implementation Guide*.

Interfacing the Agreement Number to Receivables

When invoice lines are interfaced to Receivables, the Agreement Number from Projects is copied to the PURCHASE_ORDER column and the INTERFACE_LINE_ATTRIBUTE3 column of the RA_INTERFACE_LINES_ALL table. Receivables copies this value to the PURCHASE_ORDER column in the customer transaction table, RA_CUSTOMER_TRX_ALL.

If the invoice being interfaced is a canceled invoice, credit memo, or write off, these columns are populated by a null value.

Note: The INTERFACE_LINE_ATTRIBUTE3 column contains a maximum of 30 characters. If the agreement number is longer than 30 characters, it is truncated in this column.

Prepayments

Oracle Receivables automatically matches invoices to the prepayments that have been applied to the agreement.

Output Reports

Each time you interface invoices to Oracle Receivables, Oracle Projects prints output reports (Account Receivables Interface Report and Account Receivables Interface Exception Report) which allow you to track your successfully interfaced invoices, as well as those invoices which fail to interface. You should correct any exceptions in Oracle Projects and resubmit the process to successfully import rejected invoices. See: Interface Invoices to Receivables, *Oracle Projects Fundamentals*.

AutoInvoice

Oracle Receivables AutoInvoice feature takes the interface invoice line information stored in Oracle Receivables interface tables, validates it, and converts the interface data into invoices and credit memos and writeoffs in Oracle Receivables.

AutoInvoice creates an invoice batch for each group of invoice records. For each invoice in a batch, AutoInvoice creates an invoice header. For each header in an invoice batch, AutoInvoice creates an invoice line and distribution line that corresponds to the invoice line records you interfaced from Oracle Projects to Oracle Receivables.

You can run AutoInvoice from Oracle Receivables or from one of the Oracle Projects streamline options. If you run AutoInvoice from Oracle Receivables, you can specify a value of PROJECTS INVOICES (for customer invoices) or PA INTERNAL INVOICES (for intercompany or inter-project invoices) for the invoice source to process.

Each time you run AutoInvoice, Oracle Receivables prints output reports which allow you to track each invoice created by AutoInvoice, as well as exceptions that AutoInvoice encounters during the import process.

See also:

- Run AutoInvoice, *Oracle Receivables Reference Manual*
- AutoInvoice Processing Report, *Oracle Receivables Reference Manual*
- AutoInvoice Validation Report, *Oracle Receivables Reference Manual*

Tieback Invoices from Oracle Receivables

You run the Tieback process to ensure that your project accounting invoice data loaded successfully into Oracle Receivables. For successfully interfaced invoices loaded into Oracle Receivables, the tieback process updates your project accounting data to reconcile invoices in Oracle Projects to Oracle Receivables. During the Tieback process, Oracle Receivables matches the invoices to the prepayments that have been applied to the agreement. Rejected invoices are purged from the Oracle Receivable interface tables. The Invoice Status in Oracle Projects is updated so you can correct them and interface them again to Oracle Receivables.

Each time you tieback invoices from Oracle Receivables, Oracle Projects prints output reports which allow you to track your successfully interfaced invoices, as well as those invoices which fail to interface. You should correct any rejected invoices in Oracle Projects and interface them again to Oracle Receivables.

The Tieback process automatically loads all successfully interfaced intercompany and inter-project invoices into the interface table of the receiver operating unit's Oracle Payables system with an invoice source of Projects Intercompany Invoices or Inter-Project Invoices, respectively.

Related Topics

Tieback Invoices from Receivables, *Oracle Projects Fundamentals*

Sending Invoice Accounting to Oracle Subledger Accounting

After AutoInvoice Import creates invoices, you run the process Submit Accounting in Oracle Receivables to create accounting for the invoices in Oracle Subledger Accounting. When you create the accounting in final mode, you can choose to transfer the accounting entries to Oracle General Ledger.

In General Ledger, you post the invoice entries data to update your account balances.

Automatic Tax Calculation

When invoices from Oracle Projects are processed, AutoInvoice automatically calculates tax for invoice lines that have tax information. (Oracle Projects uses Oracle Receivables AutoAccounting for tax accounting only; Oracle Projects uses its own AutoAccounting for all other accounting transactions.)

See also: Applying Tax to Project Invoices, *Oracle Projects Implementation Guide*.

Reporting

Oracle Projects provides you with reports that display information that help you to track your invoices as you interface data between Oracle Projects and Oracle Receivables.

Invoice Flow Detail

You can use the Invoice Flow Detail report to review the flow of project invoices through Oracle Projects. This report groups invoices by invoice status, which allows you to quickly identify where your draft invoices currently are in the invoice processing flow.

Invoice Flow Summary

You can use the Invoice Flow Summary report to review summary flow information about project invoices by project organization and project member. You can use this report to quickly identify how many invoices are in each stage of the invoice processing flow and the invoice amounts involved.

Related Topics

Invoice Flow Detail and Invoice Flow Summary, *Oracle Projects Fundamentals*

Viewing Invoices in Oracle Receivables

Once invoices have been interfaced from Oracle Projects to Oracle Receivables, you can query receivables information by project-related query data. Project information in Oracle Receivables is located in the Transaction Flexfield and Reference field.

The following table shows fields in Oracle Receivables that hold project-related data:

Oracle Receivables Field Name	Oracle Projects Data
Transaction Number	Invoice Number
Source	Either the predefined Projects Invoices source, or sources you have defined
Batch	Concatenation of source and processing request ID; for example, Projects Invoices_1614
Transaction Type	Either the predefined Projects Invoices and Projects Credit Memo or the transaction types you have defined
Transaction Flexfield Value 1/Reference Number	Project Number
Transaction Flexfield Value 2	Draft Invoice number from Oracle Projects
Transaction Flexfield Value 3/PO Number	Agreement Number
Transaction Flexfield Value 4	Project Organization
Transaction Flexfield Value 5/Salesperson	Project Manager

The following table lists where project-related information is located in Oracle Receivables.

Oracle Receivables Window Name	Project-Related Information
Batches Summary	Folder includes Source, which can be queried for project batches by entering, for example, PROJECTS INVOICES

Oracle Receivables Window Name	Project-Related Information
Find Batches	Find by Source
Transaction	Number Reference Source Salesperson (Main tabbed region) PO Number (More tabbed region)
Lines	Lines displayed under Main tabbed region match Invoice Lines in Oracle Projects Invoice Review. Reference field under More tabbed region corresponds to Project Number.
Line Transaction Flexfield	Data displayed includes: Project Number Draft Invoice Number Agreement Number Project Organization Project Manager Line Number
Transaction Summary	Folder includes: Transaction Flexfields 1-5 Transaction Number Source Batch Transaction Type

Oracle Receivables Window Name	Project-Related Information
Find Transactions	<p>Main tabbed region includes:</p> <p>Transaction Numbers = Invoice Numbers</p> <p>Reference Numbers = Project Numbers</p> <p>PO Numbers = Agreement Numbers</p> <p>Sources = PROJECTS INVOICES</p> <p>Batches = PROJECTS INVOICES</p>
Credit Memo	<p>Source</p> <p>Reference</p> <p>Transaction Flexfield</p>
Copy Transactions	<p>Source</p> <p>Transaction Number</p> <p>Reference</p> <p>Number</p> <p>Type</p>
Transaction Overview	<p>Find and Transaction Overview includes:</p> <p>Source</p> <p>PO Number</p> <p>Type</p> <p>Reference</p> <p>Salesperson</p>

AR Merge

If you are merging customers in Oracle Receivables, the customer reference on agreements and project customers are merged in Oracle Projects. Similarly, if you merge customer addresses in Oracle Receivables, the address references on project customers and tasks in Oracle Projects are updated.

If after you have merged customers in Oracle Receivables, you reprint an invoice generated by Oracle Projects, that is, the original invoice was billed before the merge, the new customer information will print on the reprinted invoice.

After you merge the customers, when you query invoice information in Oracle Projects for the remaining customer after the merge you will see all invoices for the merged customer. For example, the customer for Project A is XYZ Corp and the customer for Project B is XYZ Corporation. Project A has invoices totaling \$3,500 and Project B has invoices totaling \$10,100. In Oracle Receivables, you merge the two customers into one customer: XYZ Corporation. The customer associated with the agreement for Project A and the customer on Project A are automatically updated to XYZ Corporation. When you query in Oracle Projects Invoice Review for all invoices for XYZ Corporation, all invoices for both Project A and Project B will be displayed for a total of \$13,600.

See also: Merge Customers in Oracle Receivables *Oracle Receivables User Guide*.

Inter-Project Billing

This chapter covers the following topics:

- Overview of Inter-Project Billing
- Inter-Project Billing Project Relationships
- Inter-Project Billing Process
- Overview of Processing Flow for Inter-Project Billing
- Adjusting Inter-Project Billing Invoices

Overview of Inter-Project Billing

Inter-project billing functionality in Oracle Projects handles inter-project billing project relationships and the billing of inter-project transactions. These features are described in detail on the following pages.

The section covers the following topics:

Business Needs and Examples, page 7-2

Inter-Project Billing Project Relationships, page 7-4

Inter-Project Billing Process, page 7-4

Overview of Processing Flow for Inter-Project Billing, page 7-6

Adjusting Inter-Project Billing Invoices, page 7-9

Inter-project billing generates internal invoices for costs incurred between two projects. During project setup, you define an inter-project billing relationship. This relationship enables you to invoice internally between the two projects, also called provider and receiver projects. (See definition of terms.)

Once the work has been performed, the provider project generates an Oracle Receivables invoice for expenses incurred. The receiver project receives this invoice as an Oracle Payables invoice during the AR invoice tieback process. The invoice, like any supplier invoice, is interfaced to Oracle Projects as cost on the receiver project.

Note: To use inter-project billing you must implement multi-organization setup even if only one operating unit is setup.

See also: Setting Up Inter-Project Billing: *Oracle Projects Implementation Guide*.

Business Needs and Examples

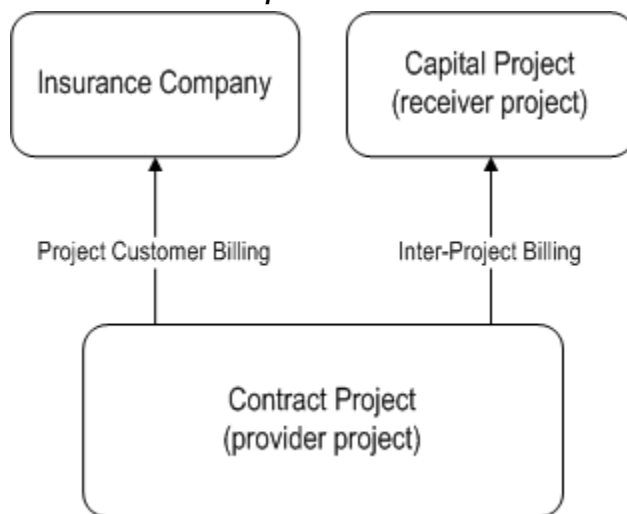
Enterprises face complex accounting and operational issues that result from complex work breakdown structures. Multiple organizations or departments may work together on a project, yet the customer wishes to receive only one bill. Parts of the work performed may be billed externally to a customer while other work may be billed internally to another project. These types of business needs require a way to capture multiple project costs into one project regardless of where or by whom the work is performed.

With inter-project billing, projects can be managed and controlled separately, and can bill both internally and externally. Using this model to define your work structure provides flexibility in managing your projects and consolidates costs for reporting purposes.

Consider the following examples:

Example 1:

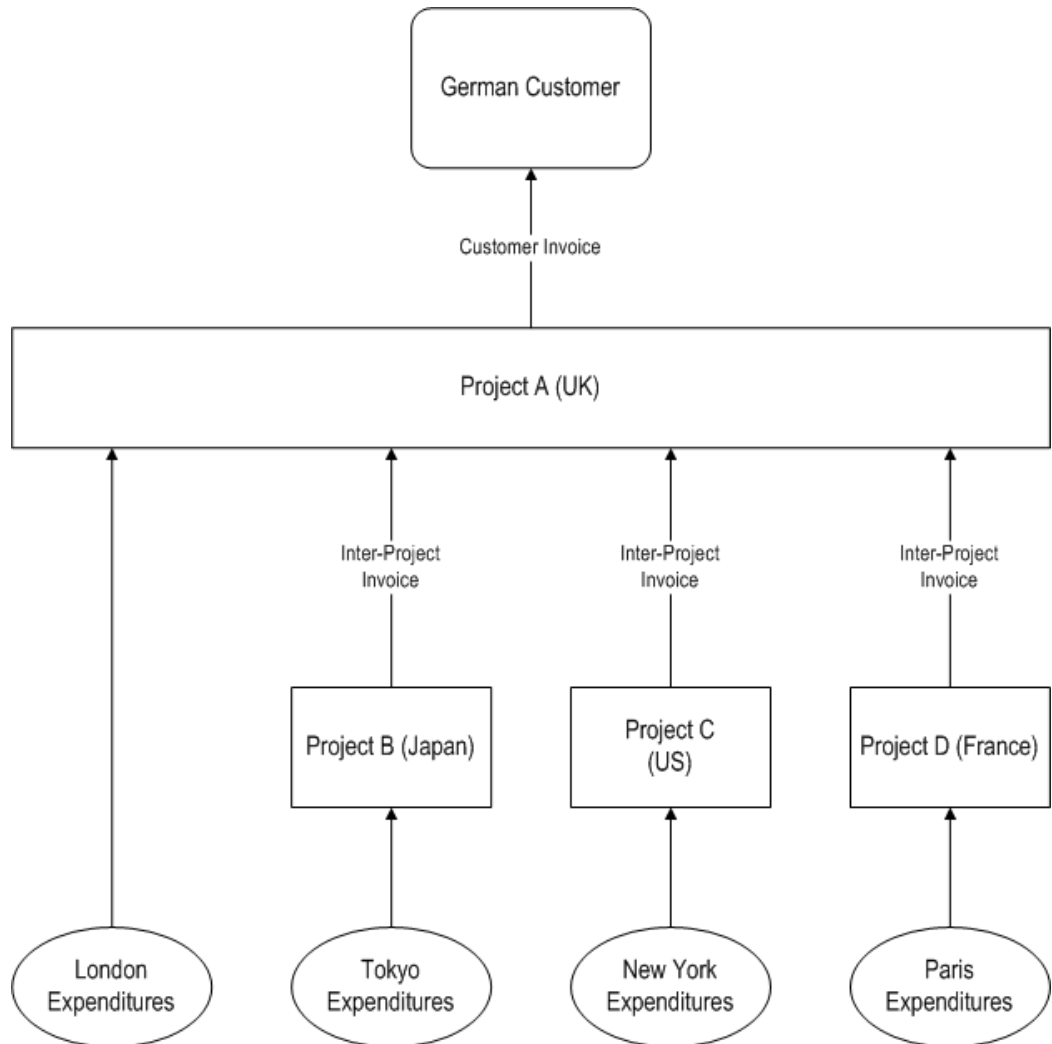
Business Needs Example 1



During an auto accident, a telephone pole owned by the local telephone company is knocked down. A contract project is set up to track the cost of the repair. These costs will be billed to an insurance company. While the repair is under way, the telephone company decides to replace the old transformer at the top of the downed pole. These costs will need to be capitalized and will be billed internally to a capital project. The

contract project will bill the insurance company for repair work performed on the pole, and, using inter-project billing, will bill a receiver project for work performed on the transformer. The receiver project can exist at any organization level in the enterprise, regardless of operating unit or ledger.

Example 2:



Company ABC is an advertising company with a multiple organization structure. The London operating unit, ABC's headquarters, received a contract from a German customer. The customer wants ABC to produce and air live shows in Paris, New York, and Tokyo to launch its new line of high-end women's apparel. ABC will plan and design the show using resources from the London operating unit. The Paris, New York, and Tokyo operating units are each responsible for the successful execution of these live shows with their local resources.

Using the structure shown above, the customer project is divided into several related contract projects. The London operating unit owns the primary customer project, or

receiver project, and bills the external customer. The related projects, or provider projects, are subcontracted to their respective internal organizations and internally bill the London organization to recover their project costs.

Related Topics

Inter-Project Billing Project Relationships, page 7-4

Inter-Project Billing Process, page 7-4

Inter-Project Billing Project Relationships

You use the inter-project billing feature to enable a primary (or receiver) project to delegate its tasks to related subcontract (or provider) projects. The provider and receiver projects can be in the same or different operating units and even in different business groups if you have enabled these roles in the provider and receiver operating units and you have identified the operating units as valid providers and receivers for each other.

To establish the project relationship

1. Create a receiver project and identify the tasks that will be performed by other projects as receiver tasks.
2. Define one or more provider projects.
3. For each provider project, specify the receiver project and task to charge in the Project Customers window.

Prerequisite: You must select existing customers that are associated with a receiver operating unit on the Implementation Options window (Internal Billing tab). See: *Internal Billing Implementation Options, Oracle Projects Implementation Guide*.

Inter-Project Billing Process

To bill inter-project work and expenditures, you use processes and AutoAccounting functions similar to those used for external customer billing with the following differences:

When you bill inter-project work, an additional Payables invoice is created in the receiver operating unit that is charged to the receiver project and task based on the provider operating unit's Receivables invoice. The Payables invoice is automatically generated when the provider operating unit runs PRC: Tieback Invoices from Receivables. Oracle Projects generates inter-project invoices even when the provider and receiver projects are in the same operating unit.

You must import the internal Payables invoices into Oracle Payables in the receiver operating unit. The Open Interface Import process calculates recoverable and non-recoverable tax amounts. After you review and validate the invoices in Oracle

Payables, you run the process Create Accounting to create accounting for the accounting events in Oracle Subledger Accounting. The invoice is treated like any other supplier invoice that is interfaced to Oracle Projects as costs for the receiver project and tasks.

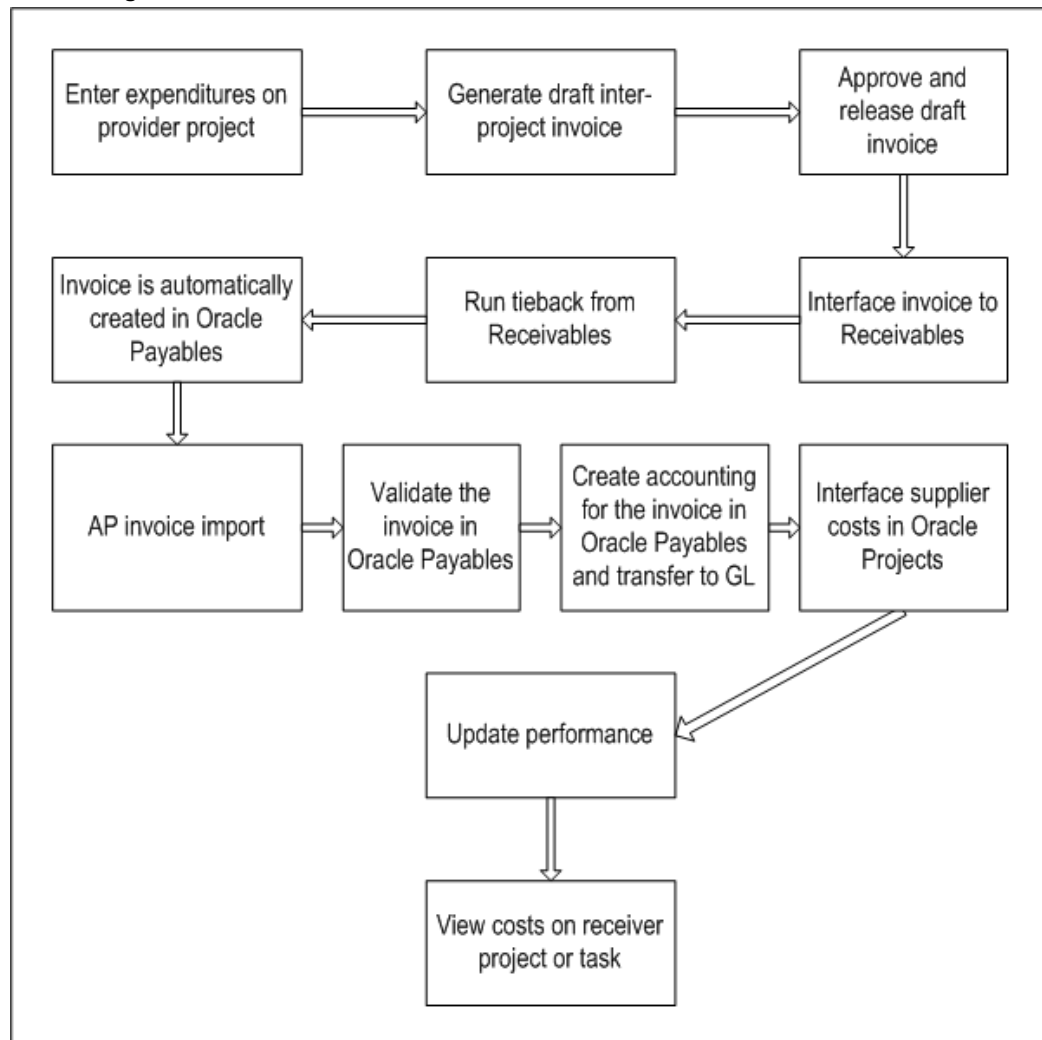
For inter-project billing, you use the same draft revenue and draft invoice processes that you use for external customer billing. As a result, the provider project tracks unbilled receivable and unearned revenue amounts and accounts for them accordingly. You can configure AutoAccounting, the Account Generator, and Oracle Subledger Accounting (optional) to generate different accounts for inter-project billing and third-party receivables and payables.

See also: Workflow: Project Supplier Invoice Account Generation, *Oracle Projects Implementation Guide*.

Overview of Processing Flow for Inter-Project Billing

The processing flow for inter-project billing as detailed in the following diagram is the same as for any contract project, with the following exception: After you interface draft inter-project billing invoices to Oracle Receivables, the tieback process copies them into the Payables system of the receiver operating unit.

Processing Flow



The inter-project billing processing flow consists of the following steps:

1. Enter transactions and distribute costs on your provider project.
2. Generate a draft inter-project invoice by running the Generate Draft Invoice process. See: *Generate Draft Invoices, Oracle Projects Fundamentals*.
3. Approve and release the draft inter-project invoice.
Review, approve, and release the draft inter-project invoice using the standard functionality of Oracle Project Billing.
4. Interface the draft inter-project invoice to Oracle Receivables, page 7-7.
5. Interface the draft inter-project invoice to Oracle Payables, page 7-7.

6. Run Open Interface Import in Payables, page 7-9.
7. Interface the draft inter-project invoice to Oracle Projects, page 7-9.

Entering Inter-Project Transactions

To record work performed by a provider resource, expenditures are entered in the provider project. The expenditures are charged to the receiver project and tasks. The expenditure organization is the resource owning organization. The expenditure type can be any type that is defined in the provider project. When the expenditure is interfaced to the receiver project via a Payables invoice, the expenditure type and expenditure organization are overridden by the Provider Controls defined in the receiver's operating unit.

Interface the draft inter-project invoice to Oracle Receivables

You submit a streamline process (choose the XI: Interface Draft Invoice to AR parameter) to execute the processes Interface Invoices to Receivables, AutoInvoice, and Tieback Invoices from Receivables.

Inter-project invoices are interfaced to Oracle Receivables with the invoice batch source "PA Internal Invoices." Inter-project invoices and intercompany invoices share this batch source. (See: Interface Intercompany Invoices to Receivables, *Oracle Projects Fundamentals*) The streamline process executes AutoInvoice twice, once for inter-project invoices and once for customer invoices. The tieback process automatically interfaces the inter-project invoices to the receiver operating unit's payables.

You can also execute each of these processes separately. To generate invoices in Oracle Receivables for both inter-project invoices and customer invoices, you must run AutoInvoice twice, identifying the appropriate batch source each time.

Interface the draft inter-project invoice to Oracle Payables

When the provider operating unit runs the Tieback Invoices from Receivables process, the successfully interfaced inter-project invoices are automatically interfaced to the interface table of the receiver operating unit's Oracle Payables. Inter-project invoices interfaced to Oracle Payables have the following attributes:

- Source. All inter-project invoices have the source "Inter-Project Invoices."
- Supplier. The supplier is identified by the provider operating unit's internal billing implementation options.
- Supplier Site. The supplier site is identified by the provider operating unit's internal receiver controls.
- Invoice Amount. The Payables default invoice amount is the amount of the related

Receivables invoice, including taxes.

The interface process populates the following project-related attributes for inter-project Payables invoice distributions as indicated below:

- Project Number. The number of the receiver project is derived from the receiver task number linked to the provider project customer.
- Task Number. The number of the receiver task linked to the internal project customer.
- Expenditure Item Date. The invoice date of the inter-project Receivables invoice.
- Expenditure Type. The expenditure type specified by the receiver operating unit in the Internal Receiver Controls tab.
- Expenditure Organization. The expenditure organization specified by the receiver operating unit in the Internal Receiver Controls tab.

In addition, the interface process matches the tax code from each invoice line of the Receivables invoice to the appropriate Payables tax code and populates it in the Payables invoice distribution. This process indicates that the Payables invoice distributions do not include tax amounts, so that the Payables Open Interface process creates the tax lines for the entire invoice by grouping the tax lines based on the following attributes:

- Tax code
- Project information (project, task, expenditure item date, expenditure type, expenditure organization)

Note: Tax group support in Oracle Payables is provided only by the Canadian or other localizations.

The following table shows the expenditure attributes for an Inter-Project billing method:

Billing Method	Work Breakdown Structure	Expenditure Type	Expenditure Organization	Quantity
Inter-Project	Project: Receiver Task: Receiver	Receiver Controls	Receiver Controls	1

Run Open Interface Import in Payables

The receiver operating unit runs the Payables Open Interface Import process to create inter-project Payables invoices from the records in the interface table. Payables Invoice Import does the following:

- Converts amounts from the transaction currency to the functional currency of the receiver operating unit based on the default conversion attributes defined in the receiver operating unit's Payables system options. (The Receivables invoice amounts are copied as the transaction currency amounts on the Payables invoice.)

You can customize the Payables Open Interface Workflow process to override the default currency conversion attributes for the invoice and distribution amounts.

- Derives the internal Payables account from supplier information. You can either associate supplier types for internal suppliers with internal cost accounts or otherwise modify the Workflow-based account generation process to determine the appropriate intercompany cost account.
- Generates recoverable and non-recoverable tax lines (if you have specified a percentage for recoverable tax amounts) based on the tax codes interfaced from Oracle Receivables.

Oracle Payables uses the rounding accounts specified in the Oracle Payables system options to account for discrepancies due to rounding tax amounts.

Interface the draft inter-project invoice to Oracle Projects

You must interface the entire inter-project Payables invoice (and related tax lines) created by the Payables Invoice Import process to the receiver operating unit's Oracle Projects system. To do this, run the process PRC: Interface Supplier Costs, which identifies inter-project invoices as those invoices with an invoice source of Inter-Project Invoice.

Adjusting Inter-Project Billing Invoices

All adjustments made in the provider project are subject to the standard billing processes and can result in the creation of a credit memo. You must interface such credit memos to Oracle Receivables, and the tieback process interfaces them to the receiver operating unit's Oracle Payables system as negative invoices.

The inter-project billing process creates transactions on the receiver project and tasks, which you can adjust in Oracle Projects as you would any other transaction.

Billing in a Global Environment

This chapter covers the following topics:

- Billing in a Global Environment

Billing in a Global Environment

Oracle Projects gives you the option to bill in a global environment when the multi-currency billing is enabled for an operating unit and for a project. When multi-currency billing is enabled, you can:

- Enter agreements, bill rates, and events in any currency regardless of the project functional currency
- Designate the project functional currency, project currency, or funding currency as the invoice processing currency for a project
- Designate the project functional currency *and* the invoice transaction currency as the revenue transaction currency
- Define currency conversion attributes for converting revenue and invoicing amounts to the project currency, project functional currency, and funding currency
- Define currency conversion attributes for converting funding amounts to the project functional currency, and the project currency
- Define a default invoice currency for a project customer that is different from the project functional currency and assign conversion attributes for deriving revenue in this currency

The multi-currency billing option can be set both at the operating unit level and at the project level. To enter agreements and rate schedules in any currency for a project, you must enable the multi-currency billing functionality for the operating unit. To enter events in any currency for a project, you can enable the functionality at the project level only. This value defaults from the project template. You can override the default value

for an individual project template or project.

Related Topics

Agreements, page 3-1

Events, page 4-1

Currency, *Oracle Projects Fundamentals*

Deriving Revenue in Foreign Currency, page 5-9.

Billing Implementation Options, *Oracle Projects Implementation Guide*

Currency Conversion Attributes

The system uses currency conversion attributes to convert revenue and billing amounts to the project functional currency, project currency, and funding currency, and to convert the funding amounts to the project functional currency and project currency.

By default, the system uses the conversion attribute information defined for the project to which the transaction is assigned to calculate the project currency amounts.

Note: When you enable Invoice by Bill Transaction Currency option, or when the invoice transaction currency is the same as the project functional currency, the conversion of invoice amounts to invoice transaction currency ignores the conversion attributes defined for a customer. When you enable *Project Functional Currency and Invoice Transaction Currency* as your revenue transaction currency, the conversion of revenue to invoice transaction currency uses the invoice transaction currency conversion attributes that you assign to a customer. For more information, see: Deriving Revenue in Foreign Currency, page 5-9.

You enable the multi-currency billing functionality and define the currency conversion attributes for a project in the Billing tabbed region of the Currencies window accessed via Project Options window. See: Currency Conversion Attributes, *Oracle Projects Fundamentals*. You use these settings when you need the following capabilities:

- Assign a project or task a rate schedule in a currency that is different from the project functional currency
- Create event transactions for a project in a currency that is different from the project functional currency
- Enter an agreement in a currency that is different from the project functional currency and fund the project with that agreement
- Define a project currency that is different from the project functional currency

- Define a default invoice transaction currency for a project customer that is different from the project functional currency

The currency conversion attributes are used to convert expenditure items, manually entered events, and automatically created events from the billing transaction currency during revenue and invoice processing. They are also used to convert funding amounts from the funding currency to the project functional currency and the project currency.

Project Billing Transaction Currency

The billing transaction currency for work based billing and event based billing are as follows:

Work Based Billing

For work-based billing, the billing transaction currency is:

- The bill transaction currency for cost based revenue if billing amounts are based on cost and use markups (bill rate schedules) or multipliers (burden schedules)
- The bill rate schedule currency if billing amounts are based on bill rate schedules and no project or task rate override is entered
- The user entered bill rate currency from employee, job, or non-labor rate overrides if billing amounts are based on bill rate schedules and project or task overrides are specified.

Event Based Billing

For event-based billing events, the billing transaction currency is:

- The user-entered event transaction currency for manually entered events.
- The project functional currency for automatic revenue and invoice events that are created when the Cost/Cost billing method is used.

The following table summarizes the transaction currencies for expenditures and events:

Type of Transaction	Transaction Currency
Events (manual and automatic)	Event transaction currency
Expenditures with markups or burden multipliers (multi-currency billing enabled)	Bill transaction currency for cost based transactions.
Expenditures with bill rates	Rate schedule currency

Type of Transaction	Transaction Currency
Expenditures with bill rate overrides	Override currency
Expenditures with labor billing extension that calculates the amount	Billing transaction currency provided by the extension

Billing Transaction Currency Calculation

When Oracle Projects calculates revenue, it calculates revenue and billing amounts for expenditure items in the billing transaction currency.

The following table illustrates how currency, rates, and amounts are determined during revenue generation:

Type of Transaction	Billing Transaction Currency =	Billing Transaction Bill Rate =	Billing Transaction Revenue, Raw Revenue, or Billing Amount =
Expenditure items that use bill rates	Rate schedule currency	Billing schedule rate	Billing transaction bill rate*quantity
Expenditure items that use bill rate overrides	Currency of the bill rate override	Rate override	Billing Transaction bill rate*quantity
Expenditures with markups (multi-currency billing enabled)	Bill transaction currency for cost-based revenue	Raw revenue or bill amount/quantity	Markup applied on the bill transaction currency for cost based revenue
Expenditures with burden multipliers (multi-currency billing enabled)	Bill transaction currency for cost based revenue	Raw revenue or bill amount/quantity	Burden multiplier applied on bill transaction currency for cost based revenue
Events	Event transaction currency	N/A	Event revenue or bill amount in the event transaction currency

Note: When multi-currency billing is not enabled, the billing

transaction currency for an expenditure item that uses markups or burden schedule is the same as the project functional currency, although the expenditure item transaction currency can be a currency other than the project functional currency. The markup or burden multiplier is applied to the expenditure cost in the project functional currency.

Federal Government Projects

This chapter covers the following topics:

- Federal Projects: Overview
- Process Flow for Federal Projects
- Federal Projects: Accounting

Federal Projects: Overview

Oracle Projects enables you to manage and track projects that are funded by U.S. Federal Government agencies. Project funding can occur in two ways:

- Government funding can be appropriated to the agency, usually by an act of legislation.
- Funding can also be obtained by means of a reimbursable order from another agency or an external party.

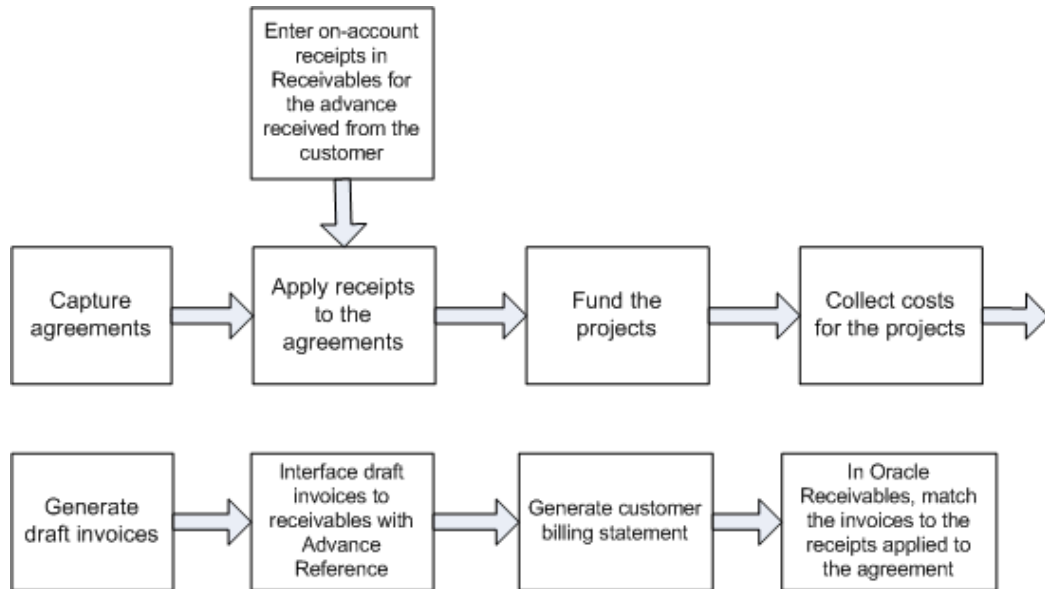
Oracle Projects provides budget integration, accounting, and reporting capabilities required for U.S. Federal Government agencies, and the reimbursable agreement requirements mandated by the Federal certification process (FSIO). These requirements include:

- The capability to require and record advance payments for agreements and reduce the balance on the advance when expenditures occur
- A flexible accounting architecture to meet U.S. Federal government requirements
- Funds consumption rules for revenue recognition and customer invoicing
- Ability to ensure that revenue and invoice amounts match and consume the same funds
- Integration of agreement funding and budgets with the Budget Execution module

of Oracle Federal Financials and/or Oracle General Ledger using subledger accounting.

Process Flow for Federal Projects

The following illustration shows a typical process flow for a project that requires an agreement with advance payments.



In the process flow shown above, the following activities take place:

1. The agency receives appropriations or a reimbursable order.
2. The project manager does the following:
 1. Enters an agreement with advance payments required
 2. In Oracle Receivables, enters receipts for the advance received from the customer
 3. Defines the corresponding project (or projects) and work breakdown structure
 4. Funds the project, applies receipt to the agreement, and defines cost budget for the project
 5. Defines a revenue budget in order to generate revenue and invoices for the project
3. Project team members do the following:

1. As expenditures are made on the project, enter expenditure items.
2. Distributes costs and interface the cost transactions to General Ledger
3. Generate draft invoices and interface invoice transactions to Receivables
4. Generate customer billing statements
5. In Oracle Receivables, match the invoices to the receipts that were applied to the agreement

Federal Projects: Accounting

Following are explanations and examples of accounting that takes place for Federal projects.

Accounting Examples for Reimbursable Agreements Without an Advance

Following are examples of accounting for a project with a reimbursable agreement (where a reimbursable order is received from another agency or external party). In this example, no advance payments are required or received on the agreement. Reimbursable agreements without advances are typically made between two Federal entities. For an agreement between a Federal and a private or non-Federal entity, an advance is usually required.

The term USSGL TC is used to represent "U.S. standard general ledger transaction code".

Anticipated Reimbursement

Description: Record anticipated reimbursement of \$5,000

USSGL TC: A302

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4210	5,000			Anticipated Reimbursements and Other Income
		4450	5,000	Unapportioned Authority

Apportionment - Unavailable

Description: Record apportionment (unavailable) \$4,000

USSGL TC: A118

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4450	4,000			Unapportioned Authority
		4590	4,000	Apportionments Unavailable - Anticipated Resources

Unfilled Customer Order

Description: Record an unfilled customer order without an advance and make funds available for use (\$1,000)

USSGL TC: A304

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4221	1,000			Unfilled Customer Orders Without Advance
		4210	1,000	Anticipated Reimbursements and Other Income

USSGL TC: A122

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4590	1,000			Apportionments Unavailable - Anticipated Resources

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
		4610	1,000	Allotments - Realized Resources

Commitment of Funds

Description: Record commitment of funds (purchase requisition) of \$2,500.

USSGL TC: B202

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4610	2,500			Allotments - Realized Resources
		4700	2,500	Commitments

Obligation of Funds

Description: Record obligation of funds (purchase orders and contracts issued) of \$2,500.

USSGL TC: B204

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4700	2,500			Commitments
		4801	2,500	Undelivered Orders - Unpaid

Undelivered Orders

Description: Record current year undelivered orders with an advance or prepayment: \$10,000

USSGL TC: B206

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4801	10,000			Undelivered Orders - Unpaid
		4802	10,000	Undelivered Orders - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
1410	10,000			Advances to Others
		1010	10,000	Fund Balance with Treasury

Goods and Services Received and Accepted

Description: Record Goods and Services Received and Accepted: \$2,000

USSGL TC: B302

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4801	2,000			Undelivered Orders - Unpaid
		4901	2,000	Delivered Orders - Unpaid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
6100	2,000			Operating Expenses
		2110	2,000	Accounts Payable

Scheduled Payment

Description: Record payment scheduled for certified invoices (used by agencies whose payments are made by Treasury)

USSGL TC: B308

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2110	15,000			Accounts Payable
		2120	15,000	Disbursements in Transit

Confirmation of Payment (Treasury)

Description: Record Treasury confirmation of payment (used by agencies whose payments are made by Treasury)

USSGL TC: B110

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4901	15,000			Delivered Orders - Unpaid
		4902	15,000	Delivered Orders - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2120	15,000			Disbursements in Transit
		1010	15,000	Fund Balance with Treasury

Confirmation of Payment

Description: Record confirmation of payment (used by agencies that make their own

disbursements

USSGL TC: B110

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4901	15,000			Delivered Orders, Obligations - Unpaid
		4902	15,000	Delivered Orders, Obligations - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2120	15,000			Accounts Payable
		1010	15,000	Fund Balance with Treasury

Record Earnings and Set Up Receivable

Description: Record earnings for reimbursable work performed and set up receivable:
\$3,000

USSGL TC: A130

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4251	3,000			Reimbursements and Other Income Earned - Receivable
		4221	3,000	Unfilled Customer Orders Without Advance

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
1310	3,000			Accounts Receivable
		5200	3,000	Revenue from Services Provided

Collection of Receivable

Description: Record collection of receivable: \$3,000

USSGL TC: C186

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4252	3,000			Reimbursements and Other Income Earned - Collected
		4251	3,000	Reimbursements and Other Income Earned - Receivable

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
1010	3,000			Fund Balance with Treasury
		1310	3,000	Accounts Receivable

Clear Old Account

Description: Pre-Closing: Record removal of unfilled customer order without advance in excess of obligations (for expiring accounts only): \$2,000

USSGL TC: F109

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4610	2,000			Allotments- Realized Resources
		4221	2,000	Unfilled Customer Orders - Without Advance

Cancellation of Receivable

Description: Pre-Closing: Cancel a receivable for reimbursable activity:: \$3,000

USSGL TC: F144

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4650	3,000			Allotments - Expired Authority
		4251	3,000	Reimbursements and Other Income Earned - Receivable

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
5200	3,000			Revenue from Services Provided
		1310	3,000	Accounts Receivable

Accounting Examples for Reimbursable Agreements With an Advance

Following are examples of accounting for a project with a reimbursable agreement where advance payments are required on the agreement. Reimbursable agreements with non-federal entities typically require an advance before an unfilled customer order can be recorded and before funds are available for spending.

Anticipated Reimbursement

Description: Record anticipated reimbursement of \$5,000

USSGL TC: A302

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4210	5,000			Anticipated Reimbursements and Other Income
		4450	5,000	Unapportioned Authority

Apportionment - Unavailable

Description: Record apportionment (unavailable) \$4,000

USSGL TC: A118

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4450	4,000			Unapportioned Authority
		4590	4,000	Apportionments Unavailable - Anticipated Resources

Unfilled Customer Order

Description: Record an unfilled customer order with an advance and make funds available for use (\$1,000)

USSGL TC: C184

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4222	1,000			Unfilled Customer Orders With Advance
		4220	1,000	Anticipated Reimbursements and Other Income

USSGL TC: A122

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4590	1,000			Apportionments Unavailable - Anticipated Resources
		4610	1,000	Allotments - Realized Resources

Commitment of Funds

Description: Record commitment of funds (purchase requisition) of \$2,500.

USSGL TC: B202

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4610	2,500			Allotments - Realized Resources
		4700	2,500	Commitments

Obligation of Funds

Description: Record obligation of funds (purchase orders and contracts issued) of \$2,500.

USSGL TC: B204

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4700	2,500			Commitments
		4801	2,500	Undelivered Orders - Unpaid

Undelivered Orders

Description: Record current year undelivered orders with an advance or prepayment: \$10,000

USSGL TC: B206

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4801	10,000			Undelivered Orders - Unpaid
		4802	10,000	Undelivered Orders - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
1410	10,000			Advances to Others
		1010	10,000	Fund Balance with Treasury

Goods and Services Received and Accepted

Description: Record Goods and Services Received and Accepted: \$2,000

USSGL TC: B302

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4801	2,000			Undelivered Orders - Unpaid
		4901	2,000	Delivered Orders - Unpaid

Transaction Type: Proprietary

Debit	Debit Amount	Credit Account	Credit Amount	Account Description
6100	2,000			Operating Expenses
		2110	2,000	Accounts Payable

Scheduled Payment

Description: Record payment scheduled for certified invoices (used by agencies whose payments are made by Treasury)

USSGL TC: B308

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2110	15,000			Accounts Payable
		2120	15,000	Disbursements in Transit

Confirmation of Payment (Treasury)

Description: Record Treasury confirmation of payment (used by agencies whose payments are made by Treasury)

USSGL TC: B110

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4901	15,000			Delivered Orders - Unpaid
		4902	15,000	Delivered Orders - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2120	15,000			Disbursements in Transit
		1010	15,000	Fund Balance with Treasury

Confirmation of Payment

Description: Record confirmation of payment (used by agencies that make their own disbursements)

USSGL TC: B110

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4901	15,000			Delivered Orders, Obligations - Unpaid
		4902	15,000	Delivered Orders, Obligations - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2120	15,000			Accounts Payable

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
		1010	15,000	Fund Balance with Treasury

Record Earnings

Description: Record earnings for reimbursable work performed: \$3,000

USSGL TC: A130

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit	Credit Amount	Account Description
4252	3,000			Reimbursements and Other Income Earned - Collected
		4222	3,000	Unfilled Customer Orders With Advance - Collected

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit	Credit Amount	Account Description
2310	3,000			Advances from Others
		5200	3,000	Revenue from Services Provided

Remove Unfilled Order

Description: Pre-Closing: Record removal of unfilled customer order with advance in excess of obligations (for expiring accounts only): \$700

USSGL TC: F110

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4610	700			Allotments - Realized Resources
		4222	700	Unfilled Customer Orders with Advance

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2310	700			Advances from Others
		1010	700	Fund Balance with Treasury

Clear Old Account

Description: Pre-Closing: Record removal of unfilled customer order without advance in excess of obligations (for expiring accounts only): \$2,000

USSGL TC: F109

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4610	2,000			Allotments- Realized Resources
		4221	2,000	Unfilled Customer Orders - Without Advance

Adjust for Anticipated Resources Not Realized

Description: Adjust for anticipated resources not realized: \$2100

USSGL TC: F112

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4590	2,100			Apportionments Unavailable - Anticipated Resources
		4210	2,100	Anticipated Reimbursements and Other Income

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
5200	3,000			Revenue from Services Provided
		1310	3,000	Accounts Receivable

Accounting Examples for Appropriated Funding

Following are examples of accounting for a project with appropriated funding (where funding comes from appropriations given directly to an agency, usually by act of legislation).

Appropriation of Funds

Description: Record appropriation of funds: \$7,500

USSGL TC: A104

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4119	7,500			Other Appropriation Realized
		4450	7,500	Unapportioned Authority

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
1010	7,500			Fund Balance with Treasury
		3101	7,500	Unexpended Appropriations - Appropriations Received

Apportionment of Funds

Description: Record apportionment of funds \$7,500

USSGL TC: A116

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4450	7,500			Unapportioned Authority
		4510	7,500	Apportionments

Allotment of Funds

Description: Record allotment of funds \$2,500

USSGL TC: A120

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4510	2,500			Apportionments
		4610	2,500	Allotments - Realized Resources

Commitment of Funds

Description: Record commitment of funds (purchase requisition) of \$2,500.

USSGL TC: B202

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4610	2,500			Allotments - Realized Resources
		4700	2,500	Commitments

Obligation of Funds

Description: Record obligation of funds (purchase orders and contracts issued) of \$2,500.

USSGL TC: B204

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4700	2,500			Commitments
		4801	2,500	Undelivered Orders - Unpaid

Undelivered Orders

Description: Record current year undelivered orders with an advance or prepayment: \$10,000

USSGL TC: B206

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4801	10,000			Undelivered Orders - Unpaid
		4802	10,000	Undelivered Orders - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
1410	10,000			Advances to Others
		1010	10,000	Fund Balance with Treasury

Goods and Services Received and Accepted

Description: Record Goods and Services Received and Accepted: \$2,000

USSGL TC: B302

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4801	2,000			Undelivered Orders - Unpaid
		4901	2,000	Delivered Orders - Unpaid

USSGL TC: B134

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
3107	2,000			Unexpended Appropriations - Used
		5700	2,000	Expended Appropriations

Scheduled Payment

Description: Record payment scheduled for certified invoices (used by agencies whose payments are made by Treasury)

USSGL TC: B308

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2110	15,000			Accounts Payable (Delivered Orders - Obligations, Unpaid)
		2120	15,000	Disbursements in Transit (the agency records activity on form 224)

Confirmation of Payment (Treasury)

Description: Record Treasury confirmation of payment (used by agencies whose payments are made by Treasury)

USSGL TC: B110

Transaction Type: Budgetary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
4901	15,000			Delivered Orders - Unpaid
		4902	15,000	Delivered Orders - Paid

Transaction Type: Proprietary

Debit Account	Debit Amount	Credit Account	Credit Amount	Account Description
2120	15,000			Disbursements in Transit
		1010	15,000	Fund Balance with Treasury

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