Oracle® Project Costing

User Guide

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Preface

Intended Audience

Welcome to Release 12.2 of the *Oracle Project Costing User Guide.*

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

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

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Structure

1 Overview of Project Costing

This chapter gives you an overview of project costing in Oracle Projects.

2 Oracle Projects Command Center

3 Budgets

This chapter describes how to enter and manage budgets using Oracle Projects.

4 Expenditures

This chapter describes how to enter and manage expenditures using Oracle Projects.

5 Burdening

This chapter describes how to use burdening in Oracle Projects.

6 Allocations

This chapter describes how you can allocate costs to projects and tasks.

7 Asset Capitalization

This chapter describes how to create and maintain capital projects in Oracle Projects. It provides a brief overview of capital projects and explains how to create, place in service, adjust, and account for assets and retirement costs in Oracle Projects.

8 Cross Charge

This chapter describes accounting within and between operating units and legal entities.

9 Integration with Other Oracle Applications

This chapter describes integrating Oracle Projects with other Oracle Applications to perform project costing.

Related Information Sources

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 Oracle 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.

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.

1

Overview of Project Costing

This chapter gives you an overview of project costing in Oracle Projects.

This chapter covers the following topics:

- Overview of Costing
- Generating Costs
- Distributing Labor Costs

Overview of Costing

Costing is the processing of expenditures to calculate their cost to each project and determine the GL accounts to which the costs will be posted. Costing is performed for the following types of expenditures:

- Pre-approved expenditures. See: Overview of Expenditures, page 4-1.
  - Labor
  - Usages
  - Miscellaneous Transactions
- Burden transactions. See: Overview of Burdening, page 5-1.
- Expenditures submitted from Oracle Internet Expenses. See: Integrating Expense Reports with Oracle Payables and Oracle Internet Expenses, page 9-2.
- Supplier Costs. See: Integrating with Oracle Purchasing and Oracle Payables, page 9-11.
- Imported expenditures. See: Transaction Import, *Oracle Projects Fundamentals*.
- Adjusted expenditures in Oracle Projects that need re-costing. See: Adjusting

Expenditures, page 4-66.

Related Topics

Costing in Oracle Projects, page 1-2

Costing Processes, page 1-5

Calculating Costs, page 1-7

Distributing Labor Costs, page 1-11

Costing in Oracle Projects

The following illustration shows how costing is performed and accounted in Oracle Projects.

Costing in Oracle Projects

As shown in the illustration, *Costing in Oracle Projects*, page 1-3, costing includes the following major steps:

1. Enter and approve expenditures through the Oracle Projects user interface, or import transactions (for example, through Transaction Import).

   Note: You can use Transaction Import to import unaccounted and accounted transactions. If you import unaccounted transaction,

then you must run the costing processes for the transactions. If you import accounted transactions, then no additional processing is needed. For additional information, see: Transaction Sources, *Oracle Projects Implementation Guide*. For payroll amounts, the PRC: Process Payroll Actuals process interfaces the amounts to Projects and distributes them. See: Process Payroll Actuals Process, *Oracle Projects Fundamentals*.

2. Distribute costs and derive default accounting. See: Costing Processes, page 1-5

3. Generate cost accounting events.

   The generate cost accounting events process performs the following tasks:

   - Collects cost distribution lines in Oracle Projects and uses AutoAccounting to determine the default liability accounts for raw and burden costs

   - Generates cost accounting events for Oracle Subledger Accounting

4. Create accounting in Oracle Subledger Accounting and transfer the accounting entries to Oracle General Ledger. Depending on the parameter values you select, the create accounting process performs the following tasks:

   - Creates subledger accounting entries for unaccounted accounting events.

     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.

   - Transfers accounting entries to the Oracle General Ledger interface tables.

   - Initiates the journal import process in Oracle General Ledger. The journal import process uses the summary interface information stored in the Oracle General Ledger interface tables and automatically creates journal entries for posting in Oracle General Ledger.

   - Initiates posting of journal entries in Oracle General Ledger.

     Note: You can optionally run the *Subledger Period Close Exceptions Report* to view information about unprocessed accounting events, accounting events in error, and transactions that are successfully accounted in final mode in Oracle Subledger Accounting, but not

posted in Oracle General Ledger. This report provides you with the ability to separately tie back and determine whether accounting entries are posted in Oracle General Ledger.

Related Topics

Distribution Processes, *Oracle Projects Fundamentals*

Generate Cost Accounting Events, *Oracle Projects Fundamentals*

Create Accounting, *Oracle Projects Fundamentals*

Examples of Accounting Entries, *Oracle Projects Costing User Guide*

Costing Processes

The following illustration shows the flow of costing processes in Oracle Projects.

Costing Processes

As shown in the illustration *Costing Processes*, page 1-6, create and distribution processes perform the following tasks:

- Calculate raw cost (quantity x rate) in transaction currency.

  Note: If you are using payroll amounts, then you can calculate labor cost by distributing the payroll amounts to Oracle Projects with the Process Payroll Actuals process. Depending on the cost type, you can generate raw cost lines or burden cost lines. You can also apply burden rates to payroll amounts distributed to projects.

- Calculate burden and burdened cost.

  Burden costs are legitimate costs of doing business that support raw costs and cannot be directly attributed to work performed. Examples of burden costs are fringe benefits, office space, and general and administrative costs. Burdened cost is the total cost of an expenditure item, including raw cost and burden costs. For information about burden and burdened costs, see: Overview of Burdening, page 5-

.

- Create and distribute raw cost distribution lines.
- Generate accruals (if applicable, using PRC: Generate Labor Accruals) and reverse accruals (if applicable, using PRC: Process Payroll Actuals).
- Convert all transaction currency amounts to functional currency and project cost currency amounts.
- Create and distribute burden and burdened cost distribution lines.
- Determine default accounting using AutoAccounting (debit account for raw cost and burden costs, debit and credit accounts for total burdened costs).

  Note: If you are not performing burdening, you can skip the processes that create and distribute burden and burdened cost.

- Generate cost accounting events. See: Costing in Oracle Projects, page 1-2.

Generating Costs

This section briefly describes how Oracle Projects generates costs for expenditures. For more detailed information about the costing process for labor expenses, refer to the labor costing example in this chapter. See: Distributing Labor Costs, page 1-11.

Each transaction can have two cost amounts when processed, raw and burdened. Oracle Projects generates these amounts for each detail transaction when you distribute costs using any of the following processes:

- Distribute Labor Costs
  - Process Payroll Actuals
  - Generate Labor Accruals
- Distribute Usage and Miscellaneous Costs
- Distribute Supplier Cost Adjustments
- Distribute Expense Report Adjustments

The raw cost is the actual cost of the work performed, and the burden cost is the indirect cost of work performed. The burden costs are created to apply overhead costs to projects to provide an accurate total cost figure. The burdened cost is the total cost of the expenditure, or the sum of raw cost and burden cost. Oracle Projects calculates the burden cost using the raw cost and a burden multiplier.

Note: During actual costing, the PRC: Process Payroll Actuals process generates burden cost lines directly if the cost type for the associated pay element is burden.

Generating Labor Cost

You can generate labor costs using a standard costing method by applying standard rates to project time cards or use the integration of Oracle Projects with Oracle Payroll or import payroll actuals from a third party source to generate and distribute actual payroll amounts as project labor costs.

With the standard costing method, Oracle Projects generates cost for labor transactions using quantity and rates:

- Raw cost is the result of multiplying hours by a rate. The rate source you define in your labor costing rule determines the applicable rate.
- Burden cost is the result of multiplying raw cost by a burden multiplier. The application derives burden multipliers from an applicable burden schedule.
- Burdened cost is the sum of raw cost and burden cost.

  Note: You can define a unique labor costing algorithm using the Labor Costing Extensions.

With the actual costing method, Oracle Projects generates labor costs by distributing payroll actuals from Oracle Payroll or a third party source to time card transactions. Payroll amounts are distributed based on hours, amounts or by using costing information contained in your costed payroll run based on how you setup your pay element definition rules. Amounts that are not distributed directly to time card transactions can be used to generate related miscellaneous or burden transactions. If you are using the Actual method, then you can also generate labor cost accruals from estimated labor costs by applying a standard rate to the hours on timecard transactions.

Related Topics

Distributing Labor Costs, page 1-11

Overview of Expenditures, page 4-1

Overview of Burdening, page 5-1

Calculating Cost for Usages and Miscellaneous Transactions

Oracle Projects calculates the cost for usages and miscellaneous transactions as follows:

- Raw cost is equal to quantity (if quantity is in currency, for example, a currency

amount), or alternatively, raw cost is the result of multiplying quantity by a rate (if quantity is not in currency). You can define cost rates for usage and miscellaneous costs as follows:

- cost rates by expenditure type
- cost rates by non-labor resource and owning organization for usages (optional); overrides expenditure type cost rate

- Burden cost is the result of multiplying raw cost by a burden multiplier.
- Burdened cost is the sum of raw cost and burden cost.

Note: For calculation of usages and miscellaneous transaction costs during actual costing, see Allocating Actual Payroll Amounts, page 1-28.

Related Topics

Overview of Expenditures, page 4-1

Overview of Burdening, page 5-1

Using Rates for Costing, *Oracle Projects Fundamentals*

Calculating Burden Cost and Total Burdened Cost

Oracle Projects calculates burden cost by multiplying raw cost by a burden multiplier. This calculation is represented in the following formula:

Burden Cost = Raw Cost x Burden Multiplier

Oracle Projects calculates total burdened cost by adding burden cost to the raw cost amount. This calculation is represented in the following formula:

Total Burdened Cost = Raw Cost + Burden Cost

You use the burden multiplier to derive the total amount of the burden cost.

You can also identify payroll costs as burden costs if you use the actual labor costing method and distribute payroll actual costs as labor cost transactions by defining a payroll pay element as a burden cost type in your pay element definition rules. See: Process Payroll Actuals Process, *Oracle Projects Fundamentals* guide.

Related Topics

Overview of Burdening, page 5-1

Determining Supplier Costs

Oracle Projects determines costs for receipt accruals from Oracle Purchasing and supplier costs from Oracle Payables using the following logic:

- For supplier costs interfaced from Oracle Payables, raw cost for each expenditure item is equal to the supplier invoice distribution line amount (accrual basis accounting) or the payment distribution amount (cash basis accounting) in Oracle Payables.

  For receipt accrual costs interfaced from Oracle Purchasing, raw cost is equal to the receipt transaction amount in Oracle Purchasing.

  For contingent worker timecards with Oracle Purchasing integration, when you run the process PRC: Distribute Labor Costs, Oracle Projects uses rates from the related purchase order to calculate the costs.

- Burden cost is the result of multiplying raw cost by a burden multiplier.

- Burdened cost is the sum of raw cost and burden cost.

Oracle Projects determines costs for supplier invoice transactions during the following processes:

- PRC: Interface Supplier Costs

- PRC: Distribute Supplier Cost Adjustments

- PRC: Distribute Supplier Costs Adjustments for a Range of Projects

- PRC: Distribute Labor Costs (for contingent worker timecards)

Related Topics

Overview of Burdening, page 5-1

Integrating with Oracle Purchasing and Oracle Payables, page 9-11

Determining Expense Report Costs

Oracle Projects determines costs for expense reports that you interface from Oracle Payables to Oracle Projects using the following logic:

- Raw cost for each expenditure item is equal to the expense report invoice distribution line amount (accrual basis accounting) or the payment distribution amount (cash basis accounting) in Oracle Payables.

- Burden cost is the result of multiplying raw cost by a burden multiplier.

- Burdened cost is the sum of raw cost and burden cost.
- Receipt amount is the expenditure amount in the receipt currency.

  Note: When a receipt in Oracle Payables is split across multiple expenditure items, Oracle Projects does not divide the receipt amount among the expenditure items. As a result, each expenditure item is associated with the full receipt amount.

Oracle Projects determines costs for expense reports during the following processes:

- PRC: Interface Expense Reports from Payables
- PRC: Distribute Expense Report Adjustments

Related Topics

Overview of Burdening, page 5-1

Integrating Expense Reports from Oracle Payables and Oracle Internet Expenses, page 9-2.

Distributing Labor Costs

Oracle Projects allows you to generate or enter detail labor transactions charged to your projects. This enables you to monitor the labor work that is performed and recognize project labor costs in your financial plans and workplans. Oracle Projects costs the items by computing the labor costs for your project and determining the GL accounts to charge.

This section discusses the costing process using labor costing as an example and covers the following:

- Distributing Labor Costs when Costing Method is Standard
  - Using Rate Sources
  - Using Total Time Costing
  - Business Rules applicable with Total Time Costing
  - Using Different Currencies
  - Business Rules applicable with Standard Costing Method
  - Distribute Labor Costs process
  - Selecting Expenditure Items for Costing

- Processing Straight Time
- Calculating Straight Time Costs
- Running AutoAccounting
- Creating Cost Distribution Lines
- Creating Overtime
- Tracking Overtime
- Processing Overtime
- Calculating Overtime Cost

- Distributing Labor Costs when Costing Method is Actual
  - Business Rules applicable with the Actual Costing Method
  - Process Payroll Actuals program
  - Using Third Party Payroll Actuals
  - Using Enable Accrual option when Costing Method is Actual
  - Allocating Actual Payroll Amounts
  - Business Rules applicable for Allocating Actual Payroll Amounts
  - Creating Transactions

- Generating Labor Output Reports
- Calculating and Reporting Utilization
- Examples of Accounting Entries

How labor costs are generated or distributed depends on the costing method that you defined in the labor costing rule associated to the operating unit of the expenditure organization, expenditure organization, or employee. Depending on the method, you can calculate labor costs when timecards are reported or after you import costed payroll amounts. To distribute labor costs based on hours, you must import or interface timecards or generate a pre-approved timecard batch to generate expenditure items that include hours.

> **Note:** You can only import and process timecards for an employee's

primary HR assignment. If you are using the Actual costing method, then only payroll actuals associated with the primary assignment are distributed.

The labor cost calculation process requires the following:

- You must define an applicable labor costing rule that can be applied to the timecards submitted by project employees. You can define the rule for an operating unit, organization, or employee.

- If you have set the labor costing rule to use the Standard method, then you must run the Distribute Labor Costs program to process timecards and calculate project labor costs. The rate source you selected in the labor costing rule and the attributes entered on the timecard or associated with the task or employee's primary assignment determines the rate that the application uses to calculate labor costs for each timecard line. You can also prorate the effective labor rate using uncompensated overtime hours by enabling the Total Time Costing option on the applicable labor costing rule.

- If you have set the labor costing rule to use the Actual method, then you must run the Process Payroll Actuals program to interface actual amounts from Oracle Payroll or a third party source and distribute the payroll amounts to imported/interfaced time cards or to create related transactions for miscellaneous or burden costs. The Process Payroll Actuals program uses the rules you define for each pay element to determine how to distribute payroll amounts. The program also processes the burden cost calculations for actual transactions when burden cost is on the same line.

- If you have set the labor costing rule to use the Actual method and selected the Enable Accrual check box, then you run the Generate Labor Accruals program to create labor cost accrual transactions using imported/interfaced time cards when the payroll actuals are not yet available for the same period. The calculations performed by the program are the same as for the standard costing method, including the rules for rate determination and total time costing. The application reverses the accrual transactions when you run Process Payroll Actuals program to process the payroll actuals for the same employee and payroll period. If you have not selected the Enable Accrual check box on the labor costing rule, then you cannot generate accruals.

Distributing Labor Costs when Costing Method is Standard

If you have set the labor costing rule for the employee or the employee's organization to use the Standard costing method, then you must run the PRC: Distribute Labor Costs program to generate labor costs. This program selects any uncosted expenditure items created when you imported/interfaced timecards for the specified operating unit within the specified date ranges and calculates labor cost amounts. Since an expenditure item

is for a specific project/task combination for a single transaction date, the program calculates the labor cost by multiplying the hours from each time card line by the effective labor cost rate for the employee on that day.

Using Rate Source

When you run PRC: Distribute Labor Costs, the program uses the rate source that you have selected for the applicable labor costing rule to determine how to derive an applicable labor cost rate. The rate source can be Projects, HR, or Extension. If the rate source is:

- Projects, then the application uses the rate schedules defined in Oracle Projects to derive a rate.
- Extension, then the application uses the customized rate derivation logic that you provide to derive a rate based on your logic.
- HR, then the application uses the Rate by Criteria matrix defined in Oracle HR and attributes defined in the time card line to derive a rate. You must also specify the rate matrix to use when you define the labor costing rule.

Using Total Time Costing

The labor cost distribution process takes into account whether you have enabled the Total Time Costing option for an employee, organization or operating unit in the applicable labor costing rule. If the option for Total Time Costing is set to No, then this program uses the derived labor cost rate for calculating the labor cost. If the option is set to Yes, then a cost rate multiplier is calculated to discount the applicable labor cost rate by the ratio of total hours worked in the week to the base hours defined in the applicable labor cost rule as follows:

```
Effective Cost Rate = [Derived Rate for the Employee] * [Cost Rate
Multiplier]
Where, the Cost Rate Multiplier =
If Total Hours </= Base Hours = "1"
If Total Hours > Base Hours = Base Hours / [Total ST Hours ? Excluded
Hours]
```

The labor cost distribution process evaluates each timecard transaction date for its applicable rule and applies the base hours defined in that rule version to the total hours in the expenditure week in which the timecard line occurs.

Example

If you have defined two labor costing rules with Total Time Costing enabled with base hours as noted below:

Base Hours = 40, Effective from 1-January to 15-January

Base Hours = 45, Effective from 16-January to 31-January

You have a timecard for the expenditure week ending 17-January with the following timecard lines and reported hours:

13-January 8 hours

14-January 8 hours

15-January 10 hours

16-January 10 hours

17-January 10 hours

In this situation, the application calculates the cost mutlipliers as follows:

Date	Base Hours	Total Hours	Multiplier
13-January	40	46	40 / 46 = 0.87
14-January	40	46	40 / 46 = 0.87
15-January	40	46	40 / 46 = 0.87
16-January	45	46	45 / 46 = 0.98
17-January	45	46	45 / 46 = 0.98

Business Rules applicable with Total Time Costing

The labor cost distribution process applies the following business rules for calculating effective cost rate using the Total Time Costing option:

- The total straight time hours for an employee is based on cumulative hours from all timecards available in the expenditure week. The total hours include the hours entered against the non billable tasks and for purposes such as vacation or training.
- If the applicable labor costing rule specifies any expenditure type exclusions, then the hours for any timecard lines with the specified expenditure types are not included in the total hours.
- If you change the base hours for an employee either in corresponding Labor Costing Overrides or Organization Labor Costing Rule windows, then this process does not automatically recalculate the expenditure items that are processed. In this case, you need to recalculate processed expenditure items manually to apply any rule changes.
- If you run the Distribute Labor Cost program before reporting all timecards for an expenditure week, then the effective rate is not applied to all transactions based on the same total hours.

Using Different Currency

If you have defined the rate in a currency different from the project's functional currency, then the labor cost distribution process derives conversion attributes either from the Labor Costing Overrides or Organization Labor Costing Rule windows depending on the level at which you have attached labor costing rule. If no conversion attributes are available, then timecard for the employee is not processed and displayed as an exception in the Cost Distribution report.

Business Rules applicable with Standard Costing Method

The Distribute Labor Costs program does not process timecards for employees and displays the applicable timecards in the Cost Distribution Report as exception with an appropriate rejection reason when:

- No rate is available for the employee in rate source.
- The defined rate is in a currency different from the project's functional currency and required conversion attributes are not available in the corresponding Labor Costing Overrides or Organization Labor Costing Rule windows.
- The labor distribution process cannot determine any associated labor costing rule for the employee.
- If you modify the labor costing rule to change the costing method from Standard to Actual, then the application processes only new timecard transactions using the new rule value. To modify existing transactions, you must reverse the transactions costed using the Standard method and re-process them using payroll actuals. See Reverse Costed Labor Transactions, *Oracle Projects Fundamentals* guide.

Steps in the PRC: Distribute Labor Costs Process

The following illustration shows the Distribute Labor Costs process:

The PRC: Distribute Labor Costs process handles labor items in the following order:

- Selects eligible expenditure items, based on the parameters you entered for project, employee, and week ending date.
- Calculates cost for the straight time line items.
- Calls the Overtime Calculation program, if it is enabled.
- Calculates cost for the overtime line items, including overtime items created by the Overtime Calculation program.

> **Note:** If your transactions are not costing properly, then you can view rejection reasons in the Expenditure Items window. From the Folder menu, choose the Show Field option to display all cost distribution rejections.

Selecting Expenditure Items for Costing

Prior to calculating any labor cost amounts, the Distribute Labor Costs program first selects all expenditure items that are eligible for costing. To be eligible for costing, an expenditure item must meet the following criteria

- Classified with an expenditure type having the Straight Time or Overtime expenditure type class
- Included in the specified project for straight time items (if you specify a project)
- For the specified employee (if you specify an employee)
- In a week ending on or before the end date (if you specify a week ending date)
- In a released pre-approved timecard batch
- Not already cost distributed (new items or items marked for adjustment)
- The expenditure item employee must be associated to a labor costing rule using the Standard costing method.

Expenditure items selected are processed in sets according to the Expenditures Per Set profile option For more information, see: Profile Options in Oracle Projects, *Oracle Projects Implementation Guide*.

Processing Straight Time

Distribute Labor Costs performs three steps to process straight time:

- Calculate costs
- Run AutoAccounting
- Create cost distribution lines

> **Important:** Throughout this document, the term resource applies equally to employees and non-employees (contingent workers) when used in discussions about features that support capturing, processing, and reporting time and costs that pertain to people. Similarly, the term employee is also meant to apply to contingent workers. For more information about contingent workers, see: Support for Contingent Workers, *Oracle Projects Fundamentals*.

Calculating Costs

Oracle Projects calculates straight time cost (raw cost) for expenditure items by multiplying hours worked by an employee's labor cost rate. This calculation is represented in the following formula:

Straight Time Cost = (Hours Worked x Employee's Labor Cost Rate)

Distribute labor costs process uses the labor cost rate that is in effect for an employee as of the week ending date for each selected expenditure item if the rate source for the

labor costing rule is Projects. If the rate source of the labor costing rule is HR, then the distribute labor costs process uses the rate definition criteria associated to the applicable pay element in the HR rate by criteria matrix. This amount can be overridden by the Labor Costing Extension to handle unique labor costing rules. The rate is subject to a cost multiplier if Total Time Costing is enabled in the labor costing rule for the employee or employee organization. See: Using Total Time Costing section in Distributing Labor Costs when Costing Method is Standard.

> **Note:** If a timecard for a contingent worker is associated with a purchase order, then the labor cost rates for the contingent worker are defined on the purchase order.

If an employee's labor cost is burdened, Oracle Projects calculates the burdened cost by multiplying straight time cost times a factor equal to one plus the burden multiplier. This calculation is represented in the following formula:

Burdened Cost = (Straight Time Cost x (1 + Burden Multiplier))

To determine if a labor cost is burdened, Oracle Projects checks the project type of the project to which an expenditure item is charged. The burden multiplier is determined from the burden schedule (or burden schedule override) assigned to the project or task. In addition, Oracle Projects compares the expenditure item date to the effective dates of the burden schedule to determine the burden multiplier to use.

Running AutoAccounting

After the process calculates cost for each selected expenditure item, it runs AutoAccounting to determine default account codes for each cost distribution line that it will create.

If an organization distribution override exists, the destination organization of the override supersedes the actual expenditure organization of affected items.

When you run the cost distribution programs for labor, expense report adjustments, or usages and miscellaneous transactions, Oracle Projects redirects the Expenditure Organization to the *Override To* Organization if you have specified any of the following organization distribution overrides for the organization:

- Incurred by Employee and Expenditure Category
- Incurred by Employee
- Expenditure Organization and Expenditure Category
- Expenditure Category

If you do not specify any of these overrides, Oracle Projects uses the Incurred by Organization or the Expenditure Organization.

Creating Cost Distribution Lines

After the Distribute Labor Costs process runs AutoAccounting, it creates cost distribution lines. Each item originally has one distribution line for raw cost. If an item is re-costed and the cost rate or account coding changes, Distribute Labor Costs creates a reversing cost distribution line and a new line for the updated cost or account coding.

Related Topics

Overview of Burdening, page 5-1

Accounting Transactions for Cost, *Oracle Projects Fundamentals*

Using Rates for Costing, *Oracle Projects Fundamentals*

Creating Overtime

You can use Oracle Projects to track the cost of overtime and other premium compensation, allowing you to determine the true cost of labor.

When an employee works overtime, in addition to charging the total hours an employee worked to the project(s) on which the employee worked, you calculate and charge the overtime hours and costs. Therefore, the employee's pay includes two components:

- Straight time cost
- Overtime or premium cost

> **Note:** If a timecard for a contingent worker is associated with a purchase order, then the overtime price differential multipliers for the contingent worker can be defined on the purchase order.

Tracking Overtime

When you enter timecards in Oracle Projects, you charge the total hours an employee worked to the project(s) on which the employee worked.

You can track overtime premium costs in Oracle Projects in three primary ways:

- Charge to an indirect project.
- Charge to a project on which overtime was worked.
- Charge to a project on which overtime was worked and track premium amounts separately.

Oracle Projects creates overtime when you enter it manually or when the Overtime Calculation program creates it automatically. If you enter overtime manually, the Distribute Labor Costs program does not create overtime, and instead proceeds directly to calculating overtime cost. If you enable the Overtime Calculation program, then the

Distribute Labor Costs process calls the program to create overtime automatically.

> **Note:** The costing method is Standard Costing and the rate source is Projects.

Related Topics

Distribute Labor Costs, *Oracle Projects Fundamentals*

Implementing Overtime Processing, *Oracle Projects Implementation Guide*

Processing Overtime

Distribute Labor Costs performs three steps to process overtime:

1. Calculate costs
2. Run AutoAccounting
3. Create cost distribution lines

Calculating Overtime Cost

Oracle Projects calculates premium overtime cost (raw cost) for overtime items by multiplying an employee's labor cost rate by a labor cost multiplier that corresponds to the type of overtime worked. This calculation is represented in the following formula:

Premium Overtime Cost = (Hours Worked x Employee's Labor Cost Rate) x Labor Cost Multiplier

Overtime may or may not be burdened, depending on your burdening setup.

Running AutoAccounting

After the process calculates cost for each selected expenditure item, it runs AutoAccounting to determine default account codes for each cost distribution line that the process creates.

If an organization distribution override exists, then the destination organization of the override supersedes the actual expenditure organization of affected items.

Creating Cost Distribution Lines

After the process runs AutoAccounting, it creates cost distribution lines. Each item originally has one distribution line for raw cost. If an item is re-costed and the cost rate or account coding changes, Distribute Labor Cost creates a reversing cost distribution line and a new line for the updated cost or account coding.

Distributing Labor Costs when Costing Method is Actual

If you have set the labor costing rule for the employee to use the Actual costing method,

then you must run the PRC: Process Payroll Actuals program to process payroll actuals and distribute them as project labor costs. This program groups the payroll actuals into costed payroll sets and processes the sets based on the applicable labor costing rule and the pay element definition rules associated to the pay elements in the costed payroll set. A costed payroll set is defined by the payroll name, payroll period (start and end dates), and payroll source (Oracle Payroll or an external payroll application). The program processes each set separately and generates separate reconciliation and exception processing reports. Within a costed payroll set, payroll amounts must be associated to a pay element to be processed. You define rules for each pay element to determine the type of cost and how to distribute the amounts.

> **Note:** If you are using Oracle Payroll, all pay elements with the type of Earnings and Informational pay elements defined with currency based amounts and a valid pay element definition rule are included in the set. Informational pay elements for definitions other than a currency amount are not included in the set. Ensure that the payroll period start date falls into the specified date range to be included in a costed payroll set. If there is more than one payroll run for the same payroll period and payroll (because they were costed in a different payroll action), then this program processes sets in the order they were created based on the time/date stamped on the Costed Payroll Action ID. Additionally, this program processes all amounts in a set together for the same employee.
>
> If you are using a third party payroll source, then you must define each payroll name and assign a priority. Payrolls for the same pay period are processed based on the priority assigned to the payroll name. You must also provide a set identifier for each payroll and payroll period combination that you plan to process.

See: Running the Payroll Actuals Program, *Oracle Projects Fundamentals* guide

Business Rules Applicable with the Actual Costing Method

When you distribute labor costs with the labor costing rule set to the Actual costing method, the following business rules apply:

- The timecards for the specified operating unit and pay period must be approved, imported/interfaced to Oracle Projects and expenditure items (transactions) must be available for distribution but not yet costed.
- If the program cannot associate the amounts in a set to a labor costing rule, then it reports the amounts as an exception in the output report and in the Process Payroll Actuals Exception Report.
- If you modify the labor costing rule to change the costing method from Actual to Standard, then the application processes only new timecard transactions using the

new rule value. To modify existing transactions, you must reverse the transactions costed using the Actual method and re-process them using the Distribute Labor Cost process. See Reverse Costed Labor Transactions, *Oracle Projects Fundamentals* guide.

Steps in PRC: Process Payroll Actuals program

The following illustration depicts the steps in the Process Payroll Actuals program:

The Process Payroll Actuals program performs the following steps:

- Identifies the costed payroll sets and determines the order of processing.
- Determines the payroll amounts eligible for processing based upon the applicable pay element definition rules.
- Processes each pay element based upon the distribution basis specified in the applicable pay element definition rule using the following distribution basis precedence:
  - None
  - ST Hours
  - OT Hours
  - All Hours
  - ST Amount
  - OT Amount

    - ST+OT Amount
    - Total Raw Cost

- Applies the distribution logic for amounts with a distribution basis based on hours and updates timecard transactions with the appropriate amount.
- Creates miscellaneous transactions for amounts with a pay element distribution basis other than hours.
- Creates burden transactions when the pay element is defined as a burden cost type.
- Calculates burden amounts when burdening is applicable on the same line for a transaction by deriving and applying the appropriate burden multiplier.
- Marks a payroll set as processed so it cannot be processed again. To modify a costed payroll run in Oracle Payroll, you must first reverse the costed payroll set in Oracle Projects. See Reverse Costed Labor Transactions, *Oracle Project Fundamentals* guide.
- Creates reversal transactions for any accrual transactions for the same employee and pay period. To create accruals, you must run the Generate Labor Cost Accruals program. See: Using Enable Accrual option when Costing Method is Actual.

The program processes current, adjustment, and retroactive adjustment amounts based on the parameters selected when running the program.

You can run the Process Payroll Actuals program as a streamlined process. If you have enabled the applicable parameter, then the program automatically spawns any additional programs required to create cost distribution lines, generate accounting distributions and dates, and process burden and miscellaneous transactions.

Supporting Supplementary Payroll Runs

The Supplementary Payroll runs process items outside of the regular payroll runs. Companies use supplementary payroll runs for expenses, bonus payments, overtime, retroactive wage increases for processing late payments.

The Supplementary Payroll run supports:

- Ability to capture the accurate payroll costs in Projects
- Allocate payroll costs from different payroll runs on project timecards

Occasionally, you need to allocate payroll costs from regular and supplementary payroll runs from a pay period, on project timecards, that have expenditure item date that fall in the same period.

Process Payroll Flow

Following steps are performed during processing payroll with regular and

supplementary payroll runs:

1. Generate Regular and Supplementary Payroll in Oracle Human Resource Management System (HRMS)

2. Process Payrolls and Complete Costing Process - Payroll costs (Regular and Supplementary Payroll runs) are processed and costed in the Payroll system

3. Costed payrolls are interfaced to Oracle Projects (for Regular and Supplementary Payrolls)

4. Process Payroll Actuals for overall costs - Payroll actuals for both Supplementary and Regular payrolls are processed to determine actual cost

5. Distribute Labor costs - Individual expenditures are costed as per the actuals using Distribute Labor Cost process

Payroll Cost Allocation on Project Timecards

The pay element costs of an employee for a pay period are distributed on the project timecards entered in the same period. These are done based on the Pay Element Distribution Rules setup in Oracle Projects. If the pay element distribution rule set up is exactly same for all the pay elements, then the total amount from all the pay elements are distributed on all the eligible timecards.

The PRC: Process Payroll Actuals concurrent program is run for multiple periods. The PRC: Process Payroll Actuals concurrent program is enhanced to support the following:

- Process regular and supplementary payroll runs on the same set of project timecards.

- Allocate payroll costs of an employee on project timecards, using the pay elements from the same pay periods that are grouped based on the payroll costed set ID. The pay elements are processed in the order of costed set ID.

- Allocates grouped total amount on the eligible timecards.

Derivation of Payroll Costed set ID is dependent on Payroll Run ID generated during the payroll runs.

If there are multiple payroll batches coming into Projects for the same pay period, then an entry is created for each payroll batch.

Project tracks the payroll actuals in the pay elements from different payroll batches, and the actual payroll costs are reconciled against the payroll batch for a pay period.

Processing Retroactive Pay

1. The pay element amounts from the retroactive pay run are distributed on project timecards based on the source pay period stamped. There are no source pay period

for the regular and supplementary runs that belong to current pay period.

2. If there are supplementary runs in the past pay periods, then the regular and supplementary runs on the past pay period are grouped based on the source pay period stamped on them.

Deleting Payroll Runs

You cannot delete the regular and supplementary runs until the Reverse Costed Labor transactions is run for the payroll costed set ID that processed both regular and supplementary elements.

Using Third Party Payroll Actuals

You can import payroll actuals from third party (external) sources by populating data in the interface table using your methods. The Process Payroll Actuals program uses the information from these interface tables to process the labor costs.

> **Note:** You must define the pay elements you want to process and associate the pay elements with your payroll amounts. You must also set up and assign a payroll name for each third party payroll. See: Setting up External Payroll Names and Defining Third Party Pay Elements, *Oracle Projects Implementation Guide*.

When you run PRC: Process Payroll Actuals, the same program parameters apply and the process executes the same steps described for processing actuals from Oracle Payroll with the following exceptions:

- The program performs the applicable validations on the data in the interface table. Any rows failing the validations are marked with the appropriate rejection code and reported in the reconciliation output report.

- You must ensure that each row has a pay element defined in the Third Party Pay Element definition look up. The program does not import rows without a valid pay element. Additionally, you must ensure that the payroll is defined and active in the External Payroll Names setup and each row has a payroll name, payroll period, and batch ID. A single batch ID can have more than one payroll but the program assigns a separate costed payroll set ID to each combination of batch ID, payroll name, and payroll period.

- The program processes the payrolls imported in the same batch based on the priority number assigned to each external payroll name you setup for a given business group.

- The program distributes all values to all eligible timecards for the specified payroll period.

- Employees can belong to more than one third party payroll. However, the program cannot process amounts for the same employee from both an Oracle Payroll and a third party payroll for the same payroll period.
- The program verifies that the payroll dates for each record in the batch for the same period and payroll areidentical and have no overlapping dates.
- If the distribution basis for any record is None, then the program ensures that values for organization, project, or task are available.
- The program does not import payroll amounts associated with invalid or inactive third party payroll names.

> **Caution:** Ensure that you do not delete data from this interface table after it is imported and processed.

Using Enable Accrual option when Costing Method is Actual

If the applicable labor costing rule uses the Actual costing method with the Enable Accrual selected, then you can run the Generate Labor Cost Accruals program to generate accrual transactions when approved or pre-approved time card transactions are available but payroll actuals are not yet available for the same period. This program calculates estimated labor cost by multiplying the hours from time card lines by the applicable labor cost rate. The program creates accrual expenditure transactions and generates the following output reports:

- Labor Cost Accrual Report (Straight-time)
- Overtime Labor Accrual Calculations Report
- Labor Cost Accrual Exception Report (Straight-time)
- Labor Cost Accrual Report (Overtime)
- Labor Cost Accrual Exception Report (Overtime)

When you run the Generate Labor Cost Accruals program, the application performs the same steps as the Distribute Labor Costs program including options for using rate sources, different currencies and total time costing and applies the same business rules. Transactions created for accrual have the accrual flag set to Yes in the expenditure item and can use the accrual flag attribute as a source when generating accounting.

When your payroll actuals are available and you run the Process Payroll Actuals program, it creates reversal accrual transactions for the accrued labor transactions associated to the applicable time card lines based on the following rules:

- Timecard lines have an associated accrual transaction.

- Timecards are for the same payroll period as the costed payroll set.
- Timecards are for the same employee.

This program assigns reversal transactions the same values as the original accrual, but with reversing entries and the following attributes:

- Assigns the original transaction date as the accrual date.
- Sets the Accrual value to Yes. This value serves as the accounting derivation source when creating accrual reversal accounting distributions.

> **Note:** If the accruals were processed with the labor costing rule using the Actual costing method and you later update the rule to use Standard costing method before processing actuals from payroll, then the Process Payroll Actuals program does not process the amounts for the employee and reports it as an exception. You must ensure not to update the rule to Standard costing method after generating the accruals unless you reverse the entire costed payroll set that was accrued. See Reverse Costed Labor Transactions, *Oracle Projects Fundamentals* guide.

Allocating Actual Payroll Amounts

After identifying the costed payroll sets, the Process Payroll Actuals program calculates the actual project labor costs for projects/tasks based on the payroll costing distributions, time card lines, the amounts by currency in the payroll set, the applicable labor costing rule, and the applicable pay element distribution rule. Any amounts that cannot be allocated are reported as exceptions on the exception report with an applicable rejection code.

The applicable pay element distribution rule determines if payroll amounts are to be classified as Raw or Burdened (ie, the cost type) and how they are distributed. See: Setting up Pay Element Distribution Rule, Oracle Projects Implementation Guide. Each pay element amount is distributed to expenditure transactions based on the distribution basis in the applicable pay element distribution rule. Amounts that cannot be distributed are reported in the exception report.Pay elements are processed based on the following distribution basis precedence:

1. None – Use this distribution basis to allocate the entire amount of a pay element to a particular project or task. If you have selected this basis for a pay element, then the payroll records must have project and task information in the identified payroll cost flex-field segments or the identified interface columns. All of the amount is distributed in the same manner in which it was costed for payroll purposes.
2. ST Hours - Amounts with this method are distributed to each project and task combination on a time card line based on the total ST hours accumulated for all

timecards in the same pay period.

3. OT Hours - Amounts with this method are distributed to each project and task combination based on total OT hours accumulated for all timecards in the same pay period.

4. All Hours - Amounts with this method are distributed to each project and task combination based on total hours accumulated for all timecards in the same pay period.

5. ST Amount - Amounts with this method are distributed to project and task combinations based on amounts accumulated for any time card lines with ST hours on all timecards in the same pay period.

6. OT Amount - Amounts with this method are distributed to project and task combinations based on amounts accumulated for any time card lines with OT hours on all timecards in the same pay period.

7. ST+OT Amount - Amounts with this method are distributed to project and task combinations based on total amounts accumulated for any timecard lines with either ST and OT hours on all timecards in the same pay period.

8. Total Raw Cost - This basis enables you to accumulate the amounts of all the pay elements identified as raw costs and use that amount for distribution. This basis is available for selection only if you have selected the Burden cost type.

The program uses the following attributes defined on the applicable pay element definition rule to process pay elements:

- Using the Time Card Element Option: When the timecard element option is set to Yes the program allocates amounts to matching uncosted time card transactions as defined by the distribution basis, for example, ST Hours, OT Hours, or Total Hours. When the timecard element option is set to No, the program calculates amounts based on all costed and uncosted matching time cards as defined by the distribution basis but creates new miscellaneous transactions. This only applies to raw cost types since the time card element cannot be set to No if the cost type is Burden.

- Using the Enable Miscellaneous Transaction Option: When the time card element option is set to Yes and there are no uncosted time cards are available, the program calculates the distributed amounts based on matching costed time cards and the applicable distribution basis. The program then uses the Enable Miscellaneous Transactions option to determine whether to create miscellaneous transactions. If the value is Yes, then the program creates miscellaneous transactions on the same dates as the time cards. If set to No, the amounts are reported as exceptions.

- Using Expenditure Type Exclusions: If the applicable labor costing rule specifies any expenditure type exclusions, then the program does not include hours for any

timecard lines with the specified expenditure types in the total hours.

Business Rules applicable for Allocating Actual Payroll Amounts

The Process Payroll Actuals program applies the following business rules while allocating actual payroll amounts:

- The dates from the payroll period of the costed payroll set determine which time card transactions to use during distribution calculations.
- The process does not include transactions with the Cost Distributed option set to No for accounting.
- If the cost type is Raw and the timecard element is set to No, then the program creates only miscellaneous transactions.
- If timecard element and enable miscellaneous transaction are set to Yes, then it allocates pay element amounts to uncosted timecards if uncosted timecards are available. If no uncosted timecards are available, then all costed timecards falling between the pay period start and end dates (including those costed during previous runs and excluding those associated to 'excluded' expenditure types) are used to determine the distributed amount. If the cost type is Raw, then the program uses the distributed amount to create miscellaneous transactions with the project and task information available on the timecards. If enable miscellaneous transactions is set to No, then the application reports these amounts as exceptions.
- If timecard element is set to No and distribution basis is ST Hours, OT Hours, or Total Hours, then the program distributes the amounts based upon costed time cards between the pay period start and end dates (including costed during previous runs and excluding those associated to 'excluded' expenditure types) for determining the hours. The distributed amounts are used to create miscellaneous transactions if the cost type is Raw.
- The program processes pay elements in different currencies for the same employee separately and assigns the costed payroll currency as the transaction currency.
- If there are multiple currencies for the same pay element and the same employee, then the program processes amounts denominated in the functional currency of the operating unit that you selected when running the program parameters. If all timecards are costed to the first currency selected, then the program processes all remaining pay element amounts as miscellaneous transactions if you enable miscellaneous transactions for the applicable pay element.
- Total time costing options do not apply to the actual costing method or in processing payroll actuals.

Exceptions

During the distribution of pay element amounts, if one or more pay elements have an error then no amounts are processed for the employee and any distributed amounts already calculated are rolled back. If an amount for an employee cannot be distributed, then the application identifies the amounts as exceptions and reports them in the Process Payroll Actuals Exception report. This report displays exceptions by employee and pay element.

There are rejection codes used in the report and each is tied to one or more validation rules. The process reports the following amounts as an exception in the output report and lists the employee as an exception in the Process Payroll Actuals Exception report with the appropriate rejection reason:

- If the process cannot identify a pay element definition for any amount in the pay period of a costed payroll set, then it processes and distributes the remaining amounts for the applicable employee.
- If the currency conversion attributes do not have the required conversion attributes defined, then the program does not distribute any amount for the pay element over projects.
- Pay elements without the distribution details are not processed.

As changes in amounts can affect the distribution of other pay elements, you must follow these steps to correct any reported exceptions:

- Correct the pay element distribution rule if necessary.
- Reverse the processed transactions for this costed payroll set using the Reverse Costed Labor Transactions program.
- Modify amounts in the payroll actuals interface table or in Oracle Payroll if necessary.
- Run the Process Payroll Actuals program again for the costed payroll set.

Example: Actual Payroll Amount Allocation Based on Distribution Basis

The Process Payroll Actuals program identifies a payroll set and calculates the actual project labor costs for projects/tasks based on the payroll costing distributions, timecard lines, and the amounts by currency in the payroll set, the applicable Labor Costing Rule, and the applicable Pay Element Distribution Rule.

Distribution Basis: ST Hours, OT Hours, Total Hours

The program processes valid amounts that are distributed based on any hours in order based on the pay element distribution rule values for time card element, cost segment definitions, and the costed payroll currency. In the following example, actuals with no defined costing segments or with no value in the applicable segment are represented as

'N'. The program denominates transaction amounts in the costed payroll currency. It processes any additional currency conversions after the cost is distributed to the expenditure item transaction.

Order No.	Time Card Element**	Organization Cost Segment	Project Cost Segment	Task Cost Segment*	Timecard Expenditure Type	Pay Currency = Functional Currency
1	Y	Y	Y	Y	Y	Y
2	Y	Y	Y	Y	Y	N
3	Y	Y	Y	Y	N	Y
4	Y	Y	Y	Y	N	N
5	Y	N	Y	Y	Y	Y
6	Y	N	Y	Y	Y	N
7	Y	N	Y	Y	N	Y
8	Y	N	Y	Y	N	N
9	Y	Y	Y	N	Y	Y
10	Y	Y	Y	N	Y	N
11	Y	Y	Y	N	N	Y
12	Y	Y	Y	N	N	N
13	Y	N	Y	N	Y	Y
14	Y	N	Y	N	Y	N
15	Y	N	Y	N	N	Y
16	Y	N	Y	N	N	N
17	Y	Y	N	N	Y	Y

Order No.	Time Card Element**	Organization Cost Segment	Project Cost Segment	Task Cost Segment*	Timecard Expenditure Type	Pay Currency = Functional Currency
18	Y	Y	N	N	Y	N
19	Y	Y	N	N	N	Y
20	Y	Y	N	N	N	N
21	Y	N	N	N	Y	Y
22	Y	N	N	N	Y	N
23	Y	N	N	N	N	Y
24	Y	N	N	N	N	N

Distribution of pay elements based on hours

Consider following timecards (Weekly period ending on 14-Nov-10).

Project	Task	Expend Type	SLF*	Date	Hrs
A	1.0	Professional	ST	8-Nov-10	8
B	2.0	Professional	ST	9-Nov-10	8
C	3.0	Clerical	ST	10-Nov-10	8
C	3.0	Overtime	OT	10-Nov-10	4
D	4.0	Clerical	ST	11-Nov-10	8
E	5.0	Administrative	ST	12-Nov-10	8
E	5.0	Overtime	OT	12-Nov-10	4

Total straight time hours = 8+8+8+8+8 = 40

Total overtime hours = 4+4= 8

Payroll actuals received with no payroll cost segments:

Pay Element	Amount	Distribution Basis	Time Card Element	Cost Segment
Regular Pay	1000	ST Hours	Y	N
Overtime Pay	600	OT Hours	Y	N

The program calculates amounts as follows:

Project	Task	Expend Type	SLF*	Date	Hours	Amount
A	1.0	Professional	ST	8-Nov-10	8	8 / 40 * 1000 = 200
B	2.0	Professional	ST	9-Nov-10	8	8 / 40 * 1000 = 200
C	3.0	Clerical	ST	10-Nov-10	8	8 / 40 * 1000 = 200
C	3.0	Overtime	OT	10-Nov-10	4	4 / 8 * 600 = 300
D	4.0	Clerical	ST	11-Nov-10	8	8 / 40 * 1000 = 200
E	5.0	Administrative	ST	12-Nov-10	8	8 / 40 * 1000 = 200
E	5.0	Overtime	OT	12-Nov-10	4	4 / 8 * 600 = 300

Payroll actuals received with payroll cost segments

Payroll actuals received for the following:

Pay Element	Amount	Distribution Basis	Time Card Element	Project	Task
Regular Pay	200	ST Hours	Y	A	1.0
Regular Pay	200	ST Hours	Y	B	2.0
Regular Pay	200	ST Hours	Y	C	3.0
Overtime Pay	300	OT Hours	Y	C	3.0
Regular Pay	200	ST Hours	Y	D	4.0
Regular Pay	200	ST Hours	Y	E	5.0
Overtime Pay	300	OT Hours	Y	E	5.0

The program calculates the amounts as follows:

Project	Task	Expend Type	SLF*	Date	Hrs	Amount
A	1.0	Professional	ST	8-Nov-10	8	200
B	2.0	Professional	ST	9-Nov-10	8	200
C	3.0	Clerical	ST	10-Nov-10	8	200
C	3.0	Overtime	OT	10-Nov-10	4	300
D	4.0	Clerical	ST	11-Nov-10	8	200
E	5.0	Administrative	ST	12-Nov-10	8	200
E	5.0	Overtime	OT	12-Nov-10	4	300

Distribution of pay elements based on amounts

Consider following timecards.

Project	Task	Expend Type	SLF*	Date	Hrs	Amount
A	1.0	Professional	ST	8-Nov-10	8	200
B	2.0	Professional	ST	9-Nov-10	8	200
C	3.0	Clerical	ST	10-Nov-10	8	200
C	3.0	Overtime	OT	10-Nov-10	4	300
D	4.0	Clerical	ST	11-Nov-10	8	200
E	5.0	Administrative	ST	12-Nov-10	8	200
E	5.0	Overtime	OT	12-Nov-10	4	300

Total ST Amounts = 200 + 200 + 200 + 200 + 200 = 1,000

Total OT Amounts = 300 + 300 = 600

Payroll Actuals received with no payroll cost segments

Consider the example for payroll actuals received for the following with no cost segments defined:

(Pay Period Ending Date: 30 Nov 2010)

Pay Element	Amount	Distribution Basis	Expenditure Type	Cost Segment
Health Insurance	320	ST Amount	Insurance	N
Retirement Benefit	160	ST + OT Amount	Benefits	N

The program calculates the amounts as follows:

Health Insurance Rate = 320 / 1,000 = 0.32

Retirement Benefit = 160 / 1,600 = 0.10

The program distributes health insurance as follows:

Project	Task	Expend Type	SLF*	Date	Hrs	Amount
A	1.0	Insurance	Misc	30-Nov-10	0	200 * 0.32 = 64
B	2.0	Insurance	Misc	30-Nov-10	0	200 * 0.32 = 64
C	3.0	Insurance	Misc	30-Nov-10	0	200 * 0.32 = 64
D	4.0	Insurance	Misc	30-Nov-10	0	200 * 0.32 = 64
E	5.0	Insurance	Misc	30-Nov-10	0	200 * 0.32 = 64

The program distributes retirement benefits as follows:

Project	Task	Expend Type	SLF*	Date	Hours	Amount
A	1.0	Benefits	Misc	30-Nov-10	0	200 * 0.10 = 20
B	2.0	Benefits	Misc	30-Nov-10	0	200 * 0.10 = 20
C	3.0	Benefits	Misc	30-Nov-10	0	(200+300) * 0.10 = 50
D	4.0	Benefits	Misc	30-Nov-10	0	200 * 0.10 = 20
E	5.0	Benefits	Misc	30-Nov-10	0	(200+300) * 0.10 = 50

Payroll actuals received with payroll cost segments

Payroll actuals received for the following:

(Pay Period Ending Date: 30 Nov 2010)

Pay Element	Amount	Distribution Basis	Project	Task
Health Insurance	100	ST Amount	A	1.0
Health Insurance	160	ST Amount	B	2.0
Health Insurance	320	ST Amount	C	3.0
Retirement Benefit	300	ST + OT Amount	C	3.0
Health Insurance	200	ST Amount	D	4.0
Health Insurance	200	ST Amount	E	5.0
Retirement Benefit	1000	ST + OT Amount	E	5.0

If cost segments were applied, then the program applies amounts for each pay element only to the transactions with matching project and task or organization attributes before any amounts without a cost segment value as seen in the following example:

Project	Task	Expend Type	SLF*	Date	Hours	Amount
A	1.0	Insurance	Misc	30-Nov-10	0	100
B	2.0	Insurance	Misc	30-Nov-10	0	160
C	3.0	Insurance	Misc	30-Nov-10	0	320
D	4.0	Insurance	Misc	30-Nov-10	0	200
E	5.0	Insurance	Misc	30-Nov-10	0	200
C	3.0	Insurance	Misc	30-Nov-10	0	=300*200/500 =120
C	3.0	Insurance	Misc	30-Nov-10	0	=300*300/500 =180

Project	Task	Expend Type	SLF*	Date	Hours	Amount
E	5.0	Benefits	Misc	30-Nov-10	0	=1000*200/ 500 =400
E	5.0	Benefits	Misc	30-Nov-10	0	=1000*300/ 500 =600

Creating Transactions

The Process Payroll Actuals program updates time card transactions or creates new miscellaneous or burden transactions after calculating the distributed amounts for each project / task combination and cost type. This program generates the expenditure items for the labor cost actuals, calculates costs, runs the Auto-Accounting process, and creates cost distribution lines.

Generating Labor Cost Output Reports

The Distribute Labor Costs, Process Payroll Actuals, and Generate Labor Cost Accruals programs generate output reports that list detail items that were processed and exception items.

Related Topics

Distribute Labor Costs Process, *Oracle Projects Fundamentals*

Process Payroll Actuals Process, *Oracle Projects Fundamentals*

Generate Labor Cost Accruals Process, *Oracle Projects Fundamentals*

Calculating and Reporting Utilization

The utilization functionality of Oracle Project Costing and Oracle Project Resource Management enables you to generate and report on your resource's actual and scheduled utilization. Using Oracle Project Costing, you can report on your resource's actual resource utilization based on actual hours from timecards. For more information, see: Utilization, *Oracle Projects Fundamentals*.

Examples of Accounting Entries

When you use auto-accounting for labor cost transactions, the process generates account codes and distribution lines for each labor cost expenditure item. You can setup your accounting rules to generate the accounts that meet your requirements. The typical accounting setup would include the following:

Using Standard Costing

The application performs this accounting when expenditures are created for costed timecards. Typically accounts included in the distributions would include:

- Dr Expenditure Account
- Cr Liability Account

Using Actual Costing with Accrual

The application performs this accounting when you cost timecards using payroll or project labor rates and actual payroll is not yet available. When a timecard is costed for accrual from Oracle Time and Labor or a third party application, the typical account distributions would include:

- Dr Expenditure Accrual Account
- Cr Liability Account

When actual payroll is available and distributed to projects, the process reverses accrual transactions. The typical account distributions would include:

- Dr Liability Account
- Cr Expenditure Accrual Account

When distributing payroll actuals, the typical accounting distributions would include:

- Dr Payroll Clearing Account (account provided by payroll setup)
- Cr Liability Account

To offset the recognition of expenses to a project, your typical payroll accounting would create the following entries to clear payroll expenses:

- Dr Payroll Expense Account
- Cr Payroll Clearing Account

Using Actual Costing (no accrual)

When you recognize actual payroll as labor costs, but do not accrue estimated expenses, there is no accrual transaction and the accounting is for the actual payroll amounts only. The typical accounting distributions would include:

- Dr Payroll Clearing Account (account provided by payroll setup)
- Cr Liability Account

To offset the recognition of expenses to a project, your typical payroll accounting would create the following entries to clear payroll expenses:

- Dr Payroll Expense Account
- Cr Payroll Clearing Account

2

Oracle Projects Command Center

This chapter covers the following topics:

- Overview of the Projects Command Center
- Financial Flow DashboardFinancial Flow Dashboard
- Costing Dashboard
- Capital Dashboard
- Budgetary Control Dashboard (Commercial)
- Billing Dashboard
- G-Invoicing Dashboard
- Budgetary Control Dashboard (U.S. Federal)
- Setting Up Projects Command Center
- Setup and Configuration Steps
- Projects Profile Options
- Configuring Descriptive Flexfields for Search
- Loading Projects Command Center Data
- Business Rules and Validation

Oracle Projects Command Center User Interface

Overview of the Projects Command Center

Costing Managers can use Oracle Projects Command Center to establish a programmatic strategy for tracking, monitoring, and controlling project costs. Projects Command Center contains key performance indicators of the project and enables you to view metrics, drill down into details, analyze deviations, and take appropriate and corrective measures as required. Project controls measure actual progress versus planned, and enables you to take corrective actions. Projects Command Center provides visibility to measures using, metrics, KPI's, charts, summarized data, and a detailed level view of data in the form of results sets.

> **Note:** Oracle Projects Command Center dashboards do not consider sponsored projects (grants). In addition, only active projects are considered for display in ECC, and projects where users are an active project manager display on the dashboard. (Oracle Grants Accounting is a separate Oracle application that is not related to Oracle Enterprise Command Center).

The following dashboards are available for Project Costing using Oracle E-Business Suite Enterprise Command Center integration:

- **Financial Flow** dashboard - This dashboard displays measures and metrics required to monitor a project's delivery, performance, and status on client invoices, receipts, vendor payments, and procurement status.

- **Costing** dashboard - This dashboard displays cost related data for all projects. Sequential data load enables you to submit the data load program and process data for a specific operating unit, or for a set of operating units.

- **Capital** dashboard - This dashboard displays cost and capital related data for capital projects only. Sequential data load enables you to submit the data load program and process data for a specific operating unit, or for a set of operating units.

- **Budgetary Control** dashboard (commercial) - This dashboard displays budget and budget balances at the project and task levels for commercial customers.

- **Billing** dashboard - This dashboard provides key performance indicators of the project and lets project managers view details, reasons for deviations, and take appropriate and corrective measures for tracking and controlling the project billing process. Sequential data load enables you to submit the data load program and process data for a specific operating unit, or for a set of operating units.

- **G Invoicing** dashboard - This dashboard displays G Invoicing objects that include General Terms and Conditions (GT&C), Order, and Performance metrics and measures across all orders and projects.

- **Budgetary Control** dashboard (U.S. Federal) - This dashboard displays budget and budget balances at the project and task levels for federal customers.

  Additional Information: For ECC installation, configuration, and access for U.S. Federal vs. Commercial dashboards, see My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework.*

Note: The Oracle Projects application configuration and setup must be completed after the installation and common configurations are completed as described in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework.* For additional ECC Overview information, see *Overview of Oracle Enterprise Command Center Framework*, *Oracle E-Business Suite User's Guide*.

Searching Enterprise Command Center Dashboards

Use the dashboard sidebar to refine (filter) the data on each dashboard. You can also Search using a keyword, value, or a specific record. The type-ahead feature suggests matches for your entry that correspond to the selected data set. When you submit a search, the search term is added to the Selected Refinements list, and the dashboard data is refined to include only records that match the search. You can add multiple refinements and remove any of them at any time. Using Saved Searches, you can create and save your searches and refer to them later. You can also edit and delete saved searches.

You can also search using Descriptive Flexfield (DFF) attributes. For a list of Oracle Projects Costing flexfields, refer to Configuring Descriptive Flexfields for Search, page 2-120.

Use an asterisk (*) or percent sign (%) to perform a partial keyword or record search that matches any string of zero or more characters. You can also use a question mark (?) to perform a partial search that matches any single character.

Additional Information: For additional information about searching and refining data in Oracle Enterprise Command Centers, see *Search* in *Highlights of an Enterprise Command Center*, *Oracle E-Business Suite User's Guide*.

Financial Flow Dashboard

The **Financial Flow** dashboard displays measures and metrics required to monitor a project's delivery, performance, and status on client invoices, receipts, vendor payments, and procurement status. Project Managers can monitor the cash flow on the project to ensure that there is no cash shortage that can cause delays in resource availability and vendor payments. The **Financial Flow** dashboard displays key metrics at the project level and for specific time periods that allow users to analyze cash trends and monitor cash flow against projects.

Based on your Role Based Access Control (RBAC) setup, navigate to the **Projects Command Center**:

As an example, from the Projects Super User responsibility, select **Projects Command Center** >**Financial Flow** (Tab)

Financial Flow Dashboard

Component	Description
Financial Position (summary bar)	The **Financial Position** summary bar displays the following metrics: • **Revenue Budget** This metric displays the total value of the approved revenue budget that is defined for projects. • **Invoiced** This metric displays the total value of invoiced projects. Invoiced value can be specified for projects, tasks, and period. • **Received** This metric displays the total value of project receipts from Accounts Receivable. Received value can be specified for projects, tasks, and period. • **Cost Budget** This metric displays the total cost budget value. Cost budget value can be specified for projects, tasks, and period. • **Actual Cost** This metric displays the total value of the calculated actual cost for projects and are based on the following expenditure items that are processed for costing and accounting in Oracle Projects: • Supplier Invoices: Cost from processed supplier invoices through expenditure items. • Requisitions: Cost from requisition data received through expenditure items. • Purchase Orders: Cost from purchase orders integrated through expenditure items.

Component	Description
	• Other Expenses: Cost from additional recorded actual expenses through expenditure items. Actual cost value can also be specified for projects, tasks, and period. • **Planned Revenue to Cost Gap** This metric displays the calculated gap in value between the planned revenue budget and the planned cost budget based on specific project, task, and period criteria. • **Receipts to Cost Gap** This metric displays the calculated gap in value between the actual receipts and the actual cost based on specific project, task, and period criteria.

Component	Description
Cost-to-Collection Performance (summary bar)	The **Cost-to-Collection Performance** summary bar displays the following metrics: • **Billing Due Date Performance** This metric displays the performance in terms of percentage by comparing the invoiced (billed) amount to the revenue budget for the selected period. This metric provides insight into how effectively the invoiced amount aligns with the revenue budget. Billing Performance Percent = (Invoiced Amount / Revenue Budget) * 100 • **Collection Due Date Performance** This metric displays the performance in terms of percentage by comparing the receipts amount from Accounts Receivable (AR) to the invoiced (billed) amount for the selected period. This metric provides insight into how effectively the receipts amount aligns with the invoiced amount. Collection Performance Percent = (Receipts Amount / Invoiced Amount) * 100 • **Open Receivables** This metric displays pending receipts from clients after invoicing through Projects Billing. It calculates the difference between the total invoiced value at Projects and the receipts value from Accounts Receivable (AR) for a specific context, such as Period, Project, or Task. Open Receivables = Total Invoiced Value (Projects) - Receipts Value (AR) • **At Risk Receivables** This metric displays the value of receipts that are at risk. This metric identifies potential risks associated with receipts that are yet to be received due to past due dates and disputes.

Component	Description
	• **Cost Performance** This metric displays cost performance in terms of the cost budget. This provides an insight into the efficiency of actual costs and how they align with the cost budget. • **Open Commitments** This metric displays the total value of purchase orders that are in an open status, indicating that neither goods or resources have been received at projects, and invoices from the vendor have not been processed. Open requisitions, open purchase orders, pending purchase receipts, supplier invoices that have not been processed and open other costs are included in Open Commitments. • **Remaining Cost Budget** This metric displays the total value of the cost budget that is not yet expended, and reflects available budget for additional expenses.

Component	Description
Payment-to-Collection Cycle (summary bar)	The **Payment-to-Collection Cycle** summary bar displays the following metrics: • **Payment-to-Collection Days** This metric measures the time interval between initiating a payment to a vendor and receiving payment from the customer. • **Procurement Cycle Days** This metric measures the number of days between the purchase order approved date and the expenditure item date. • **Project Execution Cycle Days** This metric displays the total number of days between the revenue release date and the expenditure item date. • **Billing Cycle Days** This metric displays the total number of days between the revenue release date (indicating revenue recognition) and the invoice approved date (indicating billing). • **Collection Cycle Days** This metric displays the weighted average days between the invoice approved date (indicating bill submission) and the AR receipt date (indicating payment received from the customer) applied by the weightage for each of the expenditure items. • **Average Vendor Due Days** This metric displays the average time it takes to pay vendors from the date of resource order, accounting for various payment dates and PO line values.

Component	Description
Financial Position (tab layout)	The **Budget vs. Actuals** chart displays a comparison between budgeted & actual values for revenue, receipts, cost budget, & actual cost. The **Receipts vs. Cost** chart displays changes in receipts and expenditures over different periods, highlighting decreases and increases. The chart displays changes in value as bars that either rise or fall, indicating fluctuations in summarizing receipts and costs. Receipts are treated as positive values, while expenditures are represented as negative values. You can also click the **Options** icon to export both charts as an image, or in a Comma-Separated Values (CSV) file format.
Payment-to-Collection Cycle (tab layout)	The **Payment vs. Collection Cycle Days** chart displays the average number of days that cash for a project is utilized within each of the different process phases. Click the **Options** icon to export the chart as an image, or in a Comma-Separated Values (CSV) file format.

Component	Description
Projects (tab layout)	The **Projects** results table displays project level information based on attribute grouping. You can select the following attribute groups from the drop-down menu: • **Details** • **Financial Position** • **Cost-to-Collection Performance** • **Open Commitments** • **Payment-to-Collection Cycle** Click the row level Options icon and then click the **View** action link to navigate to the **Projects** page to view and update project information. Click the row level Options icon and then click the **Supplier Analysis** action link to navigate to the **Supplier Analysis** page to view and update supplier information. Click the row level Options icon and then click the **Item Analysis** action link to navigate to the **Item Analysis** page to view and update item information. Click the Options icon to **Compare** selected records and **Export** the data set to a Comma-Separated Values (CSV) file format.

Component	Description
Tasks (tab layout)	The **Tasks** results table displays task level information based on attribute grouping. You can select the following attribute groups from the drop-down menu: • **Financial Position** • **Open Commitments** • **Payment-to-Collection Cycle** Click the row level Options icon and then click the **Supplier Analysis** action link to navigate to the **Supplier Analysis** page to view and update supplier information. Click the row level Options icon and then click the **Item Analysis** action link to navigate to the **Item Analysis** page to view and update item information. Click the Options icon to **Compare** selected records and **Export** the data set to a Comma-Separated Values (CSV) file format.
Periods (tab layout)	The **Periods** results table displays period detail information for projects based on attribute grouping. You can select the following attribute groups from the drop-down menu: • **Financial Position** • **Cost-to-Collection Performance** • **Open Commitments** Click the Options icon to **Compare** selected records and **Export** the data set to a Comma-Separated Values (CSV) file format.

Costing Dashboard

The **Costing** dashboard displays the cost-related data for all projects (indirect, capital, and contract projects). Using available metrics, this dashboard provides information to

the Project Manager, Costing Manager, and key project team members for managing the project costing and accounting process. The **Costing** dashboard displays data for up to twelve months as defined within profile options. You can also specify sequential data load which enables you to submit the program and process data for a specific operating unit, or for a set of operating units.

Based on your Role Based Access Control (RBAC) setup, navigate to the Projects Command Center:

As an example, from the Projects Super User responsibility: Projects Command Center > **Costing** (Tab)

> **Note:** In addition to RBAC setup, you must add the menu entry in the responsibility they will use to access ECC dashboards. For example, Projects ECC Main Menu.

Costing Dashboard

Component	Description
Projects (summary bar)	**Note:** All metrics consider transactions within twelve months as defined within profile options. You can also specify sequential data load which enables you to submit the program and process data for a specific operating unit, or for a set of operating units. The **Projects** summary bar displays the following metrics: • **Project Functional Currency** This metric displays the project functional currency for all metrics and data elements. • **Current PA Period** This metric displays the PA Period in which the ECC load was last run. • **Current GL Period** This metric displays the GL period corresponding to the current PA period. • **Expenditure Budget** This metric displays the costing budget for the project from beginning to completion. The latest baseline approved cost budget value is considered for this metric. This metric can be refined only at the project level and not at the task level. • **Actual Cost** This metric displays the total actual raw costs of projects. • **Labor** This metric displays the total of burdened cost for the project categorized as labor expenses. Based on the dashboard

Component	Description
	refinement, this value is calculated at the project, top-task, or leaf task level. • **Nonlabor** This metric displays the total of burdened cost for the project categorized as non-labor expenses. Based on the dashboard refinement, this value is calculated at the project, top-task, or leaf task level.

Component	Description
Cost (summary bar)	The **Cost** summary bar displays the following metrics: • **Open Purchase Requisitions** This metric displays the total value of all open project-related requisitions. This metric considers approved requisitions that are not yet converted into purchase orders. This metric also includes partially converted requisitions. • **Open Purchase Orders** This metric displays the total value of all open project-related purchase orders. This metric considers approved purchase orders that are not yet received. This metric also includes partially received purchase orders. • **Open Vendor Invoices** This metric displays the total value of all validated vendor invoices. This metric considers all vendor invoices that are pending interface into projects. • **Open Other Costs** This metric displays the value of all transactions other than supplier invoices and purchase receipts that are not interfaced into Oracle Projects. This metric includes the transactions in the interface table that are pending to be interfaced. • **Remaining Cost Budget** This metric displays the value of the remaining cost budget as: Remaining Cost Budget = Cost Budget – (Open Purchase Requisitions + Open Purchase Orders + Open Vendor Invoices + Open Other Costs + Actuals).

Component	Description
	This also includes the PO Accrue at Receipts that are waiting to be interfaced to Projects. • **Cost Overrun** This metric displays tasks that have (Actual + Open Purchase Requisitions + Open Purchase Orders + Pending Purchase Receipts + Open Vendor Invoices + Open Other Costs) - Budget > 0. • **Unprogressed Tasks** This metric displays the number of tasks / period combination that have no actuals, open purchase requisitions, open purchase orders, pending PO receipts, open vendor invoices, or open other costs, with an available budget. • **Cost Overrun Tasks** This metric displays the number of tasks / period combination where the cost (Actual + Open Purchase Requisitions + Open Purchase Orders + Pending Purchase Receipts + Open Vendor Invoices + Open Other Costs) - Budget > 0.

Component	Description
Unprocessed (summary bar)	The **Unprocessed** summary bar displays the following metrics: • **Purchase Receipts** This metric displays the total number of purchase receipts that are not interfaced into Oracle Projects. • **Vendor Invoices** This metric displays the total number of supplier invoices that are not interfaced into Oracle Projects. • **Others** This metric displays the total number of transactions in interface tables that are pending and not yet interfaced into Oracle Projects. • **Unreleased** This metric displays the number of transactions in **Unreleased** status. These transactions are created from a pre-approved batch in Oracle Projects. Unreleased transactions consider expenditures for statuses of **Working** and **Submitted**. • **Uncosted** This metric displays the number of un-costed transactions for the project that are released. However, they are not yet costed. These can include transactions incurred in Oracle Projects or included from external source systems. Uncosted transactions consider expenditures in statuses that include **Released**, **Costing Exceptions**, and **Update Released**.

Component	Description
Projects Accounting (summary bar)	The **Projects Accounting** summary bar displays the following metrics: • **Accountable Expenditures** This metric displays the total value of accountable expenditures in Oracle Projects. • **Unaccounted Expenditures** This metric displays the value of total expenditures that are not accounted in Oracle Projects. This includes all expenditures that are costed and burden distributed. Uncosted transactions are excluded from this calculation. • **Accounted Expenditures** This metric displays the value of total expenditures that are in **Accounted** status in Oracle Projects. • **Accounted Expenditures (SLA)** This metric displays the value of total expenditures that are in **Accounted** status in SLA. • **Accounted Expenditures (GL)** This metric displays the value of total expenditures that are in **Posted** status in GL.

Component	Description
Status - Classification (tab layout)	The **Transaction Sources** chart displays raw and burdened costs by transaction source. Projects is the source used for transactions that are created through pre-approved batches and are cost distributed. Click the **Options** icon to select Dimensions to display this chart by: • Transaction Source • Project Number • Task Number • Top Task Number • Expenditure Type Class The **Expenditure Type Class** chart displays total burdened cost by expenditure type class, and reflects the raw and burden costs. You can click on an **Expenditure Type Class** to view the expenditure category level. If you filter by a specific expenditure category, then all expenditure types belonging to that category display. Click the **Options** icon to select Dimensions to display this chart by: • Expenditure Type Class • Expenditure Category • Expenditure Type You can also click the **Options** icon to export both charts as an image or in a Comma-Separated Values (CSV) file format.

Component	Description
Status - Cost (tab layout)	The **Planned vs. Actual** chart displays a comparison between the planned cost and the actual cost amount. The **Cost Progress** chart displays the components that are available under the **Cost** summary bar. This stacked bar chart displays data with **Period** as the default dimension. You can click the **Cost Progress Options** ellipses and change the dimension to **Project Number**, **Task Number**, or **Category**.

Component	Description
Status - Unprocessed (tab layout)	The **Pending Import** chart displays the number of transactions for P2P sources and OTL transactions. Transactions from seeded transaction sources that include **Inventory** and **Inventory Misc** are also included. Transactions are in approved status and ready to be transferred to Oracle Projects. You can click on a **Transaction Source** to view the transaction category level. If you filter by a specific transaction source category, then all source types belonging to that category display. Click the **Options** icon to select Dimensions to display this chart by: • Transaction Source • Project Name • Task Name **Note:** Because these transactions are not yet transferred to Oracle Projects, and in some cases they transfer to Oracle projects as uncosted, this chart displays the number of transactions (not the cost amounts). The **Precosting** chart displays the number of transactions in Oracle Projects that are not costed. This chart displays data for expenditures in unreleased status (Submitted, Working), uncosted status (Released, Update Released, Approved) and Costing Exceptions. Click the **Options** icon to select Dimensions to display this chart by: • Project Name • Task Number • Costing Status • Top Task Name

Component	Description
	• Expenditure Type Class
Status - Projects Accounting (tab layout)	The **Accounting Progress** bar chart displays a periodic summary of the periods that are in contention (9 periods). The chart depicts the overall value of the transactions and their current state. The top line represents the total value of expenditures that are available in projects going through the accounting journey to GL.
Summary - Projects (tab layout)	The **Projects** results table is an aggregated table dependent on the **Overview** results table, and displays attributes pertaining to projects.
Summary - Tasks (tab layout)	The **Tasks** results table displays detailed attributes pertaining to tasks within a project.
Summary - Cost Budget (tab layout)	The **Cost Budget** results table displays detailed attributes pertaining to budgeted costs for all projects. The **View Budget** action link displays the **Budget** form or the **Financial Plan Self Service** page depending on where the budget is defined for the project. You must enter the **Project & Budget Type** details in the opened **Budget** form to view and edit budgets. Users must have access to the **Budgets** function to edit the budget using this action. You can view attributes by: • Progress • Task Details Click the **View Project** row action link to navigate to the **Project Overview** page where you can view and edit the project. Users must have access to the **Projects** function to edit the project using this action. Click the **Options** icon to **Export** the data set.

Component	Description
Summary - Account Analysis (tab layout)	The **Project Account Details** and **GL Account Details** tables display accounting segments and related attributes that are impacted from a costing perspective. The tables reflect data according to the definitions of periods and the projects that are considered in the costing dashboard. In the **Project Account Details** and **GL Account Details** headers, you can click the **Aggregated Table** and **Pivot Table** icons to switch between the aggregated table views and pivot table views.

Component	Description
Transactions - Overview (tab layout)	The **Overview** results table displays attributes pertaining to project transaction details. Details are available for each transaction on the project. You can view attributes by: • **Transaction Status** • **Accounting Details** • **Billing Details** • **Burden Details** • **Document Details** • **Expenditure Details** • **Costs** • **Expenditure Item Additional Details** In the table header, you can click the Options icon and perform the following actions: • **Download** - export the data set • **Compare** - compare selected records • **Recalculate Raw Cost** • **Recalculate Burden Cost** • **Recalculate Cost and Revenue** • **View Supplier Invoices** **Note:** This action navigates to the **Oracle Payables Command Center**, **Supplier Balance** dashboard and displays details of the selected invoices. This option is available when the **Invoice Number** field displays a value for the selected row(s) in the

Component	Description
	Document Details view. You can also select the following row level actions from the selected row Options link: • **Update Expenditure** - navigates to the **Expenditure Overview** page to view complete expenditure details. • **Supplier Analysis** - navigates to the **Supplier Analysis** dashboard. This action is enabled only when the supplier is available on the Expenditure Item. • **Item Analysis** - navigates to the **Item Analysis** dashboard. This action is enabled only when the item is available on the Expenditure Item. • **Perform Account Analysis in GL** - This action launches the **General Ledger** dashboard within a drawer by setting the minimum required fields as refinements when the dashboard is launched. • **Undo Accounting** - reverse accounting for transactions selected in that row. You can also click the Options icon to **Compare** selected records and **Export** the data set. **Note:** Users can create their own Request Sets to configure load programs based on their requirements in order to maintain synchronization of data between two dashboards under different command centers.

Component	Description
Transactions - Unprocessed (tab layout)	The **Unprocessed** results table displays attributes pertaining to project transactions that are in **Pending at Source** status. This table contains data from both P2P sources and OTL transactions in Oracle Projects. P2P sources include documents that are in approved status, and data from the transaction interface table. Transactions from seeded transaction sources that include **Inventory** and **Inventory Misc** are also included. You can view attributes by: • **Expenditure Details** • **Document Details** • **Document Source** • **Costing Details** In the table header, click the Options icon to **View Supplier Invoices**. **Note:** When you click the Options icon and select **View Supplier Invoices**, this action navigates to the Oracle Payables Command Center, **Supplier Balance** dashboard and displays details of the selected invoices. This option is available when the **Invoice Number** field displays a value for the selected row(s) in the **Document Details** view. You can also click the **Options** icon to **Compare** selected records and **Export** the data set.

Capital Dashboard

Use the **Capital** dashboard to view cost and capital-related data for capital projects. Using available EV measures and metrics, this dashboard provides information to the Project Manager, Costing Manager and key project team members for managing the project costing, accounting, and capitalization-related processes. The **Capital** dashboard

displays data for up to twelve months as defined within profile options. You can also specify sequential data load which enables you to submit the program and process data for a specific operating unit, or for a set of operating units.

> **Note:** Based on the project setup for capital projects for calculating CIP on raw cost and burdened cost, this dashboard displays values for metrics, charts, and other components accordingly. For Example, if the CIP Cost Type value is Raw for a project, then the Capital Dashboard considers raw cost defined on the expenditure budget, and vice versa.

Based on your Role Based Access Control (RBAC) setup, navigate to the Projects Command Center:

As an example, from the Projects Super User responsibility: Projects Command Center > Capital (Tab)

Capital Dashboard

Component	Description
Projects (summary bar)	**Note:** All metrics consider transactions within twelve months as defined within profile options. You can also specify sequential data load which enables you to submit the program and process data for a specific operating unit, or for a set of operating units. The **Projects** summary bar displays the following metrics: • **Project Functional Currency** This metric displays the project functional currency for all metrics and data elements. • **Project Expenditure Budget** This metric displays the costing budget for the project from beginning to completion. The latest baseline approved cost budget value is considered for this metric. • **Planned Capitalizable Costs** This metric displays the total of budgeted costed expenditures on the project categorized as capitalizable. You can refine this metric only at the project level. • **Planned Noncapitalizable Costs** This metric displays the total of budgeted costed expenditures on the project categorized as non-capitalizable. You can refine this metric only at the project level. • **Actual Capitalizable Costs** This metric displays the total of actual costed expenditures on the project categorized as capitalizable. • **Actual Noncapitalizable Costs**

Component	Description
	This metric displays the total of actual costed expenditures on the project categorized as non-capitalizable. • **Capitalized Costs** This metric displays the value of capitalizable expenditures which are successfully capitalized.

Component	Description
Transactions (summary bar)	The **Transactions** summary bar displays the following metrics: • **Total Expenditures (Raw)** This metric displays total expenditures charged on the project. Raw cost is considered for this metric. Based on the dashboard refinement, this value is calculated at the project, top-task, or leaf task level. • **Total Expenditures (Burdened)** This metric displays total expenditures charged on the project. Burdened cost is considered for this metric. Based on the dashboard refinement, this value is calculated at the project, top-task, or leaf task level. • **Pending Import** This metric displays the number of transactions in the Oracle interface table that have not been transferred to Oracle Projects. **Note:** Any transaction that is entered in the Review Transactions page or inserted into the interface tables with proper WHO columns using scripts display in this metric. LAST_UPDATE_DATE is the WHO column being referred to here. The project details and task details must be correct to display results on the dashboard. • **Unreleased Transactions** This metric displays the number of transactions in **Unreleased** status. These transactions are created from a pre-approved batch in Oracle Projects. Unreleased transactions consider

Component	Description
	expenditures for statuses of **Working** and **Submitted**. • **Uncosted Transactions** This metric displays the number of uncosted transactions for the project that are released. However, they are not yet costed. These can include transactions incurred in Oracle Projects or included from external source systems.

Component	Description
Projects Accounting (summary bar)	The **Projects Accounting** summary bar displays the following metrics: • **Current PA Period** This metric displays the latest PA Period in which the ECC load was last run. • **Current GL Period** This metric displays the open GL period corresponding to the latest open PA period. • **Accountable Expenditures** This metric displays the value of total expenditures ready for final accounting but have not yet been transferred to GL in Oracle Projects. • **Unaccounted Expenditures Value** This metric displays the value of total expenditures that are not accounted in Oracle Projects. This includes all expenditures that are costed and burden distributed. Uncosted transactions are excluded from this calculation. • **Accounted Expenditures (Projects)** This metric displays the value of total expenditures that are in **Final Accounted** status in Oracle Projects • **Accounted Expenditures (SLA)** This metric displays the value of total expenditures that are in **Final Accounted** status in SLA. • **Accounted Expenditures (GL)** This metric displays the value of total expenditures that are in **Final Accounted** status in GL.

Component	Description
CIP (summary bar)	The **CIP** summary bar displays the following metrics: • **CIP Costs** This metric displays the value of capitalizable expenditures that are not capitalized. You can refine this metric only at the project level. • **Pending Final Accounting** This metric displays the total cost of transactions that are in **Pending Final Accounting** status. The value of this metric is dependent on the **Enable Accounting for Total Burden Cost** and **CIP Cost Type** setup. **Enable Accounting for Total Burden Cost** determines whether the burdened cost is considered for transfer to GL or only raw cost is transferred to GL. The application determines if asset capitalization is based on raw cost or burdened cost based on the value for the **CIP Cost Type** (**Raw** or **Burden**). If you set **CIP Cost Type** to **Raw** irrespective of the value for **Enable Accounting for Total Burden Cost** then raw cost is considered for asset capitalization. If you set **CIP Cost Type** to **Burden** and set **Enable Accounting for Total Burden Cost** to **Yes**, then burdened cost is considered for asset capitalization. If you set **CIP Cost Type** to **Burden** and set **Enable Accounting for Total Burden Cost** to **No**, then raw cost is considered for asset capitalization. • **Pending Asset Lines Generation** This metric displays the total cost of

Component	Description
	transactions where assets are assigned. However, asset lines are not yet generated. • **Cost of Unassigned Asset Lines** This metric displays the total cost of transactions where assets are not assigned. • **Cost of Asset Lines Pending Interface** This metric displays the total cost of accounted transactions that are not yet capitalized and transferred to Fixed Assets. • **Cost of Rejected Asset Lines** This metric displays the total cost of transactions where the transfer to Fixed Assets failed due to one or more reasons, and requires a fix before transferring to Assets.

Component	Description
Assets (summary bar)	The **Assets** summary bar displays the following metrics: • **Defined Assets** This metric displays the number of assets defined in the application. • **In-Progress Assets (Estimated)** This metric displays the number of assets in **Estimated** status. • **Assets Ready to Capitalize (As Built)** This metric displays the number of assets in **As-Built** status. • **Capitalized Assets (Assets Posted in FA)** This metric displays the number of assets capitalized, transferred, and posted to Oracle Assets. • **Assets Retired in FA** This metric displays the number of assets in Fixed Assets that are in **Retired** status. Additional costs cannot be transferred into Fixed Assets for these assets.

Component	Description
Status (tab layout) **Classification** (tab)	The **Transaction Sources** chart displays raw and burdened costs by transaction source. Projects is the source used for transactions that are created through pre-approved batches and are cost distributed. Click the **Options** icon to select Dimensions to display this chart by: • Transaction Source • Project Number • Task Number • Top Task Number • Expenditure Type Class The **Expenditure Type Class** chart displays total burdened cost by expenditure type class, and reflects the raw and burden costs. You can click on an **Expenditure Type Class** to view the expenditure category level. If you filter by a specific expenditure category, then all expenditure types belonging to that category display. Click the **Options** icon to select Dimensions to display this chart by: • Expenditure Type Class • Expenditure Category • Expenditure Type You can also click the **Options** icon to export both charts as an image or in a Comma-Separated Values (CSV) file format.

Component	Description
Status (tab layout) **Cost** (tab)	The **Planned vs. Actual** chart displays a comparison between the planned cost and the actual cost amount. The **Cost Progress** chart displays the progress in different categories against the budget. **Note:** The charts are restricted to only capital projects.

Component	Description
Status (tab layout) **Unprocessed** (tab)	The **Pending Import** chart displays the number of transactions for P2P sources and OTL transactions. Transactions from seeded transaction sources that include **Inventory** and **Inventory Misc** are also included. Transactions are in approved status and ready to be transferred to Oracle Projects. You can click on a **Transaction Source** to view the transaction category level. If you filter by a specific transaction source category, then all source types belonging to that category display. Click the **Options** icon to select Dimensions to display this chart by: • Transaction Source • Project Name • Task Name **Note:** Because these transactions are not yet transferred to Oracle Projects, and in some cases they transfer to Oracle projects as uncosted, this chart displays the number of transactions (not the cost amounts). The **PreCosting** chart displays the number of transactions in Oracle Projects that are not costed. This chart displays data for expenditures in unreleased status (Submitted, Working), uncosted status (Released, Update Released, Approved) and Costing Exceptions. Click the **Options** icon to select Dimensions to display this chart by: • Project Name • Task Number • Costing Status • Top Task Name

Component	Description
	• Expenditure Type Class
Status (tab layout) **Projects Accounting** (tab)	The **Accounting** chart displays the number of transactions in Oracle Projects that are accounted but held up while transferring these costs to Oracle General Ledger. This chart displays data for expenditures that are accounted in Projects, Accounting, GL, and accounted exceptions when transferring to GL. You can select dimensions to cascade this chart by accounting status, to project number, and to task number. You can also change the axis of this chart from the number of transactions by transaction ID to raw cost. The **Post-Project Accounting** chart displays the cost of transactions accounted in Oracle Projects, SLA or GL. You can change the axis of this chart from the number of transactions to cost. You can also select dimensions to view and sort this chart by project SLA accounting status or SLA GL accounting status. Project SLA accounting status displays the total amount of expenditures transferred to SLA, but not transferred to SLA from Oracle Projects. The total in this case is all transactions that are accounted in Oracle Projects. For SLA GL Accounting Status, the chart changes the values to **Interfaced to GL** and **Pending Interface to GL**. The total for this chart represents all transactions that are successfully accounted in SLA.

Component	Description
Status (tab layout) **Capitalize** (tab)	The **Capitalizable vs. Noncapitalizable** chart displays the overall non-capitalizable cost, capitalizable cost, and capitalizable capitalized costs. You can select dimensions to view and sort this chart by project name, task name, actual capitalizable costs, capitalized costs, or actual non-capitalizable costs. The **CIP Transactions** chart displays overall distribution of CIP costs. You can select dimensions to view and sort this chart by project name, task name, uncosted transactions, cost of rejected asset lines, cost of unassigned asset lines, or costed transactions.
Status (tab layout) **Assets** (tab)	The **Asset Cost Distribution** chart displays asset type distribution of capitalized costs. You can select dimensions to view and sort this chart by project name, asset name, or capitalized cost.
Summary (tab layout) **Projects** (tab)	The **Projects** results table displays attributes pertaining to projects.

Component	Description
Summary (tab layout) **Tasks** (tab)	The **Tasks** results table displays attributes pertaining to lowest level tasks for projects. **Note:** Please note the following: 1. **Asset Assignment Exists** (Column) - This column determines whether the asset is assigned at the top task, lowest task, or project level. In case there is no asset assigned, the column displays a value of Missing. For common cost, the value displays Common Cost in this column. 2. **Planned Capitalizable** and **Planned Non-Capitalizable** columns of the result table populate data only for budgets defined at the lowest task level (expenditure task table being the summary of chargeable tasks). For budgets defined at the project and task levels, these fields cannot be calculated and will display null values.

Component	Description
Summary (tab layout) **Assets** (tab)	The **Assets** results table displays attributes pertaining to assets and associated projects. From the drop-down menu, you can select to view results table summary information by: • **Costs** • **Asset Details** • **Asset Planning** • **Asset Status** You can click the row level Options icon and then click the **View/Assign Asset** action link to open the **Assets** window to assign assets. Click the **Reverse Asset** action link to mark the asset for reversal. You can also click the Options icon in the table header to take the following actions for selected records: • Export the data set • Compare • Place Capital Hold • Release Capital Hold • View Fixed Asset Cost - Navigates to the Fixed Assets, Asset Cost dashboard to view complete details of the Assets booked on Projects. This is an integration between Oracle Projects Capital and Fixed Assets Dashboards to help eligible customers view detailed information of assets. **Conditional Action:** If the **View/Assign Asset** and **Reverse Asset** actions do not automatically default or query the selected values when opening the **Capital Projects**

Component	Description
	and **Assets** forms, and an error displays that the query did not retrieve any records, then you must enter the query criteria manually and search for the records. **Note:** Users can create their own Request Sets to configure load programs based on their requirements in order to maintain synchronization of data between two dashboards under different command centers.
Summary (tab layout) **Cost Budget** (tab)	The **Cost Budget** results table displays project task summary information at the Project, Task, Top Task, and Budget Task levels. From the drop-down menu, you can select to view results table summary information by: • **Progress** • **Task Details** Click **View Budget** row action to navigate to the **Budgets** form to view and update budget details. You must enter the Project & Budget Type details in the opened Budget form to view and edit budgets. Click the **View Project** action to navigate to the **Projects Home** page to view and update project details. You can also click the Options icon to **Compare** selected records or **Export** the data set.

Component	Description
Transactions (tab layout) **Overview** (tab)	The **Overview** results table displays detailed attributes pertaining to each transaction on the project. You can select the **Update Expenditure** link to navigate to the **Expenditure Overview** page and view complete details of expenditures. You can select values from the drop-down menu to view attributes by: • **Transaction Status** • **Accounting Details** • **Burden Details** • **Document Details** • **Expenditure Details** • **Costs** • **Expenditure Item Additional Details** You can also select the Options icon to take actions for selected records that include: • **Export** the data set • **Compare** • **Recalculate Raw Cost** - Marks the expenditure for recalculation of raw cost • **Recalculate Burden Cost** - Marks the expenditure for recalculation of burden cost • **Capitalizable** - Marks the expenditure as capitalizable • **Noncapitalizable** - Marks the expenditure as noncapitalizable • **View Supplier Invoices** - Navigates to

Component	Description
	the Accounts Payable Command Center, Supplier Balance dashboard to view invoice details for the selected invoices. **Note:** The **View Supplier Invoices** option is available when the **Invoice Number** field displays a value for the selected row(s) in the view.

Component	Description
Transactions (tab layout) **Unprocessed** (tab)	The **Unprocessed** results table displays attributes pertaining to project transactions that are in pending at source status. Transactions from seeded transaction sources that include **Inventory** and **Inventory Misc** are also included. This table contains data from both P2P sources in Oracle Projects. P2P sources include documents that are in approved status, and data from the transaction interface table. You can select values from the drop-down menu to view attributes by: • **Expenditure Details** • **Document Details** • **Document Source** • **Costing Details** Click the Options icon to **View Supplier Invoices**. **Note:** When you click the Options icon and select **View Supplier Invoices**, this action navigates to the Oracle Payables Command Center, Supplier Balance dashboard and displays details of the selected invoices. This option is available when the Invoice Number field displays a value for the selected row(s) in the Document Details view. You can also click the Options icon to **Compare** selected records or **Export** the data set.

Component	Description
Transactions (tab layout) **Asset Lines** (tab)	The **Asset Lines** results table displays attributes pertaining to asset line details and associated projects and tasks. You can select values from the drop-down menu to view attributes by: • **Asset Line Details** • **Asset Line Status** • **Source Details** Click the **View/Split Asset Line** link to open the **Capital Projects** and **Assets** windows to review and adjust asset lines. You can also click the Options icon to **Compare** selected records, or **Export** the data set. **Conditional Action:** If the **View/Assign Asset** and **Reverse Asset** actions do not automatically default or query the selected values when opening the **Capital Projects** and **Assets** windows, and an error displays that the query did not retrieve any records, then you must enter the query criteria manually and search for the records.

Budgetary Control Dashboard (Commercial)

The **Budgetary Control** dashboard displays budget and account level details at the project, task, resource group, and resource levels for Commercial usage. This enables users to ensure the budget is utilized as planned and the costs are posted to the correct accounts according to the GL level account balances.

> **Note:** The **Budgetary Control** dashboard displays data explicitly for projects and tasks for which Budgetary Control is enabled and does not display data for other projects and tasks. In addition, only those projects where the budget baseline is completed within the past year display on the dashboard. ECC only considers form level budgets for

the **Budgetary Control** dashboard. The Budget Entry Method (BEM) considered is the lowest task by GL Period for retrieving data into the **Budgetary Control** dashboard.

Based on your Role Based Access Control (RBAC) setup, navigate to the Projects Command Center:

As an example, from the Projects Super User responsibility: Projects Command Center > Budgetary Control (Tab)

You can analyze budget and costing data using metrics, charts, graphs, and tables.

Budgetary Control Dashboard

Component	Description
Budgets (tab)	The **Budgets** summary bar displays the following metrics: • **Budget** This metric displays the total cost budget for the project from beginning to completion. • **Consumed Funds** This metric displays the total consumption of budget through commitments and actuals. • **Remaining Budget** This metric displays the total non-utilized budget. • **Unutilized Funds(Completed Tasks)** This metric displays the sum of unconsumed funds on tasks that are complete according to the task transaction finish date. These funds are eligible for transfer to other tasks within the same budget.

Component	Description
Consumption (tab)	The **Consumption** summary bar displays the following metrics: • **Total Consumptions** This metric displays the total consumption of budget through commitments and actuals. Total Consumptions includes the sum of Commitments, Obligations, Invoices, and Expenditures metrics. • **Funds Available** This metric displays the total budget available for consumption. • **Requisitions** This metric displays the total requisitions on the budget. If the requisition is converted to an award, then the requisition amount is not included in this metric. You can click on this metric to refine the dashboard data. • **Purchase Orders** This metric displays the total awards on the budget. If an award is converted to supplier invoice, then the amount of the award is not included in this metric. You can click on this metric to refine the dashboard data. • **Invoices** This metric displays the total amount of supplier invoices on the budget. If a supplier invoice is converted to actuals, then the amount of the supplier invoice is not included in this metric. You can click on this metric to refine the dashboard data. • **Actuals** This metric displays the sum of expenditures available on the project. You can click on this metric to refine the dashboard data.

Component	Description
Exceptions (tab)	The **Exceptions** summary bar displays the following metrics: • **Total Rejected Value** This metric displays the value of rejected documents. This metric includes rejections for Requisitions, Awards, and Supplier Invoices. You can click on this metric to refine the dashboard data. • **Rejected Requisitions** This metric displays the number of requisitions in rejected status. You can click on this metric to refine the dashboard data. • **Rejected Purchase Orders** This metric displays the number of purchase orders in rejected status. You can click on this metric to refine the dashboard data. • **Rejected Supplier Invoices** This metric displays the number of supplier invoices in rejected status. You can click on this metric to refine the dashboard data.
Analysis - Budget (tab layout)	The **Budget and Consumption Comparison** chart displays total budget and consumption against the budget for each project. You can select dimensions to view and sort this chart by **Project Number** or **Task Number**.
Analysis - Budget Consumption (tab layout)	The **Consumption** chart displays consumptions for commitments, purchase orders, invoices, and actuals against the budget. You can select dimensions to view and sort this chart by **Project Number**, **Task Number**, or **Document Type**.

Component	Description
Analysis - Cost (tab layout)	The **Cost by Source** chart displays total burdened cost by transaction source, and reflects the raw and burden costs. You can select dimensions to view and sort this chart by **Project Name** or **Task Name**. The **Cost by Expenditure Category** chart displays total burdened cost by expenditure category, and reflects the raw and burden costs. When you click on an a specific expenditure category, all expenditure types belonging to that category display. You can select dimensions to view and sort this chart by **Expenditure Category** or **Expenditure Type**.

Component	Description

Budget Balances - Projects (tab layout)	The **Projects** results table displays attributes pertaining to projects. You can select the **View Project** link within the table to navigate to the **Project Overview** page to view and update project details for the selected record.
	
	From the dropdown list, you can select views to display budget balances by:
	
	• **Project**
	• **Budget**
	• **Budget Details**
	• **Consumption**
	• **Organization**
	
	You can also click the options icon to **Revise Budget to Consumption**. This action navigates to the Schedule Requests page for the selected record (s). You must complete the following EBS function-based security to enable this functionality.
	
	• **Security Type:** Function
	  • Code: PA_ECC_BGTCTL_ACTIONS_FN
	  • Description: Budgets
	
	• **Security Type:** Role
	  • Code: UMX|PA_ECC_BGTCTL_ACTION_ROLE
	  • Description: Projects ECC Budgetary Control Actions Role
	
	• **Security Type:** Grant
	  • Code: PA ECC Budgetary Control Actions Grant

Component	Description
	• Description: Projects ECC Budgetary Control Actions Grant Grantee Type: Group Of Users Grantee: Projects ECC Budgetary Control Actions Role **Required Action:** The **Projects ECC Budgetary Control Actions Role** must be assigned to the user to initiate this action. **Additional Information:** For information on RBAC setup, refer to the *Providing Users Access to Enterprise Command Centers* section in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, 12.2*.
Budget Balances - Tasks (tab layout)	The **Tasks** results table displays attributes pertaining to lowest level tasks. From the dropdown list, you can select views to display budget balances by: • **Task** • **Budget** • **Consumption**

Component	Description
Details - Budget Lines (tab layout)	The **Budget Lines** results table displays attributes pertaining to budget line details for each period. Click the **View Budget** action link to navigate to the **Budget** page where you can revise the budget. From the dropdown list, you can select views to display budget line details by: • **Budget Lines** • **Project Funds View** • **Task Funds View** Click the Options icon to **Export** the data set. You can also **Edit Budget Amounts** to navigate to the Edit Budget Amounts page. You must complete the following Role Based Access Control (RBAC) setup to enable this functionality. **Security Type**: Function **Code:** PA_PAXBUEBU **Description:** Edit Budget Amounts Function **Additional Information:** For information on RBAC setup, refer to the *Providing Users Access to Enterprise Command Centers* section in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, 12.2*.

Component	Description
Details - Consumptions (tab layout)	The **Consumptions** results table displays attributes pertaining to documents such as requisitions, orders, and supplier invoices. From the dropdown list, you can select views to display consumptions details by: • **Primary Details** • **Document Details** • **Parent Document Details** Click the actions icon to **Export** the data set.
Details - Actuals (tab layout)	The **Actuals** results table displays detailed attributes pertaining to expenditures incurred on the project from P2P expenses. From the dropdown list, you can select views to display actuals details by: • **Cost Details** • **Account Details** • **Parent Document Details** • **Transaction Details** • **Exceptions** Click the **Update Expenditure** link to navigate to the Expenditure Item Details page where you can process expenditure adjustments. Click the Options icon to **Export** the data set.

Component	Description
Details - Rejections (tab layout)	The **Rejections** results table displays attributes pertaining to project transaction rejections. From the dropdown list, you can select views to display rejections details by: • **Transaction Details** • **Document Details** • **Parent Document Details** • **Exceptions** Click the Options icon to **Export** the data set. **Note:** Rejections on documents outside of project and task end dates are not displayed. The association through project and task GL period does not populate rejections for projects and tasks that are outside of the project and task GL period range because a budget does not exist for these periods. **Note:** If the most recent action on a document is a rejection, then that document is included in this results table.

Billing Dashboard

The **Billing** dashboard enables billing managers to track, monitor and control the project billing process. By displaying all key performance indicators of the project on the **Billing** dashboard, users can view metrics, graphs, charts and tables, and take actions and corrective measures. The **Billing** dashboard displays only the projects according to the following criteria:

- Only Contract Projects are included on the dashboard.
- Intercompany Projects are not included on the dashboard.
- **General Ledger Periods** - Three General Ledger quarters must be considered for the Billing dashboard; one past quarter, current quarter, and one future quarter.

- **Distribution Rules** - The revenue distribution rule that you enter determine how revenue is calculated and how bills are created for a project. Revenue Accrual/Invoice methods must be one of the following:
  - Event/Event - Accrue revenue and bill based on events.
  - Event/Work - Accrue revenue based on events, and bill as work occurs.
  - Work/Event - Accrue revenue as work occurs, and bill based on events.
  - Work/Work - Accrue revenue and bill as work occurs.

    Note: To accrue revenue or generate invoices based on percent complete, you must use the Event/Event, Event/Work, or Work/Event revenue distribution rule.

- **Revenue Budgets** - Only forms-based revenue budgets are considered for display on the dashboard.
- **Active Status** - Active projects display on the Billing dashboard. Project status that include the following are not included:
  - **Closed**
  - **Pending Close**
  - **Pending Purge**
  - **Partially Purged**
  - **Purged**
- Projects with at least one baselined budget version are considered and displayed on the dashboard.

Based on your Role Based Access Control (RBAC) setup, navigate to the Projects Command Center:

As an example, from the Projects Super User responsibility: Projects Command Center > Billing (Tab)

You can analyze billing data using metrics, charts, graphs, and tables.

Billing Dashboard

Component	Description
Funding (tab)	The **Funding** summary bar displays the following metrics: • **Project Functional Currency** This metric displays the selected project functional currency. • **Number of Projects** This metric displays the total number of projects. • **Funding Baselined** This metric displays the allocated amount associated with a customer agreement to specific projects. • **Balance Funding** This metric displays the total amount of funding available to achieve full invoicing without hitting hard limits. This is the difference between the Baselined Funding and Invoices metrics. • **Retention Withheld** This metric displays the total amount withheld for various projects and tasks.

Component	Description
Billing (tab)	The **Billing** summary bar displays the following metrics: • **Planned Billing** This metric displays the total revenue budget defined for the projects. • **Actual Billing** This metric displays the total actual amount billed across all the accessible projects. • **Billing Due Date Performance** This metric displays the percentage of billing completed with respect to the total revenue. This is an indicator of the performance of the billing completed. Actual billing and revenue budget amount is considered until the prior period only. Current and future periods for actual and budget are not considered. • **Nonbillable Percent** This metric displays the total amount (contribution) of transactions that are not billable to the total costs on the project. • **Billable Unbilled** This metric displays the WIP value of the expenditures that are lined up for billing. This includes the total amounts of Unaccrued Revenue, Ready to Bill, and Bill Hold. • **At-Risk Receivables** This metric displays the total amount of Open Disputes and Overdue receivables.

Component	Description
Billing Readiness (tab)	The **Billing Readiness** summary bar displays the following metrics: • **Planned Billing** This metric displays the total baseline revenue budget as defined in the previous, current, and subsequent quarters only. • **Unaccrued Expenditures** This metric displays the total value of billable expenditures that are not accrued and are not on bill hold. • **Ready to Bill** This metric displays the total value of billable expenditures and events that are not on hold and not billed to customers. • **Bill Hold** This metric displays the total value of transactions that are in bill-hold status and are billable. Events and expenditures are included. • **Unprogressed Budget** This metric displays the total value of the remaining budget after subtracting other metrics from the planned budget.

Component	Description
Revenue (tab)	The **Revenue** summary bar displays the following metrics: • **Actual Revenue** This metric displays the total actual revenue received on projects from eligible quarters only. • **Planned Revenue** This metric displays the total amount of planned revenue from projects. • **Pending Revenue (Work)** This metric displays the total amount of potential revenue for expenditure items that are pending revenue generation. • **Pending Revenue (Events)** This metric displays the total amount for events pending revenue generation. • **Unreleased Revenue** This metric displays the total amount of revenue in **Unreleased** revenue status and must be released by users after review. Select this metric to refine the dashboard data. • **Accounting Exceptions** This metric displays the total amount for accounting exceptions that have occurred when transferring revenue accounting detail to Subledger Accounting (SLA) and General Ledger (GL). Select this metric to refine the dashboard data. • **Revenue Distribution Rejection** This metric displays the total value of revenue rejection. These expenditures were failed during the revenue generation process and includes costed transactions which were

Component	Description
	considered for revenue generation, but the revenue was not created due to an exception.
Projects Accounting (tab)	The **Projects Accounting** summary bar displays the following metrics: • **Accountable Revenue** This metric displays the total of all draft revenue successfully generated and released. • **Unaccounted Revenue** This metric displays the total of all successfully generated draft revenue in **Released** or **Rejected** status. Click this metric to refine the dashboard values and display only draft revenues that are not released. • **Accounted Revenue** This metric displays the total of draft revenue in Accepted status and successfully accounted in Projects after running the **PRC: Generate Revenue Accounting Event** concurrent program. • **Accounted Revenue (SLA)** This metric displays the total draft revenue successfully final accounted in SLA, and not yet transferred or posted to GL. • **Accounted Revenue (GL)** This metric displays the total draft revenue successfully posted to GL.

Component	Description
Collections (tab)	The **Collections** summary bar displays the following metrics: • **Receivable Invoice** This metric displays the total amount billed to the customer. • **Received** This metric displays the total amount received from customers for the billed invoices. • **Applied Credits** This metric displays the total amount of credits that are applied for a specific invoice. • **Unpaid Invoices** This metric displays the total amount outstanding for specific invoices until the due date is reached. This includes **Receivable Invoice**, **Received Value**, **Approved Disputed**, **Receivable Discounts**. • **Overdue Invoices** This metric displays the value of the outstanding invoices (receivables) or open invoices that are beyond the due date of invoice payments from the customer. This includes **Receivable Invoice**, **Received Value** , **Disputed (Draft + Approved)**, **Receivable Discounts**. • **Open Disputes** This metric displays the total amount of disputed payment of invoices that have disputes filed with the organization. • **Approved Disputes** This metric displays the total amount of approved disputed payment of invoices that

Component	Description
	have disputes filed with the organization. • **Receivable Discounts** This metric displays discounts to the customer. Discounts can be in the form of either earned discount (paid within the terms and conditions and availed discounts) or unearned discounts (claimed discounts with deviations).
Billing (tab layout)	The **Planned vs. Actual** chart displays revenue budgets (Planned Billing) and actual billed (Invoices) for nine periods.
Billing Readiness (tab layout)	The **Readiness Analysis** chart displays all eligible projects with all the billing readiness elements compared to its budget, by period. The **Billing Progress** chart displays the planned progress against the actual budget.
Expenditures and Revenue (tab layout)	The **Revenue vs. Expenses by GL Period** chart displays a comparison of expenses vs revenue per period. This chart only displays data for three quarters (nine calendar months). This chart provides monthly visibility. Click the **Options** icon to export the chart as an image, or in a Comma-Separated Values (CSV) file format.
Projects Accounting (tab layout)	The **Accounting Progress** chart displays nine periods of revenues that are successfully generated and released, and provides an accounting analysis of the revenues through SLA and GL.
Collections (tab layout)	The **Collection Progress** chart displays the comparison between the billed value in the corresponding period and receipts made for those bills along with disputes and outstanding balances. This highlights the progress of the bills from the corresponding periods. The **Overdue Invoices by Age** chart displays the total amount of overdue invoices.

Component	Description
Billing (tab layout)	The **Billing** results table displays attributes pertaining to billing for individual projects at the project and top task level. This results table displays data for the most recent baselined billing for a project. From the drop-down list, you can select views to display billing by: • **Project Functional Amounts** • **Agreement** • **Funding Amounts** • **Project Amounts** • **Billing and Setups** Click the row Options icon and click **Funding Inquiry** to open the **Funding Inquiry** drawer. Click the row Options icon and click **Agreement** to open the **Search Agreements** drawer to search for agreements and view agreement details. You can search for agreement by entering search filters in the **Search Agreements** drawer. In the table header, click the **Options** icon to **Export** the data set and **Compare** selected records.

Component	Description
Revenue Budget (tab layout)	The **Revenue Budget** results table displays attributes pertaining to the latest baseline approved revenue budget for projects. From the drop-down list, you can select views to display by: • **Progress** • **Task Details** Click the **View Budget** action link to navigate to the **Budgets** window where you can edit the budget. You must enter the Project and Budget Type details in the opened **Budget** forms to view and edit budgets. Users must have access to the **Budgets** function to edit the budget using this action. In the table header, click the **Options** icon to **Export** the data set.

Component	Description
Draft Revenue (tab layout)	The **Draft Revenue** results table displays detailed attributes pertaining to draft revenues on the projects. From the drop-down list, you can select views to display details by: • **Information** • **Status** • **UBR-UER Details** • **Currencies** Click the **View** action link to navigate to the **Revenue Review** page where you can review detailed information about project revenue. You must enter a filter in the **Find Review** window. Users must have access to the **Review Revenues** function. Click the **Options** icon to **Release Revenue** and **Unrelease Revenue**. You can release draft revenue only when the revenue line is in Unreleased status. You can unrelease draft revenue only when the draft revenue is in Pending or Rejected status. Click the **Options** icon to **Export** the data set.

Component	Description
Draft Invoice (tab layout)	The **Draft Invoice** results table displays detailed attributes pertaining to unbilled invoices over a one year period. From the drop-down list, you can select views to display details by: • **Information** • **Status** • **UBR-UER Details** • **Invoice Progress** • **Billing and Shipping** • **Adjustments** • **Currencies** Click the row Options icon and click **View Invoice** to open the **Billing Workbench** drawer where you can view billing summary information for a given project. You can also click the row Options icon to **Approve Invoice** and **Release Invoice**. The **Release Invoice** row action opens the **Release Invoice** dialog box where you can enter additional required information for releasing an approved invoice. For **Bill Hold**, **One-Time Hold**, and **Revenue Hold** actions, users can optionally enter the **Hold** reason in the dialog box. Click the Options icon in the table header where you can also **Approve Invoice** for selected rows, and **Export** the data set.

Component	Description
Projects Accounting (tab layout)	The **Projects Accounting** results pivot table displays summarized data for each ledger, journal category, and credit account such as **Event Revenue**, **Expenditure Revenue**, and so on. This result table includes all revenue distribution lines associated to released draft revenue. You can click the **Aggregated Table** and **Pivot Table** icons in the header to switch between the aggregated table views and pivot table views.
Collections (tab layout)	The **Collections** results table displays data that supports collections metrics and charts for invoices and receivables. Click the row Options icon and click **View Dispute** and **View Transaction** to open the **Dispute Details** and **Transaction Details** drawers.

Component	Description
Expenditures (tab layout)	The **Expenditures** results table displays detailed attributes pertaining to all expenditure items (billable and non-billable) that are booked on a project. From the drop-down list, you can select views to display details by: • **Transaction Status** • **Transaction Attributes** • **Bill Rates and Discount Overrides** • **Expenditure Details** • **Costs** • **Document Details** • **Expenditure Item Additional Details** • **Task Additional Details** Row Options include **Update Expenditure, Update Job Rate Schedule, Update Employee Rate Schedule,** and **Update Non Labor Rate Schedule.** Click the table header Options icon to process the following actions: • **Bill Hold** • **Release Bill Hold** • **One-Time Hold** • **Revenue Hold** • **Revenue Hold Release** • **Billable** • **Nonbillable**

Component	Description
	You can also click the table header Options icon to **Export** the data set.
Events (tab layout)	The **Events** results table displays detailed attributes pertaining to events that are available on projects. From the drop-down list, you can select views to display details by: • **Event Details** • **Currencies - Revenue** • **Currencies - Invoices** • **Billing** • **Revenue** Click the **View** action link to navigate to the **Events Summary** window where you can view event details. You must enter a filter in the **Find Project Events** window. Users must have access to the function **Events Maintenance for Single Project** to view the **Events Summary** window using this action. Click the table header Options icon to **Export** the data set. Click the table header Options icon to process the following actions: • **Bill Hold** • **Release Bill Hold** • **Revenue Hold** • **Release Revenue Hold** • **One-Time Hold** **Note:** For **Bill Hold**, **One-Time Hold**, and **Revenue Hold** actions, users can optionally enter the **Hold** reason in the dialog box that appears.

Component	Description
Distribution (tab layout)	The **Distribution** results table displays detailed attributes pertaining to expenditure items and events that are connected to draft invoices and draft revenue. From the drop-down list, you can select views to display details by: • **Event or Expenditure Details** • **Draft Revenue Line** • **Draft Invoice Line** • **Currencies - Revenue** • **Currencies - Invoices** • **Accounting Details** Click the **Options** icon to **Export** the data set.
Payment Schedules (tab layout)	The **Payment Schedules** results table displays all the schedule related information for the invoices displayed in the collections result set table.

G-Invoicing Dashboard

The **G-Invoicing** dashboard displays G-Invoicing data for all orders. The dashboard provides information to the servicing agency and key members for managing orders and displays G-Invoicing elements that include General Terms and Conditions (GT&Cs), overviews, order details, orders work queue, order deliveries, and EZ invoices metrics across all orders and projects. From the dashboard, you can navigate to individual projects, tasks, and resource assignment levels. Metrics on the dashboard are grouped into the following tabs on the dashboard:

- GT&C
- Overview
- Orders
- Orders Work Queue

- Order Progress
- Delivery
- Settlement
- Advances
- EZ Invoice

Based on your Role Based Access Control (RBAC) setup, navigate to the Projects Command Center.

As an example, from the *Projects SU, US Federal* responsibility: Projects Command Center > G-Invoicing (tab)

The following table describes the **G-Invoicing** dashboard components.

G-Invoicing Dashboard

Component	Description
Summary (tab layout) **GT&C** (tab)	The **GT&C** summary bar displays the following metrics: • **Currency** This metric displays the servicing agency currency. • **Active** This metric displays the number of GT&Cs with the active status code **Open for Orders**. Click this metric to further refine the dashboard data. • **Ordered Value** This metric displays ordered value calculated as (total estimated amount less total remaining amount). Click this metric to further refine the dashboard data. • **Remaining Value** This metric displays the remaining value. Click this metric to further refine the dashboard data. • **Latest Validity** This metric displays the most recent dates for valid GT&Cs.

Component	Description
Summary (tab layout) **Overview** (tab)	The **Overviews** summary bar displays the following metrics: • **Open Order Amount** This metric displays the total amount of all open orders that are in an open status. • **Open GT&C** This metric displays the total number of all opened GT&Cs (GT&Cs in open status). • **Settled Amount** This metric displays the total settled amount. This metric does not include advance settled amount. • **Delivered Amount** This metric displays the total amount of all delivery performances submitted in G-Invoicing. • **Trading Partners** This metric displays the total number of requesting agency accounts. • **G-Invoicing Communication Issues** This metric displays push failures to G-Invoicing and are not considered an exception.

Component	Description
Summary (tab layout) **Orders** (tab)	The **Orders** summary bar displays the following metrics: • **Open Orders** This metric displays the total number of open orders that are approved from both agencies and have completed the confirmation funds check action. Orders are in an open status. Click this metric to further refine the dashboard data. • **Pending Approval Orders** This metric displays total number of orders under review and in progress as follows: • Orders pending agreement association (BIOs only) • Orders pending project association • Orders pending task association • Orders pending funds consumption (funds confirmation) • Orders pending requesting agency approval Click this metric to further refine the dashboard data. • **Draft Orders** This metric displays the total number of orders that have been created by the servicing agency (SFO) that are in draft mode and not associated to an agreement. Click this metric to further refine the dashboard data. • **Closed Orders** This metric displays the total number of closed orders. Click this metric to further

Component	Description
	refine the dashboard data. **Note:** This metric also includes pending closed status orders. • **Pending Approval Modifications** This metric displays the total number of orders that are in progress with modifications and are not submitted for modification approval. Click this metric to further refine the dashboard data. • **Draft Modifications** This metric displays the total number of orders that have been modified by the servicing agency (SFO only). Click this metric to further refine the dashboard data. • **Rejected by Servicing Agency** This metric displays the total number of orders rejected by the Servicing Agency. Click this metric to further refine the dashboard data. • **Rejected by Requesting Agency** This metric displays the total number of orders rejected by the Requesting Agency. Click this metric to further refine the dashboard data. • **Orders with Final Performance** This metric displays the total number of orders in which final performances are submitted for order line schedules within those orders. Click this metric to further refine the dashboard data.

Component	Description
Summary (tab layout) **Orders Work Queue** (tab)	The **Orders Work Queue** summary bar displays the following metrics: • **Orders in Approval Preparation** This metric displays total number of orders under review and in progress and includes: • Order Pending Agreement Association • Order Pending Task Association • Order Pending Project Association • Order Pending Approval Submission • **Orders in Approval Queue** This metric displays the total number of orders for which the task association has been completed and submitted for approval. • **Orders in Funding Confirmation** This metric displays the total number of orders that are approved from both agencies and are pending fund confirmation. Click this metric to further refine the dashboard data. • **Orders in Requesting Agency Approval** This metric displays the total number of orders pending requesting agency approval (SFO only). Click this metric to further refine the dashboard data. • **Modification in Approval Preparation** This metric displays the total number of orders with modifications, but not submitted for approval. Click this metric to further refine the dashboard data. • **Modification in Approval Queue** This metric displays the total number of

Component	Description
	orders with modifications that have been submitted for approval and are pending approval. Click this metric to further refine the dashboard data. • **Modification in Funding Confirmation** This metric displays the total number of orders with modifications that been approved and are pending fund confirmation. Click this metric to further refine the dashboard data. • **Modification in Requesting Agency Approval** This metric displays the total number of orders with modifications pending requesting agency approval (SFO only). Click this metric to further refine the dashboard data.

Component	Description
Summary (tab layout) **Order Progress** (tab)	The **Order Progress** summary bar displays the following metrics: • **Open Order Amount** This metric displays the total value of open orders. • **Revenue Budget** This metric displays the total value of budgeted (baseline) revenue for all open orders. • **Actual Revenue** This metric displays the total value of revenue incurred from transactions. • **GL Accounted Revenue** This metric displays the total value of revenue transferred to GL with successfull final accounting. • **Unearned Revenue** This metric displays the total value of invoice transactions that are released and accounted, but with revenue that is not yet generated. This metric applies only at the project level. If the project contains CA/CL accounting, then those values are not included in this metric. • **Actual Cost** This metric displays the total value of all costed and distributed transactions (expenditures). • **Deferred Performance** This metric displays the total value of outstanding invoices (total invoice amount less total revenue.)

Component	Description
Summary (tab layout) **Delivery** (tab)	The **Delivery** summary bar displays the following metrics: • **Revenue Budget** This metric displays the total value of baseline revenue budgets. Click this metric to further refine the dashboard data. • **Draft Invoice** This metric displays the total value of released draft invoices. Click this metric to further refine the dashboard data. • **Receivables Invoice** This metric displays the total value of receivables invoices once tieback is complete and receivables invoices are created. Click this metric to further refine the dashboard data. • **Credit Memo** This metric displays the total value of credit memos for transactions rejected by the requesting agency. **Note:** Total value of credit memos are released from the servicing agency. • **Delivered** This metric displays the total value of all deliveries that are submitted in G-Invoicing (summary of pushed-delivered performance). Click this metric to further refine the dashboard data. • **UnBilled Receivables** This metric displays the total value of revenue without invoices. Click on this metric to further refine the dashboard data.

Component	Description
Summary (tab layout) **Settlement** (tab)	The **Settlement** summary bar displays the following metrics: • **Delivered** This metric displays the total value of all delivery performances that are submitted to G-Invoicing (summary of pushed-delivered performance). The net delivery performance is the sum of all positive and negative delivery performances. • **Settled** This metric displays the total value of delivered and settled orders for FOB source, plus the total value of accepted orders for FOB destination. • **Accepted** This metric displays the sum of accepted performance value for both FOB source and destination. If the acceptance is not created for FOB source, then it is not considered in this metric. • **Receipts** This metric displays the total value of receipts that are created for delivery performance of FOB source, plus acceptance of FOB destination. • **Receipts Applied on Invoice** This metric displays the total value of receipts that are applied to the invoices. This metric does not consider prepayment values. • **Refunds** This metric displays the total value of all the delivery and acceptance adjustments that are settled, and with adjusted receipts. (Delivery adjustments for FOB source and acceptance adjustment for FOB destination.)

Component	Description
	• **Acceptance Adjustments** This metric displays the total value of all adjustments to the accepted performance. • **Delivery Adjustments** This metric displays the total value of all negative delivery performance that is generated from credit memos and standalone invoices. • **Quality Performance Percent** This metric displays the percentage of orders that meet acceptable deliverables, and is calculated as (Net Accepted at Schedule level / Net Delivered at Schedule level) * 100 • **Delivery Performance with Pending Adjustments** This metric displays the total of all delivery performances that require adjustments corresponding to respective acceptance adjustments.

Component	Description
Summary (tab layout) **Advances** (tab)	The **Advances** summary bar displays the following metrics: • **Advance Order Amount** This metric displays the total open order value for all advance-enabled orders. • **Advance Received** This metric displays the net total advance value requested by servicing agencies that are settled. This metric includes the sum of both positive and negative performances. • **Advance Receipt Amount** This metric displays the total receipt value for all settled advance performance. This metric excludes any receipt failure. • **Advance Delivered** This metric displays the total net delivery performance value against advance orders. • **Advance Pending Delivery** This metric displays the net total value of advance received revenue that has not been delivered. • **Advance Refunded** This metric displays the total value of adjusted advance performance against advance-enabled orders. • **Advance Receipt Refunds** This metric displays the total receipt value that reflects the adjustment advance performance.

Component	Description
Summary **EZ Invoice** (tab)	The **EZ Invoice** summary bar displays the following metrics: • **Draft** This metric displays the total number of EZ Invoices that are in a draft status. • **Pending** This metric displays the total number of EZ Invoices that are submitted to G-Invoicing and not settled. • **Settled** This metric displays the total number of EZ Invoices with completed settlement and have a receipt associated with it in Oracle. The life cycle is complete from initiation to settlement. • **In Progress** This metric displays the total number of EZ Invoices in progress and pending an agreed amount in which delivery has not occurred.

Component	Description
Customer Status (tab layout) **GT&C** (tab)	The **GT&C Status by Start Date** chart displays buying agency details for total ordered amount and total estimated amount based on the active GT&C start date between the servicing agency and the buying agencies. Click on a requesting agency GT&C number in the chart to view the individual GT&C of the selected buying agency and its associated GT&C's with the servicing agency. Click on a **Requesting Agency Location Code** in the chart to refine the data and display all GT&C numbers that belong to the requesting agency. The **GT&C Status by End Date** chart displays buying agency details for total ordered amount and total remaining amount based on the GT&C end date between the servicing agency and the buying agencies. Click on a requesting agency GT&C number in the chart to view the individual GT&C of the selected buying agency and its associated GT&C's with the servicing agency. Click on a **Requesting Agency Location Code** in the chart to refine the data and display all GT&C numbers that belong to the requesting agency.
Customer Status (tab layout) **Overview** (tab)	The **Overall Status** chart displays the order amounts based on the order completion date and status. The **Activities in the Last 3 Periods** chart displays orders for the prior three periods and includes: • Total Order Amount • Total Advance Amount • Total Delivered Amount • Total Settled Amount Click on an order in the chart to refine the dashboard data.

Component	Description
Customer Status (tab layout) **Orders** (tab)	The **Open Orders by Agency** chart displays the total value of orders for each order status against each buying agency with which the servicing agency is conducting business. You can click on an agency order number in the chart or the order value bar to view individual order details between the servicing agency and the buying agency. Click on a **Requesting Agency** in the chart to refine the data and display all Order Numbers that belong to that requesting agency. The **Order by Status** chart displays amounts based on the order start date and approval status. You can click on the **Options** (ellipses) icon and select dimension values to display order amounts by: • Orders by Creation Date • Orders by Modification Initiated Date • Requesting Agency • Order Number Click on a value in the chart to refine the dashboard data.

Component	Description
Customer Status (tab layout) **Order Work Queue** (tab)	The **Orders** chart displays the internal status of orders and the total order amounts. You can click on the **Options** (ellipses) icon and select Group Dimension values to display order amounts by: • Orders by Creation Date • Requesting Agency • Order Number Click on a **Work Queue Status** value in the chart to refine the dashboard data. The **Modifications** chart displays the order modification flow with total order amount based on the **Work Queue Status**. You can click on the **Options** (ellipses) icon and select Group Dimension values to display order amounts by: • Orders by Modification Initiated Date • Requesting Agency • Order Number Click on a **Work Queue Status** value in the chart to refine the dashboard data.
Customer Status (tab layout) **Delivery** (tab)	The **Delivery Readiness** chart displays orders and total order amounts based on order status. You can click on the **Options** (ellipses) icon and select Group Dimension values to display order amounts by: • Orders by Completion Date • Requesting Agency • Order Number The **Delivery Status** chart displays orders and total order amounts by completion dates.

Component	Description
Customer Status (tab layout) **EZ Invoice** (tab)	The **EZ Invoice** chart displays the total amounts of EZ Invoices grouped by: • **Approved Amount (Sum)** The total value of agreements created for the corresponding GT&C, and the requesting ALCs combination. • **Draft (Sum)** Total value of the EZ Invoices in **Draft** status. • **Pending (Sum)** Total value of the EZ Invoices in **Pending** status. • **Settled (Sum)** Total value of the EZ Invoices in **Settled** status. • **To Complete (Sum)** Total value of the agreements that are associated with the corresponding GT&Cs that have not been delivered. You can select dimensions to display total amounts for the following: • **Agreement Number** • **GT&C Number** • **Project Number** • **Requesting Agency Location Code**
Customer Status (tab layout) **Advances** (tab)	The **Advances** chart displays displays the total open order amounts for advance-enabled orders, and displays amounts by the following **Advance Status** values: • **Advance to be Requested** • **Advance Pending Delivery** • **Advance Delivered**

Component	Description
Customer Status (tab layout) **Settlement** (tab)	The **Settlement Adjustments** chart displays the total value of **Accepted Adjustments** to the order performance by the requesting agency, and the total value of **Delivery Adjustments** by the servicing agency. The **Settlement Status** chart displays total **Delivered Amount**, **Accepted Amount**, and **Settled Amount** for each GL Period based on order performance.

Component	Description
Header (tab layout) **GT&C** (tab)	The **GT&C** results table displays data grouped by GT&C attribute groups. You can view data grouped by: • **GT&C Information** • **Agreement Amount Information** • **Additional Information** • **Agency Information** • **Preparer Information** • **Requesting Approval Information** • **Servicing Approval Information** You can click the **Record Details** icon within a selected row to open and view the **General Terms & Conditions** details window. You can also click on values in the **GT&C Number**, **Title**, **Agreement Type**, **Status**, **Termination Days**, **Requesting Group Name**, and **Servicing Group Name** columns to filter and refine dashboard data for the selected values. Click on the ellipses (**…**) icon in the row to open the following action items: • **Create Order**- click to open the **Create Seller Faciliated Order** UI. This action item is enabled only for those GTCs with the **Order Originating Indicator** as **Servicing Agency**. • **Attachments**- click to view GT&C attachments. • **Create EZ Agreement**- click to open the **Create Agreement** form. This action item is only enabled when the Bizapp attribute is **EZ** invoice.

Component	Description
Header (tab layout) **Orders** (tab)	The **Orders** results table displays data grouped by Order attribute groups. You can view data grouped by: • **Order Details** • **Advance** • **Billing and Delivery Information** • **Funding Details** • **Partner Information** • **Performance** You can click the **Record Details** icon within a selected row to open and view the **Order** details window. You can click on values in the columns to filter and refine dashboard data for the selected values. **Note:** This results table includes the following action-enabled attributes: • **Update Agreement** - Click on this action to navigate to the Update Agreement page where you can update and create agreements. • **Create Project** - Click on this action to navigate to the Create Project page to create a new project. • **Associate Project** - Click on this action to navigate to the Associate Project window where you can search for and associate projects. • **View Performance Obligation** - Click on this action icon to navigate to the Performance Obligations page to view

Component	Description
	performance obligation details. • **View SFO** - Click on this action icon to navigate to the **SFO** page to view the Seller Facilitated Orders (SFO). • **Admin Modification** - Click on this action to navigate to Agreement Additional Attributes for the SFO order. You can edit some attributes in Admin mode depending on the order stage. • **Push Admin Modification** - Click on this action to transfer changes to the G-Invoicing portal. Click on this action to push the admin modification changes to the G-Invoicing portal. • **Manage Revenue Budget** - Click on this action to navigate to the **Budgets** form. • **Manage Cost Budget** - Click on this action to navigate to the **Budgets** form. • **Copy SFO** - Click on this action to navigate to the **Seller Facilitated Order** window. • **Delete SFO** - Click on this action to delete the **Seller Facilitated Order**. A confirmation window appears where you can delete or cancel this action. • **View Costing Details** - Click on this action to navigate to the **View Costing Details** window. • **View Billing Details** - Click on this action to navigate to the **View Billing Details** window. • **View Budget Details** - Click on this

Component	Description
	action to navigate to the **View Budget Details** window. You can also click on the Options link in the table header to perform the following actions: • **Create Agreement** - This action allows you to create agreements manually for those orders that failed to create agreements automatically. • **Order Modification Uptake** - Enables order modifications. • **Resynchronize Orders** - Allows you to push approved orders that previously failed push to G-Invoicing. • **Close Order** - Closes the selected order(s) that are in Pending Close status.
Header (tab layout) **Agreements** (tab)	The **Agreements** results tables displays all of the agreements related to GT&Cs which are EZ enabled. You can click the **Record Details** icon within a selected row to open and view the **Agreement** details window. You can also click on the **Update Agreement** action link within a selected row to open the **Update Agreement** window where you can view and update agreement details.

Component	Description
Header (tab layout) **Exceptions** (tab)	The **Exceptions** results table displays all of the exceptions related to GT&Cs and orders that could not be pulled. It is not specific to EZ enabled GT&Cs. You can click the **Record Details** icon within a selected row to open and view the **Exception** details window. You can also click on a row level ellipses (**…**) icon and choose to **Reject** or **Resync** a selected exception.
Details (tab layout) **Order Lines** (tab)	The **Order Lines** results table displays data grouped by Order Line attribute groups. From the drop-down list, you can select views to display details by: • **Order Line Details** • **Performance** Click on values in the columns to filter and refine dashboard data for the selected values. You can also click the **Record Details** icon within a selected row to open and view the **Order Line** details window.

Component	Description
Details (tab layout) **Order Line Schedules** (tab)	The **Order Line Schedules** results table displays data grouped by Order Line Schedules attribute groups. From the drop-down list, you can select views to display details by: • **Schedule Details** • **Servicing Agency** • **Requesting Agency** • **Performance** You can click on values in the columns to filter and refine dashboard data for the selected values. Click on the Options ellipses icon link in the table header to perform the following actions: • **Request Full Advance** • **Submit Deferred Performance** • **Submit Delivery Performance** • **Request Partial Advance** • **Adjust Advance** You can also click on a row level ellipses (**...**) icon to: • **Create Requisition** • **View Costing Details** • **View Billing Details** • **View Budget Details** You can also click the **Record Details** icon within a selected row to open and view the **Order Line Schedule** details window.

Component	Description
Details (tab layout) **Performance Details** (tab)	The **Performance Details** results table displays data grouped by performance attribute groups. From the drop-down list, you can select views to display details by: • **Performance Details** • **Preparer** • **Receipt** Click on the row level **View** action link to navigate to the **View Performance History** page to view performance detail. The page displays by **Order Number**, **Order Line Number**, **Schedule Line Number**, **Performance Type**, and **Accounting Period**. You can click on values within the columns to filter and refine dashboard data for the selected values. You can also click the **Record Details** icon within a selected row to open and view the **Performance** details window.

Component	Description
Details (tab layout) **EZ Invoice** (tab)	The **EZ Invoice** results table displays EZ Invoice data. From the drop-down list, you can select views to display details by: • **EZ Invoice Detail** • **Requesting Agency and Other Details** • **Servicing Agency Detail** Click on the **Update Additional Attributes** action link to open the **EZ Invoice Additional Attributes** form for the selected EZ Invoice (row level). You can update many attributes for the EZ Invoice in this page. Click on the ellipses (**...**) icon in the table header for the following actions: • **Compare** - you can compare selected EZ invoice records. • **Submit**- you can send an EZ invoice to the G-Invoicing application. Only those records that are in **Draft** status are eligible for this action. • **Delete** - you can delete an EZ invoice only when the EZ invoice status is in Draft or Pending mode. • **Reverse** - you can reverse an EZ invoice after the the settlement. A reversal is only possible for a settled invoice. • **Reprocess Receipt** - you can reprocess a receipt when there is an error on the receipt processing for an invoice or credit memo. This is eligible when the receipt status is in Error, and the receipt number is not updated on the invoice line after processing the receipts. You can also click the **Record Details** icon within a selected row to open and view the **EZ Invoice** details window.

Budgetary Control Dashboard (U.S. Federal)

The **Budgetary Control Dashboard** displays federal budget and account level details at the project and task levels. This enables users to ensure the budget is utilized as planned and the costs are posted to the correct accounts according to the GL level account balances.

> **Additional Information:** For ECC installation, configuration, and access for federal vs. commercial dashboards, see My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework.*

> **Note:** The **Budgetary Control Dashboard** displays data explicitly for projects and tasks for which budgetary control is enabled and does not display data for other projects and tasks. In addition, only those projects where the budget baseline is completed within the past year display on the dashboard. ECC only considers form level budgets for the **Budgetary Control Dashboard**. The Budget Entry Method (BEM) considered is the lowest task by GL Period for retrieving data into the **Budgetary Control Dashboard**.

Based on your Role Based Access Control (RBAC) setup, navigate to the Projects Command Center:

As an example, from the Projects Super User responsibility: Projects > Budgetary Control Dashboard (tab)

You can analyze budget and costing data using metrics, charts, graphs, and tables.

Budgetary Control Dashboard (US Federal)

Component	Description
Distribution (tab)	The **Distribution** summary bar displays the following metrics: • **Budget** This metric displays the total cost budget for the project from beginning to completion. • **Consumed Funds** This metric displays the total consumption of budget through commitments and actuals. • **Remaining Budget** This metric displays the total non-utilized budget. • **Unutilized Funds(Completed Tasks)** This metric displays the sum of unconsumed funds on tasks that are complete according to the task transaction finish date. These funds are eligible for transfer to other tasks within the same budget. • **Rejected Requisitions** This metric displays the number of requisitions in rejected status. You can click this metric to further refine the dashboard data. • **Rejected Awards** This metric displays the number of awards in rejected status. You can click this metric to further refine the dashboard data. • **Rejected Supplier Invoices** This metric displays the number of supplier invoices in rejected status. You

Component	Description
	can click this metric to further refine the dashboard data.

Component	Description
Consumption (tab)	The **Consumption** summary bar displays the following metrics: • **Total Consumptions** This metric displays the total consumption of budget through commitments and actuals. Total Consumptions includes the sum of Commitments, Obligations, Invoices, and Expenditures metrics. • **Unconsumed Funds** This metric displays the total budget available for consumption. • **Commitments** This metric displays the total requisitions on the budget. If the requisition is converted to an award, then the requisition amount is not included in this metric. You can click this metric to further refine the dashboard data. • **Obligations** This metric displays the total awards on the budget. If an award is converted to supplier invoice, then the amount of the award is not included in this metric. You can click this metric to further refine the dashboard data. • **Invoices** This metric displays the total amount of supplier invoices on the budget. If a supplier invoice is converted to actuals, then the amount of the supplier invoice is not included in this metric. You can click this metric to further refine the dashboard data. • **Expenditures**

Component	Description
	This metric displays the sum of expenditures available on the project. You can click this metric to further refine the dashboard data.
Analysis - Budget (tab layout)	The **Budget and Consumption Comparison** chart displays total budget and consumption against the budget for each project. You can select dimensions to view and sort this chart by project number or task number.
Analysis - Budget Consumption (tab layout)	The **Consumption** chart displays consumptions for commitments, purchase orders, invoices, and actuals against the budget. You can select dimensions to view and sort this chart by project number, task number, or document type.
Analysis - Cost (tab layout)	The **Cost by Source** chart displays total burdened cost by transaction source, and reflects the raw and burden costs. You can select dimensions to view and sort this chart by project name or task name. The **Cost by Expenditure Category** chart displays total burdened cost by expenditure category, and reflects the raw and burden costs. When you click on an a specific expenditure category, all expenditure types belonging to that category display.

Component	Description
Budget Balances - Projects (tab layout)	The **Projects** results table displays attributes pertaining to projects. From the drop-down menu, you can view table attributes by: • **Project** • **Budget** • **Budget Details** • **Consumption** • **Organization** Click the row level **View Project** action link to navigate to the **Project Overview** page to view and update project details for the selected record. You can also click the table header Options (vertical ellipses) icon to perform the following: • **View Documents** - navigates to the PMO Command Center for all requisitions booked for the selected projects. • **Revise Budget to Consumption** - navigates to the Schedule Requests page. **Note:** You must complete the following EBS function-based security to enable this functionality. The **Projects ECC Budgetary Control Actions Role** must be assigned to the user to initiate this action. • **Security Type:** Function • Code: PA_ECC_BGTCTL_ACTIONS_FN • Description: Budgets

Component	Description

	• **Security Type:** Role
	  • Code: UMX|PA_ECC_BGTCTL_ACTION_ROLE
	  • Description: Projects ECC Budgetary Control Actions Role
	• **Security Type:** Grant
	  • Code: PA ECC Budgetary Control Actions Grant
	  • Description: Projects ECC Budgetary Control Actions Grant
	  Grantee Type: Group Of Users
	  Grantee: Projects ECC Budgetary Control Actions Role
	
	Additional Information: For information on RBAC setup, refer to the *Providing Users Access to Enterprise Command Centers* section in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, 12.2*.
	
	• **View Unobligated Requisitions** - applicable for requisitions only and navigates to the PMO Command Center.

Component	Description
Budget Balances - Tasks (tab layout)	The **Tasks** results table displays attributes pertaining to lowest level tasks. Click the Options icon (vertical ellipses) in the table header to **View Documents**. The application navigates to the PMO Command Center for all requisitions booked for the selected tasks. From the drop-down menu, you can view table attributes by: • **Tasks** • **Budgets** • **Consumption** • **Task Additional Details**

Component	Description
Details - Budget Lines (tab layout)	The **Budget Lines** results table displays attributes pertaining to budget line details for each period. From the drop-down menu, you can view table attributes by: • **Budget Lines** • **Project Funds View** • **Task Funds View** Click the row level **View Budget** action link to navigate to the **Budget** page where you can revise the budget. Click the Options icon (vertical ellipses) in the table header to **Export** the data set. You can also **Edit Budget Amounts** to navigate to the Edit Budget Amounts page. You must complete the following Role Based Access Control (RBAC) setup to enable this functionality. **Security Type:** Function **Code:** PA_PAXBUEBU **Description:** Edit Budget Amounts Function **Additional Information:** For information on RBAC setup, refer to the *Providing Users Access to Enterprise Command Centers* section in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, 12.2*.

Component	Description
Details - Consumptions (tab layout)	The **Consumptions** results table displays attributes pertaining to documents such as requisitions, awards, and supplier invoices. From the drop-down menu, you can view table attributes by: • **Primary Details** • **Document Details** • **Parent Document Details** Click the Options icon (vertical ellipses) in the table header to **View Documents**. The application navigates to the PMO Command Center for the selected documents. You can also **Export** the data set. The PMO Command Center opens all requisitions corresponding to selected Projects and Tasks for any type of document selected from the Budgetary Control Dashboard. For example, If an award is selected, the application retrieves associated requisition numbers corresponding to the project and tasks associated to the award, and displays requisitions on the PMO Command Center.

Component	Description
Details - Expenditures (tab layout)	The **Expenditures** results table displays detailed attributes pertaining to expenditures incurred on the project from P2P expenses. From the drop-down menu, you can view table attributes by: • **Cost Details** • **Account Details** • **Parent Document Details** • **Transaction Details** • **Exceptions** Click the row level **Update Expenditure** link to navigate to the **Expenditure Item Details** page where you can process expenditure adjustments. Click the Options icon (vertical ellipses) in the table header to **Export** the data set.

Component	Description
Details - Rejections (tab layout)	The **Rejections** results table displays attributes pertaining to project transaction rejections. From the drop-down menu, you can view table attributes by: • **Transaction Details** • **Document Details** • **Parent Document Details** • **Exceptions** Click the Options icon (vertical ellipses) in the table header to **Export** the data set. **Note:** Rejections on documents outside of project and task end dates are not displayed. The association through project and task GL period does not populate rejections for projects and tasks that are outside of the project and task GL period range because a budget does not exist for these periods. **Note:** If the most recent action on a document is a rejection, then that document is included in this results table.

Projects Command Center Configuration

Setting Up Projects Command Center

The Projects Command Center product configuration setup must be completed after the installation and common configurations are completed as described in My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, 12.2*.

Setup and Configuration Steps

To complete setup of the Oracle Projects Command Center, you must perform the following:

1. Setting Profile Options, page 2-119
2. Configuring Descriptive Flexfields for Search, page 2-120
3. Loading Projects Command Center data, page 2-121

Projects Profile Options

You must set the following profile option for loading data up to twelve (12) months:

Profile Option Name	Description
PA: ECC Data Load Month	The **PA:ECC Data Load Month** profile option provides the flexibility of loading data for up to twelve (12) periods for Costing, Capital, Billing, and Financial Flow dashboards. This site level profile option is relevant only for Full load and is not considered for Incremental load. Any modifications to the value of this profile option requires a Full load to be run to display the appropriate data in the dashboards. Behavior of the data load based on this profile option includes: • If the profile option is not set, then the application derives the current year based on the calendar setup for the specific Set of Books relevant to the Operating Unit of the Project. • If the profile option is set to a period prior to the current period (based on the system date), then the profile option value is considered as the starting period and data for the next 12 months (including start period) will be processed. • If the profile option is set to a period after the current period (based on the system date), then the profile option value is considered as the starting period in the previous year and data for 12 months (including the start period) will be processed.

Configuring Descriptive Flexfields for Search

Enterprise command centers support Descriptive Flexfields (DFFs) that enable you to search on DFF attributes. After you configure DFFs, you must run the full data load process, which ensures that the DFF attributes are available in the command center.

For additional information on configuring and customizing flexfields, see the *Oracle E-Business Suite Flexfields Guide* and My Oracle Support Knowledge Document 2495053.1, *Installing Oracle Enterprise Command Center Framework, Release 12.2*.

The following table describes the DFFs available in the Projects dashboards:

Dashboard	Data Set	DFF Title	DFF Name	DFF Attribute Group Name
Budgetary Control Dashboard	pa-ds-cost-bcbalances	Tasks	PA_TASKS_DESC_FLEX	Task Additional Details
Capital Dashboard	pa-ds-cost-eicdl	Expenditure Items Tasks	PA_EXPENDITURE_ITEMS_DESC_FLEX	Expenditure Items Additional Details Task Additional Details
Costing Dashboard	pa-ds-cost-eicdl	Expenditure Items Tasks	PA_EXPENDITURE_ITEMS_DESC_FLEX	Expenditure Items Additional Details Task Additional Details
Billing Dashboard	pa-ds-cost-eicdl	Expenditure Items	PA_EXPENDITURE_ITEMS_DESC_FLEX	Expenditure Item Additional Details
Billing Dashboard	pa-ds-cost-eicdl	Events	PA_EVENTS_DESC_FLEX	Events Additional Details
Billing Dashboard	pa-ds-bill-revenueinvoice	Draft Invoices	PA_DRAFT_INVOICES_DESC_FLEX	Event or Expenditure Details

Loading Projects Command Center Data

Run the **Projects Costing Budgetary Control ECC Data Load**, **Projects Costing and Billing ECC Data Load**, **Projects Financial Flow ECC Data Load**, and **Projects G-Invoicing ECC Data Load** concurrent programs to load data for the **Projects** dashboards. You can navigate to these concurrent programs from the **Requests** page in Oracle Projects.

Before you load data from Oracle E-Business Suite into the Oracle Projects Command Center, ensure that your EBS data is accurate and current by running any concurrent programs that impact attributes used in the command center.

The Costing dashboard has been designed so that a minimum of one Expenditure Item

(EI) is required to display multiple metrics, chart sections, and summary level result tables. For any task level information or project level information to display on the dashboard, you must select a minimum of one EI against the task or project. This also applies to the refinement, as the dashboard is EI based. The refinements on the dashboard or the association of different tables on the dashboard depends on the data in the Overview table.

Run the concurrent program from the **Search and Select** page.

To load Projects Costing and Billing data:

1. From the Projects menu, navigate to the **Search and Select** page:

   (N) Projects > Requests > Schedule

2. Click the **New Request** button and perform a search for **Projects Costing Budgetary Control ECC Data Load**, **Projects Costing and Billing ECC Data Load**, **Projects Financial Flow ECC Data Load**, and **Projects G-Invoicing ECC Data Load**. The **Search and Select** page appears.

3. Select the button for your specific data load run and then click the **Select** button. The **Schedule Request: Define** page appears.

4. Click the **Parameters** tab.

5. Select the appropriate **Load Type**:

   - **Full Load**: Loads all relevant Projects Command Center data specific to the concurrent program and is required for the first data load. If you select and run full load for subsequent requests, then this program clears all Projects Command Center data specific to the current program from ECC and loads fresh data.

   - **Incremental Load**: Loads the data modified and updated from the previous load only. Incremental load should be scheduled to run as often as required to keep the ECC dashboard current.

     Note: Any of the following changes are not considered and included for incremental load:

- PA/GL Period related changes (including period status)
- Accounting statuses (any progress or rejection in the accounting program for a given transaction)
- Any modification to an asset in Fixed Assets (Retirement of Asset)
- Project related changes
- Task related changes
- New Task to existing Projects
- New Budget lines to existing Project/Tasks

- **Metadata Load**: Loads Descriptive Flexfield (DFF) metadata. If there are any changes to the DFF definition, then you must run the program first with the Metadata Load option and then the Full Load option so that the DFF changes are displayed in the command center.
- Click **Select**.

6. Enter one or more language codes in the **Languages** field for the output. For multiple language codes, use the format AA,BB,NN. For example, enter US,AR,KO. If the field is blank, then the data will be loaded for the base language only (usually US).

7. Select the **Log Level** that you want the program to report. The default value is **Error** .

8. Select **True** to enable **SQL trace**. Otherwise, select **False**.

9. For the **Projects Costing and Billing ECC Data Load** program, you can enter an optional **Operating Unit** or a set of operating units for sequential data loading. This enables you to submit the program and process data for a specific operating unit, or for a set of operating units.

10. Select an optional value for **Reset Dataset**. You can extend the existing data set, or reset the entire data set.

11. Click **Continue**.

12. From the **Schedule Request: Review** page, click **Submit**. The request ID information displays.

13. Click **OK** to exit and close the page. The **Requests** page appears and displays all of your requests. You can click the **Details** icon to view your request details.

Business Rules and Validation

The Costing dashboard uses the following business rules and validations:

Subject	Rule / Validation
Cost consideration for Capital Projects based on project setup to calculate CIP based on Raw cost or Burdened Cost	Based on the project setup for Capital projects to calculate CIP on raw cost and burdened cost, the dashboard displays the values accordingly for Metrics, Charts, and other components. For example, if the CIP Cost Type is 'Raw' for a project, then the ECC dashboard will use raw cost defined on the expenditure budget and vice versa.

Subject	Rule / Validation
Criteria in order for Projects or Tasks to be visible on the dashboard	All metrics and data consider only those transactions within three GL quarters. For a project or task to appear on the Costing dashboard, there should exist a minimum of one transaction against that project or task which is either created or updated within three GL quarters.
Recalculation / Adjustment on Transactions	When a transaction that is costed and accounted is marked for recalculation, the raw cost and burden cost on the transaction level is nullified, but the accounted information in GL is not nullified. For such cases, the dashboard represents metrics as described in the following table:

Date	Action	Uncosted Transactions	Total Expenditures	Unaccounted Expenditures Value	Accounted Expenditures (Projects)	Accounted Expenditures (SLA)	Accounted Expenditures (GL)
20-Oct	n/a	3	20000	4000	16000	16000	16000
21-Oct	EI XXX marked for Recalculation (Cost: 2000)	4	2000	4000	16000	16000	16000
22-Oct	EI XXX cost Distributed (Cost: 2500)	3	20500	4500	16000	16000	16000

23-Oct	EI XXX Accounting Events Generated	3	20500	4000	16500	16000	16000
24-Oct	Accounting Complete	3	20500	4000	16500	16500	16000
25-Oct	Post to GL	3	20500	4000	16500	16500	16500

The overview results table (accounting related columns) retains old values unless the respective process is run. For example, the cost distribution process may change the PA or GL period, the debit account based on the run date of the concurrent program and the generate costing event program may change the credit account.

3

Budgets

This chapter describes how to enter and manage budgets using Oracle Projects.

This chapter covers the following topics:

- Creating Budgets
- Using Budgetary Control
- Integrating Budgets

Creating Budgets

The following section describes the processes for creating budgets. You can enter and submit budget drafts and create budget baselines from the Budgets window.

Related Topics

Using Budgetary Control, page 3-28

Integrating Budgets, page 3-54

Implementing Budgetary Controls, *Oracle Projects Implementation Guide*

Implementing Budget Integration, *Oracle Projects Implementation Guide*

Budget Entry

The following illustration shows an overview of the budget entry process flow.

Overview of the Budget Entry Process

To create or revise budgets, perform the following steps:

1. Create the project and work breakdown structure. When you define the work breakdown structure, consider how you want to track cost and revenue. See: Control Functions by Project and Task Level, *Oracle Projects Fundamentals*

   Note: The start and end dates for a non-time-phased budget are automatically set to equal the start and completion dates of the project or task.

2. Enter or revise a draft budget for the project. See: Entering or Revising a Budget Draft, page 3-3.

3. Enter budget amounts in the draft budget using any of the following methods:

   - When you first create the project you can copy the budget from the project template or project you are copying. See: Budget.

   - Enter the budget cost and/or revenue amounts directly. See: Entering Budget Lines, page 3-6.

   - Copy the budget from an earlier version of the project's budget (if you are

revising a baseline budget version).

- Copy the actual amounts to the budget amounts.

4. Submit your budget to indicate that budget entry is complete. See: Submitting a Draft, page 3-16.

5. Create a baseline. See: Creating a Baseline for a Budget Draft , page 3-20.

6. Revise the current budget to reflect changes in the project or to correct data entry errors. See: Revising a Budget Baseline, page 3-25, Revising an Original Budget, page 3-25.

Related Topics

Budget Types, *Oracle Projects Implementation Guide*

Budget Entry Methods, *Oracle Projects Implementation Guide*

Resources and Resource Lists, *Oracle Projects Implementation Guide*

Entering or Revising a Budget Draft

A budget draft is a holding area for budget data that is currently in process. You enter or revise the budget amounts for a project in a draft. The status for a draft is Working.

You have a draft for each budget type used on the project. You cannot report against a draft or use it to compare budgeted to actual amounts.

1. **Budgets Window**

   Navigate to the Budgets window. Choose the project for which you want to enter or revise budget amounts. You must enter a valid project number before you can enter a budget type.

2. **Budget Type**

   After you have selected a valid project, the budget type field will be enabled.

   Choose the budget type. The budget type field enables you to have more than one series of budgets for a project. The budget type determines whether the budget is a revenue budget or cost budget. See: Budget Types, *Oracle Projects Implementation Guide.*

   > **Note:** The list of values displays only active budget types. However, if a budget was created earlier for your project using a budget type that is now inactive, the inactive budget type can be entered.

3. **Find Draft**

   Choose the Find Draft button.

   > **Note:** If you select an inactive budget type and choose Find Draft, no draft budget will be displayed.

4. **Version Name**

   Enter the version name.

5. **Budget Status**

   The budget status will be displayed, indicating where the budget is in the submission or baseline process. The budget status can have the following values:

   - **Working** A draft that you are entering and updating.
   - **Submitted** A draft that is submitted for baseline. If you want to change make changes in a budget that has a Submitted status, you must first select the Rework button, which returns the status to Working.
   - **Baselined** A baseline budget version. The Budget Version History window in the Budgets form displays baseline budget versions.

6. **Change Reason**

   Enter a change reason. The change reason identifies the reason for changing a budget version from a previous version. See: Budget Change Reasons, *Oracle Projects Implementation Guide.*

7. **Description**

   You may enter a description for the budget version.

8. **Budget Entry Method**

   You can accept or override the default *budget entry method (BEM)*, which determines the level of detail for the budget.

   - If you are entering the first draft for the budget type, the default BEM is determined by the project type of the project.
   - If a prior version of the budget type exists, the default BEM is the budget entry method of the project's current budget for the budget type.

   You can choose a categorized or uncategorized budget entry method.

   You can change the BEM at any time, even after you have created a baseline version for the budget type. When you change the BEM, the system will delete the existing

draft budget lines. You can then enter a new draft.

> **Note:** If you select a categorized BEM for the first draft budget of any type, all subsequent draft budgets of that type (after the first draft budget baseline is created) must also use categorized BEMs. The same is true for uncategorized BEMs. The list of values of BEMs will show only valid BEMs for a budget.

See: Budget Entry Methods, *Oracle Projects Implementation Guide.*

9. **Resource List**

   The *resource list* is the set of resources that can be used as budget categories for a categorized (detail) budget. These resources will be displayed on the list of values for resource when you are entering budget lines.

   If you are entering the first draft for the budget type, you may accept or override the default resource list. If you change the resource list after you have entered budget lines for the budget version, the system will delete the draft lines and you must enter a new draft. You cannot change the resource list after you create a baseline budget version for the budget type.

10. **Original**

    This field displays the version name of the current original budget for the project budget type. You can view the original and other historical budgets in the Budget Version History window (choose History from the Budgets window).

11. **Was Original**

    This flag indicates if the budget currently displayed was previously an original budget. Oracle Projects creates such budget versions when you revise the original budget. You can view this value in the Budget Version History window.

12. **New Original**

    Use this check box if you want to indicate that this draft, when a baseline is created, will become the revised original budget.

13. **History**

    You can choose History to review the details of previous budget versions of the selected budget type. Historic budgets can be viewed for active and inactive budget types.

14. **Labor Hours, Raw Cost, Burdened Cost, Revenue**

    These fields display the sum of the labor hours, raw cost, burdened cost, and/or revenue entered for the budget version.

Entering a Project or Task Level Budget

You can budget at the project, top task, or lowest task level.

> **Note:** If you are using top task funding for your contract project, you must enter revenue budgets at the top task or the lowest task levels.

To enter a project-level budget, perform the following steps:

1. Navigate to the Budgets form.
2. Choose a budget entry method set up with a project entry level.
3. Choose the Details button to open the Budget Lines window.
4. Enter the budget lines.
5. Save your work.

To enter a task-level budget, perform the following steps:

1. Choose a budget entry method set up with the appropriate task entry level (Top Tasks, Lowest Tasks, or Top and Lowest Tasks).
2. Choose the Details button to open the Task Budgets window, which displays different levels of tasks, depending on the budget entry method you enter. Choose from the available list in the tasks list of values to view different task level combinations. See: Defining Your Financial Structure, *Oracle Projects Fundamentals*.
3. Choose the task for which you want to budget.
4. Choose Budget Lines.
5. Enter the budget lines in the Budget Lines window.
6. Save your work.

Entering Budget Lines

A budget line contains information about how much of a resource is needed. The information in a budget line can include a unit of measure and amounts for quantity, raw cost, burdened cost, or revenue.

> **Note:** If you plan to use the cost-to-cost revenue accrual or invoice generation method for your project, you must enter burdened costs in your cost budget and revenue amounts in your revenue budget.

Otherwise, Oracle Projects cannot successfully generate revenue or invoices using the cost-to-cost method. For more information about these processes, see: Accruing Revenue for a Project, *Oracle Project Billing User Guide* and Invoicing a Project, *Oracle Project Billing User Guide*.

You can enter and delete budget lines for a budget. You can delete budget lines in a draft. You cannot delete budget lines from a budget baseline.

To enter budget lines, perform the following steps:

1. Navigate to the Budgets window.
2. Enter or choose the Find Draft button to find the draft for the appropriate budget type.
3. To navigate to the Budget Lines window, choose Details.

   If you are entering a project level budget, the Budget Lines window will open.

   If you are entering a task level budget, the Task Budgets window will open. Select a task, then choose Budget Lines to open the Budget Lines window.

Entering Budget Lines for Period-Phased Budgets

If you are entering a budget that is period-phased (time-phased by PA period or GL period), the *matrix entry* Budget Lines window will be displayed for budget lines entry. The matrix entry window opens automatically when you navigate to the Budget Lines window for a period-phased budget.

The type of time-phasing of the budget is determined by the Budget Entry Method selected for the budget.

Using the matrix entry window, you enter budgeted amounts for an *amount type* and a period. The amount type is either quantity, raw cost, burdened cost, or revenue.

Each line in the matrix displays amounts for a resource and an amount type. You select the resource and the amount type for a given budget line. You then enter the amounts for the period range specified.

The Earliest Budget Period and Latest Budget Period fields display the earliest and latest period for which budget amounts have been entered. You control which periods to display by specifying the *First Budget Period*.

To enter budget lines in the Budget Lines window, perform the following steps:

1. Enter the *First Budget Period* (either PA or GL period, depending on the budget entry method of the budget version). The period you select will be the earliest period, displayed in the window.

   Use the left and right arrow buttons to change the periods displayed in the

window. When you choose an arrow, the periods will shift forward or backward by one full screen (the number of periods displayed in the window).

2. Enter the *resource*you want to budget.

3. Select the *amount type*.

   You control the amount types that you can select by your selection in the *View Lines For*field in the upper region of the window. If the View Lines For is set to All, you can select any amount type allowed by the budget entry method and budget type. If View Lines For specifies an amount type, then you can only enter budget lines for the amount type specified.

   Following are the selections displayed for the View Lines for field:

   - Unit of Measure (UOM) the resource, if the resource has a UOM
   - Raw Cost (for cost budgets, if raw cost entry is allowed by the budget entry method)
   - Burdened Cost (for cost budgets, if burdened cost entry is allowed by the budget entry method)
   - Revenue (for revenue budgets, if revenue entry is allowed by the budget entry method)

4. Enter the budget *amounts* for the resource, amount type, and periods displayed.

   Amount Type Lines Automatically Created:

   In the matrix entry Budget Lines window, when you create a budget line for one amount type, Oracle Projects will create budget lines for other amount types. The other amount types will be the amount types that are enterable fields for the budget entry method being used. See: Budget Entry Methods, *Oracle Projects Implementation Guide*.

   For example, if you enter an amount for Miles (amount type) for Auto Use (resource), lines will also be created for the amount types Raw Cost and Burdened Cost for the same resource, if the budget entry method in use for the budget includes raw cost and burdened cost as enterable fields.

   You can view all the lines by selecting All in the View Lines For field.

5. If you want to enter a *change reason, comment,* or *descriptive flexfield*for the resource and time period, navigate to the overflow region. You navigate to the overflow region by using the tab key or by clicking the mouse, depending on the setting of the profile option *PA: Tab to Budget Matrix Comments Fields*. See: PA: Tab to Budget Matrix Comments Fields, *Oracle Projects Implementation Guide*.

   The overflow region displays the resource and period for which you are currently entering or viewing the change reason, comment, and descriptive flexfield.

The overflow region fields apply to a resource and time period, and are shared across amount types. For example, if you enter a change reason for the labor resource for raw cost for January, the same change reason applies for the labor resource for hours for January.

6. Enter more resources for the same periods or shift the periods displayed for entry by entering a new First Budget Period or by using the Period arrows.

7. Save your work.

Viewing Calculated Budget Amounts

If you are using budget calculation extensions to calculate raw costs, burdened costs, or revenue amounts based on the quantity or raw cost that you enter, you will be able to see the calculated amounts when you re-query the field. To re-query, click in the field whose value you want to see.

If you are calculating amounts for which you are not allowed to enter values as defined in the budget entry method, then you cannot see the budgeted amounts in the matrix entry form.

To review the budget amounts, use the *View Lines For* field to select which budget lines of a given amount type you want to review. The default selection is All. You can select from any of the following amount types that are allowed by your budget entry method and budget type class (cost or revenue).

- All
- Labor Hours (resources that are tracked as labor hours)
- Quantity (all quantities regardless of unit of measure)
- Raw Cost
- Burdened Cost
- Revenue

For example, you may want to view only budget lines for Raw Cost. If, in addition, you select Raw Cost in the View Totals For field, you can review budget amounts that comprise the displayed budget totals.

To review the budget totals, use the *View Totals For* field to select the amount type you want to display in the Total fields. You can select from any of the following amount types that are allowed by your budget entry method and budget type class (cost or revenue).

- Labor Hours
- Raw Cost

- Burdened Cost
- Revenue

You can review the resource totals for a range of periods by changing the Periods for Totals. These totals are displayed down the right hand side of the window under Period Totals. After you change the Periods for Totals, the totals are displayed when you navigate to the lines region.

Entering Budget Lines for Non-Time-Phased or Date Range Budgets

If you are entering a budget that is non-time-phased or is time-phased by date range, the *row entry* Budget Lines window will be displayed for budget lines entry.

The row entry Budget Lines window has columns for Resource, Period Name, UOM (Unit of Measure), Quantity, Raw Cost, Burdened Cost, and/or Revenue. Budget lines are displayed sorted by resource.

To enter budget lines, perform the following steps:

1. Enter the *resource*.
2. Enter the *period* or *dates*.

   If the budget is non-time-phased, you do not enter dates. The dates are automatically set to equal the start and completion dates of the project or task.
3. Enter *quantity* and *amounts* for each budget line as defined in the budget entry method that you selected. You can enter a quantity only if the resource has a unit of measure specified. See: Resources and Resource Lists, *Oracle Projects Implementation Guide*.

   If you are entering task level budgets, use the up or down arrow buttons to display the next top or lowest level task in the list.
4. Enter a budget *Change Reason* and *Comment* for each budget line.
5. Save your work.

Revising Budget Lines

To assign a budget line to a different resource, if you have already saved your work, then you must delete and reenter the line.

To delete a budget line, you must perform the following steps:

1. Choose the budget line you want to delete and choose the Delete Record button from the toolbar.
2. In the Budget Matrix Entry window, deletion of a budget line for a resource and an amount type will only delete the amounts for the periods that are currently

displayed. It will not affect amounts for any other periods.

To fully delete a budget line for a resource, you must enter zeros for all amounts and for all periods for that resource.

Example:

A budget line exists for the Labor resource with the following amounts:

- Quantity = 10 for periods January through December
- Raw Cost = 100 for periods January through December

To fully delete the budget line (so that it is no longer displayed), you must change the amounts to zero for quantity and raw costs for periods from January through December.

Copying Budgets from a Project Template or Existing Project

When you copy a project template or project, Oracle Projects automatically copies the budgets of the source project template or project to the new, or target project.

Oracle Projects creates a draft budget using the current budget of the source template or source project. If the source template or source project does not have a current budget, then Oracle Projects uses the draft.

The new project has a draft for each budget type entered for the source template or source project. After you copy the project, you can modify the budget amounts if necessary.

If the status of the budget in the source template or project is *Submitted*, then the system sets the status of the target budget is *Working.*

Copying Budget Baselines

If you create a project by copying a project template that has budget baselines, then the system creates the new budgets as baseline versions. In addition, the system creates a corresponding current working version for each baseline version.

> **Note:** If the source project template has a revenue budget baseline, but no cost budget baseline, and the new project has a revenue distribution rule that accrues revenue using the ratio of actual cost to budgeted cost *(Cost/Cost, Cost/Event, or Cost/Work)*, then the revenue budget for the new project is created as a working version, not a baseline version.

If you create a project by copying another project, the budgets created are draft, (not baseline).

Copying Project Actual Amounts to the Budget of a New Project

When a new project will have a budget identical or similar to the actual amounts on an existing project, you can easily copy the actual amounts on the existing project to the new project budget as you create the new project.

To copy actual amounts to a new project budget, perform the following steps:

1. Create a special budget type for this purpose, such as *prototype*. See: Budget Types, *Oracle Projects Implementation Guide*.

2. In the existing project, copy the project actual amounts to the *prototype* budget (or whatever you have chosen to call the special budget type).

3. Create the new project by copying the existing project. See: Creating a New Project from a Project Template or Existing Project, *Oracle Projects Fundamentals*

4. In the new project, review and revise the *prototype* budget. When it is ready, copy it to the approved cost or approved revenue budget (whichever is appropriate). At this step, you can use the Amount Adjustment field to increase or decrease the amounts in the new budget by a percentage.

Copying Dates or Periods for Time-Phased Budgets

When copying time-phased budgets from a project template or project, Oracle Projects adjusts the dates or periods of the budget lines based on the new dates that you specify in Project Quick Entry, according to the following rules:

- If the source project template or project has no start date, then the budget and budget periods are copied to the new project without any adjustment to the budget periods even if a start date is entered in Project Quick Entry for the new project.

- If the source project template or project has a start date, but no start date was entered in Project Quick Entry, then the budget and budget periods are copied to the new project without any adjustment to the budget periods.

- If the source project template or project has a start date and a start date was entered in Project Quick Entry, and the budget entry method is GL or PA period, then Oracle Projects performs the following actions:

  - calculates the number of periods between (a) the first budget period entered for the source project template or project, and (b) the period that contains the project start date

  - derives the new start period for each budget line by adding the number of periods determined in the preceding action to the period of the new start date

If the source project template or project uses budget periods, then the new project will

also use budget periods. The budget periods are based on the PA or GL period of the new project and task start dates. For example:

- The source project has a start date of September 1, 2002 and budget amounts entered in P09-2002, P10-2002, and P12-2002.
- The new project has a start date of December 15, 2002.
- The system will create budget amounts for the new project in P12-2002, P01-2003, and P03-2003.

> **Note:** The copy process assumes all periods are equal in length. If your periods are not of uniform length, then you may get unacceptable results. This may require you to manually update your budget amounts.

Related Topics

Creating a New Project from a Project Template or Existing Project, *Oracle Projects Fundamentals*

Copying Actual Amounts to Budget Amounts

You can build a draft for a period-based budget based upon actual past expenditures. You cannot copy actual amounts for time-phased budgets that use date ranges, or for non-time-phased budgets.

Oracle Projects uses the budget entry method and resource list that you specify for the draft when copying actual amounts to the budget amounts. If you specify a budget entry method that uses both top and lowest task budgets, the budget lines are created at the lowest task level, using the resources in the resource list to which the actual amounts are mapped. Oracle Projects copies the actual amounts using the lowest level in the resource list, if resources are used; otherwise, it uses the resource groups. The resources are used even if you have budgeted at the resource group level. See: Resources and Resource Lists, *Oracle Projects Implementation Guide*.

The resulting new draft reflects the actual amounts incurred. If a resource was previously budgeted, but no actual amounts were incurred, this resource is not copied to the new draft budget. If an actual amount was incurred but was not previously budgeted, a new budget line is created in the budget to reflect the actual amount that was incurred.

The following table shows an example of actual amounts copied to budget amounts. In this example, you enter the following actual amounts for a resource, and associate the resource list with Project X.

Actuals

Enter the following actual amounts:

Period	Employee	Amount	Resource	Quantity
PA 1	Marlin	100	Professional	2 hours
	Vincent Business Supply	77	Supplies	
PA 2	Marlin	150	Professional	3 hours
	Gray	10	Computer Services	1 hour
	Robinson	50	Clerical	1 hour

Resource List

Associate the following resource list (Expenditure Type by Expenditure Category) with Project X:

Resource Group	Resource	Resource Type
Labor	Professional	Expenditure Type
Labor	Clerical	Expenditure Type
Asset	Computer Services	Expenditure Type

Resulting Draft

When you copy actual amounts from Project X, the following resulting budget lines are created:

Period	Resource Group	Resource	Quantity	Amount
PA 1	Labor	Professional	2	100
	Uncategorized	Uncategorized		77
PA 2	Labor	Professional	3	150

Period	Resource Group	Resource	Quantity	Amount
	Labor	Clerical	1	50
	Asset	Computer Services	1	10

To copy actual amounts to budget amounts:

Run the project summarization process for the periods for which you want to copy actual amounts. Oracle Projects uses the project summary amounts when copying actual amounts to budget amounts.

> **Note:** Only actual amounts from periods whose ending dates are earlier than the current date will be copied to budget amounts.

1. Navigate to the Budgets window.
2. Choose the project and budget type into which you want to copy actual amounts.
3. Choose Find Draft.
4. Choose Copy Actuals.
5. Enter the period range for which you want to copy actual amounts. Enter GL periods if you are budgeting by GL period, or PA periods if budgeting by PA period.

   The default start period is the earliest period for which the project has summarized actual amounts for the resource list used on the budget. The default end period is the current reporting period.
6. Choose OK.
7. Revise the budget amounts if necessary.
8. Save your work.

Using a Concurrent Program to Copy Actual Amounts

You can submit the concurrent program *PRC: Copy Actuals* to copy actual amounts to budget amounts instead of copying them from the Budgets window. The concurrent program runs in the background and enables you to continue working while it is copying.

Note: You must create the working budget version for the project and budget type combination before you submit the concurrent program.

For additional information about the concurrent program, see: Copy Actual Amounts, *Oracle Projects Fundamentals*.

Deleting a Draft

Find the draft you want to delete. Choose the Delete Record button from the toolbar, and choose OK to delete the draft. Oracle Projects deletes all budget lines associated with the budget version.

You can then create a new draft and enter any new lines by choosing Find Draft and navigating to the Budget Lines window.

Related Topics

Revising Budget Lines, page 3-10

Submitting a Draft

When you complete budget entry, you can submit your draft to indicate that it is ready for review and baseline.

When you submit a draft, Oracle Projects calls the Budget Verification extension. If the draft passes the rules in the Budget Verification extension, the budget status changes to *Submitted.* If the draft does not pass the rules in the Budget Verification extension, its status remains set to *Working*.

If the budget type of the budget uses Workflow to process budget status changes, the budget status changes to *In Progress* when a draft is submitted. After a successful submission, the budget status changes to *Baselined.* While the budget Workflow is active for a budget, no data entry is allowed for the budget and the buttons are disabled when the budget is displayed.

You can use the status information to inform individuals or groups who have different responsibilities with regard to budgets. For example, if project managers create draft budgets and the accounting department is responsible for baselining the budgets, the status informs users when a budget is ready for their use.

You can change a submitted budget back to the status *Working* if you need to make changes to the draft. For example, change the status to *Working* if you accidentally submitted the budget, or you found errors in the budget.

While the budget Workflow is active for a budget, you cannot change the status using the Budget window.

You cannot change the status to *Working* after you have baselined the budget.

If you want to make changes to the budget that after you create a baseline, you must

create a new baseline. See: Revising a Budget Baseline, page 3-25.

Prerequisites

Enter a draft. See: Entering or Revising a Budget Draft, page 3-3.

To submit a draft:

- Find the working draft that you want to submit in the Budgets window. Choose Submit.

To change a submitted budget status from Submitted to Working:

- Find the submitted draft that you want to change in the Budgets window. Choose Rework. Update the draft, as necessary and save your work.

  After you have completed the changes, you can resubmit the draft.

  > **Note:** You cannot choose Rework if a workflow is active for the budget.

The Submit Draft Budget Process

The following illustration shows the submit draft budget flow.

The Submit Draft Budget Flow

When you choose Submit from the Budgets window, the following events occur:

1. Oracle Projects calls the Budget Verification extension. The procedure is called **pa_client_extn_budget.verify_budget_rules**.

   By default, the Budget Verification extension does not include any budget submission requirements. You can customize the extension to match your company's rules for budget submission.

   The Budget Verification extension has two possible outcomes:

   - If the budget submission requirements are not met by the draft budget, an error message is issued and no status change is made.
   - If the budget submission requirements are met by the draft budget, Oracle Projects proceeds to the next step.

2. The system must determine whether to call Workflow. The field *Use Workflow for*

Budget Status Change in the Budget Type window determines whether Oracle Projects calls Workflow for the draft budget submission.

- If Workflow is not called, Oracle Projects changes the status of the draft budget to *Submitted*.
- If Workflow is called, Oracle Projects proceeds to the next step.

3. Oracle Projects calls the Budget Verification extension to determine whether the budget passes the budget baseline rules.

   By default, the Budget Verification extension does not include any budget baseline requirements. You can customize the extension to match your company's rules for creating a baseline.

   - If the budget fails the budget baseline rules, an error message is issued and no status change is made.
   - If the budget passes the budget baseline rules, Oracle Projects proceeds to the next step.

4. Oracle Projects calls the Workflow process indicated in the budget workflow extension.

   - If the draft budget fails the Workflow process, an error message is issued and no status change is made.
   - If the draft budget travels successfully through the Workflow process, Oracle Projects proceeds to the next step.

5. Oracle Projects applies the standard budget baseline requirements to the budget.

   - If the budget fails the standard budget baseline requirements, an error message is issued and no status change is made.
   - If the budget passes the standard budget baseline requirements, Oracle Projects proceeds to the next step.

6. Oracle Projects calls the Budget Verification extension again, to verify that the budget still passes the budget baseline rules.

   - If the budget fails the budget baseline rules, an error message is issued and no status change is made.
   - If the budget passes the budget baseline rules, Oracle Projects changes the budget status to *Baselined*.

Related Topics

Budget Workflow, *Oracle Projects Implementation Guide*

Creating a Baseline for a Budget Draft

Creating a baseline for a budget draft is the process of approving a budget for use in reporting and accounting. When the baseline function is called, the system copies the draft amounts into a new baseline budget version.

The most recent baseline version is named the Current Budget, which is used for reporting. All prior baseline budgets are historical baseline versions. The Current Budget, and all other baseline budget versions, have a status of *Baselined.*

For security reasons, this process is usually performed by a different project member than the person who entered and submitted the budget.

If a budget type uses Workflow for budget status changes, a baseline for a draft budget is automatically after it is submitted, if it passes all the Workflow approvals and other requirements. See Submitting a Draft, page 3-16.

For contract projects in Oracle Project Billing, the baseline function verifies that the budget amounts for the budget type *Approved Revenue Budget* equals the total funding for the project or for the top tasks within the project, if using task level funding. If this check is successful, a new budget version is created. If the amounts are not equal, Oracle Projects displays an error and does not create a new budget version.

Creating New Baselines for Budgets That Are Non-Time-Phased

If you create a budget that is not time-phased, and you used the default start and end dates (from the project or task start/end dates) when you create the budget, be aware of the following caveat:

- **Project Budget:** If you change the start or end date of the related **project**, you must re-baseline the budget to reflect the new dates.

- **Task Budget:** If you change the start or end date of the related **task**, you must re-baseline the budget to reflect the new dates.

Prerequisites:

- Enter and submit a draft. See: Entering or Revising a Draft, page 3-25.

- For contract projects in Oracle Project Billing with budgets using the budget type *Approved Revenue Budget,* enter the funding amount equal to the budget amount. If you are using top task funding, you must enter revenue budgets at the top task and/or the lowest task levels.

To baseline a draft:

- Find the submitted draft that you want to baseline. Choose Baseline.

Note: If the baseline function fails for the Approved Revenue Budget because the funding does not equal the revenue budget, then you must change the budget or the funding amounts before you can successfully baseline the budget.

The Draft Budget Baseline Process

The following illustration shows the draft budget baseline flow.

The Draft Budget Baseline Flow

When you choose Baseline from the Budgets window, the following events occur:

1. Oracle Projects calls the Budget Verification API. This program checks for standard rules that a budget must pass before it can be baselined. For example, an approved revenue budget amount must equal the project funding.

2. Oracle Projects calls the Budget Verification extension. The procedure is called **pa_client_extn_budget.verify_budget_rules**.

   By default, the Budget Verification extension does not include any budget baseline requirements. You can customize the extension to match your company's rules for baselining a budget.

3. The Budget Verification extension has two possible outcomes:

   - If the draft budget fails the baseline requirements, an error message is issued

and no status change is made.

- If the draft budget passes the baseline requirements, Oracle Projects changes the budget status to *Baselined.*

Creating a Baseline for an Integrated Budget

When you create a baseline version for an integrated project budget, Oracle Projects performs the following activities:

1. Validates the submitted budget version.
2. Creates a baseline for the new budget version.
3. Validates funds.

   For top-down integrated budgets, Oracle Projects validates existing approved transaction amounts (at resource, resource group, task, top task and project levels) against the project budget.
4. Generates accounting events to reverse the accounting for the most recent baseline version, if one exists, and to create accounting for the new baseline version.

   For bottom-up budget integration, Oracle Projects generates accounting events to create budget journal entries.

   For top-down integrated budgets, Oracle Projects generates accounting events to create encumbrance journal entries.
5. Create accounting in final mode for the accounting events in Oracle Subledger Accounting.
6. Validates funds.

   For bottom-up budget integration, Oracle Projects validates the budget amounts against an organization-level Oracle General Ledger budget.

   For top-down integrated budgets, Oracle Projects validates budget amounts against the General Ledger Funding Budget and then validates existing approved transaction amounts (at account level) against the project budget.

   > **Note:** If the budget fails funds validation, then the baseline process removes the accounting entries it created from Oracle Subledger Accounting and updates the submitted budget version to *Rejected* status.

You run the process PRC: Transfer Journal Entries to GL to transfer the journal entries to Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries

to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

For non-integrated budgets with budgetary control, Oracle Projects validates the submitted budget version, creates baseline version, and validates existing transaction amounts against the project budget. Oracle Projects does not generate and process accounting events for non-integrated budgets.

> **Additional Information:** When you use the PA: Budget Workflow to control budget status changes, Oracle Projects performs funds validation only after the budget is approved. See: PA: Budget Workflow, *Oracle Projects Implementation Guide*.

You cannot post journal entries in Oracle General Ledger if the journal entry violates the defined budgetary control. Funds validation in Oracle General Ledger depends on the type of budget integration as follows:

- For *bottom-up* budget integration:

  Oracle General Ledger funding budgets define spending limits for accounts. You can enable budgetary control to ensure that actual plus encumbrance balances for an account do not exceed the account budget balance. If a project budget is integrated with a Oracle General Ledger funding budget that has budgetary control enabled, then Oracle Projects performs a funds check against the funding budget as follows:

  - To perform a funds check for the initial baseline version, Oracle Projects sends all project budget lines for the draft budget version for funds check.

  - To perform a funds check when a prior baseline version exists, Oracle Projects sends all project budget lines for both the most recent baseline budget version (credits) and for the new budget version (debits) for funds check.

    > **Note:** Oracle Projects cannot generate funds check failures when you create the initial baseline version for a top-down integrated budget. In this case, the budget journal entries that you transfer from Oracle Subledger Accounting to Oracle General Ledger are only adding amounts to the organization-level budget in Oracle General Ledger. Oracle Projects can generate funds check failures when you create subsequent baseline versions for the budget. In this case, Oracle Projects creates reversal budget journal entries for

the most recent baseline version and new budget journal entries for the new baseline version. Budget reductions in the new version can result in an overall reduction in the organization-level budget balances in Oracle General Ledger. The funds check fails if the changes reduce the budget balance for an account to a value that is less than the current total cost for the account (actual cost plus encumbrances).

If funds are not available in the Oracle General Ledger funding budgets for all amounts to be transferred, then the baseline process fails.

- For *top-down* budget integration:

  The baseline process in Oracle Projects performs a funds check against the General Ledger Funding Budget. Oracle Projects performs a funds check against the funding budget as follows:

  - To perform a funds check for the initial baseline version, Oracle Projects sends all project budget lines for the draft budget version for funds check.

  - To perform a funds check when a prior baseline version exists, Oracle Projects sends all project budget lines for both the most recent baseline budget version (credits) and for the new budget version (debits) for funds check.

  If funds are not available in the General Ledger Funding Budget for all amounts to be transferred, then the baseline process fails.

Troubleshooting Baseline Failures

If the Oracle Projects baseline process fails as a result of a funds check failure, you can use the By Account tab of the Budget Accounts Details window to identify the project budget amounts that generated the funds check failure. In addition, the Workflow notification provides information about the failure.

You can use the Transactions Funds Check Results window to review funds check failures that occur during baseline processing. You can also use this window to review funds check failures that occur during transaction processing. . The corrective actions displayed on the Transactions Funds Check Results window will assist you in resolving the failed transactions.

For projects that have cost breakdown planning enabled, you cannot perform a funds check.

Related Topics

Integrating Budgets, page 3-54

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Oracle Projects Navigation Paths, *Oracle Projects Fundamentals*

Troubleshooting Baseline Failures for Integrated Budgets, page 3-28

Transfer Journal Entries to GL, *Oracle Projects Fundamentals*

Revising a Budget Baseline

After you create a budget baseline, you can modify the following descriptive fields for a baseline version:

- Version Name
- Change Reason
- Description
- Comment

You cannot directly change the amounts or structure of a budget baseline. If you need to make changes to a budget baseline , you must update the draft and create a budget baseline for that version.

After you baseline a budget, the draft is the same as the last current budget version.

Related Topics

Creating a Baseline for a Budget Draft, page 3-20

Revising an Original Budget

The first time you baseline a budget, that budget becomes the original budget. The Project Status window displays information in the original budget and the current budget.

You may want to modify the original budget to correct data entry errors or scope changes which you want to include in the original budget amounts.

Oracle Projects uses the latest revised original budget as the original budget in reporting.

To revise an original budget:

1. Choose Rework in the Budgets window.
2. In the Budget Lines window, enter the revised budget amounts for the draft.
3. Submit the budget for baseline processing. See: Submitting a Draft, page 3-16.
4. Choose Submit. Oracle Projects creates a new version which is identified as the new current budget and the new original budget.

Reviewing a Budget

Oracle Projects maintains budget history by retaining each budget version for each budget type, including summary and detail information.

To review budget history online:

1. Navigate to the Budgets form.
2. Choose the project and budget type for which you want to review budget history.
3. Choose History.
4. Review the budget versions in the Budget Version History window.
5. Choose Details to review the details of a budget version.

   You can also run reports that compare actual amounts to the current budget. See: Comparing Budget to Actual and Commitment Amounts, *Oracle Project Planning and Control User Guide*.

Reviewing and Overriding Budget Account Details for Integrated Budgets

You can review and optionally override default accounts, or an account segment, generated by the Project Budget Account workflow when budget integration is in use.

> **Note:** Do not update the account for the budget line if the budget line is associated with transactions. Updating the account causes the baseline process to fail.

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 generates using the Project Budget Account Workflow. In no transactions exist for a budget line, then Oracle Projects updates the budget line with the new account when you manually update accounts on the Budget Accounts Details window and when you define account derivation rules in Oracle Subledger Accounting to overwrite accounts.

> **Important:** If you update account derivation rules for budgets in Oracle Subledger Accounting, then you must carefully consider the affect of the updates on existing integrated budgets. The baseline process fails if a revised account derivation rule overwrites accounts for budget lines that are associated with transactions.

See also, Project Budget Account Workflow, *Oracle Projects Implementation Guide.*

To review budget account details:

1. Navigate to the Budgets window.
2. Choose the project and budget type for which you want to review budget history.
3. From the Tools menu, select Review Budget Accounting to open the Budget Account Details window.
4. Choose the By Budget Line tab to review the account details by budget line. You can also override General Ledger accounts in this window.
5. Choose the By Account tab to review the account details by General Ledger account.

When you override GL accounts on the By Budget Line tab, you can use one of the following options to view the account summary information on the By Budget Account tab:

- Select the Check Funds button to initiate a funds check for the budget lines

  Note: You can check funds for a draft budget version in either working or submitted status. The funds check option is not enabled for baseline budget versions, budget versions where the budget integration workflow has a status of *In Process*, and for budget versions for project templates.

- Select the Generate Accounting option from the Tools menu
- Submit the budget
- Create a budget baseline

To enter overrides for default accounts in the Budget Account Details window, the budget version must be in *Working* status. If the budget version is in Submitted status, then you must first choose to rework the budget to return it to *Working* status.

The By Budget Line tab displays the account generated for each budget line. You can use this tab to enter manual account overrides. Because budget lines are created for each budget period, you must enter account overrides for all applicable periods. To enable this window for entry of manual overrides, you must set the PA: Allow Override of Budget Accounts profile option to Y (Yes) and enable override function security for your user responsibilities.

Important: If you have entered account overrides manually, the system automatically replaces them with a generated account when the Project Budget Account workflow is activated using the Generate Budget Accounting option. If you add budget lines to an integrated budget

after you have entered manual overrides for the budget, then allow the budget submission process to generate accounts for the new lines.

For more information about budget integration, see: Integrating Budgets, page 3-54.

Troubleshooting Baseline Failures for Integrated Budgets

The By Account tab of the Budget Account Details window displays budget line amounts summarized by account and budget entry period. The upper (header) region displays the summarized account line totals and the lower (Budget Details) region displays the budget lines summarized in the selected header line.

For a given account, the Prior amount fields display the amounts from the previous baseline budget version. The Current amount fields display the new budget amounts. The Accounted Amount field (viewed using the horizontal scroll bar) displays the amounts to be transferred from Oracle Projects to Oracle Subledger Accounting and, in turn, from Oracle Subledger Accounting to Oracle General Ledger when you create the new baseline. Negative values in the Accounted Amount field indicate decreased or deleted budget line amounts.

Use the Check Funds button to identify the budget lines that caused a funds check failure. When you select this button, the system performs a funds check against the General Ledger funding budget for all accounts with an accounted amount greater or less than zero. The funds check process returns a funds check result for each account line. Use the vertical scroll bar to view the results. You can view the budget lines assigned to an account by selecting an account line. The budget lines for the selected account are displayed in the Budget Details region.

> **Note:** Before you create a baseline for a project budget that is integrated with a General Ledger funding budget, you can use the Check Funds button to ensure that the amounts to be interfaced do not violate budgetary control defined for the funding budget.

Related Topics

Creating a Baseline for an Integrated Budget, page 3-22.

Using Budgetary Control

Budgetary control enables you to monitor and control expense commitment transactions entered for a project, based on a project cost budget. Expense commitment transactions are transactions for non-inventory items. Oracle Projects enforces budgetary control for:

- Project-related purchase requisitions and purchase orders entered in Oracle Purchasing

- Contingent worker purchase orders entered in Oracle Purchasing
- Supplier invoices entered in Oracle Payables
- Project-related prepayments not matched to a purchase order and the application of unmatched prepayments to supplier invoices

Budgetary Control for Expense Reports

Budgetary control are enforced for supplier invoices entered in Oracle Payables. However, because expense reports are generally entered after costs are already incurred, budgetary control is not enforced for project-related expense reports entered in Payables. Therefore, you should ensure that your procedures for approving expense report expenditures include verification of available funds according to your business requirements.

Budgetary Control For Prepayments

Oracle Projects enforces budgetary control only for unmatched prepayments and for applications of unmatched prepayments to supplier invoices.

Budgetary and Transaction Validation

You can optionally define budget accounts for project budget lines at a higher level than transaction accounts. You must ensure that transaction accounts roll up to budget accounts within the budget account hierarchy in Oracle General Ledger. Similarly, if you define your own rules in Oracle Subledger Accounting to overwrite accounts, then you must ensure that the rules derive transaction accounts that roll up to budget accounts.

> **Note:** Oracle General Ledger does not allow you to post encumbrance journal entries to summary accounts.

Online Funds Check

When budgetary control is enabled, funds are verified for all project related commitment transactions before the transactions are processed. After a transaction is approved, the funds check process immediately updates the funds available balances to account for the approved transaction.

The funds available for a transaction are calculated by subtracting the actual and commitment balances from the budget amounts for a given budget category. The funds check process is based on the budgetary control settings.

Budget and Encumbrance Journals Inquiry

You can view budget and encumbrance subledger journal entries from the Oracle Subledger Accounting Inquiry menu in Oracle Purchasing, Oracle Payables, and Oracle Projects.

From the Oracle Subledger Inquiry menu, choose Subledger Journal Entries. From the Subledger Journal Entries page you can choose how you want to run the inquiry. If you choose to view data when any option is met, you must minimally specify either the ledger or GL date. You can choose either *Budget* or *Encumbrance* as the Balance Type. You can select additional options as needed.

For additional information about encumbrance event classes and event types, see: Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals* and Data that Oracle Projects Predefines for Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

> **Additional Information:** You cannot drill down from the subledger accounting level to see details of the journal entries.

Related Topics

Implementing Budgetary Controls, *Oracle Projects Implementation Guide*

Creating Budgets With Budgetary Control and Budget Integration, page 3-1

Integrating Budgets, page 3-54

Budgetary Control Settings

You use budgetary control settings to define the degree to which transactions are controlled (control levels) and when budget amounts can be spent (time intervals).

Time Intervals

A time interval defines the budget amounts and the transactions to be included in the available funds calculation. Time interval settings identify the beginning period and the ending period included in the calculation. The *amount type* identifies the beginning period and a boundary code identifies the ending period.

Available Funds Calculation

The available funds calculation is based on the values you enter for the following settings:

- Amount Type (beginning budget period)
- Boundary Code (ending budget period)

- Transaction GL Date

The funds check process determines available funds by summing the budget amounts and subtracting actual and committed transaction amounts for a defined time interval.

The Amount Type defines the start of a time interval. You select from the following amount types:

- **Period To Date:** The funds check routine uses funds available from the start of the period in which the transaction GL date falls.
- **Year To Date:** The funds check routine uses funds available from the start of the year in which the transaction GL date falls.
- **Project To Date:** The funds check routine uses funds available from the start of the project.

The Boundary Code determines the end of a time interval. You select from the following boundary codes:

- **Period:** The funds check routine uses funds to the end of the period that includes the transaction GL date.
- **Year:** The funds check routine uses funds to the end of the year in which the transaction GL date falls.
- **Project:** The funds check routine uses funds available to the end of the project.

The following table shows the valid combinations of amount types and boundary codes that you can set up for a budget, depending on the budget's time phase.

Budget Time Phase	Amount Type	Boundary Code
PA Period, GL Period, or None	Project To Date	Project
PA or GL Periods	Project To Date	Year
PA or GL Periods	Project To Date	Period
PA or GL Periods	Year To Date	Year
PA or GL Periods	Year To Date	Period
PA or GL Periods	Period To Date	Period

Note: When budgetary control is enabled, you cannot enter budget amounts using user-defined date ranges.

Control Levels

You use budgetary control levels to set the degree of control the system imposes on project commitment transactions. You can enter default control levels at the project type, project template, and project levels. You can also define default values for resource lists.

You select from the following control levels:

- **Absolute:** The transaction is rejected if sufficient funds are not available.
- **Advisory:** The transaction is accepted when sufficient funds are not available, but a the system issues a warning notification that available funds are exceeded.
- **None:** The transaction is accepted and no funds check is performed.

You can set control levels at the project, task, resource group, and resource levels:

You can enter different values at each level. For example, you can select the Absolute setting at the project level and the Advisory setting at the resource level.

Depending on the budget entry method used, you can override the default control level for a project, and for individual tasks, resource groups, and resources after you create a cost budget baseline. The following table depicts whether you can override control levels at the project, task, and resource levels, depending on the budget entry level and whether the budget is categorized by resources.

Budget Entry Level	Categorized by Resources	Override at Project Level	Override at Task Level	Override at Resource Level or Resource Group Level
Project	Yes	Yes	No	Yes
Project	No	Yes	No	No
Top Task	Yes	Yes	Yes	Yes
Top Task	No	Yes	Yes	No
Lowest Task	Yes	Yes	Yes	Yes
Lowest Task	No	Yes	Yes	No

Budget Entry Level	Categorized by Resources	Override at Project Level	Override at Task Level	Override at Resource Level or Resource Group Level
Top Task and Lowest Task	Yes	Yes	Yes	Yes
Top Task and Lowest Task	No	Yes	Yes	No

Funds Check Rollup

When control levels are either Absolute or Advisory, the funds check process first tests the lowest budget level to determine the availability of funds. If funds are available for a transaction at the lowest level, the funds check tests the next level in the budgetary control hierarchy. The process continues until the transaction passes all levels or fails at any level. If a transaction fails funds check at a level with a control level of Absolute, the process is discontinued. However, if the control level is Advisory, an insufficient funds warning notification is generated and the funds check process continues to the next level.

The hierarchy of levels for the funds check, from lowest to highest level, is as follows:

1. Resource
2. Resource Group
3. Lowest Task
4. Top Task
5. Project

Note: Mid-level tasks are not included in the rollup succession.

Related Topics

Budgetary Control, *Oracle Projects Fundamentals*

Implementing Budgetary Controls, *Oracle Projects Implementation Guide*

Entering Budget Amounts for Controlled Budgets

You must enter raw cost or burdened cost for cost budgets and revenue amounts for revenue budgets when you enter budget amounts for budgets that have budgetary

control enabled. Additional consideration is required when your budget entry method uses a resource list and when burdening is enabled for your project.

Entering Cost and Revenue Amounts

When you enter a budget with budgetary control enabled, you must enter raw cost or burdened cost amounts for cost budgets or revenue amounts for revenue budgets. If you enter only quantities, the baseline process fails because it does not use quantity for budgetary control purposes. The baseline process uses only amounts from the *Burdened Cost* and *Revenue* amount types.

For example, if you enter revenue budget amounts only for the *Hours* and *Currency* amount types, the baseline process fails. You must enter amounts for the *Revenue* amount type.

Budget Amounts for Resources

If the budgetary control level for resources or resource groups is Absolute or Advisory, and no budget amount is entered for a resource or resource group, then Oracle Projects treats the entered budget amount as zero. As a result, transactions that map to resources with no budget amounts fail the funds check at an Absolute level and pass the funds check with a warning at an Advisory level.

A budget entry category called *Unclassified* is available at the resource list level. This category enables you to enter one budget amount for a group of resources. You can selectively control costs for some resources within a resource group by entering specific budget amounts for those resources. You can then use the Unclassified category to budget for the remaining resources within the resource group.

The Unclassified category serves as a budget line for any resource for which a specific budget line does not exist.

Burden Cost Amounts

If burdening is enabled for a project, funds check is performed using the transaction burdened cost. Oracle Projects provides the following methods of accounting for burden costs:

- Same Expenditure Item
- Separate Expenditure Item

Same Expenditure Item

When you account for burden cost on the same expenditure item as raw costs, the funds check process calculates the burden cost amounts for a transaction and adds them to the raw cost amount. The process then maps the burdened transaction amount to a budget line and performs the necessary funds checks.

When you use the Same Expenditure Item method of accounting for burden costs, enter

budget amounts for the burdened transaction costs.

Separate Expenditure Item

When you account for burden costs as separate expenditure items, the funds check process calculates the burden cost amounts for each burden cost component and separately maps each burden amount and the raw cost amount to a budget line. Individual funds checks are performed for each component. If any component fails the funds check, then the entire transaction is rejected.

When you use the separate expenditure item method of accounting for burden costs and you are not using a resource list for budget entry, enter budget amounts for the burdened transaction costs. The burden costs and the raw cost are mapped to budget lines using the same mapping rules and are therefore mapped to the same line.

When you use this burden accounting method and you are budgeting using a resource list, the burden costs are not mapped using the resource for the raw cost. You must ensure that each burden cost component maps to a budget line with the desired budgetary control setting. To do this, define your burden cost components as resources on your resource list and then use these resources to enter budget amounts for burden costs. This allows you to enter a budgetary control setting for each burden cost component and a control setting for budget lines defined for raw costs. If you do not want to impose budgetary control on burden cost amounts, you can assign a control setting of *None* for all budget lines for burden component resources.

An alternative to defining resources on your resource list for burden cost components is to use the Unclassified budget entry category to budget for burden cost amounts. If a budget line cannot be found for the burden cost components and an Unclassified budget line exists, then the funds check process maps the burden costs to the Unclassified line.

Budget Definition Strategies

Budgetary control only applies to expense commitment transactions. Budgetary control does not apply to other project-related transactions such as timecards, expense reports, or inventory item purchases. Therefore, when you enable budgetary controls for a project, it is recommended that you use one of the following strategies for defining cost budget amounts:

- Strategy One: Define two budgets: an overall project cost budget and another budget for expense commitment transactions.
- Strategy Two: Define one cost budget, with budget lines that track and control only expense commitment transactions.

Define Two Budgets

Define the following two budgets:

Overall Project Cost Budget

Define an overall project cost budget. (Typically, the Approved Cost Budget type is used to define an overall cost budget). The overall cost budget tracks all project costs.

Do not enable budgetary control for the Approved Cost Budget type.

Budget for Expense Commitment Transactions

Define a separate budget for expense commitment transactions. It is recommended that you create a user-defined budget type for the commitment budget. When you enable budgetary control for your project, use the user-defined budget type.

The commitment cost budget tracks and controls the project's expense commitment transactions. The commitment cost budget amounts are a subset of the budget amounts defined for the overall cost budget.

Define One Cost Budget

The second approach for implementing budgetary control uses one cost budget for all anticipated project costs. The budget includes separate budget lines for expense commitment transactions and all other anticipated project costs.

Typically, the Approved Cost Budget type is used to define a project's overall cost budget. Therefore, when you define a project, enable budgetary control using this budget type. After you create a baseline, you must ensure that budgetary control settings are properly defined for all budget lines entered for your expense commitment transactions. It is recommended that a control setting of None be entered for all other budget lines. This helps reduce confusion, as funds checks are not performed for transactions mapping to these lines.

Transaction Processing With Controlled Budgets

When a transaction is charged to a project, the funds check processes are activated in both Oracle General Ledger and Oracle Projects. Funds check is activated for new transactions and for adjusted transactions.

You can review funds check results online. Results are displayed for transactions that pass funds check and for transactions that fail funds check.

Funds Check Activation In Oracle Purchasing and Oracle Payables

In Oracle Purchasing and Oracle Payables, funds check processes are activated when you select the Check Funds option for a transaction, and also during the transaction approval process.

> **Important:** Do not change project attributes on any purchasing or payables document with existing accounting entries. This results in funds validation errors and incorrect budgetary control data. You must

reverse any existing accounting entries before you modify the project attributes on the document.

See: Funds Check Activation in Oracle Purchasing and Oracle Payables, *Oracle Project Costing User Guide*.

Funds Check Activation in Oracle Projects

In Oracle Projects, budgetary control only applies to expense commitment transactions. Project related expense commitment transactions are interfaced from Oracle Purchasing and Oracle Payables to Oracle Projects as supplier costs.

After actual supplier costs are interfaced to Oracle Projects, you can adjust the expenditure items in Oracle Projects. The following types of adjustments can affect the available funds for a project:

- Transfer
- Split
- Reverse
- Recalculate burden cost (for example, due to a burden multiplier change)

The process PRC: Distribute Supplier Cost Adjustments is used to recost supplier costs after you make adjustments. This process performs a funds check for transactions meeting all of the following criteria.

- The supplier cost originated in Oracle Purchasing or Oracle Payables
- The transaction is charged to a project with budgetary control enabled
- The transaction is an expense item

When you change a burden multiplier, you must run one of the following processes to perform a funds check for the changed burden amounts. The process you run depends on the burdening method for the project.

- PRC: Distribute Total Burdened Costs

  Run this process if the project is set up to account for total burdened costs.

- PRC: Create and Distribute Burden Transactions

  Run this process if the project is set up to account for burden costs by burden cost component.

If funds are available for the adjusted expenditure amounts, then the adjustment item is cost distributed. If funds are not available for an item, then the item is not distributed and an exception is reported.

If an item is not cost distributed as a result of a funds check failure, then you must perform one of the following actions and rerun the process PRC: Distribute Supplier Cost Adjustments:

- Increase budget amounts so funds are available for the expenditure item.
- Decrease the budgetary control level from Absolute to Advisory or None for the budget level causing the funds check failure.
- For an adjusted item, undo the change that increased the expenditure item amount. For example, if you increased a burden cost rate, then set the rate back to its original value.
- For a transferred item, transfer the item to a task within the same project, or to another project or project task that has sufficient funds available or that does not have budgetary control enabled.

You can, due to various reasons (changes in contract, cancellation of existing booking, changes to project schedule, so on), initiate adjustment to original documents. Some of the adjustments can be any of the following:

- Cancellation of complete document
- Partial cancellation of document
- Transfer of document from one project/task to other project/task

For cases, where the funds are already committed on original transactions or they have interfaced to Projects as Actuals, then Oracle Projects supports releasing the commitments (if any) or to interface the adjustments to Oracle Projects to create Net Zero transactions against them.

If the Adjustment Allowed transaction source option is checked for a custom transaction, then you can adjust these transactions once they are interfaced to Oracle Projects. In such cases, Oracle Projects re-costs and re-accounts these transactions.

Related Topics

Create and Distribute Burden Transactions, *Oracle Projects Fundamentals*

Distribute Supplier Cost Adjustments, *Oracle Projects Fundamentals*

Distribute Total Burdened Costs, *Oracle Projects Fundamentals*

Overview of Burdening, page 5-1

Viewing Transaction Funds Check Results

Once funds check has been performed, you can view the results from the Transaction Funds Check Results window. Results are displayed for both the passed and failed funds check transactions. To help resolve the failed transactions, corrective actions are

also displayed.

Transaction Funds Check Results Window

To review transaction funds check results, perform the following steps:

1. Navigate to the Funds Check Results window from the Tools menu in your specified budget.
2. Enter selection criteria.
3. Review the results of the transaction funds check process.
4. Select a budget level tab to view information for a specified budget level.

Transaction Funds Check Header Information

The header region of the Transaction Funds Check Results window displays transactions that have undergone a funds check. This region is a folder-type region. All of the details about the transaction can be displayed, including the specific funds-check fields shown in the table below:

Field Name	Description
Packet ID	Identifier assigned to the budgetary control packet
Status	Funds check status
Document Type	Type of document (for example, purchase requisition)
Version Number	Budget version number

The window displays funds check information by budget level for the selected transaction. A tab is displayed for each project budget level. The information displayed at each budget level includes budget, available funds, transaction amounts, and a status message for the funds check results.

> **Note:** Use the PA: Days to Maintain BC Packets profile option to control how long funds check results are retained for online viewing. See: Defining Profile Options for Budgetary Controls, *Oracle Projects Implementation Guide*.

You can view the transaction funds check start and end dates, amount type, and boundary code fields. While funds check is performed for a transaction the actual

budget available is displayed at the following levels: resource, resource group, task, top task, and project, on the respective tabs.

The Document Type includes two new options, Custom Labor Costs and Customer Other Costs that you can use for budgetary control enabled projects.

Funds Check Detail Information

The detail region displays the fields shown in the table below:

Field Name	Description
Account	Identifier of the GL account (when budget integration is used)
Budget	Budget total used for funds check based on the defined budgetary control time interval
Actuals	Commitment transactions interfaced to Projects
Commitments	Approved commitment transactions not yet interfaced to Projects
Available Balance	Available funds before the funds check
Transaction Amount	Amount of the transaction
New Available Balance	Available balance after the funds check
Funds Check Results	Funds check status information

Maintaining Budgetary Control Balances

Oracle Projects maintains budgetary control balances for all projects that use budgetary controls. For each budget line, the budget amount, the commitment transactions total, and the total actuals related to commitment transactions are maintained. The system also calculates available funds for each budget category and budget period.

When you create a baseline from the original budget version, the system creates initial balances. When you run the PRC: Maintain Budgetary Control Balances process, the balances are updated. The updated balances are displayed in the Budget Funds Check Results window. It is recommended that you use the scheduling options to run the Maintain Budgetary Control Balances process regularly. To determine how often to schedule the process, consider the number of project-related commitments your business creates each day as well as your online inquiry business needs.

Viewing Budgetary Control Balances

Use the Budget Funds Check Results and Commitment Amounts windows to view budgetary control balances online.

Budget Funds Check Results Window

The Budgetary Control window, available from the Tools option of your specified budget, displays budget, actuals, commitments, and available funds balances for each budget level. The window includes a tabbed region for each project budget level. The levels can include the following: summary, project or project account, top task, task, resource group, and resource. You can use the window to review project-to-date transactions and to plan future expenditures. You can also use the information in this window, along with the Transaction Funds Check Results window, to troubleshoot transaction funds check failures.

For the latest budget version, choose the Summary tab to view the budget, commitments, actuals, funds consumed, and funds available. The Summary tab now includes two new fields, Custom Labor Cost and Custom Other Cost, displays total commitments from custom sources for Labor Non-Labor commitment. When you click the Commitments or Actuals details button the following fields are available for searching and filtering details: Task Number, Expenditure Type, Organization, Commitment Dates or Actual Dates, Commitment Type, Supplier Name, and Supplier Number.

Choose the Commitments button to display the commitments total for the selected line, summarized by commitment type.

The following table shows the fields in each tabbed region of the Budget Funds Check Results window. All fields are for display only.

Field Name	Description
Control Level	Budgetary control level for a budget line
Budget	Budget amount for a budget line
Actuals	Commitment transactions interfaced to Oracle Projects
Commitments	Approved commitment transactions not yet interfaced to Oracle Projects.
Funds Available	Available funds (budget amount less actuals and commitments) based on the defined time interval

Field Name	Description
Start Date	Beginning period date for amounts in a budget line
End Date	Ending period date for amounts in a budget line
Result	(reserved for future use)

Commitment Amounts Window

To review commitment amounts by commitment type, perform the following steps:

1. Navigate to the Budgets window from the Projects Navigator.
2. Query the project cost budget.
3. Choose the History button to view the budget version history.
4. Select View Funds Check Results from the Tools menu.
5. Select a budget level tab to view budget lines for a specified budget level.
6. Choose the Commitments button to view the commitment details for a selected line.

The following table shows the fields the Commitment Amounts window. All fields are for display only.

Field Name	Description
Requisition	Total purchase requisition commitments recorded against a budget line
Purchase Order	Amount of purchase order commitments recorded against a budget line
Supplier Invoice	Amount of supplier invoices recorded against a budget line that have not been interfaced from Payables to Projects
Custom Labor Cost	Amount from labor commitment booked from custom sources outside the budget line

Field Name	Description
Custom Other Cost	Amount from non-labor commitment booked custom sources outside the budget line
Total	Total commitments for a budget line

Total Commitments is a clickable option that displays a popup which shows overall commitment amounts booked against a project.

Modifying Controlled Budget Amounts

When you modify a project budget, budgetary control balances are created for the new budget version. During the baseline process, all existing project transactions are mapped to a budget line in the new version. A funds check is performed for all transactions subject to budgetary control to ensure that transaction totals do not exceed available funds calculated using the new budget amounts. The baseline process fails if the budget amounts for the new budget version cause a budgetary control violation.

To identify the cause of a failure, query the draft budget version using the Budget Funds Check Results window. Any budget line with a negative amount in Funds Available and an Absolute control level causes the baseline to fail.

Adjusting Budgetary Control Levels

When you create a baseline for a project budget for the first time, Oracle Projects creates default budgetary control level settings for each budget level based on the values in the Budgetary Controls option. You can override the default control level values for the baseline budget version. When you create subsequent baselines for the project budget, Oracle Projects uses the revised budgetary control level settings and not the default settings. For example, if you override the budgetary control level for a task, Oracle Projects does not reset the task to the default value the next time that you create a baseline for the budget.

If you add new tasks to the project or new resource groups or resources to the resource list assigned to the budget, the next time you create a baseline for the budget, Oracle Projects automatically creates default budgetary control settings for the new tasks, resource groups, or resources. You can override the default control level values for the baseline budget version.

To adjust budgetary control levels, perform the following steps:

1. Navigate to the Budgets window from the Projects Navigator.
2. Query your project cost budget.
3. Choose the History button to view the budget version history.

4. Select Budgetary Controls from the Tools menu.

5. Change control level values as required.

6. Save your work.

7. If you are budgeting using a resource list, choose the Resources button on the Budgetary Control window to override the default values for resource groups and resources.

   Important: You can select the *Reset Defaults* button on the Budgetary Control window to restore the default budgetary control settings for the project. When you select the *Reset Defaults* button, Oracle Projects resets all budgetary control settings to the default values, including any settings that you have manually overridden.

Default Budgetary Control Settings and Changing the Budget Entry Method

You can change the budget entry method for a budget after you create a baseline version. If the budget entry level for the new budget entry method is different from the budget entry level for the current budget entry method, Oracle Projects resets the budgetary control level settings to the default budgetary control setting when you create the next budget baseline.

For example, if the budget entry level of the current budget entry method is *Top Tasks* and the budget entry level for the new budget entry method is *Lowest Tasks*, Oracle Projects resets the budgetary control to the default budgetary control level settings when you create the next budget baseline.

Budgetary Control on Miscellaneous Expenditures

This functionality facilitates budgetary control for Custom transactions booked in the legacy system. This solution applies to projects with Budgetary control-enabled and uses the non-integrated GL budgets. Oracle Projects supports the following features:

- Funds check before document in legacy system is booked

  When creating documents in legacy system you can do a funds check to confirm, when needed, expenses can be booked on the project or not.

- Reserving Commitments while a document in legacy system is confirmed

  When a document in legacy system is confirmed after validation of required funds on the project, the commitments are reserved in Oracle Projects.

- Review of Funds Check Rejections from Legacy System

  Public APIs are provided that enabls you to get rejection details during funds check

failures.

Transaction Imports

Funds Check during Transaction Import

The Transaction Import process is enhanced to perform funds check for costed and accounted transactions that are imported from legacy systems for non-integrated budgetary control enabled projects. For transactions, which have undergone funds check in Legacy systems, this program performs the following:

- Check funds availability for these transactions again.
- If funds are available, then Import transactions to Oracle Projects and Release commitments booked against these transactions through Legacy systems.

If funds are not available, then rejection details display. For these transactions, you can perform required adjustments in the legacy system and reprocess these transactions.

Transactions that have no prior commitments and did not undergo funds check process, then Oracle Projects performs the following:

- Check funds availability for transactions:
  - If funds are available, then import transactions to Oracle Projects as Actuals.
  - If funds are not available, then mark transactions with rejection showing rejection details.

Funds Check API (PERFORM_FUNDS_CHECK)

This API is used to check availability of funds on a project. Based on the setups defined for a project the API returns True or False values. In case of funds check failures, the API provides rejection reasons.

In case of funds check failures, the API provides rejection reasons.

Reserving Commitments

This check is performed during the document approval and confirmation process, when user confirms transactions, Oracle Projects checks funds availability. If funds are available, then commitments are reserved in Oracle Projects.

The is performed by a public API call from the Legacy system to Oracle Projects.

Call for Commitments API (RESERVE_COMMITMENTS)

This API checks availability of funds on a project. Based on the setups defined for a project the API returns True or False values.

This API call performs following:

- Calls for funds check to validate if the required funds are available.

- If funds are not available (Absolute level of control), then the document in Legacy system is not confirmed. Funds Check Results window displays rejection details.
- If funds are available or control is set to Advisory or None, then the document in the Legacy system is confirmed.
  - Commitments are reserved against transactions in Oracle Projects.
  - Reserved commitments can be viewed in Funds check balances page against the reserved commitment.
  - Funds check results page displays overall commitments reserved.

Transaction Adjustments through API

This API is used for Transaction Adjustments as well.

- Documents that are processed for commitments in Oracle Projects, the API releases commitments as per the adjustment on document (Full or Partial adjustment).
- If Actuals exists against the original document, then the API interfaces transactions to Oracle projects and creates net zero expenditure items against original expenditures.
- If there are failures during adjustments, then the API displays appropriate messages and does not release existing commitments or create net zero expenditure items.

Import to Projects Interface Table

Data in Transaction Interface table can be loaded in different ways. You can use Legacy systems to create transactions and perform funds check and reserve commitments, and you can directly interface transactions to Interface table and process them for import to Oracle Projects. Oracle Projects supports both methods of data imports.

Transactions that were funds checked in the legacy system could have associated commitments already reserved in Oracle Projects. You should avoid updating attributes of such transactions in the interface table.

Interface Table

For transaction adjustments imported directly to the interface table, the PRC: Transaction Import process performs the following checks:

- If the original transaction exists in the interface table that are not interfaced to Oracle Projects, then you must delete both original and reversal transactions in the interface table or based on business requirements process both transactions to Oracle Projects.
- If the original transaction exists in the interface table with a Rejected status, then

Oracle Projects updates the records registered against these rejections.

- If the original transaction is interfaced to Oracle Projects, then the adjustment must be interfaced to Oracle projects and it creates net zero adjustments.

The funds check balances will be updated accordingly to set the right status of funds consumed on project.

Review of Transactions in Interface Table

The Review Transaction window displays rejection reasons for transactions in the Interface Table that have undergone funds check during transaction import process and were rejected by the interface program.

Budgetary Control Cross Charge Restriction

A transaction is subject to the budgetary control settings defined for only the ledger in which the transaction originates. Therefore, when budgetary control is enabled for a project, you cannot enter cross charge transactions that cross ledgers.

The following scenario illustrates the need for this restriction:

- Two ledgers are defined in an installation of Oracle Applications.
- In Ledger One (L1), budgetary control is enabled in Oracle General Ledger and Oracle Payables.
- In Ledger Two (L2), budgetary control is not enabled in any application.

Project A is defined in L1 and budgetary control is enabled for the project. If you enter a commitment transaction in L2 for Project A, the transaction is not funds checked, because budgetary control is not enabled in L2.

Budgetary Control Result Messages

The following table lists budgetary control result codes and messages, and provides information on responding to each message.

Result Code	Result Text	Corrective Action
F100	Insufficient Funds	Ensure that funds are available
F101	No budget exists at the resource level	Ensure that a budget exists at the resource level

Result Code	Result Text	Corrective Action
F102	No budget exists at the resource group level	Ensure that a budget exists at the resource group level
F103	No budget exists at the task level	Ensure that a budget exists at the task level
F104	No budget exists at the top task level	Ensure that a budget exists at the top task level
F105	No budget exists at the project level	Ensure that a budget exists at the project level
F106	No budget exists at the project account level	Ensure that a budget exists at the project account level
F108	The transaction failed budgetary control at the resource level	Increase the budget at the resource level or change the budgetary control level to *Advisory* or *None*
F109	The transaction failed budgetary control at resource group level	Increase the budget at the resource group level or change the budgetary control level to *Advisory* or *None*
F110	The transaction failed budgetary control at the task level	Increase the budget at the task level or change the budgetary control level to *Advisory* or *None*
F111	The transaction failed budgetary control at the top task level	Increase the budget at the top task level or change the budgetary control level to *Advisory* or *None*
F112	The transaction failed budgetary control at the project level	Increase the budget at the project level or change the budgetary control level to *Advisory* or *None*
F113	The transaction failed budgetary control at project account level	Increase the budget amount at the project account level

Result Code	Result Text	Corrective Action
F114	The transaction failed to populate burden cost	Contact your system administrator for assistance
F118	Budgetary control failed due to invalid budget versions	Create a baseline version for the project budget
F120	Budgetary control failed during setup and summarization	Contact your system administrator. Your system administrator can run funds validation with PA debug on to identify the error.
F121	The resource list is invalid or null	If the project budget is categorized by resource, then ensure that you assign a resource list to the budget
F122	The amount type or boundary code is invalid	Update the amount type or boundary code in the budgetary control settings for the project
F123	The amount type or boundary code is invalid for no time phase	To create a budget without time phases, select an amount type of *Project to Date* and a boundary code of *Project* in the budgetary control settings for the project
F124	Invalid boundary code for amount type Project To Date	Contact your Oracle Projects super user for assistance. Your Oracle Projects super user can verify the amount type and boundary code combination for the project.
F125	Invalid boundary code for amount type Year To Date	Select either *Year* or *Period* as the boundary code in the budgetary control settings for the project

Result Code	Result Text	Corrective Action
F127	Invalid boundary code for amount type Period To Date	Select *Period to Date* as the boundary code in the budgetary control settings for the project
F128	Budgetary control failed due to invalid resource list member	Verify that the resource list member is included in the resource list. If the member is included in the list, then ensure that the resource list member is valid.
F129	Start date or end date is null for the specified date range	For a budget with a *Project to Date* amount type and *Project* boundary code, ensure that a budget line exists for the period or that you specify both a start date and an end date for the project. For other amount type and boundary code combinations, ensure that a budget exists for the period associated with the transaction.
F130	Start date or end date is null for the specified PA period	For a budget with a *Project to Date* amount type and *Project* boundary code, ensure that a budget line exists for the period or that you specify both a start date and an end date for the project. In addition, ensure that the PA period is valid.
F131	Budgetary control failed because of invalid budget entry method	Ensure that the *Burdened Cost* option is enabled for the budget entry method
F132	Could not map to a budget line while deriving budget account	Ensure that budget lines are generated for all periods

Result Code	Result Text	Corrective Action
F134	Start date or end date is null for the specified GL period	For a budget with a *Project to Date* amount type and *Project* boundary code, ensure that a budget line exists for the period or that you specify both a start date and an end date for the project. For a budget with a time phase of *GL Period*, ensure that the period is valid and that it is not set up as an adjustment period.
F136	Budgetary control failed while calculating start date or end date	Contact your system administrator. Your system administrator can trace the process to obtain additional information.
F137	No matching requisition was found for this purchase order	Contact your system administrator. Data issues can cause this error.
F138	No matching purchase order was found for this invoice	Contact your system administrator. Data issues can cause this error.
F140	Failed due to fatal error while inserting burden cost	Contact your system administrator. Your system administrator can trace the process to obtain additional information.
F141	Lock not acquired due to concurrent budgetary control validations	Retry budgetary control
F142	Budgetary control failed due to unexpected error	Contact your system administrator. Your system administrator can trace the process to obtain additional information.

Result Code	Result Text	Corrective Action
F143	Budgetary control failed because baseline process is in progress	Retry the funds check after the baseline process for the budget is complete
F150	The GL budgetary control failed for the check funds mode	Decrease the project budget or increase the GL budget
F151	The GL budgetary control encountered fatal errors	Contact your system administrator. Your system administrator can trace the process to obtain additional information.
F155	The GL budgetary control failed for the full mode	Decrease the project budget or increase the GL budget
F156	The GL budgetary control failed for the partial mode	Decrease the project budget or increase the GL budget
F160	Budgetary control failed to generate the return code	Contact your system administrator. Your system administrator can trace the process to obtain additional information.
F162	Budgetary control failed to update budget account balances	Contact your system administrator. Your system administrator can trace the process to obtain additional information.
F165	No budget account on raw line	Ensure that a budget account exists
F166	No baselined budget version exists for this project	Create a baseline version for the project budget

Result Code	Result Text	Corrective Action
F168	Encumbrance accounting event could not be created	Contact your system administrator. Your system administrator can review the log files to obtain additional information. This error relates to setup for Oracle Subledger Accounting. If you modified a predefined application accounting definition, then you must revalidate it. In addition, verify any modifications to the predefined subledger accounting setup.
F169	Account changed for a budget line with an existing transaction	Ensure that account has not been changed for a budget line with an existing transaction
F170	Transaction failed in full mode	A related transaction in the process failed. Fix the related distribution line that failed funds check and then rerun the funds check.
F172	Oracle Subledger Accounting application failed	Contact your system administrator. Your system administrator can review the log files to obtain additional information. This error relates to setup for Oracle Subledger Accounting. If you modified a predefined application accounting definition, then you must revalidate it. In addition, verify any modifications to the predefined subledger accounting setup.

Result Code	Result Text	Corrective Action
F173	Distribution record missing in General Ledger table	Contact your system administrator. Your system administrator can review the log files to obtain additional information. This error relates to setup for Oracle Subledger Accounting. If you modified a predefined application accounting definition, then you must revalidate it. In addition, verify any modifications to the predefined subledger accounting setup.

Integrating Budgets

Oracle Projects budget integration features enable you to integrate project budgets with non-project budgets. A non-project budget is a budget defined outside Oracle Projects. You define budget integration to perform bottom-up or top-down budgeting.

Overview of Bottom-Up Budget Integration

When enterprises use bottom-up budgeting, they build organization-level budgets by consolidating budget amounts from lower-level sources. When you define budget integration for a project, the project budget can be consolidated automatically.

When you submit a bottom-up integrated budget to create a baseline version, Oracle Projects validates the submitted budget version, creates a baseline version, generates accounting events, creates budget journal entries in final mode for the accounting events in Oracle Subledger Accounting, and validates the budget amounts against an organization-level Oracle General Ledger budget. You run the process PRC: Transfer Journal Entries to GL to transfer budget journal entries from Oracle Subledger Accounting to Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

Overview of Top-Down Budget Integration

When enterprises use top-down budgeting, top management defines spending limits for each organization. Budgetary control is set to enforce the limits, and encumbrance accounting creates reservations for planned expenditures.

The reservations ensure that funds will be available when project costs are incurred, and provide a complete picture of funds available for future use. At any time, managers can view:

- the defined spending limits, the costs of their recorded expenditures
- the anticipated costs of their planned expenditures and approved projects
- the remaining funds for future projects and future purchases

When you submit a top-down integrated budget to create a baseline version, Oracle Projects validates the submitted budget version, creates a baseline version, validates existing approved transaction amounts (at resource, resource group, task, top task and project levels) against the project budget, generates accounting events, creates encumbrance journal entries in final mode for the accounting events in Oracle Subledger Accounting, validates budget amounts against the General Ledger Funding Budget, and validates existing approved transaction amounts (at account level) against the project budget. You run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries from Oracle Subledger Accounting to Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

Budget Integration Procedures

You use different operating procedures depending on whether you are using bottom-up budget integration or top-down budget integration. For a detailed discussion of these procedures, see:

- Using Bottom-Up Budget Integration, page 3-56
- Using Top-Down Budget Integration, page 3-63

The following section describes the procedures for generating accounts for project budget lines.

Account Generation

Oracle Projects budget integration supports integration with non-project budgets defined in Oracle General Ledger. You define Oracle General Ledger budgets at the account level, and you enter budget amounts for an account and a GL period combination. Therefore, when a project budget is integrated with a GL budget, an account must be assigned to each project budget line.

Project Budget Account Generation Workflow

The Project Budget Generation Account workflow enables you to automate the account generation and assignment process. You can optionally set up detailed accounting rules 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 generates using the Project Budget Account Workflow. In this case, Oracle Projects updates the budget lines with the new accounts.

> **Important:** If you update account derivation rules for budgets in Oracle Subledger Accounting, then you must carefully consider the affect of the updates on existing integrated budgets. The baseline process fails if a revised account derivation rule overwrites accounts for budget lines that are associated with transactions.

For details about this workflow, see: Project Budget Account Generation Workflow, *Oracle Projects Implementation Guide*.

For details about Oracle Subledger Accounting, see: Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

Using Bottom-Up Budget Integration

When enterprises use bottom-up budgeting, they build organization-level budgets by consolidating budget amounts from lower-level sources. In bottom-up budgeting, you can define the organization-level cost budget by consolidating the approved cost budgets for all projects owned by the organization. Similarly, you can define the organization-level revenue budget by consolidating all project revenue budgets.

Bottom-up budgeting enables project managers to define budgets for controlling and monitoring individual project costs and revenues, and provides financial managers with an organization-level view for reporting purposes.

> **Additional Information:** When you use bottom-up budgeting, budgetary control is not enforced. Bottom-up budgets are implemented primarily to send budget journals to Oracle General Ledger. Oracle General Ledger performs the funds check against the GL budget.

Define bottom-up integration for your projects if you want to consolidate your project budget amounts automatically to create organization-level budgets. To use bottom-up integration, you must use Oracle General Ledger to store and maintain your organization-level budgets.

To use bottom-up budget integration, you need to do the following:

- Define your organization-level budgets in Oracle General Ledger.
- Define budget integration for your projects.
- Enter project budget amounts and generate accounts for each project budget line.
- Create baseline versions for your project budgets.

  The budget baseline process validates the submitted budget version, creates a baseline version, generates accounting events, creates budget journal entries in final mode for the accounting events in Oracle Subledger Accounting, and validates the budget amounts against an organization-level Oracle General Ledger budget.
- Import budget journal entries in General Ledger.

  You run the process PRC: Transfer Journal Entries to GL to transfer budget journal entries from Oracle Subledger Accounting to Oracle General Ledger.

  > **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.
- Review and post the budget journal entries to add the project budget amounts to the organization-level budget balances.

  When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

For information on implementing budget integration, see: Implementing Budget Integration, *Oracle Projects Implementation Guide*.

Defining an Organization-Level Budget

When you use bottom-up budget integration, you must define your organization-level budget or budgets in Oracle General Ledger. In Oracle General Ledger, budgets contain estimated cost or revenue amounts for a range of accounting periods. Budget organizations define the departments, cost centers, divisions, or other groups for which budget data is maintained. You assign accounts to each budget organization. You create organization budget balances by entering budget amounts for the assigned accounts.

Oracle General Ledger includes tools to create, maintain, and track budgets. See the *Oracle General Ledger User's Guide* for information.

Defining Budget Integration

You define budget integration using the Budgetary Control option from the Projects, Templates window.

You can use any project budget type to define bottom-up budget integration. For a project, you can define integration for either cost or revenue budget types, or for both types. For example, you can integrate a project cost budget with an organization-level cost budget, and you can integrate a project revenue budget with an organization-level revenue budget.

> **Note:** If a baseline or submitted budget already exists for a project, then the budget type for the baseline or submitted budget cannot be used when defining budget integration for the project. Additionally, the organization-level budget in General Ledger must have a status of Open or Current.

Entering Budget Amounts and Generating Accounts

When you use bottom-up budget integration, you integrate a project budget type with an organization-level budget defined in Oracle General Ledger.

You maintain budgets that you define in Oracle General Ledger are account-level budgets by account and GL period. Therefore, when you enter project budget amounts for integrated budget types, you must use a budget entry method that is time-phased by GL period, and you must assign an account to each project budget line. Oracle Projects provides a workflow process, the Project Budget Account Generation workflow, which enables you to automate the process of generating accounts for budget lines.

> **Note:** Do not update the account for the budget line if the budget line is associated with transactions. Updating the account causes the baseline process to fail.

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 generates using the Project Budget Account Workflow. Oracle Projects updates the budget lines with the new accounts.

> **Important:** If you update account derivation rules for budgets in Oracle Subledger Accounting, then you must carefully consider the affect of the updates on existing integrated budgets. The baseline process fails if a revised account derivation rule overwrites accounts for budget lines that are associated with transactions.

For more information about the Project Budget Account Generation workflow, see: Project Budget Account Generation Workflow, *Oracle Projects Implementation Guide*.

Workflow and Creating a Baseline Version

When a project is set up to use bottom-up integration, the process to create a baseline version varies depending on whether you use workflow to control budget status changes.

If you do *not* use workflow to control budget status changes, then Oracle Projects calls the *PA: Budget Integration Workflow*. For information about the workflow, see: PA: Budget Integration Workflow, *Oracle Projects Implementation Guide*.

If you use workflow to control budget status changes, then Oracle Projects changes the budget version status to In Progress and calls the budget approval workflow. For information about this workflow, see: PA: Budget Workflow, *Oracle Projects Implementation Guide*. After the budget is approved, baseline processing continues for the budget version. Oracle Projects displays any rejections encountered during baseline processing in the budget approval notification. For information about the activities that take place during baseline processing, see: Creating a Baseline for an Integrated Budget, page 3-22.

Baseline Validations

When you create a baseline for a bottom-up integrated project budget, the budget baseline validates the submitted budget version, creates a baseline version, generates accounting events, creates budget journal entries for the accounting events in Oracle Subledger Accounting, and validates the budget amounts against an organization-level Oracle General Ledger budget.

If the baseline version is the initial baseline version for the budget, then Oracle Projects creates and validates budget journal entries for this budget version. If a prior baseline version exists, then Oracle Projects creates and validates reversal budget journal entries for the most recent baseline version and new budget journal entries for the new baseline version.

> **Note:** If the budget fails funds validation, then the baseline process removes the accounting entries it created from Oracle Subledger Accounting and updates the submitted budget version to *Rejected* status.

For details about creating a baseline for a bottom-up integrated project budget, see: Creating a Baseline for an Integrated Budget, page 3-22.

For information about troubleshooting baseline failures, see: Troubleshooting Baseline Failures for Integrated Budgets, page 3-28.

Transferring Budget Journals to Oracle General Ledger

After you create a baseline version for an integrated project budget, you run the process PRC: Transfer Journal Entries to GL to transfer the journal entries to Oracle General

Ledger and initiate the process Journal Import in Oracle General Ledger. If the baseline version is the initial baseline version for the budget, then Oracle Projects transfers the budget journal entries it creates for this version. If a prior baseline version exists, then Oracle Projects transfers reversal budget journal entries for the most recent baseline version and new budget journal entries for the new baseline version.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

Posting Budget Journals

When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger. You can review and post the entries using the General Ledger Post Journals window.

For more information on reviewing and posting journals, see the *Oracle General Ledger User's Guide.*

Transaction Funds Check against Bottom-up Integration Enabled Cost Budget

Transaction funds check is now supported for Cost budgets that are enabled for bottom up integration.

This helps Project managers to maintain a single cost budget that rolls up to General Ledger and also control the commitments and obligations incurred for the project.

This feature enables creation of Project cost budget for bottom up integration, validated against GL summary level budgetary control during baseline and then supports transaction funds check.

The project cost budget enabled for bottom up integration must support transaction funds check.

The Allotment entries flow from Budget Execution Module (BEM) to General ledger and the cost budget created from projects are validated against the Allotment in GL using the GL summary account budgetary control. To do this, enable bottom up integration of project cost budget with GL.

Once the project cost budget is validated against the allotments and baselined, the transactions incurred on the project must be subjected to funds check against project cost budget using budgetary control feature in projects. This is achieved using transaction funds check for the cost budget.

To achieve the business requirements as explained, the project cost budget enabled for bottom up integration must support Transaction Funds check.

For Cost Budget, when you select the Balance type as Budget, the Control flag is greyed out indicating that Transaction funds check is not supported for this Budget integration

method. This means that the project is used for Bottom up integration with GL for allotment check cannot be used for Transaction funds check and vice-versa.

Currently, when bottom up integration is enabled, the project budget baseline program just creates budget accounting events. It does not create any budget journal.

The Transaction funds check supports the Cost budget enabled for bottom up integration.

For Reimbursable Projects, validations ensure amounts in cost budget match the level of funding with the amounts Approved revenue budget. For Budgetary Control, when you select the Balance Type as Approved Cost Budget, then you can change the Control flag. This feature in applicable only for cost budget. Bottom up integration is allowed for other budget types of the same project so long as the non-project budget is different and the Control Flag option is enabled. If there are no transactions exist for the existing projects with bottom up integration, then the control flag is enabled. If transactions exist, then the Control Flag option is greyed out.

Impacts

Budgetary control is set up in:

- Project Type
- Project template
- Project

Transaction Funds Check and Viewing Funds Check results in Budget Window

The Funds Check Results window in Budgets provide a summary of funds availability and Funds consumption at project, also supports Task and Resource level for cost budget enabled for Bottom up integration and also for transaction funds check.

The Transaction Funds Check results window in projects displays the funds check results for every transaction also supports Approved cost budget enabled for Bottom up integration and also Transaction funds check.

Validations for Reimbursable Project

Identifying Reimbursable Project

For Federal customers, all contract projects are reimbursable. When the profile option, FV: Federal, is enabled and the Project is of contract type, then it is considered as Reimbursable project.

Validating Approved Cost Budget against Approved Revenue Budget

For Reimbursable projects, when you baseline the Approved cost budget, it is validated with the baselined Approved revenue budget. The Approved cost budget is baselined only when amounts in the cost budget match with the amounts in baselined Approved Revenue budget at the level of funding.

Business Rules and Validations

- When you submit Approved cost budget for baseline, the amounts in the cost budget is validated against the amounts in the Baselined Approved revenue budget. The system performs validation at the time of submission and you can edit the amounts if there is a mismatch.

- You can baseline the Approved cost budget only when the amounts match the baselined approved revenue budget.

- If the Approved Revenue budget exists at the project level, then the system matches the approved cost budget amounts with the approved revenue budget amount at the project level.

- If the Approved revenue budget exists at the top task level, then the system matches the approved cost budget amounts with the top task level amounts in the baselined Approved Revenue budget.

- When the amounts in Approved cost budget do not match with baselined revenue budget for a project funded at Project level, then an error displays.

- For the Reimbursable Project funded at Project- and Top-task level, the amounts in Approved Cost budget matches with amounts at Project- and Top-task level in baselined Approved revenue budget.

- For projects with revenue and invoice method as Cost, an existing validation checks for the presence of baselined Cost budget at the time of baselining the approved revenue budget or funding.

- New validation ensures the cost budget is submitted for baseline only when the amounts in the cost budget match the amounts in the current baselined Approved revenue budget. The existence of baselined Approved revenue budget is a prerequisite for submitting cost budget for baseline.

- For Reimbursable Project with Cost based revenue and invoice generation, results in a dead lock as Cost budget baseline checks for existence of Approved revenue budget and Revenue budget baseline checks for existence of baselined cost budget.

- For reimbursable projects with revenue method as Cost that has baseline funding without budget flag enabled, the existing validation that checks for existence of baselined Cost budget at the time of baselining the funding is removed.

Removing Validation for existence of Cost Budget for Cost based distribution rules

- For projects with revenue and invoice method as Cost, there is an existing validation that checks for existence of baselined Cost budget at the time of baselining the Approved Revenue budget or Funding.

- A new validation ensures that the cost budget is submitted for baseline only when the amounts in the cost budget match the amounts in the current baselined Approved revenue budget. As a prerequisite, the baselined Approved revenue budget must exist for submitting cost budget for baseline.

- For reimbursable projects with revenue method as Cost that has baseline funding without budget option enabled, the existing validation that checks for existence of baselined Cost budget at the time of baselining the funding is removed.

Restricting Budget entry method for Reimbursable Project funded at Task level

The new validation ensures that the cost budget is submitted for baseline only when amounts in the cost budget match with amounts in the current baselined Approved revenue budget. The Approved Cost budget is more granular or at least match the level of granularity of the revenue budget.

During budget entry, the system performs following validations:

- Project type has Allow Cost Budget Entry enabled and entry method is selected.

  When you create Approved Cost Budget for reimbursable projects funded at the top-task level, an error displays. For Reimbursable Projects funded at the top-task level, the entry method for the cost budget must be by task.

- Project copied from the existing project with budget amounts.

  If you click Details option to modify amounts or you directly submit budget, an error displays.

Impacts

The following APIs are impacted by this enhancement:

- Budget Creation
- Budget Updating
- Budget Baseline APIs

Related Topics

Transfer Journal Entries to GL, *Oracle Projects Fundamentals*

Using Top-Down Budget Integration

When enterprises use top-down budgeting, top management sets spending limits for each organization. To ensure that costs do not exceed the limits, Oracle General Ledger enables you to set budgetary control and define funding budgets. When absolute control is enabled, cost transactions are rejected if budgeted funds are not available.

You can further control costs by enabling encumbrance accounting. When you use

encumbrance accounting, commitment transactions are controlled as well as actual transactions.

Actual transactions are accounted expenditures. Commitment transactions are planned expenditures. Commitment transactions include purchase requisitions, purchase orders, and unaccounted supplier invoices. When commitment transactions are approved, the system creates accounting entries to reserve funds in the funding budget. This reservation reduces the available funds for future transactions.

When top-down budgeting is used and encumbrance accounting is enabled, you can integrate project budgets with funding budgets. When project cost budgets are approved and baselines are created, the system generates encumbrance entries to reserve funds in the funding budget for the anticipated project costs. The reservations ensure that budgeted funds are not used before project costs are incurred. They also give management a complete picture of each organization's financial position. As future projects and future purchases are evaluated, management can review the costs of current expenditures, anticipated costs of approved commitments and approved projects, and funds available for future use.

For information on implementing budget integration, see: Implementing Budget Integration, *Oracle Projects Implementation Guide*.

Prerequisites for Top-Down Budget Integration

Top-down budgeting in Oracle Projects is based on budgetary control and encumbrance accounting. To use top-down integration, you must first do the following:

- Enable budgetary control in Oracle General Ledger.

  When you enable budgetary control in General Ledger, the funds check process is activated when commitment transactions are approved. The funds check process verifies the availability of funds.

- Enable encumbrance accounting in Oracle General Ledger and Oracle Payables.

  When you enable encumbrance accounting, reservations are created against funding budgets for approved commitment transactions and approved cost budgets for integrated projects.

Defining General Ledger Funding Budgets

Before you can define budget integration, you must define an organization-level funding budget or budgets in Oracle General Ledger.

In Oracle General Ledger, funding budgets contain estimated costs for a range of accounting periods. Budget organizations define the departments, cost centers, divisions, or other groups for which budget data is maintained. Accounts are assigned to each budget organization. A funding budget is associated with each account assignment.

To set an organization's spending limits, you enter funding budget balances for the

accounts assigned to each budget organization.

Oracle General Ledger contains tools to create, maintain, and track budgets. For more information, see the *Oracle General Ledger User's Guide*.

Defining Budget Integration

To reserve funds in General Ledger funding budgets for anticipated project costs, define budget integration using the Budgetary Controls option from the Projects, Templates window. You must define budget integration before you create a baseline for the project budget and before any project transactions are entered.

When you use top-down integration, it is recommended that you define two budgets for monitoring and tracking project costs:

- One budget is for tracking the project's total cost
- The other budget is for tracking and controlling expense commitment transactions (*commitment budget*).

When you define integration for your project, use the budget type you plan to use for your commitment budget and select the Encumbrance balance type. When you define a commitment budget and create a baseline, the system generates encumbrance entries to create a project encumbrance against the funding budget. The project encumbrance reserves funds for the anticipated project commitment costs. When project-related expense commitment transactions are approved, the project encumbrance is reduced and new commitment encumbrances are created.

When you define integration using the Encumbrance balance type, the system automatically enables budgetary control for the project. The Project control level is automatically set at Absolute and cannot be changed. Oracle Projects uses budgetary control to ensure that the project commitment total for expense transactions never exceeds the project commitment budget and the amounts reserved in the General Ledger funding budget.

For information on budgetary control, see Using Budgetary Control, page 3-28.

Creating Project Encumbrances

To reserve funds for a project defined with top-down integration, you must define a project commitment budget using the integrated budget type. When you submit a top-down integrated budget to create a baseline version, Oracle Projects performs the following activities:

1. Validates the submitted budget version
2. Creates a baseline version
3. Validates existing approved transaction amounts (at resource, resource group, task, top task and project levels) against the project budget

4. Generates accounting events

5. Creates encumbrance journal entries in final mode for the accounting events in Oracle Subledger Accounting

6. Validates budget amounts against the General Ledger Funding Budget

7. Validates existing approved transaction amounts (at account level) against the project budget

If the baseline version is the initial baseline version for the budget, then Oracle Projects creates and validates encumbrance journal entries for this budget version. If a prior baseline version exists, then Oracle Projects creates and validates reversal encumbrance journal entries for the most recent baseline version and new encumbrance journal entries for the new baseline version.

You run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries from Oracle Subledger Accounting to Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

> **Note:** If the budget fails funds validation, then the baseline process removes the accounting entries it created from Oracle Subledger Accounting and updates the submitted budget version to *Rejected* status.

For information on creating a project cost budget, see: Creating Project Budgets for Top-Down Budget Integration, page 3-72.

Liquidating Project Encumbrances

When encumbrance accounting is enabled in Oracle General Ledger, the system creates encumbrance entries against the funding budget each time a commitment transaction is approved. The encumbrance entries reserve funds for the commitment transaction line amounts. If the commitment is for an expense item and is related to a project defined with top-down integration, then the system creates additional encumbrance entries to reduce the project reservation against the funding budget.

The following table illustrates an example of the project encumbrance creation and liquidation processes.

- In line A, the funding budget is created. This budget sets the spending limit for the

organization at $100.

- In line B, a project reservation of $40 is created for an integrated project commitment budget. The project reservation consumes a portion of the funding budget and reduces the available funds to $60.

- In line C, a reservation of $10 is created for a project-related commitment transaction. The project reservation is reduced to $30.

  Note that the total available funds for the organization do not change when the commitment reservation is created. Instead, the commitment reservation replaces a portion of the project reservation.

Activity	Organization Spending Limits	Available Funds	Project Reservation	Commitment Reservation
(A) Funding budget is created and sets spending limit	$100	$100		
(B) Integrated project commitment budget creates project reservation	$100	$60	$40	
(C) Commitment transaction creates commitment reservation	$100	$60	$30	$10

Top-Down Budget Integration Example

The following example uses Fremont Corporation to demonstrate how General Ledger budgeting features are enhanced when budget integration is defined for project budgets. The encumbrance entries generated from budget amounts interfaced from Oracle Projects reduce the funding budget available funds. This allows for more accurate reporting and gives management more information for evaluating future costs and future projects.

Fremont Corporation Cost Controls

Fremont Corporation has decided to reduce their use of outside resources. Upper

management contends that most projects can be completed on schedule using internal resources and improved project management. For the last quarter of the current fiscal year, each organization is required to reduce the cost of outside resources by 20% of last quarter's usage. In addition, a member of top management must now approve the cost budget for any new project that is scheduled to use outside resources.

To enforce this cost reduction, the financial managers are using Oracle General Ledger budgetary control and encumbrance accounting features. They define funding budgets for each organization to establish their spending limits for the next quarter. Weekly outside resource cost reports are provided to the vice presidents of each organization. The cost reports are distributed to assist vice presidents in evaluating future requests for outside resources. The reports show the following information:

- Budgeted Funds: spending limit established by the financial managers
- Actual Costs: cost for outside resources used to date
- Committed Costs: anticipated costs for approved future usage of outside resources
- Available Funds: budgeted funds that are unused and uncommitted

Payroll Enhancement Project

The Fremont payroll system needs to be enhanced to handle expense reports in foreign currencies. As the company grows, employees frequently travel outside the United States. The accounting department wants employees to enter expense receipts in the currencies of the countries where expenses are incurred.

The Fremont Services organization will make the necessary payroll enhancements. All costs for the project will be charged to their organization. Mr. Smith is assigned as the project manager.

After preliminary analysis, he estimates the project will last 3 months. He plans to use internal resources from the Information Services department to perform the majority of the work. However, he knows that he will need to contract a consultant to provide some expertise that he currently does not have in house.

Mr. Smith is using Oracle Projects to manage the project. Because he plans to use outside resources, he submits the cost budget shown in the following table to his vice president for approval.

Expenditure Organization	Expenditure Category	Oct-01	Nov-01	Dec-01
Information Services	Labor	4,000	4,000	4,000
Administration	Labor	500	500	500

Expenditure Organization	Expenditure Category	Oct-01	Nov-01	Dec-01
Consulting	Labor	1,000	1,000	1,000
Consulting	Expenses	1,000	1,000	1,000

The vice president of the Services organization receives the budget. To evaluate the request for outside resources, he reviews his latest outside resource cost report.

The following table shows the report information.

GL Period	Account / Description	Budgeted Funds	Actual Costs	Committed Costs	Available Funds
Oct-01	04-420-7580-000 / Consulting Labor	5,000	2,000	1,000	3,000
Oct-01	04-420-7640-000 / Consulting Expenses	5,000	2,000	1,000	3,000
Nov-01	04-420-7580-000 / Consulting Labor	5,000	0	3,000	2,000
Nov-01	04-420-7640-000 / Consulting Expenses	5,000	0	3,000	2,000
Dec-01	04-420-7580-000 / Consulting Labor	5,000	0	1,000	4,000
Dec-01	04-420-7640-000 / Consulting Expenses	5,000	0	1,000	4,000

After evaluating the report, the vice president approves the budget for the payroll enhancements. He asks Mr. Smith to reduce the General Ledger funding budget available funds to reflect the outside resource costs included in the payroll project budget.

To reduce the available funds in the funding budget, Mr. Smith defines top-down integration for the payroll enhancement project. He integrates the project commitment budget with the General Ledger funding budget. Mr. Smith then defines the commitment budget shown in the following table for the payroll project.

Expenditure Organization	Expenditure Category	Oct-01	Nov-01	Dec-01
Consulting	Labor	1,000	1,000	1,000
Consulting	Expenses	1,000	1,000	1,000

Mr. Smith submits the commitment budget to create a baseline version. The following table shows the GL accounts that the system assigns to the budget lines.

Expenditure Organization	Expenditure Category	GL Period	Budget Amount	Account
Consulting	Labor	Oct-01	1,000	04-420-7580-000
Consulting	Labor	Nov-01	1,000	04-420-7580-000
Consulting	Labor	Dec-01	1,000	04-420-7580-000
Consulting	Expenses	Oct-01	1,000	04-420-7640-000
Consulting	Expenses	Nov-01	1,000	04-420-7640-000
Consulting	Expenses	Dec-01	1,000	04-420-7640-000

Mr. Smith creates a baseline version for the commitment budget. The baseline process validates the submitted budget version, creates a baseline version, validates existing approved transaction amounts (at resource, resource group, task, top task and project levels) against the project budget, generates accounting events, creates encumbrance journal entries in final mode for the accounting events in Oracle Subledger Accounting, validates budget amounts against the General Ledger Funding Budget, and validates existing approved transaction amounts (at account level) against the project budget.

The Finance Department submits the process PRC: Transfer Journal Entries to GL and

selects *Yes* for the parameter Post in General Ledger. The process transfers encumbrance journal entries from Oracle Subledger Accounting to Oracle General Ledger and posts the journal entries in Oracle General Ledger. The following table shows the journals that the system creates from the budget amounts interfaced by the payroll project.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

GL Period	Account	Account Description	Debit	Credit
Oct-01	04-420-7580-000	Consulting Labor	1,000	
Oct-01	04-420-7640-000	Consulting Expenses	1,000	
Oct-01	04-000-1250-000	Reserve		2,000
Nov-01	04-420-7580-000	Consulting Labor	1,000	
Nov-01	04-420-7640-000	Consulting Expenses	1,000	
Nov-01	04-000-1250-000	Reserve		2,000
Dec-01	04-420-7580-000	Consulting Labor	1,000	
Dec-01	04-420-7640-000	Consulting Expenses	1,000	
Dec-01	04-000-1250-000	Reserve		2,000

> **Note:** The 04-000-1250-000 account is defined as the reserve for encumbrance account in Oracle General Ledger.

When the vice president of the Services organization receives his next outside resource cost report, the totals show the costs he approved for the payroll project.

The new report, shown in the following table, reflects the funds remaining for future requests. (Budgeted Funds for each account in each period are 5,000.)

GL Period	Account	Actual Costs	Committed Costs	Available Funds
Oct-01	Consulting Labor	2,000	2,000	2,000

GL Period	Account	Actual Costs	Committed Costs	Available Funds
Oct-01	Consulting Expenses	2,000	2,000	2,000
Nov-01	Consulting Labor	0	4,000	1,000
Nov-01	Consulting Expenses	0	4,000	1,000
Dec-01	Consulting Labor	0	2,000	3,000
Dec-01	Consulting Expenses	0	2,000	3,000

Creating Project Budgets for Top-Down Budget Integration

When you define top-down budget integration for a project, it is recommended that you create a commitment budget for tracking and controlling the project's expense commitment transactions. When you enter the budget amounts for the commitment budget, keep in mind the following considerations:

- Budgetary control is automatically enabled when top-down integration is defined.
- General Ledger accounts must be assigned to all budget lines for integrated budget types.
- When you create a budget for an integrated budget type, you must use a budget entry method that is time phased by GL period.
- You must create a budget line for each budget category and budget period for which commitment transactions are expected.
- The process to create a baseline version varies depending on whether you use workflow to control budget status changes.
- Additional validations occur when you create a baseline for an integrated project budget.

Budgetary Control in Top-Down Budget Integration

When you define top-down budget integration, the system automatically enables budgetary control for the integrated budget type. When you enter amounts for budgets with budgetary control enabled, additional consideration is required if you use a resource list for budget entry, or if you have enabled burdening for your project. For more details, see: Entering Budget Amounts for Controlled Budgets, page 3-33.

Budget Entry Method and Budget Line Accounts

When you define top-down budget integration for a project, you integrate a project budget type with a funding budget defined in Oracle General Ledger. You maintain funding budgets by account and GL period. In Oracle Projects, you create the project budget using an entry method that is time phased by GL Period. For more information on account generation, see: Budget Integration Procedures, page 3-55.

Enter Budget Lines for All Budget Periods

When you enter and approve expense commitment transactions related to the integrated project, the processing liquidates project encumbrances and creates commitment encumbrances. To obtain accounts for the liquidation entries, Oracle Projects maps each commitment transaction line to a project budget line using the project resource mapping rules and the transaction GL date. If a budget line is not defined for a transaction line resource category and GL period, then an account for the liquidation entry cannot be obtained. When an account liquidation entry cannot be obtained, the transaction cannot be approved.

Therefore, when you enter budget amounts for a top-down integrated budget type, you must enter a budget amount for each budget category and GL period. If you are using a budgetary control time interval that allows budget amounts for one period to be used in another, then ensure that your project has a defined start and end date. When your project has a defined start and end date, the budget baseline process generates budget lines with a zero amount for all missing budget category and budget period combinations. The baseline process then activates the Project Budget Account Generation workflow process to generate an account for each new budget line.

> **Note:** Do not update the account for the budget line if the budget line is associated with transactions. Updating the account causes the baseline process to fail.

For example, you create a project under the following conditions:

- The fiscal year runs January-December
- The budgetary control time boundary code for a project is *Year*
- You do not specify a project end date
- You enter budget amounts for the January-May GL periods

In this case, the baseline process creates zero amount budget lines for the June through December GL periods.

For additional information, see: Project Budget Account Workflow, *Oracle Projects Implementation Guide*.

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 generates using the Project Budget Account Workflow. Oracle Projects updates the budget lines with the new accounts.

Workflow and Creating a Baseline Version

When a project is set up to use top-down integration, the process to create a baseline version varies depending on whether you use workflow to control budget status changes.

If you do *not* use workflow to control budget status changes, then Oracle Projects calls the *PA: Budget Integration Workflow*. For information about the workflow, see: PA: Budget Integration Workflow, *Oracle Projects Implementation Guide*.

If you use workflow to control budget status changes, then Oracle Projects changes the budget version status to In Progress and calls the budget approval workflow. For information about this workflow, see: PA: Budget Workflow, *Oracle Projects Implementation Guide*. After the budget is approved, baseline processing continues for the budget version. Oracle Projects displays any rejections encountered during baseline processing in the budget approval notification. For information about the activities that take place during baseline processing, see: Creating a Baseline for an Integrated Budget, page 3-22.

Baseline Validations

When you create a budget baseline for a top-down integrated project budget, Oracle Projects validates the submitted budget version, creates a baseline version, validates existing approved transaction amounts (at resource, resource group, task, top task and project levels) against the project budget, generates accounting events, creates encumbrance journal entries in final mode for the accounting events in Oracle Subledger Accounting, validates budget amounts against the General Ledger Funding Budget, and validates existing approved transaction amounts (at account level) against the project budget.

If the baseline budget version is the initial baseline budget version for the budget, then Oracle Projects creates and validates encumbrance journal entries for this budget version. If a prior baseline budget version exists, then Oracle Projects creates and validates encumbrance journal entries for both the most recent baseline budget version (credits) and for the new budget version (debits).

After you create a baseline version for a top-down integrated project budget, you run the process PRC: Transfer Journal Entries to GL to transfer the encumbrance journal entries to Oracle General Ledger and initiate the process Journal Import in Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect

funds balances.

For details about creating a baseline for a top-down integrated project budget, see: Creating a Baseline for an Integrated Budget, page 3-22.

For information about troubleshooting baseline failures, see: Troubleshooting Baseline Failures for Integrated Budgets, page 3-28.

Transaction Processing

When an expense commitment transaction related to a top-down integrated project is submitted for approval, the Oracle Projects funds check process is activated. The funds check verifies the available funds in the project commitment budget. If funds are available for the transaction, the project encumbrance against the General Ledger funding budget is reduced, and a new commitment encumbrance is created. When an actual transaction is created from the commitment transaction, the commitment encumbrance is liquidated and the actual costs are accounted.

Commitment Transaction Example

As commitment transactions are processed, the reservation against the funding budget changes from one encumbrance type to another. This example illustrates the process flow steps. The following table lists the steps in the example.

Step in Process Flow:	Project Encumbrance Balance	Commitment Encumbrance	Obligation Encumbrance	Invoice Encumbrance	Actual Costs
Beginning Balance	$1,000				
Approve $100 Purchase Requisition	$900	$100			
Create and Reserve Purchase Order		0	$100		
Validate Supplier Invoice			0	$100	
Account Supplier Invoice				0	$100

In this example, the following steps occur:

1. A purchase requisition is approved. A portion of the Project encumbrance is replaced by a Commitment encumbrance. If the Project encumbrance balance is $1,000 and the requisition total is $100, then the Project encumbrance is reduced to $900 and a Commitment encumbrance is created for $100.

2. When a purchase order is created from the purchase requisition and approved and reserved, the Commitment encumbrance is liquidated and an Obligation encumbrance is created.

3. When a supplier invoice is matched to the purchase order and validated, the Obligation encumbrance is liquidated and an Invoice encumbrance is created.

4. When the supplier invoice is accounted, the Invoice encumbrance is liquidated and actual costs are recorded.

Burden Cost Encumbrance

If a project has top-down integration defined and burdening is also enabled, then the encumbrance liquidation process varies from the above example. When a commitment transaction is not burdened, Oracle Payables creates accounting in Oracle Subledger Accounting for all costs associated with the transaction. Oracle Subledger Accounting transfers the final accounting to Oracle General Ledger. However, when a commitment transaction is burdened, Oracle Payables creates accounting for the raw transaction costs in Oracle Subledger Accounting, and Oracle Projects creates accounting for the burdened costs in Oracle Subledger Accounting. Oracle Subledger Accounting transfers the final accounting to Oracle General Ledger. For additional information, see: Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

Oracle Projects provides the following two options for accounting for burden costs:

- Burden costs can be accounted on the same expenditure item as raw costs.
- Burden costs can be accounted as separate expenditure items.

The encumbrance liquidation process differs depending on the accounting option enabled. The liquidation process for each option is described below and examples are provided that illustrate the encumbrance entries generated by each processing step.

Same Line Burden Cost Encumbrance Accounting

When burden costs are accounted on the same expenditure item as raw costs, the project commitment budget lines amounts must be entered using burdened cost amounts. The Project Budget Account workflow process, used to assigned accounts to each budget line, must be defined to generate accounts using the same business rules as the Total Burdened Cost AutoAccounting rules. This ensures that the project encumbrance creation entries generated when the project budget baseline is created, and the project encumbrance liquidation entries created when commitment transactions are processed use the same accounts.

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 generates using the Project Budget Account Workflow. If the budget lines are not associated with transactions, then Oracle Projects updates the budget lines with the new accounts.

Important: If you update account derivation rules for budgets in Oracle Subledger Accounting, then you must carefully consider the affect of the updates on existing integrated budgets. The baseline process fails if a revised account derivation rule overwrites accounts for budget lines that are associated with transactions.

Note: You can optionally define budget accounts for project budget lines at a higher level than transaction accounts. You must ensure that transaction accounts roll up to budget accounts within the budget account hierarchy in Oracle General Ledger. Similarly, if you define your own rules in Oracle Subledger Accounting to overwrite accounts, then you must ensure that the rules derive transaction accounts that roll up to budget accounts.

Oracle General Ledger does not allow you to post encumbrance journal entries to summary accounts.

When an expense commitment transaction is approved, the following encumbrance entries are generated for each transaction line:

- An entry is generated to create a commitment encumbrance using the transaction line amount and account.
- An entry is generated to create a commitment encumbrance using the calculated burdened cost amount for the line and an account derived from the project commitment budget.
- An entry is generated to liquidate the project encumbrance using the calculated burdened cost amount for the line and an account derived from the project commitment budget.

  Note: The accounts and amounts for the last two entries described above are always the same. The account is derived by mapping the transaction line to a budget line using the standard resource mapping rules and selecting the account from the budget line.

When the invoice is final accounted, Oracle Payables creates accounting in Oracle Subledger Accounting to liquidate the commitment encumbrance for the raw costs. When you run the process Create Accounting in final mode, you can choose to transfer encumbrance journal entries to Oracle General Ledger, and you can optionally choose to have the process post journal entries. Otherwise, you can manually post journal entries in Oracle General Ledger. Oracle General Ledger liquidates the commitment encumbrance for the transaction raw cost when you post the journal entry.

Oracle Projects generates accounting events to liquidate the commitment encumbrance

for the transaction burdened cost and creates encumbrance journal entries in Oracle Subledger Accounting for the accounting events. You run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries to Oracle General Ledger and initiate the process Journal Import in Oracle General Ledger.

When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger. Oracle General Ledger liquidates the commitment encumbrance for the transaction burdened cost when you post journal entries.

See also, Integrating With Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

> **Note:** The funds available inquiry in Oracle General Ledger reflects the complete liquidation of the encumbrance after you create the final accounting for both the raw and burdened costs from Oracle Payables and Oracle Projects.

Same Line Burden Cost Encumbrance Accounting Example

In this example, a baseline is created for the project budget shown in the following table:

Task	Resource Group	Resource	Budget Amount	Account
T1.0	Suppliers	Capp Construction	1,000	A1

The baseline process generates the encumbrance line shown in the following table:

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Projects	A1	Capp Construction Budget Line Account	1,000	

A project-related supplier invoice is entered and approved for Capp Construction. The invoice has one line for $50. Two burden cost components apply to the invoiced line:

- Material Handling with a rate of 5%, and
- R&D with a rate of 10%

The invoice approval process creates the encumbrance lines shown in the following table:

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Projects	A1	Capp Construction Budget Line Account		57.50
2	Invoice Encumbrance	A1	Capp Construction Budget Line Account	57.50	
3	Invoice Encumbrance	B1	Invoice Line Account	50.00	

When the invoice is final accounted, Oracle Payables creates accounting to liquidate the commitment encumbrance for the raw costs. When you run the process Create Accounting in final mode, you can choose to transfer encumbrance journal entries to Oracle General Ledger. The encumbrance line shown in the following table is created.

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Invoice Encumbrance	B1	Invoice Line Account		50.00

When the burdened transaction is accounted in Oracle Projects, Oracle Projects creates accounting to liquidate the commitment encumbrance for the burdened costs. You run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries to Oracle General Ledger. The encumbrance line shown in the following table is created.

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Invoice Encumbrance	A1	Capp Construction Budget Line Account		57.50

Separate Line Burden Cost Encumbrance Accounting

When burden costs are accounted as separate expenditure items, you must include the following in the project commitment budget

- Budget amounts for raw transaction costs
- Budget amounts for burden transaction costs

If a resource list is not used when budget amounts are entered, then you can enter the raw cost amounts and the burden cost amounts on the same budget line using the burdened amount type. If a resource list is used when budget amounts are entered, then the resource list must include a resource for each burden cost component. Budget lines must be entered for the transaction raw costs and for the burden costs associated with

each burden component.

> **Note:** You can optionally define budget accounts for project budget lines at a higher level than transaction accounts. You must ensure that transaction accounts roll up to budget accounts within the budget account hierarchy in Oracle General Ledger. Similarly, if you define your own rules in Oracle Subledger Accounting to overwrite accounts, then you must ensure that the rules derive transaction accounts that roll up to budget accounts.
>
> Oracle General Ledger does not allow you to post encumbrance journal entries to summary accounts.

When an expense commitment transaction is approved, the following encumbrance entries are generated for each transaction line:

- An entry is generated to create a commitment encumbrance for the raw cost using the transaction line amount and account.
- For each burden cost component, an entry is generated to create a commitment encumbrance using the calculated burden cost amount and an account derived from the project commitment budget.
- An entry is generated to liquidate the project encumbrance using the transaction line amount and account.
- For each burden cost component, an entry is generated to liquidate the project encumbrance using the calculated burden cost amount and an account derived from the project commitment budget.

> **Note:** The account for the burden cost entries is derived by mapping the burden cost component to a budget line using the standard resource mapping rules and selecting the account from the budget line.

When the invoice is final accounted, Oracle Payables creates accounting in Oracle Subledger Accounting to liquidate the commitment encumbrance for the raw costs. When you run the process Create Accounting in final mode, you can choose to transfer encumbrance journal entries to Oracle General Ledger, and you can optionally choose to have the process post journal entries. Otherwise, you can manually post journal entries in Oracle General Ledger. Oracle General Ledger liquidates the commitment encumbrance for the transaction raw cost when you post the journal entry.

Oracle Projects generates accounting events to liquidate the commitment encumbrance for the transaction burden cost and creates encumbrance journal entries in Oracle Subledger Accounting for the accounting events. You run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries to Oracle General Ledger

and initiate the process Journal Import in Oracle General Ledger.

When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger. Oracle General Ledger liquidates the commitment encumbrance for the transaction burdened cost when you post journal entries.

> **Note:** The funds available inquiry in Oracle General Ledger reflects the complete liquidation of the encumbrance after you create the final accounting for both the raw and burden costs from Oracle Payables and Oracle Projects.

The Project Budget Account Workflow and the Burden Cost Account AutoAccounting rules must use the same business rules when generating accounts for burden costs. 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 generates using the Project Budget Account Workflow and AutoAccounting. If the budget lines are not associated with transactions, then Oracle Projects updates the budget lines with the new accounts.

> **Important:** If you update account derivation rules for budgets in Oracle Subledger Accounting, then you must carefully consider the affect of the updates on existing integrated budgets.
>
> The baseline process fails if a revised account derivation rule overwrites accounts for budget lines that are associated with transactions.

For additional information, see: Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

Separate Line Burden Cost Encumbrance Accounting Example

In this example, a baseline is created for the project budget shown in the following table:

Task	Resource Group	Resource	Budget Amount	Account
T1.0	Suppliers	Capp Construction	1,000	A1
T1.0	Overhead	Material Handling	50	A2
T1.0	Overhead	R&D	100	A3

The baseline process generates the encumbrance lines shown in the following table:

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Projects	A1	Capp Construction Budget Line Account	1,000	
2	Projects	A2	Budget Line Account for Resource: Material Handling	50	
3	Projects	A3	Budget Line Account for Resource: R&D	100	

A project-related supplier invoice is entered and approved for Capp Construction. The invoice has one line for $50. Two burden cost components apply to the invoiced line:

- Material Handling with a rate of 5%, and
- R&D with a rate of 10%

The invoice approval process creates the encumbrance lines shown in the following table:

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Projects	A1	Budget Line and Invoice Line Account		50.00
2	Projects	A2	Material Handling Budget Line Account		2.50
3	Projects	A3	R&D Budget Line Account		5.00
4	Invoice Encumbrance	A1	Budget Line and Invoice Line Account	50.00	
5	Invoice Encumbrance	A2	Material Handling Budget Line Account	2.50	
6	Invoice Encumbrance	A3	R&D Budget Line Account	5.00	

When the invoice is finally accounted, Oracle Payables creates accounting to liquidate the commitment encumbrance for the raw costs. When you run the process Create Accounting in final mode, you can choose to transfer encumbrance journal entries to

Oracle General Ledger. The encumbrance line shown in the following table is created.

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Invoice Encumbrance	A1	Budget Line and Invoice Line Account		50.00

When the burden transaction is accounted in Oracle Projects, Oracle Projects creates accounting to liquidate the commitment encumbrance for the burden costs. You run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries to Oracle General Ledger.

The encumbrance line shown in the following table is created.

Line	Encumbrance Type	Account	Account Description	Debit	Credit
1	Invoice Encumbrance	A2	Material Handling Budget Line Account		2.50
2	Invoice Encumbrance	A3	R&D Budget Line Account		5.00

Accounting For Burden and Total Burdened Cost Encumbrances in Oracle Subledger Accounting

When you create encumbrances in Oracle Purchasing and Oracle Payables, each respective application creates accounting in Oracle Subledger Accounting. You run the Create Accounting process in Oracle Purchasing and Oracle Payables to create encumbrance accounting for raw costs and for burden or total burdened costs, depending on the setup for the project. When you run the process Create Accounting in final mode, you can choose to transfer encumbrance journal entries to Oracle General Ledger, and you can optionally choose to have the process post journal entries. Otherwise, you can manually post journal entries in Oracle General Ledger.

Related Topics

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Budgetary Control Balances

Oracle Projects uses budgetary control to ensure that the project commitment total for expense transactions never exceeds the project commitment budget and the amounts reserved in the General Ledger funding budget. In the Budget Funds Check Results window, invoiced commitment amounts are displayed as invoice commitments or project actuals. The invoiced amounts are displayed as actuals after the invoices are interfaced from Oracle Payables to Projects.

Maintaining the Project Budget

When you modify a top-down integrated budget, the baseline process performs the following tasks for the new budget version:

- Validates the budgetary control defined for the project budget
- Validates the budgetary control defined for the funding budget
- Validates the General Ledger period statuses
- Updates the project encumbrance against the funding budget

Project Budgetary Control

The system validates budgetary control when budget amounts are deleted or decreased or when the budget entry method is changed. When budget amounts are reduced, the baseline process performs funds checks to ensure that existing transaction totals do not exceed available funds calculated using the new budget amounts. When the budget entry method is changed and a budget version is created using new budget categories, the baseline process maps all existing transactions in open GL periods to a budget line in the new budget version. Funds checks are then performed for each transaction that uses budgetary control defined for the new budget lines. If any transaction generates a funds check failure, the baseline process fails.

If the baseline process fails, you can troubleshoot by viewing the rejected budget version in the Budget Funds Check Results window. All budget lines with a negative amount in Funds Available and an Absolute control level must be adjusted before the baseline can be created. You can either increase the budget amount or lower the control level.

Funding Budget Control

When budget amounts are increased or new budget lines are entered, additional funds must be reserved in the funding budget. Therefore, the baseline process performs a funds check against the funding budget to ensure that funds are available for the additional project budget amounts. If any funds check failures are returned, the baseline process fails.

For information on viewing and troubleshooting baseline failures, see: Reviewing and Overriding Budget Account Details for Integrated Budgets, page 3-26 and Troubleshooting Baseline Failures for Integrated Budgets, page 3-28.

General Ledger Period Statuses

After you create a budget baseline for the modified budget version, you run the process PRC: Transfer Journal Entries to GL to transfer encumbrance journal entries from Oracle Subledger Accounting to Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger.

> **Note:** The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

Project Encumbrance Maintenance

When a baseline is successfully created for a revised budget, the project encumbrance against the funding budget is adjusted. If new budget lines are added or existing budget line amounts are increased, then additional funds are reserved in the funding budget. If budget lines are decreased or deleted, then project encumbrances are liquidated, reducing the project reservation. The Accounted Amount column on the By Account tab of the Budget Accounts Details window displays the encumbrance adjustment amounts. Positive values reserve additional funds and negative values reduce the current reservation. See: Reviewing and Overriding Budget Account Details for Integrated Budgets, page 3-26.

Year-End Processing

When budgeted funds for a fiscal year are not used by the end of the year, many businesses move the available amounts to the next year. Organizations that operate under budget do not lose the budgeted amounts. Instead, their spending limits for the next year are increased.

Year-End Budget Rollover Process

The PRC: Year End Budget Rollover process transfers year-end balances for top-down integrated project budgets to the next fiscal year. The process performs budget rollover functions for all selected top-down integrated budgets. The process calculates transfer amount for each project budget line by subtracting the total actual and commitment balances from the budgeted amounts. The process then adds the transfer amount for each project budget line to the budget amount for the first period of the next fiscal year.

When the year-end budget rollover process creates a baseline version for the new project budget version, it adjusts project encumbrances for the funding budget. The year-end budget rollover process generates liquidation entries to remove the project reservation for the funding budget for the closing fiscal year. For each account, the process subtracts the transfer amount from last period with a budget amount. If a task, a resource, or task and resource combination is budgeted across multiple accounts, then the process subtracts the transfer amount for each account from the last period with a budget amount. For an example of how the process subtracts the transfer amounts, see: Year-End Rollover Example, page 3-86.

The process also generates new encumbrance entries to reserve funds for the new year. The year-end budget rollover process generates an entry for each transferred amount and posts it to the first period of the next fiscal year.

> **Note:** If a budget line does not exist for the first period of the next fiscal year, then the process calls the Project Budget Account Generation workflow to generate a new default account. If a budget line already exists for the first period of the new year, then the process does *not* derive a new default account.

As part of the year-end budget rollover process, Oracle Projects performs the following actions:

- Creates a baseline for the new budget version
- Generates encumbrance accounting events for both the most recent baseline budget version (credits) and for the new budget version (debits) to transfer the unspent project budget encumbrance amounts from the current fiscal year to the next fiscal year
- Creates accounting in final mode for the encumbrance accounting events in Oracle Subledger Accounting
- Validates funds against the General Ledger Funding Budget

  Note: The baseline process performs a funds check on the new encumbrance entries in force pass mode. In force pass mode, all budgetary control is ignored. The encumbrance entries to reserve additional funds in the new year are generated even if available funds for the General Ledger Funding Budget will be exceeded.

- Creates final encumbrance journal entries in Oracle Subledger Accounting

When the process PRC: Year End Budget Rollover is complete, you run the process PRC: Transfer Journal Entries to GL to transfer the encumbrance journal entries to Oracle General Ledger. When you submit the process PRC: Transfer Journal Entries to GL, you can optionally choose to have the process post the journal entries. Otherwise, you can manually post the journal entries in Oracle General Ledger. For additional information, see: Transfer Journal Entries to GL, *Oracle Projects Fundamentals*.

Note: The baseline process updates funds balances in Oracle General Ledger. The process PRC: Transfer Journal Entries to GL does not affect funds balances.

Year-End Rollover Example

Note: Fiscal year in this example runs January-December.

In this example, the following table lists budget lines from the closing year.

Task Number	Resource	Account	Last Period with Budget Amount	Unspent Budget Amount
1.0	Office Supplies	01-422-7490-000	JAN-06	$200

Task Number	Resource	Account	Last Period with Budget Amount	Unspent Budget Amount
1.0	Computer Supplies	01-422-7490-000	JAN-06	$200
1.0	Computer Supplies	01-422-7490-000	FEB-06	$400
1.0	Computer Supplies	01-422-7630-000	JUN-06	$500
2.0	Furniture	01-422-7630-000	MAR-06	$800

In this case, the process PRC: Year End Budget Rollover subtracts transfer amounts from the closing year as follows:

- $200 from task 1.0, Office Supplies, account 01-422-7490-000, JAN-06
- $600 from task 1.0, Computer Supplies, account 01-422-7490-000, FEB-06
- $500 from task 1.0, Computer Supplies, account 01-422-7630-000, JUN-06
- $800 from task 2.0, Furniture, account 01-422-7630-000, MAR-06

The following table lists the budget lines that the process creates for the new fiscal year.

Task Number	Resource	Account	Period	Budget Amount
1.0	Office Supplies	01-422-7490-000	JAN-07	$200
1.0	Computer Supplies	01-422-7490-000	JAN-07	$600
1.0	Computer Supplies	01-422-7630-000	JAN-07	$500
2.0	Furniture	01-422-7630-000	JAN-07	$800

Year-End Budget Revisions and Transfers

Budget revision and budget transfer processes are initiated in Projects due to various requirements, such as year-end budget revisions, reduction in budgetary resources,

budget transfers initiated by Law or Upward and Downward movement of Obligations.

To address these requirements, following features are introduced as discussed.

Year-End Procedures to Revise Budget to Consumption

The Federal Process mandates that at the end of the year, the unconsumed funds from all the projects are released back to allotments. The Revise Budget to Consumption option is added in the Actions menu, in the Budget Balances region of the Budgetary Control dashboard on the Costing Command Center to accomplish this. You can select multiple projects and select this action from Action List of Values. When the Revise Budget to Consumption option is selected, you are navigated to Schedule Requests window in the E-Business Suite.

To use revise to consumption, there should not be any open requisitions on the project. Any such requisitions (not converted to awards) must be cancelled before initiating Revise Budget to Consumption from the Budgetary Control dashboard.

After the action is initiated, the Budget amounts are revised to match consumption, and the unconsumed funds are released from the projects. Funds unconsumed can now be moved back to Allotments.

Revise Budget to Consumption Flow

The following steps 1 through 8 are optional to validate if there are any open requisitions against a project, before Revise Budget to Consumption option is selected.

1. Navigate to Project Command Center > Budgetary Control dashboard.
2. Review Commitments Value.
3. Drilldown to requisitions from Commitments Value.
4. Select the Requisitions.
5. Select View Un-obligated Requisitions option from the Actions menu of the Budget Balances region.
6. Navigate to the Contract Lifecycle Management - PMO Command Center.
7. Verify the commitment value is zero.
8. Returns you back to the Budgetary Control dashboard.
9. Select the project(s) from Projects sub-tab for which budget revision has to happen.
10. Select the action as Revise Budget to Consumption from Projects sub-tab in the Budget Balances region of Budgetary Control dashboard.

11. When you submit this action, the system runs the concurrent program PRC: Revise Project Budget to Consumption.

12. Adjustment of the budget to release unconsumed funds.

    A reversal line matching unconsumed funds are created, as draft version, in the project budgets. The change reason in the budget version is stamped as Budget revised to consumption. The Name and Description of the budget version are stamped as Budget revised to Consumption.

    Note: To enable Revise Budget to Consumption action, complete the following E-Business Suite Function-based security (or ensure that the following security is already setup):

Security Type	Code	Description
Function	PA_ECC_BGTCTL_ACTIONS_FN	Projects ECC Budgetary Control Actions Function
Role	UMX|PA_ECC_BGTCTL_ACTION_ROLE	Projects ECC Budgetary Control Actions Role
Grant	PA: ECC Budgetary Control Actions Grant	Projects ECC Budgetary Control Actions Grant Grantee Type: Group Of Users Grantee: Projects ECC Budgetary Control Actions Role

Running the Concurrent Program

A new concurrent program, PRC: Revise Project Budget to Consumption, is added. This program is auto-populated. The projects chosen in the budgetary control dashboard default to the program as parameters.

You can only access this program from the Budgetary Control dashboard. You cannot submit this from the Requests window. Project numbers default from the selection in the budgetary control dashboard. Budgets for respective projects are locked for updates once the program is submitted.

1. Navigate to Project Command Center > Budgetary Control dashboard.

2. Review and refine Unconsumed Fund value.

3. Select the project in the Budget Balances section.

4. Select the Revise Budget to Consumption option in the Actions menu.

   If the project contains un-obligated commitments, then an error displays. If the project does not contain any un-obligated commitments, then the following page appears to define the parameters for taking or processing action.

   The Running Concurrent Request page displays:

5. Select or enter the Budget Period for Revision you want to run. Based on the current system date, it lists the Open GL periods in current and previous fiscal years.

6. Select or enter the Budget Revision Mode, as Draft or Baseline.

In the Draft mode, the program creates the reversal lines in the Draft version of the budget and baseline is not initiated. When the program is completed, you can find the reversal lines created in the draft version.

In the Baseline mode, the program creates the reversal lines in the Draft version of the budget and new version of the budget is automatically baselined.

7. Enter details in Notification, Print Options, Delivery, and Schedule Options tabs.

8. Submit Budget for approval and baselining.

9. Click Continue.

   The Submit Request review displays.

10. Click Submit to run the process.

Once the budget is approved, the liquidation entries for allowance and sub-allowances are created and sent to the General Ledger.

Validations

1. All selected projects must belong to the same operating unit.

2. The Revise Budget to Consumption program is run only for projects that do not have open requisitions, that are not converted to awards.

Concurrent Program Output Report

This report is generated from the concurrent program which is triggered by Revise Budget to Consumption.

A concurrent program, AUD: Revise Project Budget to Consumption, is triggered and run by the Revise Budget to Consumption program and it displays the output report.

The report is generated in the pdf format.

The report has two sections:

- **Project Budgets Processed for Revision:** Lists projects that are processed for budget revision. The status of the budget post revision displays.
- **Project Budgets Not Processed for Revision:** Lists projects skipped by the concurrent program and displays the reason for not processing for each project.

The report lists following details

- Original Budget amount
- Commitments for Requisitions, purchase orders, and Invoices
- Actual or Expenditure amounts
- Unconsumed funds
- Revised Budget amount
- Budget Status Post Revision

Creation of Reversal Entries

A reversal line matching unconsumed funds are created in the budget to make the budget amount same as the consumption fund. The reversal line is created at the budget-level. For example, if the budget is created at the project or task-level, then the reversal line is created at the corresponding project or task-level. The reversal entries are created in the period specified in the Budget Period for Revision option.

Integration with General Ledger

The program supports projects with Bottom-up integration and budgets non-integrated with transaction funds check enabled. Federal Agency does not use encumbrance accounting, therefore, the program does not support top-down integration. If the selected projects have Top-down integration, then these projects are skipped by the PRC: Revise Project Budget to consumption Program and generates the exception report.

If any of the selected project has an end date earlier than the period chosen for Budget Period for Revision, then it is skipped by the program and an exception is generated.

Budget Baseline Rejections

If the budget baseline validations fail for any of the selected projects, then the reversal line remains as the draft version of the budget and the version has the rejected status. The changes are not rolled back.

Granularity of Budget Lines and Corresponding Budgetary Control Levels are:

- Budget lines can exist at the following levels

- Project
- Task
- Resource Group (or)
- Resource

While Lines can exist at granular levels of resource or task, the budgetary control can be set as Absolute at higher level of project and can be Advisory or None at the granular levels of Task or Resource. In such cases, calculating unconsumed funds at individual task level or resource level may not be correct as funds from project pool can be consumed by other tasks. The reversals are created based on unconsumed funds calculation. If unconsumed fund is a positive value, then reversal is created as negative. If unconsumed fund is in negative, then the reversal is created as a Positive amount.

The budgetary controls are advisory for tasks and if the tasks have incurred commitments more than their allocated budget and if the commitment amounts for these tasks are less than the project budget total, the transactions pass the funds check successfully.

The unconsumed fund is calculated and reversed for every task because budget line exists at that level. Reversals are created based on unconsumed fund existing at that task level.

Revise Budget to Consumption: An Example

- Consider Fiscal year 2020 includes periods from Jan-2020 to Dec-2020. You initiate Revise Budget to Consumption for a project and Budget Period for Revision: Aug-2020.
- The Unconsumed funds for the project is calculated for the complete fiscal year 2020 and the reversal budget lines are created in Aug-2020 period.
- In the Draft mode, the program creates the reversal lines in the Draft version of the budget and baseline is not initiated. When the program completes, the reversal lines are created in the draft version.
- In the Baseline mode, the program creates the reversal lines in the Draft version of the budget and submission for approval and subsequent baseline are initiated.

Budget Transfers and Updates Through Edit Budget Amount

The Edit Budget Amount option is added in the Actions menu, in the Details region of Budgetary Control dashboard on Projects Command Center. It facilitate you to Edit Budget Amount for multiple budget lines.

Edit Budget Amount requires you to select source task in a project and target task within the project. You can transfer the funds from source task to target task.

The header region has Budget Version details which display Project, version, description and its budget amounts.

The Details region has Budget Line Details which displays Task, Periodicity, GL Period, Raw and Burden amounts for Draft & Baseline budget versions.

To edit budget amounts:

1. Navigate to the Project Command Center > Budgetary Control dashboard.
2. Select the project in the Details region.
3. Select the budget lines that you want to edit the amount.
4. Select the Edit Budget Amount option in the Details region of the Budget Line tab on the Budgetary Control dashboard.

Edit Budget Amounts window displays.

5. The header table includes, Budget Version, that displays the budget version details:
   - Displays the Project number.
   - Select and enter the version name.
   - Enter the reason for the change in the Change reason field.
   - Enter the Description of the budget update.
   - Displays the Draft and Baselined cost for
     - Raw Cost
     - Burdened Cost
     - Last Revision Date

6. Budget Line details section will have the following columns
   - Task Number
   - Periodicity
   - GL Period
   - Raw cost Baselined - Read Only
   - Raw cost Draft - Editable
   - Burdened cost Baselined -Read Only
   - Burdened cost Draft - Editable

When you hover-over the Project field, a pop-up displays Project Consumptions details that includes, Requisition, Purchase Order, Invoice, Actual breakup along with overall Project Budget, Project Remaining Budget applicable for Projects with budget entry methods without a Resource. .

When you hover-over the Task field, a pop-up displays Task Consumption details that includes, Requisition, Purchase Order, Invoice, Actual break up along with overall Task Budget, Consumption and Task Remaining Budget applicable for Projects with budget entry methods without a Resource. .

Security - Edit Budget Amounts

Add the user responsibility with access to the following function to perform Edit Budget Amounts action:

Security Type	Code	Description
Function	PA_PAXBUEBU	Budget

Related Topics

Year End Budget Rollover, *Oracle Projects Fundamentals*

Using Top-Down Budget Integration with Oracle Contract Commitments

This section describes the budget integration features in Oracle Projects that enable top-down budget integration with Oracle Contract Commitments.

In this section, we assume that you have an understanding of the Contract Commitments application. For more information about Oracle Contract Commitments, see the *Oracle Contract Commitments User's Guide*.

For information on implementing budget integration, see: Implementing Budget Integration, *Oracle Projects Implementation Guide*.

Oracle Contract Commitments

The Oracle Contract Commitments application enables organization to manage their business using dual budgetary control. With dual budgetary control, you use a commitment budget and a standard budget to manage and control costs:

- **Commitment Budgets.** The commitment budget defines the amount of commitments an organization is willing to enter in a given time period.
- **Standard Budget.** The standard budget defines the amount an organization is willing to spend in a given time period.

All organization expenditures must originate as contract commitment transactions. Contract commitment transactions can consist of multiple commitment lines. Each line can have a different payment schedule. The commitment transaction lines are subject to the budgetary control defined for the commitment budget. The commitment line payment schedules are subject to the budgetary control defined for the standard budget.

Integrating with Oracle Contract Commitments

Oracle Projects enables you to define top-down budget integration for a commitment budget and a standard budget. In Projects, you define a commitment budget and a standard budget using two different cost budget types.

- The commitment budget encumbers the Oracle Contract Commitments funding budget.
- The standard budget encumbers the Oracle General Ledger funding budget.

When project-related contract commitments are approved, the project encumbrances against both funding budgets are liquidated.

Prerequisites for Budget Integration with Oracle Contract Commitments

You define budget integration with Oracle Contract Commitments to perform top-down budgeting. For more information, see: Prerequisites for Top-Down Budget Integration, page 3-64.

Defining Funding Budgets

When you use the Contract Commitments application, all cost transactions must start as commitment transactions. A payment schedule is associated with each commitment transaction line. A Contract Commitments funding budget defines the amount of funds that can be committed by an organization during a specified time period. A General Ledger funding budget, often referred to as the standard budget, defines the amount of funds that an organization can spend during a specified time period.

Defining Budget Integration

To reserve funds in funding budgets for anticipated project costs, define budget integration using the Budgetary Controls option in the Projects, Templates window.

You must define budget integration before you create a baseline for the project budget and before any project transactions are entered.

When you integrate Oracle Projects with Oracle Contract Commitments, you associate one project cost budget type with the General Ledger funding budget and another project cost budget type with the Contract Commitments funding budget. The project budget associated with the General Ledger funding budget controls the project's actual costs. The project budget associated with the Contract Commitments funding budget controls the project's commitment costs.

To specify top-down integration, select a balance type of Encumbrance. When you define the project budget and create a baseline, the system generates encumbrance entries to create project encumbrances against each funding budget. The project encumbrances reserve funds for the anticipated and committed project costs. When project-related contract commitment transactions are approved, the project encumbrances are reduced and new commitment encumbrances are created.

When you define integration using a balance type of Encumbrance, the system automatically enables budgetary control. The Project control level is automatically set to Absolute and cannot be changed. Oracle Projects uses budgetary control to ensure that the project commitment total and the project actual total do not exceed the amounts defined in each project budget. The project cost totals can never exceed the amounts reserved in the funding budgets.

For information on budgetary control, see Budgetary Control Settings, page 3-30.

Creating Project Encumbrances

To reserve funds for anticipated project costs, you must define a project commitment budget and a project standard budget. When a baseline is created for each budget, Oracle Projects verifies that funds are available in each funding budget for the budgeted project costs. If funds are available in both funding budgets, Projects interfaces the project commitment budget line amounts to Oracle Contract Commitments to reserve funds in the funding budget for the anticipated project commitment costs. Projects interfaces the project standard budget amounts to Oracle General Ledger. The General Ledger Create Journals process generates encumbrance entries from the interfaced amounts to reserve funds in the General Ledger funding budget for the anticipated actual project costs.

For information on creating project commitment and standard budgets, see: Creating Project Budgets for Top-Down Budget Integration with Oracle Contract Commitments, page 3-103.

Liquidating Project Encumbrances

When a project-related contract commitment transaction is approved, a funds check is performed. The contract commitment line amounts are checked against the project commitment budget. The payment schedule for each commitment line is checked against the project standard budget. If funds are available for all lines and payment schedules and the transaction is approved, then commitment encumbrance entries are created against the funding budgets. The commitment transaction line amounts encumber the Contract Commitments funding budget and the transaction line payment

schedules encumber the General Ledger funding budget. Encumbrance liquidation entries are created to reduce the project reservations against each funding budget.

When supplier invoices are matched to the commitment transactions and paid, encumbrances against the General Ledger funding budget are liquidated and actual costs are accounted.

Contract Commitment Transaction Example

When commitment transactions are processed, the reservation against the funding budgets changes from one encumbrance type to another.

The following example illustrates the process flows for a project commitment that originates as a provisional contract commitment.

Contract Commitments Funding Budget Encumbrances

The following table shows the effect of a transaction on the contract commitments funding budget encumbrances.

- In line A, the provisional commitment is approved. A portion of the Project encumbrance against the contract commitment funding budget is replaced by a Commitment encumbrance. If the Project encumbrance balance is $1,000 and the provisional commitment total is $100, the Project encumbrance is reduced to $900 and a Commitment encumbrance of $100 is created.

- In line B, the provisional commitment is confirmed. The Commitment encumbrance is liquidated and an Actual encumbrance is created. The Contract Commitments funding budget shows confirmed commitments as actual costs.

Activity	Project Encumbrance	Commitment Encumbrance	Actual Encumbrance
Previous Project Encumbrance	$1,000		
(Line A) Provisional commitment ($100) is approved	$900	$100	
(Line B) Provisional commitment ($100) is confirmed.		0	$100

General Ledger Funding Budget Encumbrances

The following table shows how the transaction affects the General Ledger funding encumbrances.

- Line A: This line is identical to Line A for the Contract Commitments funding

budget changes above.

- Line B: When the provisional commitment is confirmed, the Commitment encumbrance is liquidated and an Obligation encumbrance is created.
- Line C: When a supplier invoice is matched to the confirmed commitment, the Obligation encumbrance is liquidated and an invoice encumbrance is created.
- Line D: When the supplier invoice is accounted, the Invoice encumbrance is liquidated and actual costs are recorded.

Activity	Project Encumbrance	Commitment Encumbrance	Obligation Encumbrance	Invoice Encumbrance	Actual
Previous Project Encumbrance Balance	$1,000				
(Line A) Provisional commitment ($100) is approved	$900	$100			
(Line B) Provisional commitment ($100) is confirmed		0	$100		
(Line C) Supplier invoice is matched to the confirmed commitment			0	$100	
(Line D) Supplier invoice is accounted				0	$100

Project Encumbrance Example

The following example illustrates the creation and liquidation of project encumbrances.

Funding Budget Balances

The beginning balances for the Chemical Research organization commitment and standard funding budgets are shown below:

Contract Commitments Funding Budget

The commitment budget defined in Oracle Contract Commitments is shown in the following table:

GL Period	Account	Budget Amount	Project Encumbrance	Commitment Amount	Actual Amount	Available Funds
Jan-01	01-422-7550-000	300,000	0	0	0	300,000

General Ledger Funding Budget

The standard budget defined in Oracle General Ledger is shown in the following table:

GL Period	Account	Budget Amount	Project Encumbrance	Commitment Amount	Actual Amount	Available Funds
Jan-01	01-422-7550-000	100,000	0	0	0	100,000
Jan-02	01-422-7550-000	100,000	0	0	0	100,000
Jan-03	01-422-7550-000	100,000	0	0	0	100,000

Project Budgets

The Chemical Research organization is awarded a 3-year research grant. The grant provides $15,000 the first year, $10,000 the second year, and $5,000 the third year.

A project is created to track research activities and costs. A commitment budget and a standard budget are defined for the project. Both project budgets are integrated with the organization funding budgets.

Project Commitment Budget

The following table shows the project commitment budget.

Budget Category	GL Period	Amount	Account
Project	Jan-01	30,000	01-422-7550-000

Project Standard Budget

The following table shows the project standard budget.

Budget Category	GL Period	Amount	Account
Project	Jan-01	15,000	01-422-7550-000
Project	Jan-02	10,000	01-422-7550-000
Project	Jan-03	15,000	01-422-7550-000

Project Reservations

When baselines are created for each project budget, encumbrance accounting entries are generated to reserve funds in the funding budgets. The new funding budget balances are shown below.

Contract Commitments Funding Budget

The balances for the commitment budget defined in Oracle Contract Commitments are shown in the following table:

GL Period	Account	Budget Amount	Project Encumbrance	Commitment Encumbrance	Actual Amount	Available Funds
Jan-01	01-422-7550-000	300,000	30,000	0	0	270,000

General Ledger Funding Budget

The balances for the standard budget defined in Oracle General Ledger are shown in the following table:

GL Period	Account	Budget Amount	Project Encumbrance	Commitment Encumbrance	Actual Amount	Available Funds
Jan-01	01-422-7550-000	100,000	15,000	0	0	85,000
Jan-02	01-422-7550-000	100,000	10,000	0	0	90,000
Jan-03	01-422-7550-000	100,000	5,000	0	0	95,000

Commitment Transaction Encumbrance

A project-related contract commitment transaction is approved in January, 2001 for research assistance costs. The organization contract commitment and standard funding budgets are adjusted for the transaction.

Confirmed Contract Commitment Transaction

The project-related contract commitment transaction is shown in the following table:

Item	Account	Amount	Payment Date
Commitment Line 1	01-422-7550-000	1,800	
Payment Line 1		900	01-Jan-01
Payment Line 2		600	01-Jan-02
Payment Line 3		300	01-Jan-03

Contract Commitments Funding Budget

The contract commitments funding budget balances are adjusted as shown in the following table:

GL Period	Account	Budget Amount	Project Encumbrance	Commitment Encumbrance	Actual Amount	Available Funds
Jan-01	01-422-7550-000	300,000	28,200	1,800	0	270,000

General Ledger Funding Budget

The General Ledger funding budget balances are adjusted as shown in the following table:

GL Period	Account	Budget Amount	Project Encumbrance	Commitment Encumbrance	Actual Amount	Available Funds
Jan-01	01-422-7550-000	100,000	14,100	900	0	85,000
Jan-02	01-422-7550-000	100,000	9,400	600	0	90,000
Jan-03	01-422-7550-000	100,000	4,700	300	0	95,000

Creating Project Budgets for Top-Down Budget Integration with Oracle Contract Commitments

When Oracle Projects is integrated with Oracle Contract Commitments, you define a project commitment budget and a project standard budget for tracking commitment activities and controlling costs. When you create each of these budgets, keep in mind the considerations listed under Creating Project Budgets for Top-Down Budget Integration, page 3-72.

In addition, there is another factor top consider:

- The baseline process for the project standard budget creates baselines for both the standard budget and the commitment budget.

Budget Entry Method and Budget Line Accounts

When Oracle Projects is integrated with Oracle Contract Commitments, top-down budgeting is enabled. Project commitment and standard budgets encumber commitment and standard funding budgets. The funding budgets are maintained by account and GL period. To enable Oracle Projects to interface the project budget amounts for encumbrance creation, you must create the project budget using an entry method that is time phased by GL Period and you must generate an account for each project budget line.

For more information on account generation, see: Budget Integration Procedures, page 3-55.

Enter Budget Lines for all Budget Periods

When project budgets are integrated to General Ledger and Contract Commitments funding budgets, the project budgets encumber the funding budgets. When contract commitment transactions are entered and approved, the project encumbrances are liquidated and commitment encumbrances are created. The accounts for the project

liquidation entries are obtained by mapping the transaction lines and payment schedule lines to project budget lines.

For additional information about entering budget amounts for a top-down integrated budget Enter Budget Lines for All Budget Periods, page 3-73.

Deferred Workflow Process

When integration with Oracle Contract Commitments is defined, you must create a project commitment budget and a project standard budget in Oracle Projects. When a baseline is created for the project standard budget, a baseline is also created for the project commitment budget. When you create two budgets, the following steps are recommended:

1. Enter the project commitment budget amounts.
2. Submit the project commitment budget.
3. Enter the project standard budget amounts.
4. Submit the project standard budget.
5. Create a baseline for the project standard budget.

The baseline process for the project standard budget launches a deferred workflow process. The deferred process performs the following tasks:

- Validates the submitted project standard budget version.
- Creates budget lines in the standard budget for missing budget category and budget period combination.
- Validates the submitted project commitment budget version.
- Creates budget lines in the commitment budget for missing budget category and budget period combinations.
- Optionally, activates the budget workflow for controlling budget status changes.
- Interfaces budget amounts for commitment budget baselines to Oracle Contract Commitments.
- Interfaces budget amounts for standard budget baselines to Oracle General Ledger.

When the deferred workflow is activated, the standard budget version status is set to In Process. When the workflow ends, a workflow notification is generated. When the workflow completes without errors, baselines are created for the commitment and standard budget versions, and new draft versions with a Working status are created. If the workflow terminates as a result of an error, baselines are not created, and the budget statuses are changed to Rejected.

For additional information about viewing workflow notifications, see the *Oracle Workflow Guide*.

Baseline Validations

Additional validations are performed during the project baseline process when you define budget integration with Oracle Contract Commitments.

Budget Total Amount Validation

When you define budget integration with Contract Commitments, the total budget amounts for the project standard budget and the project commitment budget must equal. However, the budget time periods can differ. For example, you can create a project commitment budget that covers a 1-year period and has a total budget amount of $10,000. You can create a corresponding project standard budget that covers a 5-year period as long as the total budget amount equals $10,000.

The baseline process compares the total amount for the submitted standard budget version with the total amount for the submitted commitment budget version. If a submitted commitment budget version does not exist, but a baseline exists, then the system uses the baseline for comparison. If the total amounts for the standard and commitment budget versions are different, or if a submitted commitment budget version or baseline does not exist, then the deferred workflow completes with errors and no baselines are created for the project budgets.

Budget Amount Validation

When a baseline is created for a budget that is integrated with the Oracle General Ledger funding budget, the budget line amounts are interfaced to Oracle General Ledger. When a baseline is created for a budget that is integrated with the Contract Commitments, the budget line amounts are interfaced to Oracle Contract Commitments. Encumbrance journal entries are created from the interfaced amounts to reserve funds in the funding budgets for the anticipated project costs.

Oracle Projects validates the amounts for interface during the budget baseline process. If the interface amounts will result in encumbrance entries that cannot be posted, then the baseline process fails and no amounts are interfaced. For details about creating a baseline for a top-down integrated project budget, see: Creating a Baseline for an Integrated Budget, page 3-22.

For more information about troubleshooting baseline failures, see: Troubleshooting Baseline Failures for Integrated Budgets, page 3-28.

Budgetary Control Balances

Oracle Projects maintains budgetary control balances for both the project commitment budget and the project standard budget. You can view the balances in the Budget Funds Check Results window.

Commitment Budgetary Control Balances

The budgetary control balances for the commitment budget reflect project-to-date approved commitments.

Cost Budgetary Control Balances

Like the commitment budget, the budgetary control balances for the cost budget reflect

project-to-date approved commitments. However, invoiced commitment amounts are displayed as invoice commitments or project actuals. The invoiced amounts appear as actuals when the invoices are interfaced from Oracle Payables to Projects. Therefore, the cost budgetary control balances display the total commitment amount invoiced, the total commitment amount outstanding, and the uncommitted budget amounts (available funds).

Related Topics

Maintaining Budgetary Control Balances, page 3-40.

Maintaining the Project Budget

When you maintain project budgets, you must ensure that the total amounts for the project commitment budget and the project standard budget remain the same. If you increase or decrease the budget amounts for one budget, you must change the budget amounts for the other budget.

If you make a change to the project standard budget that does not affect the budget total, you do not need to modify the project commitment budget. However, if you make any change to the project commitment budget, you must create a new baseline for the project standard budget.

You cannot create a new baseline for the commitment budget without creating a new baseline for the standard budget. When you create a new baseline for the standard budget, it is not necessary to make any changes. You can just query and submit the budget, and create a new baseline.

The baseline process performs the following actions for the new budget versions:

- Validates the budgetary control settings for the project standard budget.
- Validates the budgetary control settings for the project commitment budget.
- Validates the budgetary control settings for the General Ledger funding budget.
- Validates the budgetary control settings for the Contract Commitments funding budget.
- Validates the status of GL periods.
- Updates the project encumbrance for the General Ledger funding budget.
- Updates the project encumbrance for the Contract Commitments funding budget.

Project Budgetary Control

For information about project budgetary control for top-down budget integration, see: Project Budgetary Control, page 3-84.

Funding Budget Control

For more information about funding budget control for top-down budget integration, see: Funding Budget Control, page 3-84.

General Ledger Period Statuses

When the project budget is modified, all changes are interfaced to General Ledger and Oracle Contract Commitments to adjust the project reservations against the funding budgets. Oracle General Ledger does not allow adjustments to closed periods. Therefore, budget baseline process ensures that no adjustments are made to periods that are closed in General Ledger. Changes to closed periods generate funds check failures. For troubleshooting tips, see: Troubleshooting Baseline Failures for Integrated Budgets, page 3-28.

Project Encumbrance Maintenance

For information about project encumbrance maintenance for top-down budget integration, see: Project Encumbrance Maintenance, page 3-85.

Year-End Processing

For a description of year-end processing when top-down budget integration is employed, see: Year-End Processing, page 3-85.

Year-End Rollover Example

In this example, balances exist as of December 31, 2001 for a project commitment budget and a project cost budget.

The following table shows the year-end project commitment budget balances.

Account	Budget Amounts	Actual Balance	Commitment Balance
01-422-7550-000	60,000	0	55,000
01-422-7760-000	60,000	0	58,000

The following table shows the year-end project cost budget balances.

Account	Budget Amounts	Actual Balance	Commitment Balance
01-422-7550-000	60,000	50,000	5,000
01-422-7760-000	60,000	40,000	18,000

The following table shows the encumbrance entries generated by the PRC: Year End Budget Rollover process to adjust the reservations against the General Ledger funding budget. All of the entries are encumbrance type *PA Encumbrance*.

Period	Budget	Account	Debit	Credit
Dec-01	GL Funding	01-422-7550-000		5,000
Dec-01	GL Funding	01-422-7760-000		2,000
Jan-02	GL Funding	01-422-7550-000	5,000	
Jan-02	GL Funding	01-422-7760-000	2,000	

Contract Commitment Year-End Rollover Encumbrance Entries

The following table shows the encumbrance entries generated by the PRC: Year End Budget Rollover process to adjust the reservations against the Contract Commitments funding budget. All of the entries are encumbrance type *PA Encumbrance*.

Period	Budget	Account	Debit	Credit
Dec-01	CC Funding	01-422-7550-000		5,000
Dec-01	CC Funding	01-422-7760-000		2,000
Jan-02	CC Funding	01-422-7550-000	5,000	
Jan-02	CC Funding	01-422-7760-000	2,000	

Integrating with the Budget Execution Module of Oracle Federal Financials

When you create a baseline project budget, you can populate the budget execution interface table to integrate with the Budget Execution module of Oracle Federal Financials. When the profile option FV: Federal Enabled is set to Yes, the Project Budget Workflow process calls the Federal Integration Client Extension. You can modify the default logic supplied with the client extension to populate the Budget Execution Interface table with the appropriate values. You can have approval workflow notification sent to your Budget Execution analyst.

4

Expenditures

This chapter describes how to enter and manage expenditures using Oracle Projects.

This chapter covers the following topics:

- Overview of Expenditures
- Processing Pre-Approved Expenditures
- Controlling Expenditures
- Viewing Expenditures
- Adjusting Expenditures

Overview of Expenditures

An expenditure is a group of expenditure items, or transactions, incurred by an employee or an organization for an expenditure period. You charge expenditures to a project to record *actual* work performed or cost incurred, and you charge *commitments* to record future costs you expect to incur.

You must charge all actual expenditure items and future commitments to a project and task. Examples of actual expenditures are timecards, expense reports, usage logs, and supplier invoices. Examples of commitments are requisitions and purchase orders.

The following are examples of expenditures and commitments:

- You have worked eight hours on Monday, June 6 for project A, task 1 doing Professional work (expenditure)
- You travelled twenty miles on Tuesday, June 7 for project X, task 1 using your own vehicle (expenditure)
- You made ten copies of a blueprint on Thursday, June 9 for project Y, task 1 using copier number 1243 (expenditure)
- You issued a purchase order for 200 pounds of cement on Friday, June 10 for project

Z, task 2.3 (commitment)

You associate each expenditure item with an expenditure type class, (such as Straight Time or Supplier Invoice). The expenditure type class tells Oracle Projects how to process the expenditure item. For more information, see: Expenditure Type Classes, *Oracle Projects Implementation Guide*.

Expenditure Classifications

Expenditure types (such as Administrative, Hotel, or Overtime) classify the type of cost incurred. You can categorize costs and revenues by grouping the expenditure types into expenditure categories such as Materials and Labor. You define all expenditure types, expenditure categories, and revenue categories during implementation.

Expenditure Amounts

During processing, the system associates each expenditure item with a unit quantity and two cost amounts, raw and burden cost, when processed. The raw cost is the actual cost of the work performed; the burden cost is the indirect cost of the work performed. For example, the raw cost could be the hours multiplied by the hourly cost rate, and the burden could be the cost of the office space or benefits. The total burdened cost is the raw cost plus the burden cost.

Related Topics

Using Rates for Costing, *Oracle Projects Fundamentals*

Expenditure Entry Methods

You can create expenditure items in Oracle Projects to record actual work performed or costs incurred against a project in one of the following ways:

- Enter pre-approved expenditure batches. See: Processing Pre-Approved Expenditures, page 4-14.
- Upload pre-approved expenditure batches from Microsoft Excel. See: Uploading Expenditures from Microsoft Excel, page 4-22.
- Enter expenditures in other Oracle Applications, such as Oracle Payables and Oracle Inventory, and import them into Oracle Projects. See: Overview of Oracle Project Costing Integration, page 9-1.
- Import transactions from external sources. See: Transaction Import, *Oracle Projects Fundamentals*.

Expenditure Item Validation

When you enter expenditure items, you are charging cost to a project and a task. Oracle Projects validates expenditure items against predefined criteria and any transaction controls and transaction control client extensions that you set up during the implementation.

Standard Validation Process

The standard validation process performs the following checks:

- Project
  - Expenditure item falls within project dates
  - Project status allows transactions
  - Transaction controls and transaction control extensions allow charges of this type
  - Project allows cross-charges from the user's operating unit in a multi-organization environment

    Note: If budgetary control is enable for the project, then standard validations does not allow intercompany cross-charges.

  - Project security allows charge
  - Project is *not* one of the following types of projects:
    - A project template
    - An award project (a project used for internal processing in Oracle Grants Accounting)
    - An intercompany provider project
- Task
  - Expenditure item falls within task dates
  - Task is a lowest task and chargeable
  - Transaction controls and transaction control extensions allow charges of this type

- Expenditure type
  - Expenditure type is active
- Expenditure Organization
  - Expenditure item falls within expenditure organization dates
  - Expenditure item falls within the non-labor resource organization dates (usage transactions only)
- Employee
  - Employee is active
  - Employee has a valid project assignment as of the expenditure item date (if Oracle Project Resource Management is installed)
- Existing expenditure item (for adjustments only)
  - Matching expenditure item exists (unless you enter an unmatched, negative transaction)

Note: Oracle Projects validates pre-approved expenditure batches as you enter expenditure item details. Expenditures created using external cost collection systems are validated during the Submit and Transaction Import processes, but before Oracle Projects creates an expenditure.

Note: For information about importing unmatched reversing expenditure items for supplier costs, see: Manually Adjusting Unmatched Reversing Expenditure Items, page 4-105.

Funds Checks for Transactions

When a transaction is charged to a project, funds check processes are activated in both General Ledger and Oracle Projects. Funds checks are activated for new transactions and for adjusted transactions.

You can review Oracle Projects funds check results online. The system displays results for transactions that pass a funds check and transactions that fail a funds check with the corrective action. The transaction funds check Date From field is based on the Amount Type and the Date To is based on the Boundary Code fields. While funds check is performed for a transaction the actual budget available is displayed at the following levels: resource, resource group, task, top task, and project on the respective tabs..

Additional Information: You must create a baseline version for the budget before the funds check processes can funds check transactions.

Related Topics

Funds Check Activation in Oracle Purchasing and Oracle Payables, page 9-28

Using Budgetary Controls, *Oracle Project Costing User Guide*

Expenditure Rejection Reasons

Possible reasons for expenditure transaction rejection are listed in the following table. If you receive a rejection reason not included in the table, check with your implementation team for rejection reasons defined in the transaction control extensions. If you cannot access a window mentioned in the table, contact the key member for the project for assistance.

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Burdened cost is not valid for the given system linkage (INVALID_BURDENED_ AMOUNT)	A transaction with an expenditure type class of Burden Transactions should have a burden cost of NULL. For other expenditure type classes, the burden cost should equal zero if the transaction source or project does not allow burdening.	All
CCID for credit is NULL (INVALID_CR_CCID)	The code combination ID for the credit account cannot be NULL for transactions that have been accounted for in an external system.	GL accounted transactions
CCID for debit is NULL (INVALID_DR_CCID)	The code combination ID for the debit account cannot be NULL for transactions that have been accounted for in an external system.	GL accounted transactions
Cannot lock original item for reversal (CANNOT_LOCK_ ORIG_ITEM)	Another user or a process is currently accessing the original item to be adjusted. Try to revise the expenditure item later.	All

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Cross charge validation failed (CROSS_CHARGE_ PROJECT_INVALID)	You will get this message only if you have implemented multiple organization support and are using Transaction Import to charge expenditure items to a project owned by an operating unit that does not share your operating unit's ledger, PA period type, and business group. Revise the expenditure item by entering a project owned by an operating unit to which you can charge.	All
Different system linkage (DIFF_SYS_LINKAGE)	During Transaction Import, Oracle Projects verifies that the expenditure type class of the transaction matches the expenditure type class of the expenditure type. You can either associate the expenditure type class with the expenditure type using the Expenditure Types window, or you can change either the expenditure type or the expenditure type class on the transaction so they form a valid combination.	All
Duplicate item (DUPLICATE_ITEM)	An expenditure item with the same transaction source and original system reference already exists. Change the transaction source or original system reference of the expenditure item to be imported.	All
Employee is mandatory (EMP_MAND_FOR_ ER/TIME)	Enter information into the employee number field.	Timecards and expense reports

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Employee or organization is mandatory (EMP_OR_ORG_MAND	Enter either the employee name and number or expenditure organization in the appropriate expenditure field.	All except timecards and expense reports
Expenditure item cannot be charged to a Closed project (PA_EX_PROJECT_ CLOSED)	Project status does not allow transactions to be charged to this project. Change the status of the project or charge the expenditure item to another project.	All
Expenditure item date is after the expenditure ending date (EI_DATE_AFTER_END_DATE)	The expenditure item date is after the expenditure ending date. Verify that both the expenditure item and the expenditure dates are correct and change, if necessary.	All
Expenditure item date is not within the active dates of the project (PA_EX_PROJECT_DATE)	Change the expenditure item date or the project's active dates, or charge the expenditure item to another project.	All
Expenditure item date is not within the active dates of the task (PA_EXP_TASK_EFF)	Change the expenditure item date or the task's active dates, or charge the expenditure item to another task.	All
Expenditure item date is not within the expenditure week (ITEM_NOT_IN_WEEK)	Verify that the expenditure item date and the expenditure date are both correct and change, if necessary. You can also create a new expenditure for the expenditure item.	Timecards
Expenditure organization is not active (PA_EXP_ORG_NOT_ACTIVE)	The expenditure organization is not active or is not within the current expenditure organization hierarchy.	All

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Expenditure type/expenditure type class inactive (ETYPE_SLINK_INACTIVE)	The combination of the expenditure type and expenditure type class is inactive as of the expenditure item date. Refer to PA_EXPEND_TYP_SYS_LINKS for valid expenditure type/expenditure type class combinations.	All
Expenditure type inactive (EXP_TYPE_INACTIVE)	The expenditure type has been defined, but it is either not yet effective or has already expired as of the expenditure item date. Refer to the Expenditure Types window to view all valid expenditure types and their effective dates or to change the expenditure type's effective dates.	All
GL date is NULL (INVALID_GL_DATE)	A transaction that has already been accounted for in an external system must have a GL date.	GL accounted transactions
Invalid burden transaction (INVALID_BURDEN_TRANS)	Raw cost and quantity must equal zero or NULL for burden transactions.	Burden transactions
Invalid employee (INVALID_EMPLOYEE)	Oracle Projects does not recognize the employee number. Verify that you have entered the information correctly or add a new employee.	All
Invalid ending date (INVALID_END_DATE)	The expenditure ending date does not fall on the day of the week defined as your expenditure cycle end day. Refer to the Implementation Options window (Costing) for the valid expenditure cycle start day.	All

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Invalid expenditure type (INVALID_EXP_TYPE)	The expenditure type does not exist. Refer to the Expenditure Types window for a list of all valid expenditure types or to create a new expenditure type.	All
Invalid expenditure type class (INVALID_EXP_TYPE_CLASS)	The expenditure type class of the transaction is invalid. Refer to PA_SYSTEM_LINKAGES for valid expenditure type classes.	All
Invalid expenditure type/system linkage combination (INVALID_ETYPE_SLINK)	The combination of the expenditure type and expenditure type class is invalid. Refer to PA_EXPEND_TYP_SYS_LINKS for valid expenditure type/expenditure type class combinations.	All
Invalid non-labor resource (INVALID_NL_RSRC)	The non-labor resource does not exist. Refer to the Non-Labor Resources window for a list of all valid non-labor resources or to create a new non-labor resource.	Usage logs
Invalid non-labor resource organization (INVALID_NL_RSRC_ORG)	The non-labor resource organization does not exist. Refer to the Non-Labor Resources window for a list of all valid organizations for a particular non-labor resource or to assign a new organization to a non-labor resource.	Usage logs
Invalid organization (INVALID_ORGANIZATION)	The expenditure organization does not exist. Refer to the expenditure organization hierarchy set up in Oracle Projects to determine all organizations defined as valid expenditure organizations.	All

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Invalid project (INVALID_PROJECT)	The project number does not exist. Refer to the Projects Summary window for a list of all valid projects or to the Projects, Templates Summary window to create a new project by copying an existing project or template.	All
Invalid project type (INVALID_PROJECT_TYPE)	The project type for the given project is invalid.	All
Invalid task (INVALID_ TASK)	The task number does not exist for the project, or the task is not a lowest task. Open your project and choose the Tasks option to view all valid tasks or to create a new lowest task.	All
Invalid transaction source (INVALID_TRX_SOURCE)	Oracle Projects does not recognize the transaction source. Refer to the Transaction Sources window for a list of valid transaction sources or to create a new transaction source.	All
No open or future PA period for the expenditure item and GL dates (INVALID_PA_DATE)	There is no open or future PA period for the given expenditure item and GL dates.	GL accounted transactions
Non-labor resource expenditure type different (NL_EXP_TYPE_DIFF)	The non-labor resource is not associated with the expenditure type. Refer to the Non-Labor Resources window for a listing of all valid non-labor resources and their expenditure types or to create a new non-labor resource.	Usage logs

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Non-labor resource inactive (NL_RSRC_INACTIVE)	The non-labor resource has been defined, but it is either not yet effective or has already expired as of the expenditure item date. Refer to the Non-Labor Resources window for a list of valid non-labor resources and their effective dates or to change the effective dates.	Usage logs
Non-labor resource mandatory for usages (NL_RSRC_MAND_ FOR_USAGES)	A non-labor resource has not been specified. Enter the non-labor resource name for the rejected expenditure item in your usage log.	Usage logs
Non-labor resource owning organization mandatory for usages (NL_RSRC_ORG_ MAND_FOR_USAGES)	A non-labor resource organization has not been specified. Enter the appropriate organization name.	Usage logs
No assignment (NO_ASSIGNMENT)	The employee does not have an active HR assignment to a specific organization and job as of the expenditure item date. Verify the expenditure item date and the employee assignment in Oracle Human Resources and make change, if necessary.	All

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
No matching item (NO_MATCHING_ITEM)	If the transaction is an adjustment with a negative quantity, and the unmatched negative flag is not set to Yes, an original, approved, unreversed expenditure item matching the transaction's employee/organization, item date, expenditure type, project, task, reversing quantity, reversing cost (if loading costed items via Transaction Import), and non-labor resource and non-labor organization (for usages) must exist. Also, the matching expenditure item must have been originally loaded from the same transaction source. If more than one item matches the original item, Oracle Projects uses the first one that was created.	Adjusting transactions
No raw cost (NO_RAW_COST)	Transaction currency raw cost amount is missing. Expenditure items with a costed transaction source must include this information.	All
Organization does not own the non-labor resource (ORG_NOT_OWNER_ OF_NL_RSRC)	The non-labor resource has not been assigned to the non-labor resource organization as of the expenditure item date. Refer to the Non-Labor Resources window for a list of all organizations associated with the resource or to associate a new organization with the resource.	Usage logs

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Project is not chargeable (PA_PROJECT_NOT_VALID)	The project is a template; has a transaction control that does not allow charges; does not allow cross charge and does not share a business group, ledger, and PA period type with the user's operating unit; or the project status does not allow new transactions.	All
Project does not allow burdening or burden transactions (PROJ_NOTALLOW_BURDEN)	Burden transactions and transactions with burden amounts are not allowed for this project.	All
Project/Task-level expenditure transaction control violated (PA_EXP_PJ/TASK_TC)	The transaction violates the project level or task level transaction controls defined for the project. Refer to the Transaction Controls window for a list of the transaction controls on the project or task or to change the transaction controls. You can also charge the expenditure item to another project or task.	All
Project/Task validation error (PA_EXP_INV_PJTK)	The project or task does not exist, or the task does not belong to the project. Change the expenditure item's project or task.	All
The task is not chargeable (PA_EXP_TASK_STATUS)	The task's Allow Charges flag has not been enabled. Enable this flag from the task's Task Details window or charge the item to another task.	All
Transaction source does not allow burdening or burden transactions (TRXSRC_NOTALLOW_BURDEN)	Burden transactions and transactions with burden amounts are not allowed for transactions you import from this transaction source.	All

Rejection Reason (Error Lookup Code)	Troubleshooting Tips	Expenditure
Transaction source inactive (TRX_SOURCE_INACTIVE)	The transaction source has been defined, but either is not yet effective or has already expired as of the expenditure item date. Refer to the Transaction Sources window for a list of all valid transaction sources and their effective dates or to change the effective dates.	All

Processing Pre-Approved Expenditures

Pre-approvedexpenditures include the following items:

- timecards
- usage logs
- miscellaneous transactions
- burden transactions
- inventory transactions
- work in process transactions

These entries are generally completed on paper and approved by a supervisor, then entered into Oracle Projects.

> **Note:** Transactions with an expenditure type class of Work in Process or Inventory are usually imported from a manufacturing system. Related burden transactions are usually generated and imported via Transaction Import.

You enter pre-approved expenditures into Oracle Projects window in a batch, submit them for review, and then release them for cost distribution.

The following illustration shows the steps for entering pre-approved expenditures into Oracle Projects.

Pre-Approved Expenditure Flow

Entering Pre-Approved Expenditure Batches

Enter pre-approved expenditures, such as timecards or usage logs, in batches. If you enter expenditures in a batch, Oracle Projects processes them as a group. In addition, when you release the batch for cost distribution, Oracle Projects releases all expenditures in the batch simultaneously.

Batch entry promotes accuracy and efficiency. You can use batches to:

- Reduce data entry. You can create a new timecard batch by copying any previously created batch.
- Verify accuracy by tracking variances between actual and entered totals.
- Easily locate a group of expenditures to correct, submit for review, or release for cost distribution.

When you enter pre-approved expenditures, you first create a new batch, then enter the expenditures in the batch and their associated expenditure items. When you have entered all expenditures and expenditure items, you can submit the contents of the batch. Typically, your supervisor reviews your submitted batches and releases them for cost distribution.

Note: Your implementation team can decide to allow the same person

or job responsibility to enter, submit, and release pre-approved expenditures. For more information, see: Security in Oracle Projects, *Oracle Projects Fundamentals*, and Project and Organization Security, *Oracle Projects Implementation Guide*.

Statuses for Pre-Approved Expenditure Batches

Pre-approved expenditure batches can have one of the following statuses:

Working The expenditure batch is not ready for review. You can enter timecards, usages, miscellaneous transactions, burden transactions, inventory transactions, or work-in-process transactions and modify their expenditures and expenditure items.

Submitted The batch is awaiting review. You can still retrieve the batch if you need to make corrections.

Released The expenditure batch has been released for cost distribution. You can reverse incorrectly entered expenditure items within the batch. See: Correcting Expenditures Batches, page 4-27.

Note: You can choose *Unreleased* from the Status poplist in the Find Expenditure Batches window to retrieve both *Working* and *Submitted* expenditure batches.

Entering Transactions for Future-Dated Employees

You cannot enter actual project transactions for future-dated employees until they become active employees. An employee is considered active when his or her start date is equal to or earlier than the current date.

However, if an expenditure batch is dated in the future, you can enter transactions for future-dated employees who are active as of the transaction dates.

Creating Automatically Reversing Expenditure Batches

You can create automatically reversing expenditure batches to record cost accruals in Oracle Projects. Frequently, items and services are received in one accounting period and invoiced in another. You can use automatically reversing expenditure batches to accrue cost in the period in which it is incurred.

To enter an automatically reversing batch, you must use a miscellaneous class. When the batch is released, Oracle Projects creates reversing entries that are accounted in the next General Ledger period.

Distributing Expenditure Batches

When an automatically reversing expenditure batch is cost distributed, the accounting dates for the original and reversing expenditure items are determined as follows:

- GL Date

  The GL Date for the cost distribution lines is the accrual date determined for each expenditure item. If Enhanced Period Processing is enabled, the GL dates can fall in a General Ledger period with a closed status in Oracle Projects. However, the period must have an open status in Oracle General Ledger.

- PA Date

  The PA dates for expenditure items included in a reversing batch can fall in a closed PA period.

  The PA Date for the original expenditure items is determined as follows:

  - If Enhanced Period Processing is enabled, the PA Date is the expenditure item date.

  - If Enhanced Period Processing is not enabled, the PA Date is the period ending date of the PA period that includes the expenditure item date.

  The PA Date for the reversing expenditure items is determined as follows:

  - If Enhanced Period Processing is enabled, the PA Date is the first day of the first PA period that is associated with the GL period that includes the reversing item accrual date.

  - If Enhanced Period Processing is not enabled, the PA Date is the last day of the first PA period that is associated with the GL period that includes the reversing item accrual date.

Defining Accounting Rules for Cost Accruals

When you use automatically reversing expenditure batches to enter cost accruals in Projects, you can apply unique accounting rules to the accrual transactions by following these steps:

1. Define a new expenditure category for accruals.

2. Define a new expenditure type for each type of accrual you plan to enter. For example, to accrue labor and supplier costs, define two expenditure types called Labor Accrual and Supplier Cost Accrual.

3. Assign the new expenditure types to the Miscellaneous Transaction expenditure type class.

4. Modify the AutoAccounting rules to generate accrual accounts for transactions charged to the accrual expenditure types.

   For more information on defining AutoAccounting rules, see: Defining AutoAccounting Rules, *Oracle Projects Implementation Guide*.

Creating a Pre-Approved Expenditure Batch

Sort paper expenditure reports into batches containing the same Expenditure Ending date and Expenditure Type Class (Straight Time, Overtime, Usages, Supplier Invoices, Miscellaneous Transactions, or Burden Transactions).

> **Tip:** If you integrate with Oracle Manufacturing or Oracle Inventory, use function security to prevent users from entering pre-approved batch items with an expenditure type class of *Inventory* or *Work in Process*.

To create a new batch:

1. Navigate to the Expenditure Batches window.

2. **Operating Unit.** Enter the operating unit to which the expenditure batch belongs.

3. **Batch.** Enter a unique Batch name to identify this set of expenditures.

   > **Tip:** Choose a unique, identifiable, and memorable batch name. For example, a timecard batch name might include your organization code, the letter *T* to indicate Timecards, and the week ending date.

4. **Ending Date.** Enter the expenditure Ending Date for the batch. If you enter a date that is not the last day of an expenditure week, the system automatically updates the date to the next valid week ending date.

5. **Description.** Optionally enter a Description of the batch, or leave the field blank to use the name of the expenditure type class.

6. **Class.** Choose the expenditure type class for this batch.

7. **Reverse Expenditures In a Future Period.** Optionally, check this check box to automatically reverse the batch. This functionality depends on the Enable Negative Accruals Transactions check box that you select or deselect in the Expenditures or Costing tab of the Implementation Options window.

   See: Creating Automatically Reversing Expenditure Batches, page 4-16.

8. **Amounts.** Optionally enter Control Totals and Control Count in the Amounts

region. Use the Running Totals and Counts and the Difference column to verify actual versus entered totals.

See: Verifying Control Totals and Control Counts, page 4-25.

9. Choose Expenditures to enter the batch. The status of a new batch is always *Working*.

10. Enter the expenditures and expenditure items in the batch. See: Entering Expenditures, page 4-19.

11. Save your work.

Related Topics

Uploading Expenditure Batches from Microsoft Excel, page 4-22

Entering Expenditures

This section describes how to enter expenditures and expenditure items in Oracle Projects.

To enter an expenditure:

You enter expenditures using the Expenditures window.

1. **Employee and Organization.** In the Expenditures window, enter the employee or organization that incurred the cost.

   - For time, enter an employee.
   - For asset usages, miscellaneous, and burden transactions, enter an employee or organization.
   - For all other expenditures, enter an organization.

     Note: When you enter an employee name, the Organization field is populated by default with the organization to which the employee belongs. You can only update the Organization value if you have the function security required to do so. If you do not have the required function security, you must enter an expenditure belonging to the default organization.

2. **Control Total.** Optionally enter the total units of measure in the Control Total field. (Some companies record the total units of measure on the paper expenditure report. Record that total in the Control Total field.)

When you have entered all the expenditure items, you can compare the Control Total with the Running Total, to verify your entries. See: Verifying Control Totals and Control Counts, page 4-25.

3. **Expenditure Items.** Enter the expenditure items In the Expenditure Items region. See: Entering Expenditure Items, page 4-20.

4. Optionally rework the expenditure to add or revise transactions, and save your changes.

5. When you have completed the expenditure batch, submit the batch for review. See: Submitting an Expenditure Batch, page 4-25.

To enter expenditure items:

Oracle Projects validates expenditure item information as you enter it. For a list of the validation criteria Oracle Projects uses, see:Expenditure Item Validation, page 4-3.

For each expenditure item, enter the following information:

1. **Expenditure Item Date.** The date of the expenditure item.

2. **Project Number.** The Project Number to charge for this expenditure item.

3. **Task Number.** The lowest level Task Number to charge for this expenditure item.

   In a project, which has cost breakdown planning enabled, tasks are a combination of task and cost code.

4. **Assignment Name.** When Oracle Project Resource Management is installed, you can associate labor with scheduled work assignments. Refer to the *Oracle Project Resource Management User Guide* for more information.

5. **Work Type**. You can choose any active work type. This field is required when the PA: Require Work Type Entry for Expenditures profile option has a value of Yes. You can use the work type to derive a labor cost rate using HR rates.

6. **Expenditure Type.** You can choose any expenditure type within the current expenditure type class.

7. Job: Select a job for the employee. You can use this job to derive a labor cost rate using HR rates.

8. Location: Select a work location. You can use this location to derive a labor cost rate using HR rates.

9. **Non-Labor Resource and Non-Labor Organization.** If the expenditure type class for the batch is Usages, enter the non-labor resource and its owning organization. This enables you to track usage of company-owned assets.

10. **Currency Fields.** You can optionally display and enter the currency fields. For descriptions of these fields, see: Currency Fields for Expenditure Items, page 4-21.

11. **Quantity.** The quantity of units (the unit of measure is determined by the expenditure type). For example, on a timecard, you can enter quantity in hours for professional labor.

12. **Comment.** Optionally enter a free text *Comment*.

13. Save your work.

Related Topics

Uploading Expenditure Batches from Microsoft Excel, page 4-22

Using Rates for Costing, *Oracle Projects Fundamentals* guide

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Entering Currency Fields

To enable you to process transactions that involve currencies other than the project currency, Oracle Projects provides currency fields for expenditures and expenditure items.

Notes:

- In general, when rate type, rate date, and rate fields are displayed for a currency, you can enter the rate only if the rate type is *User*. Otherwise, the rate is calculated by the system based on the rate type and rate date.

- The Expenditure Items window is a folder-type window, and many of the 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 information on using folders, see the *Oracle E-Business Suite User's Guide*.

- Each of the attributes is determined separately. That is, if a rate type is overridden at one level, but no rate date is entered at that level, the entered rate type is used and the default rate date is used.

For additional information about entering multiple currency transactions, including how default currency attributes are determined, see: Converting Multiple Currencies, *Oracle Projects Fundamentals*.

Currency Fields for Expenditure Items

The currency fields for expenditure items are shown in the following table:

Fields	Description
Transaction Currency	The transaction currency code. Enter the code for the currency in which the transaction occurred.
Functional Currency	The currency code for the functional currency (display only).
Functional Rate Type, Functional Rate Date, Functional Exchange Rate	The currency attributes for the functional currency.
Project Currency	The currency code for the project currency (display only).
Project Rate Type, Project Rate Date, Project Exchange Rate	If the project currency is the same as the functional currency, these fields are display-only. They display the same values as the functional currency attribute fields. If the project currency is not the same as the functional currency, you can enter these currency attributes.

Uploading Expenditure Batches from Microsoft Excel

You can enter and upload pre-approved expenditure batches using Microsoft Excel spreadsheets. You can validate records during entry by connecting to the database or you can create the spreadsheet offline and allow validation to occur during the transaction upload.

When cost breakdown planning is enabled for a project, then you cannot upload pre-approved expenditure batches using Microsoft Excel spreadsheets.

> **Note:** If you choose to create the spreadsheet offline, only mandatory fields associated with a list of values are validated during transaction upload. The transaction upload calls the Transaction Import process where additional transaction validations take place.

To download an entry template:

1. Using Microsoft Internet Explorer, log into Oracle Self-Service Applications.
2. Select the Project Super User Responsibility or a user-defined responsibility that includes the Microsoft entry options.
3. Use the scroll bar on the right to access the Expenditure Entry Using Microsoft

Excel menu options.

4. Select a template.

5. Enter data in the spreadsheet.

   All fields marked with an asterisk are mandatory. If List-text appears under the column name, then a list of values is available. To access the list of values, double-click in the column or select List of Values from the Oracle menu option located at the top of the spreadsheet template.

To upload spreadsheet entries to Oracle Projects

1. Select *Upload* from the Oracle menu option located at the top of the spreadsheet template.

2. Optionally, select the Parameters button to select upload options. After viewing the Parameters window, you must select Close or Proceed to Upload to return to the Upload window.

3. Select *Upload* to launch the upload process. The upload process updates the message column for each record in the spreadsheet to indicate whether the upload was successful.

   Note: The upload process populates the transaction import table. You can optionally use the upload parameter to run the transaction import process automatically.

   Note: The profile option *BNE Upload Batch Size* determines the number of records Oracle Applications Desktop Integrator sends to the database at one time when you upload records. The default value is 100. Your System Administrator can update this value to the batch size that optimizes upload time for your environment.

Copying an Expenditure Batch

If you frequently enter similar groups of expenditures, you can reduce manual data entry by copying data from one week to the next. The Copy function copies all expenditures and, optionally, all expenditure items from a specified source batch. Then you need to revise only the items that are different in the new batch. There are two approaches to copying expenditure data:

- Create, then copy a batch template.

- Copy expenditures from any previously created batch.

To create a batch template:

A batch template is a generic batch containing the most frequently used data elements. For example, if you expect timecards from certain employees to be submitted each week, you can create a template that contains just the expenditure information. Or, if employees generally perform the same tasks for the same projects week after week, you can enter expenditure items in your template as well.

1. To create a batch template, follow the normal steps for creating a batch. See: Entering Pre-Approved Expenditure Batches, page 4-15.

   Tip: Give the batch a name that will indicate it is a template.

2. Do not submit the batch, since the batch template does not contain real expenditures and expenditure items.

To copy a batch:

1. Navigate to the Expenditure Batches window.
2. Enter the Batch name, Ending Date, Class, and Description.
3. Save your new batch.
4. Choose Copy From.
5. In the Copy From Expenditure Batch window, enter the name and description of the batch you want to copy. If you want to copy the expenditure items associated with the batch, choose Copy Expenditure Items.

   Note: You cannot copy expenditure items from a reversed expenditure batch.

6. Optionally, disable the Update Employee Organizations check box.
   - If the check box is enabled, Oracle Projects uses the employee's human resources assignment to determine the expenditure organization for each expenditure. For example, if an employee's assignment has changed, then Oracle Projects uses the new organization as the expenditure organization.
   - If the check box is disabled, Oracle Projects copies the expenditure organization for each expenditure from the original batch.
7. Choose OK.

8. Revise the batch information (such as the Expenditure Ending date), make any changes to individual expenditure items, and save your work.

Verifying Control Totals and Control Counts

When you enter a Control Total or Control Count on the Expenditure Batch window, or enter a Control Total on the Expenditures window, Oracle Projects keeps track of the running total and running count of expenditures within a batch, and the running total for expenditure items associated with an expenditure. As you enter expenditure items, the system maintains a running total of each amount.

- To verify that the total amounts entered for a batch match the total recorded on the paper expenditure reports, calculate the total amount in the batch and enter the result as the Control Total.

  Note: The Running Total field will tabulate a total only if each expenditure item in the batch uses the same Unit of Measure.

- To verify that the total number of expenditures entered matches the total number of expenditures in the batch, count the paper expenditure records and enter the result as the control Count.

Oracle Projects verifies control totals and control counts when you submit a batch. If the running total or running count does not equal your control totals, the system does not let you submit the expenditure batch until your totals match. If you do not enter control totals, the system does not check that control totals match.

Submitting an Expenditure Batch

After entering a batch of expenditures and verifying data entry, you submit the batch for review. Your supervisor typically reviews the batch and either releases it for cost distribution or returns it to you to rework. When you rework a batch, the status changes from Submitted to Working.

Note: You can choose *Unreleased* from the Status poplist in the Find Expenditure Batches window to retrieve both *Working* and *Submitted* expenditure batches.

To submit a batch for review:

1. Navigate to the Expenditure Batches window and choose the batch you want to submit.

Tip: You can use the Find Expenditure Batches window to query a particular batch in the Expenditure Batches window.

2. Choose the Submit button. The status of the batch changes from *Working* to *Submitted* after Oracle Projects validates the control totals and counts.

Reviewing and Releasing Expenditure Batches

Once submitted, batches of pre-approved expenditures are reviewed and released for cost distribution or returned to the user who entered the batch for reworking. You release a batch of expenditures by changing its status from *Submitted* to *Released*. Releasing a batch automatically releases all the expenditures and expenditure items in the batch.

To review an expenditure batch:

Find the batch you want to review in the Find Expenditure Batches window. In the Expenditure Batches Summary window, choose the batch you want to review and choose Open to review information for the batch, or choose Expenditures to review expenditure and expenditure item information.

To release an expenditure batch:

From the Expenditure Batches or the Expenditure Batches Summary windows, select the batch or batches you want to release and choose Release. For information on selecting multiple records, see the *Oracle E-Business Suite User's Guide*.

Related Topics

Correcting Expenditure Batches, page 4-27

Reversing an Expenditure Batch

The Reverse button is enabled only if the current batch is released. In addition, an expenditure batch can be reversed only if the transaction source of the batch allows adjustments.

When you reverse an expenditure batch, all the expenditure items are reversed except the following:

- Related items
- Expenditure items that have already been reversed
- Reversing items (net zero adjusted items)

- Expenditure items that were created as a result of a transfer adjustment

To reverse an expenditure batch:

1. Navigate to the Find Expenditure Batches window.
2. Find the batch that you want to reverse.
3. In the Expenditure Batches window, choose Reverse.
4. In the Reverse an Expenditure Batch window, enter the name of the new reversing batch and choose OK .

   When the reversal is complete, Oracle Projects displays the number of items that were adjusted and the number of items that were rejected.

Related Topics

Creating Automatically Reversing Expenditure Batches, page 4-16

Correcting Expenditure Batches

After you submit a batch, you can add, delete, and revise expenditures and expenditure items. You also must correct a batch if your supervisor rejects and returns a submitted batch to you.

If the batch has a status of Submitted, locate the batch, return its status to Working, and change the expenditure or expenditure item before resubmitting the batch.

If the batch has a status of Released, correct the individual expenditure items by reversing the full amount of the original item and then entering the correct information. For example, if you entered six hours on a timecard expenditure item when the correct number of hours is four, create a reversing item equal to a negative six hours, then add a new expenditure item of four hours. To enter the corrected items, create a new batch and then follow the normal steps for submitting and releasing expenditures.

To rework (correct) a submitted or returned batch:

1. Navigate to the Find Expenditure Batches window and find the expenditure batch you want to rework.
2. From the Expenditure Batches window, choose Rework. The status of the batch changes from Submitted to Working.
3. Choose the Expenditures button to display the expenditures in the Expenditures window, then make corrections to any expenditure or expenditure items in the batch.

4. Save your work and submit the batch again. See: Submitting an Expenditure Batch, page 4-25.

To correct a released expenditure item:

1. Create a new batch for the correction items. The Expenditure Ending date must identify the week that includes the expenditure item you are reversing. See: Entering Pre-Approved Expenditure Batches, page 4-15.

   Note: Optionally check the *All Negative Transactions Entered As Unmatched* check box if you want to enter transactions with negative amounts and do not want Oracle Projects to search for corresponding existing transactions.

2. In the Expenditure Items window, select the Reverse Original button.

   Note: Instead of choosing the Reverse Original button, you can enter a negative amount in the Quantity field. Negative amounts are preceded by a minus (-) sign. If you have checked the *All Negative Transactions Entered As Unmatched* check box, Oracle Projects will not search for corresponding existing transactions. Otherwise, Oracle Projects will prompt you to confirm the creation of each negative transaction that does not have a corresponding existing transaction.

3. In the Reverse Expenditure Items window, fill in all the fields to specify the item you want to reverse. Then choose the Reversal button.

   The system inserts a reversing (negative) expenditure item into the batch.

4. Finish entering the batch and submit the batch. See: Submitting an Expenditure Batch, page 4-25.

   Note: Expenditure batches can contain both positive and negative transactions.

The Pre-Approved Expenditure Entry: Update Released function security allows the status of uncosted preapproved expenditure batches to be modified from Released to Update Released. The batches eligible for this type of status change include the following:

- Uncosted pre-approved expenditure batches imported through custom transaction sources
- Uncosted pre-approved expenditure batches in Released status (not cost

distributed)

- Uncosted pre-approved expenditure batches containing expenditures other than uncosted net zero adjustments

Related Topics

Reviewing and Releasing Expenditure Batches, page 4-26

Controlling Expenditures

This section describes how to use transaction controls to control the expenditures that can be charged to a project.

Oracle Projects provides you with many levels of charge controls:

Project Status
You can use the project status to control whether any charges are allowed for the project.

Task Chargeable Status
You can specify a lowest task as chargeable or non-chargeable, to control whether any charges are allowed for the task.

Start and Completion Dates
You can specify the start and completion dates of a lowest task, to record the date range for which charges are allowed for the task. The start and completion dates of the project also limit when transactions can be charged.

Transaction Controls
You can define transaction controls to specify the types of transactions that are chargeable or non-chargeable for the project and tasks.

Use *transaction controls* to configure your projects and tasks to allow only charges that you expect or plan. You can also define which items are billable and non-billable on your contract projects. For capital projects, you can define which items are capitalizable and non-capitalizable.

You enter transaction controls in the Project Options and Task Options windows. See: Project and Task Information, *Oracle Projects Fundamentals*.

You can configure transaction controls by the following:

- Expenditure Category
- Expenditure Type
- Employee (includes contingent workers)
- Non-Labor Resource

You can create any combination of transaction controls that you want; for example, you can create a transaction control for a specific person and expenditure type, or you can create a combination for a person, expenditure type, and non-labor resource.

You also specify the date range to which each transaction control applies.

If you do not enter transaction controls, you can charge expenditure items from any person, expenditure category, expenditure type, and non-labor resource to all lowest tasks on the project.

Using Transaction Control Extensions

To define more complex rules for implementing company-specific expenditure entry policies, you may need to use transaction control extensions.

Inclusive and Exclusive Transaction Controls

You specify whether the transaction controls you enter are inclusive or exclusive.

- *Inclusive* transaction controls limit charges to only the transaction controls entered; Oracle Projects then rejects any charges that are not listed as chargeable in the transaction controls.

  You make your transaction controls inclusive by checking the Limit to Transaction Controls box on the Transaction Controls window.

- *Exclusive* transaction controls allow all charges except those that are specified as non-chargeable in the transaction controls. Oracle Projects defaults to exclusive transaction controls.

For either method of transaction controls, you can enter the following information:

- Expenditure category
- Expenditure type
- Non-labor resource
- Employee (or contingent worker)

  Note: You can enter bill rate and discount overrides for terminated employees. The profile option PA: Display Terminated Employees: Number of Days determines how many days after their termination employees can have bill rate and discount overrides entered.

- Scheduled Expenditure Only
- Chargeable

- Workplan Resources Only
- Person Type
- Billable (contract projects)
- Capitalizable (capital projects)
- Effective from
- Effective to

You must specify a person (employee or contingent worker) or expenditure category for each record. You can specify a non-labor resource for usage expenditure types.

Employee Controls with Usage and Supplier Transactions

Transaction controls that you define for people (employees and contingent workers) do not apply to transactions that are not associated with people. This includes purchasing and supplier invoice transactions entered for a supplier not associated with a person, and usage items incurred by an organization and not a person.

If you define transaction controls to list people who can charge to your project, Oracle Projects allows transactions incurred by those people. It also allows any purchasing transactions, supplier invoice transactions, and usage items incurred by an organization, and any other transactions that do not require an employee number.

Employee Controls with Expense Reports Entered in Oracle Payables

If you enter expense reports in Oracle Payables, and use suppliers associated with employees, Oracle Projects validates the transaction using the person associated with the supplier. For example, if you specify that Donald Gray cannot charge to the project, and you enter an expense report item for the supplier GRAY, DONALD who is associated with the person Donald Gray, Oracle Projects does not allow you to charge the item to the project, because it validates the transaction controls that you have defined.

Allowable Charges for Each Transaction Control

You can further control charges for each transaction control record by specifying whether to allow charges. The default value is to allow charges.

You usually select *Chargeable* when you are using inclusive transaction controls. For example, if you wanted to allow people to charge only labor to your project, you would check Limit To Transaction Controls to limit charges to only the transaction controls entered. Then you would define a transaction control with the Labor category, and allow charges to that transaction control.

You usually do not select Chargeable when you are using exclusive transaction controls

because exclusive transaction controls list the exceptions to chargeable transactions.

You can also record exceptions by defining some transaction controls to allow charges and others not to allow charges. For example, say you want to define that people can charge all labor except administrative labor. Select Limit To Transaction Controls to make the transaction control inclusive. You then enter one transaction control record with the Labor category that allows charges, and another transaction control record with the Labor category, Administrative type that does not allow charges.

Scheduled Expenditures Only Controls

When Oracle Project Resource Management is installed, you can specify that only people with scheduled work assignments are allowed to charge their labor and expense report transactions to your project.

Workplan Resources Only Controls

You can control timecard and expense report charges to tasks based on the people assigned to the lowest-level workplan tasks. If you enable the *Workplan Resources Only* control, then you must assign named-person resources directly to lowest-level workplan tasks to allow the specified people to charge timecards and expense reports to those tasks.

The following table summarizes the validation rules for timecards and expense reports when the *Workplan Resources Only* control is set with the other transaction control attributes.

Validation Rules for Workplan Resources Only Control

Control Values	Validation Rules
Category	A person with a named-person assignment on a lowest-level workplan task can charge timecards and expense reports to expenditure types that are associated with the specified expenditure category.
Expenditure Category and Expenditure Type	A person with a named-person assignment on a lowest-level workplan task can charge timecards and expense reports to the specified expenditure type.
Expenditure Category, Expenditure Type, and Person	The specified person can charge timecards and expense reports to the specified expenditure type if the person has a named-person assignment on a lowest-level workplan task.

Control Values	Validation Rules
Person	The specified person can charge timecards and expense reports if the person has a named-person assignment on a lowest-level workplan task.

Person Type Control

You can select no value, Employee Only, or Contractor Only from the list in the *Person Type* field. You can use this control to specify whether transactions incurred by only employees, only contractors (contingent workers), or both are chargeable.

Validation Rules for Person Type Control

Limit To Check Box	Person Type	Validation Rules
Checked	No Value	Transactions incurred by both employees and contingent workers are chargeable.
Checked	Employee Only	Only transactions incurred by employees are chargeable.
Checked	Contractor Only	Only transactions incurred by contingent workers are chargeable.
Not Checked	No Value	Transactions incurred by both employees and contingent workers are **not** chargeable.
Not Checked	Employee Only	Transactions incurred by employees are **not** chargeable.
Not Checked	Contractor Only	Transactions incurred by contingent workers are **not** chargeable.

Specifying Billable and Capitalizable Transactions

You can control what transactions for contract projects are non-billable and what transactions for capital projects are non-capitalizable when you set the

Billable/Capitalizable field. You can choose between the options of *No* or *Task Level*. You select *No* if you want the charges to be non-billable or non-capitalizable; you select *Task Level* if you want the billable or capitalizable status to default from the task to which the item is charged.

You define the billable or capitalizable status for a task in the Task Details window. This value defaults to all expenditure items charged to the task.

Specifying Effective Dates for Transaction Controls

You can define transactions as chargeable for a given date range by entering an Effective From and Effective To date for each transaction control record. You must specify a start date; Oracle Projects defaults this value to the Effective From date of the project or task. The Effective To date is optional.

Determining if an Item is Chargeable

Oracle Projects checks all levels of chargeability control when you try to charge a transaction to a project. The check is performed when you save the record. Oracle Projects checks the control when you:

- enter an online or pre-approved expenditure item
- copy a pre-approved timecard item
- transfer items to a new project or task
- enter a project-related requisition or purchase order distribution in Oracle Purchasing
- enter a project-related invoice distribution in Oracle Payables

Chargeability Controls

The transaction validation checks are performed using the following tests (chargeability controls):

- Project status allows new transactions
- Task is chargeable
- Expenditure item date is between the start and end dates for the project and task
- Expenditure item passes validation based on applicable project or task transaction controls

If the expenditure item passes the first three chargeability controls, then Oracle Projects checks the transaction controls.

The system first looks for an applicable task level transaction control. If it does not find applicable task level controls, it looks for project level controls. If the item matches an applicable transaction control at the task level, project level controls are not checked. The task level controls override the project level controls.

Applicable transaction controls are all of the transaction control records that apply to an expenditure item based on the person, expenditure category, expenditure type, non-labor resource, and dates.

Determining the Chargeable Status of an Expenditure Item

The following illustration shows the steps Oracle Projects uses to determine the chargeable status of an expenditure item. The steps, which are explained in the paragraphs that follow, are first followed when checking transaction controls at the task level, then are repeated at the project level, if required.

Determining the Chargeable Status of an Expenditure Item

- If the *Limit to Transaction Controls* check box *is selected* and applicable transaction controls do not exist, then the transaction is not chargeable. If applicable controls do exist, then the system checks whether the controls allow charges. If the Chargeable check box is selected for an applicable control, then the transaction is chargeable. If the Chargeable check box is not selected, then the transaction is not chargeable.

- If the *Limit to Transaction Controls* check box *is not selected* and there are no applicable controls, then the transaction is chargeable. If applicable controls do exist, then the system checks whether the controls allow charges. If the Chargeable check box is selected for an applicable control, then the transaction is chargeable. If the Chargeable check box is not selected, then the transaction is not chargeable.

Determining if an Item is Billable or Capitalizable

You specify whether an item is billable for contract projects. Oracle Projects provides you with two levels of billability control.

Task Billable Status You can specify a lowest level task as billable or non-billable. This billable status defaults to all expenditure items charged to that task.

Transaction Controls You can define transaction controls to specify what transactions are non-billable.

> **Note:** You can override the billable status of an expenditure item in the Expenditure Items and Invoice Line Details window.

You control the capitalizability of transactions for capital projects just as you control the billability of transactions for contract projects. For more information, see: Specifying Which Capital Asset Transactions to Capitalize, page 7-15.

Billable Controls

If a transaction is chargeable, Oracle Projects next determines if it is billable using the following transaction validation checks:

A transaction must meet ALL of the following criteria to be billable:

- Transaction is chargeable
- Task is billable
- Billable field must be set to *Task Level* in all applicable rows in Transaction Controls

You can specify what is non-billable using transaction controls.

For an item to be billable, the task must be billable. You can make an item non-billable by setting theBillable field to No for a transaction control record. You cannot mark a task as non-billable, and then mark expenditure items as billable through transaction controls.

> **Note:** If you are using the Actual labor costing method with Enable Accruals set to Yes, then you can generate billings for billable accrued labor transactions. You must enable billing for labor accruals in the Billing Setup for a project or top task. See Billing Setup, *Oracle Projects Fundamentals* guide

Examples of Using Transaction Controls

Following are some examples of what you can do with transaction controls. You can study the example configurations to help you better understand how to use transaction controls in different business scenarios. The examples show you how you can use:

- A combination of employee, expenditure category, and expenditure type in your

transaction controls

- A combination of project and task level transaction controls
- Transaction controls to control both billability and chargeability

Note: You control capitalizability just as you control billability.

The case studies are:

- CASE 1: Limited employees charge limited expenses, page 4-38
- CASE 2: Different expenditures during different phases of a project, page 4-39
- CASE 3: Some tasks, but not all, are only chargeable for labor expenditures, page 4-40

CASE 1: Limited employees charge limited expenses

In this example, only two employees can charge a project, and they can charge only labor and expenses, not including entertainment expenses.

Scenario

Project SF100 begins on September 1, 1999. The only people working on the project are Donald Gray and Amy Marlin; therefore, they are the only employees who can charge to the project. They can charge only labor and in-house recoverables; however, computer expenses are not allowed. All charges are billable and reimbursable by the client.

Setup

You create Project SF100 and create all tasks as billable. You enter the project-level transaction controls shown in the following table in the options window of the Projects, Templates window. The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
Labor		Marlin	X	Task Level	01-SEP-99	
Labor		Gray	X	Task Level	01-SEP-99	

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
In-House Recoverables		Marlin	X	Task Level	01-SEP-99	
In-House Recoverables		Gray	X	Task Level	01-SEP-99	
In-House Recoverables	Computer Services	Transaction controls that have the Limit to Transaction Controls flag set		Task Level	01-SEP-99	

Logic

When the transaction controls have the Limit to Transaction Controls flag set:

- a transaction only needs to match the listed expenditure combination on a given line OR match the listed employee, AND
- the transaction must not qualify under a Non-Chargeable condition.

Resulting Transactions

Any expenditure that has Amy Marlin or Donald Gray in the employee field may be charged to the project *except* Computer Services.

Any expenditure with the expenditure category Labor or In-House Recoverables may be charged against the project unless the In-House Recoverable is Computer Service, in which case it is rejected.

All charges are billable as defined by the billable field.

Supplier invoices, expense report charges, and other costs are not allowed.

CASE 2: Different expenditures charged during different phases of a project

In Case 2, different types of expenditures should be charged to the project at different phases in the project.

Scenario

You have negotiated Project SF200. The project charges will include supplier invoices for material, labor, and employee travel expenses. You know that supplier invoices are charged throughout the life of the project; you know that supplier invoices will be

charged before the work even begins since you have ordered materials that you must have before you can start the project work. The project work is scheduled to last two months; employees submit timecards each week, but are allowed a two-week lag to submit their expense reports.

The project is scheduled to begin on September 1, 1995. The project work, which is dependent on receiving materials purchased, is scheduled for October 1 to December 31, 1995. Expense reports can be charged until January 15, 1996, two weeks after the project ends.

Setup

You create Project SF200 with a duration from 01-SEP-95 to 15-JAN -96. You create the transaction controls shown in the following table. The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Chargeable	Billable	From	To
Material		X	Task Level	01-SEP-95	
Labor		X	Task Level	01-OCT-95	31-DEC-95
Labor	Administrative	X	No	01-OCT-95	31-DEC-95
Travel		X	Task Level	01-OCT-95	15-JAN-96

Resulting Transactions

Supplier invoices for materials can be charged to the project from 01-SEP-95 to the end of the project.

Labor can be charged to the project from 01-OCT-95 to 31-DEC-95. Any labor charged outside those dates is not allowed. All labor, except Administrative, is billable based on the billable field; Administrative labor is non-billable based on the transaction control billable field.

Travel expenses can be charged to the project from 01-OCT-95 to 15-JAN-96. Any expenses charged outside those dates are not allowed.

CASE 3: Some tasks, but not all, are only chargeable for labor expenditures

Only labor can be charged to the project. There are exceptions to this rule for specific tasks, which are configured using task transaction controls.

Scenario

Project SF300 has been negotiated to perform an environmental study for the proposed site of a new housing development. You organize the project so that you can easily manage its status and control the charges using the project work breakdown structure shown in the following table. All tasks except Task 1 are defined as billable.

Task Number	Task Name
Task 1	Administration
Task 2	Purchases
Task 3	Analysis
Task 3.1	Onsite Analysis
Task 3.2	In-house Analysis
Task 4	Writeup

Most of the charges on the project are labor. All labor is billable, except for Administrative labor. Some tasks involve charges other than labor.

- All administration for the project, which includes only labor and computer usage, is charged to task 1. Donald Gray, the project manager, and Sharon Jones, his assistant, are the only people handling the administration of the project.
- You know that you must make a few purchases to perform the analysis for the project; you will monitor the charges for the supplier invoices in task 2.
- You have reserved Field Equipment and a vehicle for the onsite analysis (Task 3.1), but know that your client will not reimburse vehicle charges on this project.
- You have arranged for Susan Marshall from the East Coast office to fly in for a week to help with the in-house analysis since she has done this type of analysis before. She will charge her expenses to the same task, but your client will not be invoiced for those expenses. No other expenses are allowed on that task.

In summary, the controls you want to define for your project are shown in the following table:

Project/Task	Task Name	Transaction Controls
Project		- only labor allowed - Administrative labor is non-billable
Task 1	Administration	- only labor and computer allowed - only Gray and Jones can charge - all charges non-billable
Task 2	Purchases	- only supplier invoices allowed
Task 3	Analysis	
Task 3.1	Onsite Analysis	- labor, equipment, and vehicle charges allowed - vehicle charges are non-billable
Task 3.2	In-house Analysis	- labor allowed - no expenses allowed, except for expenses from Susan Marshall; her expenses are non-billable
Task 4	Writeup	- only labor allowed - Administrative labor is non-billable

Setup: Project Level

You create Project SF300 with your work breakdown structure. You enter the transaction controls shown in the following table at the project level. The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
Labor			X	Task Level	01-SEP-95	
Labor	Administrative		X	No	01-SEP-95	

Setup: Task 1

You enter the transaction controls shown in the following table for Task 1 (task is non-billable). The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
Labor			X	Task Level	01-SEP-95	
In-House Recoverables	Computer		X	Task Level	01-SEP-95	
		Gray	X	Task Level	01-SEP-95	
		Jones	X	Task Level	01-SEP-95	

Resulting Transactions: Task 1

Donald Gray and Sharon Jones can charge to all expenditure categories and types for this task.

All other employees can only charge to Labor and to In-House Recoverables / Computer for this task.

The project transaction controls are not evaluated for charges to this task, because the Limit to Transaction Controls is selected.

Setup: Task 2

You enter the transaction controls shown in the following table for Task 2. The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
Material			X	Task Level	01-SEP-95	
Outside Services			X	Task Level	01-SEP-95	
Other Expenses	Other Invoice		X	Task Level	01-SEP-95	

Resulting Transactions: Task 2

Only supplier invoice expenditures can be charged to this task. The charges are billable as defined by the billable field.

All other types of charges are not allowed. The project transaction controls are not evaluated for charges to this task, because the Limit to Transaction Controls is selected.

Setup: Task 3.1

You enter the transaction controls shown in the following table for Task 3.1 (task is billable). The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
In-House Recoverables	Field Equipment		X	Task Level	01-SEP-95	
In-House Recoverables	Vehicle		X	No	01-SEP-95	
Labor			X	Task Level	01-SEP-95	

Resulting Transactions: Task 3.1

The only type of in-house recoverable expenditures allowed are Field Equipment and Vehicle.

All labor can also be charged to this task. Expense report charges, supplier invoices, in-house recoverables other than Field Equipment and Vehicle usage, and other costs (such as Miscellaneous Transactions, Inventory, Work in Process, and Burden

Transactions) cannot be charged to this task, as defined by the task transaction controls using Limit to Transaction Controls selected.

Setup: Task 3.2

You enter the transaction controls shown in the following table for Task 3.2 (task is billable). The Limit to Transaction Controls check box is selected.

Expenditure Category	Expenditure Type	Employee	Chargeable	Billable	From	To
Travel				Task Level	01-SEP-95	
Travel		Marshall	X	No	01-SEP-95	

Resulting Transactions: Task 3.2

Susan Marshall can charge travel expenses, which are non-billable as defined by the task transaction controls. No other employee can charge travel expenses to this task.

All labor can also be charged to this task. Because this task's Limit to Transaction Controls is set to No and no applicable transaction control was found at the task level for the following types of charges, the charges are evaluated based on the project transaction controls; these type of charges include: labor, supplier invoices, and in-house recoverables. Supplier invoices, in-house recoverables, and other costs are not allowed since they are not listed in the project level transaction controls.

Setup: Task 4

You do not enter transaction controls for this task.

Resulting Transactions: Task 4

All labor can be charged to this task. All other charges are not allowed based on the project transaction controls.

All charges are evaluated based on the project transaction controls, because no transaction controls are entered for the task.

Viewing Expenditures

This section describes use of the Expenditure Items and View Expenditure Accounting windows to review project expenditures.

Viewing Expenditure Items

Use the Expenditure Items window to review a project's expenditure items. You can see

the amount and type of expenditure items charged to a project, the date an expenditure item occurred, accrued revenue, and other information. You can also drill down to Oracle Payables to view the Invoice Overview form. You can use the View Accounting option from the Tools menu to review the accounting entries for expenditure items.

To view expenditure items (perform an expenditure inquiry):

1. Navigate to the Find Project Expenditure Items or Find Expenditure Items window. See: Oracle Projects Navigation Paths, *Oracle Projects Fundamentals*.

   Your ability to navigate to either window (by selecting *Project* or *All)* depends on your user responsibility.

   If you select *Project*, you can view expenditure items for a single project. If your system uses project security, you can select only projects that you are allowed to see. You can view expenditure items for a project that are specific to the current operating unit, as well as those expenditure items that are charged across operating units. You can enter search criteria to determine whether Oracle Projects queries expenditure items specific to the current operating unit, expenditure items charged across operating units, or both.

   If you select *All*, you can view expenditure items across projects, and can structure your query to retrieve information across projects. No project security is enforced. Oracle Projects shows only the expenditure items that correspond to the current operating unit. If a project has expenditure items that are charged across operating units, then you are not able to view these expenditure items using the Find Expenditure Items window. In this case, you must use the Find Project Expenditure Items window to view these expenditure items.

2. In the Find Expenditure Items window, enter your search criteria. See: Expenditure Items Windows Reference, page 4-60.

Project Expenditure Items Window

3. Choose *Find* if you want to execute the search, or choose *Mass Adjust* if you want to process mass adjustment of expenditures. See: Mass Adjustment of Expenditures, page 4-78.

4. From the Expenditure Items window, choose:

   - *Run Request* to create Project Streamline Requests to process adjustments. You can select multiple processes to run for your project. The requests will run in the correct order. See: Adjusting Expenditure Items, page 4-76.

   - *Totals* to view the totals for the expenditure items returned based on your search criteria.

     Note: This window does not display events. If your project uses event-based or cost-to-cost revenue accrual or invoice generation, use the Events window to view the total project revenue and bill amounts.

   - *Item Details* to select a window for reviewing the details of this expenditure item. The Inquiry Options window will be displayed, from which you can choose one of the following options:

     - Choose *Cost Distribution Lines* to view individual transactions and the default debit and credit GL accounts for each expenditure item that Oracle Projects derived using AutoAccounting. You can also view other information about the cost distribution lines, such as PA and GL period,

accounting event generation status, and the rejection reason if the generation of the accounting event was not successful.

> **Note:** The Cost Distribution Lines window does not display the credit account for supplier invoice expenditure items interfaced from Oracle Payables.

- Choose *Revenue Distribution Lines* to view the revenue transactions generated for a specific expenditure item. The window displays the default revenue account that Oracle Projects derived using AutoAccounting. You can also see the GL and PA posting period for the revenue, accounting event generation status, and the rejection reason if the generation of the accounting event was not successful.

- Choose *AP Invoice* to drill down to the Invoice Overview window in Oracle Payables. If the invoice is matched to a purchase order, then you can drill down to the purchase order from the Invoice Workbench. This option is enabled for expenditure items whose expenditure type class is either Supplier Invoices or Expense Reports.

- Chose *PO Receipt* to drill down to the Receipt Transaction Summary window in Oracle Purchasing. You can also drill down to the related purchase order from the Receipt Transaction Summary window. This option is enabled for expenditure items for receipt accrual transactions in Oracle Purchasing.

- Choose *Purchase Order Details* to drill down to the purchase order details for contingent worker labor costs. This option is enabled for expenditure items for contingent worker labor costs that are associated with a purchase order.

- Choose *Service Request Details* to display the Service Request Details page in Oracle TeleService. The Service Request Details page contains information regarding the service request and the associated cost details. This option is enabled for transactions that are imported from Oracle TeleService.

> **Important:** 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. In this case, the default accounts displayed on the Cost Distribution Lines and Revenue Distribution Lines windows may not be the same as final accounts that Oracle Subledger Accounting transfers to Oracle General Ledger. To view the final subledger accounting, see: Viewing Accounting

Lines, page 4-57.

Reconciling Invoices and Expenditures using Forms

The Expenditure Invoice drill-back functionality lets you view invoice details to understand what expenditures have contributed to the invoice total. The Item Details pop-up from the Project Expenditure Items window displays:

Item Details from the Project Expenditure Items

To view the revenue distribution lines:

1. Select the Project Expenditure Line.
2. Click Item Detail option from the bottom of the window.

   The following Revenue Distribution Lines window displays.

Revenue Distribution Lines

As part of this enhancement, the Revenue Distribution Lines Window includes the following new fields:

1. Revenue Number
2. Revenue Line
3. Additional Revenue
4. Invoice Number
5. Invoice Line
6. Invoice Amount

Refer to the Reconciling Invoices and Expenditures topic, for details on the newly added field descriptions.

You can use the Item Details option to review accounting event generation statuses for cost distribution lines and revenue distribution lines. The following table describes accounting event generation statuses.

Accounting Event Generation Statuses

Status	Detailed Status	Transfer Status Code	Description
Transferred	Transferred to Oracle Accounts Payable	T	For *historical* (prior to Release 12) cost distribution lines only. Indicates that the cost distribution line is for a supplier cost adjustment that is successfully interfaced to Oracle Payables.
Received	Accounted transaction received	V	For cost distribution lines. Indicates that the transaction was accounted in another application, such as Oracle Payables or Oracle Purchasing.
Generated	No transfer required	G	For *historical* (prior to Release 12) cost distribution lines only. Indicates that transfer to another application is not required. For example, for a revenue distribution line when the *Interface Revenue to GL* Implementation Option is disabled.
Generated	No accounting events required	G	For cost and revenue distribution lines. Indicates that accounting event generation is not required. For example, for a revenue distribution line when the Interface Revenue to GL Implementation Option is not enabled. Also, for a *Net Zero* cost distribution lines that does not require accounting events.

Status	Detailed Status	Transfer Status Code	Description
Accepted	Accepted in Oracle General Ledger	A	For *historical* (prior to Release 12) cost distribution lines only. Indicates that the transfer to Oracle General Ledger for the line was successful.
Accepted	Events generated in Oracle Subledger Accounting	A	For cost and revenue distribution lines. Indicates that the generate accounting events process successfully generated an accounting event for the line.
Accepted	Draft Accounted in Oracle Subledger Accounting	A	For cost and revenue distribution lines. Indicates that the create accounting process successfully created accounting for the accounting event in draft mode.
Accepted	Final Accounted in Oracle Subledger Accounting	A	For cost and revenue distribution lines. Indicates that the create accounting process successfully created accounting for the accounting event in final mode.
Accepted	Accounting event in error in Oracle Subledger Accounting		For cost and revenue distribution lines. Indicates that generate accounting events process successfully generated an accounting event for the line, but the create accounting process ended in error when it attempted to create accounting for the accounting event.

Status	Detailed Status	Transfer Status Code	Description
Accepted	Accepted	A	For cost distribution lines. Indicates that the *Interface Costs to GL* Oracle Projects implementation option is not enabled, and you have run the process PRC: Generate Cost Accounting Events.
Pending	Pending accounting event generation	P	For cost and revenue distribution lines. Indicates that a cost distribution line or a revenue distribution line is ready for the generation of accounting events.
Rejected	Rejected during transfer to Oracle Accounts Payable	R	For *historical* (prior to Release 12) cost distribution lines only. Indicates that the cost distribution line is for a supplier cost adjustment and the transfer to Oracle Payables for the line was not successful.
Rejected	Rejected during transfer to Oracle General Ledger	R	For *historical* (prior to Release 12) cost and revenue distribution lines only. Indicates the transfer to Oracle General Ledger for the line was not successful.
Rejected	AutoAccounting could not derive the credit account	R	For cost and revenue distribution lines. Indicates that the generate accounting events process was unable to derive a default credit account.
Rejected	Accounting events could not be generated	R	For cost and revenue distribution lines. Indicates that the generate accounting events process was unable to generate an accounting event for the line.

Note: You can view rejection reasons for expenditure items from the Expenditure Items window. From the Folder menu, choose Show Field and select either Cost Distr. Rejection or Revenue Distr. Rejection.

Reconciling Invoices and Expenditures

In a project, an expenditure is incurred on a task, and after the cost is distributed on items, the expenditure is ready to accrue revenue. Based on the specified accrual date, all eligible distributed cost expenditures are processed for revenue generation. The Revenue Generation process determines the bill-rate of expenditure item and generates revenues accordingly. The revenue distribution lines are created specific to each expenditure item.

For a project, when an invoice is generated, the process considers all the expenditure items falling within the specified bill-through date and generates invoices for expenditures for which the revenue exists.

The Expenditure Invoice drill-back functionality lets you view invoice details to understand what expenditures have contributed to the invoice total.

Projects using the rate-based invoicing method can generate invoices that detail how the overall invoice is built, and what expenditures have contributed to these invoices.

Viewing Revenue Expenditure Lines in Self Service

The Revenue Generation process generates revenue distribution lines associated with expenditure items that have accrued revenues. These revenue distribution lines are stamped with associated Invoice numbers generated against these expenditure items. The Expenditure Drill-down displays invoice details stored in revenue distribution lines, against billed expenditure items.

As part of this enhancement, the Revenue Distribution Lines Window includes the following new fields:

- Revenue Number
- Revenue Line
- Additional Revenue
- Invoice Number
- Invoice Line
- Invoice Amount

Oracle Projects displays invoice details from revenue distribution lines page for expenditure items for the following invoice types:

- Consolidated Invoices
- Intercompany Invoices - expenditure items for the external (customer) Invoices
- Grants

To view the revenue expenditure lines:

1. Navigate to the **Search Projects** window using Projects:Delivery > Search Projects.
2. Query the project with expenditure items using any of the search criteria.
3. Click the Financials > Costing tabs to view the expenditure item details.

   The **Expenditure Item Details** page appears.

Revenue Distribution Lines

4. Click the **Revenue Distribution** tab.

   The **Revenue Distribution Lines** page appears.
5. **Line Number:** Displays the line number of the revenue distribution line. You can sort the list using the line number.
6. **Type:** Displays the revenue type. You can sort the list using the type.
7. **PA Date:** Displays the revenue creation date.
8. **PA Period:** Indicates the period.
9. **GL Date:** Displays the GL date.
10. **GL Period:** Displays the GL period in which the revenue transactions took place.
11. **Revenue Amount:** Displays the amount of the revenue.

12. **Default Credit Account:** Displays the default credit account.

13. **Transfer Status:** Indicates the status of the transfer. Valid values are Accepted, Pending.

14. **Revenue Number:** Indicates the revenue number of the invoice generated.

15. **Revenue Line:** Indicates the revenue line number.

16. **Additional Revenue:** For a work-based scenario, the revenue generation process can generate partial revenue for an expense item. During invoice generation, if the full amount of an invoice is generated, the process creates an additional distribution line for revenue later that is marked for additional revenue. These additional revenue lines are never invoiced.

17. **Invoice Number:** Indicates the invoice number associated with the expense items. This is a clickable field. You can view the invoice details by clicking the value.

18. **Invoice Line:** Indicates the invoice line number.

19. **Invoice Amount:** Indicates the invoice amount which is sum total of the revenue distribution lines.

Dill Down to Invoice Details from Revenue Distribution Lines

The **Expenditure Drill Down** displays invoice details stored in revenue distribution lines, against billed expenditure items.

To view the invoice details, click the invoice value, which navigates you to the Invoice page on the Billing tab as shown below: The invoice details displays what expenditures have contributed to the invoice total.

The following **Invoice Details** page appears:

Num	Description	Tax Handling	Tax Classification Code	Invoice Amount (USD)	Project Amount (USD)	Details	Estimated Tax	Tax Amount	Task Name	Performance Obligation Lir
1	Gray, Mr. Donald R 26.00 Hours	Standard	Location	2535	2535			152.10		
2	Hamilton, Ms. Anne 102.00 Hours	Standard	Location	6120	6120			367.20		
3	Scott, Francis 88.00 Hours	Standard	Location	5280	5280			316.80		
4	Computers 62.00 Hours	Standard	Location	3161.07	3161.07			189.66		
5	Consulting 450.00 Currency	Standard	Location	495	495			29.70		
6	Duplication 214.00 Each	Standard	Location	18.84	18.84			1.13		
7	PJI 809,17 Currency	Standard	Location	1456518.6	1456518.6			87,391.12		
8	Telecommunications 59.00 Minutes	Standard	Location	1913.64	1913.64			114.82		

For customers with the bill-split scenario, the revenue distribution lines are generated for number of customers (based on the percent contribution by customers) associated with the project or task during revenue generation. The draft revenue and draft invoice mapping with revenue distribution line is a one-to-one mapping for each expenditure.

Users who navigate to the **Billing > Invoice Details** page by clicking the invoice number value from the costing page, can click the Return to Costing and Return to Expenditure Items at the bottom of the page to navigate back to the Costing Page.

Viewing Accounting Lines

You can use the View Accounting option from the Tools menu to review accounting entries for expenditure items for which you have created accounting in Oracle Subledger Accounting. You must create accounting in final mode for the accounting events associated with the expenditure item before you can view accounting entries. If an expenditure item has multiple cost distribution lines, then you can view accounting for each cost distribution line that is accounted in Oracle Subledger Accounting. Similarly, if you adjust an expenditure item and do not create accounting for the adjustments in Oracle Subledger Accounting, then the View Accounting window only shows the accounted cost distribution lines.

> **Note:** For both historical (prior to Release 12) expenditure items not migrated to Oracle Subledger Accounting, and transactions accounted in an external system and interfaced into Oracle Projects, the View Accounting option displays the accounts from the cost distributions table in Oracle Projects.

> **Note:** The View Expenditure Accounting window displays final accounting entries from Oracle Subledger Accounting. It does not display default accounts that Oracle Projects derived using

AutoAccounting. To view default accounts from AutoAccounting, see: Viewing Expenditure Items, page 4-45.

If you create accounting in draft mode, then you can either review the output from the create accounting process or use Subledger Accounting Inquiry to view the draft accounting. For information about Subledger Accounting Inquiry, see: Oracle Subledger Accounting Inquiries, *Oracle Projects Fundamentals* and the *Oracle Subledger Accounting Implementation Guide*.

Viewing Accounting for Receipt Accruals with Non-Recoverable Tax

If a receipt is associated with non-recoverable tax in Oracle Purchasing, then Oracle Cost Management creates final accounting for the full amount (receipt and tax) in Oracle Subledger Accounting. If the purchase order line is project-related and set to accrue-at-receipt, then the process PRC: Interface Supplier Costs interfaces the receipt and non-recoverable tax to Oracle Projects as separate expenditure items. As a result, when you select the View Accounting option for either expenditure item, you see the accounting for the full amount, not just for the expenditure item that you selected.

The following examples illustrates the accounting flow for receipt accruals with non-recoverable tax:

1. You enter a receipt in Oracle Purchasing for $110 USD, where $100 USD is the item cost and $10 USD is non-recoverable tax.

2. Oracle Cost Management creates subledger accounting in final mode for the total amount. The debit to the purchase order charge account is $110 USD.

3. You run the process PRC: Interface Supplier Costs. The process creates two expenditure items as follows:

   - $100 USD expenditure item with a transaction source of *Oracle Purchasing Receipt Accruals* for the item cost

   - $10 USD expenditure item with a transaction source of *Non-Recoverable Tax from Purchasing Receipts* for the non-recoverable tax

4. In Expenditure Inquiry, when you select either the receipt accrual or the non-recoverable tax expenditure item and choose the View Accounting option, you see the full subledger accounting entry, a debit of $110 USD to the purchase order charge account.

To view accounting lines:

1. Query the expenditure transaction you want to view.

2. From the Expenditure Items window, choose *View Accounting* from the Tools menu.

You see the View Expenditure Accounting window.

> **Note:** The View Expenditure Accounting window is a folder window that you can customize to display additional columns. See: Customizing the Presentation of Data in a Folder, *Oracle E-Business Suite 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 in General Ledger.

   See: T-Accounts, *Oracle General Ledger User's Guide*

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.

5. *(Optional)* You can undo accounting for the accounting lines in error by clicking on the Undo Accounting button. A message is displayed confirming the undo accounting action for the selected transaction. The Undo Accounting action is available only to key members of a project and to users having cross-project access.

   > **Note:** On successful completion of the undo accounting operation, the original line for which the undo action was performed will no longer be displayed as the line will be eligible for re-accounting. Additionally, only adjustments for accounted transactions that are created in Oracle Projects are eligible for an Undo Accounting operation.

Drilling Down to Oracle Projects from Oracle General Ledger

You can select the Drilldown option from the Tools menu of an Oracle General Ledger journal to view all subledger journal entry lines associated with the journal. From subledger journal entry lines, you can navigate to the subledger journal entries or drill down to the subledger transaction. This drilldown feature enables you to view the details from Oracle Projects.

> **Note:** Drilling down to subledger transactions is only supported for Oracle subledgers that use Oracle Subledger Accounting, such as Oracle Projects, Oracle Payables, Oracle Assets, Oracle Receivables, and Oracle Purchasing.

Reviewing Subledger Accounting Journals and Events

You can use Subledger Accounting Inquiry features to query accounting events, journal entries, and journal entry lines based on multiple selection criteria. When you view the transaction for an accounting event, Oracle Subledger Accounting drills down to Oracle Projects and automatically opens and queries information in expenditure inquiry or revenue review, depending on the event class for the accounting event. For additional information, see: Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals* and Inquiries, *Oracle Subledger Accounting Implementation Guide*.

Expenditure Items Windows Reference

This section describes the expenditure items windows.

Find Expenditure Items Window, page 4-60

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Find Expenditure Items Window

Use the Find Expenditure Items window to enter search criteria for expenditures and expenditure items. You can enter information in multiple fields and on multiple tabs when you define the criteria for a search. This capability enables you to query specific expenditure items that you want to adjust or review. This section describes some of the attributes you can use to search for expenditure items.

At the header level, you can enter the following information to limit the expenditure items queried:

- Operating Unit
- Project Number
- Project Name
- Task Number
- Task Name
- Award Number (when Oracle Grants Accounting is enabled)
- Award Name (when Oracle Grants Accounting is enabled)
- Cost Code (when cost breakdown planning is enabled for this project)
- Cost Code Name (when cost breakdown planning is enabled for this project)
- Transaction ID

- Expenditure Organization
- Expenditure Type Class
- Expenditure Type
- Expenditure Item Date Range

In addition, you can enter find criteria:

- **Expenditure Tab:**
  - **Expenditures Region:**

    For *Expenditure Category*, select the expenditure category of the expenditure item you want to find.

    For *Expenditure Ending Dates*, select the expenditure ending dates of the items you want to find. You can enter a date range, or either a start or end date.

    For Expenditure Batch, choose an expenditure batch name if you want to find expenditure items grouped and entered by batch.

  - **Other Region:** Choose the transaction source, work type, and costed processing status of the expenditure items you want to find.

- **Billing Tab:**
  - **Billing Status Region:**

    For *Billable*, choose *Yes* to view only billable expenditure items.

    For *Billing Hold*, choose *Yes* to view expenditure items that are on hold indefinitely. Choose *No* to view items that are not on hold. Choose *Both* to view items that are on both one-time hold, and on hold indefinitely. Choose *Once* to view expenditure items that are on one-time hold.

    For *Billed*, choose *Yes* to view expenditure items that have appeared on an invoice, regardless of invoice status. When you choose this option, Oracle Projects retrieves expenditure items from project invoices that have a status of Unapproved, Approved, Released, and Accepted.

  - **Processing Status Region:**

    For *Revenue Distributed*, choose *Yes* to view only revenue-distributed expenditure items, or choose *Partial* to view expenditure items that have partially distributed revenue.

  - **Bill Group:**

    Specify the bill group to view expenditure items that are grouped for invoicing. You can update the bill group for the expenditures that are not billed. To

update the bill group for a single expenditure item from the Reports menu select the Update Bill Group option.

- **Resource Tab:**
  - **Labor Region:** Choose the employee number, employee name, job, or assignment associated with the expenditure items that you want to find.
  - **Other Region:** Choose the resource organization, non-labor resource, WIP resource, or inventory item associated with the expenditure items that you want to find.
- **Supplier Tab:**
  - Choose the supplier number, supplier name, invoice number, invoice line number, receipt number, or payment number associated with the expenditure items that you want to find.
  - The payment number is used to search for expenditure items only in the following cases:
    1. If cash basis accounting is implemented, you can query for expenditure items from expenditure inquiry using payment number as payments are directly interfaced to Oracle Projects.
    2. If accrual based accounting is implemented, only when a payment discount is interfaced to Oracle Projects, the payment number field is used to query the associated expenditure item in expenditure inquiry.
  - Enable the *Include Related Tax Lines* check box if you also want to query the related tax expenditure items when you query supplier cost expenditure items.

    Note: You can enable the *Include Related Tax Lines* check box only if you enter a value in the Invoice Line Number field.

  - Enable the *Unmatched Reversing Items that Require Adjustment* check box if you want to search for unmatched reversing expenditure items from Oracle Purchasing and Oracle Payables that require manual adjustment. For information about manually adjusting unmatched reversing expenditure items, see Manually Adjusting Unmatched Reversing Expenditure Items, page 4-105.
- **Cross Charge Tab:** You can search for expenditure items by entering the following Cross Charge criteria in the cross charge tab:
  - Cross Charge Type

    - Cross Charge Processing Method
    - Cross Charge Processing Status

- **Provider/Receiver Tab:** You can use the provider/receiver tab to search for cross-charged expenditure items using provider and receiver organization find criteria. You can specify information for the provider and the receiver in the following fields:
    - Organization
    - Operating Unit
    - GL Dates
    - PA Dates

- **Capital Tab:**
    - **CIP/RWIP Region:**

      For *Capitalizable*, choose *Yes* to view only capitalizable expenditure items.

      For *Grouped CIP*, choose *Yes* to view expenditure items that have been grouped into CIP asset lines.

      For *Grouped RWIP*, choose *Yes* to view expenditure items for tasks that are set up for retirement cost processing.

      Enable the *Expensed* check box to view only expensed expenditure items.

    - **Capital Events Region:** Choose an event number to search for expenditure items associated with the capital event. Alternatively, enable the *None* check box to query expenditure items that are not associated with a capital event.

- **Exclude Net Zero Items:** Enable this check box if you want to exclude net zero expenditure items from your query. Net zero items consist of an original item and a reversing item for the amount of the original item. Together, the amounts for these two items net to zero. This check box is located at the bottom of the window.

Expenditure Items Window

The Expenditure Items window displays detailed information about each expenditure item.

> **Note:** When displaying inventory transactions imported from Oracle Project Manufacturing, the Expenditure Items window shows the base unit of measure 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*.

For an expenditure item, when the base unit of measure associated with the inventory item and the unit of measure associated with the expenditure type are same, then Oracle Projects attaches a prefix of @ to the base unit of measure from Oracle Project Manufacturing or Oracle Inventory. For Example, if the unit of measure associated with an inventory item is *Each* and the unit of measure associated with the expenditure type is also *Each*, then Oracle Projects displays the unit of measure as *@Each* for the transaction.

You can view the expenditure items or perform an expenditure inquiry by selecting one of the following:

- Project: The cost code and cost code name fields are displayed only for projects where the cost breakdown planning is enabled.
- All: The cost code and cost code name fields are displayed and the values for these fields can be selected from their LOVs. The LOV displays only the codes associated with the project task in the task details setup page.

Currency Fields

This window is a folder form, which allows you to set up a folder that contains the fields you need to view. For example, some of the currency fields are not visible in the default folder. Currency fields are listed in the following table:

Currency Field	Description
Bill Amount	The bill amount in the project currency
Accrued Revenue	The accrued revenue in the project currency
Project Burdened Cost	The burdened cost in the project currency
Burdenable Raw Cost	(Used by Oracle Grants Accounting) The portion of the expenditure item cost that is available to be burdened
Transaction Currency	The transaction currency code
Transaction Raw Cost	The raw cost in the transaction currency

Currency Field	Description
Transaction Burdened Cost	The burdened cost in the transaction currency
Functional Currency	The functional currency code
Functional Rate Type	The rate type used to determine the functional currency exchange rate
Functional Exchange Rate	The functional currency exchange rate
Functional Raw Cost	The raw cost in the functional currency
Functional Burdened Cost	The burdened cost in the functional currency
Project Currency	The project currency code
Project Rate Type	The rate type used to determine the project currency exchange rate
Project Rate Date	The date used to determine the project currency exchange rate
Project Exchange Rate	The project currency exchange rate
Project Raw Cost	The raw cost in the project currency
Receipt Currency	The expense report receipt currency code
Receipt Amount	The expense report expenditure amount in the receipt currency
Receipt Exchange Rate	The expense report receipt currency exchange rate
Location	The location entered on a time card expenditure or defaulted from the time card employee's primary HR assignment if a location was not entered for the time card
Payroll Accrual	Displays Yes if the expenditure is an accrued labor cost transaction

Currency Field	Description
Labor Costing Method	Displays the labor costing method used, Standard or Actual, if the expenditure is a labor transaction
Revenue Accrual Rate	The rate used to determine the revenue accrual amount

Related Topics

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Adjusting Expenditures

Oracle Projects provides powerful features that allow you to:

- adjust expenditure items on your projects
- report the audit trail of the adjustments

The project status of a project can restrict your ability to enter adjustments to project transactions. See : Project Statuses, *Oracle Projects Implementation Guide*.

You can adjust expenditure items for draft invoices with manually linked supplier invoices and manually re-establish these links to supplier invoices after the adjustment. For more information, see Payment Control, page 9-32.

For imported expenditure items, the value of the *Allow Adjustments* transaction source option determines what types of adjustments you can make. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

Certain adjustment transactions are restricted for labor transactions if you are using the Actual labor costing method. See Adjusting Labor Costs, page 4-116

Audit Reporting for Expenditure Adjustments

Oracle Projects provides an audit trail of all adjustments performed on an expenditure item. The audit trail records the following information about the adjustment:

- The name of the user who performed the adjustment
- The type of adjustment action performed
- The date and time that the adjustment was performed
- The window from which the adjustment action was performed

Oracle Projects also records the audit trail to the original item for transfers, splits, and

corrections to approved items. With this audit trail, you can identify where an item was transferred or where an item was transferred from.

You can review the expenditure adjustment audit information for a project in the AUD: Project Expenditure Adjustment Activity report. Also, you can review the transfer activity for a project using the MGT: Transfer Activity report.

You can use the AUD: Supplier Cost Audit report to audit transactions between Oracle Projects, Oracle Purchasing, Oracle Payables, and Oracle General Ledger. This report lists all supplier cost transactions in Oracle Projects for a selected operating unit. When you run the report, you can specify an adjustment type to limit the transactions that you want to include in the report.

Related Topics

Project Expenditure Adjustment Activity, *Oracle Projects Fundamentals*

Transfer Activity Report, *Oracle Projects Fundamentals*

Supplier Cost Audit Report, *Oracle Projects Fundamentals*.

Types of Expenditure Item Adjustments

This section describes the types of adjustments you can make to expenditure items. Whether you can adjust expenditure items depends on:

- The project status of the project charged.
- The transaction source (if the expenditure item was imported via Transaction Import).
- The labor costing method if the expenditure is for labor.
- Mass adjustment

Except where noted, you can also adjust project invoice lines. See: Adjusting Project Invoices, *Oracle Project Billing User Guide*.

Mass Adjustment

You can enter and include reasons for holds. When an adjustment is performed using the mass adjustment window, you are prompted to select a reason for the adjustment. To select a reason for adjustment, perform the following:

1. From **Home**, click the **Projects** responsibility.
2. Click **Expenditures**, then **Expenditure Inquiry**, and then **Project**.

   The **Find Projects Expenditure Items** window appears.
3. Click the **Mass Adjust** option.

In the **Mass Adjust dialog** box, click **Billing Hold** and then **OK**.

The **Update Bill Hold Reason** dialog box appears.

4. Select the bill hold reason and then click **OK**.

   The list of values shows the reasons defined in the lookup definitions for the corresponding actions, bill hold or revenue hold.

5. Click **Yes** to process the mass adjustment action in the dialog box.

Correct Pre-Approved Expenditure Items

You can correct the following attributes of a pre-approved expenditure item using the Pre-Approved Expenditure Entry windows.

- date
- expenditure type
- project
- task
- amount

You make the corrections by reversing the original item and then creating a new item using the correct information. You cannot correct these items using the Expenditure Items window.

You can also change the project and task assignment of an expenditure item by selecting the Transfer adjustment action.

You cannot correct the expenditure type or supplier of supplier cost items in Oracle Projects. You must correct these attributes of supplier cost items in Oracle Payables.

You must correct expenditure items imported from Oracle Inventory or Oracle Manufacturing in their respective systems except for the transactions with a transaction source of Inventory Misc. You cannot reverse or correct expenditure items from these applications in Oracle Projects.

Expenditures processed using the Actual labor costing method or processed using the Standard labor costing method with an applicable labor costing rule that has been updated to the Actual labor costing method cannot be corrected. You must reverse the costed labor transactions and re-process them using the current, applicable labor costing rules. See Reverse Costed Labor Transactions, *Oracle Project Fundamentals* guide. This exception does not apply to accrued labor cost transactions subject to the Actual costing method.

Change Billable Status

Use the adjustment actions Billable to Non-Billable and Non-Billable to Billable to change the billable status of an expenditure item.

- A *billable* item accrues work-based revenue and can be invoiced.
- A *non-billable* item does not accrue work-based revenue and is not invoiced.

You may want to check the setup of the billable status of your project to reduce the number of items you need to adjust for billable classification. You can define tasks as billable or non-billable. You can further specify which items are non-billable using transaction controls. See: Controlling Expenditures, page 4-29.

> **Note:** A supplier invoice on pay when paid hold with a single expenditure item becomes eligible for consideration by the Release Pay When Paid Holds concurrent program when you change the status of the expenditure item to non-billable. A supplier invoice with multiple expenditure items is eligible for the automatic release of payment hold only if all billable expenditure items are billed and paid in full and remaining expenditure items are non-billable. For more information, see Release Pay When Paid Holds, *Oracle Projects Fundamentals*.

For imported expenditure items, you can change the billable status only if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

See: Restrictions to Supplier Cost Adjustments, page 4-95.

Change Capitalizable Status

Use the adjustment actions Capitalizable to Non-Capitalizable and Non-Capitalizable to Capitalizable to change the capitalizable status of an expenditure item.

- A *capitalizable* item can be grouped into an asset line you send to Oracle Assets.
- A *non-capitalizable* item cannot become an asset cost in Oracle Assets.

You can define tasks as capitalizable or non-capitalizable; you can further specify which items are non-capitalizable using transaction controls. See: Controlling Expenditures, page 4-29.

For imported expenditure items, you can change the capitalizable status only if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

See: Restrictions to Supplier Cost Adjustments, page 4-95.

Set and Release Billing Hold

You can place an expenditure item on billing hold. An item on billing hold is not included on an invoice until you release the billing hold on the item. A billing hold does not affect revenue generation.

One-Time Hold

You can place an expenditure item on one-time billing hold. An item on one-time billing hold is not billed on the current invoice but is eligible for billing on the next invoice. The one-time billing hold is released when you release the current invoice. A billing hold does not affect revenue generation.

Release Hold

If you have placed an expenditure item on billing hold, you use the release hold to take it off hold so the item can be billed.

Recalculate Burden Cost

You can recalculate the burden cost of an expenditure item if you find that the burdened cost amount is incorrect. To produce correct recalculation results, you must correct the source of the problem before redistributing the items.

Notes

- When you select Recalculate Burden Cost for an expenditure item with the expenditure type class of *burden transaction*, no recalculation of the burden amount takes place.
- You can recalculate the burden cost of an invoice line.

Recalculate Raw Cost

You can recalculate the raw cost of an expenditure item if you find that the raw cost amount is incorrect. To produce correct recalculation results, you must correct the source of the problem before redistributing the item.

For imported expenditure items, you can recalculate raw cost only if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

Expenditures processed using the Standard labor costing method use the current values of the applicable labor costing rule to recalculate raw cost. Ensure that the current applicable labor costing rule has the correct values before recalculating expenditures. Expenditures processed using the Actual labor costing method or processed using the Standard labor costing method with an applicable labor costing rule that has been

updated to the Actual labor costing method cannot be recalculated. You must reverse the costed labor transactions and re-process them using the current applicable labor costing rules. See Reverse Costed Labor Transactions, *Oracle Project Fundamentals* guide. This exception does not apply to accrued labor cost expenditures subject to the Actual labor costing method

For information about adjusting supplier cost transactions, see: Restrictions to Supplier Cost Adjustments, page 4-95.

> **Note:** You can recalculate the raw cost of expenditure items imported as costed to generate a new debit account, however, the cost amount does not change.

Recalculate Revenue

You can recalculate revenue if you find that:

- The revenue or bill amount is incorrect due to incorrect bill rate or markup
- AutoAccounting is incorrect

You must correct the source of the problem before redistributing the items.

Recalculate Cost and Revenue

You can recalculate cost and revenue if you find that:

- The raw cost rate is incorrect
- The burden cost multiplier is incorrect
- AutoAccounting is incorrect

You must correct the source of the problem before redistributing the items.

If you recalculate cost, the revenue is automatically adjusted to ensure that revenue that is based on the cost (with markup or labor multipliers) is correct.

For imported expenditure items, you can recalculate cost and revenue only if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

Expenditures processed using the Standard labor costing method use the current values of the applicable labor costing rule to recalculate raw cost. Ensure that the current applicable labor costing rule has the correct values before recalculating expenditures. Expenditures processed using the Actual labor costing method or processed using the Standard labor costing method with an applicable labor costing rule that has been updated to the Actual labor costing method cannot be recalculated. You must reverse the costed labor transactions and re-process them using the current, applicable labor

costing rules. See Reverse Costed Labor Transactions, *Oracle Project Fundamentals* guide. This exception does not apply to accrued labor cost expenditures subject to the Actual labor costing method.

For information about adjusting supplier cost transactions, see: Restrictions to Supplier Cost Adjustments, page 4-95.

Reverse Distributed or Accounted Expenditure Lines

You can rectify the incorrect expenditures that are already cost distributed or accounted in General Ledger by using the Reverse Distributed/Accounted option. This feature is available in the Reports menu of Expenditure Inquiry and also as an option in the Mass Adjust feature.

You can reverse the cost distributed or accounted expenditures on the following types of transactions:

- Transactions with custom transaction sources that allow adjustments and reversals.
- Transactions occurring in a closed PA/GL period, whereby the original and reversal transaction automatically defaults under different periods.

Reversal of cost distributed or accounted expenditures is restricted on the following types of transactions:

- Transactions with seeded transaction sources.
- Transactions with custom transaction sources that do not allow adjustments and reversals.

After the Reverse Distributed/Accounted option is selected for single or multiple expenditure items, the reversal transactions are created with the same attributes as that of the original expenditure. If the original transaction falls in a closed PA/GL period, the reversal would have the PA/GL derived as the latest open period after the expenditure item date. If the original transaction falls in a closed PA/GL period, the reversal would have the PA/GL derived as the latest open period after the expenditure item date.

You can use the option for original transactions, which are not interfaced from projects to GL, and are in the Pending status (P). The original and newly created reversal item is then marked in the Generated status (G) to prevent the original and the reversed transactions from being interfaced to GL. If the original transaction is interfaced to GL and is in the Accepted status (A), the reversal created will need to be interfaced to GL, therefore the reversal item transfer status is marked with a pending status.

Similarly, when an original transaction has multiple cost distributed (raw) lines, which are in the Pending status (P), all transactions are marked with a Generated status to prevent the original and reversed transactions from being interfaced to GL. In the above scenario, if a transaction is in the Accepted status, the reversal created will need to be interfaced to GL, therefore the reversal item transfer status is marked with a Pending Status.

Change Work Type

You can change the work type of an item. You can use this adjustment to reclassify an item for reporting and billing purposes.

> **Note:** To change the work type, you must set the profile option PA: Require Work Type Entry for Expenditures to *Yes*.

> **Note:** If you set the profile option PA: Transaction Billability Derived from Work Type to *Yes*, then changing the work type can affect whether a transaction is billable. In this case, changes to the work type follow the same rules as changes to the billable status for an expenditure item.

For imported expenditure items, you can change the work type if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. If the *Allow Adjustments* transaction source option is *not* enabled, then you can change the work type only if the change does not affect the billable status or capitalizable status of the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

See: Restrictions to Supplier Cost Adjustments, page 4-95.

Change Comment

You can edit the expenditure comment of an item. You can use this adjustment to make the expenditure comment clearer if you are including the comment on an invoice backup report.

Split Item

You can split an item into two items so that you can process the two resulting split items differently. The resulting split items are charged to the same project and task as the original item.

For example, you may have an item for 10 hours, of which you want 6 hours to be billable and 4 hours to be non-billable. You would split the item of 10 hours into two items of 6 hours and 4 hours, marking the 6 hours as billable and 4 hours as non-billable.

For imported expenditure items, you can split an item into two items only if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

For information about adjusting supplier cost transactions, see:Restrictions to Supplier Cost Adjustments, page 4-95.

Transfer Item

You can transfer an item from one project and task to another project and task.

Oracle Projects provides security as to which employees can transfer items between projects. Cross-project users can transfer to all projects. Key members can transfer to projects to which they are assigned. See:Security in Oracle Projects, *Oracle Projects Fundamentals*.

Oracle Projects performs a standard validation on all transferred items. For a description of the standard validation process and resulting rejection reasons, see: Expenditure Item Validation, page 4-3.

Oracle Projects also ensures that you only transfer items which pass the charge controls of the project and task to which you are transferring. If the items you are transferring do not pass the new project and task's charge controls, then you cannot transfer the item. See: Controlling Expenditures, page 4-29.

For imported expenditure items, you can transfer an item only if the *Allow Adjustments* transaction source option is enabled on the transaction source that is associated with the expenditure item. For information about transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

Expenditures processed using the Actual labor costing method or processed using the Standard labor costing method with an applicable labor costing rule that has been updated to the Actual labor costing method cannot be transferred. You must reverse the costed labor transactions and re-process them using the current, applicable labor costing rules. See Reverse Costed Labor Transactions, *Oracle Project Fundamentals* guide. This exception does not apply to accrued labor cost expenditures subject to the Actual labor costing method

For information about adjusting supplier cost transactions, see:Restrictions to Supplier Cost Adjustments, page 4-95.

Change Currency Attributes

You can change the functional or project currency attributes of multi-currency transactions. When you select Change Functional Currency Attributes or Change Project Currency Attributes from the Reports menu, a window is displayed where you can enter changes in the following fields:

- Rate Type
- Rate Date
- Exchange Rate

The windows display the project or functional currency, depending on which currency you have selected, as well as the transaction currency.

The same conditions apply to changes in currency attributes that apply during

transaction entry. See: Entering Currency Fields, page 4-21.

You can also change currency attributes for an expenditure using the Mass Adjustments feature. When you select Change Functional Currency Attributes or Change Project Currency Attributes under Mass Adjustments, most of the validations are performed by the costing program. See: Mass Adjustment of Expenditures, page 4-78.

> **Note:** If the project currency and the functional currency for an expenditure item are the same, only the Functional Currency Attributes option is displayed on the Reports menu. Any changes you make to the functional currency attribute are copied to the project currency attributes.

Update Bill Group

You can update the bill group for the expenditures that are not billed. To update the bill group for a single expenditure item from the Reports menu select the Update Bill Group option.

Related Topics

Restrictions for Adjusting Converted Items, page 4-75

Project Statuses, *Oracle Projects Implementation Guide*

Transaction Sources, *Oracle Projects Implementation Guide*

Restrictions for Adjusting Converted Items

You can mark expenditure items as converted when you load expenditure items from another system into Oracle Projects during conversion. To do this, you set the CONVERTED_FLAG to *Y* (for Yes) in the PA_EXPENDITURE_ITEMS_ALL table.

Some adjustment actions are not permitted for converted items. The following table shows which adjustment actions are and are not allowed for converted items.

Adjustment Action	Allowed for Converted Items
Correct Approved Expenditure Item	YES
Allow Billing	YES
Billable to Non-Billable	NO
Non-Billable to Billable	NO

Adjustment Action	Allowed for Converted Items
Capitalizable to Non-Capitalizable	NO
Non-Capitalizable to Capitalizable	NO
Billing Hold	YES
One-Time Hold	YES
Release Hold	YES
Recalculate Burden Cost	NO
Recalculate Raw Cost	NO
Recalculate Revenue	NO
Recalculate Cost/Revenue	NO
Change Comment	YES
Split	NO
Transfer	NO
Work Type	NO

If an item is marked as converted, Oracle Projects assumes that the item does not have all the data required to support the recalculation of cost, revenue, and invoice. Therefore, you cannot perform the adjustment actions that may result in the recalculation of cost, revenue, or invoices for converted items.

> **Note:** Marking items as converted has a similar effect to enabling the transaction source attribute that disallows adjustments on imported transactions originating from that source.

Adjusting Expenditure Items

Use the Expenditure Items window to adjust project expenditure items.

To adjust expenditure items:

1. Navigate to the Find Project Expenditure Items or Find Expenditure Items window. See: Viewing Expenditure Items, page 4-45.

2. Find the expenditure items you want to adjust.

3. In the Expenditure Items window, choose the items you want to adjust. See: Selecting Multiple Records, *Oracle E-Business Suite User's Guide*. You can also use the Mass Adjust feature to adjust items. See: Mass Adjustment of Expenditures, page 4-78.

4. Choose an option from the *Tools* menu or the *Reports* menu to specify how you want to adjust the expenditure items.

   The following table shows the adjustment options for each menu.

Menu	Selection
Tools	Billing Hold
	Capitalizable
	Change Comment
	Non-Billable
	Non-Capitalizable
	One-Time Hold
	Recalculate Burden Cost
	Recalculate Cost/Revenue
	Recalculate Raw Cost
	Recalculate Revenue
	Release HoldSplit
	Transfer

Menu	Selection
Reports	Change Functional Currency Attributes
	Change Project Currency Attributes
	Change Transfer Price Currency Attributes
	Mark for no Cross Charge Processing
	Reprocess Cross Charge
	Update Bill Group
	Revenue Hold
	Revenue Hold Release
	Reverse Distributed/Accounted

For a description of adjustment options, see: Types of Expenditure Item Adjustments, page 4-67.

5. Choose Run Request to select the Project Streamline Request process for the adjustment. See: Processing Adjustments, page 4-88.

Mass Adjustment of Expenditures

Use the Find Expenditure Items window or the Find Project Expenditure Items window to process a mass adjustment of expenditures.

You can optionally use the multi-select functionality in the Expenditure Items window or the Project Expenditure Items window to perform adjustments on more than one expenditure. However, the mass adjustment feature provides faster performance when you adjust a large number of expenditures.

You can choose to either process adjustments online or submit a concurrent program to process the adjustments. If you choose to submit the concurrent program to process the adjustments, Oracle Projects submits the PRC: Adjust Expenditure Items concurrent program. For more information, see: Adjust Expenditure Items, *Oracle Projects Fundamentals*.

For a cost breakdown structure enabled project during the expenditure item adjustment process, the task value considered is a combination of task and cost code.

To perform mass adjustment of expenditures:

1. Navigate to the Find Project Expenditure Items or Expenditure Items window. See: Viewing Expenditure Items, page 4-45.

2. Enter your search criteria. For example, if you want to make an identical adjustment to all billable expenditures for a specific employee, select the employee name from the list of values in the Employee Name field and select *Yes* for Billable under the Billing Status fields.

3. Choose *Mass Adjust*.

4. From the Mass Adjust list, select the adjustment you want to perform on the selected expenditures.

5. Choose the processing method for the adjustments. You can choose to either process the adjustments online while you wait or submit a concurrent program to process the adjustments.

   Additional Information: When you process adjustments online, Oracle Projects displays a message when the adjustment program is complete that indicates the results of the program. If you process adjustments using a concurrent program, you must monitor the progress of the program and review the output report when the program is complete to review the results.

Reverse Distributed or Accounted Expenditure Lines

You can rectify the incorrect expenditures that are already cost distributed or accounted in General Ledger by using the Reverse Distributed/Accounted option. This feature is also available in the Reports menu of Expenditure Inquiry. For more information, see Reverse Distributed or Accounted Expenditure Lines, page 4-72 for the Reports Menu.

Transferring Expenditure Items

You can transfer an expenditure item from its current project or lowest task assignment to another project or lowest task.

Run the Transfer Activity report to view the activity of expenditure items that you transfer.

To transfer expenditure items:

1. Navigate to the Find Project Expenditure Items or Find Expenditure Items window. See: Viewing Expenditure Items, page 4-45.

2. Find the expenditure items you want to transfer.

3. In the Expenditure Items window, choose the items you want to transfer. See: Selecting Multiple Records, *Oracle E-Business Suite User's Guide*. You can also use the Mass Adjust feature to adjust items.

4. Choose *Transfer* from the Tools menu.

5. In the Transfer Items to Project or Task window, enter the Project Number and Task Number to which you want to transfer the expenditure items.

   In a project, which has cost breakdown planning enabled, tasks are a combination of task and cost code.

6. Choose OK to mark the expenditure items for transfer.

7. Enter *Yes* if you want to re-query your expenditure items so you can see the new expenditure items created from the transfer. Select the Search Criteria to use to re-query the records.

8. Process the adjustments. See: Processing Adjustments, page 4-88.

Related Topics

New Expenditure Items Resulting from Transfer and Split, page 4-87

Splitting Expenditure Items

You can split an expenditure item to change its billing, capitalizable, and hold status for a portion of the original item's quantity.

When you split an expenditure item, you create a reversing entry for the original expenditure item, and create two new expenditure items for that expenditure, totalling the same quantity and amount as the original item.

For a cost breakdown planning enabled project, tasks are a combination of task and cost code. When you split an expenditure item, the new expenditures will use the same task and cost code combination.

> **Note:** You cannot split an original expenditure item that has already been split or transferred. You can, however, split or transfer the new expenditure items created from a split or transfer.

To split expenditure items:

1. Navigate to the Find Project Expenditure Items or Find Expenditure Items window. See: Viewing Expenditure Items, page 4-45.

2. Find the expenditure items you want to split.

3. In the Expenditure Items window, choose the items you want to split. See: Selecting Multiple Records, *Oracle E-Business Suite User's Guide*.

4. Choose *Split* from the Tools menu.

5. In the Split Expenditure Item window, enter the Split Quantity/Raw Cost/Burdened Cost that you want to allocate to the first item from the expenditure item you are splitting.

   The system prompts you to enter a quantity, raw cost, or burdened cost based on what amounts are assigned to the original expenditure item, as shown in the following table:

If the quantity is ...	and the raw cost is ...	then the amount split is ...
non-zero	non-zero	the quantity
zero	non-zero	the raw cost
zero	zero	the burdened cost

   - Expenditure items with a zero quantity and a nonzero raw cost include costed transactions imported via Transaction Import.
   - Expenditure items with both quantity and raw cost equal to zero include burden transactions imported via Transaction Import.

     The system calculates the difference between the quantity or cost of the original expenditure item and the quantity or cost you enter for the first item, and displays the remaining amount as the quantity or cost of the second item.

6. Choose OK to mark the expenditure item to be split.

7. Enter *Yes* if you want to re-query your expenditure items to see the new expenditure items created from the transfer. Select the Search Criteria to use to re-query the records.

8. Process the adjustments. See: Processing Adjustments, page 4-88.

Related Topics

New Expenditure Items Resulting from Transfer and Split, page 4-87

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Adjustments to Multi-Currency Transactions

When multi-currency transactions are adjusted, the system must determine currency attributes for the transactions that result.

If the original item is not an imported, accounted item, the following rules apply:

- The original expenditure item is reversed, with all the same amounts and currency attributes as the original item.
- The new expenditure items are created and treated as new transactions, following the standard default logic for currency attributes.

Reversals and Splits

For reversals and splits, the reversing and new items have the same currency attributes as the original transaction.

Transfers

For a transfer, the reversing item has the same currency attributes as the original transaction. For the new item, the cost distribution program uses the conversion rules for a new transaction, taking the default currency attributes from the destination project. See: Converting Multiple Currencies, *Oracle Projects Fundamentals*.

Recalculation Adjustments

When you select a multi-currency expenditure item for recalculation and process the adjustment, the cost distribution process recalculates project currency amounts. The process copies all other amounts from the original transaction. The cost distribution process creates a reversing cost distribution line and a new cost distribution line and sets the transfer status for the two lines to *Pending*. You then run processes in Oracle Projects to generate accounting events for both lines and create accounting in Oracle Subledger Accounting.

Transfers and Splits

Reversing items are created with the attributes of the original item.

Transfers: For the new item, all amounts and attributes are copied from the original item, except for the project currency amounts. For the project currency amounts, the cost distribution program uses the conversion rules for a new transaction, taking the default currency attributes from the destination project. See: Converting Multiple Currencies, *Oracle Projects Fundamentals*.

Splits: For new items, all currency amounts are prorated based on the split ratio.

Oracle Projects creates cost distribution lines for both reversing and new items (their transfer status is set to *P* (Pending)). You then run processes in Oracle Projects to generate accounting events for both lines and to create accounting in Oracle Subledger Accounting.

Adjustments to Burden Transactions

You can perform any adjustment action on burden transactions imported from external systems if the Allow Adjustments option is enabled on the Transaction Source.

Burden transactions created by the process PRC: Create and Distribute Burden Transactions (also known as system-generated transactions) are eligible to have only billing adjustment actions performed on them. For example, the items can be placed on billing hold. To make any other type of adjustment on a system-generated burden transaction, you must adjust the source expenditure item related to these burden transactions.

You can adjust a burden transaction that is imported via Transaction Import only if the Allow Adjustments option is set to *Y* for the transaction source. For the predefined transaction sources Inventory, Inventory Miscellaneous, and Work In Process, the Allow Adjustments option is set to *N*.

Adjustments to Related Transactions

Whenever an adjustment is performed on a source transaction that requires the item to be backed out (transfer, split, manual reversal through the Pre-Approved Expenditure form), Oracle Projects creates reversals for the related transactions of the source transaction.

Oracle Projects creates related items for labor and nonlabor transactions via labor transaction extensions. For nonlabor transactions set the PA: Enable Related Items for Nonlabor Transaction profile option to Yes to use the labor transaction extensions. For nonlabor transactions original transactions are cost distributed and generate related items but these related items can be cost distributed only in the subsequent runs.

You cannot independently process related transactions from the source transactions. However, there are adjustment actions for which related transactions are processed with the source transaction.

For a cost breakdown planning enabled project the source and related transactions must contain the same task and cost code combination whenever an adjustment is performed on a transaction.

Transfer

You can transfer only the source transaction. When you transfer the source transaction, Oracle Projects reverses the source transaction and the related transactions, and creates only the new source transaction in the destination project. Oracle Projects does not create related transactions in the destination project because the related transactions may not be appropriate under the conditions of the project.

You can create new related transactions using the labor transaction extension when the transferred source transaction is cost-distributed.

Split

You can split only the source transaction. When you split the source transaction, Oracle Projects reverses the source transaction and the related transactions, and creates the two new source transactions. Oracle Projects does not create related transactions in the destination project because the related transactions may not be appropriate under the conditions of the project.

You can create new related transactions using the labor transaction extension when the new source transactions are cost-distributed.

Recalculate Cost/Revenue

You can mark only the source transaction for cost or revenue recalculation. However, when you mark the source transaction, Oracle Projects automatically marks the related transactions of the source transaction for recalculation.

Change Billable Status

You can change the billable status on both the source transaction and the related transactions independently. However, a reclassification on a source transaction only will not automatically result in the reclassification of related transactions since these related transactions may have been created with a billable status independent of the source transaction. For example, you may create the source transaction as billable and the related transaction as non-billable.

Bill Hold/Release

You can perform bill holds and releases on both source transactions and related transactions independently. However, an action performed on a source transaction will automatically result in the same action on the related transactions. For example, a bill hold on a source transaction will automatically place a bill hold on the related transaction.

Comment Change

You can change the comment on both the source transaction and the related transactions independently.

Manual Reversal

You can reverse source transactions for pre-approved expenditure items using the Expenditures window during pre-approved batch entry. When you reverse a source transaction, Oracle Projects automatically reverses the related transactions. If you delete the source transaction, Oracle Projects automatically deletes the related transactions.

Reversal Using Transaction Import

You can reverse source transactions using Transaction Import. When you reverse a source transaction, Oracle Projects automatically reverses the related transactions if the transaction being loaded is an adjustment and the Unmatched Negative flag is set to No.

Work Type

You can change the work type on both the source transaction and related transactions independently.

> **Note:** To change the work type, you must set the profile option PA: Require Work Type Entry for Expenditures to *Yes*.

> **Note:** If you set the profile option PA: Transaction Billability Derived from Work Type to *Yes*, then changing the work type can affect whether a transaction is billable. In this case, changes to the work type follow the same rules as changes to the billable status for an expenditure item.

Marking Items for Adjustments

When you select an adjustment action, the expenditure items are marked for adjustment processing. Most adjustment actions require additional processing to be completed.

The following table shows how each adjustment action marks expenditure items for adjustment processing.

- The first eleven adjustment actions update the expenditure item with the values as noted below for subsequent adjustment processing.
- The Change Comment adjustment action updates the comment and does not require additional adjustment processing.
- The Split and Transfer adjustment actions create reversing and new items to be processed.

Adjustment Action	Cost Distributed	Revenue Distributed	Billable / Capitalizable	Bill Hold	New Items Created
Billable to Non-Billable	No	No	No		

Adjustment Action	Cost Distributed	Revenue Distributed	Billable / Capitalizable	Bill Hold	New Items Created
Non-Billable to Billable	No	No	Yes		
Capitalizable to Non-Capitalizable	No		No		
Non-Capitalizable to Capitalizable	No		Yes		
Billing Hold				Yes	
One-Time Hold				Once	
Release Hold				No	
Recalculate Burden Cost	No				
Recalculate Raw Cost	No	No			
Recalculate Revenue		No			
Recalculate Cost/Revenue	No	No			
Change Comment					
Split					Yes
Transfer					Yes
Work Type	See Note	See Note	See Note		

Note: If a work type change results in a change in the billable status, then expenditure items are marked for adjustment processing as required.

A billable reclassification requires an item to be re-costed so that the billable and non-billable costs are correctly maintained in the project summarization tables, and (optional) to change the assignment of the general ledger cost account. Also, if you change from billable to non-billable, the assignment of the GL cost account in AutoAccounting may change. The same is true for a capitalizable reclassification.

New Expenditure Items Resulting from Transfer and Split

When you transfer or split an item, the original item is reversed and new items are created automatically by Oracle Projects. These items are similar to the items that you create manually when you correct an approved expenditure item.

Transfer Example

The following table shows an example of an original item (Item 1) and the new items (Items 2 and 3) resulting from the transfer of an item from project TM1 to project SF1, task 2.

Item Number	Item Reversed	Expenditure Item Date	Expenditure Type	Project	Task	Quantity	Billable
1		01-JAN-96	Professional	TM1	1	10	Yes
2	1	01-JAN-96	Professional	TM1	1	-10	Yes
3		01-JAN-96	Professional	SF1	2	10	Yes

Note: The billable status of Item 3 is determined from the billable status of the project and task to which it is transferred.

Split Example

The following table shows an example of an original item (Item 1) and the new items (Items 2 through 4) resulting from the split of an item on the same project and task. The original item had 10 billable hours, which are split into 6 billable hours and 4 non-billable hours. When you split an item, you specify the billable status and bill hold status of each of the two new items.

Item Number	Item Reversed	Expenditure Item Date	Expenditure Type	Project	Task	Quantity	Billable
1		01-JAN-96	Professional	TM1	1	10	Yes
2	1	01-JAN-96	Professional	TM1	1	-10	Yes
3		01-JAN-96	Professional	TM1	1	6	Yes
4		01-JAN-96	Professional	TM1	1	4	No

Processing Adjustments

After you have performed the adjustment actions, you need to run the appropriate processes to process the adjustments.

The following table shows which processes to run for each adjustment action.

> **Note:** You only generate asset lines, revenue, and invoices if you use those features.

Adjustment Action	Distribute Costs	Generate Asset Lines	Generate Draft Revenue	Generate Draft Invoices
Correct Approved Expenditure Item	Yes	Yes	Yes	Yes
Billable to Non-Billable	Yes		Yes	Yes
Non-Billable to Billable	Yes		Yes	Yes
Capitalizable to Non-Capitalizable	Yes	Yes		
Non-Capitalizable to Capitalizable	Yes	Yes		
Billing Hold				Yes

Adjustment Action	Distribute Costs	Generate Asset Lines	Generate Draft Revenue	Generate Draft Invoices
One-Time Hold				Yes
Release Hold				Yes
Recalculate Burden Cost	Yes	Yes	Yes	Yes
Recalculate Raw Cost	Yes	Yes	Yes	Yes
Recalculate Revenue			Yes	Yes
Recalculate Cost/Revenue	Yes	Yes	Yes	Yes
Change Comment				
Split	Yes	Yes	Yes	Yes
Transfer	Yes	Yes	Yes	Yes
Work Type	See Note	See Note	See Note	

Note: If a work type change results in a change in the billable status, then you must run the appropriate processes to process a billing status change.

You can use the Submit Request window to run the appropriate the processes for your project only.

You can also mark items for adjustment and allow the items to be processed automatically the next time you run the processes to distribute costs, generate asset lines, and generate draft revenue and invoices.

Note: When you recalculate labor cost transactions processed using the Standard costing method, the costing method is re-validated during recalculation. If you updated the rule value after marking the item for recalculation, then the application does not process the item and does not report it as an exception in the output report of the Distribute Labor

Cost program.

Related Topics

Submitting Requests, *Oracle Projects Fundamentals*

Results of Adjustment Processing

After you run the appropriate processes to recalculate the adjusted expenditure items, you can review the results of the adjustments.

Cost Adjustments

- Raw cost amount
- Burden cost amount
- Account to which the cost is charged
- Billable/Capitalizable status of the item

When the Distribute Costs program encounters an item requiring a cost adjustment, the program updates the expenditure item with the new raw and burden cost rates and amounts, and creates new cost distribution lines. The program creates a reversing cost distribution line and a new cost distribution line. These lines form the audit trail of cost adjustments.

The following table shows an example of cost distribution lines for an expenditure item that was re-costed due to a cost rate change in a subsequent month. Lines 2 and 3 are new lines resulting from the cost adjustment. Line 2 reverses the same amount and account as Line 1. Line 3 uses the new cost multiplier and account based on current AutoAccounting rules.

Example of Cost Distribution Lines for an Adjusted Expenditure Item

Line Number	Line Reversed	Amount	Quantity	Billable	Account	GL Date
1		100	10	Yes	04.401.4100	31-JAN-94
2	1	-100	-10	Yes	04.401.4100	28-FEB-94
3		200	10	Yes	04.401.4100	28-FEB-94

Note: In the preceding table, Lines 2 and 3 are posted to a new GL period of February 1994 because the original GL period of January 1994 was closed when the cost adjustment occurred.

You can review these distribution lines in the Cost Distribution Lines window.

Note: The cost distribution process always creates new cost distribution lines after recalculating raw or burden cost for an adjusted expenditure item.

Corrections to Pre-Approved Items, Transfers, and Splits

When processing a reversing item which resulted from a correction of a pre-approved expenditure item, a transfer, or a split, the Distribute Costs program uses the same cost rate used by the original item to ensure that the cost nets to zero for the original and reversing item. The reversing item is charged to an account based on the original distribution line.

The new positive item resulting from a transfer is processed just as a new expenditure item is processed; no special adjustment processing is performed. But to process a correction of an approved expenditure item or a split just as a new expenditure item is processed, it has to be marked for recalculation.

Creating Accounting For Cost Adjustments

You must run the processes PRC: Generate Cost Accounting Events and PRC: Create Accounting to process cost adjustments. The process PRC: Generate Cost Accounting Events creates accounting events for the adjustments. The process PRC: Create Accounting creates subledger accounting entries for the accounting events in Oracle Subledger Accounting. Oracle Subledger Accounting ensures that the process reverses the original accounting for the adjustment when it creates the accounting.

When you submit the process PRC: Create Accounting in final mode in Oracle Projects, you can optionally set the *Transfer to General Ledger* parameter to *Yes* to enable the process to automatically transfer the final accounting to Oracle General Ledger and run the Journal Import process. If you choose to transfer to Oracle General Ledger, you can also set the parameter *Post in General Ledger* to *Yes* to enable the process to automatically post successfully imported journal entries in Oracle General Ledger. Otherwise, you can run the process PRC: Transfer Journal Entries to GL to transfer the final subledger journal entries from Oracle Subledger Accounting to Oracle General Ledger. Optionally, the process PRC: Transfer Journal Entries to GL can post journal entries in Oracle General Ledger.

As a result of adjustment processing, the following two different sets of account code combinations exist:

- The original cost account code combination and original cost clearing account code

combination.

- The adjustment cost account code combination and adjustment cost clearing account code combination.

Oracle Projects copies the account code combination IDs (CCIDs) from the original transaction to the reversing transaction.

Oracle Projects assigns the cost adjustment lines to the earliest open or future GL period. See also: Date Processing in Oracle Projects, *Oracle Projects Fundamentals*.

Oracle Projects provides predefined rules in Oracle Subledger Accounting rules so that the create accounting process accepts the default accounts from Oracle Projects. 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.

For expenditure item reversals, such as reversals created as a result of splits and transfers, Oracle Projects predefines a set of expenditure adjustment event classes and specifies a predecessor non-adjustment event class for each. This approach ensures that the create accounting process creates accounting for original transactions before it creates accounting for adjustments. This sequence is important because the accounting for adjustments is based on the final subledger accounting for the original transactions. For cost distribution line level adjustment, such as recalculating raw costs or changing the billable status, Oracle Subledger Accounting uses the regular, non-adjustment event classes only. For additional information, see: Integrating With Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

Revenue Adjustments

When the Generate Draft Revenue process encounters an item requiring a revenue adjustment, the process updates the expenditure item with the new revenue amount, and creates new revenue distribution lines. The process creates a reversing revenue distribution line and a new revenue distribution line. These lines form an audit trail of revenue adjustments.

The following table shows an example of revenue distribution lines for an expenditure item with a revenue adjustment caused by a change in a bill rate in a subsequent month. Lines 2 and 3 are new lines resulting from the revenue adjustment. Line 2 reverses the same amount and account as Line 1. Line 3 has the new revenue amount based on the new bill rate/markup and the account based on current AutoAccounting rules.

Example of Revenue Distribution Lines for an Adjusted Expenditure Item

Line Number	Line Reversed	Amount	Account	Draft Revenue Number	Transfer Status	GL Date
1		100	04.401.3100	1	Accepted	31-JAN-96
2	1	-100	04.401.3100	2	Pending	28-FEB-96
3		200	04.401.3100	3	Pending	28-FEB-96

Note: In the preceding table, lines 2 and 3 are posted to a new GL period of February 1994 since the original GL period of January 1994 was closed when the revenue adjustment occurred.

Each revenue distribution line is grouped into a draft revenue. A draft revenue may credit another draft revenue. Line 2 above is grouped into Draft Revenue 2, which credits Draft Revenue 1, in which Line 1 is grouped. Line 3 is included on a new draft revenue 3.

You can review these distribution lines in the Revenue Distribution Lines window. You also can view the distribution lines in the Revenue Line Details window accessed from the Revenue Review window.

Transfers, Splits, and Corrections to Pre-Approved Items

When processing a reversing item which resulted from a correction of a pre-approved expenditure item, a transfer, or a split, the Generate Draft Revenue program reverses the revenue of the original item to ensure that the revenue nets to zero for the original and reversing item. The reversing item is charged to a revenue account based on the original distribution line.

The new positive item resulting from a correction of an approved expenditure item, a transfer, or a split are processed just as a new expenditure item is processed; no special adjustment processing is performed on these items.

Creating Accounting For Revenue Adjustments

You must run the processes PRC: Generate Revenue Accounting Events and PRC: Create Accounting to process revenue adjustments. The process PRC: Generate Revenue Accounting Events creates accounting events for the adjustments. The process PRC: Create Accounting creates subledger accounting entries for the accounting events in Oracle Subledger Accounting. Oracle Subledger Accounting ensures that the process reverses the original accounting for the adjustment when it creates the accounting.

When you submit the process PRC: Create Accounting in final mode in Oracle Projects, you can optionally set the *Transfer to General Ledger* parameter to *Yes* to enable the process to automatically transfer the final accounting to Oracle General Ledger and run the Journal Import process. If you choose to transfer to Oracle General Ledger, you can also set the parameter *Post in General Ledger* to *Yes* to enable the process to automatically post successfully imported journal entries in Oracle General Ledger. Otherwise, you can run the process PRC: Transfer Journal Entries to GL to transfer the final subledger journal entries from Oracle Subledger Accounting to Oracle General Ledger. Optionally, the process PRC: Transfer Journal Entries to GL can post journal entries in Oracle General Ledger.

Oracle Projects assigns the revenue adjustment lines to the earliest open or future GL period. See also: Date Processing in Oracle Projects, *Oracle Projects Fundamentals*.

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.

For expenditure item reversals, such as reversals created as a result of splits and transfers, Oracle Projects predefines a set of expenditure adjustment event classes and specifies a predecessor non-adjustment event class for each. Oracle Projects predefines a *Revenue Adjustment* event class and specifies the *Revenue* event class as the predecessor. This approach ensures that the create accounting process creates accounting for original transactions before it creates accounting for adjustments. This sequence is important because the accounting for adjustments is based on the final subledger accounting for the original transactions. For revenue distribution line level adjustment, such as recalculating revenue or changing the billable status, Oracle Subledger Accounting uses the regular, non-adjustment event classes only. For additional information, see: Integrating With Oracle Subledger Accounting, *Oracle Projects Fundamentals*.

Invoice Adjustments

The Generate Draft Invoice process compares the bill amount on the item's revenue distribution lines to determine if the item needs to be adjusted. When the process encounters an item requiring a invoice adjustment, it creates a crediting invoice and a new invoice.

The following table shows an example of invoices created for the items shown in the table above. Assume the project's invoices only bill one item and that the item was originally billed on Invoice 1 in January. Invoices 2 and 3 are new invoices resulting from the invoice adjustment.

Example of Invoices for an Adjusted Expenditure Item

Invoice Number	Invoice Credited	Amount	Transfer Status	GL Date
1		100	Accepted	31-JAN-96
2	1	-100	Pending	28-FEB-96
3		200	Pending	28-FEB-96

Note: In the preceding table, lines 2 and 3 are posted to a new GL period of February 1994 since the original GL period of January 1994 was closed when the invoice adjustment occurred.

You can review these invoices in the Invoice Summary window in the Invoice Review window.

Transfers, Splits, and Corrections to Pre-Approved Items

When processing a reversing item which resulted from a correction of a pre-approved expenditure item, a transfer, or a split, the Generate Draft Invoice program credits the invoice on which the original item was billed.

The new positive item resulting from a correction of an approved expenditure item, a transfer, or a split are processed just as a new expenditure item is processed; no special adjustment processing is performed on these items.

Interfacing Adjustments to Oracle Receivables

The Interface Invoices to Receivables process will send invoices 2 and 3 shown table Example of Invoices for an Adjusted Expenditure Item, page 4-95 to Oracle Receivables.

The invoices are posted to the open or future GL period in which the invoice date falls in Oracle Receivables.

Related Topics

Adjusting Revenue, *Oracle Project Billing User Guide*

Integrating with Oracle Receivables, *Oracle Project Billing User Guide*

Adjustments to Supplier Costs

You can make adjustments to supplier costs in Oracle Projects, Oracle Purchasing, and Oracle Payables.

In Oracle Projects, you can make the following adjustments to supplier cost and expense report cost expenditure items:

- Transfer an expenditure item to another project or task
- Split an expenditure item
- Reclassify the billable or capitalizable status
- Place a billing hold or one-time hold
- Release a billing hold
- Recalculate burden costs
- Recalculate raw costs
- Recalculate revenue
- Change comment
- Change project functional currency attributes
- Reprocess cross charge transactions
- Mark for no cross charge processing
- Change transfer price currency attributes

In Oracle Purchasing and Oracle Payables, you can adjust the project-related information such as the invoice amount, supplier, project, task, expenditure type, expenditure organization and expenditure item date.

The following sections discuss the adjustments you can make to project-related supplier costs.

Restrictions to Supplier Cost Adjustments

Oracle Projects restricts the types of adjustments that you can make to supplier cost expenditure items in Oracle Projects. The restrictions apply to supplier costs interfaced to Oracle Projects from Oracle Purchasing and Oracle Payables, and to expense report costs interfaced from Oracle Payables. The following sections discuss conditions and details for the adjustment restrictions.

Allow Adjustments Option for Supplier Cost Transaction Sources

If your implementation team does not enable the *Allow Adjustments* check box for predefined supplier cost transaction sources in the Transaction Sources window, then Oracle Projects restricts the types of adjustments that you can perform in Oracle Projects. The default value for this option is *No*. For additional information about

transaction sources, see: Transaction Sources, *Oracle Projects Implementation Guide*.

When your implementation team disables the Allow Adjustments for a predefined supplier cost transaction source, you can make only the following types of adjustments to expenditure items associated with that transaction source:

- Apply a billing hold
- Apply a one-time billing hold
- Release billing hold
- Recalculate burden cost

  Note: You can recalculate burden costs only if the *Import Burdened Amounts* transaction source option is not enabled.

- Recalculate revenue
- Change comment
- Reprocess cross charge transactions
- Mark for no cross charge processing
- Change transfer price currency attributes
- Change the work type (only if the change does not affect the billable status or capitalizable status of the expenditure item)

  Note: The profile option PA: Transaction Billability derived from Work Type controls whether the work type determines the billable status of an expenditure item.

In this case, you must make all other types of adjustments in the originating application (Oracle Payables or Oracle Purchasing) and interface the adjustments to Oracle Projects.

Important: If your implementation team enables the *Allow Adjustments* option for any of the predefined transaction sources for supplier costs or expense reports, then the implementation team must either specify a default supplier cost credit account for adjustments in Oracle Projects implementation options or set up an account derivation rule in Oracle Subledger Accounting to determine the credit account. This setup is required for the process PRC: Create Accounting to successfully create accounting for supplier cost adjustments. Oracle Projects displays a message asking the implementation team members to validate the

setup each time that they enable the Allow Adjustments option for a predefined transaction source for supplier costs. For additional information, see: Specify a Default Supplier Cost Credit Account, *Oracle Projects Implementation Guide*.

Automatic Offsets in Oracle Payables

If you enter invoices in Oracle Payables for more than one balancing segment, then you can use the Automatic Offsets feature to keep your Oracle Payables transaction accounting entries balanced. When you use Automatic Offsets, Oracle Payables automatically creates balancing accounting entries for your transactions.

When Automatic Offsets is enabled in Oracle Payables, you can make adjustments to supplier cost expenditure items in Oracle Projects under the following conditions:

- When the Automatic Offset Method is *Balancing*, you can make an adjustment in Oracle Projects if the adjustment does not cause a change in the balancing segment value.

- When the Automatic Offset Method is *Account*, you can make an adjustment in Oracle Projects if the adjustment only affects the value of the natural account segment. If the adjustment affects the value of any other accounting segment, then you cannot make the adjustment.

If either of the preceding conditions exists, Oracle Projects allows the adjustment. Otherwise, Oracle Projects terminates the adjustment and advises you to make the adjustment in Oracle Payables so that Oracle Payables can generate the appropriate balancing entry.

Note: If the Automatic Offsets feature is enabled in Oracle Payables and you attempt to adjust a supplier cost expenditure item in Oracle Projects, then Oracle Projects derives a default debit account using the Oracle Payables Account Generator. Oracle Projects uses this account to determine whether an Automatic Offsets violation has occurred. It does not store this account on the cost record.

Important: To enforce the Automatic Offsets restrictions in Oracle Projects, your implementation team must ensure that the accounting setup definitions for Oracle Subledger Accounting, the Oracle Payables Account Generator, and the Supplier Invoice Cost Account function in Oracle Projects AutoAccounting are the same. Your implementation team must carefully plan how to set up the accounting.

For additional information on Automatic Offsets see the *Oracle Payables User's Guide*.

Combined Basis Accounting

When you define a primary ledger, you can optionally assign one or more secondary ledgers to it. The primary ledger acts as the main record-keeping ledger. The secondary ledger is an optional, additional ledger that is associated with the primary ledger. You can use a secondary ledgers to represent the accounting data in another accounting representation that differs from the primary ledger. For example, one ledger can use accrual basis accounting and the other can use cash basis accounting. This approach is also known as *combined basis* accounting. Combined basis accounting enables you to produce financial reports for both a cash basis ledger and an accrual basis ledger. With combined basis accounting Oracle Payables records invoice accounting using both accounting methods.

With combined basis accounting, if you make supplier cost adjustments in Oracle Projects, then Oracle Projects does not create accounting entries for a secondary ledger if the accounting basis differs from the primary ledger. If you enter adjustments in Oracle Payables, then the adjustment activity updates both the primary ledger and the secondary ledger.

You must make supplier cost adjustments in Oracle Payables if you want all adjustment activity to update both ledgers. Your implementation team can disable the *Allow Adjustments* check box for the predefined supplier cost transaction sources in the Transaction Sources window in Oracle Projects to prevent users from adjusting supplier cost expenditure items in Oracle Projects. For additional information, see: Allow Adjustments Option for Supplier Cost Transaction Sources, page 4-96.

Adjustments that Affect Tax Recoverability

Typically, a business registered for tax purposes is required to collect tax on goods and services it provides (output tax), and can then reclaim the tax that is paid to produce those goods and services (input tax). In some cases, however, the tax paid is either not recoverable or is only partially recoverable. The concurrent program PRC: Interface Supplier Costs interfaces nonrecoverable tax from Oracle Purchasing and Oracle Payables to Oracle Projects as part of project cost.

When you attempt to adjust a supplier cost expenditure item in Oracle Projects, if the adjustment has a potential impact on the tax recoverability, then Oracle Projects does not allow the adjustment.

To determine whether an adjustment can potentially affect tax recoverability, Oracle Projects uses the Oracle Payables Account Generator to derive a default debit account for the new transaction. If the account for the new transaction is the same as the account for the original transaction, then Oracle Projects allows the adjustment. If the account for the new transaction differs from the account for the original transaction, then Oracle Projects validates the tax recoverability information in Oracle E-Business Tax. As a result of the validation, Oracle Projects does not allow the adjustment in the following situations:

- If Oracle E-Business Tax uses a recovery rule based on an accounting condition to

determine the recovery rate.

- If you adjust a historical (prior to Release 12) transaction and the transaction uses a recovery rule based on an accounting condition.

  Note: When Oracle Projects derives a default debit account using the Oracle Payables Account Generator to validate tax recoverability, it does not store this account on the cost record.

This restriction ensures the integrity of tax information stored in Oracle E-Business Tax. Oracle E-Business Tax only allows the application that owns a document to adjust the tax entries for that document. Oracle Payables is the owner of supplier invoices and Oracle Purchasing is the owner of receipts. Therefore, you must make adjustments that affect tax recoverability for these documents in Oracle Payables or Oracle Purchasing, as appropriate.

Adjustments to *Historical* (Prior to Release 12) Prepayment Invoices

You cannot adjust expenditure items for *historical* (prior to Release 12) prepayment invoices in Oracle Projects. You must make these adjustments in Oracle Payables.

Oracle Projects reports prepayment invoices as committed costs, not as actual costs. Therefore, no new expenditure items exist in Oracle Projects for prepayment invoices and you cannot adjust committed costs in Oracle Projects.

Adjustments to Canceled Supplier Invoices

If you cancel a supplier invoice, you cannot make further adjustments to expenditure items associated with the invoice in either Oracle Payables or Oracle Projects.

Note: Oracle Projects does not enforce a similar restriction for adjustments to expenditure items from receipt accruals. When you adjust an expenditure item for a receipt accrual, Oracle Projects does not check to see if it is associated with a returned receipt in Oracle Purchasing.

Adjustments to Receipt Accruals and Exchange Rate Variance

When you use perpetual receipt accrual functionality in Oracle Purchasing, Oracle Payables records exchange rate variances to capture the difference in expense cost and tax due to currency exchange rate fluctuations that occur between the time when you receive goods or services and when the invoice is accounted. Oracle Payables records a separate invoice line distribution for exchange rate variances that it links to the corresponding invoice distribution line for the cost. If you assign reporting currencies or a secondary ledger that uses a different currency from the primary ledger to the primary ledger, then Oracle Subledger Accounting calculates exchange rate variances for those other currencies as well.

For information about reporting currencies and secondary ledgers, see the *Oracle Financials Implementation Guide*.

When you run the process PRC: Interface Supplier Costs, the process interfaces exchanges rate variances for receipt accruals and receipt accrual nonrecoverable tax to Oracle Projects from Oracle Payables as expenditure items with the transaction source *Oracle Payables Supplier Cost Exchange Rate Variance*. If you allow users to make adjustments in Oracle Projects to expenditure items that represent receipts, receipt nonrecoverable tax, or exchange rate variances, then Oracle Projects does *not* perform accounting for adjustments in the following ledgers:

- Reporting currency ledgers
- Secondary ledgers if the secondary ledger currency differs from the primary ledger currency

The profile option *PA: Allow Adjustments to Receipt Accruals and Exchange Rate Variance* enables you to control whether users can adjust receipt, receipt nonrecoverable tax, and exchange rate variance expenditure items in Oracle Projects when exchange rate variance exists and you convert journals to another currency. Conversion of journals to another currency happens in the following two situations:

- When you assign a reporting currency to a ledger
- When you assign a secondary ledger to a primary ledger, and the secondary ledger uses a different currency from the primary ledger

Oracle Projects uses the following logic to determine whether to allow an adjustment:

1. If the transaction source allows adjustments, then the check proceeds to step 2. Otherwise, Oracle Projects rejects the adjustment and generates an error message.
2. If the primary ledger is associated with a reporting currency or a secondary ledger that uses a different currency from the primary ledger, then the check proceeds to step 3. Otherwise, Oracle Projects allows the adjustment.
3. If the profile option *PA: Allow Adjustments to Receipt Accruals and Exchange Rate Variance* is *Yes*, then Oracle Projects allows the adjustment. Otherwise, Oracle Projects rejects the adjustment and generates an error message.

   Note: The profile option *PA: Allow Adjustments to Receipt Accruals and Exchange Rate Variance* does not affect your ability to adjust exchange rate variance expenditure items for period-end accruals.

Related Topics

Expenditure/Costing Implementation Options, *Oracle Projects Implementation Guide*

Subledger Accounting for Costs, *Oracle Projects Implementation Guide*

Profile Options, *Oracle Projects Implementation Guide*

Adjusting Project-Related Documents in Oracle Purchasing and Oracle Payables

This section describes the adjustments that you can make to project-related documents in Oracle Purchasing and Oracle Payables.

Requisition Adjustments

You can update project information on a requisition only if it is not approved and before it is included on a purchase order. The Account Generator builds a new default account number value when you change the project information. The new project information is used in commitment reporting.

> **Note:** If encumbrance accounting is enabled for the project, and the requisition is reserved, then you cannot change any of the project attributes. If you unreserve the requisition, then Oracle Purchasing reverses all encumbrance accounting entries and you can modify the project attributes.

Purchase Order Adjustments

You can update project information on a purchase order, even after it is approved and invoiced. However, you cannot update project information if there has been any accounting activity on the purchase order (for example, if it is encumbered, or if it is accrued on receipt and the distribution has been received or billed). If the purchase order is invoiced before you update the project information, the invoice is not updated with the new project information. If the purchase order line is invoiced on a new invoice after you change the project information, Oracle Payables copies the new project information to the new invoice.

To update the project information on a purchase order, you must first return all goods that you have received for the purchase order. In addition, if you have previously interfaced receipts and returns for the purchase order to Oracle Projects, then you must interface all receipts and returns order to Oracle Projects. If you have not previously interfaced receipts or returns for the purchase order to Oracle Projects, then you do not have to interface receipts and returns before you update project information.

The Account Generator builds a new default account number when you change the project information. The new project information is used in commitment reporting.

> **Note:** If encumbrance accounting is enabled for the project, and the purchase order is reserved, then you cannot change any of the project attributes. If you unreserve the purchase order, then Oracle Purchasing reverses all encumbrance accounting entries and you can modify the project attributes.

Supplier Invoice Adjustments

You can perform supplier invoice adjustments in Oracle Payables at any stage in the process flow.

Adjusting project information for matched invoices

If you match an invoice to a purchase order, then you cannot directly change any of the project information copied from the purchase order, with the exception of the expenditure item date.

Oracle Projects uses the profile option *PA: Default Expenditure Item Date for Supplier Cost* during the invoice match process in Oracle Payables to determine the default expenditure item date for supplier invoice distribution lines. You can override the default expenditure item date for invoices on the Invoice Workbench in Oracle Payables. For information on this profile option, see: Profile Options, *Oracle Projects Implementation Guide*.

If you want to change project information such as the project, task, expenditure type, and expenditure organization, you have two ways of making the change.

- You can reverse the matching distribution line from the purchase order in the Distributions window in Oracle Payables, change the purchase order project information in Oracle Purchasing, and match the invoice to the purchase order again. See the discussion about adjusting invoice distributions in the *Oracle Payables User's Guide*.

- You can create two adjusting invoice distributions on the original invoice which net to zero, but have different project information. This approach is a simpler way to correct the project information. You first enter a negative distribution line with the same project information as on the incorrect invoice distribution line. You then enter a positive distribution line with the correct project information. The two lines net to zero, while recording the correction to the project information.

  Additional Information: If you use the Retroactive Pricing of Purchase Orders feature in Oracle Purchasing, and change project information on an invoice, you must update the same project information on any subsequent purchase order price adjustment or adjustment documents. For more information, see: Retroactive Pricing of Purchase Orders, *Oracle Purchasing User Guide*.

Adjusting manually entered, unvalidated invoices

You can change the project information before an invoice is validated. The Account Generator derives a new account number based on the new project information that you enter.

Adjusting manually entered, validated invoices

You cannot directly change any project information on a validated invoice. You must reverse the distribution line and create a new distribution line with the new project information using the Distributions window in Oracle Payables. See: Adjusting Invoice

Distributions, *Oracle Payables User's Guide*.

Writing Off Receipt Accruals in Oracle Purchasing

After you enter receipt transactions and match and approve your invoices, you can run the AP and PO Accrual Reconciliation Report in Oracle Purchasing to identify any differences between your Oracle Purchasing receipts and Oracle Payables invoices. After you identify the entries you want to write off, you create a manual journal entry to write off the transactions.

When you write off a receipt accrual in Oracle Purchasing, you must manually adjust the cost in Oracle Projects. Oracle Purchasing does not interface write-off adjustments to Oracle Projects.

For additional information on receipt accruals and receipt accrual write-offs, see the discussion about receiving in the *Oracle Purchasing User's Guide*.

Adjusting Supplier Costs for Non-Construction-in-Process Assets

You can enter invoices for asset items in Oracle Payables and run the Mass Additions Create concurrent program in Oracle Payables to transfer the specified asset item distributions to an Oracle Assets interface. You then create assets from the distributions in Oracle Assets. If the invoice distributions are associated with a project, then you also interface the invoice distributions from Oracle Payables to Oracle Projects as supplier costs.

When you adjust supplier cost expenditure items in Oracle Projects that affect non-construction-in-process assets, Oracle Projects provides the adjustment information to the Mass Additions Create concurrent program in Oracle Payables. This program transfers the adjustment information to Oracle Assets.

Adjustment costs in Oracle Projects are eligible for interface to Oracle Assets when the following conditions are met:

- The final account type in Oracle Subledger Accounting for the charge account for the cost adjustment is *Asset*.
- You successfully generate accounting events for the adjustment and create the final subledger accounting in Oracle Subledger Accounting.

Oracle Projects sends adjustments to the Mass Additions Create concurrent program in transaction, ledger, and reporting currencies.

> **Note:** This processing flow applies to non-construction-in-process assets. It does not apply to construction-in-process assets on capital projects. For information about how Oracle Payables and Oracle Projects process invoice distributions associated with construction-in process assets on capital projects, see: Overview of Asset Capitalization, page 7-1.

Related Topics

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Oracle Payables User's Guide

Oracle Assets User Guide

Manually Adjusting Unmatched Reversing Expenditure Items

Typically, when Oracle Purchasing or Oracle Payables sends a reversing expenditure item to Oracle Projects, Oracle Projects accepts the reversal, associates it with the original expenditure item, and marks both expenditure items so that they are not eligible for further adjustments in Oracle Projects. Two scenarios exist in which Oracle Projects cannot automatically create the appropriate adjustment transactions. The two scenarios are as follows:

- When you cancel a *historical* (prior to Release 12) supplier invoice
- When you perform a partial return or partial correction of a receipt

When either of these scenarios exist, the process PRC: Interface Supplier Costs interfaces the unmatched reversing expenditure items from Oracle Payables or Oracle Purchasing to Oracle Projects. The unmatched reversing expenditure items do not contain a reference to any other expenditure items. You must manually adjust these unmatched reversing expenditure items in Oracle Projects. In addition, you must separately adjust any related expenditure items. Related expenditure items can be from related items such as invoice price variance, exchange rate variance, and tax.

You can run the Supplier Cost Audit Report to research the unmatched reversing expenditure items. You can also enable the *Unmatched Reversing Items that Require Adjustment* check box on the Supplier tab of the Find Expenditure Items or Find Project Expenditure Items window to query unmatched reversing expenditure items.

The PRC: Interface Supplier Costs process has been enhanced to consider central procurement purchase orders and book transactions across organizations. This process interfaced these transactions from Purchase Order (PO) receipts to Projects expenditures with different organizations for the same purchase order.

Processing Adjustments

After you adjust supplier costs or expense reports, you must complete the adjustment processing. The processes that you run depend on the type of cost and application in which you made the adjustment. The following procedures outline the processing steps.

To Process Adjustments to Supplier Costs in Oracle Projects:

1. Perform the adjustment in Oracle Projects.
2. Process the adjustment by running either PRC: Distribute Supplier Cost

Adjustments or PRC: Distribute Supplier Cost Adjustments for a Range of Projects.

3. Run PRC: Generate Cost Accounting Events. Optionally, you can select *Supplier Cost* for the Process Category parameter to process only supplier cost and expense report adjustments.

4. Run PRC: Create Accounting to create the accounting for the accounting events in Oracle Subledger Accounting. Run the process in final mode to complete the processing. Optionally, you can select *Supplier Cost* for the Process Category parameter to process only supplier cost and expense report adjustments.

   Note: When you run the process in final mode, you can also choose to transfer the final subledger accounting to Oracle General Ledger and to post the journal entries.

To Process Adjustments to Expense Reports in Oracle Projects:

1. Perform the adjustment in Oracle Projects.

2. Process the adjustment by running PRC: Distribute Expense Report Adjustments.

3. Run PRC: Generate Cost Accounting Events. Optionally, you can select *Supplier Cost* for the Process Category parameter to process only supplier cost and expense report adjustments.

4. Run PRC: Create Accounting to create the accounting for the accounting events in Oracle Subledger Accounting. Run the process in final mode to complete the processing. Optionally, you can select *Supplier Cost* for the Process Category parameter to process only supplier cost and expense report adjustments.

   Note: When you run the process in final mode, you can also choose to transfer the final subledger accounting to Oracle General Ledger and to post the journal entries.

To Process Adjustments to Supplier Costs in Oracle Payables:

1. Perform the adjustment in Oracle Payables.

2. Run AutoApproval in Oracle Payables to approve the new invoice distribution lines.

3. Run Create Accounting in Oracle Payables to create the accounting for the invoice in Oracle Payables. Run the process in final mode to complete the processing.

Note: When you run the process in final mode, you can also choose to transfer the final subledger accounting to Oracle General Ledger and to post the journal entries.

4. Run PRC: Interface Supplier Costs in Oracle Projects to interface the adjustment to Oracle Projects.

For information about other methods you can use to validate supplier invoices and create accounting in Oracle Payables, see the *Oracle Payables User's Guide*.

To Process Adjustments to Expense Reports in Oracle Payables:

1. Perform the adjustment in Oracle Payables.
2. Run AutoApproval in Oracle Payables to approve the new invoice distribution lines.
3. Run Create Accounting in Oracle Payables to create the accounting for the invoice in Oracle Payables. Run the process in final mode to complete the processing.

   Note: When you run the process in final mode, you can also choose to transfer the final subledger accounting to Oracle General Ledger and to post the journal entries.

4. Run PRC: Interface Expense Reports from Payables in Oracle Projects to interface the adjustment to Oracle Projects.

For information about other methods you can use to validate supplier invoices and create accounting in Oracle Payables, see the *Oracle Payables User's Guide*.

Related Topics

Create Accounting, *Oracle Projects Fundamentals*

Distribute Expense Report Adjustments, *Oracle Projects Fundamentals*

Distribute Supplier Cost Adjustments, *Oracle Projects Fundamentals*

Generate Cost Accounting Events, *Oracle Projects Fundamentals*

Interface Expense Reports from Payables, *Oracle Projects Fundamentals*

Interface Supplier Costs, *Oracle Projects Fundamentals*

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Submitting Streamline Processes, *Oracle Projects Fundamentals*

Oracle Payables User's Guide

Prioritizing Supplier Costs Adjustments

You can make adjustments to supplier costs in Oracle Projects or in the source system (Oracle Payables and Oracle Purchasing). Adjustments that you make in the source system take precedence over adjustments that you make in Oracle Projects.

The following example illustrates how Oracle Projects processes adjustments when adjustments exist in the source system and in Oracle Projects.

Example: Adjustments in Oracle Payables and in Oracle Projects

First, you create a supplier invoice in Oracle Payables. You charge $10 USD to Project A, Task 1. In Oracle Payables, you validate the invoice and the create accounting in final mode in Oracle Subledger Accounting. In Oracle Projects, you run the process PRC: Interface Supplier Costs to interface the invoice to Oracle Projects. The following table shows the resulting invoice distribution line in Oracle Payables and the expenditure item Oracle Projects.

Original Supplier Invoice Distribution Line in Oracle Payables and Expenditure Item in Oracle Projects

Application	Item	Project	Task	Amount (USD)
Oracle Payables	Original invoice distribution line	A	1	10
Oracle Projects	Original expenditure item	A	1	10

You transfer the expenditure item in Oracle Projects from Project A, Task 1 to Project B, Task 1. When you make the adjustment, Oracle Projects, creates a reversing expenditure item for $10 USD for Project A, Task 1 and a new $10 USD expenditure item for Project B, Task 1. You generate cost accounting events for the transfer and create accounting in Oracle Subledger Accounting. The following table shows you the resulting expenditure items in Oracle Projects.

Expenditure Items that Result from Transfer in Oracle Projects

Application	Item	Project	Task	Amount (USD)
Oracle Projects	Reversing expenditure item from the transfer	A	1	<10>

Application	Item	Project	Task	Amount (USD)
Oracle Projects	New expenditure item from the transfer	B	1	10

Oracle Payables has no knowledge of the adjustments that you made and accounted for in Oracle Projects. Next, you make an adjustment to the original invoice distribution in Oracle Payables to move the cost to Project C, Task 1. You reverse the original distribution line for $10 USD for Project 1, Task 1 and create a new distribution line for $10 USD for Project C, Task 1. In Oracle Payables, you revalidate the invoice and the create accounting for the adjustments in final mode in Oracle Subledger Accounting. The following table shows you the resulting distribution lines in Oracle Payables.

Supplier Invoice Distribution Lines from Adjustment in Oracle Payables

Application	Item	Project	Task	Amount (USD)
Oracle Payables	Reversing invoice distribution line	A	1	<10>
Oracle Payables	New invoice distribution line	C	1	10

You run the process PRC: Interface Supplier Costs to interface the adjustments to Oracle Projects. The process interfaces the reversing expenditure item for $10 for Project A, Task 1 and the new expenditure item for $10 USD for Project C, Task 1 to Oracle Projects.

When the interface process receives reversals and adjustments from a source system after you have made adjustments in Oracle Projects, the process automatically reverses both the last entry recorded in Oracle Projects and the reversing entry recorded by the source system. In this example, the process reverses both the new expenditure item from the adjustment you made in Oracle Projects to transfer $10 USD to Project B, Task 1, and the expenditure item from reversing invoice distribution in Oracle Payables. This second reversal is necessary because Oracle Projects previously reversed the original expenditure item for Project A, Task 1 when you performed the transfer in Oracle Projects. You generate cost accounting events for the two reversing expenditure items that the interface process created and create accounting in Oracle Subledger Accounting. The following table shows you the resulting expenditure items in Oracle Projects.

Supplier Invoice Distribution Lines in Oracle Payables and Expenditure Items in Oracle Projects

Application	Item	Project	Task	Amount (USD)
Oracle Projects	Reversing expenditure item from the adjustment in Oracle Payables	A	1	<10>
Oracle Projects	Expenditure item created by the interface process to offset the reversal from Oracle Payables	A	1	10
Oracle Projects	Expenditure item created by the interface process to reverse the last entry recorded in Oracle Projects	B	1	<10>
Oracle Projects	New Expenditure Item from the adjustment in Oracle Payables	C	1	10

Accounting for Supplier Cost Adjustments

After you adjust supplier cost or expense report cost expenditure items in Oracle Projects, you must process the adjustment to create accounting entries in Oracle Subledger Accounting. When you generate cost accounting events for the adjustments, the process sorts transactions to process reversals before the new transactions.

If multiple adjustments exist for the same transaction within the same processing batch, then Oracle Projects processes them in the order they were made. Oracle Projects generates accounting events for only the most recent adjustment if the GL date is the same for all adjustments. If the GL date is not the same for all adjustments, then Oracle Projects generates accounting events for all adjustments. If the process rejects one of the adjustments in the sequence, it also rejects all subsequent adjustments. Once you correct the original failure, Oracle Projects attempts to generate accounting events for the failed adjustment and all subsequent adjustments.

> **Note:** You must create the final subledger accounting for the original supplier cost transaction in Oracle Purchasing or Oracle Payables

before you can create subledger accounting for the adjustments. If you adjust a supplier cost expenditure item in Oracle Projects and attempt to create subledger accounting entries before the original transaction is processed, then the create accounting process rejects the adjustment accounting. You can complete the processing for the adjustment after you create the final accounting for the original transactions in Oracle Subledger Accounting.

Note: You must create accounting for transactions in Oracle Payables in final mode before you can interface the transactions to Oracle Projects. However, you can interface transactions from Oracle Purchasing to Oracle Projects before you create accounting for the transactions in final mode.

The following examples illustrates how Oracle Projects accounts for supplier cost adjustments.

Example: Accounting for Supplier Cost Adjustments

This section presents the supplier invoice data that is used in the following two adjustment scenarios.

First, you create a supplier invoice in Oracle Payables. The Account Generator in Oracle Payables generates the default accounting for the supplier invoice. The default credit account comes from the account that is assigned to the invoice supplier site. After you validate the invoice and the create accounting, you interface the supplier costs to Oracle Projects. The interface process interfaces the default debit account, but not the default credit account. The following table shows the default accounting for the transaction.

Default Accounting for the Supplier Invoice

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Supplier Invoice	Expense	01-422-7000	100		01-JAN-2006	Oracle Payables Account Generator
Supplier Invoice	Liability	01-000-2000		100	01-JAN-2006	Account assigned to the invoice supplier site

Next, you run the Create Accounting process in Oracle Payables in final mode to create the final subledger accounting for the supplier invoice. In this example, you have set up your own user-defined rules for Oracle Payables in Oracle Subledger Accounting. As a

result, Oracle Subledger Accounting overwrites the default accounts from Oracle Payables. The following table shows the final accounting for the transaction.

Final Subledger Accounting for the Supplier Invoice

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Supplier Invoice	Expense	01-422-7010	100		01-JAN-2006	Oracle Subledger Accounting rules
Supplier Invoice	Liability	01-000-2010		100	01-JAN-2006	Oracle Subledger Accounting rules

Scenario 1: Single Adjustment

This scenario illustrates the flow for a single adjustment made in Oracle Projects.

You adjust the supplier cost expenditure item in Oracle Projects and run the process PRC: Distribute Supplier Cost Adjustments. This process uses AutoAccounting in Oracle Projects to determine the default expense account for the new expenditure item.

Next, you run the process PRC: Generate Cost Accounting Events to generate accounting events for the adjustments. This process uses the default supplier cost credit account from Oracle Projects implementation options for the operating unit to determine the default liability account for the reversal and the new expenditure item.

> **Note:** If your implementation team does not specify a default supplier cost credit account in Oracle Projects implementation options, then your implementation team must define a rule in Oracle Subledger Accounting to determine the account. For additional information, see: Specify a Default Supplier Cost Credit Account, *Oracle Projects Implementation Guide*.

The following table shows the adjustment accounting in Oracle Projects.

Project Adjustment Accounting in Oracle Projects

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment: Reversal	Expense	01-422-7000		100	01-JAN-2006	Copied from original cost distribution line in Oracle Projects

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment: Reversal	Liability	01-000-2020	100		01-JAN-2006	Default Supplier Cost Adjustment Credit Account from Oracle Projects implementation options
Adjustment: New	Expense	01-422-7020	100		01-JAN-2006	Oracle Projects AutoAccounting
Adjustment: New	Liability	01-000-2020		100	01-JAN-2006	Default Supplier Cost Adjustment Credit Account from Oracle Projects implementation options

Next, you run the process PRC: Create Accounting to create the subledger accounting for the accounting events. The create accounting process copies the expense account for the reversal from the original accounting entry in Oracle Subledger Accounting. No override is allowed for this account.

In this example, you have set up your own user-defined rules in Oracle Subledger Accounting. As a result, Oracle Subledger Accounting overwrites the default accounts from Oracle Projects when it creates the final accounting for the reversal liability account, and the new transaction expense and liability accounts. The following table shows the final subledger accounting for the adjustment.

Final Adjustment Accounting in Oracle Subledger Accounting

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment: Reversal	Expense	01-422-7010		100	01-JAN-2006	Copied from original accounting entry in Oracle Subledger Accounting.

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment: Reversal	Liability	01-000-2080	100		01-JAN-2006	Oracle Subledger Accounting rules
Adjustment: New	Expense	01-422-7040	100		01-JAN-2006	Oracle Subledger Accounting rules
Adjustment: New	Liability	01-000-2080		100	01-JAN-2006	Oracle Subledger Accounting rules

Scenario 2: Multiple Adjustments Processed in the Same Processing Batch

This scenario presents the flow for a multiple adjustments made in Oracle Projects.

You adjust the supplier cost expenditure item in Oracle Projects and run the process PRC: Distribute Supplier Cost Adjustments. This process uses AutoAccounting in Oracle Projects to determine the default expense account for the new expenditure item.

You have not yet run the process PRC: Generate Cost Accounting Events.

The following table shows the adjustment accounting in Oracle Projects.

Project Adjustment 1 Accounting in Oracle Projects

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment 1: Reversal	Expense	01-422-7000		100	01-FEB-2006	Copied from original cost distribution line in Oracle Projects
Adjustment 1: Reversal	Liability	None	100		01-FEB-2006	
Adjustment 1: New	Expense	01-422-7020	100		01-FEB-2006	Oracle Projects AutoAccounting
Adjustment 1: New	Liability	None		100	01-FEB-2006	

Next, you create a second adjustment in Oracle Projects and run the process PRC: Distribute Supplier Cost Adjustments. This process uses AutoAccounting in Oracle Projects to determine the default expense account for the new expenditure item.

You have not yet run the process PRC: Generate Cost Accounting Events.

The following table shows the adjustment accounting in Oracle Projects.

Project Adjustment 2 Accounting in Oracle Projects

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment 2: Reversal	Expense	01-422-7020		100	01-FEB-2006	Copied from original cost distribution line in Oracle Projects **Note:** For this adjustment, the new cost distribution from Adjustment 1 is the original cost distribution line.
Adjustment 2: Reversal	Liability	None	100		01-FEB-2006	
Adjustment 2: New	Expense	01-422-7030	100		01-FEB-2006	Oracle Projects AutoAccounting
Adjustment 2: New	Liability	None		100	01-FEB-2006	

You now run the process PRC: Generate Cost Accounting Events. The process only generates accounting events for Project Adjustment 2 because it has the same GL date as Project Adjustment 1, and you had not previously generated accounting events for Project Adjustment 1.

Next, you run the process PRC: Create Accounting to create the subledger accounting for the accounting events. The create accounting process copies the expense account for the reversal from the original accounting entry in Oracle Subledger Accounting.

In this example, you have set up your own user-defined rules in Oracle Subledger Accounting. As a result, Oracle Subledger Accounting overwrites the default accounts from Oracle Projects when it creates the final accounting for the liability account for the reversal, and the expense and liability accounts for the new transaction. The following table shows the final subledger accounting for the adjustment.

Final Adjustment Accounting in Oracle Subledger Accounting

Transaction	Account Type	GL Account	Debit Amount	Credit Amount	GL Date	Account Source
Adjustment 2: Reversal	Expense	01-422-7010		100	01-FEB-2006	Copied from original accounting entry in Oracle Subledger Accounting. No override allowed.
Adjustment 2: Reversal	Liability	01-000-2080	100		01-FEB-2006	Oracle Subledger Accounting rules
Adjustment: New	Expense	01-422-7080	100		01-FEB-2006	Oracle Subledger Accounting rules
Adjustment: New	Liability	01-000-2080		100	01-FEB-2006	Oracle Subledger Accounting rules

Adjusting Labor Costs

As labor cost transactions are typically based on timecards, you must reprocess labor cost transactions when you have timecard adjustments. If you are using the Actual labor costing method, then you may also need to reprocess labor cost transactions when there are payroll adjustments. To ensure the accuracy of your labor cost transactions, you must adjust labor costs when you:

- Update the labor costing rule
- Want to correct costed labor transactions
- Update timecards
- Update payrolls

Most labor cost adjustments are processed by creating a reversal transaction to offset the original transaction and replacing it with a new re-instated transaction. The original and reversal transaction are called net zero transactions. In a net zero transaction, the original transaction expenditure item and the reversing transaction expenditure item are linked and marked as net zero. Since they are netted, the transactions are excluded from future processing, such as billing. When you process a re-instated timecard expenditure item, the current values in the labor costing rule are applied

Adjusting Transactions after Updating Labor Costing Rule

If you update a labor costing rule, then it applies to any uncosted transactions that fall within the rule effective dates and have not yet been processed including re-instated expenditure items. For existing transactions that have already been fully or partially processed, updating the rule has the following impacts

Costing Method and Rate Source Recorded on An Existing Transaction	Updated Costing Method and Rate Source (derived from the currently applicable rule for the selected transaction/s)	Processing Stage of Transaction	Action Required for Recalculation / Reprocessing
Standard Costing method with any rule value	Standard Costing with any updated values	Any	Select and reprocess any existing transaction using the Expenditure Inquiry or Invoice Review pages. The application uses the Standard costing method logic with updated rule values. If you update the rule value after marking the item for recalculation, then the application does not process the item and reports it as an exception in the output report.

Costing Method and Rate Source Recorded on An Existing Transaction	Updated Costing Method and Rate Source (derived from the currently applicable rule for the selected transaction/s)	Processing Stage of Transaction	Action Required for Recalculation / Reprocessing
Standard Costing method with any rule value	Actual Costing	Timecards have been costed using the Distribute Labor Costs program	• If the costing method has been updated for the EI date for the operating unit, organization, or employee override labor costing rule, then you cannot recalculate or transfer transactions for raw cost using the Expenditure Inquiry and Invoice Review pages. You can still split a transaction or recalculate burden cost. These timecards may be billable and/or capitalizable. After you complete an allowable action, the application records the original costing method on the new EIs • If you select multiple records for recalculation, then the application does

Costing Method and Rate Source Recorded on An Existing Transaction	Updated Costing Method and Rate Source (derived from the currently applicable rule for the selected transaction/s)	Processing Stage of Transaction	Action Required for Recalculation / Reprocessing
			not process records that have for which the applicable rule has an updated costing method and only processes the records for which the costing method has not been updated. • To use the new costing method on the applicable rule, you must first run the PRC: Reverse Labor Cost Transactions program to reverse the transactions that were processed as standard costed items (either for an operating unit, organization, or employee). The reversal process recreates new uncosted transactions. Then you can reprocess the items using the Process Payroll Actuals program

Costing Method and Rate Source Recorded on An Existing Transaction	Updated Costing Method and Rate Source (derived from the currently applicable rule for the selected transaction/s)	Processing Stage of Transaction	Action Required for Recalculation / Reprocessing
			or generate accruals using Generate Labor Accruals program. • After costing timecards using the Standard costing method, the application does not pick up these timecards for accrual if you update the rule to use the Actual costing method.
Standard Costing with any rule values	Actual Costing	Timecards have not been costed	Since the timecard transactions have not yet been costed, you can submit the Process Payroll Actuals program to process timecards using the Actual costing method. You can also generate labor cost accruals using the Generate Labor Accruals program if the applicable rule has Accrual Enabled set to Yes.You cannot recalculate uncosted timecards but you can transfer, split, bill, and capitalize them.

Costing Method and Rate Source Recorded on An Existing Transaction	Updated Costing Method and Rate Source (derived from the currently applicable rule for the selected transaction/s)	Processing Stage of Transaction	Action Required for Recalculation / Reprocessing
Actual Costing with any rule value *(including Actual costing method with accrual flag checked as well as unchecked)*	All rule values (except as noted below for accrual recalculate) *(This includes standard costing method, Actual costing method with accrual flag checked as well as unchecked)*	Timecards have been costed as accrual or actual	In this situation, you cannot recalculate raw cost or transfer any transactions costed with Actual costing method. You can perform other actions such as split, capitalize and bill these timecards. You must reverse the transactions and reprocess them to recalculate amounts. If you update the rule value to Standard costing after processing accruals, then the Process Payroll Actuals program does not pick up these items and reports them as exceptions in the Exception report.
Actual Costing with any rule values	All rule values	No records have been processed	You run the normal processing program as records are not yet processed with any costing method.
Actual Costing with Accrual Enabled	Actual Costing with Accrual Enabled and change in rate source	Timecards have accruals (not actuals)	In this situation, you can recalculate all adjustments and the application informs you that it is using the current labor costing rule to recalculate.

Additionally, if you change the costing method of the expenditure items that are marked for recalculation, then the labor cost distribution process does not process these expenditure items and displays an exception in the output report. To process such expenditure items, you must reverse such transactions and reinstate the expenditure items.

Reversing Costed Labor Transactions

When you do not want to use the transactions created by running the Distribute Labor Costs program, the Generate Labor Accruals program or the Process Payroll Actuals program, you can reverse the transactions and create re-instated transactions for time cards. These re-instated time card transactions are uncosted. Then if you want to correct the transactions, you can correct the source data or update the applicable rules and then redistribute labor costs or payroll actuals. You can reverse costed timecards or costed payrolls from both Oracle internal and external third party sources. You reverse costed labor transactions using the PRC: Reverse Costed Labor Transactions program. See: Reverse Costed Labor Transactions, *Oracle Projects Fundamentals* guide. Reversed transactions are marked as net zero transactions and excluded from future processing

The following table depicts the transactions associated with the reversal of a time card transaction:

Employee	Project	Task	Expend Type	SLF	Date	Hrs	Amount	Trans ID
A Marlin	A	1.0	Reg Hours	ST	8-Feb	8	320	1001
A Marlin	A	1.0	Reg Hours	ST	8-Feb	-8	(320)	1002
A Marlin	A	1.0	Reg Hours	ST	8-Feb	8		1003

In the above example, transaction 1001 was generated by running the Distribute Labor Costs program or the Process Payroll Actuals to compute the amount of 320. When the reversal program runs, this transaction is reversed by creating transaction 1002 for the reversal amount and transaction 1003 to re-instate the time card transaction so it can be re-costed.

Once a payroll has been processed by the Process Payroll Actuals program, then you cannot reverse or retry a payroll run in Oracle Payroll. To reverse or retry a run in Oracle Payroll, you must first reverse the transactions in Oracle Projects. When you reverse a costed payroll set, the application maintains a record of the reversal and the set becomes eligible again for the Process Payroll Actuals program.

Business Rules Applicable for Reversing Costed Labor Transactions

The reversal process applies the following business rules for reversing costed labor transactions:

- It selects expenditure items that have cost distributed value set to Yes as well as those with value set to No but for which cost distribution lines are existing. For expenditure items with cost distributed option set to No and existing cost distributed lines, the reversal process copies the amount for cost distribution lines from the original expenditure item to create the reversal. Any change in rate source in the labor costing rule or rate in the rate source after creating the original expenditure item does not impact the amount of original and reversal expenditure items.

- It creates cost distribution lines to reverse the expenditure items. For these distribution lines, the amounts are same as the cost distribution lines for the original expenditure item but with negative amount. The reversal process derives new project accounting distributions and general ledger dates.

The reversal process creates a new expenditure item for each reversed item but with no values for costing method, cost distributed value or raw cost. A reference of the original expenditure item is recorded on this new expenditure as a source.

Processing Timecard Adjustments

When you update timecards, you associate the adjustment with a new timecard for the adjustment difference or with a reversal entry and a new timecard for the updated amount. For example, if you change the timecard from 8 Hours to 10 Hours, the following are possible methods:

Example 1: Unmatched time card adjustment

Original Timecard = 8 Hours

New Timecard = 2 Hours

Example 2: Matched time card adjustment

Original Timecard = 8 Hours

Reversal Timecard = -8 Hours

New Timecard = 10 Hours

When you use Oracle Time and Labor (OTL), Oracle Projects automatically creates timecard transactions as matched adjustments and creates a net zero transaction from the original time card transaction and the matched negative transaction.

When you import timecards from a third party source, you can submit both matched and unmatched type adjustments as long as the unmatched net adjustment is not negative. If the net adjustment is negative, then you must submit the matched reversal timecard.

In cases where there is a matched reversal entry, the application references the two timecard entries to indicate that the adjustment is a reversal of an original and marks the reversing entries as net zero transactions. The original timecard transaction is completely reversed and replaced by a new timecard transaction. When the application receives net adjustment timecards, it processes them as new timecard transactions and does not reference the original timecard transaction expenditure item. The original transaction is not reversed and only the net adjustment transaction is processed as a new expenditure.

If you are using the Standard costing method, then Distribute Labor Cost program processes all new and re-instated timecards. The program uses applicable rates and the hours on the new timecards to generate labor cost expenditures.

If you are using the Actual costing method and you process payroll actuals that include pay periods with timecard adjustments, then the program distributes payroll costs to new, uncosted timecard transactions. If you submit net adjustment timecard transactions with no associated reversal transaction, then only the net payroll amounts are distributed to the new timecard transactions. If you submit matched timecard transactions with a reversal transaction, then the total payroll amount, including the reversed amount and the new amount, is distributed to the new timecard transactions. Since you cannot import unmatched negative timecards, the Process Payroll Actuals program rejects any net negative payroll adjustments and reports them as exceptions.

Business Rules Applicable for Matched Timecards Adjustments

Oracle Projects applies the following business rules for timecard adjustments:

- The Generate Labor Cost Accruals program will not create an accrual for re-instated transactions that were previously costed with actuals.
- The Process Payroll Actuals program carries forward the line amount from the associated reversal of the original time card line but for the reverse amount. This amount is added to any new distribution amount calculated from the payroll adjustment period and applied to the new time card transaction. The application distributes only the net adjustment amounts from the costed payroll set to the new timecards. The net amount is added to the carry forward amount to derive the total time card transaction amount. Amounts are totaled by pay period so retroactive pay amounts are added to time card transactions, including any carry forward amount from the original period.
- The program uses the current values on the applicable labor costing rule and pay element definition rules for the new time card transaction.

Processing Payroll Adjustments

You can process payroll adjustments to adjust labor cost actuals including voids, reversals and reprocessed batches. Oracle Projects applies the following business rules for processing payroll adjustments:

- You must use the Process Payroll Actuals program to retrieve any payroll adjustments for an employee or a costed payroll set. When fetching the actual payroll data, the application also fetches any adjustments.

- Only costed payroll adjustments are retrieved. Payroll adjustment transaction dates are the dates on which adjustments are made effective in payroll.

- The application applies all rules based on the pay period end date for retroactive adjustments.

- As retroactive pay adjustments are for specific pay period, the application allocates the amounts to timecards for the same pay period, pay element, and employee assignment criteria. These amounts may be added to carry forward amounts from reversed transactions to derive a pay period total.

- If the distribution basis requires hours (ST Hours, OT Hours or Total Hours), then the application uses any uncosted timecards for the pay period of the adjustment for distribution. These may include adjusted timecards or unmatched timecard adjustments.

  If there are no uncosted timecards for the adjustment pay period and the pay element distribution rule is enabled for miscellaneous transactions, then the application distributes the amount based on the hours reported for timecards in the same pay period, but creates a miscellaneous transaction for the amounts and assigns the expenditure type from the applicable pay element distribution rule.

  If there are no uncosted timecards for the adjustment pay period and miscellaneous transactions are not enabled, then the application reports this amount as an exception.

- The application processes retroactive pay amounts for open projects. It reports retroactive pay amounts for closed projects as exceptions in the Process Payroll Actuals Exception report.

- When you import payroll data from an external third party payroll, you must ensure you receive the retroactive pay adjustments in the same format as the original payroll information. You must include an indicator that the amounts are for retro pay and a source period for the adjustment amount.

- If a period is not specified for an adjustment, then the application assumes that it is for the period of the costed payroll set and distributes over timecards for the matching period.

- If you reverse a payroll run in a third party payroll application, then you must manually run the Reverse Labor Cost Distributions program to reverse the affected costed payroll set. The application does not reverse these transactions automatically.

- When the amount received from the payroll is negative and adjustment period is not specified then the amount can only be distributed as miscellaneous transaction. If the matching pay element distribution rule is not enabled for miscellaneous transaction then amount should be rejected. If the Pay Element Distribution rule is enabled for miscellaneous transaction then the amount should be distributed based on the selected Distribution Basis and result in a miscellaneous transaction for a negative amount. The negative amount is not matched to any existing transactions.

- When the amount received from payroll is negative and adjustment pay period is specified then, a matching transaction from the specified adjustment pay period for reversing should be used.

5

Burdening

This chapter describes how to use burdening in Oracle Projects.

This chapter covers the following topics:

- Overview of Burdening
- Building Up Costs
- Using Burden Structures
- Using Burden Schedules
- Assigning Burden Schedules
- Storing, Accounting, and Viewing Burden Costs
- Reporting Requirements for Project Burdening

Overview of Burdening

Burdening (also known as cost plus processing) is a method of calculating burden costs by applying one or more burden cost components to the raw cost amount of each individual transaction. You can then review the raw cost and total burdened cost (the sum of raw cost and burden cost) of each transaction.

Oracle Projects displays the raw cost and burdened cost in expenditure inquiry windows, and shows the cost of each detail transaction in reports. You can choose to account for the individual burden cost components to either track the overhead absorption or to account for the total burdened costs. You can write custom reports using standard views to report all burden cost components for each detail transaction.

Using burdening, you can perform internal costing, revenue accrual, and billing for any type of burdened costs that your company applies to raw costs. Oracle Projects calculates costs using the following formulas. (The formulas for cost also apply to revenue and billing amounts.)

Oracle Projects calculates burden cost by multiplying raw cost by a burden multiplier. This calculation is represented in the following formula:

Burden Cost = Raw Cost x Burden Multiplier

Oracle Projects calculates total burdened cost by adding burden cost to the raw cost amount. This calculation is represented in the following formula:

Total Burdened Cost = Raw Cost + Burden Cost

You use the burden multiplier to derive the total amount of the burden cost. For example, you may burden the raw cost of labor using a multiplier of thirty percent to derive the fringe component, and in turn, compute the total burdened cost of labor as shown in the following table:

Cost Component	Amount
Labor (raw cost)	1,000
Add: Fringe at 30% (burden cost)	300
Total Burdened Cost	1,300

On a project for which costs are burdened, you can create some transactions that are burdened and others that are not burdened. You define which projects should be burdened by setting the Burden Cost indicator for each project type in the Project Types window. When you specify that a project type is burdened, you must then specify the burden schedule to be used. The burden schedule stores the rates and indicates which transactions are burdened, based on cost bases defined in the burden structure. You specify which expenditure types are included in each cost base. With burdening, you can use an unlimited number of burden cost codes, easily revise burden schedules, and retroactively adjust multipliers. You can define different multipliers for costing, revenue accrual, and billing.

> **Note:** If you are using the Actual labor costing method, then you can also identify payroll amounts as burden costs and create transactions for those amounts when you process payroll actuals. These burden costs can be created on transactions separately from raw costs. Since these amounts are distributed from a costed payroll set, they are not calculated using a burden multiplier and the burden calculation process does not apply

Burden Calculation Process

The following illustration shows the burden calculation process.

Burden Calculation Process

As shown in the illustration *Burden Calculation Process*, page 5-3, the calculation of burden cost includes the following processing decision logic and calculations:

1. Expenditure items with a raw cost amount are selected for processing.

2. The process determines if the related project type of the expenditure item is defined for burdening.

3. If *Yes* (the project type is defined for burdening), then the process determines the burden schedule to be used.

4. If *No* (the project type is not defined for burdening), then the item is not burdened. The process assumes the burden multiplier is zero (burden cost is zero, thus burdened cost equals raw cost).

5. To determine which burden multiplier to use, the process determines if there is a burden schedule override for the expenditure:

6. The process uses the task burden schedule override on the associated task, if such an override exists.

7. If no task burden schedule override exists on the associated task, then the process uses the project burden schedule override on the associated project.

8. If there are no burden schedule overrides, the process determines which standard burden schedule to use for burden cost calculations in the following order:

9. Standard task burden schedule

10. Standard project burden schedule

11. After a schedule has been determined, the process verifies that the expenditure item's expenditure type is found in any of the cost bases of the selected burden schedule revision.

12. If an expenditure type is excluded from all cost bases in the burden structure, then the expenditure items that use that expenditure type are not burdened (burden cost equals zero, thus burdened cost equals raw cost).

13. Otherwise, burden multipliers from the appropriate burden schedule revision are used. If a schedule ID override exists, the process uses that revision.

14. The system calculates burden cost and total burdened cost amounts according to the following calculation formulas:
    - Burden cost equals raw cost multiplied by a burden multiplier.
    - Total burdened cost equals the sum of raw cost and burden cost.

Building Up Costs

The objective of burdening is to provide you with a buildup of raw and burden costs, so you can accurately represent the total cost of doing business. You can choose to calculate total burdened costs as a buildup of costs using a precedence of multipliers. Taking the raw cost, Oracle Projects performs a buildup of burden costs on top of raw

costs to provide you with a true representation of costs. You provide the multiplier that is used to calculate the cost. The buildup is performed for each detailed transaction.

Example of Cost Buildup

The following table provides an example of how Oracle Projects calculates total burdened cost as a buildup of raw and burden costs.

Cost Type	Reference	Cost Amount	Formula
Labor (raw cost)	(A)	1,000.00	
Overhead at 95% (burden cost)	(B)	950.00	.95 A
Total Labor (total burdened cost)	(C)	1,950.00	A + B
Materials (raw cost)	(D)	500.00	
Material Handling at 15% (burden cost)	(E)	75.00	.15 D
Total Materials (total burdened cost)	(F)	575.00	D + E
Total Labor and Materials (total burdened cost)	(G)	2,525.00	C + F
General and Administrative at 15% (burden cost)	(H)	378.75	.15 G
Total Burdened Cost (total burdened cost)	(I)	2,903.75	G + H

In this example, raw costs are categorized by the Labor and Materials cost bases. Each raw cost has one or more types of burden cost applied to it to derive the total burdened cost amount.

The first-tier multipliers are applied to the raw costs of each cost base. For labor, the first-tier multiplier is for Overhead. For materials, the first-tier multiplier is for Material Handling costs.

The second-tier multiplier is then applied to the sum of the raw cost and the first-tier burden cost amount for each cost base. In the example in the table, the second tier multiplier for General and Administrative is applied to the total raw and burden costs for Labor and Materials.

The cost buildup in this example is calculated as follows:

- First, the raw labor cost of $1,000 is burdened by overhead at a multiplier of 95 percent, resulting in a burden cost of $950 and a total labor cost of $1,950.
- Then, the general and administrative multiplier of 15% is applied against the total labor cost of $1,950, for a total of $292.50 of general and administrative cost. The total burdened labor cost is the sum of $1,950 plus $292.50, or $2,242.50.
- Next, the raw materials cost of $500 is burdened by material handling at a multiplier of 15 percent, resulting in a burden cost of $75 and a total materials cost of $575.
- Finally, the general and administrative multiplier of 15% is applied to the total of the buildup of burdened Materials cost, yielding $86.25, resulting in a total burdened Material cost amount of $ 661.25.

The following illustration shows the flow of the cost buildup calculations in the table above.

Cost Buildup Flow

The illustration *Cost Buildup Flow*, page 5-6 illustrates the following cost buildup steps:

1. Overhead is applied to the raw labor cost.

2. Material handling is applied to the raw materials cost.

3. General and administrative is then applied to the buildup of the total burdened costs for Labor and Materials to derive the total burdened cost amount.

Using Burden Structures

You define the cost buildup using a burden structure. A burden structure determines how cost bases are grouped and establishes the method of applying burden costs to raw costs. Expenditure types classify raw costs, and burden cost codes classify burden costs. The relationship between expenditure types and burden cost codes within cost bases determines what burden costs are applied to specific raw costs, and the order in which they are applied.

> **Note:** To account for burden cost codes separately, you also define unique expenditure types to link to burden cost codes. See: Storing, Accounting, and Viewing Burden Costs, page 5-18.

Your company may have several different burden structures for unique business requirements. For example, you may use a different structure for internal costing than you use for government billing.

> **Note:** If you change your burden structure and subsequently transfer an expenditure item burdened with the old structure, then the reversed amount and the amount charged to the new task each equals the original burdened amount.

The following illustration shows the components of a burden structure.

Components of a Burden Structure

The illustration *Components of a Burden Structure*, page 5-8 shows a burden structure with the following cost bases:

- The *Labor* cost base:
  - includes the expenditure types *Professional*, *Clerical*, and *Administrative*.
  - is assigned the burden cost codes *Fringe*, *Overhead*, and *General and Administrative (G&A)*.
- The *Material* cost base:
  - includes the expenditure types *Supplies* and *Construction Materials*.
  - is assigned the burden cost codes *Material Handling* and *General and Administrative (G&A)*.
- The *Expense* cost base:
  - includes the expenditure types *Travel* and *Meals*.
  - is assigned the burden cost code *General and Administrative (G&A)*.

Related Topics

Burden Structures, *Oracle Projects Implementation Guide*

Burden Structure Components

A *burden cost code* represents the type of burden costs you want to apply to raw costs. For each burden cost code in the burden structure, you specify what cost base it is applied to, the expenditure type or types it is linked to, and the order in which it is applied to raw costs within the cost base.

You burden a type of cost with burden costs to obtain a more accurate representation of your company's operating costs. For example, each hour of employee time costed directly to a project may be supported by burden costs for benefits and office space.

You specify which costs are burdened through the definition of cost bases. A *cost base*is a grouping of raw costs to which you apply burden costs. A cost base assignment consists of expenditure types. You specify the types of transactions that constitute the cost base when you assign expenditure types to the cost base. These expenditure types assignments represent the raw costs to which you apply the burden costs of the cost base. If you exclude an expenditure type from all cost bases in a structure, the expenditure items that use that expenditure type will not be burdened (burden cost equals zero, thus burdened cost equals raw cost).

If you want to burden transactions using a new expenditure type, you must add the expenditure type to the appropriate burden structures. You should do this before you enter transactions using this expenditure type. This will ensure that all transactions using this expenditure type are burdened. If you have charged transactions using this expenditure type before you added the expenditure type to the appropriate burden structures, you must mark these transactions to be reprocessed to burden the costs.

Cost bases also consist of burden cost codes. While the expenditure types represent the raw costs, the burden cost codes represent the burden costs that support the raw costs. Cost bases may be different within the context of different burden structures. For example, you may use a different definition of a labor cost base in a billing schedule than you would use in an internal costing schedule.

You also assign an expenditure type to each burden cost code. You may use any expenditure type that has been defined with the *Burden Transaction* expenditure type class or, if you want to account for the burden cost components in the GL or budget by burden cost component, you can define an expenditure type with the same name as the burden cost code.

In summary, cost bases are comprised of expenditure types and burden cost codes. Expenditure types represent the raw costs, and burden cost codes represent the burden costs that support the raw costs. Cost bases may be different within the context of different burden structures. For example, you may use a different definition of a labor cost base in a billing schedule than you would use in an internal costing schedule.

An *expenditure type* classifies each detailed transaction according to the type of raw cost incurred.

A burden structure can be additive or precedence based. If you have multiple burden cost codes, an *additive* burden structure applies each burden cost code to the raw costs

in the appropriate cost base. A *precedence* burden structure is cumulative and applies each cost code to the running total of the raw costs, burdened with all previous cost codes. The examples in the following two tables illustrate how different burden structures using the same cost codes can result in different total burdened costs.

The following table shows the calculation of total burdened cost using the additive burden structure.

Cost Type	Cost Amount	Formula
Labor (A)	100.00	
Overhead at 95% (B)	95.00	.95 A
Fringe at 25% (C)	25.00	.25 A
General and Administrative at 15% (D)	15.00	.15 A
Total Burdened Cost	235.00	A + B + C + D

The following table shows the calculation of total burdened cost using the precedence burden structure.

Cost Type	Cost Amount	Formula
Labor (A)	100.00	
Overhead at 95% (B)	95.00	.95 A
Fringe at 25% (C)	48.75	.25 (A + B)
General and Administrative at 15% (D)	36.56	.15 (A + B + C)
Total Burdened Cost	280.31	A + B + C + D

Note: The order of the burden cost codes has no effect on the total burdened cost with either additive or precedence burden structures.

Related Topics

Example of Cost Buildup, page 5-5

Cost Bases and Cost Base Types, *Oracle Projects Implementation Guide*

Burden Cost Codes, *Oracle Projects Implementation Guide*

Using Burden Schedules

Burden schedules establish the multipliers used to calculate the burdened cost, revenue, or bill amount of each expenditure item charged to a project. You can define different burden schedules for use in internal costing, revenue accrual, and invoicing. When you define burden schedules, you specify the burden structure on which the schedule is based.

You can use both burden schedules and bill rate schedules within a project to accrue revenue and invoice. You can also use a bill rate schedule for non-labor expenditure items, and use a burden schedule for labor expenditure items.

You specify default burden schedules for each project type. You can use different schedules for different types of projects. You can override the default burden schedules for each project by using a schedule of multipliers negotiated for the project or task.

Types of Burden Schedules

There are two types of schedules you can use in Oracle Projects: firm and provisional.

Use *firm* schedules if you do not expect your multipliers to change. Generally, firm schedules are used for internal costing or commercial billing schedules.

Because burden multipliers may not always be known at the time that you are calculating total burdened costs, you use interim, or *provisional*multipliers. Provisional multipliers are generally estimates based on a company's forecast budget for the year based on the previous year's results. When you determine the *actual*multipliers that apply to costs (after the multipliers are audited), then you replace the provisional multipliers with the actual multipliers. Oracle Projects processes the adjustments from provisional to actual changes for costing, revenue, and billing.

Defining Burden Schedule Versions

You define schedule versions for a burden schedule to record the date range within which multipliers are effective. You can have an unlimited number of versions for each burden schedule, but use one active version at a given point in time. However, after you apply actuals, you can have one active provisional version and one active actual version existing at the same time within a schedule.

In addition, you may have a number of versions for each quarter of the fiscal year in which your company does business, especially for government billing projects. At the end of the year, when the government audits your burden multipliers, you create a new version that reflects the actual billing rates. The following illustrations shows and example of the use of schedule versions.

Burden Schedule Versions

In the illustration *Burden Schedule Versions*, page 5-12, a company defines provisional burden schedules on a quarterly basis, based on a forecast of budgeted costs. Each quarter, the company creates a new version of the burden schedule to reflect updates in the budget. At the end of the fiscal year, when the company is audited, actual multipliers are applied which reflect the true burdened cost of affected items.

Related Topics

Applying Actuals, *Oracle Projects Implementation Guide*

Burden Calculation Process, page 5-2

Assigning Burden Multipliers

When you create burden schedules, you assign a *multiplier* to an organization and burden cost code. The multiplier specifies the amount by which to multiply the raw cost to obtain the burden cost amount.

When you compile a burden schedule version, Oracle Projects calculates and stores the multipliers for each organization and burden cost code in a schedule version. Additional information stored includes compiled multipliers, which allow Oracle Projects to quickly determine burden cost amounts based on the burden multipliers used for a particular organization as of a particular date.

Instead of performing a buildup of costs each time you calculate burden amounts, Oracle Projects uses the compiled multipliers to multiply the compiled multiplier by the raw cost to determine each burden cost component.

The following table shows an example of the multipliers a company uses to determine the burden cost amounts for labor during cost calculation.

Organization	Burden Cost Code	Multiplier
Headquarters	Fringe	.35
Headquarters	Overhead	.95
Headquarters	General and Administrative	.15
Los Angeles	General and Administrative	.20

Suggestion for Organizations that Have No Burden

You may need to set up special procedures for organizations that have no burden. For example, your company may use contractors that do not have a particular type of burden cost (such as fringe) applied to their raw cost. To implement this scenario, you can first set up a new organization for contractors. Then, create a zero burden cost amount by assigning that organization to the burden schedule and using a multiplier of zero for the burden cost of Fringe. Each time that burden cost for Fringe is calculated for the contractor's organization, Oracle Projects will multiply the contractor's raw cost multiplier by zero, resulting in a burden cost amount of zero, which reflects the true representation of the raw cost and burden multipliers.

Burden Multiplier Hierarchy

Effective multipliers cascade down the Project Burdening Hierarchy, starting with the parent organization. If Oracle Projects finds a level in the hierarchy that does not have a multiplier defined, it uses the multipliers entered for the parent organization. Therefore, an organization multiplier schedule hierarchy is really a hierarchy of exceptions; you define only the multipliers for an organization if they override the multipliers of its parent organization.

The following illustration shows an example of how multipliers are assigned for a multi-level organization.

Assigning Multipliers to Organizations

In the illustration *Assigning Multipliers to Organizations*, page 5-14, the parent organization, Headquarters (HQ), has two defined multipliers: Overhead (OH) with a multiplier of 2.0, and General and Administrative (G & A) with a multiplier of 3.0.

- When Oracle Projects processes transactions for the *East* organization, no multipliers are found. Therefore, the system assigns the multipliers from the parent organization, Headquarters. However, when Oracle Projects looks for multipliers for the Boston and New York (NYC) organizations, a multiplier of 3.1 for General and Administrative is found for each organization. Therefore, the system uses the General and Administrative multiplier of 3.1 from these organizations.

- When Oracle Projects processes transactions for the *West* organization, the multiplier of 2.3 for Overhead from the *West* organization overrides the multiplier of 2.0 from its parent organization, Headquarters. Since no multiplier is found for General and Administrative, the system assigns the multiplier of 3.0 from the Headquarters organization. No multipliers are found for the San Francisco (SF) and Los Angeles (LA) organizations. Therefore, Oracle Projects, assigns the multipliers from their parent organization, *West*.

Suggestion for Burdening a Borrowed or Lent Resource

When lending a resource to another organization for a specific project, you may want to burden the resource using the borrowing organization's multipliers.

For example, the Los Angeles organization lends a resource to the New York City organization, and it is agreed that the borrowed resource is to be burdened using the New York City multipliers. For burdening, Oracle Projects uses the destination organization of an organization distribution override, in place of the expenditure organization, if an organization distribution override exists. If you want the project to

have theNew York City burden multipliers use burdened costs of the borrowed resource from Los Angeles, then enter an organization distribution override with a source organization of Los Angeles and a destination organization of New York City.

Related Topics

Organization Overrides, *Oracle Projects Fundamentals*

Assigning Burden Schedules

You can assign burden schedules to project types, projects, and tasks. When you assign schedules to a project type, the schedules are the default schedules for projects and tasks that use the project type. Assigning burden schedules to project types allows you to implement company policies; for example, you can implement a policy that requires all projects of a particular project type to maintain the same multipliers for internal costing purposes.

You can change the default schedule for a project or task. You can also override default schedules at the project and task level by using burden schedule overrides. Burden schedule overrides generally reflect multipliers that have been negotiated specifically for a particular project or task.

Defining Burden Schedules for Project Types

You define default standard burden schedules for each project type. These schedules default to each project defined with that project type. You can override the default schedules at the project and task level. See: Project Types, *Oracle Projects Implementation Guide*.

Assigning Burden Schedules at the Project and Task Level

When you assign a project type to a new project, Oracle Projects automatically provides default burden schedules from the project type. These schedules are also the default schedules for each top task added to the project, and schedules for a top task are the default schedules for lower level tasks.

The schedules used for burdening and billing are those assigned to the lowest task.

> **Note:** When you change the burden schedule assignment for a project that already has tasks set up, the schedules assigned to tasks that already exist do not automatically change. You may need to review schedules for the existing WBS to make sure they are correct.

Related Topics

Costing Burden Schedules, *Oracle Projects Fundamentals*

Assigning Fixed Dates for Burden Schedules

You can assign fixed dates for each of your burden schedules, just as you can for bill rate schedules. You can assign fixed dates only to firm schedules. You cannot use fixed dates with provisional schedules.

The fixed date specifies the date for determining the schedule revision to use in calculations, regardless of the expenditure item date.

You enter a fixed date for a cost burden schedule only if the project type definition allows you to override the cost burden schedule.

You can enter schedule fixed dates for standard burden schedulesonly. Schedule fixed dates are *not* used for burden schedule overrides.

Changing Default Burden Schedules

You can change the default burden schedules for a project or task.

If you change the burden schedule for a lowest level task that has items processed, then the items are *not* automatically marked for reprocessing. Only new items charged to the task will use the new burden schedule. You can mark the items for recalculation in the Expenditure Inquiry window. This will cause the items to be reprocessed using the new burden schedule assigned to the task.

- **Changing Cost Burden Schedule**

  You can override the cost burden schedule if the project type definition allows you to override the cost burden schedule, and the project is burdened.

- **Changing Revenue or Invoice Burden Schedule**

  You can change the revenue or invoice burden schedule within a schedule type at any time.

- **Changing the Type of Revenue or Invoice Burden Schedule Used**

  You can change the burden schedule type of any task or project at any time. You may change a task from a burden schedule type of Bill Rate to Burden, even after you have defined bill rate overrides. These bill rate overrides will not be used in processing. You can also define burden schedule overrides and then change your task to use a bill rate schedule. The burden schedule overrides will not be used.

Overriding Burden Schedules

You can define burden schedules at the project level to override the default burden schedules from the project type. You can also define burden schedules at the task level to override the default schedules from the project and project type.

- **Defining Burden Schedule Overrides**

You can define a scheduleof *negotiated* burden multipliers for your projects and tasks which overrides the schedule that you assigned to the project and tasks. When you define burden schedule overrides, you cannot override just one multiplier for the standard schedule; you need to define an entire schedule for the project or task that overrides the standard burden schedule.

Defining burden schedule overrides is similar to defining burden schedules. You specify the revisions and the associated multipliers. The revisions are created as firm revisions. You cannot apply actuals to provisional multipliers with burden schedule overrides. You can select only burden structures that are allowed for use in burden schedule overrides.

The burden schedule overrides that you define are created as burden schedules in Oracle Projects. You must compile schedule revisions as you do with standard burden schedules.

> **Important:** You do not define override multipliers by organization. The multipliers that you define are used for all items, regardless of the organization.

- **Assigning Burden Schedule Overrides**

  You can enter override burden schedules for a project or task in the Project, Templates window or the Tasks window.

  The burden schedule override option is available only if the project is burdened and the project type allows override of the cost schedule. You can also choose this option if the schedule type for labor or non-labor is Burden, if you want to allow overrides of revenue and invoice schedules.

- **Adjusting Burden Schedule Overrides**

  You can correct, adjust, and create new revisions for your burden schedule override as you do for standard burden schedules.

Determining Which Burden Schedule to Use

The costing and revenue programs in Oracle Projects determine the effective burden schedule to use for burden cost calculations in the following order:

- Task-level burden schedule override
- Project-level burden schedule override
- Task standard burden schedule

Oracle Projects uses the first schedule it finds to process all items charged to that task.

Distribute Costs and Interface Supplier Invoices from Payables

The Distribute Costs programs and the Interface Supplier Invoices from Payables program use the overrides and schedules to burden transactions charged to projects that are defined to be burdened for internal costing based on the project type definition. These programs calculate the burdened cost for all transactions on these projects.

Related Topics

Burden Calculation Process, page 5-2

Storing, Accounting, and Viewing Burden Costs

You can choose how you want to store, account, and view burden costs for individual expenditure items, using one of the following methods:

- Burden cost on the same expenditure item, page 5-18
- Burden cost as a separate, summarized expenditure item on the same project, page 5-20
- Burden cost as summarized expenditure items on a separate project, page 5-22

You decide how to store the burden costs based on your requirements for budgeting and reporting burden costs. You specify the method for each burdened project type that you define. See: Choosing a Burden Storage Method, page 5-23.

To define a burdened project type, you enable the Burdened check box in the Costing Information region of the Project Types window. Oracle Projects then displays the Burden Cost Display and Accounting region, where you enter all burden cost information. See: Project Types, *Oracle Projects Implementation Guide*.

Storing Burden Cost on the Same Expenditure Item

You can choose to store the total burdened cost as a value along with the raw cost on each expenditure item. The total burdened cost equals the raw cost plus the sum of the burden cost components. With this method, you can easily view the total burdened cost and the raw cost of each item. Oracle Projects displays the raw and burdened costs of the expenditure items on windows and reports.

The example in the following table illustrates the total burdened cost method. With this method, the raw cost is stored on each expenditure item. The burdened cost is calculated and then also stored on each expenditure item. The burden cost shown in the table is an interim value that is not stored. In this example, Labor is burdened and Computer Rental is not.

Item	Transaction	Raw Cost	Burden Cost	Burdened Cost
1	Project A, Task 1.1, Labor, August 29, Amy Marlin	100.00	200.00	300.00
2	Project A, Task 1.1, Labor, August 29, Don Gray	200.00	400.00	600.00
3	Project A, Task 1.1, Computer Rental, August 29, Data Systems	500.00	0.00	500.00
	Totals	800.00	600.00	1,400.00

The following table shows the detail of the burden cost on Item 1 in the table above.

Burden Cost Element	Amount
Fringe	40.00
Overhead	100.00
General and Administrative	60.00
Total Burden Cost	200.00

Oracle Projects calculates the burdened cost of each expenditure item in the Distribute Cost processes. For supplier invoices, the burdened cost of each expenditure item is calculated in the Interface Supplier Invoices from Payables process.

> **Note:** The burden cost of each item may be comprised of a buildup of individual burden cost components, as shown in the table above. This is not readily visible by looking at the expenditure item. However, Oracle Projects provides the ability to report this buildup of burden cost for each individual expenditure item. For more information on reporting the individual burden cost components when you use this method of storing burden amounts, see: Reporting Burden Components

in Custom Reports, page 5-37.

Storing Burden Costs as a Separate Expenditure Item on the Same Project

You can choose to hold the burden cost components as a separate expenditure item on the same project. The expenditure items storing the burden cost components are identified with a different expenditure type that is classified by the expenditure type class *Burden Transaction*.

The example in the following table illustrates burden cost as a separate, summarized expenditure item on the same project.

Item	Transaction	Raw Cost	Burden Cost	Burdened Cost
1	Project A, Task 1.1, Labor, August 29, Amy Marlin	100.00	0.00	100.00
2	Project A, Task 1.1, Labor, August 29, Don Gray	200.00	0.00	200.00
3	Project A, Task 1.1, Computer Rental, August 29, Data Systems	500.00	0.00	500.00
4	Project A, Task 1.1, Fringe, September 1, Consulting East	0.00	120.00	120.00
5	Project A, Task 1.1, Overhead, September 1, Consulting East	0.00	300.00	300.00
6	Project A, Task 1.1, General and Administrative, September 1, Consulting East	0.00	180.00	180.00

Item	Transaction	Raw Cost	Burden Cost	Burdened Cost
	Totals	800.00	600.00	1400.00

> **Note:** The expenditure items that incur the raw cost have a burdened cost equal to the raw cost, because the burden cost of those transactions are included in the burden transactions. The burden transactions have a raw cost of zero and a summarized burden cost from the incurred raw costs.

Oracle Projects creates the burden transactions by summarizing the burden cost components by project, lowest task, expenditure organization, expenditure classification, supplier, PA period, and burden cost code.

If you use this method of storing burden costs, you must assign an expenditure type to each burden cost code. You may also want to define an expenditure type for each burden cost code to use for reporting and budgeting purposes. The Create and Distribute Burden Transactions process summarizes the burden costs for all costed, burdened items. If you are processing new items for a task that already has burden transactions, Oracle Projects will create new burden transactions. The existing burden transactions are not updated. Each new transaction will be assigned the system date when the process is run.

For transactions imported from external systems via transaction import, such as supplier invoices imported from Payables, burden costs on separate items are created only after running the Create and Distribute Burden Transactions process.

> **Note:** If you use the Actual labor costing method to distribute payroll costs as labor costs, then you can define a payroll pay element as a burden cost type. When you process payroll actuals, separate transactions are created for payroll costs defined as burden costs. For more information, see Process Payroll Actuals, *Oracle Projects Fundamentals* guide and Distributing Labor Costs, *Oracle Project Costing User Guide*

Expenditure Item Date of Summary Burden Transactions

The expenditure item date of the new summary burden transactions matches the latest expenditure item date of the expenditures being burdened.

The following table shows examples of expenditure item dates for burden transactions.

PA Period of Burdened Expenditures	Latest Expenditure Item Date of Source Expenditures	Length of PA Period	Expenditure Cycle Start Day	Expenditure Item Date of Burden Transactions
Monday, 10/19 through Sunday, 10/25	Sunday, 10/25	1 Week	Monday	Sunday, 10/25
Monday, 10/12 through Sunday, 10/25	Sunday, 10/18	2 weeks	Monday	Sunday, 10/18
Thursday, 10/1 through Saturday, 10/31	Saturday, 10/24	1 month	Monday	Saturday, 10/24

See also: Creating and Interfacing the Accounting for Burden Costs by Burden Cost Component, page 5-27.

Storing Burden Cost as Summarized Expenditures on a Separate Project

You can choose to additionally show the burden cost as summarized expenditures on a separate project. You assign this separate *Burden Cost Project* in the Project Types window. The Burden Cost Project can be a single, indirect project that collects all burden costs or a project you define for a particular Project Type. These separate expenditures are generated in the same manner as the separate expenditures described in Burden Cost as Separate, Summarized Expenditure Items in the following section. The link to the original expenditure item is maintained but is not readily visible by looking at the summarized expenditures.

> **Important:** The cost breakdown planning enabled projects are not available in the Burden Cost Project LOV when you select the Account for Burden Cost components check box in the Project Types window.

The example in the following table illustrates accounting for summarized burden cost expenditures on a separate project.

Item	Transaction	Raw Cost	Burden Cost	Burdened Cost
1	Project Overhead, Task 1, Fringe, Sept 1, Consulting East	0.00	120.00	120.00
2	Project Overhead, Task 1, Overhead, Sept 1, Consulting East	0.00	300.00	300.00
3	Project Overhead, Task 1, General and Administrative, Sept 1, Consulting East	0.00	180.00	180.00

Related Topics

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Choosing a Burden Storage Method

The key difference between burden storage methods is how you view the burden costs on your project. You view the burden costs as another value on the same expenditure item or as a separate expenditure item.

The way you budget your projects may influence how you choose to store burden cost:

- If you budget burden components as separate elements in your budget, you would typically choose to view the actuals in a similar way (as a separate expenditure item).
- If you budget burdened costs as a calculation of the raw cost for a given resource, you would typically choose to view the actuals in a similar way (with the burdened costs as a value for the individual expenditure items).

> **Note:** To budget by burden cost component, you use the expenditure type assigned to the burden cost code during setup.

Regardless of which method you choose to store the burden cost, the total raw and burdened costs of the project do not change. The key difference is how you view the

information. Also, these methods only apply to storing the cost amounts of the transactions. If you are using cost plus processing for revenue accrual and/or invoicing, then the revenue or invoice amounts are held as an amount along with the raw cost on the expenditure item. You cannot store the burden costs applied for revenue accrual and invoicing as separate summarized, burden transactions.

Related Topics

Overview of Project Budgeting and Forecasting, *Oracle Project Planning and Control User Guide*

Setting Up The Burden Cost Storage Method

You choose the method by which you want to store burden amounts on each burdened project type.

If you want to store the burdened cost as an amount on the same expenditure item, you perform the following step:

In the Costing Information region of the Project Types window, enable the *Burden Cost on Same Expenditure Item* check box.

If you want to store the burden costs as separate, summarized transactions on the same project, you perform the following steps:

1. In the Costing Information region of the Project Types window, enable the *Burden Cost as Separate Expenditure Item* check box.
2. In the Expenditure Types window, define an expenditure type with expenditure type class *Burden Transaction.*
3. In the Burden Cost Codes window, assign the appropriate burden transaction expenditure type to each burden cost code.

If you want to store burden amounts on each burdened expenditure item and, additionally, store the burden amounts in a separate project, you perform the following steps:

1. Define a destination project and task for generated burden transactions.
2. In the Costing Information region of the Project Types window, enable the *Account for Burden Cost Components* check box and add the Project and Task name.
3. In the Expenditure Types window, define an expenditure type with expenditure type class *Burden Transaction.*
4. In the Burden Cost Codes window, assign the appropriate burden transaction expenditure type to each burden cost code.

If you want to create total burdened cost credit and debit lines, you perform the following step:

1. In the Costing Information region of the Project Types window, enable the *Enable Accounting for Total Burdened Cost* check box.

   Note: When the *Enable Accounting for Total Burdened Cost* check box is enabled, Oracle Projects creates total burdened cost credit and debit lines for all transactions, including summarized burden transactions.

If you do *not* want to create total burdened cost credit and debit lines, you perform the following step:

1. In the Costing Information region of the Project Types window, disable the *Enable Accounting for Total Burdened Cost* check box.

   Note: If the project type class of the project type is *Capital* and the Cost Type for capitalization is *Burdened Costs*, Oracle Projects does not allow you to disable the *Enable Accounting for Total Burdened Cost* check box and save the change. Oracle Projects requires total burdened cost credit and debit lines to capitalize burdened costs.

Accounting for Burden Costs

You determine if you want to account for the burden costs. You can choose one of the following accounting methods:

- Account for burden costs by burden cost component, page 5-25
- Account for the total burdened costs, page 5-28
- Perform no accounting -- calculate burden costs only for use in management reporting with no accounting impact, page 5-30

Oracle Projects supports all of these accounting methods for burden costs. However, to keep an account of each individual burden component, you must store burden cost as separate, summarized expenditure items. There are cases when you choose to use both the methods of accounting for burdened costs, based on different objectives.

Accounting for Burden Costs by Burden Cost Component

You can account for individual burden cost components when you want to track the burdening in Oracle Subledger Accounting and Oracle General Ledger.

Example of Accounting for Burden Costs by Burden Cost Component

The following two tables provide an example of the accounting for the expenditure items shown in the example data for the topic: Storing Burden Costs as a Separate Expenditure Item on the Same Project, page 5-20. The following table shows the accounting for the raw cost amounts.

Transaction	Item	Accounting Transactions	Debit	Credit
Labor Cost	1	Labor Expense	100	
		Payroll Clearing		100
Labor Cost	2	Labor Expense	200	
		Payroll Clearing		200
Expense	3	Computer Rental Expense	500	
		Payables Liability		500

The following table shows the accounting for the burden cost amounts.

Transaction	Item	Accounting Transactions	Debit	Credit
Fringe	4	Project Fringe Expense	120	
		Fringe Absorption/Recovery		120
Overhead	5	Project Overhead Expense	300	
		Overhead Absorption/Recovery		300
General and Administrative	6	Project General and Administrative Expense	180	
		General and Administrative Absorption/Recovery		180

Setting Up Accounting for Burden Costs by Burden Cost Component

To set up accounting for burden costs by burden cost component you must perform the following steps:

1. Define AutoAccounting rules for the Burden Transaction Debit (Burden Cost Account) and Burden Transaction Credit (Burden Cost Clearing Account) AutoAccounting functions. Oracle Projects uses these rules to determine the default debit and credit GL accounts. You use the expenditure type parameter to distinguish between different types of burden cost components. You must also define the AutoAccounting function Burden Cost Revenue Account to account for revenue.

2. If you have chosen to store burden costs as a summarized value on a separate project and task, then you must perform the following additional steps:

   - Define a project and appropriate tasks, which will be used as a storing bucket for summarized, burden transactions used for accounting for the individual burden costs. You typically would not do project reporting from these collection projects. However, you may choose to perform some analysis for burden absorption using these projects. After you transfer the burden cost accounting from Oracle Subledger Accounting to Oracle General Ledger, you can perform additional analysis within Oracle General Ledger.

   - Specify the above project and task on the project type. This project and task are used for collecting the summarized burden transactions that are used only for the burden accounting.

Processing the Accounting for Burden Costs by Burden Cost Component

To process the accounting for the burden transactions, you run the following processes:

- **PRC: Create and Distribute Burden Transactions.** This process summarizes the burden costs, creates the expenditure items for the burden transactions, and runs the distribution process. The burden transactions are created on different projects depending on the method you use to store burden costs. If you store burden costs as separate, summarized burden transactions, then the burden transactions are created on the same project that incurred the costs. If you choose to store burden costs as a value along with raw cost on the expenditure item on the project that incurred the transactions, then the burden transactions are created on the collection project and task used for collecting burden transactions intended for accounting by burden cost components only.

- **PRC: Generate Cost Accounting Events.** This process generates accounting events for burden transactions. If you select *Burden Cost* for the Process Category parameter, then the process generates accounting events only for burden costs.

- **PRC: Create Accounting.** This process 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 automatically transfer the final accounting to Oracle General Ledger, initiate the journal import process, and post the journal entries in Oracle General Ledger. If you select *Burden Cost* for the

Process Category parameter, then the process creates accounting only for burden cost accounting events.

You can also use the streamline processes to create distribution lines for burdened costs.

Related Topics

Create and Distribute Burden Transactions, *Oracle Projects Fundamentals*

Generate Cost Accounting Events, *Oracle Projects Fundamentals*

Create Accounting, *Oracle Projects Fundamentals*

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Accounting for Costs, *Oracle Projects Implementation Guide*

Accounting for Total Burdened Cost

You may choose to account for the total burdened cost of the items, without distinguishing the amounts by burden cost components. This is typically done when you track the total burdened cost in a cost asset or *cost WIP* (work in process) account. This method is also sometimes referred to as*project inventory*. You may track cost WIP when you:

- capitalize total burdened costs
- track the total burdened costs as project inventory (also known as cost WIP) on contract projects and later calculate a cost accrual when you generate the revenue.

Note: If you are capitalizing burdened costs for capital projects, then you must run the following processes in the order listed before you can generate asset lines and capitalize the costs:

1. PRC: Distribute Total Burdened Cost
2. PRC: Generate Cost Accounting Events
3. PRC: Create Accounting

   You must run the process PRC: Create Accounting in final mode before you can generate asset lines for the costs.

Example of Accounting for Total Burdened Cost

The following two tables provide an example of the accounting for the expenditure items shown in the example for the topic: Storing Burden Cost on the Same Expenditure Item, page 5-18. The following table shows the accounting for the raw cost amounts.

Transaction	Item	Accounting Transactions	Debit	Credit
Labor Cost	1	Labor Expense	100	
		Payroll Clearing		100
Labor Cost	2	Labor Expense	200	
		Payroll Clearing		200
Expense	3	Computer Rental Expense	500	
		Payables Liability		500

The following table shows the accounting for the total burdened cost amounts.

Transaction	Item	Accounting Transactions	Debit	Credit
Labor	1	Project Cost Inventory	300	
		Labor Burdened Inventory Transfer		300
Labor	2	Project Cost Inventory	600	
		Labor Burdened Inventory Transfer		600
Expense	3	Project Cost Inventory	500	
		Computer Burdened Inventory Transfer		500

Note: The Computer Rental expense is included in the total burdened cost accounting, even though it is not burdened. This is done to include the total project cost in the cost WIP accounts.

Setting Up Accounting for Total Burdened Cost

To set up an Account for Total Burdened Costs configuration, you must perform the following step:

- Define AutoAccounting rules for the Total Burdened Cost Debit and Total Burdened Cost Credit AutoAccounting functions. Oracle Projects uses these rules to determine the default debit and credit GL accounts. You must ensure that your AutoAccounting rules handle all transactions charged to burdened projects, not just those transactions that are burdened.

Processing the Accounting for Total Burdened Costs

To process the accounting for the total burdened costs, you run the following processes:

- **PRC: Distribute Total Burdened Costs.** This process creates the total burdened cost distribution lines for all transactions charged to burdened projects, even if the transaction is not burdened, to account for the total project costs in the cost WIP account.

- **PRC: Generate Cost Accounting Events.** This process generates accounting events for total burdened cost distribution lines. If you select *Total Burdened Cost* for the Process Category parameter, then the process generates accounting events only for total burdened costs.

- **PRC: Create Accounting.** This process 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 automatically transfer the final accounting to Oracle General Ledger, initiate the journal import process, and post the journal entries in Oracle General Ledger. If you select *Total Burdened Cost* for the Process Category parameter, then the process creates accounting only for total burdened cost accounting events.

You can also use the streamline processes to create distribution lines for burdened costs.

Related Topics

Overview of Asset Capitalization, page 7-1

Revenue-Based Cost Accrual, *Oracle Project Billing User Guide*

Generate Cost Accounting Events, *Oracle Projects Fundamentals*

Create Accounting, *Oracle Projects Fundamentals*

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Accounting for Costs, *Oracle Projects Implementation Guide*

Storing Burden Costs with No Accounting Impact

You can choose to calculate the burden costs for project transactions for management reporting without an accounting impact.

If you store burden costs as a value on the expenditure item, then you have no extra setup to perform and no accounting processes to run on the burden costs.

If you store burden costs as separate, summarized expenditure items and perform the accounting in Oracle Projects (rather than importing the accounting), then you must set up AutoAccounting to derive the same GL account for both the debit and the credit account. You must generate cost accounting events for the cost distribution lines for these expenditure items, create the final accounting in Oracle Subledger Accounting, and transfer the subledger accounting to Oracle General Ledger.

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 rules in Oracle Subledger Accounting, then you must ensure that the rules derive the same account for both the debit and credit account.

Troubleshooting Burden Transactions

If Oracle Projects does not properly distribute cost or generate revenue for an expenditure item, you can view revenue rejection reasons from the Expenditure Items window. Use the Folder option Show Field to display either *Cost Distr. Rejection* or *Revenue Distr. Rejection*.

To be burdened, an expenditure item must meet the following conditions:

- For internal costing, the item must be charged to a project with a project type set up to burden cost
- For revenue accrual and billing, the item must be charged to a task with a labor schedule type of Burden, if the item is a labor item; or with a non-labor schedule type of Burden, if the item is a non-labor item
- Must be categorized by an expenditure type that belongs in a *cost base*
- Must be included in a compiled schedule
- The *lowest task* that the expenditure item is charged to must have an assigned compiled burden schedule for the appropriate calculation of costing, revenue, or invoicing

Processing Transactions After a Burden Schedule Revision

When you recompile burden schedules, Oracle Projects identifies the existing transactions that are impacted by the adjustments and marks the transactions for reprocessing. For example, when the multiplier for a given organization and burden cost code changes, the system marks for reprocessing all transactions for the organization that are charged to an expenditure type that is linked to the burden cost code. You must then reprocess the items by running the appropriate cost, revenue, and invoice processes.

Accounting for Cost Adjustments Resulting from Burden Schedule Revisions

When accounting for the adjusted cost, you can choose to reverse the original accounting entries and generate new ones for the adjusted cost, or you can choose to generate new accounting lines for the difference between the original and new burden cost amounts. To select the accounting option that best fits your business needs, enable or disable the *PA: Create Incremental Transactions for Cost Adjustments Resulting from a Burden Schedule Recompilation* profile option.

For more information on this profile option, see: PA: Create Incremental Transactions for Cost Adjustments Resulting from a Burden Schedule Recompilation, *Oracle Projects Implementation Guide*.

> **Note:** Enabling this profile option does not affect raw and burden cost recalculation adjustments that you make from the *Expenditure Items* window. Although raw cost amounts and accounts are not affected by a burden cost recalculation, Oracle Projects always accounts for burden cost recalculation adjustments made from the Expenditure Items window with a full reversing and rebooking accounting entry that includes both the raw cost and burden cost amounts. See: Adjusting Expenditure Items, page 4-76.

Examples of Transaction Accounting After a Burden Schedule Revision

The examples that follow illustrate the original accounting entries generated for a labor transaction and the adjusting accounting entries generated when the transaction is reprocessed after a burden schedule is recompiled.

The following assumptions are made in all examples:

- Transaction Raw Cost = $100
- Original Total Burden Cost = $300
- Adjusted Total Burdened Cost = $400

Example One: Total Burdened Cost Accounting

When the *PA: Create Incremental Transactions for Cost Adjustments Resulting from a Burden Schedule Recompilation* profile option is set to *No*, Oracle Projects reverses the original accounting entries and creates new entries for the adjusted cost amounts.

The following table illustrates the accounting entries generated for raw cost when total burdened cost is accounted.

> **Note:** The raw accounting lines are reversed and new adjusted lines are generated even though the raw cost amount does not change.

Item Number	Accounting Type	Accounting Transactions	Debit	Credit
1	Original	Labor Expense	100	
		Payroll Clearing		100
1	Adjusting	Labor Expense		100
		Payroll Clearing	100	
		Labor Expense	100	
		Payroll Clearing		100

The following table illustrates the accounting entries generated for total burdened cost.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Labor Cost	1	Project Cost Inventory	300	
		Labor Burdening Inventory Transfer		300
		Project Cost Inventory		300
		Labor Burdening Inventory Transfer	300	
		Project Cost Inventory	400	
		Labor Burdening Inventory Transfer		400

When the *PA: Create Incremental Transactions for Cost Adjustments Resulting from a Burden Schedule Recompilation* profile option is set to *Yes*, Oracle Projects does not reverse the original accounting entries. Instead, Oracle Projects creates new accounting entries for the difference between the original and new burden cost amounts.

The following table illustrates the accounting entries generated for raw cost when total burdened cost is accounted.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Labor Cost	1	Labor Expense	100	
		Payroll Clearing		100

The following table illustrates the accounting entries generated for total burdened cost.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Labor Cost	1	Project Cost Inventory	300	
		Labor Burdening Inventory Transfer		300
		Project Cost Inventory	100	
		Labor Burdening Inventory Transfer		100

Example Two: Accounting for Summarized Burden Cost Components

When the *PA: Create Incremental Transactions for Cost Adjustments Resulting from a Burden Schedule Recompilation* profile option is set to *No*, Oracle Projects reverses the original accounting entries for the raw cost. Oracle Projects then creates new raw cost entries and burden entries for the difference between the original and new burden cost amounts.

The following table illustrates the accounting entries generated for raw cost.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Labor Cost	1	Labor Expense	100	
		Payroll Clearing		100
		Labor Expense		100
		Payroll Clearing	100	

Transaction	Item Number	Accounting Transactions	Debit	Credit
		Labor Expense	100	
		Payroll Clearing		100

The following table illustrates the accounting entries generated for burden costs.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Fringe	2	Project Fringe Expense	40	
		Fringe Absorption/Recovery		40
		Project Fringe Expense	20	
		Fringe Absorption/Recovery		20
Overhead	3	Project Overhead Expense	100	
		Overhead Absorption/Recovery		100
		Project Overhead Expense	50	
		Overhead Absorption/Recovery		50
General and Administrative	4	Project General and Administrative Expense	60	
		General and Administrative Absorption/Recovery		60
		Project General and Administrative Expense	30	
		General and Administrative Absorption/Recovery		30

When the *PA: Create Incremental Transactions for Cost Adjustments Resulting from a Burden Schedule Recompilation* profile option is set to *Yes*, Oracle Projects does not reverse the original accounting entries. Instead, Oracle Projects creates new burden entries for the difference between the original and new burden cost amounts.

Oracle Projects marks the affected expenditure items for burden resummarization. When you run the process PRC: Create and Distribute Burden Transactions, the process resummarizes the burden and creates new expenditure items for the incremental change in the burden amounts. The process generates the default accounting for the incremental expenditure items using the current setup in AutoAccounting. The accounting for the existing raw and burden cost amounts is not affected. Therefore, you do not need to run the distribution processes for the marked expenditure items.

> **Note:** If budgetary controls are enabled, Oracle Projects marks the affected supplier cost expenditure items for burden recalculation. In this case, you must run the distribute process for supplier cost adjustments to perform a funds check on the new burden amount.

The following table illustrates the accounting entries that are generated for raw cost.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Labor Cost	1	Labor Expense	100	
		Payroll Clearing		100

The following table illustrates the accounting entries that are generated for burden costs.

Transaction	Item Number	Accounting Transactions	Debit	Credit
Fringe	2	Project Fringe Expense	40	
		Fringe Absorption/Recovery		40
		Project Fringe Expense	20	
		Fringe Absorption/Recovery		20
Overhead	3	Project Overhead Expense	100	
		Overhead Absorption/Recovery		100
		Project Overhead Expense	50	
		Overhead Absorption/Recovery		50

Transaction	Item Number	Accounting Transactions	Debit	Credit
General and Administrative	4	Project General and Administrative Expense	60	
		General and Administrative Absorption/Recovery		60
		Project General and Administrative Expense	30	
		General and Administrative Absorption/Recovery		30

Related Topics

Adjustments to Burden Transactions, page 4-83

Reporting Burden Components in Custom Reports

You can report the buildup of costs for each detail transaction, by invoice, in summary for a project, by GL period, by PA period, or in any way that you want to review information. This applies only if you stored the burdened cost as a value on the expenditure item and not if you store it as a summarized burden transaction. You may want to report this information for internal reporting and for customer billing. For example, your company may need to create an invoice backup report that displays the raw cost as well as the related burden cost components on an invoice.

You report the individual burden cost components for costing, revenue, and invoicing using the appropriate view from the following list:

- PA_CDL_BURDEN_DETAILS_V
- PA_CDL_BURDEN_SUMMARY_V
- PA_COST_BURDEN_DETAILS_V
- PA_INV_BURDEN_DETAILS_V
- PA_REV_BURDEN_DETAILS_V

To create error reports, use the following views:

- PA_CDL_BURDEN_SUM_ERROR_V
- PA_BURDEN_EXP_ITEM_CDL_V

To create the reports for burdened commitments, use the following views:

- PA_CMT_BURDEN_DETAIL_V
- PA_CMT_BURDEN_SUMMARY_V
- PA_CMT_BURDEN_SUM_ERROR_V
- PA_CMT_BURDEN_TXN_V

Revenue and Billing for Burden Transactions

All expenditure types that will be used on a project must be included in the bill rate schedule that will be used by that project. If they are not, you will receive an error message when you generate invoices or revenue.

Including Burden Transactions in Revenue and Invoices

The expenditure type *Burden Transaction* is a non-labor expenditure type. To include burden transactions in revenue and invoice calculations, you must include Burden Transactions as an expenditure type when you set up the non-labor bill rate schedule.

Markup is based on the raw cost amount, except in the case of burden transactions, where markup is based on burden cost. If you need to distinguish the bill rate or markup for each type of cost base, then you must define burden cost codes and expenditure types for each category.

For example, if all expenditures are burdened with General and Administrative burden, but you want to distinguish the labor value of this burden on an invoice, or mark it up differently, you must create a General and Administrative burden cost code expenditure type for labor. (Burden cost code expenditure types are defined under Entities that Affect Burdening, page 5-55.)

Revenue and Billing for Burdened Labor

If your employee bill rates are based on quantity and hours, then burden cost does not affect revenue and billing. However, if you bill for labor based on markup, you may need to distinguish labor burden cost by defining burden cost codes and expenditure types for labor.

Revenue Burdening Using Revenue or Invoice Schedules

If you use revenue or invoice schedules and you want the burden transaction to be revenue burdened, then you must include the burden expenditure types in the burden structures that are used for revenue and invoicing.

Showing Non-Labor Burden Transactions on an Invoice

If you show burden transactions for non-labor expenditures on a project invoice, the

quantity for burden transactions will be displayed as zero.

Reporting Requirements for Project Burdening

The following illustration shows how the reporting requirement for project costs generally has three levels.

Project costs reporting pyramid

Oracle Projects provides several ways to set up burdening to serve project reporting needs. For example:

- You can show burden transactions individually on a project, and also record the detail transactions in the general ledger.
- You can charge burden costs to internal projects to provide visibility within Oracle Projects of total recovered overhead costs.
- You can choose not to view the individual burden transactions in Oracle Projects, while charging total burdened cost to project inventory in the general ledger.

GL and Upper Management Reporting

During the financial cycle, the financial reports (income statement and balance sheet) provide a summary view of a company's fiscal performance. Before the beginning of a new fiscal year, a company develops budgets for the coming year based on the prior year's performance, as well as expectations and plans for the coming fiscal year. The accountants review the total budgeted burden costs such as overhead, fringe, and G&A (general and administrative). They then estimate, for each project type, the burden multipliers and basis (such as labor hours) for applying the burden.

An overhead cost may be associated with the entire company and therefore must be

shared across organizations. A burden multiplier algorithm can be implemented to distribute (burden) overhead costs to selected organizations and/or projects. To monitor the burdening of projects, the costing processes must capture the burden information. Management reports must track the recovery of overhead, identify overhead costs that have been insufficiently or excessively recovered (unders and overs), and show comparison ratios such as actual revenue to actual total cost, and budget to actual cost.

In the income statement and balance sheet shown in the following two tables, overhead is recovered at the general ledger level. These statements do not reflect the use of project burdening.

Income Statement

The following income statement shows overhead recovered at the general ledger level.

Income Statement Item	Amount
Revenue	100
Less: Direct Cost of Projects	30
Contribution Margin 1	70
Less: Burden 1 Cost (Project Indirect Cost)	10
Contribution Margin 2	60
Less: Burden 2 Cost (Corporate Expense)	27
PROFIT	33

Balance Sheet:

The following balance sheet shows overhead recovered at the general ledger level.

Balance Sheet Item	Amount
ASSETS	
Project Inventory	200
Construction in Progress (CIP)	138

Balance Sheet Item	Amount
TOTAL ASSETS	338
LIABILITIES	
Accounts Payable	75
EQUITY	
Owners' Shares and Retained Earnings	230
Plus: *Raw Cost* Profit	33
TOTAL EQUITY	263
TOTAL LIABILITIES AND EQUITY	338

In the financial statements shown in the tables above, project expenditures are charged directly to projects and are subtracted from revenue to produce the Contribution Margin 1. Overhead (project indirect cost) is subtracted from Contribution Margin 1 to produce Contribution Margin 2. Corporate expense is then subtracted, to determine the profit.

If overhead is recovered at the project level, expense components of the income statement are reclassified as direct project cost elements. This provides management with an alternative view of the cost of doing business.

Burden Multiplier Algorithm

The cost of doing business may vary from department to department or from project to project. How you apply burden costs can be driven directly by how much overhead an organization or project incurs. You typically determine the burden multiplier based on a forecast of the amount of overhead cost incurred.

The table below shows an example of a burden multiplier algorithm.

Cost Element	Cost	Reference / Formula
Raw Labor (1 hour)	10	A
Burden 1 (30%)	3	B = A x .3

Cost Element	Cost	Reference / Formula
Burden 2 (69%)	9	C = (A+B) x .69
Total Labor	22	D = A + B + C

In this algorithm, indirect costs (Burden 1) are weighted at a rate of 30% of an employee's hour of labor. Burden 2 is weighted at 69% of a labor hour after Burden 1 is applied.

If the algorithm shown in the table above were implemented in Oracle Projects, the financial statements would be restated to show overhead recovery. This is shown in the reclassified income statement and reclassified balance sheet represented in the following two tables.

Reclassified Income Statement

The following income statement is restated to show overhead recovery.

Income Statement Item	Burden Detail Amounts	Net Amounts
Revenue		100
Less: Cost of Projects (Total cost incurred, including overhead)		58
Contribution Margin 1		42
Burden 1 Cost	10	
Less: Recovered Income Statement	7	
Less: Recovered Balance Sheet	2	
Net Burden 1 Cost		1
Contribution Margin 2		41
Burden 2 Cost	27	
Less: Recovered Income Statement	21	

Income Statement Item	Burden Detail Amounts	Net Amounts
Less: Recovered Balance Sheet	5	
Net Burden 2 Cost		1
PROFIT		40

Reclassified Balance Sheet

The following balance sheet is restated to show overhead recovery.

Balance Sheet Item	Amount
ASSETS	
Project Inventory	200
Plus: Burden Cost	5
Total Inventory Cost	205
Construction in Progress (CIP)	138
Plus: Burden Cost	2
Total Construction in Progress (CIP)	140
TOTAL ASSETS	345
LIABILITIES	
Accounts Payable	75
EQUITY	
Owners' Shares and Retained Earnings	230
Plus *Burdened* Profit	40

Balance Sheet Item	Amount
TOTAL EQUITY	270
TOTAL LIABILITIES AND EQUITY	345

Accounting Transactions for Burden Cost Reporting

Examples of typical accounts payable (AP), purchasing (PO), and general ledger (GL) transactions that result in cost reporting in the general ledger are shown in the following table:

Transaction Type	Direct, Burden 1 and Burden 2 Costs	Debit Account	Credit Account
AP/PO	Material Purchase - Raw Cost	Cost of Project	
			AP Liability
AP/PO	Stationery Purchase - Burden 1	Stationery	
			AP Liability
GL	Interest Expense - Burden 2	Interest Expense	
			Bank

The Oracle Projects transactions shown in the table below are used to offset the overhead entries shown in the table above. Labor hours are used as the cost basis for applying overhead.

Generated Transactions	Debit Account	Credit Account
Labor Hour	Labor Expense	
		Payroll Clearing

Generated Transactions	Debit Account	Credit Account
Burden 1	Project Burden 1	
		Burden 1 Recovered
Burden 2	Project Burden 2	
		Burden 2 Recovered

Burdening Options for General Ledger Accounting and Reporting

Oracle Projects provides the following options for accounting for and reporting project burdening in the general ledger:

1. Track burden amount for each burden cost code
2. Show burdening in one account
3. Show total burdened cost as one sum
4. Show total burdened cost as one sum, and expense project burden
5. No burden tracking in GL

Following are descriptions and examples of these options.

> **Note:** The examples that follow use a three-segment general ledger account. The segments are company, cost center, and account. Because all transactions occur within the same company, the journal entries show only the cost center segment and account. Additionally, the *Type of Account(Acct)* column in each table reflects whether each account is an *income statement (I.S.)* account or a *balance sheet* (*B.S.*) account.

GL Option 1: Track Burden Amount for Each Burden Cost Code

In this option, shown in the following table, each burden transaction (Burden 1 and Burden 2 in our example) is charged to a general ledger account set up for the appropriate burden cost code. This provides visibility to overhead recovery information at the burden cost code level.

The burden transactions can optionally be charged (debited) to the same account as the raw cost, but the credit transaction will go to a recovery account set up for each burden cost code.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Labor Costs	Project Organization	Project Expense	20		I.S.
	Expenditure Org.	Payroll Clearing		20	I.S.
Burden 1 Costs	Project Organization	Project Burden 1	6		I.S.
	Expenditure Org.	Burden 1 Recovered		6	I.S.
Burden 2 Costs	Project Organization	Project Burden 2	18		I.S.
	Expenditure Org.	Burden 2 Recovered		18	I.S.
Usage Cost	Project Organization	Project Expense	100		I.S.
	Expenditure Org.	Usage Clearing		100	I.S.

GL Option 2: Show Burdening in One Account

In this option, shown in the following table, burden is accounted for separately from raw cost for reconciliation and reporting purposes. It is recovered in one recovery account. A separate account is not required for each burden cost code.

The balance in the Burden Recovered account is the summary burden cost. The Project Inventory balance is total burdened cost (raw cost plus burden cost).

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Labor Costs	Project Org.	Project Inventory	20		B.S.
	Expenditure Org.	Payroll Clearing		20	I.S.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Overhead (Burden 1 and Burden 2)	Project Org.	Project Inventory	24		B.S.
	Expenditure Org.	Burden Recovered		24	I.S.
Usage Cost	Project Org.	Project Inventory	100		B.S.
	Expenditure Org.	Usage Clearing		100	I.S.

GL Option 3: Show Total Burdened Cost as One Sum

As in GL option 2, the net balance in the Burden Recovered account is the summary burden cost (24), and the Project Inventory balance is the total burdened cost (Labor=44, Usage=100). However, the amount for each burden cost code is not visible in the general ledger. GL option 3 is summarized in the following table:

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Raw Labor Costs	Expenditure Org.	Burden Recovered	20		I.S.
	Expenditure Org.	Payroll Clearing		20	I.S.
Raw Usage Cost	Expenditure Org.	Usage Expense	100		I.S.
	Expenditure Org.	Usage Clearing		100	I.S.
Total Burdened Labor Costs	Project Org.	Project Inventory	44		B.S.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
	Expenditure Org.	Burden Recovered		44	I.S.
Total Burdened Usage Cost	Project Org.	Project Inventory	100		B.S.
	Expenditure Org.	Usage Transferred Out		100	I.S.

GL Option 4: Show Total Burdened Cost as One Sum, and Expense Project Burden

For this option, shown in the following table, total burdened cost is shown as one sum, as in GL option 3. In addition, total overhead costs, summarized by burden cost code, are accounted as expense. With this method, the Project Inventory account shows the total burdened cost, but details of the burden (by burden cost code) are stored separately for burden recovery purposes.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Raw Labor Costs	Expenditure Org.	Burden Recovered	20		I.S.
	Expenditure Org.	Payroll Clearing		20	I.S.
Raw Usage Cost	Expenditure Org.	Usage Expense	100		I.S.
	Expenditure Org.	Usage Clearing		100	I.S.
Total Burdened Labor Costs	Project Org.	Project Inventory	44		B.S.
	Expenditure Org.	Burden Recovered		44	I.S.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Total Burdened Usage Cost	Project Org.	Project Inventory	100		B.S.
	Expenditure Org.	Usage Transferred Out		100	I.S.
Burden 1 Costs	Expenditure Org.	Burden 1 Expense	6		I.S.
	Expenditure Org.	Burden 1 Recovered		6	I.S.
Burden 2 Costs	Expenditure Org.	Burden 2 Expense	18		I.S.
	Expenditure Org.	Burden 2 Recovered		18	I.S.

GL Option 5: No Burden Tracking in GL

In this option, shown in the table below, the project managers need to track burden but upper and accounting managers do not.

Using this option, the burden cost journals in the general ledger net to zero. Only the raw cost is shown in the Project Inventory balance.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Labor Costs	Project Org.	Project Inventory	20		B.S.
	Expenditure Org.	Payroll Clearing		20	I.S.
Usage Cost	Project Org.	Project Inventory	100		B.S.
	Expenditure Org.	Usage Clearing		100	I.S.

Generated Transactions	Cost Center Segment	Account	Dr.	Cr.	Type of Acct
Total Burdened Cost	Expenditure Org.	Burden Recovered	24		I.S.
	Expenditure Org.	Burden Recovered		24	I.S.
Usage Cost	Expenditure Org.	Usage Clearing	100		I.S.
	Expenditure Org.	Usage Clearing		100	I.S.

Middle Management Reporting

As shown in the illustration *Project Costs Reporting Pyramid*, page 5-39, middle management relies on both Oracle Projects and the general ledger for information.

A division or department manager looks for project information at the summary projects level.

This manager may want to see total project burdening by burden cost code (Burden 1 and Burden 2), as shown in the following table:

All Projects	Total
Revenue	60
Raw Cost	18
Burden 1	5
Burden 2	17
Contribution Margin	20

Or, the division or department manager may want to see only the total burdened costs of all projects, as shown in the following table:

All Projects	Total
Revenue	60
Total Cost of Projects	40
Contribution Margin	20

Project Management Reporting

During a project life cycle, project managers review project information in the Oracle Projects application. They review comparison ratios (revenue to cost, budget to actual, etc.) for each project and/or for all projects in a division or department.

The project manager and accounting manager may want to view the same level of detail for projects as for GL accounts, or their needs may be different.

A project manager is concerned about revenue and cost on an individual project basis. How is the project doing compared to the budget? When burden recovered in the project, at the expenditure item level, the project manager can review total project cost on an ongoing basis.

A project manager may want to see the burden cost on a project by burden cost code (Burden 1 and Burden 2), or may only want to see total burdened cost (raw and burden).

Burdening Options for Project Reporting

Oracle Projects provides flexible options to provide solutions for different project reporting requirements. Some examples of these requirements are:

- Burden costs are visible on each project
- Budgeting is done by burden cost code
- Only total cost needs to be visible on a project
- A project requires separation of raw cost and burden cost for a complete project management picture

The following burdening options are provided by Oracle Projects for project reporting.

1. Burden transactions on the original project/task
2. Total burdened cost and separate burden transactions
3. Total burdened cost only

These options are described below.

In the examples, labor costs are burdened with Burden 1 and Burden 2, and usage costs are not burdened. This rule is for these examples only -- In practice, usage can be burdened. The examples are designed this way because

- it is a common practice to burden labor but not usage, and
- with this scenario we can illustrate how both burdened and non-burdened transactions are handled in each example.

Projects Option 1: Burden transactions on the original project/task

In this option, summarized burden transactions are shown on the same project/task as the original expenditures.

Using this option, the project manager can view the total project cost, and can also view the burden costs separately from the raw cost. The following table shows this information as it might be viewed in Project Status Inquiry or in a custom report.

Project ABC Cost	Raw Cost	Burdened Cost
Labor Cost (Employee 1)	10	10
Labor Cost (Employee 2)	10	10
Burden 1 (30%)	0	6
Burden 2(69%)	0	18
Total Labor Cost	20	44
Usage Cost	100	100
Total Burdened Cost	120	144

Projects Option 2: Total burdened cost and separate burden transactions

In this option, the project shows total burdened cost for each burdened expenditure, as shown in the following table. Summarized burden transactions are shown on a separate project.

Using this option, analysis and reporting on burden are done on an overview basis, not project by project. Budgeting can be done by burden cost code on the separate project. This enables budget-to-actual analysis of the overall project burden.

Project ABC Cost	Raw Cost	Burdened Cost
Labor Cost (Employee 1)	10	22
Labor Cost (Employee 2)	10	22
Total Labor Cost	20	44
Usage Cost	100	100
Total Project Cost	120	144

The details of the total burdened cost are visible in database views, as shown in the following table. Custom solutions can be developed for individual implementations to report the required details.

Project ABC	Total	Cost Breakdown
Revenue	4	
Total Cost	3	Raw Cost - 1.5, Burden 1 - 0.4, Burden 2 - 1.1
Contribution Margin	1	

A separate project, Project XYZ, is set up to collect burden transactions on Project ABC and other projects. The following table shows the burden costs collected by project XYZ for the labor cost incurred on project ABC.

In this table, the burden costs are displayed in the Burdened Cost/Burden Element column. While the amounts represent only the burden element, they would be displayed in the Burdened Cost column when viewed in the Project Status Inquiry window.

Project XYZ Cost	Raw Cost	Burdened Cost /Burden Element
Burden 1 (30%)	0	6
Burden 2(69%)	0	18

Project Option 3: Total burdened cost only

In this option, the project shows total burdened cost, as shown in the following table. Separate burden transactions are not created.

You can use this option when the project manager does not need to view the burden transactions. Total burdened cost provides the information required to manage the project.

Project ABC Cost	Raw Cost	Burdened Cost
Labor Cost (Employee 1)	10	22
Labor Cost (Employee 2)	10	22
Total Labor Cost	20	44
Usage Cost	100	100
Total Project Cost	120	144

Setting Up Burden Cost Accounting to Fit Reporting Needs

The following table shows how burden cost accounting can be set up in Oracle Projects and GL to accommodate reporting needs. The table shows which of the following four setup options you can use for each Oracle Projects and GL setup combination:

- Setup A: Maximum Detail, page 5-55
- Setup B: Detail in Oracle Projects, One Sum in GL, page 5-56
- Setup C: Total Burdened Cost, page 5-57
- Setup D: No Project Burden Tracking in GL, page 5-58

Oracle Projects Options:	GL Option 1: By Burden Cost Code	GL Option 2: One Account	GL Option 3: One Sum	GL Option 4: Expensed	GL Option 5: Not Tracked
1. Burden transactions on the original project	Setup A	Setup A	n/a	n/a	Setup D

Oracle Projects Options:	GL Option 1: By Burden Cost Code	GL Option 2: One Account	GL Option 3: One Sum	GL Option 4: Expensed	GL Option 5: Not Tracked
2. Total burdened cost and separate burden transactions	n/a	n/a	Setup B	Setup B	Setup D
3. Total burdened cost	n/a	n/a	Setup C	n/a	Setup D

Entities That Affect Burdening

How a project is burdened depends on the setup of the following entities:

1. Burden Cost Code Expenditure Types

   The expenditure types you set up to associate with burden cost codes are used only for burden transactions. These expenditure types are referred to as burden cost code expenditure types.

2. Burden Cost Codes

3. Burden Structures

   When you define burden structures, you associate expenditure types with each cost base you enter. Therefore, although an expenditure type can be associated with multiple expenditure type classes, the burden structure is based on the expenditure type, not the expenditure type class.

4. Burden Schedules

5. Project Types

6. AutoAccounting for raw, burden, and/or total burdened cost

The following sections tell you how to set up these entities for the four burdening setup options referenced in the table above.

Setup A: Maximum Detail

This solution provides maximum visibility of burden costs on the original project, and shows details of the recovered burden in the general ledger.

Use this implementation to set up GL options 1 and 2 with Projects option 1. To track maximum detail, you follow these steps:

1. **Burden Cost Code Expenditure Types**

   In the Expenditure Types window, create an expenditure type for each of the burden cost codes you plan to use. Each expenditure type must have the expenditure type class *Burden Transaction*. If you define each expenditure type with the same name as the corresponding burden cost code, it will make it easier to reconcile and set up AutoAccounting for your burden costs.

2. **Burden Cost Codes**

   Assign the burden cost code expenditure types to burden cost codes in the Burden Cost Codes window.

3. **Burden Structures and Burden Schedules**

   Create burden structures that map the different burden cost codes to cost bases and expenditure types. Create burden schedules that use appropriate burden multipliers.

4. **Project Types**

   Define one or more project types with the following options selected in the Costing Information region:

5. Enable the *Burdened* check box and select a burden schedule.

6. Enable the *Burden Cost as Separate Expenditure Item* check box. This selection generates summarized burden transactions on the same project/task where expenditures are incurred.

7. **AutoAccounting**

   Set up AutoAccounting rules for all raw and burden costs.

   > **Important:** Do not enable the rules for Total Burden Cost for this option.

Setup B: Detail in Oracle Projects, One Sum in GL

With this solution, you report overall burden cost by burden cost code in Oracle Projects. In the general ledger, burden cost will be tracked as one sum. This solution implements Projects option 2, combined with either GL option 3 or GL option 4. To track detail in Oracle Projects, and show one sum in GL, follow these steps:

1. **Burden Cost Code Expenditure Types**

Create an expenditure type for each of the burden cost codes you plan to use. Each expenditure type must have the expenditure type class *Burden Transaction*. If you define each expenditure type with the same name as the corresponding burden cost code, it

will make it easier to reconcile and set up AutoAccounting for your burden costs.

1. **Burden Cost Codes**

Assign the burden cost code expenditure types to burden cost codes in the Burden Cost Codes window. This step is necessary only if you have created expenditure types for burdening in step 1 above.

1. **Burden Structures and Burden Schedules**

Create burden structures that incorporate the multiple burden cost codes. Create burden schedules that use appropriate burden multipliers.

1. **Project Types**

Define one or more project types with the following options selected in the Costing Information region:

- Enable the *Burdened* check box and select a burden schedule.
- Enable the *Burden Cost on Same Expenditure Item* option and the *Account for Burden Cost Components* check box. This selection generates summarized burden transactions on a separate project as well as total burdened cost on the original expenditure.
- Enter a project/task for the burden transactions.
- **AutoAccounting**

Set up AutoAccounting rules for all raw, burden, and total burdened costs.

Setup C: Total Burdened Cost

With this solution, total burdened cost will be shown on the project. The general ledger will show total burdened cost as one sum.

This solution implements Projects option 3 with GL option 3. To show total burdened cost on the project and one sum in GL, follow these steps:

1. **Burden Structures**

   Create burden structures that incorporate the multiple burden cost codes. Create burden schedules that use appropriate burden multipliers.

2. **Project Types**

   Define one or more project types with the following options selected in the Costing Information region:

3. Enable the *Burdened* check box and select a burden schedule.

4. Enable the *Burden Cost on Same Expenditure Item* check box. This selection generates

total burdened cost balances on each burdened expenditure item.

5. **AutoAccounting**

   Set up AutoAccounting rules for all raw, burden, and total burdened costs. Burden transaction accounting is configured to handle one off, manual, or imported burden transactions.

Setup D: No Project Burden Tracking in GL

With this solution, there is no tracking in the general ledger of burden recovered on projects. This solution implements GL option 5.

Steps 1 and 2 below are required if the you require visibility of burden transactions on the project. If you only want to report by summary burden cost codes, then these steps are not necessary. For reporting purposes, the individual burden expenditures are available internally. To track burdening only in Oracle Projects, follow these steps:

1. **Burden Cost Code Expenditure Types**

Create an expenditure type for each of the burden cost codes you plan to use. Each expenditure type must have the expenditure type class *Burden Transaction*. If you define each expenditure type with the same name as the corresponding burden cost code, it will make it easier to assign expenditure types correctly.

1. **Burden Cost Codes**

Assign the new expenditure types to burden cost codes in the Burden Cost Codes window.

1. **Burden Structures**

Create burden structures that incorporate the multiple burden cost codes. Create burden schedules that use appropriate burden multipliers.

1. **Project Types**

Define one or more project types with the following options selected in the Costing Information region:

- Enable the *Burdened* check box and select a burden schedule.
- Projects option 1: If you want to view burden costs as separate transactions on the same project, enable the *Burden Cost as Separate Expenditure Item* check box. This selection generates summarized burden transactions on the same project where expenditures are incurred.
- Projects option 2: If you want to view burden costs on the same project, and collect summary burden transactions on a different project, enable the *Burden Cost on Same Expenditure Item* option and the *Account for Burden Cost Components* check box, and

enter the project and task name. This selection generates summarized burden transactions on a separate project while generating total burdened cost on the original expenditure.

- **AutoAccounting**

Set up AutoAccounting rules for all raw and burden costs.

Although this solution does not require general ledger tracking of burden recovery, Oracle Projects requires that you generate cost accounting events for the cost distribution lines of these expenditure items, create the final accounting in Oracle Subledger Accounting, and transfer the subledger accounting to Oracle General Ledger. To create a net zero transaction, set up AutoAccounting to post the debit and credit to the same account. If you define your own rules in Oracle Subledger Accounting, you must ensure that the create accounting process derives the same account for both the debit and credit account.

> **Important:** Do not enable the rules for Total Burden Cost for this option.

6

Allocations

This chapter describes how you can allocate costs to projects and tasks.

This chapter covers the following topics:

- Overview of Allocations
- Creating Allocations
- Full and Incremental Allocations
- AutoAllocations

Overview of Allocations

Project managers often need to allocate certain costs (amounts) from one project to another. The allocations feature in Oracle Projects can distribute amounts between and within projects and tasks, or to projects in other organizational units. For example, a manager could distribute across several projects (and tasks) amounts such as salaries, administrative overhead, and equipment charges. Your allocations can be as simple or elaborate as you like.

For cost breakdown planning enabled projects, you must use the client extension hooks to allocate costs.

> **Note:** Oracle Projects performs allocations among and within projects and tasks. MassAllocations in Oracle General Ledger performs allocations among GL accounts. You can use AutoAllocations in either General Ledger or Oracle Projects to run MassAllocations.

You identify the *sources*-costs or amounts you want to allocate-and then define *targets*-the projects and tasks to which you want to allocate amounts. If you want, you can offset the allocations with reversing transactions.

The system gathers source amounts into a source pool, and then allocates to the targets at the rate (basis) that you specify.

When you allocate amounts, you create expenditure items whose amounts are derived from one or more of the following:

- Existing summarized expenditure items in Oracle Projects
- A fixed amount
- Amounts in a General Ledger account balance

You can specify exactly how and where you want to allocate selected amounts. For example, you may want to:

- Allocate the actual cost of office supplies equitably among various projects
- Charge certain projects a larger percentage of costs
- Allocate overhead costs, charging them to projects that benefited from the overhead activities

Related Topics

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Understanding the Difference Between Allocation and Burdening

Allocation uses existing project amounts to generate expenditure items, which you can then assign to specified projects.

Burdening estimates overhead by increasing expenditure item amounts by a set percentage.

Allocations and burdening are not mutually exclusive. Whether your company uses allocations, burdening, or both in a particular situation depends on how your company works and how you have implemented Oracle Projects.

Related Topics

Overview of Burdening, page 5-1

Creating Allocations

Creating allocation transactions involves several stages. Each of these stages is described in the pages listed below:

1. Define one or more allocation rules. See: Defining Allocation Rules, page 6-3.
2. Create a draft allocation run by selecting a rule and generating allocation transactions. See: Allocating Costs, page 6-4.

3. Use the Review Allocation Runs window to review the results of the draft allocation run. Delete the run if it is unsatisfactory, then correct the rule and rerun the allocation. See: Viewing Allocation Runs, page 6-7.

4. Release the draft run. See: Releasing Allocation Runs, page 6-6.

You can also reverse released runs. See: Reversing Allocation Runs, page 6-10.

Related Topics

Viewing Allocation Transactions, page 6-10

Defining Allocation Rules

Allocation rules define how allocation transactions are to be generated, including:

- The source of the amounts you are allocating
- The targets-the projects and tasks to which you want to allocate amounts
- How much of the source pool you want to allocate, and if you want to include a fixed amount, GL balance, or client extension (or any combination of these)
- The time period during which the rule is valid

You can create as many rules as you want, and use them in as many allocation runs as you want.

You can leave the original expenditure amounts in the source project, or offset the amounts with reversing transactions. In most cases, the reversing transactions decrease the project balance by the amount of the allocation.

> **Note:** When you define sources, if you exclude a resource, then Oracle Projects excludes the entire amount for that resource regardless of the specified percentage. See: Defining the Sources, *Oracle Projects Implementation Guide*.

Allocations and Operating Units (Cross Charging)

Each allocation rule belongs to an operating unit and cannot be shared with other operating units.

Allocation rule source projects must be from the same operating unit unless cross charge is enabled. If cross-charge is enabled, you can allocate to target projects that are in different operating units from the source project operating unit. Offset projects must always be in the same operating unit as source projects. See: Implementation Options in Oracle Projects: Cross Charge: Allow Cross Charges to All Operating Units Within Legal Entity, *Oracle Projects Implementation Guide*.

Related Topics

Full and Incremental Allocations, page 6-11

Defining Allocation Rules, *Oracle Projects Implementation Guide*

Allocating Costs

Once you have created a rule for allocating costs, you can use the rule in an allocation run. Processing the rule generates allocation transactions and (if specified) offset transactions in a *draft*, a trial allocation run that you can review and evaluate. If the draft allocation fails or does not produce the results you expect, you can delete the draft, change the rule parameters, and then create another draft. When you are satisfied with the draft run and its status is *Draft Success*, you can release the allocation run.

Any source projects that you include in an allocation must not be closed. Any target or offset project that you include in an allocation run must have a status that allows the creation of transactions (as defined by your implementation team).

You can create, review, and delete draft runs until you are satisfied with the results. However, you cannot create a draft if another draft exists for the same rule.

Although you can run the *Generate Allocations Transactions* process at any time, it is a good practice to prepare for the allocation run by distributing costs and running all interfaces and summarization processes. Doing so ensures that the allocation run includes all relevant amounts.

> **Important:** If you use an allocation rule that is set up for full allocation more than once in a run period, you will generate duplicate transactions in your target projects. If this happens, you can reverse the run. See: Reversing Allocation Runs, page 6-10 and see: Full and Incremental Allocations, page 6-11.

Precedence

Excluded lines take precedence over included lines, and the allocation rule processes lower line numbers first. For more information about precedence, see: Defining the Targets, *Oracle Projects Implementation Guide*.

About the Run Status

The run status shows the progress and state of the allocation run. The following table describes the possible statuses for an allocation run. For information on the actions you can take for each status, see: Viewing Allocation Runs, page 6-7.

> **Note:** You may have to wait for the system to change the status.

Status	Description
In Process	The process is not yet complete.
Draft Success	The process has created draft transactions which are ready for release. **Note:** The system will not create the transactions in the target and (if specified) offset projects and tasks until you release the draft.
Draft Failure	The process encountered problems and could not create draft transactions.
Release Success	The system has written the transactions to the target and (if specified) offset projects and tasks.
Release Failure	The system has not written the transactions, perhaps because projects or tasks included in the draft run were deleted or closed after the process created the draft. Delete the run, fix the problem, and then run the rule again.

Viewing Process Results

The PRC: Generate Allocations Transactions process produces the Allocation Run Report. For more information on this process, see: Generate Allocations Transactions, *Oracle Projects Fundamentals*.

To create an allocations run:

1. Navigate to the Submit a New Request window.
2. Submit a request for the PRC: Generate Allocations Transactions process.
3. The following table shows the parameters you specify for each field in the Parameters window.

For this field...	Do this...
Rule Name	Enter the name of the allocation rule that you want to use in this allocation run.

For this field...	Do this...
Period Name	Select the period from which the process will accumulate the source amount.
Expenditure Item Date	Enter a date for the allocation transactions. The default is the system date.

Note: If the list of values in the Parameters window of the PRC: Generate Allocations Transactions process does not display an allocation rule that you are looking for,then the rule may not be currently in effect. Allocation rules are available only within a certain time period, as defined by the Effective Dates fields in the Allocation Rule window. For more information, see: Defining Allocation Rules, *Oracle Projects Implementation Guide*.

(If a rule is in effect on the day you create a draft run for the rule, you can release the draft later, even if the rule is no longer in effect.)

Releasing Allocation Runs

After you create a successful draft run, the process has created the allocation transactions but not yet allocated each transaction to the targets you specified. To allocate the transactions to the targets, you *release* the run.

Note: You can release a draft run after the effective dates of the rule.

To release an allocation run:

1. Navigate to the Find Allocations Runs window and enter selection criteria. (To see all existing allocation runs, leave all the fields blank.)

   The Review Allocation Runs window opens.

2. Select the allocation run you want to release (the status must be *Draft Success*), and then choose Release.

   After you release the run, the status changes to *Release Success* or *Release Failure*. You may have to wait a short while for the status to change. For more information about the status see: About the Run Status, page 6-4.

Note: You can also use the Requests window to release the run.

Viewing Allocation Runs

You can view various aspects of an allocation run in the Review Allocation Runs window, including the run status.

You can also view allocation transactions by querying by batch name. See: Viewing Allocation Transactions, page 6-10.

To view allocation runs:

1. Navigate to the Find Allocations Runs window and enter selection criteria. (To see all existing allocation runs, leave all the fields blank.)

   The Review Allocation Runs window opens.

2. Select the allocation run that you want to view and choose an action button. The following table describes the actions that you can perform when you are viewing allocation runs, depending on the run status. Also see: About the Run Status, page 6-4.

To...	With this status...	Do this...
Delete an allocation run	Draft Success Draft Failure Release Failure	Choose Delete, and then confirm the deletion.
View the exceptions for a failed allocation run	Draft Failure	Choose Exceptions. You see information about the draft failure in the Draft Exceptions window. (The Allocation Run Report also includes a list of the exceptions. See: Generate Allocations Transactions, *Oracle Projects Fundamentals*).
Reverse an allocation run	Release Success	Choose Reverse. See: Reversing Allocation Runs, page 6-10.

To...	With this status...	Do this...
Release an allocation run	Draft Success Release Failure	Choose Release, and then confirm the release. See Releasing Allocation Runs, page 6-6.
See missing amounts for the second and subsequent runs of an incremental allocation	Draft Success Draft Failure Release Success Release Failure	Choose Missing Amounts. To limit the display in the Missing Amounts window, specify the type of amount you want to see, and then choose Find. To see the total missing amounts, choose Totals. See: About Previous Amounts and Missing Amounts in Allocation Runs, page 6-12.
See the basis details for an allocation run that used a rule whose basis is prorated	Draft Success Draft Failure Release Success Release Failure	Choose Basis Details. The Basis Details window displays basis information about the target lines in the allocation run. To see the total basis amounts, choose Totals.
See the source detail lines for an allocation run	Draft Success Draft Failure Release Success Release Failure Reversed	Choose Source Details. The Source Details window displays information about the sources used in the allocation run. To see total pool amounts, choose Totals.
See the transactions created by an allocation run	Draft Success Draft Failure Release Success Release Failure Reversed	Choose Transactions. The Transactions window displays information about the transactions associated with the allocation run. To limit the number of transactions displayed, select a check box and then choose Find.

Note: When you choose to delete a draft allocation run, Oracle Projects submits the concurrent program *PRC: Delete Allocations Transactions*. Before submitting the request, Oracle Projects ensures that no other request for the same rule and allocation run combination is in a non-completed status.

You can customize the columns that are visible for several of the windows that are displayed when you select one of the viewing options shown in the table above. For more information on the fields you can choose, refer to the following table:

Window	Fields you can add using Folder Tools
Review Allocation Runs	Many fields, including Draft Request ID, Pool Amount, Transaction Currency, parameters for various aspects of allocation, basis, missing amounts, offsets, and sources, and others.
Missing Amounts	Project Amounts Release Request ID Task Name
Source Details	Client Extension Project Name Task Name
Transactions	Expnd Type Project Name Target Line Num Task Name

For more information about adding folder fields, see: Customizing the Presentation of Data in a Folder, *Oracle E-Business Suite User's Guide*.

Troubleshooting Allocation Runs

If the pool amount for an allocation run is different from what you anticipate, check for one or more of the following conditions:

- If you specify a percentage to allocate from a resource structure (in the Resources

window), the rule calculates the pool amount using both the percentage specified in the Allocation Pool % field (Sources window) and the percentage specified in the Resources window.

- The amount included in the source pool can change each time you run the allocation. To create a stable source pool, define each project and task individually, either by specifying the source project and tasks in the Project Sources region in the Sources window, or by using a fixed amount as the source.

- For any run period, the rule creates the allocation pool during the time period defined by the amount class and run period. The amount class is based on the allocation period type (Allocation Rule window) and the amount class (Sources window).

  For more information, see: Defining Allocation Rules, *Oracle Projects Implementation Guide*.

Viewing Allocation Transactions

You can view individual the individual transaction (expenditure items) created by the PRC:Generate Allocations Transactions process.

To view individual allocation transactions:

1. Navigate to the Find Project Expenditure Items or Find Expenditure Items window.

2. Enter the Project Number and Transaction Source fields. You can also enter other fields to further limit your search.

3. Choose Find.

To query by batch name:

1. Navigate to the Find Expenditure Batches window.

2. In the Batch field, enter the name of the batch you want to see and then choose Find.

Reversing Allocation Runs

You can reverse any successful allocation run (that is, the status is *Release Success*). The reversal creates reversing expenditure items. If expenditure items have been transferred or split before reversal, then the rule reverses the transferred or split items. The reversal process creates reversal entries in the allocation history, so that the reversed amounts are considered for the next incremental allocation, if any.

Note: Reversing the allocation run reverses all of the transactions. You cannot reverse individual transactions. You cannot reverse an allocation run if any of the target projects in the run cannot accept new transactions.

To reverse an allocation run:

1. Navigate to the Review Allocation Runs window
2. Select an allocation run that has a status of Release Success, and then choose Reverse.
3. In the Reverse an Allocation Run window, enter the parameters:
   - For Reversed Exp Batch, enter a name for the reversing expenditure batch.
   - For Reversed Offset Exp Batch, enter a name for the reversing offset batch, if any.

     Note: This field appears only for rules that specify an offset. In addition, the expenditure type classes of the target and the offset must be different. If the expenditure type classes are same, Oracle Projects uses the name you enter for the reversing expenditure batch for reversing both the target and offset expenditure batches.

   - Choose OK.

Full and Incremental Allocations

The *allocation method* is an attribute of every allocation rule and affects how the rule collects and allocates amounts. You choose whether you want a rule to use full or incremental allocation on the Allocation Rule window. For more information, see: Naming the Allocation Rule, *Oracle Projects Implementation Guide*.

Full allocations distribute all the amounts in the specified projects in the specified amount class. The full allocation method is generally suitable if you want to process an allocation rule only once in a run period.

Important: Plan to run allocation rules that are set up for full allocation only once in a run period. If you generate allocation transactions using a full allocation rule more than once in a run period, you will create duplicate transactions in your target projects. If this happens, you can

reverse the duplicates. See: Reversing Allocation Runs, page 6-10.

Incremental allocations create expenditure items based on the difference between the transactions processed in the previous and current run. This method is generally suitable if you want to use the allocation rule in allocation runs several times in a given run period.

> **Note:** Incremental allocations may slow system performance because of the need to calculate the amounts allocated in previous runs.

The system keeps track of the results of previous incremental allocation runs. Therefore, you can run an incremental allocation multiple times within the same run period without creating duplicate transactions for target projects. You can review and delete draft runs until you are satisfied with results.

Both full and incremental allocation distribute all the amounts accumulated during the run period.

About Previous Amounts and Missing Amounts in Allocation Runs

Previous amounts and missing amounts occur only during incremental allocation runs, and are significant only for the second and subsequent run in the same run period. Full allocation runs do not have or use previous or missing amounts.

Previous amounts are those amounts that have been allocated in a previous run. For the second and subsequent runs for the same time period, the rule allocates only differences from the previous run or additional expenditures.

Missing amounts occur when a source, target or offset project or task has been closed or has become inactive since the previous allocation run. During subsequent runs, the system tracks the *missing* amounts, so that the source, target or offset amounts will be accurate. Source amounts may be missing because:

- The task is closed, perhaps because the task has been completed
- The source line on which a task appears has been excluded (by selecting the Exclude check box for that line on the Sources window)
- An attribute, such as the service type or task organization, has changed

AutoAllocations

To generate allocations more efficiently, you can group allocations rules and then run them in a specified sequence (*step-down allocations*) or at the same time *(parallel allocations)*.

Related Topics

Overview of Allocations, page 6-1

Setting Up for AutoAllocations, *Oracle Projects Implementation Guide*

Creating AutoAllocations Sets

AutoAllocations is an Oracle General Ledger and Oracle Projects feature. In General Ledger, the allocation definition is called a *batch*. In Projects, the allocation definition is called a *rule*.

Step-down allocations use the results of each step in subsequent steps of the autoallocation set. Oracle Workflow controls the flow of the autoallocations set.

Parallel allocations carry out the specified rules all at once and do not depend on previous allocation runs.

As shown in the following tables, each rule or batch has a different effect when you run the autoallocation set, depending on the set type. The following table shows the processes submitted by set type for project allocation rules.

Set Type	Processes Submitted
Step Down	Generate Allocations Transactions
	Release Allocation Transactions
	Distribute Miscellaneous Costs and Usages
	Update Project Summary Amounts
Parallel	Generate Allocations Transactions
	Release Allocation Transactions (Note: The system submits this process only if Auto Release is selected on the Allocation Rule window.)

The following table shows the processes submitted by set type for mass allocation, mass budget, mass encumbrances, and recurring journal allocation batches:

Set Type	Processes Submitted
Step Down	Run MassAllocations Recurring Journal Entry Budget Formulas Posting
Parallel	Run MassAllocations Recurring Journal Entry Budget Formulas

What you can do with AutoAllocations depends on the responsibility you use when you log on to your database:

- From the Projects responsibility, you can:
  - Create autoallocation sets that contain Projects allocation rules. If Oracle Projects is integrated with General Ledger, you can also include GL allocation batches.
  - View autoallocation sets that were created using the Oracle Projects responsibility
- From the General Ledger responsibility, you can:
  - Create autoallocation sets that contain only General Ledger batches
  - View autoallocation sets that were created using the General Ledger responsibility

  For more information about AutoAllocations in Oracle General Ledger, see: AutoAllocations, *Oracle General Ledger User Guide*.

Prerequisites

- If you want to allocate amounts from Oracle General Ledger, integrate Oracle General Ledger with Oracle Projects. See: Integrating with Oracle General Ledger, *Oracle Projects Fundamentals*. (You can use AutoAllocations in a standalone installation of Oracle Projects.)
- *(Step-down allocations only)* AutoAllocations uses Oracle Workflow processes to carry out step-down allocations. Although you can use the workflow without modification, you can customize some processes. See: Step-Down Allocations

Workflow, *Oracle Projects Implementation Guide*.

- Set the directory for the debug log written by Oracle Workflow. The directory must be defined as a database directory for PL/SQL file I/O, and must then be set in the the PA: Debug Log Directory profile option. See: PA: Debug Log Directory, Oracle Projects Implementation Guide, and My Oracle Support Knowledge Document 2525754.1, Using UTL_FILE_DIR or Database Directories for PL/SQL File I/O in Oracle E-Business Suite Releases 12.1 and 12.2.

Submitting an AutoAllocation Set

The procedure below describes how to submit a request from the AutoAllocation Workbench.

To submit the process:

1. Using the Projects responsibility, navigate to the AutoAllocation Workbench window.

2. In the Allocation Set field, find the set that you want to submit. (You can choose Find, Find All, or one of the Query commands from the View menu.)

3. Choose Submit or Schedule.

   The Parameters window opens.

4. Enter information for this autoallocation set. The fields displayed vary depending on whether the allocation set contains Oracle Projects rules, General Ledger batches, or both.

   The following table lists fields for General Ledger batches and describes the information you can enter.

If the Parameters window displays...	Then do this...
Name	Nothing - field is for display only.
Period	Select or enter an accounting period for your General Ledger batches.
Budget *(Optional)*	Select or enter a budget.

If the Parameters window displays...	Then do this...
Journal Effective Date	Select a date. **Note:** You can specify any date if the profile option GL: Allow Non-Business Day Transactions is set to *Yes*. Otherwise, specify a business date.
Calculation Effective Date	Select a date in any open, future (that can be entered), closed, or permanently closed period. The default is the closest business day in the chosen period.
Usage	Select Standard Balances or Average Balances

Note: The system displays the Journal Effective Date, Calculation Effective Date, and Usage fields for General Ledger batches when General Ledger uses an *average balance* ledger.

The following table lists fields for Oracle Projects rules and describes the information you can enter.

If the Parameters window displays...	Then do this...
GL Period	Select a period.
PA Period	If the project rules belong only to the GL period type, enter only the GL Period field. Otherwise, enter both fields. If all project rules belong only to the PA period type, enter only the PA Period field.
Expenditure Item Date	Select or enter the expenditure item date for your allocations transactions.

5. Choose Submit or Schedule. If you are scheduling the process to run at a later time, select a date and time, and then choose Submit.

Troubleshooting AutoAllocations

If a step down autoallocation set appears to run, but stops before executing all steps and

the process does not generate any exceptions, then check for one or both of the following conditions:

- The Auto Release setting for the allocation rule, timeout setting, and Oracle Workflow notification parameters may be interacting in a way that stops the autoallocation run.

  If Auto Release is deselected on the Allocation Rule window, then Oracle Workflow processes the allocation rule. The workflow timeout attribute (set to a certain number of minutes) executes three times. If the person notified by the workflow does not respond in that amount of time, the step down autoallocation stops at that point in the autoallocation set. See: Processes for the PA Step Down Allocation Workflow, *Oracle Projects Implementation Guide*; and Timeout Attribute, *Oracle Projects Implementation Guide*.

- The directory used for the debug log written by Oracle Workflow is set incorrectly. Set the PA: Debug Log Directory profile option (see: *PA: Debug Log Directory, Oracle Projects Implementation Guide*) to a database directory defined for PL/SQL file I/O. If the profile option does not match a directory defined for PL/SQL file I/O, the PA Step Down Allocation workflow will fail (return an exception).

Viewing the Status of AutoAllocation Sets

To view the status of an autoallocation set:

1. Using the Projects responsibility, navigate to the View AutoAllocation Statuses window.

2. Select the set you want to view and then choose a Find or Query command from the View menu.

   For more information about finding records, see: Using Query Find, *Oracle E-Business Suite User's Guide*.

3. To see the Allocation Workbench for this set, choose Allocation Workbench. As shown in the following table, you can see more information about a step by selecting the step, and then selecting an option:

To see more information about...	Choose...
A step	Step Detail
The workflow process for the step	Monitor Workflow

7

Asset Capitalization

This chapter describes how to create and maintain capital projects in Oracle Projects. It provides a brief overview of capital projects and explains how to create, place in service, adjust, and account for assets and retirement costs in Oracle Projects.

This chapter covers the following topics:

- Overview of Asset Capitalization
- Defining and Processing Assets
- Asset Summary and Detail Grouping Options
- Reviewing and Adjusting Asset Lines
- Capitalizing Interest
- Using the Asset Capitalization Dashboard

Overview of Asset Capitalization

Using capital projects, you can define capital assets and capture construction-in-process (*CIP*) and expense costs for assets you are creating. When you are ready to place assets in service, you can generate asset lines from the CIP costs and send the lines to Oracle Assets for posting as fixed assets.

You can also define retirement adjustment assets and capture cost of removal and proceeds of sale amounts (collectively referred to as *retirement costs, retirement work-in-process*, or *RWIP*) for assets you are retiring that are part of a group asset in Oracle Assets. When your retirement activities are complete, you can generate asset lines for the RWIP amounts and send the lines to Oracle Assets for posting as adjustments to the accumulated depreciation accounts for the group asset that corresponds to each asset.

About Capital Projects

You use capital projects to capture the costs of capital assets you are building, installing, or acquiring. You also use capital projects to create retirement adjustment assets that

you associate with a group asset in Oracle Assets. You use a retirement adjustment asset to capture the costs of removing, abandoning, or disposing of assets you want to retire. You can set up capital projects to capture capital asset costs only, retirement costs only, or to capture both capital asset costs and retirement costs.

Using Capital Projects to Create Capital Assets

You define and build capital assets in capital projects using information specified in the project work breakdown structure (WBS). You define asset grouping levels and assign assets to the grouping levels to summarize the CIP costs for capitalization.

You can review and adjust capital project costs before and after capitalization. For example, you can allocate costs collected under common tasks to multiple CIP assets before you place them in service. You can also account for additional costs incurred after capitalization, since Oracle Projects allows you to place assets in service before completion of a project.

When a CIP asset is ready to be placed in service, you send the capital project amounts to Oracle Assets as asset lines. Oracle Assets places the asset lines in a holding area where your fixed assets department can post the capital costs in Oracle Assets as fixed assets. You can review detail transactions associated with the asset lines in Oracle Projects and Oracle Assets. If necessary, you can reverse capitalize an asset in a capital project.

Using Capital Projects to Process Retirement Costs

You capture retirement costs in a capital project by recording cost of removal and proceeds of sale amounts to a task that is designated as a retirement cost task. To distinguish cost of removal and proceeds of sale amounts, you must enter proceeds of sale amounts using expenditure types that you define to specifically classify these amounts. Oracle Projects automatically classifies amounts for all other expenditure types as cost of removal. For more information, see: Defining Proceeds of Sale Expenditure Types, *Oracle Projects Implementation Guide*.

> **Important:** When you record proceeds of sale in an expenditure batch, enter the proceeds amounts as negative (credit) values.

To associate retirement costs with a group asset in Oracle Assets, you create a retirement adjustment asset in the capital project and identify it with a specific group asset. As with capital assets, you define asset grouping levels and assign retirement adjustment assets to the grouping levels to summarize the retirement cost amounts for posting to Oracle Assets. For more information, see: Creating a Retirement Adjustment Asset, page 7-13.

When retirement activities are complete, you generate asset lines for the retirement cost amounts and send the lines to Oracle Assets for posting as adjustments to the accumulated depreciation accounts for the group assets. To communicate notice of an asset retirement to Oracle Assets, you can optionally initiate retirement requests in

Oracle Projects that are automatically passed to Oracle Assets.

> **Important:** To use Oracle Projects retirement cost processing windows and features, the value of the site-level profile option *PA: Retirement Cost Processing Enabled* must be set to *Yes*. For more information, see: Profile Options in Oracle Projects, *Oracle Projects Implementation Guide*.

Capital Projects Processing Flow

The following illustration shows the processing flow for capital projects.

Capital Projects Processing Flow

As illustrated in the diagram Capital Projects Processing Flow, page 7-3, you can charge expenditures for CIP and RWIP amounts to capital projects in Oracle Projects. You can collect supplier costs for your capital projects in Oracle Purchasing and Oracle Payables. You run the process PRC: Interface Supplier Costs in Oracle Projects to interface project-related receipt accrual cost from Oracle Purchasing and project-related supplier costs from Oracle Payables to Oracle Projects. Oracle Projects, Oracle Purchasing, and Oracle Payables create accounting entries for CIP, RWIP, and expensed cost in Oracle Subledger Accounting. In addition, Oracle Projects creates accounting in Oracle Subledger Accounting for supplier cost adjustments that you make in Oracle Projects. Oracle Subledger Accounting transfers the accounting entries to Oracle General Ledger.

Oracle Payables uses the Mass Additions Create process to send non-CIP assets to Oracle Assets. If the non-CIP asset is associated with a capital project, then Oracle Projects sends the asset and asset cost to Oracle Assets.

When you are ready to place a CIP asset in service, you can send the assets and associated CIP asset lines to Oracle Assets to become fixed assets. When you are ready to retire an asset in Oracle Assets, you can send the retirement adjustment asset and associated RWIP asset lines to Oracle Assets and post the lines as group depreciation reserve account adjustments. Oracle Assets creates accounting in Oracle Subledger Accounting to clear CIP and RWIP accounts, and post the asset costs to the appropriate asset or group depreciation reserve account. Oracle Subledger Accounting transfers the accounting entries to Oracle General Ledger.

Related Topics

Integrating with Oracle Purchasing and Oracle Payables (Requisitions, Purchase Orders, and Supplier Invoices), *Oracle Projects Fundamentals*

Integrating with Oracle General Ledger, *Oracle Projects Fundamentals*

Integrating with Oracle Assets, page 9-45

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Specifying a Retirement Date for Retirement Adjustment Assets, page 7-24

Creating and Preparing Asset Lines for Oracle Assets, page 7-24

Sending Asset Lines to Oracle Assets, page 7-34

Processing Pre-Approved Expenditures, page 4-14

Capitalizing Interest, page 7-48

Overview of AutoAccounting, *Oracle Projects Implementation Guide*

Placing an Asset in Service, page 7-23

Creating and Preparing Asset Lines for Oracle Assets, page 7-24

Creating Purchase Orders for Capital Projects

When you create a purchase order for a capital project in Oracle Purchasing, you can enter a project, task number, and expenditure type for each project-related distribution line. You match this purchase order to an invoice in Oracle Payables, and then send the appropriate lines to Oracle Projects.

You can use the asset category associated with an inventory item to allocate costs to your assets. In Oracle Purchasing, you can associate an asset category with an inventory item and create a purchase order for the inventory item. You can charge the purchase order line to your capital project when the destination type of the distribution line is *Expense*. After you interface the supplier costs to Oracle Projects, you generate asset lines for your capital project. Oracle Projects assigns the cost to the asset on the project that has the same asset category as the inventory item, if one exists. If more than one

asset with the same asset category exists on the project, Oracle Projects uses the asset allocation method for the project to distribute the costs among those assets.

If you assign purchase order distribution lines to asset clearing accounts instead of projects, Oracle Payables matches the purchase order to an invoice and sends the lines to Oracle Assets using the Mass Additions Create process.

If both a project and an asset clearing account are used in the distribution line, the following occurs:

- If the project is a capital project:
  - Oracle Payables posts the costs to the asset clearing account and the costs remain there until you place the asset in service in Oracle Projects.
  - You can send the costs to Oracle Projects after you validate the invoice and create accounting for the invoice in Oracle Payables.
  - You cannot send costs to Oracle Assets from Oracle Payables when you run the Mass Additions Create process.
- If the project is a contract or indirect project:
  - Oracle Payables posts the costs to the asset clearing account and, if you have sent the costs to Oracle Projects, Oracle Assets posts the costs to an asset cost account when you create the subledger accounting for the asset. Oracle Subledger Accounting transfers the accounting to Oracle General Ledger.
  - You can send the costs to Oracle Projects after you validate the invoice and create accounting for the invoice in Oracle Payables.
  - You can send costs to Oracle Assets from Oracle Payables when you run the Mass Additions Create process.

  A distribution line can have both a project and an asset clearing account only if the Account Generator process is set up to create the asset clearing account as the account segment, or if you enter the distribution line manually.

Charging Supplier Invoice Lines to Projects

The procedure for sending supplier invoice lines to Oracle Assets depends on whether or not the lines are associated with a capital project.

If the Invoice is Associated with a Capital Project

CIP and RWIP Lines: You cannot send supplier invoice lines directly from Oracle Payables to Oracle Assets if the invoice lines are associated with a capital project and are CIP or RWIP lines. Instead, in Oracle Payables you must do the following:

- Create the distribution lines on a supplier invoice

- Validate the invoice and create accounting for the invoice in Oracle Payables.

  In Oracle Payables, your Account Generator setup determines the default accounts for the invoices. The usual practice is to charge costs for capital projects to asset clearing accounts.

- Interface those lines to Oracle Projects

Then, in Oracle Projects, place your CIP assets in service, specify retirement dates for any retirement adjustment assets, and interface the costs to Oracle Assets.

Expense Lines: You can send distribution lines from Oracle Payables directly to Oracle Assets using the Mass Additions Create process. See: Mass Additions Create Program, *Oracle Payables User's Guide*.

If the Invoice is Associated with a Contract or Indirect Project

You can send supplier invoice lines that are associated with contract or indirect projects directly from Oracle Payables to Oracle Assets. To do so, use the Mass Additions Create process. See: Mass Additions Create Program, *Oracle Payables User's Guide*.

Your Account Generator setup in Oracle Payables determines the default accounts for the invoices. The usual practice is to charge costs for contract and indirect projects to an asset clearing account.

Charging Expense Reports to Capital Projects

You can enter expense reports in Oracle Payables, or enter expense reports in Oracle Internet Expenses and import them in Oracle Payables, that charge project-related expenses to projects. Oracle Payables charges capitalizable expenses for capital projects to a CIP or a RWIP account. Oracle Projects interfaces project-related expense report costs from Oracle Payables.

See also, Integrating Expense Reports from Oracle Payables and Oracle Internet Expenses, page 9-2.

Charging Labor, Usages, and Miscellaneous Transactions to Capital Projects

You can enter labor, asset usage, and miscellaneous transactions for your capital projects in Oracle Projects. You can set up Oracle Projects to calculate and record capitalized interest for CIP assets that require an extended amount of time to prepare for their intended use. The Distribute Labor and Distribute Usage and Miscellaneous Costs processes charge the capital project costs to a CIP or RWIP account. Your AutoAccounting setup generates default accounts.

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. You must ensure that the subledger accounting rules post the accounting to the appropriate CIP or RWIP accounts.

Oracle Projects is the subsidiary ledger for your CIP and RWIP accounts. You can review the details for your CIP and RWIP accounts by querying your capital projects in Oracle Projects.

Placing CIP Assets in Service

You enter a date placed in service for the CIP assets that are completed for a capital project. Then, you can run the Generate Asset Lines process, which uses the grouping method and levels you define to summarize all costs (supplier invoice, labor, expense reports, usages, and miscellaneous transactions) into asset lines. You associate these asset lines with one or more assets and send the lines to Oracle Assets to become fixed assets.

Creating Fixed Assets from Capital Projects

You run the Interface Assets process to send asset lines from Oracle Projects to Oracle Assets. This process merges the asset lines into one mass addition line for each asset. The mass addition line appears in the Prepare Mass Additions Summary window in Oracle Assets as a merged parent with a cost amount of zero and a status of MERGED. The line description is identical to the description of the supplier invoice expenditure item in Oracle Projects.

The following table shows an example of asset lines in Oracle Assets for an asset interfaced from Oracle Projects. When you submit the Post Mass Additions process, Oracle Assets assigns the same asset number to these lines. See: Group Supplier Invoices in Project Types: Capitalization Information, *Oracle Projects Implementation Guide*.

Queue	Description	Cost	Merge Parent	Category
POST	CELL RADIO	0.00	Yes	EQUIPMENT. TRANSMISSION
MERGED	COMPUTER SERVICES	3,442.00	No	EQUIPMENT. TRANSMISSION
MERGED	OTHER EXPENSES	1,150.00	No	EQUIPMENT. TRANSMISSION
MERGED	LABOR	22,332.00	No	EQUIPMENT. TRANSMISSION
MERGED	MATERIAL	19,251.00	No	EQUIPMENT. TRANSMISSION

If you completely defined the asset in Oracle Projects and it is ready for posting, then

Oracle Assets places the mass addition in the POST queue. If the asset definition is not complete, then Oracle Assets places the mass addition in the NEW queue. To complete the asset definition, you must enter the additional information in the Prepare Mass Additions window. After the asset definition is complete, you can update the queue status to POST. You do not need to change the queue status for lines with a status of MERGED.

Use the Post Mass Additions process to create fixed assets from your mass addition lines. Oracle Assets creates subledger accounting entries to the appropriate CIP and asset cost accounts. For CIP assets, the CIP account comes from the asset lines generated in Oracle Projects and the asset account comes from the asset category associated with the asset. Oracle Subledger Accounting transfers the final accounting entries to Oracle General Ledger.

Sending Retirement Costs to Oracle Assets

The process flow for sending retirement costs to Oracle Assets is similar to that for placing CIP assets in service and sending CIP asset lines to Oracle Assets. When retirement activities are complete and you are ready to interface the retirement cost amounts to Oracle Assets, you must specify a date retired and ensure that a valid Oracle Assets group asset number is specified for the retirement adjustment asset.

You submit the Generate Asset Lines process to create retirement cost lines for each retirement adjustment asset and expenditure type grouping (cost of removal and proceeds of sale). After you generate asset lines, you submit the Interface Assets process to post the retirement adjustment asset lines to the accumulated depreciation accounts for each group asset.

Accounting for Asset Costs in Oracle Projects and Oracle Assets

You use AutoAccounting to define the default accounting for your project costs in Oracle Projects. For capital projects, you must define AutoAccounting to account for CIP, RWIP, and expensed costs.

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. You must ensure that the subledger accounting rules post the accounting to the appropriate CIP or RWIP accounts.

When you use Oracle Projects to track your capital projects, Oracle Projects acts as a subsidiary ledger for CIP and RWIP costs, and Oracle Assets acts as a subsidiary ledger for the capitalized asset costs and the accumulated depreciation account adjustments.

As you charge costs to a capital project, you generate cost accounting events and create accounting for the events in Oracle Subledger Accounting. Oracle Subledger Accounting transfers the accounting entries to Oracle General Ledger. After you interface the costs to Oracle Assets, Oracle Assets creates accounting entries for these transactions in Oracle Subledger Accounting. Oracle Subledger Accounting transfers

the accounting entries to Oracle General Ledger.

Example of Accounting for Asset Costs

In this example, a company creates a capital project to capture the costs of building a new clean room and installing air quality monitors. As part of this project, several air quality monitors are being removed and retired from an existing clean room that is being designated for other uses.

Accounting for Capital Project Costs

The following table shows the supplier invoice and expenditure item amounts charged to the capital project.

Project Cost Details	Amounts
Supplier invoice for architectural drawings	2,000.00
Supplier invoice for building contractor	5,500.00
Supplier invoice for building permit penalty	200.00
Subtotal	7,700.00
Supplier invoice for new air quality monitors	2,500.00
Total supplier invoice costs	10,200.00
Employee labor for construction project management	1,400.00
Usage for use of company car	55.00
Total construction costs	11,655.00
Employee labor for removing old air quality monitors	500.00
Total project costs	12,155.00

Account for Supplier Invoice Transactions

You create subledger accounting entries for the supplier invoice transactions from Oracle Payables. Oracle Subledger Accounting transfers the accounting to Oracle General Ledger. The following table shows the supplier costs that you interface to Oracle Projects.

Account	Debit	Credit
CIP - Clean Room	7,700.00	
CIP - Air Quality Monitors	2,500.00	
Accounts Payable Trade		10,200.00

Account for Expenditure Items Entered in Oracle Projects

You account for the employee labor and usage transactions you enter in Oracle Projects with the journal entry shown in the following table:

Account	Debit	Credit
CIP - Clean Room	1,455.00	
RWIP - Air Quality Monitors - Cost of Removal	500.00	
Payroll Liability		1,900.00
Usage Clearing		55.00

Account for a Capital Cost Adjustment

After reviewing the project costs, you determine that you cannot capitalize the building permit penalty that you recorded as part of the journal entry for the supplier invoice transactions. To correct this, you change the original transaction from capitalizable to non-capitalizable. Oracle Projects distributes the supplier cost adjustment, generates cost accounting events, and creates subledger accounting entries for the accounting events. Oracle Subledger Accounting transfers the accounting entries to Oracle General Ledger as shown in the following table:

Account	Debit	Credit
Building Permit Penalty Expense	200.00	
CIP - Clean Room		200.00

Note: After you post the adjustment transaction, the total amount in Oracle General Ledger for the CIP - Clean Room account is 8955.00.

Accounting for Asset Costs

Each asset line created by the Generate Asset Lines process has an associated general ledger account. After you post the asset lines in Oracle Assets, you can create accounting in Oracle Subledger Accounting to relieve the CIP or RWIP account, and transfer the amount to the appropriate asset cost or group depreciation reserve account. Oracle Subledger Accounting transfers the final accounting entries to Oracle General Ledger.

Account for Capital Assets

After the clean room is complete and the new monitors are installed, you place the assets in service and interface the CIP asset lines to Oracle Assets. After you post the assets in Oracle Assets, you create accounting as shown in the following table:

Account	Debit	Credit
Assets - Clean Room	8,955.00	
Assets - Air Quality Monitors	2,500.00	
CIP - Clean Room		8,955.00
CIP - Air Quality Monitors		2,500.00

Account for Retirement Adjustment Assets

After the existing air quality monitors are removed, you specify a retirement date for the retirement adjustment asset and interface the RWIP asset lines to Oracle Assets. After you post the retirement adjustment asset in Oracle Assets, you create accounting as shown in the following table:

Account	Debit	Credit
Accumulated Depreciation - Air Quality Monitors - Cost of Removal	500.00	
RWIP - Air Quality Monitors - Cost of Removal		500.00

Note: As the final step in the process of accounting for the asset transactions illustrated in this example, you would initiate an asset retirement transaction in Oracle Assets for the air quality monitors that were removed from the clean room that is being taken out of service. You would then create journal entries to account for the retirement of the group asset cost associated with these monitors. For more information on processing retirement transactions, see: Asset Retirements, *Oracle Assets User Guide*.

Related Topics

Costing in Oracle Projects, page 1-2

Overview of AutoAccounting, *Oracle Projects Implementation Guide*

Defining and Processing Assets

You can create capital assets and retirement adjustment assets using capital projects. When a capital asset is ready for use, you can place it in service in Oracle Projects and send the project asset information and asset cost amounts to Oracle Assets for posting as a fixed asset. When you retire an asset that is associated with a group asset in Oracle Assets, you can enter a retirement date for the retirement adjustment asset in Oracle Projects and send the retirement cost amounts to Oracle Assets for posting as an adjustment to the accumulated depreciation accounts for the group asset.

Creating Assets in Oracle Projects

After you create a capital project, you can create capital assets for assets you want to place in service as fixed assets. You can also create retirement adjustment assets to collect retirement costs for assets you want to retire that are associated with a group asset in Oracle Assets.

You can define capital assets and retirement adjustment assets separately in different projects or together in the same project. You can define assets from either the Capital Projects window or from the Projects, Templates window. For more information, see: Defining Assets, page 7-16.

Creating a Capital Asset

You create capital assets and accumulate costs for fixed assets you are building, installing, or acquiring. You define an asset in Oracle Projects for each capital asset you want to place in service. To interface a capital asset to Oracle Assets, you must specify an in- service date for the asset in Oracle Projects. For a complete list of attributes you can define for assets, see: Asset Attributes, page 7-18.

Creating a Retirement Adjustment Asset

You create retirement adjustment assets to collect cost of removal and proceeds of sale amounts for assets associated with a group asset in Oracle Assets that you are retiring, removing, abandoning, or otherwise disposing.

When you define a retirement adjustment asset in Oracle Projects, you must specify a valid Oracle Assets group asset identifier as the target asset. You can create retirement adjustment assets and interface retirement costs to Oracle Assets only for fixed assets that are classified as group assets in Oracle Assets. To interface a retirement adjustment asset to Oracle Assets, you must specify a retirement date for the asset in Oracle Projects. For a complete list of attributes you can define for an asset, see: Asset Attributes, page 7-18.

Processing Retirement Requests

You can initiate a retirement request in Oracle Projects to identify one or more assets that you are retiring from service. Retirement requests serve as an advice that you can use to notify your fixed asset department about assets that need to be retired in Oracle Assets.

To process a retirement request:

1. Navigate to the Capital Projects window and choose the Requests button to open the Retirement Requests window.
2. Choose the Create New Request button to open the Mass Retirements window and specify any combination of asset attributes to find one or more assets you want to retire.
3. Save your work.

After a retirement request is processed in Oracle Assets, you can return to the Retirement Requests window in Oracle Projects to view the retirement information.

To view retirements:

1. Navigate to the Capital Projects window and choose the Requests button to open the Retirement Requests window.
2. Select a retirement transaction you want to view and choose View Retirements.

Capital Project Flow

The following illustration shows the capital projects flow in Oracle Projects before you send asset lines to Oracle Assets. The steps shown in this flow are described in the text that follows the diagram.

Capital Project Flow

To create an asset in Oracle Projects:

1. Create a new capital project and WBS using a project template whose project type is set up for a capital project. Update project and task details if necessary. You can also create assets when you copy an existing capital project. Assets associated with the existing project are copied to the new project, along with asset assignments. See: Creating a New Project from a Project Template or Existing Project, *Oracle Projects Fundamentals*.

2. Update the Transaction Controls, as appropriate, including which transactions can be capitalized by employee, expenditure category, expenditure type, or non-labor resource. See: Specifying Which Capital Asset Transactions to Capitalize, page 7-15 .

3. Collect CIP, RWIP, and expensed costs for your capital project and make adjustments if necessary.

   Note: You must create accounting in final mode for the costs before

you can generate asset lines for the costs.

4. Define CIP and retirement adjustment assets if necessary. See: Defining Assets, page 7-16. You can define assets manually or using project asset APIs.

5. Specify asset grouping levels and grouping level types within the WBS. You can then associate assets with the various grouping levels. See: Assigning Assets to Grouping Levels, page 7-37.

6. Specify the date in service for completed CIP assets or the date retired for retirement adjustment assets. See: Placing an Asset in Service, page 7-23, and Specifying a Retirement Date for Retirement Adjustment Assets, page 7-24.

7. Optionally, define capital events to control how assets and costs are grouped, and placed in service or retired. See: Creating Capital Events, page 7-25.

8. Generate Asset Lines. Review asset cost lines and make any necessary adjustments. See: Generating Summary Asset Lines, page 7-27.

9. Run the Interface Assets process. See: Sending Asset Lines to Oracle Assets, page 7-34.

Specifying Which Capital Asset Transactions To Capitalize

For capital assets, you must specify whether to capitalize or expense each transaction charged to a capital project. The capitalizable classification is similar to the billable classification for transactions charged to a contract project. The task and transaction controls you define determine the default value for this classification.

> **Note:** You cannot make an election on how to account for retirement costs for retirement adjustment assets. Oracle Projects automatically classifies retirement costs as cost of removal or proceeds of sale based on the expenditure type you use for retirement transactions.

To specify the level at which a capital asset transaction is capitalized:

1. Decide at which level you want to specify if a transaction can be capitalized, then navigate to the appropriate window, as shown in the following table:

Control Level	Window
Entire Task	Task Details

Control Level	Window
Employee	Transaction Controls
Expenditure Category	Transaction Controls
Non-Labor Resource	Transaction Controls
Expenditure Item	Expenditure Items (Tools menu)

2. Select the Capitalizable check box for the task control level you want.
3. Save your work.

Related Topics

Controlling Expenditures, page 4-29

Transaction Controls, *Oracle Projects Fundamentals*

Copying Assets, page 7-17

Defining Assets

To define a CIP and retirement adjustment assets for a capital project, you enter asset information, such as the asset name, asset number, book, asset category, and date placed in service or date retired. For a complete list of attributes you can define for an asset, see: Asset Attributes, page 7-18.

When you create a capital project type, you can specify whether a complete asset definition is required in Oracle Projects before you can place the asset in service. See: Project Types, *Oracle Projects Implementation Guide*.

To define assets in the Capital Projects window:

1. Navigate to the Capital Projects window.
2. In the Find Capital Projects window, find the capital project for which you want to define assets.
3. In the Capital Projects window, choose Assets.
4. In the Assets window, select either the Capital Project Assets Workbench or the Retirement Adjustment Assets Workbench.
5. Select or enter asset information in each tab of the Assets window.

Tip: To view and enter all attributes for an asset in a single window, choose the Open button on the Assets window to open the Asset Details window.

To create an asset, you must enter at least the Asset Name and Description. To create a retirement adjustment asset, you must also enter a valid group asset identifier in the Target Asset field.

6. Save your work.

To define assets in the Projects window:

1. Navigate to the Projects window.
2. In the Find Projects window, find the capital project for which you want to define assets.
3. In the Projects, Templates Summary window, choose Open.

   The Project, Templates window opens.
4. For Options, choose Asset Information, Assets.
5. Enter information for an asset. You can use the down arrow key or Edit, New Record from the menu if you want to enter more than one asset for this capital project.

   To create an asset, you must enter at least the Asset Name and Description. To create a retirement adjustment asset, you must also enter a valid group asset identifier in the Target Asset field.
6. Save your work.

Copying Assets

To streamline the definition of multiple project assets that have similar attributes, you can use the Copy Asset option on the Assets and Asset Details windows to copy assets within a project. When you select an asset and choose the copy option, Oracle Projects copies the selected asset to a new row and opens the Copy To window. The Copy To window prompts you to enter values for several key asset attributes that define a unique asset. Oracle Projects prompts you to enter the following attributes on the Copy To page:

- **Asset Name**
- **Asset Description**
- **Project Asset Type**

When you copy an asset, Oracle Projects copies the asset with the same project asset type. For estimated assets, you can optionally copy the asset as an as-built asset.

- **Asset Date**

  The date you enter varies according to the project asset type you select. The date can be an estimated date placed in service (Estimated project asset type), actual date placed in service (As-Built project asset type), or a retirement date (Retirement Adjustment project asset type).

- **Units**

  Similar to the asset date, the unit amount you enter varies according to the project asset type you select. The unit amount can be estimated units (Estimated project asset type), actual units (As-Built project asset type), or retirement units (Retirement Adjustment project asset type).

- **Asset Number**

When you enter attribute values in the Copy To window, you can also choose whether to copy the asset assignments. However, you cannot use the Copy Assets feature to copy asset lines or other asset information.

Asset Attributes

You must enter asset information when you define an asset in Oracle Projects. The Interface Assets process sends all asset information to Oracle Assets except for the asset name and estimated date in service. This section describes the attributes you can define for assets in Oracle Projects.

Asset Name

You must define a unique asset name for each asset within a project. You cannot change the asset name after you place the asset in service or specify a retirement date in Oracle Projects.

Asset Number

An asset number uniquely identifies each asset. You can enter a unique asset number, or use automatic asset numbering in Oracle Assets during the Mass Additions process. You cannot update this field after you send the asset to Oracle Assets.

If you enter an asset number, it must be unique and not in the range of numbers reserved for automatic asset numbering in Oracle Assets. You can enter any unique number that is less than the number in the Starting Asset Number field in the System Controls form, or you can enter any non-numeric value.

Description

Use this field to provide a description of the asset you are building. You cannot update this field after you send the asset to Oracle Assets.

Asset Category

The asset category determines the default asset cost account and depreciation rules for the asset after you send the asset to Oracle Assets. You cannot update this field after you send the asset to Oracle Assets.

Oracle Projects provides you with a list of asset category values defined in Oracle Assets and associated with the corporate book of the CIP asset. The asset category you choose here is not displayed in the Asset Lines window.

Asset Key

You can define an asset key to group assets or identify groups of assets independently of the asset category. This field does not have a financial impact.

Book

The Book field defines the corporate depreciation book of the asset. Oracle Assets determines default financial information from the asset category, book, and date placed in service for your asset after you send it to Oracle Assets.

By default, this field displays the asset book defined in Oracle Projects Implementation Options. You can override this value at the asset level. Oracle Projects provides you with a list of corporate book values defined in Oracle Assets which match the Oracle Projects ledger. You can have multiple corporate books associated with one ledger in Oracle Assets.

Location

The location identifies the expected physical location of the asset after it is placed in service. Oracle Projects provides you with a list of valid locations defined in Oracle Assets.

Project Asset Type

This field identifies whether an asset represents an Estimatedor complete, As-Built capital asset, or a Retirement Adjustmentasset.

Event Number

This field identifies the capital event, if any, associated with the asset.

Estimated In-Service Date

Enter the date you estimate placing an asset in service. Use the Estimated In-Service Date to query and review assets you expect to be in service.

Estimated Retirement Date

Enter the date you estimate retiring an asset from service. Use the Estimated Retirement Date to query and review assets you expect to be retired.

Actual In-Service Date

This date represents the actual date you place an asset in service and begin using it. The date can be in the current or a prior accounting period. You must specify an actual in-service date for a completed asset in order to interface the asset to Oracle Assets. You cannot change this date after you place the asset in service in Oracle Projects.

You may want to begin creating and reviewing asset lines prior to the period you intend to place the asset in service. You can enter a date in a future accounting period.

> **Note:** The Interface Assets process automatically rejects an asset with a future date in service.

Retirement Date

Use this field to enter the date you retire an asset from service. You cannot change this date after you interface a retirement adjustment asset to Oracle Assets.

Estimated Units

Use this field to capture an estimate of the number of components that make up or are installed for an asset.

Actual Units

The actual number of components for an asset. For example, if you build two assembly machines, enter 2 units for the asset. You cannot update this field after you send the asset to Oracle Assets. Oracle Projects uses the value in this field to allocate unassigned and common costs to assets when you select an asset cost allocation method of Actual Units.

Parent Asset

You can use this field to identify a parent asset for assets that you separately track and manage as asset components.

Estimated Cost

You can use this field to specify an estimated cost for the asset. Oracle Projects uses the value in this field to allocate unassigned and common costs to assets when you select an asset cost allocation method of Estimated Cost.

Manufacturer

Use this field to identify the manufacturer of an asset.

Model Number

Use this field to identify the model number of an asset.

Serial Number

Use this field to capture the serial number of an asset. This number must be unique for the manufacturer in Oracle Assets.

Tag Number

Use this field to enter a user-defined tracking number for an asset. This number must be unique in Oracle Assets.

Product Source

This field identifies the external asset management asset system from which an asset is imported, if any.

Source Reference

The external asset management system identifier for an asset imported from an external asset management asset system, if any.

Employee Name

The name of the employee responsible for the asset when it is placed in service (not the project owner).

Employee Number

The employee number of the person responsible for the asset when it is placed in service.

Reverse

You can select this check box to identify an asset you want to reverse.

Capital Hold

You can select this check box to prevent any further costs from being charged to the asset.

Depreciate

Check the Depreciate check box if you want to depreciate the asset in Oracle Assets.

Amortize Adjustments

Check the Amortize Adjustments check box if you want to amortize the catchup depreciation on a cost adjustment over the remaining life of the asset. If you do not check Amortize Adjustments, Oracle Assets expenses the catchup depreciation expense for the adjustment in one period.

> **Note:** Oracle Projects does not interface the amortization information to Oracle Assets if either of the following conditions apply:
>
> - You are interfacing an asset to Oracle Assets for the first time.
> - The asset is in a period of addition in Oracle Assets.
>
> Otherwise, Oracle Projects interfaces the amortization information that you define for the asset in Oracle Projects to Oracle Assets.

If you check this check box, you cannot deselect it once the asset has been interfaced to Oracle Assets.

> **Important:** If you select this field and reverse capitalize the asset, Oracle Assets will amortize the catch up depreciation on the negative cost adjustment over the remaining life of the asset. Therefore, the depreciation expense per period on the original asset cost will not match the depreciation amount generated per period to account for the asset cost reversal in Oracle Assets.

Target Asset

This field is displayed only for assets with a project asset type of Retirement Adjustment. You must use this field to specify the group asset in Oracle Assets that corresponds to the retirement adjustment asset for which you want to capture retirement costs.

Depreciation Account

This field identifies the expense account to which you charge depreciation for a capital asset. You must specify a book before you can enter a depreciation expense account. In

addition, you must specify a depreciation account for a capital asset before you can interface the asset to Oracle Assets. You can optionally set up the Depreciation Account Override Extension to automatically derive the depreciation expense account based on the book and asset category that you define for the asset. You cannot update this field after you send the asset to Oracle Assets.

Related Topics

Asset Setup Information, *Oracle Assets User Guide*

Sending Asset Lines to Oracle Assets, page 7-34

Placing an Asset in Service

When a CIP asset is complete, you place it in service. If your project has more than one CIP asset, you can place each asset in service as it is completed. You do not have to complete the entire project to place an asset in service. You place an asset in service by entering the Actual In-Service Date for the asset. Although you can collect expensed costs for a capital project, you cannot capitalize these costs.

The Actual In-Service Date can be a past, current, or future date. After you enter the date, generate and interface the asset lines. Oracle Assets will calculate and record how much depreciation should have been taken for the asset.

To capitalize CIP asset costs:

1. Navigate to the Capital Projects window.

2. Find the capital project whose assets you want to place in service by entering search criteria, such as estimated in service date, project name or number, project type, organization, key member, or class code, in the Find Capital Projects window.

   In the Capital Projects window, Oracle Projects displays the summarized expensed, CIP and interfaced project costs for each capital project. The Update Project Summary Amounts process updates expensed, CIP amounts; the Interface Assets process updates the interfaced amount.

3. Choose the capital project you want and choose the Assets button.

4. In the Assets window, select the Capital Project Assets Workbench option (if not already displayed), and enter the Actual In-Service Date for the asset you are placing in service.

   Compare the Estimated In-Service Date to the Actual In-Service Date. If unreasonable discrepancies exist, verify that the Actual In-Service Date for the asset is correct.

   > **Note:** You cannot send assets to Oracle Assets whose actual date placed in service is later than the current Oracle Assets period date.

5. Enter a complete asset definition for the asset if you have set up Oracle Projects to only allow complete definitions to be sent to Oracle Assets.

   For a list of the fields required for a complete asset definition, see: Asset Attributes, page 7-18.

6. Save your work.

Specifying a Retirement Date for Retirement Adjustment Assets

When the activities associated with retiring, removing, abandoning, or disposing of an asset are complete, you can specify a retirement date for the retirement adjustment asset to signify the retirement. Specifying a retirement date enables you to generate asset lines for the retirement costs captured in Oracle Projects. You can then interface the retirement asset lines to Oracle Assets for posting to the accumulated depreciation accounts for the associated group asset. If your project has more than one retirement adjustment asset, you can retire each asset as retirement activities are completed.

To specify a retirement date for retirement adjustment assets:

1. Navigate to the Capital Projects window.

2. Find the capital project whose assets you want to retire by entering search criteria, such as project name or number, project type, organization, key member, or class code, in the Find Capital Projects window.

   In the Capital Projects window, Oracle Projects displays the summarized expensed, CIP, RWIP, and interfaced project costs for each capital project. The Update Project Summary Amounts process updates expensed and CIP and RWIP amounts; the Interface Assets process updates the interfaced amount.

3. Choose the capital project you want and choose the Assets button.

4. In the Assets window, select the Retirement Adjustment Assets Workbench option and enter the Retirement Date for the asset you are retiring.

   Compare the Estimated Retirement Date with the actual Retirement Date. If unreasonable discrepancies exist, verify that the Retirement Date for the asset is correct.

5. Save your work.

Creating and Preparing Asset Lines for Oracle Assets

After you place your capital assets in service and specify retirement dates for your retirement adjustment assets, you can create, prepare, and send asset lines for the cost amounts to Oracle Assets. First, you must run the Generate Asset Lines process to create summary asset lines from the CIP and RWIP expenditure items and any cost

adjustments. Before you run the Interface Assets process, review and adjust your asset lines if necessary. You can perform the following adjustments on your asset lines:

- Associate assets with unassigned asset lines

  Note: You can set up your capital projects to automatically associate assets with unassigned asset lines by defining an asset cost allocation method. For more information, see: Allocating Asset Costs, page 7-33.

- Change which asset is associated with a line
- Split an asset line into multiple asset lines and associate the new lines with different assets
- Change the line description

Related Topics

Generate Asset Lines, *Oracle Projects Fundamentals*

Reviewing and Adjusting Asset Lines, page 7-41

Creating Capital Events

You can create periodic and manual capital events to control how capital project assets and costs are interfaced to Oracle Assets over time. You use capital events to group assets and costs before you generate asset lines for capitalization and retirement cost processing.

When you use periodic event processing, you submit a concurrent program that selects unprocessed assets and cost amounts for a project based on the in-service and expenditure item dates you specify in the program parameters. When you use manual event processing, you can specify the assets and costs that you want to include in the event, as well as the in-service and expenditure item dates.

When you submit the Generate Asset Lines concurrent program for a capital project that uses capital events, Oracle Projects automatically generates asset lines for all defined, unprocessed capital events.

You can specify a default event processing method for a capital project type and override it at the project level.

- For information on specifying an event processing method in the Capitalization Information tab of the Project Types window, see: Project Types, *Oracle Projects Implementation Guide*.
- To specify an event processing method for a project, select a processing method in the Capital Information window for the project. For information, see: Capital

Information, *Oracle Projects Fundamentals*.

Creating Periodic Events

To create a periodic capital event, you must submit the PRC: Create Period Capital Events concurrent program. For information, see: Create Periodic Capital Events, *Oracle Projects Fundamentals*.

Creating Manual Events

You can create capital events from the Capital Projects window.

To create a capital event:

1. Navigate to the Capital Projects window.
2. Find the capital project for which you want to define a capital event in the Find Capital Projects window.
3. Choose the capital project you want and choose the Capital Events button.
4. In the Capital Events window, select either the Capital Project Assets Workbench or the Retirement Adjustment Assets Workbench.
5. Insert a new row to derive the (next) sequential event number, an event name, and optionally select a different asset allocation method.
6. Save your work.
7. To select assets for the event, choose the Assets button to open the Event Assets window and choose Attach New Assets.
8. In the Attach New Asset window, enter selection criteria to find one or more assets to attach to the event and choose OK to return to the Event Assets window.

   Note: To detach an asset after it is selected, you can deselect the Include check box for the asset line. You can detach an asset from an event if asset lines have not been generated for the event, or if all asset lines for the event are reversed.

9. Save your work and close the Event Assets window to return to the Capital Events window.
10. To select costs for the event, choose the Costs button to open the Event Costs window and choose Attach New Costs.
11. In the Attach New Costs window, enter selection criteria to find costs to attach to the event and choose OK to return to the Event Costs window.

Note: To detach a cost item after it is selected, you can deselect the Include check box for the cost line. You can detach a cost item from an event if it has not been generated and grouped into an asset line, or if all asset lines for the cost item are reversed.

12. Save your work and close the Event Costs window to return to the Capital Events window.

13. To generate asset lines for the event, choose Generate. For more information, see: Generating Summary Asset Lines, page 7-27.

    You can view the status of the request in the Events window.

    Note: You can optionally reverse all assets for the event by choosing the Reverse button.

Generating Summary Asset Lines

The Generate Asset Lines process creates summarized asset lines for capital assets and retirement adjustment assets.

- For capital assets, the process generates capital asset lines only from capitalizable expenditure items on tasks that are assigned to a capital asset with an actual date placed in service.

- For retirement adjustment assets, the process generates retirement adjustment asset lines only from expenditure items on tasks that are marked as Retirement Cost tasks, and are assigned to a retirement adjustment asset with a defined retirement date.

Oracle Projects creates asset lines based on the asset grouping level you choose within a project and the CIP grouping method you designate for the corresponding project type. The grouping level represents the WBS level at which you assign assets or group common costs.

You determine the grouping level by assigning assets to a WBS component (for example, the project, a top task, or a lowest task), or by designating a WBS component as a grouping level for common costs. For more information on grouping levels, see: Asset Summary and Detail Grouping Options, page 7-35.

The CIP grouping method determines how Oracle Projects summarizes asset costs within an asset grouping level. For example, you can choose to summarize asset costs by expenditure type or expenditure category. For more information on specifying a grouping method, see: Project Types, *Oracle Projects Implementation Guide*.

The AutoAccounting rules you define for CIP and RWIP costs also influence the amount of summarization. Oracle Projects creates asset lines by summarizing by

grouping level, grouping method, and CIP/RWIP account.

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. The generate asset lines process uses final accounting from Oracle Subledger Accounting to determine the CIP or RWIP accounts for asset lines. To obtain CIP or RWIP account information from Oracle Subledger Accounting, the generate asset lines process uses information from the predefined post-accounting programs that Oracle Projects provides in Oracle Subledger Accounting. For additional information on the post-accounting programs, see: Implementing Oracle Project Costing, *Oracle Projects Implementation Guide*.

> **Note:** The generate asset lines process obtains the CIP or RWIP accounts from the cost distribution lines in Oracle Projects, and not from Oracle Subledger Accounting, in the following two situations:
>
> - The *Interface Costs to GL* option for the type of cost is set to *No* in Oracle Projects implementation options.
> - You import costs from an external non-Oracle system into Oracle Projects as accounted costs. As a result, Oracle Projects does not generate accounting events or create accounting for these costs.

When more than one asset is assigned to a grouping level or common costs are entered for a project, you must define an asset allocation method if you want Oracle Projects to automatically assign all asset costs to assets. Otherwise, you must manually assign any unassigned or common costs. For information on defining an asset allocation method, see Allocating Asset Costs, page 7-33.

The following table describes how Oracle Projects maps costs to assets:

Number of assets assigned to a grouping level	Expected results after running Generate Asset Lines process
One asset assigned to a grouping level	All detail costs charged to that level are automatically mapped to that asset.

Number of assets assigned to a grouping level	Expected results after running Generate Asset Lines process
More than one asset assigned to a grouping level, only one asset is placed in service	If the asset allocation method specified for the project has a value of None, then Oracle Projects generates asset lines for all costs, but does not assign an asset to the asset lines. If the asset allocation method is other than None, then Oracle Projects generates asset lines for the grouping level. However, costs are allocated and assigned only to the assets being placed in service. When you use the *Asset Assignment* client extension to assign asset lines, Oracle Projects assigns the assets placed in service, as well as assets without an in-service date, to the asset lines.
The cost distribution is for purchased goods from a purchase order which has an inventory item with a default asset category	Costs are mapped to the single asset that matches the default asset category for that grouping level.
More than one asset has the same asset category as the default asset category for a purchased item	When the asset allocation method specified for the project has a value other than None, Oracle Projects creates asset lines, and allocates costs and assigns assets having the same default asset category to the asset lines. When the asset allocation method has a value of None, the assets are not assigned automatically.

The generate asset lines process calculates reporting currency amounts for asset lines. For information on the generate asset lines process, see: Generate Asset Lines, *Oracle Projects Fundamentals*.

Example of Mapping Costs to Assets

For example, assume you assign one asset to a capital project at the project grouping level. As shown in the following table, you charge the following expenditure items to the project, all of which are capitalizable and charged to the same CIP account:

Expenditure Type	Expenditure Category	Amount
Supplies	Operating	5,000.00

Expenditure Type	Expenditure Category	Amount
Supplies	Operating	20,000.00
Professional	Labor	5,800.00
Clerical	Labor	1,500.00
Computer	Service Center	14,000.00
Meals	Travel	300.00
Lodging	Travel	500.00
Air Travel	Travel	900.00
Miscellaneous	Operating	5,000.00
Total Costs		53,000.00

If you use a grouping method of *Expenditure Category*, Oracle Projects creates the asset lines shown in the following table:

Asset Lines	Amount
Labor	7,300.00
Operating	30,000.00
Service Center	14,000.00
Travel	1,700.00

If you use a grouping method of *Expenditure Type*, Oracle Projects creates the asset lines shown in the following table:

Asset Lines	Amount
Air Travel	900.00

Asset Lines	Amount
Clerical	1,500.00
Computer	14,000.00
Lodging	500.00
Meals	300.00
Miscellaneous	5,000.00
Professional	5,800.00
Supplies	25,000.00

If you use a grouping method of *All*, Oracle Projects creates a single asset line for the total cost amount of 53,000.00.

> **Note:** If expenditures are accounted to separate CIP accounts, then Oracle Projects summarizes the asset lines by CIP account, even when the grouping method is *All*. Oracle Projects creates asset lines by summarizing by grouping level, grouping method, and CIP/RWIP account.

Prerequisites:

Before you run the Generate Asset Lines process, cost the transactions by running the following processes:

- PRC: Distribute Labor Costs
- PRC: Interface Supplier Costs
- PRC: Distribute Expense Report Adjustments
- PRC: Distribute Usage and Miscellaneous Costs
- PRC: Distribute Supplier Cost Adjustments
- PRC: Distribute Total Burdened Costs (always required if you are capitalizing burdened costs)
- PRC: Create and Distribute Burden Transactions (required if you are capitalizing burdened costs and you capture burden as a separate expenditure item)

- PRC: Generate Cost Accounting Events

  Note: You must run this process for each process category for which you have costs. Alternatively, you can leave the Process Category parameter blank to generate accounting events for all costs.

- PRC: Create Accounting

  Note: You must run this process for each process category for which you have costs. Alternatively, you can leave the Process Category parameter blank to create accounting events for all costs.

  Important: You must run the process PRC: Create Accounting in final mode for the expenditure items before you run the process PRC: Generate Asset Lines. The generate process does not create asset lines for the costs if the corresponding expenditure items are not successfully accounted in final mode.

- Run the Update Project Summary Amounts process so you can see the total expensed, CIP, and RWIP amounts in the Capital Projects window.

You can generate asset lines for a single project or capital event, and for a range of projects.

Important: You must create accounting for the costs in final mode before you can generate asset lines for the costs.

To generate summary asset lines for a single project or capital event

1. Navigate to the Capital Projects or Capital Events window.

   For capital events, select either the Capital Project Events Workbench or the Retirement Cost Events Workbench to continue.

2. Find and select a capital project or capital event for which you want to generate asset lines.

3. Choose the Generate button.

4. Enter the Asset Date Through. Oracle Projects creates asset lines from assets with an actual date placed in service/retirement date before and including this date only.

5. For PA Through Date, enter the last day of the PA period through which you want

the costs to be considered for capitalization.

If you enter a date that falls within the PA period, the process uses the period ending date of the *preceding* period. If the date you enter is the end date of a period, the process uses the end date of that period, as shown in the example in the following table:

Period	Start Date	End Date	You enter...	The process uses...
P1	07-Jun-99	13-Jun-99	19-Jun-99	13-Jun-99
P2	14-Jun-99	20-Jun-99	20-Jun-99	20-Jun-99

6. Choose Include Common Tasks, if you want to create asset lines from costs assigned to a grouping level type of Common Cost.

7. Choose OK to submit the Generate Asset Lines process. Oracle Projects creates asset lines for your project or event and runs the Generate Asset Lines Report.

8. Review the Generate Asset Lines Report. See: Generate Asset Lines Report, *Oracle Projects Fundamentals*.

You can also generate asset lines for a single project or capital event by submitting the PRC: Generate Asset Lines for a Single Project process from the Submit Request window.

To generate summary asset lines for a range of projects:

Choose the PRC: Generate Asset Lines for a Range of Projects process in the Submit Request window. In the Parameters window, enter a project or range of projects, date placed in service/retirement date through, and PA through date. Also indicate if you want to include common tasks. Choose Submit to generate asset lines and run the Generate Asset Lines Report. Review the report to verify the creation of asset lines.

Allocating Asset Costs

You can specify an asset allocation method to enable Oracle Projects to automatically allocate unassigned asset lines and common costs across multiple assets. Unassigned asset lines typically occur when more than one asset is assigned to an asset grouping level.

You can specify a default asset allocation method for a capital project type and override it at the project level.

- For information on specifying an asset allocation method in the Capitalization Information tab of the Project Types window, see: Project Types, *Oracle Projects*

Implementation Guide.

- To specify an asset allocation method for a project, select an allocation method in the Capital Information window for the project. For information, see: Capital Information, *Oracle Projects Fundamentals*.

You can select one of the following asset allocation methods:

- **Actual Units:** Costs are allocated based on the number of actual units specified for each asset in the Assets window. See: Asset Attributes, page 7-18.
- **Client Extension:** Costs are allocated based on the Asset Allocation Basis extension.
- **Current Cost:** Costs are allocated based on the grouped CIP cost of each asset.
- **Estimated Cost:** Costs are allocated based on the estimated cost specified for each asset in the Assets window. See: Asset Attributes, page 7-18.
- **Standard Unit Cost:** Costs are allocated based on a standard unit cost defined for the asset book and category in the Project Assets Standard Unit Cost window. See: Define Standard Unit Costs for Asset Cost Allocations, *Oracle Projects Implementation Guide*.
- **Spread Evenly:** Costs are allocated evenly based on the number of assets being capitalized for the project or the event.

Sending Asset Lines to Oracle Assets

Run the Interface Assets process to send valid capital asset and retirement adjustment asset lines to Oracle Assets. Then, in Oracle Assets, you can review the mass addition lines created from the project asset lines in the Prepare Mass Additions window. For Oracle Projects to send asset lines to Oracle Assets, the asset line must meet these specific conditions:

- The actual date in service or retirement date must fall in the current or a prior Oracle Assets accounting period
- A capital asset or retirement adjustment asset must be associated with the asset line

The process creates one mass addition line in Oracle Assets for each asset line in Oracle Projects, assigning the asset information you entered for the asset in Oracle Projects to the mass addition line in Oracle Assets. You use the Mass Additions process in Oracle Assets to prepare and post these mass additions. If you did not enter all required asset information in Oracle Projects, you must enter it for the line in the Prepare Mass Additions window before you can post it.

The process PRC: Interface Assets to Oracle Assets interfaces both ledger currency amounts and reporting currency amounts for the asset lines to Oracle Assets. For

information on how Oracle Projects determines reporting currency amounts for asset lines, see: Generate Asset Lines, *Oracle Projects Fundamentals*.

In Oracle Assets you can query and review assets posted to Oracle Assets by project number and task number in the Financial Inquiry window.

Prerequisite:

If you are sending cost adjustments for an asset from Oracle Projects to Oracle Assets, ensure that the original mass addition was posted to Oracle Assets. If the mass addition has not become an asset, the Interface process will reject the adjustment line.

To send asset lines for a range of projects:

Choose PRC: Interface Assets process in the Submit Request window and enter the project or range of projects, and the date placed in service/retirement date up to which you want to process capitalized costs. Choose Submit to start the process and run the Interface Assets Report.

Related Topics

Interface Assets, *Oracle Projects Fundamentals*

Overview of the Mass Additions Process, *Oracle Assets User Guide*

About the Mass Additions Interface, *Oracle Assets User Guide*

Mass Additions Reports, *Oracle Assets User Guide*

Asset Summary and Detail Grouping Options

This section describes how Oracle Projects summarizes expenditures items into asset lines, how to group asset lines, and how to assign asset lines to assets.

Asset Grouping Levels

Grouping levels control how Oracle Projects summarizes expenditure items into asset lines. You can group by project, top task, or lowest level task. For example, if you group at the project level, Oracle Projects summarizes all capitalizable costs or retirement costs at all task levels into asset lines at the project level. If you group at a top task level, Oracle Projects summarizes all tasks below that top task into asset lines for that top task. See: Assigning Assets to Grouping Levels, page 7-37.

If you have summarized the top task in the WBS branch, you cannot also summarize at the lowest level. For example, if Top Task 1 is a grouping level, you cannot also group at Task 1.1.1. If Task 2.2.1 is a grouping level, you cannot group at Top Task 2. If you group at the project level, you cannot group at any top or lowest level task.

> **Note:** You also use the grouping method assigned to your project type to summarize expenditure items.

If there is a common asset assignment for the lowest task, then the system selects all assets that are assigned beneath the same parent task, with the exception of parent task. For example, if a common assignment is made at task 2.1, then select any assets assigned to tasks 2.2, 2.3, 2.4, etc, but do not select assets assigned to tasks 3.0, 4.1 and so on, since these tasks are outside the current WBS branch.

Grouping level types determine whether you can associate assets with the grouping level.

For examples of grouping levels and grouping level types, see: Examples of Asset Grouping Levels, page 7-37 and Example of Asset Grouping Level Types, page 7-37.

Specifying Grouping Level Types

You can change the grouping level type at any time. If you change a grouping level type from *Specific Assets* to *Common Costs*, Oracle Projects deletes existing asset assignments from the grouping level. Changing the grouping level after you have interfaced assets does not affect the asset lines previously sent to Oracle Assets.

To specify grouping level types:

1. Navigate to the Find Projects window and enter selection criteria for a capital project.

2. Select a project and choose Open.

   The Projects, Templates Summary window opens.

3. To group by project, select Asset Information (in the Options area), select Asset Assignments, and then choose Detail.

4. To group by task, choose Tasks (in the Options area). In the Find Tasks window, enter selection criteria. In the Tasks window, select a task and then choose Options.

5. For the project or each task, choose a grouping level type:

6. **Specific Assets:** Select this option to associate assets with the project or task. The Generate Asset Lines process generates asset lines from the specific assets and costs you associate with this grouping level.

7. **Common Costs:**Select this option to group projects or tasks that capture costs you want to allocate to multiple assets. You cannot associate assets with this grouping level type. If you specify an asset allocation method for the project with a value other than None, then the Generate Asset Lines process can allocate these costs across all project assets. If you specify an asset allocation method of None, then the Generate Asset Lines process creates unassigned asset lines for your common cost grouping levels, and you must manually allocate these common costs across assets.

8. Save your work.

Assigning Assets to Grouping Levels

To associate an asset with project costs, assign the asset to a grouping level.

Oracle Projects associates with the specified asset all the asset lines created from the capital or retirement cost expenditure items for a grouping level. If you associate multiple assets with the same grouping level, then you must specify an asset allocation method (other than None) for the project to enable Oracle Projects to assign or allocate the asset lines to the various assets. Otherwise, you must perform this task manually.

To assign assets to grouping levels:

1. Navigate to the Find Projects window, find your capital project, and then choose Open.

   The Projects, Templates window opens.

2. Select a project and choose Open.

   The Projects, Templates Summary window opens.

3. To group by project, select Asset Information (in the Options area), select Asset Assignments, and then choose Detail.

4. To group by task, choose Tasks (in the Options area). In the Find Tasks window, enter selection criteria. In the Tasks window, select a task and then choose Options. Assign a specific asset for each task that is in a Specific Asset grouping level. In the Task Options window, select Asset Assignment.

   Note: You can assign assets only to grouping levels with a type of Specific Assets.

5. Choose the assets you want to assign to the grouping level.

6. Save your work.

Example of Asset Grouping Level Types

You set up a construction management or an administrative task to capture project management activities. These costs do not apply to any specific asset. When the project is complete, you use a standard procedure to split the costs over all the assets. You associate these tasks with a grouping level so you can create asset lines from them, but you use a grouping level type of Common Costs.

Examples of Asset Grouping Levels

The following four illustrations show four possible variations of asset grouping levels for the same project.

Each illustration shows that the project has two top tasks, Task 1 and Task 2.

- Task 1 has two subtasks, 1.1 and 1.2. These are the lowest tasks for Task 1.
- Task 2 has two subtasks, 2.1 and 2.2. Task 2.1 is a lowest task, and Task 2.2 has two subtasks, 2.2.1 and 2.2.2.

The following illustration shows grouping at the *project* level.

Group at the Project level

The following illustration shows grouping at the *top task* level (Task 1 and Task 2).

Group at Top Task level

The following illustration shows grouping at the *lowest task* level (tasks 1.1, 1.2, 2.1, 2.2.1, and 2.2.2).

Group at lowest level Tasks

The following illustration shows grouping at the *top task* level for the Task 1 branch (at Task 1) and at the *lowest task* level for the Task 2 branch (at Task 2.1, Task 2.2.1, and Task 2.2.2).

Group at different levels in each WBS

Example of Asset Grouping and Assignment

The following illustration shows and example of a capital project.

Example of a Capital Project

The illustration *Example of a Capital Project*, page 7-40 shows an example of a capital project with the following breakdown structure:

- The project has three top tasks, Task 1, Task 2, and Task 3.
- Task 1 has two subtasks, 1.1 and 1.2. These are the lowest tasks for Task 1.
- Task 2 has three subtasks, Task 2.1, 2.2, and 2.3. These are the lowest tasks for Task 2.
- Task 3 has no subtasks.

All transactions on all tasks, except for Task 2.3, are capitalizable. The following grouping and assignment actions are applicable:

- **Grouping levels:**
  - You create asset lines for Task 1.1, Task 1.2, Top Task 2, and Top Task 3 grouping levels
  - You charge expenditure items to Tasks 2.1 and 2.2, and they are grouped together into asset lines for Top Task 2
  - You can charge expensed transactions only to Task 2.3, because Task 2.3 is not capitalizable
- **Grouping level types:**
  - Task 1.1, Task 1.2, and Top Task 2 grouping levels are assigned the grouping

level type Specific Assets

- Top Task 3 has a Common Costs grouping level type. The asset allocation method for the project is *Current Cost*. Asset lines are created and allocated to the project's assets based on the grouped construction-in-process cost of each asset.

- **Asset assignments:**
  - You associate Asset 1 with Task 1.1 and Task 1.2 (Single Asset associated with multiple grouping levels)
  - You associate Asset 1 and Asset 2 with Task 1.2, and Asset 3 and Asset 4 to Top Task 2 (Multiple assets associated with a single grouping level)

Related Topics

Creating a Capital Asset in Oracle Projects, page 7-12

Reviewing and Adjusting Asset Lines

This section describes how you can adjust asset lines created by the Generate Asset Lines process.

Assigning an Asset to Unassigned Asset Lines

When the Generate Asset Lines process creates asset lines without an asset assignment, you need to manually assign an asset to the line before you can send it to Oracle Assets.

If you choose the Include Common Tasks check box when you generate asset lines, Oracle Projects creates asset lines from common task grouping levels as well as from specific assets grouping levels. Use the Common Costs grouping level type to group together tasks that capture costs you want to allocate to multiple assets.

For more information on generating asset lines and how Oracle Projects maps costs to assets, see: Generating Summary Asset Lines, page 7-27. For information on how to define an asset cost allocation method for a project to automatically allocate common costs across multiple assets, see: Allocating Asset Costs, page 7-33.

You can assign an asset to unassigned asset lines for a project or a capital event from the Asset Lines window.

> **Note:** If unassigned asset lines are associated with an event, you can only assign the lines to an asset that is included in the event.

To assign an asset to unassigned lines:

1. Navigate to the Capital Projects window, choose the project you want, and choose the Lines button.

2. Choose Find from the toolbar to open the Find Asset Lines window.

3. Select No from the Assigned poplist within the Line region, and choose the Find button to find all unassigned asset lines for the project

4. (*Optional)* Choose Details to view detail information for an asset line so you can identify the asset to assign.

5. Assign an asset to the lines by entering the asset Name.

   Note: The Asset Category field displays the asset category related to payables invoice items. The field does not display the asset category for assets defined in Oracle Projects.

6. Save your work.

   Note: The Asset Line Details window is a folder. You can create folders to display additional fields.

Changing the Asset Assigned to an Asset Line

You can change the asset or description for an asset line in the Asset Lines window. However, you cannot change asset lines you have already sent to Oracle Assets.

Splitting an Asset Line

You can split an asset line and assign the split costs to multiple assets by using percentages or amounts. You can split lines with and without asset assignments. You can split an asset line for a project or a capital event from the Asset Lines window.

To split an asset line for a project or a capital event:

1. Navigate to the Asset Lines window for a project or capital event.

2. To open the Asset Lines window for a *project*, navigate to the Capital Projects window, select a project, and choose the Lines button.

3. To open the Asset Lines window for a *capital event*, perform the following steps in the order listed:

   - Navigate to the Capital Projects window, select a project, and choose the Capital Events button.

- In the Capital Events window, select a workbench option, if any, to display capital events or retirement cost events. Select an event and choose the Assets button.
- In the Event Assets window, select an asset and choose the Asset Lines button.
- Choose the asset line you want to split.
- Choose the Split Line button to open the Split Asset Line window.
- Enter the Asset Name and the Amount or Percentage you want to split. The Unassigned fields indicate the amount and percent of the asset line's cost you have not yet assigned to an asset.
- Choose OK when you finish splitting the line.
- Save your work.

Related Topics

Generate Asset Lines Report, *Oracle Projects Fundamentals*

Adjusting Assets After Interface

You can adjust assets after they have been interfaced to Oracle Assets.

You can adjust expenditure items whose costs are sent to Oracle Assets, and collect new expenditure items for an asset in Oracle Projects after you capitalize or retire an asset, and send the summarized asset lines to Oracle Assets. You process these cost adjustments in Oracle Projects and send them to Oracle Assets as adjusting asset lines.

Your cost adjustments can be either positive or negative. For example, you receive a credit memo from a supplier for a capitalized asset you sent and posted to Oracle Assets. When you send this credit memo to Oracle Projects, you create new negative asset lines, which you can send to Oracle Assets as a negative cost adjustment to the original asset.

Oracle Projects includes the information you enter for the asset on the adjusting asset line you send to Oracle Assets. Thus, if you specify to amortize depreciation adjustments for a capital asset in Oracle Projects, Oracle Assets amortizes any catchup depreciation amount for the adjustment over the remaining life of the asset. Otherwise, it expenses the catchup depreciation for the adjustment in the current period.

> **Note:** You cannot send cost adjustments to Oracle Assets until you have posted the original mass addition line (imported asset line) to Oracle Assets using the Post Mass Additions process.

Adjusting Capital Project Costs

You can adjust capital project expenditure items associated with an asset you placed in service or sent to Oracle Assets. You can generate new asset lines for these adjusted expenditure items and interface them to Oracle Assets to adjust the original asset cost.

To adjust capital project costs:

1. Navigate to the Expenditure Items window.
2. In the Find Expenditure Items window, enter your search criteria. To query by capitalizability or grouping level for your capital project, choose Yes in the Capitalizable poplist for the CIP/RWIP Status option.
3. Choose the expenditure item you want to adjust.
4. Use the Tools menu to choose the type of adjustment you want to make. You can choose from the following options:

   *Capitalizable*or *Non-Capitalizable* to change the capitalizability of a capital asset expenditure item.

   Split to split the cost of the expenditure item. You must specify how you want to split the item in the Split Expenditure Item window.

   Transfer to transfer the expenditure item to another project or task. You must specify the destination project or task for this transfer in the Transfer Expenditure Item window.
5. Save your work.
6. Generate Asset Lines. See: Generating Summary Asset Lines, page 7-27.

Reversing Capitalization of Assets in Oracle Projects

If you placed an asset in service in error or sent inappropriate asset costs to Oracle Assets, you can reverse capitalization of the asset in Oracle Projects, and send the reversing line to Oracle Assets as an adjustment.

When you reverse a capitalized asset in Oracle Projects, Oracle Projects creates reversing (negative) asset lines to offset the asset lines previously interfaced to Oracle Assets. The asset remains in Oracle Assets with a value of zero. Oracle Projects does not delete or dispose of the asset in Oracle Assets. You can use functionality within Oracle Assets to retire the asset if you do not ever plan to re-capitalize the reversed asset.

Notes:

- If you reverse capitalize an asset in Oracle Assets that was created from Oracle Projects, this transaction is recorded in Oracle Assets only, and not in Oracle Projects. If this happens, you cannot manually update the corresponding asset in

Oracle Projects.

- You cannot send a reversing line to Oracle Assets until you have posted the original asset using the Post Mass Additions process. You cannot make a negative cost adjustment (reversal) to a mass addition not yet posted to Oracle Assets.
- When you choose the action to reverse capitalize an asset, Oracle Projects checks Oracle Assets to determine if the asset was retired previously. If yes, then Oracle Projects issues a warning message and you can either continue processing or cancel the reversal action.
- If you reverse capitalize an asset in Oracle Projects, and common cost is assigned to that asset, you can choose to reverse all of the assets associated with the common cost or just the selected asset. If you choose to reverse only the selected asset, then Oracle Projects classifies the common cost assigned to that asset as unassigned cost.

Related Topics

Asset Retirements, *Oracle Assets User Guide*

Depreciation, *Oracle Assets User Guide*

Overview of Asset Capitalization, page 7-1

Reversing Capitalization of Assets in Oracle Projects

Oracle Assets processes reversal transactions from Oracle Projects as negative cost adjustments to the original asset. If you have begun depreciating this asset, Oracle Assets must reverse the depreciation expense in the period you reverse capitalize the asset.

> **Important:** Before you reverse an asset, ensure that the Amortize Adjustment check box is unchecked for the asset. If you reverse capitalize an asset for which you specify to amortize adjustments, the monthly depreciation on the original cost will not equal the monthly depreciation generated to account for the asset cost reversal in Oracle Assets. Oracle Assets will amortize the catch up depreciation on the negative cost adjustment over the remaining life of the asset.

Reversing Capitalization of an Asset or Event

You can reverse capitalize an asset on a project from the Assets window. If the asset is associated with a capital event, then you must reverse the entire event. You can reverse a capital event from the Capital Events window.

To reverse capitalization of an asset:

1. Navigate to the Capital Projects window.

2. Find the project you want and choose Assets to open the Assets window.

3. Choose the asset you want to reverse capitalize.

   Ensure that you do not amortize depreciation adjustments for a capital asset you want to reverse capitalize or recapitalize. You can specify whether to amortize adjustments in the asset definition. See: Defining Assets, page 7-16.

4. Choose the Reverse button.

   Oracle Projects **automatically enables the Reverse check box for the asset you want to reverse capitalize.**

   If you reversed the wrong asset, or you want to unreverse an asset before you run the Generate Asset Lines process, choose the asset and the Reverse button again to deselect the asset for reversal.

5. Save your work.

6. Run the Generate Asset Lines process to create reversing entries you can send to Oracle Assets. See: Generating Summary Asset Lines, page 7-27.

7. Review the Generate Asset Lines Report to verify creation of the reversing lines. See: Generate Asset Lines Process, *Oracle Projects Fundamentals*.

To reverse capitalization of a capital event:

1. Navigate to the Capital Projects window.

2. Find the project you want and choose the Capital Events button.

3. In the Capital Events window, select a workbench option, if any, to display capital events or retirement cost events.

4. Select an event and choose the Reverse button.

5. Save your work.

6. Run the Generate Asset Lines process to remove the Actual Date In Service or Retirement Date from the assets and create reversing entries you can send to Oracle Assets. See: Generating Summary Asset Lines, page 7-27.

7. Review the Generate Asset Lines Report to verify creation of the reversing lines. See: Generate Asset Lines Process, *Oracle Projects Fundamentals*.

Recapitalization of Reverse Capitalized Assets

If you need to recapitalize an asset, put the new Date Placed in Service in the Assets form in Oracle Projects so new asset lines will be created.

Important: You must also manually change the Date Placed in Service for the asset in the Asset Workbench in Oracle Assets, as the Date Placed in Service cannot be updated through the Mass Additions process.

To recapitalize a reverse capitalized asset:

1. Navigate to the Capital Projects window.
2. Find the project you want and choose Assets to open the Assets window.
3. Enter the Actual Date In Service or Retirement Date for the reverse capitalized asset.
4. Save your work.
5. In Oracle Assets, change the date placed in service or retirement date to match the date in Oracle Projects. See: Changing Asset Details, *Oracle Assets User Guide*.
6. Generate asset lines to create new lines for the asset. See: Generating Summary Asset Lines, page 7-27.

Abandoning a Capital Asset in Oracle Projects

You can abandon a capital asset at any time.

Before Interfacing to Oracle Assets

You can abandon a capital project prior to interfacing to Oracle Assets by changing all transactions from capitalizable to non-capitalizable.

To change transactions from capitalizable to non-capitalizable:

1. Navigate to the Expenditure Inquiry window.
2. Select all expenditures for the project where the Capitalizable column is checked.
3. From the Tools menu, choose *Non-Capitalizable.* If cost distribution has been run on the expenditures, the Cost Distributed column check box will change to unchecked.
4. Run the distribute labor, expense report, supplier cost adjustment, and usage costs processes. If you are using burdening, run the PRC: Distribute Total Burdened Costs process.
5. Run the process PRC: Generate Cost Accounting Events.
6. Run the process PRC: Create Accounting.

   When you run the process in final mode, you can optionally choose to transfer the

accounting entries to Oracle General Ledger and to post the journal entries in Oracle General Ledger. When you post the journal entries for the costs, Oracle General Ledger creates entries that transfer these costs from the CIP or RWIP account to the Expense account.

After Interfacing to Oracle Assets

If you have already interfaced the asset you want to abandon, you must reverse capitalize the asset in the Assets window in Oracle Projects. You also need to send the reversing lines to Oracle Assets to account for the abandoned CIP asset.

The Generate Asset Lines process creates reversal lines and the Interface Assets process interfaces them to Oracle Assets.

Related Topics

Specifying Which Capital Asset Transactions to Capitalize, page 7-15

Reversing Capitalization of Assets in Oracle Projects, page 7-44

Capitalizing Interest

This section describes how to calculate and record capitalized interest for capital projects.

Overview of Capitalized Interest

Capitalized interest (also referred to as *Allowance for Funds Used During Construction*) is an estimate of the interest cost that enterprises incur when they invest in long-term capital projects. Subject to accounting rules and regulatory guidelines, enterprises can capitalize interest as part of the total cost of acquiring and constructing assets that require an extended amount of time to prepare for their intended use.

To accommodate this business requirement, Oracle Projects enables you to calculate and record capitalized interest for capital projects. To meet the requirements of regulated businesses such as those in the utilities industry that can recognize multiple types of capital interest, you can set up Oracle Projects to separately calculate capitalized interest for multiple interest types such as debt and equity.

Oracle Projects calculates capitalized interest on *open* CIP amounts up to the date mentioned for Date In Service and expenditure items for which asset lines are not generated. You can spread the cost for one expenditure item across multiple assets. If you have previously capitalized any of the assets to which the cost is allocated, then Oracle Projects excludes the total item cost from the interest calculation.

The process for generating and recording capitalized interest transactions includes the following tasks:

- **Defining rate names and rate schedules:** You define capitalized interest rate names

to represent the interest types you want to capitalize. After you define rate names, you can create and maintain capitalized interest rate schedules to assign rates to each organization. For more information, see: Defining Capitalized Interest Rate Names and Rate Schedules, page 7-49.

- **Setting up capital projects for capitalized interest:** To correctly calculate capitalized interest for all eligible capital projects, you must ensure that the capital information options for each project are defined. You must also assign each project a status that allows capitalized interest. For more information, see: Setting Up Capital Projects for Capitalized Interest, page 7-50.

- **Generating capitalized interest expenditure batches:** To generate interest expenditures, you periodically submit the Generate Capitalized Interest Transactions process. See: Generating Capitalized Interest Expenditure Batches, page 7-51.

- **Reviewing capitalized interest expenditure batches:** After you generate capitalized interest expenditure batches, you can review the transactions for accuracy. If necessary, you can delete or reverse a batch to allow regeneration. See Reviewing Capitalized Interest Expenditure Batches, page 7-51.

Defining Capitalized Interest Rate Names and Rate Schedules

To calculate capitalized interest, you must define a rate name for each type of interest you want to capitalize and define rate schedules to assign interest rates to organizations.

Defining Capitalized Interest Rate Names

You define a unique rate name for each type of interest you want to capitalize. For example, you can define a rate name to maintain interest rates for debt and another to maintain interest rates for equity.

For each rate name, you can define thresholds that determine when the calculation of interest begins for eligible projects. You can select interest calculation basis attributes that determine how interest amounts are calculated. For example, you can select an interest method to specify whether interest is calculated on a simple or compound basis. You can also specify a period rate convention to determine whether interest amounts are spread evenly across accounting periods or are derived based on the number of days in each accounting period.

You can control the CIP balance on which interest is calculated by specifying a current period convention and expenditure type exclusions. The current period convention specifies how much of the current period CIP costs are included in the CIP balance. Expenditure type exclusions enable you to specify types of costs that you want to exclude from the CIP balance.

For more information, see: Capitalized Interest Rate Names, *Oracle Projects*

Implementation Guide.

> **Note:** Create a cost budget that includes only capitalizable cost when the capitalized interest threshold has an amount type of *Budget*. The budget for the capital project should not include expense or retirement costs. Oracle Projects compares the threshold to the entered budget amount and it does not subtract expense and retirement amounts before performing the comparison.

Defining Capitalized Interest Rate Schedules

You define interest rate schedules to create and maintain rates for interest calculation. You maintain rates by organization and rate name. You can specify an interest rate schedule for each project type. The rate schedule you define for a project type is the default rate schedule for all projects you create for the project type. You can optionally allow override of the default rate schedule at the project level.

For more information, see: Capitalized Interest Rate Schedules, *Oracle Projects Implementation Guide*.

Setting Up Capital Projects for Capitalized Interest

To correctly calculate capitalized interest for all eligible capital projects, you must ensure that the capital information options for each project are defined appropriately, and assign each project a status that allows capitalized interest.

Defining Capital Information Options

The following fields in the Capital Information options window control the calculation of capitalized interest for a capital project:

- **Allow Capital Interest:** This field defines whether a project is eligible for capitalized interest. By default, Oracle Projects enables this option for all capital projects. You can deselect or select this option at any time.

- **Capital Interest Schedule:** This field displays the default capitalized interest rate schedule specified for the project type, if any. If the *Allow Schedule Override* option is enabled for the project type, then you can override the default interest rate schedule value at the project level.

- **Capital Interest Stop Date:** You can optionally specify a date beyond which a project is not eligible for capitalized interest. To calculate interest, this field must either be blank or contain a date that is later than the end date of the GL period for which you want to calculate interest.

  > **Note:** The *Allow Capital Interest* and *Capital Interest Stop Date* fields

are also available at the task level. You can use these fields to control the calculation of capitalized interest for individual tasks.

For additional information on defining capital information options for projects and tasks, see: Capital Information, *Oracle Projects Fundamentals*.

For information on assigning capitalized interest rate schedules to project types, see: Specifying Capitalized Interest Rate Schedules for Project Types, *Oracle Projects Implementation Guide*.

Assigning a Project Status

In addition to defining capital information options to enable the calculation of capitalized interest, you must assign each eligible project a status that allows capitalized interest. For more information, see: Setting Project Status Controls for Capitalized Interest, *Oracle Projects Implementation Guide*.

Generating Capitalized Interest Expenditure Batches

To generate and record capitalized interest expenditures, you must submit the PRC: Generate Capitalized Interest Transactions process. This process calculates capitalized interest and generates transactions for eligible projects and tasks. For information on submitting this process and the processing parameters that you can select, see: Generate Capitalized Interest Transactions, *Oracle Projects Fundamentals*.

When you submit the Generate Capitalized Interest Transactions process, you can specify whether expenditure batches are released automatically. If the expenditure batches are not released automatically, then you must release them manually in the Review Capitalized Interest Runs window. For more information, see: Reviewing Capitalized Interest Expenditure Batches, page 7-51.

The generate process charges interest expenditures to the same tasks as the expenditure items on which interest was calculated. The expenditure organization and expenditure type values for the interest transactions are derived based on the expenditure organization source and expenditure type attributes defined for the interest rate name. For more information, see: Capitalized Interest Rate Names, *Oracle Projects Implementation Guide*.

Reviewing Capitalized Interest Expenditure Batches

After you submit the PRC: Generate Capitalized Interest Transactions process, you can check the status of each run and review the process results in the Review Capitalized Interest Runs window. From this window you can view capitalized interest expenditure batches, transactions, and exceptions.

You can generate, review, and delete draft expenditure batches until you are satisfied with the results. To view transactions that generated successfully, select a batch and

choose the Transactions button. If a batch generated with warnings or errors, then you can select the draft and choose the Exceptions button to view the exception details. To record the transactions in an expenditure batch, you must release the batch. You can reverse an expenditure batch after it is released successfully.

> **Note:** You cannot generate a draft expenditure batch if a draft already exists for the same projects and GL period.

The following table describes the possible run statuses displayed in the Review Capitalized Interest Runs window.

Run Status	Description
In Process	The process is not complete.
Draft Success	The process created draft transactions that are ready for release.
Draft Failure	The process encountered warnings or errors. Draft transactions may be incomplete. Review the exceptions. If exceptions exist for one or more projects, then you can release the batch to release the successfully generated transactions. After you resolve the exceptions, you can create a new run to process the exception project or projects.
Release Success	Transactions are released.
Release Failure	The release process failed. After you resolve the release issues, you can release the batch again.

Releasing, Reversing, and Deleting Capitalized Interest Expenditure Batches

The rules for releasing, reversing, and deleting capitalized interest expenditure batches are as follows:

- **Releasing expenditure batches:** You can release batches with the status *Draft Success* or *Release Failure*.
- **Reversing expenditure batches:** You can reverse expenditure batches with the status *Release Success*.
- **Deleting expenditure batches:** You can delete expenditure batches with the status

Draft Success, Draft Failure, and *Release Failure*. You cannot delete batches with the status *In Process*. In addition, you cannot delete batches after they are reversed or released successfully.

Using the Asset Capitalization Dashboard

Prerequisite

You must run the Summarization program to view information on this page.

Additional Information: In accordance with the summarization model (for PSI or PPR) you must run the corresponding summarization processes:

- For PSI model, you must run PRC: Refresh Project Summary Amounts or PRC: update Project Summary Amounts.
- For PPR Model , you must run PRC: Refresh Project and Resource Base Summaries and PRC: Refresh Project Performance Data, or PRC: Update Project and Resource Base Summaries and PRC: Update Project Performance Data.

The Asset Capitalization Dashboard provides a summarization of costs, assets and the capital project related setups by distilling construction in process (CIP) costs into specific contributors. The costs and numbers include the ability to drill down to underlying expenditures. You can use this dashboard for the following to:

- review the summary of costs and assets.
- drill down to the CIP costs to identify cost delays.
- view the various components of CIP costs at the asset level.
- view transactions with adjustments in Fixed Assets that may be causing issues in Projects.
- take corrective actions.

By clicking the cost amount for a particular metric, you can navigate to the Expenditure Inquiry page under Costing tab, which shows the expenditure items that fall into that category. Cost metrics related to asset lines open the Asset Lines and Asset Line Details page. You can use this information to analyze transactions for a specific segment and take action, as needed.

This dashboard is organized as follows:

- Setup Summary, page 7-54

Lists the project types and project level setup that are relevant for asset capitalization.

- Cost Summary, page 7-55

  Lists project level summary for costs that fall in different categories, such as capitalizable costs, expensed costs, and construction in process costs. This summary also breaks down CIP costs into specific contributors.

- Asset Summary, page 7-56

  Lists a project level summary for the number of assets in different stages.

- Task Summary, page 7-57

  Lists task level summary for costs that fall in different categories, such as capitalizable costs, expensed costs, and construction in process costs. This summary also breaks down CIP costs into specific contributors.

- Assets, page 7-58

  Includes a table with asset detail.

- Asset Lines, page 7-63

  Provides the ability to drill down from assets to asset lines.

- Asset Line Details, page 7-65

  Provides the ability to drill down from asset lines to asset line details.

- Drill Down from Costs to Expenditures:, page 7-66

  Provides the ability to drill down from costs to expenditure items.

You can open this dashboard by opening a capital project and selecting the Asset Capitalization subtab within the Financial tab.

Setup Summary

The Setup Summary section provides a summary of capitalization related setups done at the project type level and the project level. These setups determine how asset lines are generated in the capital project. You can use this information to validate the costs and the progress of the asset capitalization.

- Project Type: Shows the project type for the project.

- Cost Type: Shows the cost type. Set up from the project type within the Capitalization tab.

- Enabled for Total Burdened Cost Accounting: Shows the Enable Accounting for

Total Burdened Cost field. Set up from the project type within the Costing tab.

- Grouping Method: Shows the grouping method. Set up from the project type within the Capitalization tab.
- Group Supplier Invoices: Shows the group supplier invoices.
- Project Status: Shows the status of the project.
- Asset Cost Allocation Method: Shows the asset cost allocation method. Set up from project within the Capital Information section.
- Event Processing Method: Shows the event processing method. Set up from project within the Capital Information section.
- Require Complete Asset Definition: Shows the require complete asset definition field. Set up from the project within the Capital Information section.
- Allow Capital Interest: Shows the Allow Capital Interest field. Set up from the project within the Capital Information section.
- CSE: Use Asset Tracking Costing Hook: This profile option value appears when the profile is set to Yes. Conversely, it will not appear if the profile option is set to No.

Cost Summary

The Cost Summary section provides a project level summary of costs within different categories such as, capitalizable costs, expensed costs and construction in process costs. You can also view CIP cost detail, such as costed and not accounted, asset lines not generated, unassigned asset lines, and rejected asset lines. The values in this section open the Expenditures page under Costing tab or the Asset Lines page under Asset Capitalization tab. This section lists raw costs if the cost type for capitalization is Raw Cost. It will list burdened costs, if the cost type for capitalization is Burdened Costs and Total Burdened cost accounting is enabled in the project type.

- Transactions Pending Cost Distribution: Shows the number of transactions with the cost distributed flag set to no. When you move the cursor, text on the dashboard indicates the number of transactions that are pending cost distribution.
- Transactions Pending Total Burden Distribution: Shows the number of transactions with undistributed total burdened costs. When you move the cursor, the help text indicates the number of transactions pending total burdened cost distribution.
- Costs Pending Summarization: Shows the costs that are not processed by the PSI or PJI summarization programs.
- Capitalizable Costs: Shows the total raw or burdened cost, that can be capitalized.

- Expensed Costs: Shows the total raw or burdened cost, that cannot be capitalized.
- Capitalized Costs: Shows the total raw or burdened capitalizable costs with asset lines that have been generated and interfaced to Fixed Assets (FA)
- Total CIP Costs: Shows the total CIP costs and includes a summary of the following components: Costs Pending Final Accounting, Costs Pending Asset Line Generation, Costs of Unassigned Asset Lines, Costs Of Rejected Asset Lines, and Costs of Asset lines Pending Interface to FA.

CIP Cost Contributors indicate the following five costs contribute to the project CIP costs:

- Costs Pending Final Accounting: Shows the total raw or burdened capitalizable costs that are costed, but for which the accounting is not completed.
- Costs Pending Asset Line Generation: Shows the total capitalizable costs of the respective task, which are costed, final accounted, but not been processed by Generate Asset Line program.
- Costs of Unassigned Asset Lines: Shows the total capitalizable costs of those asset lines which are not assigned to specific assets.
- Costs of Assets Lines Pending Interface to FA: Shows the total costs for asset lines that are pending interface to FA. The unassigned asset lines are excluded as they are tracked separately.
- Costs of Rejected Asset Lines: Shows the total capitalizable costs for rejected asset lines during the interface to FA processing.

Asset Summary

The Asset Summary section gives a project level summary of assets in various stages.

- Capitalizable Assets: Shows the number of assets in the project.
- Estimated Assets: Shows the number of assets with the project asset type Estimated.
- As-Built Assets: Shows the number of assets with the project asset type As-Built.
- Past Due Assets: Shows the number of assets with estimated date in service in the past with project asset type Estimated.
- Assets Posted in Fixed Assets: Shows the number of assets against the stamped fixed asset.
- Assets Retired in Fixed Assets: Shows the number of assets that have been retired for a project in Fixed Assets.

- Assets Lines Interfaced but Pending Posting: Shows the number of asset lines that are interfaced from Projects to Fixed Assets but are pending posting in the Fixed Assets module.
- Total Estimated Costs: Shows the total estimated costs of assets associated with the project.
- Capitalizable Tasks without Asset Assignment: Shows the number of capitalizable tasks without asset assignment. Asset assignments must exist at the top task or lowest task level.
- Capitalizable Tasks with Common Costs: Shows the number of capitalizable tasks marked for common costs in the Asset Assignment form.

Task Summary

You can open the Capitalization Task Summary section by clicking the Task Summary button from the Asset Capitalization page.

You can also perform a simple search by task number, task name, the Capitalizable drop-down, the Asset Assignment Exists drop-down, and the Include Child Tasks check box.

- Select: Choose this radio button to select a task and the asset assignment details appear in the Asset Information region
- Task Number: Shows the task number.
- Task Name: Shows the task name.
- Capitalizable: Indicates whether task is capitalizable.
- Asset Assignment Exists: Indicates whether asset assignment exists for the capitalizable task.
- Common Costs: Indicates whether the task has a grouping level for common costs.
- Budgeted Cost: Indicates the total raw or burdened costs budgeted against the task for all periods. Budget amounts originate from the baselined version of the approved cost budget or financial plan.
- Transactions Pending Cost Distribution: Shows the number of transactions for the task, for which the cost distributed flag is set to no.
- Transactions Pending Total Burden Distribution: Shows the number of capitalizable transactions for the task, for which the total burdened cost is not distributed.
- Costs Pending Summarization: Shows the costs for the tasks that are not processed

by the PSI or PJI summarization programs.

- Capitalizable Costs: Shows the total for all capitalizable raw or burdened cost for the task.
- Expensed Costs: Shows the total for all non-capitalizable raw or burdened for the respective task.
- Capitalized Costs: Shows the total for all raw or burdened capitalizable costs for the task, for which asset lines have been generated and interfaced to Fixed Assets.
- Total CIP Costs: Shows the total CIP costs for the task.
- Costs Pending Asset Line Generation: Shows the total capitalizable costs for the task, which are costed, final accounted, but have not been processed by the Generate Asset Line program.
- Costs of Asset Lines Pending Interface to FA: Shows the total costs for the task and the asset lines that are pending interface to Fixed Assets.
- Costs of Rejected Asset Lines: Shows the costs for the task and the asset lines rejected during interface to Fixed Assets.

You can also perform the following actions from the Capitalization Task Summary page:

- Assign Asset: Launches the Capital Projects form and the Asset Assignments window for the selected task.
- Update Task: Opens the Update Tasks page under the Financial tab.

Assets

The Assets table in the Asset Capitalization Dashboard page shows the asset details within the capital project. The following information appears for an asset if all the tasks in the project are assigned to a single asset.

> **Additional Information:** If a task is assigned to multiple assets, then the following information does not appear at the asset level. However, the information is available at project level cost summary.
>
> - Budgeted Cost
> - Capitalizable Costs
> - Transactions Pending Cost Distribution

    - Transactions Pending Total Burden Distribution
    - Costs Pending Summarization
    - Costs Pending Final Accounting
    - Costs Pending Asset Line Generation

- Select: Choose this radio button to select an asset.
- Asset Name: Shows the name of the asset for a capital project.
- Description : Shows a description of the asset.
- Asset Category: Shows the asset category details.
- Project Asset Type: Shows the project asset type details.
- Budgeted Cost: Shows the total raw or burdened cost budget amounts against the capitalizable task associated with the asset.
- Estimated Cost: Shows the estimated cost of the asset.
- Estimated Units: Shows the estimated units of the asset.
- Actual Units: Shows the actual units of the asset.
- Estimated Date in Service: Shows the estimated date asset will be in service.
- Actual Date in Service: Shows the actual dates that asset is placed in service.
- Capitalizable Costs: Shows the raw or burdened capitalizable costs of a task for the corresponding asset.
- Capitalized Costs: Shows the total costs of the asset lines belonging to the asset that have been interfaced to Fixed Assets.
- Transactions Pending Cost Distribution: Shows the number of transactions created related to the asset which are not cost-distributed.
- Transactions Pending Total Burden Distribution: Shows the transactions created related to the asset which are not total burdened cost-distributed.
- Costs Pending Summarization: Shows the costs of the tasks that not processed by the PSI or PJI summarization programs.

- Costs Pending Final Accounting: Shows the total raw or burdened cost of a task with cost distributed but without final accounting.
- Costs Pending Asset Line Generation: Shows total costs of a task with costs distributed, final accounting, but with asset lines have not been generated.
- Costs of Asset Lines Pending Interface to FA: Shows the total costs belonging to pending asset lines to be interfaced to Fixed Assets.
- Fixed Asset Number: Shows the Fixed Asset number stamped on the project asset after the interface of asset lines to Fixed Assets and successful processing from Fixed Assets.
- Fixed Asset Status: Shows the asset number stamped on project asset if the mapped fixed asset is active. It will show as retired if marked as such in Fixed Assets. If the fixed asset number has not been stamped on the Project asset, it could be either because the PRC: Tieback Asset Lines from Oracle Assets program has not been run or the asset lines of the capital project asset have been mapped to multiple assets in Fixed Assets. The Fixed Asset Status shows FA Asset not Mapped when the Fixed Asset number is null.
- Capital Hold: Shows Yes or No status, if the asset has been put on capital hold or not.
- Marked for Asset Lines Reversal: Shows Yes or No status of whether the asset has been reversed.
- View Asset Lines: Launches Asset Lines and Asset Line Details page.

For the following fields, the corresponding asset information appears as entered in forms:

- Asset Book
- Asset Key
- Parent Asset Number
- Product Source
- Source Reference
- Manufacturer
- Serial Number
- Model Number

- Tag Number
- Source Reference
- Location
- Employee Name
- Employee Number
- Depreciate
- Depreciation Expense Account
- Amortize Adjustments
- Asset Key
- Parent Asset Number
- Product Source
- Source Reference
- Manufacturer Serial Number
- Model Number
- Tag Number
- Source Reference
- Location
- Employee Name
- Employee Number
- Depreciate
- Depreciation Expense Account
- Amortize Adjustments
- Descriptive Flexfield

The following advanced search criteria can be entered or selected for the Asset table by selecting the Advanced Search button. There are four default search criteria and you

can add the other fields by selecting from the Add Another list. There are also seeded saved searches for All Assets, Estimated Assets, As-Built Assets, Posted Assets, and Retired Assets.

- Asset Name (default)
- Asset Number (default)
- Asset Category (default)
- Fixed Asset Status (default)
- Product Asset Type
- Estimated Date in Service From Date
- Estimated Date in Service To Date
- Actual Date in Service From Date
- Actual Date in Service To Date
- Asset Book
- Capital Hold
- Marked for Asset Lines Reversal
- Employee
- Location

You can also take the following actions from the Assets table:

- Assign Asset to Task/Project: Launches Capital Projects form, Asset Assignments window for the selected asset.
- Place Asset on Capital Hold: Selecting this option and clicking Go puts a capital hold on the asset.
- Release Capital Hold: Selecting this option and clicking Go releases the capital hold for the asset.
- Reverse Asset: Launches the Capitalization form for the current project and selected asset.

For more information refer to Drill Down from Assets to Asset Lines, page 7-63 and Drill Down from Asset Lines to Asset Line Details, page 7-65.

Drill Down from Assets to Asset Lines

From the Assets table, you can navigate to Asset Lines page by clicking on the View Asset Line Details icon. The Asset Lines and Asset Line Details page appears, where you can review the detail for the selected asset line.

> **Additional Information:** When you navigate to the Asset Lines and Asset Line Details page for a particular asset, the asset information appears in the Asset Lines and Asset Line Details page. However, when the you navigate to this page in the context of metrics, which can include asset lines pertaining to different assets, the asset information does not appear.

- Asset Name: Shows the asset name for the asset with which the line is associated.
- Line Number: Shows the number for the asset line.
- Task: Shows the task number with expenditures included in the asset line.
- Amount: Shows the cost amounts contributing to the asset line.
- Status in Projects: Shows the asset line status.
  - Pending
  - Transferred
  - Rejected
- Status in Fixed Assets: Shows the asset line status in Fixed Assets.
  - Pending Posting (Transferred status in Projects)
  - Posted (Transferred status in Projects)
  - Line Missing in FA (Transferred status in Projects) Action: Re-interface the asset.
  - Parent Asset line is pending posting in FA (Rejected status in Projects) - Action: Post the parent asset line in Fixed Assets.
  - Parent asset line is missing in FA (Rejected status in Projects) - Action: Re-interface the parent asset line by selecting the rejected asset line and choose the Mark Original Line for Reinterface option from the Action list or assign the rejected asset line to a different asset.

    - Parent Asset not adjustable in FA (Rejected) Action: Reinstate the parent asset in Fixed Assets or assign the asset line to a different asset by choosing the Assign Asset option

- Rejection Reason: Shows the reason, if applicable, an asset line was rejected by PRC: Interface Assets to Oracle Assets.
- Corrective Action: Shows the action required to interface to Fixed Assets.
- Original Amount: Shows the total raw or burdened cost for the expenditure items grouped within the asset line.
- Split Percentage: Shows the split percentage for the split asset lines.
- FA Period Name: Shows the period the asset lines will be interfaced to Fixed Assets.
- CIP Account: Shows the CIP account value for the asset.

You can search the asset table with the following criteria, Asset Number, Task Number, Status in Projects, and Status in Fixed Assets.

> **Additional Information:** While navigating from the Assets Inquiry section, the search is restricted to Status in Projects and Status in Fixed Assets.

You can perform the following actions in this page:

- Interface Assets to FA button: Launches the Schedule Requests page and the Program Name field is populated with the PRC: Interface Asset lines to Fixed assets program. The parameters From Project Number and To Project Number are also populated. Upon submitting the program, you can select the Return to Asset Lines and Asset Line Details page link to return to the Asset Lines and Asset Line Details page on Asset Capitalization dashboard.
- Assign Asset: Launches the Capitalization form with the current project and selected asset line set and opens the Assign Asset window.
- Mark for Re-Interface: This action is applicable only for asset lines, with the Status in Projects as Transferred or Rejected, and with the Status in Fixed Assets as either Line Missing in FA, Parent asset line is missing in FA, or Parent Asset not adjustable in FA.

  When you launch this action, you see the following message: "This action will mark the asset line and the related asset lines to Pending status. Do you want to continue?" If you choose Yes, the project status of the selected line and related lines change to Pending. If you select the Mark for Re-Interface action for records where the action is not applicable, the following message appears, "This action is not

applicable for the record".

- Split Asset: Launches the Capitalization form with the current project and the selected asset line already set and opens the Split Asset Line form.

See also, Drill Down from Asset Lines to Asset Line Details, page 7-65.

Drill Down from Asset Lines to Asset Line Details

The asset line details for a specific asset line appear in Asset Line Details section when you select an asset line. The asset line details in the Asset Capitalization Dashboard page are same fields within forms, which include:

- Task
- Type
- Item Date
- Employee/Supplier
- Quantity
- UOM
- Original Cost
- Cost Contributing to the Asset Line
- Comment
- Expnd Org
- Non-Labor Resource
- Non-Labor Org
- Employee Name
- Employee Number
- Expnd Group
- Expnd Category
- Expnd Type Class
- Functional Burdened Cost

- Functional Curr
- Functional Exchange Rate
- Functional Rate Date
- Functional Rate Type
- Functional Raw Cost
- Job Name
- Project Curr
- Project Exchange Rate
- Project Rate Date
- Project Rate Type
- Emp/Supplier Num
- Receipt Amount
- Receipt Curr
- Receipt Exchange Rate
- Supplier Name
- Supplier Number
- Task Name
- Trans Burdened Cost
- Trans Curr
- Trans Raw Cost
- Transaction Source

Drill Down from Costs to Expenditures

You can drill down from the costs in different categories to the underlying expenditures in the Expenditure Inquiry page. The cost summary from the Asset Capitalization page appears at the top for reference. Specifically, you can navigate from the Project Level Cost Summary page or from the Assets Table to find the expenditure details. When you

select the links for cost amounts in the Asset Capitalization Dashboard page, the Expenditure Inquiry page, under Costing tab, and the corresponding expenditures appear.

The following metrics open the Expenditure Inquiry page:

- Transactions Pending Cost Distribution
- Transactions without Total Burden Distribution
- Capitalizable Costs
- Expensed Costs
- Capitalized Costs
- Costs Pending Final Accounting
- Costs Pending Asset Line Generation
- Costs Pending Summarization

> **Note:** The following metrics open the Asset Lines and Asset Line Details page:
>
> - Costs of Unassigned Asset Lines
> - Costs of Asset Lines Pending Interface to FA
> - Costs of Rejected Asset Lines

You can also search on the following fields:

- Final Accounted
- Total Burdened Cost Distributed
- Capitalizable
- Capitalized
- Summarized
- Costed Processing Status

Depending on the expenditure processing stage, you can select a concurrent program action from the Action LOV as part of capitalization flow. When you select a program, the Schedule Requests page appears with the program name populated as well as the From Project Number and To Project Number parameters. After you submit the

program, you can use the Return to Expenditures link to return to the Expenditures page:

- PRC: Distribute Labor Costs
- PRC: Interface Supplier Costs
- PRC: Distribute Expense Report Adjustments
- PRC: Distribute Usage and Miscellaneous Costs
- PRC: Distribute Supplier Cost Adjustments
- PRC: Distribute Total Burdened Costs
- PRC: Create and Distribute Burden Transactions
- PRC: Generate Cost Accounting Events
- PRC: Create Accounting
- DXB: Distribute and Interface Total Burdened Costs To GL
- DXBC: Distribute and Interface Burden Costs to GL
- DXI: Distribute and Interface Inventory Costs to GL
- DXL: Distribute and Interface Labor Costs To GL
- DXM: Distribute and Interface Miscellaneous Costs to GL
- DXS: Distribute and Interface Supplier Costs To GL
- DXU: Distribute and Interface Usage Costs to GL
- DXW: Distribute and Interface Work in Process Costs to GL
- XB: Interface Total Burdened Costs To GL
- XBC: Interface Burden Costs to GL
- XIV: Interface Inventory Costs to GL
- XL: Interface Labor Costs To GL
- XM: Interface Miscellaneous Costs to GL
- XS: Interface Supplier Costs To GL

- XU: Interface Usage Costs to GL
- XW: Interface Work in Process Costs to GL
- PRC: Generate Asset Lines
- PRC: Update Project Summary Amounts Process
- PRC: Update Project and Resource Base Summaries
- PRC: Update Project performance Data

8

Cross Charge

This chapter describes accounting within and between operating units and legal entities.

This chapter covers the following topics:

- Overview of Cross Charge
- Processing Flow for Cross Charge
- Processing Borrowed and Lent Accounting
- Processing Intercompany Billing Accounting
- Adjusting Cross Charge Transactions

Overview of Cross Charge

Enterprises face complex accounting and operational project issues that result from centralized project management through sharing of resources across organizations.

Oracle Projects provides the following *cross charge* features to address these issues:

- **Borrowed and Lent Accounting:** This feature creates accounting entries to pass costs and revenue across organizations without generating internal invoices.

- **Intercompany Billing Accounting:** This feature creates internal invoices *and* accounting entries to pass costs and share revenue across organizations.

In addition to these two features that enable you to charge costs across organizations, Oracle Projects *inter-project billing* features enable you to charge costs between projects. For detailed information on this feature, see Inter-Project Billing, *Oracle Project Billing User Guide*.

Cross charge features depend on multiple organization support in Oracle Projects and other Oracle Applications. In addition, these features support multinational projects, which also call for other currency exchange management functionality. See: Providing Data Access Across Business Groups, *Oracle Projects Fundamentals*.

> **Note:** To use the intercompany billing feature (for cross charge) you must implement both *Oracle Project Costing* and *Oracle Project Billing*.

Related Topics

Setting Up for Cross Charge Processing: Borrowed and Lent, *Oracle Projects Implementation Guide*

Setting Up for Cross Charge Processing: Intercompany Billing, *Oracle Projects Implementation Guide*

Cross Charge Business Needs and Example

When projects share resources within an enterprise, it is common to see those resources shared across organization and country boundaries. Further, project managers may also divide the work into multiple projects for easier execution and management. The legal, statutory, or managerial accounting requirements of such projects often present complex operational control, billing, and accounting challenges.

Oracle Projects enables companies to meet these challenges by providing timely information for effective project management. Project managers can easily view the current total costs of the project, while customers receive bills as costs are incurred, regardless of who performs the work or where it is performed.

Project Structures Example

To provide a better understanding of cross charge concepts and the difference between cross charge and inter-project billing options, the scenarios shown in the following example illustrate how projects can be structured.

> **Note:** The project in this example is a contract project and is used for illustrative purposes only. You can apply most of the features described in this document to other types of projects.

The following illustration shows Company ABC, an advertising company with the following organization structure:

- Company ABC has two ledgers: US and Japan.
- The legal entity US is assigned to the US ledger and the legal entity Japan is assigned to the Japanese ledger.
- The legal entity US is comprised of three operating units: Los Angeles, San Francisco and New York
- The legal entity Japan is comprised of the Tokyo operating unit.

- The legal entity US and the Japanese ledger belong to the business group BGI.

Organization Structure of Company ABC

The Los Angeles operating unit, ABC's headquarters, receives a contract from a customer in the United Kingdom (UK). The customer wants ABC to produce and air live shows in San Francisco, New York, and Tokyo to launch its new line of high-end women's apparel. The customer wants to be billed in British Pounds (GBP). ABC calls this project *Project X* and will track it using Oracle Projects. ABC will plan and design the show using resources from the Los Angeles operating unit. Employee EMPJP from its Japan subsidiary will act as an internal consultant to add special features to suit the Japanese market. The San Francisco, New York, and Tokyo operating units are each responsible for the successful execution of these live shows with their local resources.

Based on this scenario, each operating unit can incur costs against Project X. Consider the following labor transaction, which is summarized in the table that follows.

- Employee EMPJP of Japan worked 10 hours meeting with the customer in Japan to learn about the new product.
- Employee EMPJP's cost rate is 5,000 JPY per hour.
- Employee EMPJP's standard bill rate is USD 400 per hour.
- Employee EMPJP's internal bill rate, if applicable, is USD 200 per hour, or 50% of the standard bill rate.

Note: Currency conversion rates: 1 USD = 100 JPY; 1 USD = .75 GBP

Sample Transaction (10 hours of labor)	Transaction Currency Amounts	Functional Currency Amounts	Project Currency Amounts
Cost	50,000 JPY	50,000 JPY	500 USD
Revenue	4,000 USD	4,000 USD	4,000 USD
Invoice	3,000 GBP	4,000 USD	4,000 USD
Internal Billing Revenue	2,000 USD	200,000 JPY	

Project Structure: Distinct Projects by Provider Organization

The illustration *Distinct Projects By Provider Organization*, page 8-5 shows the following structure:

- Company ABC divides Project X into four distinct contract projects: Project X-1, Project X-2, Project X-3 and Project X-4.
- Each operating unit owns its respective project (Los Angeles owns X-1, San Francisco owns X-2, New York owns X-3, and Tokyo owns X-4) and bills the project customer directly.

Distinct Projects by Provider Organization

Requirements:

- Oracle Project Costing
- Oracle Project Billing

Advantages: Simplicity, since the operating units create and process their projects independently.

Disadvantages: The company must divide the project work properly, and each resulting project requires an agreement, funding, and a budget to generate customer invoices. In addition, the customer may not want to receive separate invoices from different organizations in your enterprise. Communication and control across the projects for collective status can be difficult.

Project Structure: Single Project

The following illustration shows a structure where the Los Angeles operating unit (the project owner, or receiver organization) centrally manages Project X. All four operating units (the provider organizations) incur project costs and charge them directly to Project X.

Single Project

Requirements:

- Oracle Project Costing
- Oracle Project Billing
- Implementation of the *cross charge* feature
- Depending on the method you choose to process cross charge transactions (*borrowed and lent accounting* or *intercompany billing accounting*), this solution may also require intercompany billing for the automatic creation of internal invoices.

Advantages: Simple project creation and maintenance, since this solution requires a single project. All of the expenditures against ProjectX, cross charged or not, are available for external customer billing and project tracking via Project Status Inquiry. The customer receives timely, consolidated invoices from Los Angeles for all the work performed regardless of which operating unit provides the resources.

Disadvantages: Requires additional initial overhead for implementing the cross charge feature and creating intercompany billing projects to collect cross charge transactions within each provider organization.

Project Structure: Primary Project with Subcontracted Projects

The following illustration shows how Company ABC divides Project X into several related contract projects. The Los Angeles 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 Los Angeles organization to recoup their project costs.

Primary Project with Subcontracted Projects

Requirements:

- Oracle Project Costing
- Oracle Project Billing
- Implementation of *inter-project* billing features

Advantages: Flexibility in managing the provider projects. Each provider project is treated and processed the same way as any external customer contract project.

Disadvantages: As with the distinct project structure, this solution requires additional overhead in creating and managing three additional provider projects. The receiver project's status and external customer invoicing depend upon timely completion of the internal billing from all provider projects.

Cross Charge Types

Oracle Projects provides three types of cross charge transactions as shown in the following table. A transaction's cross charge type depends on whether the *provider* operating unit, organization, and legal entity are different from those of the *receiver*.

Cross Charge Type	Conditions
Intercompany	Operating units and legal entities are different
	Organizations and legal entities are different (when the Derive Legal Entity from Organization Setup check box is enabled)
Inter-operating unit	Operating units are different, but legal entities are the same
Intra-operating unit	Operating units and legal entities are the same, but the organizations are different

Note: You can charge intercompany cross charge transactions only to indirect and contract projects. You cannot charge intercompany cross charge transactions to capital projects.

Note: You cannot change the provider or receiver operating unit, but you can use the Provider and Receiver Organizations Override client extension to override the default provider organization and receiver organization.

The following illustration shows the potential cross charge type relationships for the four organizations shown in the illustration *Organization Structure of Company ABC*, page 8-3 when they charge costs to Project X in the Los Angeles operating unit.

Potential Cross Charge Types for Company ABC

The following table summarizes the characteristics of the potential cross charge type relationships shown in the illustration *Potential Cross Charge Types for Company ABC,* page 8-9.

Cost Transactions from the following Provider Operating Units	Expenditure Organization Equals Project Organization	Same Legal Entity	Same Business Group	Cross-Charge Type Relationship
Los Angeles	Yes	Yes	Yes	Non Cross-Charged Transactions
Los Angeles	No	Yes	Yes	Intra-Operating Unit Transactions

Cost Transactions from the following Provider Operating Units	Expenditure Organization Equals Project Organization	Same Legal Entity	Same Business Group	Cross-Charge Type Relationship
San Francisco	No	Yes	Yes	Inter-Operating Unit Transactions
New York	No	Yes	Yes	Inter-Operating Unit Transactions
Tokyo	No	No	Yes	Inter-Company Transactions

Cross Charge Processing Methods and Controls

This section describes cross charge processing methods and processing control options.

Cross Charge Processing Methods

You can choose one of the following processing methods for cross charge transactions:

- **Borrowed and Lent Accounting** (inter-operating unit and intra-operating unit cross charges)
- **Intercompany Billing Accounting** (intercompany and inter-operating unit cross charges)
- **No Cross Charge Process** (intercompany, inter-operating unit, and intra-operating unit cross charges)

Borrowed and Lent Accounting

When you use this method, Oracle Projects creates accounting entries to pass costs and revenue across organizations without generating internal invoices. Oracle Projects determines the appropriate cost or revenue amounts based on the transfer price rules of the provider and receiver organizations.

Borrowed and lent accounting entries provide a financial view of an organization's performance. This processing method is generally used to measure organizational financial performance for management reporting purposes. For more information, see: Processing Borrowed and Lent Accounting, page 8-23.

Intercompany Billing Accounting

Companies choose the intercompany billing method largely due to legal and statutory requirements. When you use this method, Oracle Projects generates physical invoices and corresponding accounting entries at legal transfer prices between the internal seller (provider) and buyer (receiver) organizations when they cross a legal entity boundary or operating units. For more information, see: Processing Intercompany Billing Accounting, page 8-28.

No Cross Charge Process

Companies generally process cross charges in Oracle Projects using the borrowed and lent or intercompany billing method. However, companies may not need to process cross charge transactions, if, for example, intercompany billing has been performed manually in General Ledger or automatically by an external system. You can use cross charge controls to identify which cross charge transactions will undergo cross charge processing. See: Cross Charge Controls, page 8-11.

Cross Charge Controls

Cross charge controls specify:

- Which projects and tasks in which operating units can receive transactions from a provider operating unit
- How Oracle Projects processes these cross charged transactions

Cross-charge controls affect all cross charge transactions, regardless of how you enter them. For maximum control, you can use a combination of cross charge and transaction controls to ensure that only valid cross charges are charged to a specific project and task.

Cross charge controls are defined at the operating unit, project, and task levels. Oracle Projects applies these controls based on a transaction's cross charge type and cross charge processing method.

Intra-Operating Unit Cross Charge Controls

You can charge intra-operating unit cross charges (that is, charges within an operating unit) to any project and task owned by your expenditure operating unit. You can modify the transaction control extension to restrict intra-operating unit cross charge transactions.

Inter-Operating Unit Cross Charge Controls

Oracle Projects provides controls to identify:

- Which projects and tasks in a receiver operating unit can receive inter-operating unit cross charges from a provider operating unit

- Which cross charge processing method to apply to these transactions.

Steps performed by the *provider* operating unit:

- **Define cross charge implementation options:** Specify whether to allow cross charge and select a default processing method.
- **Define internal billing implementation options:** Specify whether the operating unit is a provider for internal billing.
- **Define provider controls:** Select a processing method and specify the name of the intercompany billing project.

Steps performed by the *receiver* operating unit:

- **Define internal billing implementation options:** Specify whether the operating unit is a receiver for internal billing.
- **Define receiver controls:** Specify the name of each provider operating unit that can charge transactions to the specified receiver operating unit.
- **Enable cross charge for projects:** In the Projects window (Cross Charge option), select *Allow Charges from other Operating Units*.

Intercompany Cross Charge Controls

Oracle Projects provides flexible controls to identify:

- Which projects and tasks in a receiver operating unit can receive intercompany cross charges from a provider operating unit
- Which cross charge processing method to apply to these transactions.
- Optionally, when you enable the Derive Legal Entity from Organization Setup check box, the legal entities are derived from the respective provider or receiver organizations, if associated with legal entity establishment

> **Note:** You can charge intercompany cross charge transactions only to indirect and contract projects. You cannot charge intercompany cross charge transactions to capital projects.

Steps performed by the *provider* operating unit

- **Define internal billing implementation options:** Specify whether the operating unit is a provider for internal billing.
- **Define provider controls:** Specify the name of each receiver operating unit that can receive transactions from the specified provider operating unit. Also, select a

processing method and specify the name of the intercompany billing project.

> **Note:** If the Derive Legal Entity from Organization Setup check box is enabled, you can select the respective legal entity along with operating unit.

Steps performed by the *receiver* operating unit

- **Define internal billing implementation options:** Specify whether the operating unit is a receiver for internal billing.
- **Define receiver controls:** Specify the name of each provider operating unit that can charge transactions to the specified receiver operating unit.
- **Enable cross charge for projects:** In the Projects window (Cross Charge option), select *Allow Charges from other Operating Units*.

  > **Note:** If Cross Business Group Access is enabled, the provider and receiver operating units can be in different business groups. See: *Oracle HRMS Configuring, Reporting, and System Administration Guide*.

Cross Charge Processing Controls

Cross charge processing controls determine which cross charge method and transfer price rule should be applied to the cross charged transaction. This section describes the cross charge process controls.

Implementation Options

For each provider operating unit or receiver operating unit involved in the cross charge, the Implementation Options window *Cross Charge* and *Internal Billing* tabs specify:

- The default transfer price conversion attributes
- The default cross charge methods for intra-operating unit and inter-operating unit cross charges
- Attributes required as the provider of internal billing
- Attributes required as the receiver of internal billing

See: Define Cross Charge Implementation Options, and Defining Internal Billing Options in the *Oracle Projects Implementation Guide*.

Provider and Receiver Controls Setup

For each provider operating unit or receiver operating unit involved in the cross charge, the Provider/Receiver Controls window *Provider Controls* and *Receiver Controls* tabs specify:

- The cross charge method to use to process intercompany cross charges and to override default cross charge method for inter-operating unit cross charges.
- Attributes required for the provider operating unit to process intercompany billing to each receiver operating unit. This includes the Intercompany Billing Project and Invoice Group.
- Attributes required for the receiver operating unit to process intercompany billing from each provider operating unit. This includes the supplier site, expenditure type and expenditure organization.

See: Defining Provider and Receiver Controls, *Oracle Projects Implementation Guide*.

Transfer Price Rules and Schedule Setup

Transfer price rules control the calculation of transfer prices for labor and non-labor cross charged transactions. To drive transfer price calculation for cross charge transactions between the provider and receiver, use the Transfer Price Schedule window to assign labor or non-labor (or both) transfer price rules to the provider and receiver pair on a schedule line. See: Transfer Pricing, page 8-16.

Multiple lines in a transfer price schedule could potentially apply to a cross charged transaction.

Oracle Projects performs the following steps to identify the appropriate schedule line:

1. If a schedule line exists for the transaction expenditure organization (provider) and the project/task owning organization (receiver), then the corresponding rule is used to calculate the transfer price.
2. If a schedule line is not located, Oracle Projects checks for a line with the provider organization and a receiver parent organization that is included in the expenditure/event organization hierarchy associated with the operating unit on the Expenditures/Costing tab of the Implementation Options form. When searching for receiver organization parents, the Project/Task Owning Organization Hierarchy defined in the Implementation Options of the receiver operating unit is used.
3. If the receiver organization has multiple intermediate parents and schedule lines are defined for more than one of the parents, the schedule line defined for the lowest level parent takes precedence over schedule lines defined for parents higher in the organization hierarchy.
4. If a schedule line is not located, Oracle Projects checks for a line with a provider

parent organization and the receiver parent organization. When searching for provider organization parents, the Expenditure/Event Organization Hierarchy defined in the Implementation Options of the provider operating unit is used.

5. If the provider organization has multiple intermediate parents and schedule lines are defined for more than one of the parents, the schedule line defined for the lowest level parent takes precedence over schedule lines defined for parents higher in the organization hierarchy.

6. If there is a schedule line with only the provider organization, and another schedule line with both provider and receiver organizations, the schedule line with both the provider and receiver organizations takes precedence.

7. If there is a schedule line with only provider organization, and another schedule line with the provider organization and the receiver parent organization, then the schedule line with the provider organization and the receiver parent organization takes precedence.

Note: If you enable the Derive Legal Entity from Organization Setup check box for transfer price purposes, expenditure or event organization hierarchy associated with the operating unit on the Transfer price organization hierarchy section of cross charge tab of the Implementation Options window is used. When searching for receiver organization parent the Project or Task Owning Organization Hierarchy defined in the Transfer Price Organization Hierarchy section of cross charge tab in Implementation Options of the receiver operating unit is used.

Project and Task Setup

For each project or task, you can decide whether to process labor and non-labor cross charge transactions, and which transfer price schedules are used for transfer price calculation. See: Cross Charge, *Oracle Projects Fundamentals*.

Transaction Source Setup

To cause the cross charge processes to skip a transaction source, deselect the *Process Cross Charge* option in the Transaction Sources window. See: Transaction Sources, *Oracle Projects Implementation Guide*.

Expenditure Item Adjustments

You can mark an expenditure item to be skipped by the cross charge processes by choosing *Mark for No Cross Charge Processing* from the Tools menu on the Expenditure Items window.

Client Extensions

Oracle Projects provides following client extensions that you can use to implement your business rules to control cross charge processing:

- Provider and Receiver Organizations Override Extension
- Cross Charge Processing Method Override Extension
- Transfer Price Determination Extension
- Transfer Price Override Extension
- Transfer Price Currency Conversion Override Extension
- Invoice Grouping Extension

Related Topics

Oracle Financials Implementation Guide

Oracle HRMS Implementation Guide

Transfer Pricing

Legal transfer price refers to the legally accepted billing prices for internal sales. In Oracle Projects, *transfer price* refers to the billing price that two organizations agree upon for cross charge purposes.

Transfer Price Rules

You can define transfer price rules that determine the transfer price amount of cross charge transactions that require borrowed and lent or intercompany billing processing. Oracle Projects provides flexible transfer pricing rules for transfer price calculations. The calculations are based on the:

- **Transfer price basis.** Base your transfer price on a cross charged transaction's raw cost, burdened cost, or revenue.
- **Cross-charge calculation method.** You can optionally perform an additional calculation and apply a markup or discount to the amount determined by the transfer price basis. For the additional calculations, you can apply any burden schedule or standard bill rate schedule in your business group.

  Note: Using a standard bill rate schedule allows you to define the schedule in a single operating unit and enforce it across all operating units in your business group.

You can configure transfer price amounts to be calculated based on revenue amounts for cross-charged transactions independent of revenue generation. Oracle Projects determines the revenue of the receiver project as part of transfer price calculation. You do not have to generate the revenue in the receiver operating unit. In addition, the cost transaction does not have to be billable. You can use the potential revenue amount as a basis and apply a transfer price markup percentage even when the cost transaction is not billable from the perspective of the receiver project. You can use potential revenue as transfer price basis for projects with revenue accrual method as Cost or Event. To use potential revenue as the basis, you must set up overrides for at least one option in the override hierarchy.

Oracle Projects automatically converts transfer price amounts to the functional currency of the provider operating unit using the transfer price currency conversion attributes defined in that operating unit. You can use the Transfer Price Currency Conversion Override Extension to adjust these conversion attributes.

Transfer Price Schedules

Once you define your transfer price rules, you create a transfer price schedule to associate these rules to pairs of provider and receiver organizations or operating units. In the simplest transfer price schedule, an enterprise would have a single transfer price rule that every organization follows. Oracle Projects supports more complex schedules so your organizations can negotiate their own transfer price rules. You can also define a schedule with one rule that applies to cross charges to a particular organization and another rule for cross charges to all other organizations. You can define one transfer price schedule consisting of different rules for different organization pairs or multiple schedules consisting of different rules for the same pair of organizations.

You can assign labor and non-labor transfer price schedules to both a project and its tasks. If you assign a transfer price schedule to a lowest-level task, then Oracle Projects uses that transfer price schedule to process labor or non-labor cross-charged transactions for that task. If you do not assign a transfer price schedule at the lowest task level, then Oracle Projects uses the transfer price schedule that you assign at the project-level.

Related Topics

Cross Charge, *Oracle Projects Fundamentals*

Defining Transfer Price Rules, *Oracle Projects Implementation Guide*

Defining Transfer Price Schedules, *Oracle Projects Implementation Guide*

Processing Flow for Cross Charge

This section describes the processing flow for cross charge transactions.

The following illustration shows the processing flows for cross charge transactions that require either borrowed and lent or intercompany billing processing. For a description

of these flows, see: Borrowed and Lent Processing Flow, page 8-18, and Intercompany Billing Processing Flow, page 8-19.

Overview of Cross Charge Processing Flow

Related Topics

Creating Cross Charge Transactions, page 8-21

Borrowed and Lent Processing Flow

Borrowed and lent processing requires the following steps:

1. The provider operating unit enters or imports cross charge transactions.

2. The provider operating unit distributes the costs of the cross charges, which are identified as cross charge transactions by the cost distribution processes. The cross charge distribution process is independent of revenue generation. The process distributes the costs even if revenue has not been generated.

The provider operating unit also imports project-related supplier costs from Oracle Purchasing and Oracle Payables, and project-related expense report costs from Oracle Payables.

3. The provider operating unit runs the process PRC: Distribute Borrowed and Lent Amounts to determine the transfer price amount and generate the borrowed and lent accounting entries.

4. The provider operating unit runs the process PRC: Generate Cross Charge Accounting Events.

5. The provider operating unit runs the process PRC: Create Accounting to create accounting entries for the cross charge accounting events in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger. If you select this option, the create accounting process initiates Journal Import in Oracle General Ledger.

6. *(Optional)* You can require the receiver operating unit to run additional customized processes to create additional accounting entries in Oracle Subledger Accounting and transfer the accounting entries to Oracle General Ledger. For example, your implementation team can develop customized processes to handle organizational profit elimination to satisfy your company's accounting practices.

7. *(Optional)* The provider operating unit may adjust cross charge transactions or perform steps resulting in the reprocessing of borrowed and lent transactions. See: Adjusting Cross Charge Transactions, page 8-42.

Intercompany Billing Processing Flow

Intercompany billing processing requires the following steps:

1. The provider operating unit enters or imports cross charge transactions.

2. The provider operating unit distributes costs of the cross charges, which are identified as cross charge transactions by the cost distribution processes. The distribution of the costs is independent of revenue generation and are distributed even if revenue has not been generated.

   The provider operating unit also imports project-related supplier costs from Oracle Purchasing and Oracle Payables and project-related expense report costs from Oracle Payables.

3. The provider operating unit runs the process PRC: Generate Intercompany Invoices for a Single Project, or the process PRC: Generate Intercompany Invoices for a Range of Projects, to generate draft intercompany invoices with the associated intercompany receivable and revenue accounts, and the transfer price.

4. The provider operating unit reviews, approves, and releases the intercompany invoices.

5. The provider operating unit interfaces the approved intercompany invoices to Oracle Receivables. You can include the following activities in this process:

   - Accounting for invoice rounding
   - Creation of receivable invoices including sales tax

6. The provider operating unit runs the process PRC: Tieback Invoices from Receivables, which automatically creates corresponding intercompany invoice supplier invoices ready to be interfaced to Oracle Payables in the receiver operating unit.

   Use Oracle Receivables to print the invoice as well as to create accounting for Oracle Subledger Accounting.

7. If cost reclassification is enabled, the provider operating unit performs the following processing steps:

   1. Runs the process PRC: Generate Cross Charge Accounting Events to generate accounting events for the provider cost reclassifications.

   2. Runs the process PRC: Create Accounting to create accounting entries for the provider cost reclassification accounting events in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger. If you select this option, the create accounting process initiates Journal Import in Oracle General Ledger.

8. The receiver operating unit imports the intercompany supplier invoices into Oracle Payables. This import process calculates recoverable and non-recoverable tax amounts. Upon review and approval in Oracle Payables, the receiver operating unit runs the process Create Accounting to create subledger accounting entries for the supplier invoices in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger.

9. The receiver operating unit interfaces the supplier invoice to Oracle Projects, which pulls in the non-recoverable tax amounts as additional project costs.

10. (*Optional*) You can require the receiver operating unit to run additional customized processes to create additional accounting entries in Oracle Subledger Accounting and transfer the accounting entries to Oracle General Ledger. For example, your implementation team can develop customized processes to handle organizational profit elimination to satisfy your company's accounting practices.

11. *(Optional)* The provider operating unit can adjust cross charge transactions or perform steps resulting in the reprocessing of intercompany transactions. See Adjusting Cross Charge Transactions, page 8-42.

Creating Cross Charge Transactions

To create cross charge transactions, you enter expenditures and distribute costs.

Enter Expenditures

Enter or import the cross charge transactions as you would for any project transactions. Oracle Projects enforces cross charge controls and transaction controls to ensure that you charge valid transactions to a project or task. See Cross Charge Controls, page 8-11.

Distributing Costs

In addition to determining the raw and burden cost amounts and the accounting information for project transactions, the cost distribution processes also determine the following information for cross charge transactions:

- Provider and receiver legal entities, operating units, and organizations
- Cross-charge type indicates if a transaction is an intra-operating unit, inter-operating unit, or intercompany cross charged transaction or not a cross charged transaction
- Cross-charge processing method, which indicates whether a transaction is subject to cross charge processing and which processing method to use

Determining the cross charge type

Oracle Projects determines a transaction's cross charge type as follows:

- Default provider organization is the expenditure or non-labor resource organization
- Receiver organization defaults to the project organization
- Call the Provider and Receiver Organizations Override extension to determine whether to override these values
- Cross charge type is based on the values above and logic in the following table:

Cross Charge Type	Conditions
Intra-operating unit	Provider operating unit equals receiver operating unit Provider organization does not equal receiver organization
Inter-operating unit	Provider operating unit does not equal receiver operating unit Provider legal entity equals receiver legal entity
Intercompany	Provider legal entity does not equal receiver legal entity

Determining the cross charge processing method

A transaction can have one of the following cross charge processing methods:

- Borrowed and lent accounting
- Intercompany billing
- No cross charge processing

Oracle Projects determines the cross charge processing method for a transaction, based on how you have implemented the following items:

- **Transaction source options.**If you enable the option *Process Cross Charge* for the transactions source, Oracle Projects performs cross charge processing for transactions originating from that transaction source.
- **Project attributes for processing labor and non-labor cross charge transactions.** If you do not enable cross charge processing for cross charge labor transactions at the project level, no labor transactions for that project will be subject to cross charge processing. The same applies to non-labor transactions.
- **Cross-charge options for provider operating unit**
  - Intra-operating unit transactions. Implementation options determine processing method.
  - Inter-operating unit transactions. If you have enabled users to charge to all operating units within the legal entity, the implementation options determine

the default processing method.

- **Provider and receiver controls**
- **Cross Charge Processing Method Override extension**

Related Topics

Defining Legal Entities Using the Legal Entity Configurator, *Oracle Financials Implementation Guide*

Oracle HRMS Implementation Guide

Processing Borrowed and Lent Accounting

The borrowed and lent processing method creates accounting entries to pass costs or share revenue (cost and revenue amounts are determined by the transfer price amount) between the provider and receiver organizations within a legal entity.

If costs are being passed from the provider to the receiver, this processing method:

- Debits the cost from the *receiver (or lent)* organization
- Credits the cost account of the *provider (or borrowed)* organization

Similarly, if revenue is being shared, this method:

- Debits the revenue from the receiver organization
- Credits the revenue to the provider organization

You can view these accounting entries in the corresponding ledgers.

Oracle Projects provides AutoAccounting functions for borrowed and lent processing.

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. See: Accounting for Costs, *Oracle Projects Implementation Guide*.

Determining Accounts for Borrowed and Lent Transactions

An *inter-operating unit* cross charge transaction against a *contract* project results in the borrowed and lent accounting entries shown in the following two tables.

The following table show the entries generated for the *provider* operating unit.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Cost	Labor Expense	Dr	500 USD	500 USD
	Labor Clearing	Cr	500 USD	500 USD
Borrowed and Lent	Lent	Dr	2,000 USD	2,000 USD
	Borrowed	Cr	2,000 USD	2,000 USD

The following table show the entries generated for the *receiver* operating unit

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Client Revenue	UBR/UER	Dr	4,000 USD	4,000 USD
	Revenue	Cr	4,000 USD	4,000 USD
Client Invoice	Accounts Receivable	Dr	3,000 GBP	4,000 USD
	UBR/UER	Cr	3,000 GBP	4,000 USD

An *intra-operating unit* cross charge transaction against a *contract* project results in the borrowed and lent accounting entries shown in the following table for the receiver operating unit.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Cost	Labor Expense	Dr	500 USD	500 USD
	Labor Clearing	Cr	500 USD	500 USD
Borrowed and Lent	Lent	Dr	2,000 USD	2,000 USD
	Borrowed	Cr	2,000 USD	2,000 USD

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Client Revenue	UBR/UER	Dr	4,000 USD	4,000 USD
	Revenue	Cr	4,000 USD	4,000 USD
Client Invoice	Accounts Receivable	Dr	3,000 GBP	4,000 USD
	UBR/UER	Cr	3,000 GBP	4,000 USD

Note: Oracle Subledger Accounting uses intracompany balancing rules to create balancing lines on journal entries between balancing segment values. You set up this functionality in the Accounting Setup Manager in Oracle General Ledger.

Generating Accounting Transactions for Borrowed and Lent Accounting

Running the standard cost distribution processes in the provider operating unit identifies which transactions require borrowed and lent processing. Oracle Projects provides a separate process, PRC: Distribute Borrowed and Lent Amounts, to compute the transfer price of these transactions and determine the default GL accounts for borrowed and lent accounting entries.

The provider operating unit runs this process to perform the following steps on cross charge transactions identified for borrowed and lent processing:

1. Calculate the transfer price amount, page 8-25
2. Run AutoAccounting, page 8-27
3. Create cross charge distribution lines, page 8-27

Calculate the Transfer Price Amount

Distribute Borrowed and Lent Amounts calculates the transfer price amount of a given cross charge transaction, as follows:

Note: If the process cannot determine a transfer price for the cross charge transaction, Oracle Projects flags the transaction with an error and proceeds to the next item. The transfer price is stored in the transaction and ledger currencies.

1. Call the Transfer Price Determination extension.

   Oracle Projects calls the Transfer Price Determination extension at the beginning of the process in case you want to bypass the standard transfer price calculation for certain borrowed and lent transactions. If you implement this extension, Oracle Projects calculates the transfer price amount based on the extension logic and generates borrowed and lent accounting entries based on this amount.

2. Identify the applicable transfer price schedule.

   Oracle Projects identifies the labor or non-labor transfer price schedule that you specified for the lowest-level task to which you charged the transaction. If you do not assign a transfer price schedule at the lowest task level, then Oracle Projects uses the transfer price schedule that you assign at the project-level.

   > **Note:** You can define transfer price overrides at the assignment level. For additional information, see: Project Assignments, *Oracle Projects Fundamentals* and Defining Work Types, *Oracle Projects Implementation Guide*.

3. Identify the applicable transfer price schedule line.

   If the transfer price schedule identified by the Distribute Borrowed and Lent Amounts process contains more than one line, Oracle Projects must determine which line to apply. Oracle Projects first selects all schedule lines whose effective dates contain the Expenditure Item Date of the cross charge transaction. Oracle Projects then selects the appropriate line based on the provider and receiver organization, operating unit, legal entity, or business group.

4. Calculate the transfer price amount.

   The process then calculates the transfer price amount by applying the transfer price rule and any additional percentage you have specified in the schedule line.

   The actual transfer price calculation is carried out like this:

   - Determine the transfer price basis (raw cost, burdened cost, or revenue) identified in the transfer price rule.

     > **Note:** If you use cost amounts as your transfer price basis, Oracle Projects verifies that you have performed the appropriate cost distribution programs. If you have not run the prerequisite programs, then Oracle Projects marks the transaction with an error.

   - Apply a burden schedule or standard bill rate schedule to the basis, as indicated in the transfer price rule. If the process identifies a rate in the

specified bill rate schedule, it applies the rate to the quantity of the transaction.

- Apply any additional percentage specified in the rule.
- Apply any additional percentage specified for labor or non-labor transactions in the schedule line.

5. Call the Transfer Price Override extension.

   You can use this extension to override the transfer price amount calculated by the Distribute Borrowed and Lent Amounts process.

6. Perform required currency conversions.

   If the functional currency is different from the transfer price basis currency, the process performs the required currency conversion to generate functional currency amounts. The conversion uses the currency conversion attributes that are defined in the provider operating unit's cross charge implementation options. You can override these attributes using the Transfer Price Currency Conversion Override extension.

7. Call the Transfer Price Currency Conversion Override extension.

   You can use this extension to override the default transfer price currency conversion attributes defined in the cross charge implementation options.

Run AutoAccounting

After the Distribute Borrowed and Lent Amounts process calculates the transfer price amounts for each selected borrowed and lent transaction, it runs AutoAccounting to determine the default account code for each distribution line that it will create. Oracle Projects provides the functions *Borrowed Account* and *Lent Account* for borrowed and lent transactions.

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.

Oracle Subledger Accounting uses intracompany balancing rules to create balancing lines on journal entries between balancing segment values. You set up this functionality in the Accounting Setup Manager in Oracle General Ledger. You must also enable the *Balance Cross-Entity Journal* flag in the ledger definition to enable the application of the balancing rules. You must also set up the accounts to ensure that Oracle Subledger Accounting generates the balancing journal entries.

Create Cross Charge Distribution Lines

After the Distribute Borrowed and Lent Amounts process runs AutoAccounting, it creates cross charge distribution lines. Next, you generate cross charge accounting

events for the cross charge distribution lines and create accounting for the accounting events in Oracle Subledger Accounting.

The PA date for the distribution lines is determined based on the ending date of the earliest open PA period on or after the expenditure item date.

You can use the View Accounting window to view cross charge distributions for a specific item. (To do so, query an invoice transaction in the Expenditure Items window and choose View Accounting from the Tools menu. See: Viewing Accounting Lines, page 4-57.) The following transaction attributes support cross charge distributions:

- Provider organization and operating unit
- Receiver organization and operating unit
- Cross charge processing method and type

> **Note:** Before you can view the accounting entries, you must create subledger accounting entries for the accounting events associated with the cross charge distribution lines.

Related Topics

Accounting for Costs, *Oracle Projects Implementation Guide*

Oracle Financials Implementation Guide

Processing Intercompany Billing Accounting

This section covers the following topics:

- Determining Accounts for Intercompany Billing Accounting, page 8-28
- Generating Intercompany Invoices, page 8-33
- Approving and Releasing Intercompany Invoices, page 8-37
- Interfacing Intercompany Invoices to Receivables, page 8-38
- Interfacing Intercompany Invoices to Oracle Payables, page 8-40
- Interface Tax Lines from Payables to Oracle Projects, page 8-42

Determining Accounts for Intercompany Billing Accounting

Intercompany billing accounting entries are based on documents generated by the provider and receiver organizations. The provider and receiver organizations can be in the same ledger or in different ledgers with different charts of accounts. If Cross

Business Group Access is enabled, the provider and receiver organizations can also be in different business groups. You can view intercompany billing accounting entries in the corresponding ledgers. As this processing method may require input from multiple organizations and employees in your organization, you should establish clear user procedures to ensure the successful completion of the entire process flow. Failure to follow these procedures can result in out of balance intercompany accounts.

Determining Accounts for Intercompany Receivables Invoices

Oracle Projects provides two AutoAccounting functions to determine the default revenue and invoice accounts of a provider legal entity's intercompany Receivables invoice See: AutoAccounting Functions, *Oracle Projects Implementation Guide*.

- **Intercompany Revenue.** This function determines the default account that receives the credit entry of an intercompany billing Receivables invoice.
- **Intercompany Invoice Accounts.** This function includes the function transactions *Intercompany Receivables* and *Intercompany Rounding*.
  - *Intercompany Receivables* determines the default account that receives default debit entry of an intercompany billing Receivables invoice.
  - *Intercompany Rounding* determines the default accounts for the pair of debit and credit entries due to intercompany billing invoice currency rounding.

Determining Accounts for Intercompany Payables Invoices

You can modify the Supplier Invoice Charge Account Workflow process to determine the default accounting entries for a receiver legal entity's intercompany Payables invoice. The process usually debits an internal cost or construction-in-process account and credits the intercompany payables account in the receiver legal entity. See Workflow: Project Supplier Invoice Account Generation, *Oracle Projects Implementation Guide*.

Intercompany Billing Accounting Examples

An *intercompany* cross charge transaction against an *indirect* project results in the intercompany billing accounting entries shown in the following two tables.

The following table shows entries for the *provider* legal entity.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Cost	Labor Expense	Dr	50,000 JPY	50,000 JPY

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
	Labor Clearing	Cr	50,000 JPY	50,000 JPY
Intercompany Accounts Receivable - Invoice	Intercompany Accounts Receivable	Dr	200,000 JPY	200,000 JPY
	Intercompany Revenue	Cr	200,000 JPY	200,000 JPY

The following table shows entries for the *receiver* legal entity.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Intercompany Accounts Payable -Invoice	Intercompany Cost	Dr	200,000 JPY	2,000 USD
	Intercompany Accounts Payable	Cr	200,000 JPY	2,000 USD

An *intercompany* cross charge transaction against a *contract* project results in the intercompany billing accounting entries shown in the following two tables.

The following table shows entries for the *provider* legal entity.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Cost	Labor Expense	Dr	50,000 JPY	50,000 JPY
	Labor Clearing	Cr	50,000 JPY	50,000 JPY
Intercompany Accounts Receivable - Invoice	Intercompany Accounts Receivable	Dr	200,000 JPY	200,000 JPY

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
	Intercompany Revenue	Cr	200,000 JPY	200,000 JPY

The following table shows entries for the *receiver* legal entity

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Intercompany Accounts Payable -Invoice	Intercompany Cost	Dr	200,000 JPY	2,000 USD
	Intercompany Accounts Payable	Cr	200,000 JPY	2,000 USD
Client Revenue	UBR/UER	Dr	4,000 USD	4,000 USD
	Revenue	Cr	4,000 USD	4,000 USD
Client Invoice	Accounts Receivable	Dr	4,000 USD	4,000 USD
	UBR/UER	Cr	4,000 USD	4,000 USD

Determining Accounts for Provider Cost Reclassification

Oracle Projects provides a pair of debit and credit AutoAccounting functions to support the reclassification of cost in the provider operating unit upon generating intercompany invoices. For example, a provider operating unit may need to reclassify project construction-in-process costs against a contract project using cost accrual as intercompany costs upon billing the receiver operating unit. Oracle Projects provides the following AutoAccounting functions for this purpose:

- **Provider Cost Reclass Dr**. This function determines the default account that receives the debit entry of the cost reclassification.
- **Provider Cost Reclass Cr.** This function determines the default account that receives the credit entry of the cost reclassification.

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. See: Accounting for Costs, *Oracle Projects Implementation Guide*.

A *provider cost reclassification* results in the *intercompany* billing accounting entries shown in the following two tables.

The following table shows entries for the *provider* operating unit.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Cost	Construction - In - Process	Dr	50,000 JPY	50,000 JPY
	Labor Clearing	Cr	50,000 JPY	50,000 JPY
Provider Cost Reclassification	Labor Expense	Dr	50,000 JPY	50,000 JPY
	Construction - In - Process	Cr	50,000 JPY	50,000 JPY
Intercompany Accounts Receivable - Invoice	Intercompany Accounts Receivable	Dr	200,000 JPY	200,000 JPY
	Intercompany Revenue	Cr	200,000 JPY	200,000 JPY

The following table shows entries for the *receiver* operating unit.

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
Intercompany Accounts Payable -Invoice	Intercompany Construction - In - Process	Dr	200,000 JPY	2,000 USD
	Intercompany Accounts Payable	Cr	200,000 JPY	2,000 USD
Client Revenue	UBR/UER	Dr	4,000 USD	4,000 USD

Process	Accounting	Debit (Dr) Credit (Cr)	Transaction Currency	Functional Currency
	Revenue	Cr	4,000 USD	4,000 USD
Cost Accrual	Cost Accrual	Dr	500 USD	500 USD
	Construction - In - Process Contra	Cr	500 USD	500 USD
Client Invoice	Accounts Receivable	Dr	3,000 GBP	4,000 USD
	UBR/UER	Cr	3,000 GBP	4,000 USD
Close Project	Cost Accrual	Dr/Cr (see note)	1,500 USD	1,500 USD
	Intercompany Construction - In - Process	Cr	1,500 USD	1,500 USD

Note: The examples in the previous two tables show that the provider operating unit originally posted a cross charge transaction to a construction-in-process account during the cost distribution process. The intercompany billing process then transfers the construction-in-process amount with a markup to the receiver operating unit.

After you run the process PRC: Tieback Invoices from Receivables, you run the process PRC: Generate Cross Charge Accounting Events to generate accounting events for the provider cost reclassification journal entries. Next, you run the process PRC: Create Accounting to create accounting entries for the provider cost reclassification accounting events in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger. If you select this option, the create accounting process initiates Journal Import in Oracle General Ledger.

Generating Intercompany Invoices

Running the standard cost distribution processes in the provider operating unit identifies which transactions require intercompany billing processing based on the different legal entity values derived in the provider and receiver legal entity fields for an expenditure item. Oracle Projects provides separate processes to compute the

transfer price of the intercompany billing transactions and generate draft intercompany invoices and (optionally) provider cost reclassification entries.

To use the intercompany billing processing method, you must perform several setup steps, including creating an intercompany billing project. See: Setting Up for Cross Charge Processing: Intercompany Billing, *Oracle Projects Implementation Guide*.

The Generate Intercompany Invoice processes (The PRC: Generate Intercompany Invoices for a Single Project and PRC: Generate Intercompany Invoices for a Range of Projects) carry out the following steps:

1. Create invoice details, page 8-34
2. Create invoices and invoice lines, page 8-36
3. *(Optional)* Generate provider cost reclassification entries, page 8-40

See: Generate Intercompany Invoices, *Oracle Projects Fundamentals*.

Calculate the Transfer Price Amount

Generate Intercompany Invoices processes calculate the transfer price amount of a given cross charge transaction, as follows:

> **Note:** If the process cannot determine a transfer price for the cross charge transaction, Oracle Projects marks the transaction with an error and proceeds to the next item. The transfer price is stored in the transaction and ledger currencies.

1. Call the Transfer Price Determination extension.

   Oracle Projects calls the Transfer Price Determination extension at the beginning of the process in case you want to bypass the standard transfer price calculation for certain cross charge transactions. If you implement this extension, Oracle Projects calculates the transfer price amount based on the extension logic and generates intercompany accounting entries based on this amount.

2. Identify the applicable transfer price schedule.

   Oracle Projects identifies the labor or non-labor transfer price schedule that you specified in Intercompany Billing Transfer Price Schedule for the lowest-level task to which you charged the transaction. If you do not assign a transfer price schedule at the lowest task level, then Oracle Projects uses the Intercompany Billing transfer price schedule that you assign at the project-level.

3. Identify the applicable transfer price schedule line.

   If the transfer price schedule identified by the Generate Intercompany Invoices processes contains more than one line, Oracle Projects must determine which line to apply. Oracle Projects first selects all schedule lines whose effective dates contain

the Expenditure Item Date of the cross charge transaction. Oracle Projects then selects the appropriate line based on the provider and receiver organization, operating unit, legal entity, or business group.

> **Note:** The hierarchy which it uses for deriving the transfer price amount is to be mentioned in the Transfer price organization hierarchy section of the cross charge tab in implementation options.

4. Calculate the transfer price amount.

   The process then calculates the transfer price amount by applying the transfer price rule and any additional percentage you have specified in the schedule line.

   The actual transfer price calculation is carried out like this:

   - Determine the transfer price basis (raw cost, burdened cost, or revenue) identified in the transfer price rule.

     > **Note:** If you use cost amounts as your transfer price basis, Oracle Projects verifies that you have performed the appropriate cost distribution programs. If you have not run the prerequisite programs, then Oracle Projects marks the transaction with an error.

   - Apply a burden schedule or standard bill rate schedule to the basis, as indicated in the transfer price rule. If the process identifies a rate in the specified bill rate schedule, it applies the rate to the quantity of the transaction.
   - Apply any additional percentage specified in the rule.
   - Apply any additional percentage specified for labor or non-labor transactions in the schedule line.

5. Call the Transfer Price Override extension.

   You can use this extension to override the transfer price amount calculated by the Generate Intercompany Invoices processes.

6. Perform required currency conversions.

   If the functional currency is different from the transfer price basis currency, the process performs the required currency conversion to generate functional currency amounts. The conversion uses the currency conversion attributes that are defined in the provider operating unit's cross charge implementation options. You can override these attributes using the Transfer Price Currency Conversion Override extension.

7. Call the Transfer Price Currency Conversion Override extension.

   You can use this extension to override the default transfer price currency conversion attributes defined in the cross charge implementation options.

Run AutoAccounting

After the process calculates the transfer price amounts for each selected intercompany billing transaction, it runs AutoAccounting to determine the default intercompany revenue account for each cross charged transaction, using the *Intercompany Revenue* function.

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.

Determine Tax Classification Codes

The Generate Intercompany Invoices process uses the Application Tax Options hierarchy that you define in Oracle E-Business Tax to derive the default tax classification code for each transaction. The process also determines the intercompany tax receiving task for the transaction.

Create Intercompany Invoice Details

The process then creates intercompany invoice details for each transaction with the transfer price amount, intercompany revenue account, and tax classification code.

Create Invoices and Invoice Lines

The Generate Intercompany Invoice process groups the invoice details of cross charged transactions into invoices and invoice lines.

The Generate Intercompany Invoice process:

- Verifies intercompany billing projects
- Creates invoice
- Creates invoice lines

Verify intercompany billing projects

The process verifies that each specified intercompany billing project meets the following criteria before generating an invoice and invoice lines:

- *(Mass generation only)* Billing cycle criteria have been met.
- Invoice details exist that have not yet been included in an invoice.

- The project customer, and customer bill and ship to sites must all be active. Otherwise, Oracle Projects creates an invoice marked with generation error.
- The project customer must not be on credit hold. Otherwise, Oracle Projects creates an invoice marked with generation error.
- The status of the intercompany billing project must not be Closed.

Create invoice

Depending on how the provider operating unit has implemented the provider controls, this step creates:

- A consolidated intercompany invoice for all cross charged projects of a receiver legal entity. In other words, one draft invoice for each intercompany billing project.
- One intercompany invoice for each cross charged project. In other words, multiple invoices for an intercompany billing project when multiple cross charged projects exist for a receiver operating unit/legal entiy. Oracle Projects orders such invoices by generating status and the project number of the cross charged project.

The process uses the date of the invoice as the GL date.

An additional grouping column at expenditure item level is available through an extension to create invoices with this grouping criteria in combination with invoice grouping criteria defined in provider receiver controls.

Create invoice lines

The process uses the following criteria to group invoice details to generate invoice lines:

- Cross-charged project
- Tax attributes
- Intercompany revenue account
- Invoice format components - includes Provider and Receiver Organization

Invoice lines are then created for the invoices based on the grouped invoice details.

> **Note:** If an invoice line amount is zero due to offsetting invoice details, the process does not create the invoice line and includes the invoice details for that line in an exception report.

Approving and Releasing Intercompany Invoices

Approving and releasing intercompany invoices consists of the following actions:

1. Review intercompany invoices in the Invoice Review window.

   From this window, you can drill down from a draft intercompany invoice to draft intercompany invoice lines to the underlying cross charged transactions.

2. Approve intercompany invoices as you would a customer invoice.

3. Release intercompany invoices as you would a customer invoice.

   Note: Oracle Projects generates the invoice number for intercompany invoices and customer invoices from different sequences because different batch sources are used to interface these invoices to Oracle Receivables.

4. (Optional) Delete unapproved intercompany invoices as you would a customer invoice.

Interfacing Intercompany Invoices to Receivables

The PRC: Interface Intercompany Invoices to Receivables process interfaces released intercompany invoices to Oracle Receivables. You can run this process separately or as a streamline process (choose the XIC: Interface Intercompany Invoices to AR parameter). The streamline process includes the following processes:

1. Interface Intercompany Invoices to Receivables, page 8-38
2. AutoInvoice, page 8-39
3. Tieback Invoices from Receivables, page 8-39

Interface Intercompany Invoices to Receivables

This process interfaces intercompany invoices with active *Bill To* and *Ship To* address to the Oracle Receivables interface table. It identifies the following debit accounts for intercompany invoices:

- Intercompany Receivables
- Intercompany Rounding

Oracle Projects provides the AutoAccounting function *Intercompany Invoice Accounts* to determine the default receivables and rounding accounts. The default intercompany revenue account is already available on the invoice lines for intercompany invoices.

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.

Once in Oracle Receivables, intercompany invoices are identified with a batch source of PA Internal Invoices and a transaction type of either Internal Invoice or Internal Credit Memo. 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 fields in Oracle Receivables which hold project-related data for intercompany invoices (reference field of the PA Internal Invoices batch source) are shown in the following table:

Oracle Receivables Field Name	Oracle Projects Data
Transaction Flexfield Value 1	Project number of the intercompany billing project
Transaction Flexfield Value 2	Draft invoice number from Oracle Projects
Transaction Flexfield Value 3	Receiving operating unit
Transaction Flexfield Value 4	Project manager
Transaction Flexfield Value 5	Project number of the cross charged project
Transaction Flexfield Value 6	Line number of the invoice line
Transaction Flexfield Value 7	Invoice type of the invoice

Line grouping rule and line ordering rule in Oracle Receivables for intercompany invoices are as follows:

- Line grouping. Uses Transaction Flexfield Values 1 through 4.
- Line ordering. Uses Transaction Flexfield Values 5 through 7.

Decentralized invoice collections are not enabled for intercompany invoices.

AutoInvoice

The Oracle Receivables Invoice Import process pulls invoices from the Oracle Receivables interface tables. See: *Oracle Receivables User Guide.*

Tieback Invoices from Receivables

The Tieback Invoices from Receivables process verifies the successful interface of intercompany invoices to Oracle Receivables. Intercompany invoices successfully interfaced to Oracle Receivables are also automatically interfaced to the Oracle Payables system of the receiver operating unit. See: Tieback Invoices from Receivables, *Oracle Projects Fundamentals*.

Generate Provider Cost Reclassification Entries

After you run the process PRC: Tieback Invoices from Receivables, run the process PRC: Generate Cross Charge Accounting Events to generate accounting events for the provider cost reclassification journal entries.

Next, run the process PRC: Create Accounting to create accounting entries for the provider cost reclassification accounting events in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger. If you select this option, the create accounting process initiates Journal Import in Oracle General Ledger. 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.

You can review the entries from the View Accounting window. See Create Cross Charge Distribution Lines, page 8-27 for more information on using the View Accounting window.

> **Note:** Before you can view the accounting entries, you must create subledger accounting entries for the accounting events associated with the provider cost reclassifications.

Interfacing Intercompany Invoices to Oracle Payables

Interfacing intercompany invoices to the invoice tables in Oracle Payables consists of the following steps:

1. Interfacing intercompany invoices to the Payables interface table, page 8-40
2. Running the Open Interface Import process in Payables, page 8-41

Interface intercompany invoices to the Payables interface table

When the provider operating unit runs the Tieback Invoices from Receivables process, the intercompany invoices are automatically copied into the interface table of the receiver operating unit's Payables. Intercompany invoices interfaced to Payables are identified with the following attributes:

- **Source.** All intercompany invoices have a source of Oracle Projects Intercompany.
- **Supplier.** The supplier is identified by the provider operating unit's internal billing implementation options.
- **Supplier Site.** The supplier site is based on how the provider operating unit defines the receiver controls for the receiver operating unit.

- **Invoice Amount.** The Payables invoice amount is the amount of the related Receivables invoice, including taxes.

The interface process populates the project-related attributes for intercompany Payables invoice distributions, as indicated below:

- **Project Number.** The number of the cross charged project indicated in the invoice line.
- **Task Number.** The number of the task specified in the Intercompany Tax Receiving Task field on the cross charged project.
- **Expenditure Item Date.** The invoice date of the intercompany Receivables invoice.
- **Expenditure Type.** The expenditure type specified by the receiver operating unit in the Receiver Controls tab.
- **Expenditure Organization.** The expenditure organization specified by the receiver operating unit in the Receiver Controls tab.

The Payables Open Interface process creates invoice distributions for the entire invoice.

Run the Open Interface Import process in Payables

The receiver operating unit runs the Open Interface Import process in Payables to create intercompany Payables invoices. Payables Open Interface Import performs the following steps:

- Convert 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.

- Derive the default intercompany Payables account from supplier information. You can either associate supplier types for internal suppliers with intercompany cost accounts or otherwise modify the Workflow-based account generation process to determine the appropriate intercompany cost account. Payables Invoice Import generates the following sample accounting entries:

  DR Intercompany Cost

  CR Intercompany Payables

  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 Payables derives using the Account Generator.

- Generate recoverable and non-recoverable tax lines based on the tax classification code associated with each invoice line and the percentage you specify for recoverable tax amounts.

Interface Tax Lines from Oracle Payables to Oracle Projects

After the Payables Invoice Import process generates non-recoverable tax lines for the intercompany invoice, you must run the Interface Supplier Costs process to interface these non-recoverable tax lines to Oracle Projects as project costs.

Tax lines interfaced from Oracle Payables are not subject to any cross charge processing.

Related Topics

Adjustments that Affect Tax Recoverability, page 4-99

Adjusting Cross Charge Transactions

This section provides an overview and a description of the processing flow for adjustments to cross charge transactions.

Overview of Cross Charge Adjustments, page 8-42

Processing Flow for Cross Charge Adjustments, page 8-46

Overview of Cross Charge Adjustments

Due to data entry errors or changes in your organization or business rules, you may need to adjust certain attributes of cross charged transactions. Doing so causes Oracle Projects to reprocess the transactions or to skip the cross charge processes completely. You can adjust a cross charged transaction by:

1. Marking transactions for cross charge reprocessing, page 8-43
2. Marking transactions to skip cross charge processing, page 8-44
3. Changing transfer price conversion attributes, page 8-44
4. Making the following miscellaneous adjustments, page 8-44
5. Changing transfer price base amounts
6. Changing the provider or receiver organization using the mass update feature
7. Recompiling burden schedules
8. Performing splits and transfers

9. Performing adjustments on the Receivables or Payables invoices

Marking transactions for cross charge reprocessing

You can mark one or more transactions for cross charge reprocessing in the Expenditure Items window. For example, if you have changed cross charge setup data and want this new information reflected in the affected transfer price amounts and accounting entries, select the Reprocess Cross Charge option in the Reports menu of the Expenditure Items window.

Marking a transaction for cross charge reprocessing:

- Resets the cross charge type to Null
- Resets the cross charge processing method to Pending
- Resets the cross charge processing status to Never Processed
- Resets the transfer price amount in all currencies to Null
- Redetermines the cross charge type and processing method

The next time you run the cross charge processes, they will process these transactions as new cross charged transactions.

You should mark affected transactions for cross charge reprocessing if you have changed any of the following information:

- **Provider or receiver organization.** Modifying the Provider and Receiver Organizations Override extension or changes in your organizational structure can result in changes to the provider or receiver organization of a cross charged transaction, which could affect the cross charge type, the processing method, or the transfer price rules.
- **Transfer price setup data.** Any change to your transfer price rules could result in a new transfer price amount determined for cross charged transactions that have already been processed.
- **Cross-charge setup data.** Any change to your cross charge or internal billing implementation options, provider and receiver controls, or cross charge project and task information can affect how Oracle Projects processes cross charged transactions.
- **Account codes.** Changes to the provider reclassification accounting options can result in changes to the provider cost reclassification accounts. Any changes to the AutoAccounting setup for cross charge functions can also affect existing cross charge accounting entries.
- **Billable flag.** For cross charged transactions processed by intercompany billing

with the provider cost reclassification feature enabled, changes to the Billable flag of a transaction on a contract project can result in new provider cost reclassification accounting entries.

- **Tax classification codes.** The Generate Intercompany Invoice processes determine the appropriate tax classification code for each invoice line. If you modify the logic used to derive the tax classification codes and have already released invoices, you must mark the affected transactions for cross charge reprocessing. Oracle Projects automatically creates a credit memo for the original invoice and a new invoice with the new tax classification codes.

Marking transactions to skip cross charge processing

You can mark one or more transactions so that the cross charge processes skip the specified transactions. To do this, choose Mark For No Cross Charge Processing in the Reports menu of the Expenditure Items window.

Marking a transaction as not requiring cross charge processing resets the cross charge processing method to No Cross Charge Processing and the cross charge processing status to Never Processed.

Changing transfer price conversion attributes

You can reconvert transfer price amounts from the transaction currency if you change the transfer price exchange rate date type and exchange rate type, which govern how Oracle Projects converts the transfer price amount from the transaction currency to the functional currency. To do this, you choose the Change Transfer Price Currency Attributes option from the Reports menu in the Expenditure Items window. A change in these conversion attributes may result in a change to the transfer price amount in the functional currency.

Both provider and receiver operating units can change the transfer price conversion attributes.

Changing your transfer price currency conversion attributes:

- Replaces conversion attributes for the functional currency
- Resets existing transfer price amounts in the functional currency to Null
- Resets the cross charge processing status to Never processed

Making miscellaneous cross charge adjustments

You can perform the following adjustments to cross charged transactions. These adjustments automatically mark the transaction for cross charge reprocessing.

- **Changing transfer price base amounts.** If you recalculate raw or burdened cost or revenue amounts, the amount of the transfer price basis (and the final transfer price

amount) of a cross charged transaction may also change. The respective cost distribution and revenue generation processes determine whether such recalculations affect the transfer price amount of any cross charged transactions and automatically mark the transactions for cross charge reprocessing.

The cost distribution and revenue generation processes automatically resets the cross charge processing status to Never Processed and blanks out the transaction's transfer price amount.

- **Changing the provider or receiver organization using the mass update feature.** If you use the mass update feature to change the organization that owns a project or task, Oracle Projects marks all transactions (with an expenditure date after the effective date of the organization change) for cross charge reprocessing. A different project (or receiver) organization could result in a change to the transaction's cross charge processing method.

  Oracle Projects **automatically marks the affected items for cross charge processing.**

- **Recompiling burden schedules.** If the user changes and recompiles a burden schedule that has been used for determining the transfer price of some items, the recompile process will mark these items for cross charge reprocessing by resetting the cross charge type to Null, the cross charge processing method to Pending, and the cross charge processing status to Never Processed.

- **Performing transfers and splits.** Transferring or splitting a cross charged transaction does not affect the cross charge processing method of the existing transactions. The reversing and new transactions will undergo the cross charge processes as usual.

  The Generate Intercompany Invoice processes group the invoice details for all adjusting transactions by the invoice number and line number of the original transactions for credit memo processing.

- **Performing adjustments on the Receivables or Payables invoices.** You can adjust invoice level accounting information for Receivables and Payables invoices, as described below:

  - Intercompany Receivables account (for Receivables invoices). The Interface Intercompany Invoices to Receivables process determines the intercompany receivables account for each invoice. If you change the rules used to determine this account, you must manually cancel the invoice from the Invoice Review window. Oracle Projects automatically creates a credit memo with details reversing each line in the original invoice. All items on the cancelled invoice are eligible for intercompany rebilling. Once rebilled, the Interface Intercompany Invoices to Receivables process will determine the account for the new invoice using the modified rules.

    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.

- Intercompany cost account (for Payables invoices). In Oracle Payables, reverse the invoice distribution with the incorrect intercompany cost account and create a new line with the correct account information.

Processing Flow for Cross Charge Adjustments

After you mark an adjustment to a cross charged transaction for reprocessing, Oracle Projects processes these adjustments similarly to the original transactions. The processing flow for adjustments is described in further detail on the following pages.

The cross charge processes perform the following common steps on adjustments marked for cross charge reprocessing, regardless of whether the transactions require borrowed and lent or intercompany billing processing:

- Recalculate the transfer price if no transfer price amount exists in the transaction currency
- Reconvert the transfer price amount from the transaction currency to the functional currency if an amount exists in the transaction currency but not the functional currency

Processing Borrowed and Lent Adjustments

After the PRC: Distribute Borrowed and Lent Amounts process completes the common processing steps for cross charge adjustments, it performs the steps for borrowed and lent adjustments, as described below.

- **Regenerate accounting entries.** If any of the accounts have changed for which you have already generated cross charge accounting events, the Distribute Borrowed and Lent Amounts process reverses the original cross charge distributions and creates new ones. The process also determines the PA dates for the reversing and new distributions. If you have not yet generated cross charge accounting events for the original accounting entries, and the accounts or amounts have changed, the process replaces them with the new entries.
- **Reverse existing distributions if processing method has changed.** If the cross charge processing method for the transaction changes from borrowed and lent to intercompany billing or no cross charge processing, the process reverses existing entries for which you have already generated cross charge accounting events.

Processing Intercompany Billing Accounting Adjustments

After the Generate Intercompany Invoice process completes the common processing steps for cross charge adjustments, it performs the following steps:

1. Redetermine the intercompany revenue account and tax classification code.

   The process determines the revenue account and tax classification code for the adjusted transactions. If intercompany invoice details exist for the transaction, the Generate Intercompany Invoice process compares the recalculated transfer price amount with the existing transfer price amount. If the transfer price amounts are different, you must reverse the existing invoice detail line and create a new one. Similarly, if the process detects a difference in the new intercompany revenue account or tax classification code and the existing values, then the process reverses the existing invoice details and creates new invoice details.

2. Create a credit memo.

   The Generate Intercompany Invoice process creates a credit memo, in which reversing invoice details are grouped together by the invoice number and invoice line number on which the original invoice details are billed.

3. Create new invoices.

   The process groups invoice details for changed values of the transfer price, revenue account, and tax classification code into the new invoice. You then interface the new invoices to Oracle Receivables.

4. *(Optional)* Regenerate provider cost reclassification accounting entries.

   After you run the process PRC: Tieback Invoices from Receivables, if any of the accounts have changed from entries for which you have already generated accounting events, the Generate Intercompany Invoice process reverses the original distributions and creates new ones. The process also determines the PA dates for the reversing and new distributions. If you have not yet generated accounting events for the original accounting entries, and the accounts or amounts have changed, the process replaces them with the new entries.

9

Integration with Other Oracle Applications

This chapter describes integrating Oracle Projects with other Oracle Applications to perform project costing.

This chapter covers the following topics:

- Overview of Oracle Project Costing Integration
- Integrating Expense Reports with Oracle Payables and Oracle Internet Expenses
- Integrating with Oracle Purchasing and Oracle Payables (Requisitions, Purchase Orders, and Supplier Invoices)
- Integrating with Oracle Assets
- Integrating with Oracle Project Manufacturing
- Integrating with Oracle Asset Tracking
- Integrating with Oracle Inventory
- Integrating with Oracle Time and Labor
- Integrating with Oracle Payroll
- Integrating with Oracle Service
- Integrating with Oracle Loans

Overview of Oracle Project Costing Integration

This chapter describes Oracle Projects integration with other Oracle Applications to perform project costing and includes the following topics:

- Integrating Expense Reports with Oracle Payables and Oracle Internet Expenses, page 9-2
- Integrating with Oracle Purchasing and Oracle Payables (Requisitions, Purchase Orders and Supplier Invoices), page 9-11

- Integrating with Oracle Assets, page 9-45
- Integrating with Oracle Project Manufacturing, page 9-50
- Integrating with Oracle Asset Tracking, page 9-51
- Integrating with Oracle Inventory, page 9-52
- Integrating with Oracle Time & Labor, page 9-55
- Integrating with Oracle Payroll, page 9-60

> **Caution:** You cannot integrate a cost breakdown planning enabled project with the following applications: Oracle Asset Tracking, Oracle Project Manufacturing, Oracle Inventory, and Oracle Payroll.

For information on overall Oracle Projects integration and detail information on integration with applications such as Oracle Subledger Accounting, Oracle General Ledger, and Oracle Human Resources, see: System Integration, *Oracle Projects Fundamentals*.

Related Topics

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Integrating Expense Reports with Oracle Payables and Oracle Internet Expenses

You can enter expense reports containing project and task information in Oracle Internet Expenses or Oracle Payables. In a project, which has cost breakdown planning enabled, you select a task that is a combination of task and cost code. Additionally, you can import fully-accounted project-related expense reports into Oracle Projects from third-party systems using Transaction Import.

This section describes how to ensure that transactions resulting from project-related expense reports are properly accounted.

Overview of Expense Report Integration

Expense Reports Imported into Oracle Projects

You can use Transaction Import to import project-related expense reports into Oracle Projects from third-party systems. Expense reports that you import into Oracle Projects must be fully accounted. Oracle Projects does not generate accounting events to create accounting in Oracle Subledger Accounting for these imported costs.

Expense Reports Entered in Oracle Internet Expenses

You can create project-related expense reports using Oracle Internet Expenses. Employees can include project and task information in an expense report created in Oracle Internet Expenses.

Expense reports entered in Oracle Internet Expenses must be sent to Payables and then to Oracle Projects. These expense reports have an expenditure type class of Expense Report and do not need to be tied back to Oracle Projects. For more information, see: Processing Expense Reports Created in Oracle Internet Expenses, page 9-5.

Expense Reports Entered in Payables

You can enter project-related expense reports directly into Oracle Payables. You can enter project and task information on expense reports in the Invoices window in Oracle Payables (enter Expense Report in the Type field). Expense reports entered in the Invoices window are assigned an expenditure type class of Expense Report and are processed in Oracle Projects similarly to expense reports entered in Oracle Internet Expenses. The Expense Report window in Oracle Payables does not record project information for expense report lines. Use the Invoices window instead. For information, see *Oracle Payables User's Guide*.

You can use standard reports to track your expense reports as the expense report information moves from one application to another.

You can also use Payables features to create advances (prepayments) and adjustments, and then apply them against invoices in Payables.

Setting Up in Payables and Oracle Projects

To process project-related expense reports, perform the following tasks:

- In Payables:
  - Define employees as suppliers
  - Accept or override the employee address
  - Determine the expense report cost account
- *(Optional)* In the System Administrator responsibility, set profile options

Define Employees as Suppliers

Before Payables can create invoices for an employee's expense reports, the employee must be defined as a supplier. You can either enable Payables to create a supplier automatically for employees lacking a supplier record or enter the employee manually as a supplier in the Suppliers window.

If an employee is not a supplier, Payables does not create an invoice and lists the expense report as an exception.

To define employees as suppliers:

1. In Payables, navigate to the Payables Options window.
2. Choose the Expense Report tab.
3. Enable Automatically Create Employee as Supplier.

Accept or Override the Employee Address

Payables sends the reimbursement to the employee's default address (Home or Office), which is set for the employee in HR. You can override the Home or Office setting in the Expense Reports window in Payables.

Payables uses the same value when creating supplier sites for the supplier record.

Determine the Expense Report Cost Account

For expense reports entered in Oracle Internet Expenses and the Invoices window in Oracle Payables, an account generator (the Project Expense Report Account Generator, a process in Oracle Workflow) determines the default expense account for each transaction that includes project and task information. The default account generator process for expense reports uses the CCID (code combination identifier) entered for the employee in Oracle HRMS. For more information about generating accounts, see: AutoAccounting, the Account Generator, and Subledger Accounting, *Oracle Projects Implementation Guide*.

When you adjust expense report expenditure items in Oracle Projects, Oracle Projects uses AutoAccounting (not the employee's default expense account) to determine the default expense report cost account. For additional information, see: Adjustments to Supplier Costs, page 4-95.

Set Profile Options

Using the System Administrator responsibility, open the System Profile Values window and set the following profile options:

- *OIE: Enable Projects* specifies whether you can enter project-related information on expense reports in Oracle Internet Expenses. If you set this option to Yes, then you must set the PA: Allow Project-Related Entry in Oracle Internet Expenses profile option to Yes as well.
- *PA: Allow Override of PA Distributions in AP/PO* determines whether Oracle Purchasing and Oracle Payables pass user-entered account segment values to the Account Generator workflow. If you want to enable users to override generated accounts, then you must set this profile option to *Yes* and also set the *Replace*

Existing Value attribute in the Account Generator workflow to *False*. The default value for the *Replace Existing Value* attribute is *False*.

- *PA: Allow Project-Related Entry in Oracle Internet Expenses* specifies whether a user can enter project-related transactions in Oracle Internet Expenses. If you set this option to Yes, then you must set the OIE: Enable Projects profile option to Yes or Required as well.

- *PA: Expense Report Invoices Per Set* specifies the number of Payables invoices to process each time you run the process PRC: Interface Expense Reports from Payables.

- *PA: Transfer DFF with AP* specifies whether the process PRC: Interface Supplier Costs and the process PRC: Interface Expense Reports from Payables interface descriptive flexfield segments from Oracle Payables to Oracle Projects.

For additional information, see Profile Options, *Oracle Projects Implementation Guide* and *Oracle Internet Expenses Implementation and Administration Guide*.

Define Project-Related Expense Report Templates

Use the Expense Report Template window in Oracle Payables to define templates based on the expense reports you regularly use in your enterprise. You use this window to define expense report templates for use in Oracle Payables and in Oracle Internet Expenses. You can define default values for expense items, and you can then choose those items from a list of values when you enter expense reports. To create project-related expense items, you associate expense items with Oracle Projects expenditure types. To have the Oracle Projects expenditure types appear in the Expense Item list of values, establish a separate template where the expense item names are identical to the expenditure type names. Instruct Oracle Internet Expenses users who enter project-related expense reports to use this template

Related Topics

Integrating with Oracle Payables, page 9-24

Implementing Oracle Internet Expenses Integration, *Oracle Projects Implementation Guide*

Oracle Payables and Purchasing Integration, *Oracle Projects Implementation Guide*

Profile Options for Integration with Other Products, *Oracle Projects Implementation Guide*

Resource Definition, *Oracle Projects Implementation Guide*

Processing Expense Reports Created in Oracle Internet Expenses and Oracle Payables

This section covers the following topics:

- Importing Expense Reports in Payables, page 9-8

- Transferring Oracle Payables Accounting Information to Oracle Subledger Accounting and Oracle General Ledge, page 9-8
- Interfacing Expense Reports from Payables, page 9-9

The following illustration shows the steps in processing project-related expense reports created in Oracle Internet Expenses.

Processing Expense Reports Created in Oracle Internet Expenses and Oracle Payables

The illustration *Processing Expense Reports Created in Oracle Internet Expenses and Oracle Payables*, page 9-7, shows that you can enter and submit project-related expense reports in Oracle Internet Expenses. After an expense report is approved and audited in Oracle Internet Expenses, you run the process Expense Report Export to send this information to the Oracle Payables invoice tables. Additionally, project-related expense reports that you enter in the Invoices window in Oracle Payables go directly to the Oracle Payables invoice tables.

After the expense reports are in the Oracle Payables, Oracle Payables creates the default accounting distributions based on business rules you define in the Projects Expense Report Account Generator.

For accrual basis accounting, you validate the expense report invoice and create subledger accounting in final mode before you can interface expense reports to Oracle Projects.

For cash basis accounting, you must pay the invoice before you can interface expense reports to Oracle Projects. You can interface partially paid expense report invoices to Oracle Projects.

Next, you run the process PRC: Interface Expense Reports from Payables to interface project-related expense report costs to Oracle Projects. This information initially goes to the Oracle Projects interface tables. The process continues and automatically imports the transactions to the Oracle Projects Expenditure Items Table. You run this process for expense reports created in Oracle Internet Expenses and for expense reports entered directly into Oracle Payables.

You can use either Oracle Projects or Oracle Payables to adjust expense reports entered in Oracle Internet Expenses or Oracle Payables. If you make adjustments in Oracle Projects, then you run processes in Oracle Projects to distribute the expense report adjustments, generate cost accounting events, and create accounting for the adjustments in Oracle Subledger Accounting. If you make adjustments in Oracle Payables, then you revalidate the invoices and create accounting in Oracle Payables, and run the process PRC: Interface Expense Reports from Payables in Oracle Projects to interface the adjustments to Oracle Projects. You create the final subledger accounting for the adjustments in Oracle Payables. For information on adjustments, see: Adjustments to Supplier Costs, page 4-95.

Importing Expense Reports In Payables

The Expense Report Export program processes expense reports created in Oracle Internet Expenses. Oracle Payables identifies invoices created from Oracle Internet Expenses expense reports with a source of *Oracle Internet Expenses*.

For prerequisites and procedures for importing project-related expense reports from Oracle Internet Expenses, see the *Oracle Payables User's Guide*.

> **Note:** You do not need to import expense reports entered directly in the Invoices window. Oracle Payables saves those expense reports directly to the Payables invoice tables.

Transferring Oracle Payables Accounting Information to Oracle Subledger Accounting and Oracle General Ledger

You validate expense report invoices, create accounting, and pay expense reports in Oracle Payables. You transfer the final subledger accounting from Oracle Subledger Accounting to Oracle Payables. For additional information, see the *Oracle Payables*

User's Guide.

Interfacing Expense Reports from Payables

You run the process PRC: Interface Expense Reports from Payables to interface project-related expense report costs to Oracle Projects. This process loads the interface tables with the following data:

- Project-related invoice accounting entries
- Adjusting transactions due to the cancellation and reversal of project related invoice accounting entries

Next, the process PRC: Interface Expense Reports from Payables calls transaction import, which performs the following actions:

- Calculates the burden amounts for the appropriate imported raw costs
- Creates a pre-approved expense report batch in Oracle Projects, based on the project-related invoice accounting entries
- Imports descriptive flexfield information entered in Oracle Internet Expenses or Oracle Payables (if the profile option PA: Transfer DFF with AP is set to yes)

  Note: Projects holds 10 descriptive flexfield segments. If you are using more than 10 segments in Payables, only the first 10 are imported to Projects.

Oracle Projects generates transactions with a source of *Oracle Payables Expense Reports*. You can optionally enable the *Allow Adjustments* option for this transaction source. For information on this option, see: Allow Adjustments Option for Supplier Cost Transaction Sources, page 4-96.

Prerequisites:

Before you run this process:

- Import project-related expense reports from Oracle Internet Expenses or enter project-related expenses in the Invoices window.
- Create the invoice, validate the invoice, and create default accounting in Oracle Payables.
- For accrual basis accounting, you must create subledger accounting for the invoice in final mode before you can interface it to Oracle Projects.
- For cash basis accounting, you must pay the invoice before you can interface it to Oracle Projects. You can interface partially paid expense report invoices to Oracle Projects.

Note: When Enhanced Period Processing is enabled, you can interface transactions even if the PA Period, GL Period in Oracle Projects, and GL Period in Oracle General Ledger are closed. The interface process takes the transaction GL date from the invoice in Oracle Payables. The transaction PA date rolls to the next open PA period as long as at least one PA period is in *Open* or *Future* status.

Reports

The process PRC: Interface Expense Reports from Payables generates a report that lists the interfaced and rejected invoice distribution lines, as well as a summary of the total number and cost of the distribution lines.

Correct the rejected invoice distribution lines (refer to the rejection reasons shown on the report), and then resubmit the process.

Related Topics

Interface Expense Reports from Payables, *Oracle Projects Fundamentals*

Setting Up in Payables and Oracle Projects, page 9-3

Transaction Sources, *Oracle Projects Implementation Guide*

Generating Accounts for Oracle Payables, *Oracle Projects Implementation Guide*

Adjusting Expense Reports

You can adjust expense reports that you enter in Oracle Internet Expenses or the Oracle Payables Invoices window in both Oracle Projects and Oracle Payables.

For example, in Oracle Projects, you can transfer or split expense report expenditure items (net zero adjustments), reclassify the billable or capitalizable status of an expenditure item, and place and release expenditure item billing holds.

For example, in Oracle Payables, you can modify the line amount, project, task, or expenditure types by reversing existing invoice distribution lines and creating new ones. You can also cancel an invoice.

When you make adjustments to expense report costs in Oracle Projects, you run the following processes to distribute the costs, create cost accounting events for the adjustments, and create accounting for the accounting events in Oracle Subledger Accounting:

- PRC: Distribute Expense Report Adjustments
- PRC: Generate Cost Accounting Events
- PRC: Create Accounting

When you make adjustments to expense report invoices in Oracle Payables, you revalidate the invoice and create accounting for it in Oracle Payables. You then run the process PRC: Interface Expense Reports from Payables in Oracle Projects to interface the adjustments to Oracle Projects.

Adjustments to project-related expense reports follow the same logic as adjustments to project-related supplier costs. For a detailed discussion of supplier cost adjustments, see: Adjustments to Supplier Costs, page 4-95.

Integrating with Oracle Purchasing and Oracle Payables (Requisitions, Purchase Orders, and Supplier Invoices)

Oracle Projects fully integrates with Oracle Purchasing and Oracle Payables and allows you to enter project-related requisitions, purchase orders, and supplier invoices using those products.

When you enter project-related transactions in Oracle Purchasing and Oracle Payables, you enter project information on your source document. Oracle Purchasing, Oracle Payables, and Oracle Projects carry the project information through the document flow: from the requisition to the purchase order in Oracle Purchasing, to the supplier invoice in Oracle Payables, and to the project expenditure in Oracle Projects.

Oracle Purchasing and Oracle Payables use the Account Generator to determine the default account number for each project-related distribution line based on the project information that you enter.

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 Purchasing and Oracle Payables derive using the Account Generator. To define your own Oracle Subledger Accounting setup for Oracle Purchasing, you must access the Accounting Methods Builder from an Oracle Purchasing responsibility. Similarly, to define your own Oracle Subledger Accounting setup for Oracle Payables, you must access the Accounting Methods Builder from an Oracle Payables responsibility. For more information, see the *Oracle Subledger Accounting Implementation Guide*.

Using Oracle Projects views, you can report committed costs of requisitions and purchase orders that are outstanding against your projects in Oracle Projects.

When a supplier is not registered with tax authorities, the purchaser must report and pay the tax. This tax that a purchaser is liable for is called the self assessed tax. The self assessed tax amounts are computed on the supplier invoice however, the amount is not payable to the supplier, but, it is paid to the tax authorities. Self assessed taxes were known as reverse charge or use taxes. Oracle E-Business Tax and Oracle Payables let you calculate and store self-assessed tax amounts. Using this feature the tax amounts are interfaced to Oracle Projects and recorded as a project expense. In Oracle Projects with self assessed tax, the following are possible:

- Transfer nonrecoverable tax (whether assessed by supplier or self assessed) to the

project on which the expense is incurred

- Perform funds check on nonrecoverable self assessed tax lines as they are a cost component
- Display cost inclusive of non recoverable self assessed tax on project summary

Supplier Merge

You can merge suppliers in Oracle Payables to maintain your supplier records. This functionality enables you to merge duplicate suppliers into a single, consolidated supplier. You can use it to merge transactions within the same supplier from one supplier site to a different supplier site. You can also choose to merge all transactions for a supplier into a new supplier, or you can choose to merge only unpaid invoices.

The supplier merge program in Oracle Payables updates the supplier references on related transactions in Oracle Projects.

Related Topics

Oracle Payables and Oracle Purchasing Integration, *Oracle Projects Implementation Guide*

Supplier Merge Program, *Oracle Payables User's Guide*

Understanding the Supplier Cost Process Flow

When you enter project-related documents in Oracle Purchasing and Oracle Payables, you specify project information in addition to the information you normally specify for a document. In addition, you can use all of the standard features of Oracle Purchasing and Oracle Payables, including encumbrance accounting and funds checking, when you enter project-related documents.

For information about adjusting project-related supplier costs, see: Adjustments to Supplier Costs, page 4-95.

Accounting Methods for Oracle Payables

When you define a ledger, you can enable an option for the ledger to use *cash basis* accounting. Otherwise, the ledger uses *accrual basis* accounting. The following list briefly describes how this choice affects the accounting entries that Oracle Payables creates:

- **Accrual basis accounting:** Oracle Payables creates accounting entries for invoices and payments.

  If you use accrual basis accounting, then you can set up Oracle Purchasing to accrue expense items at receipt. For information on setting up this option see the *Oracle Purchasing User's Guide*.

- **Cash basis accounting:** Oracle Payables accounts only for payments and does not record liability information for invoices.

When you define a primary ledger, you can optionally assign one or more secondary ledgers to it. The primary ledger acts as the main record-keeping ledger. The secondary ledger is an optional, additional ledger that is associated with the primary ledger. You can use a secondary ledgers to represent the accounting data in another accounting representation that differs from the primary ledger. For example, one ledger can use accrual basis accounting and the other can use cash basis accounting. This approach is also know as *combined basis* accounting. Oracle Payables records invoice accounting entries in both ledgers. The accounting method of the primary ledger, cash basis or accrual basis, determines the flow of actual costs to Oracle Projects. When you make supplier cost adjustments in Oracle Projects, Oracle Projects does not create accounting entries for a secondary ledger if the accounting basis differs from the primary ledger.

> **Important:** If you make adjustments to supplier cost expenditure items in Oracle Projects, then the adjustment activity is reflected only in the primary ledger if the accounting basis differs from the primary ledger. If you make adjustments in Oracle Payables, the adjustment activity is reflected in both ledgers. You can disable the *Allow Adjustments* check box for predefined supplier cost transaction sources in Oracle Projects to prevent users from adjusting supplier cost expenditure items in Oracle Projects.

The point at which you interface supplier costs to Oracle Projects as actual costs depends on the accounting method. The following sections discuss the accrual basis accounting and cash basis accounting processing flows to Oracle Projects.

Related Topics

Interfacing Supplier Costs, page 9-34

Interface Supplier Costs, *Oracle Projects Fundamentals*

Using Top-Down Budget Integration, page 3-63

Oracle Financials Implementation Guide

Processing Supplier Costs with Accrual Basis Accounting

Supplier Cost with Accrual Basis Accounting Process Flow

As illustrated in the figure Supplier Cost with Accrual Basis Accounting Process Flow, page 9-14, when the primary accounting method in Oracle Payables is accrual basis accounting, you interface perpetual receipt accruals, invoice variances, invoice distributions, and payment discounts to Oracle Projects as actual costs. The following sections discuss this flow.

Managing Project-Related Supplier Costs in Oracle Purchasing

In Oracle Purchasing, you can enter project information for requisition distribution lines to charge requisition costs to projects. You can also enter project information on requisitions in Oracle iProcurement.

When you autocreate a purchase order, Oracle Purchasing copies the distribution lines

from the requisition to the purchase order. You can also create a purchase order without first entering a requisition. In this case, you enter project information for the purchase order distribution lines to charge purchase order costs to projects. For a blanket purchase order, you enter project information when you create a release.

You can optionally enable the *Accrue at Receipt* check box when you enter a purchase order line to make it eligible for receipt accrual processing. After you enter a receiving transaction for an accrue-on-receipt purchase order line, you create subledger accounting for the receiving transaction in final mode. Next, you interface the costs associated with the receipt to Oracle Projects as actual costs.

> **Note:** If you want to flag purchase order lines to accrue at receipt, you must set the *Accrue Expense Items* option on the Purchasing Options to *Accrue at Receipt*. In this case, Oracle Purchasing enables the Accrue at Receipt check box for purchase order lines by default.

Managing Project-Related Supplier Costs in Oracle Payables

In Oracle Payables, you can match a supplier invoice to an existing purchase order or receiving transaction. Oracle Payables automatically copies the project information from the purchase order distribution lines when you perform the match. You can also create non-matched supplier invoices in Oracle Payables and enter invoice distributions to charge invoice costs to projects.

After you validate the invoice and create accounting for it in final mode, you interface project-related invoice distributions to Oracle Projects as actual costs. In addition, this process sends any supplier invoice cost variances to Oracle Projects.

Project-Related Prepayment Invoices

Oracle Projects summarizes prepayment invoices that are not matched to purchase orders as cost commitments, not as actual costs, and displays the commitments in the Project Status Inquiry window or the Project Performance page, depending on the summarization model you use. Oracle Projects tracks only prepayment invoices not matched to purchase orders as commitments because Oracle Projects tracks commitments for prepayment invoices matched to purchase orders as purchase order commitments. The unmatched prepayment invoice commitment amount is the outstanding unapplied amount of the prepayment invoice. Oracle Projects calculates the amount by subtracting prepayment application amounts from the prepayment invoice amount.

Project-Related Payment Discounts

You can set up Oracle Payables to apply discounts to payments. After you enter a payment with discounts, you interface the discounts to Oracle Projects to adjust the previously interfaced supplier costs. When the process PRC: Interface Supplier Costs interfaces discount amounts to Oracle Projects, the interface process creates an expenditure item for each discount line. If you pay an invoice before you interface the invoice distribution lines to Oracle Projects, and you set the parameters for the process PRC: Interface Supplier Costs to interface both supplier invoices and discounts, then the

interface process creates the invoice distribution expenditure items and invoice discount expenditure items at the same time.

The value of the profile option *PA: AP Discounts Interface Start Date (mm/dd/yyyy)*, in conjunction with the *Discount Method* that you specify in Oracle Payables, determines what the process PRC: Interface Supplier Costs interfaces to Oracle Projects. The following table shows how the *Discount Method* affects Oracle Projects when the value for the profile option *PA: AP Discounts Interface Start Date (mm/dd/yyyy)* is *on or before* the expenditure item date of the transaction.

Oracle Payables Discount Method	Impact on Oracle Projects (Accrual Basis Accounting)
Prorate Expense	Oracle Projects interfaces discount amounts for all project-related invoice distribution lines with a destination type of *Expense*.
Prorate Tax	Oracle Projects interfaces discount amounts for all project-related non-recoverable tax invoice lines.
System Account	Oracle Projects does not interface discount amounts.

If the value for the profile option *PA: AP Discounts Interface Start Date (mm/dd/yyyy)* is *after* the expenditure item date of the transaction, then Oracle Projects does not interface discount amounts.

Interfacing Supplier Costs to Oracle Projects

You run the process PRC: Interface Supplier Costs to interface actual costs to Oracle Projects from Oracle Purchasing and Oracle Payables. This process uses Transaction Import to move the costs into the expenditures table in Oracle Projects. Each distribution line becomes a separate expenditure item in Oracle Projects.

Related Topics

Interfacing Supplier Costs, page 9-34

Interface Supplier Costs, *Oracle Projects Fundamentals*

Oracle Payables and Purchasing Integration, *Oracle Projects Implementation Guide*

Processing Supplier Costs with Cash Basis Accounting

Supplier Cost with Cash Basis Accounting Process Flow

As illustrated in the figure Supplier Cost with Cash Basis Accounting Process Flow, page 9-17, when the primary accounting method in Oracle Payables is cash basis accounting, you interface payments to Oracle Projects as actual costs. The following sections discuss this flow.

Managing Project-Related Supplier Costs in Oracle Purchasing

In Oracle Purchasing, you can enter project information for requisition distribution lines to charge requisition costs to projects. Oracle Projects tracks project-related supplier costs in Oracle Purchasing as commitments. You can also enter project information on requisition in Oracle iProcurement.

When you autocreate a purchase order, Oracle Purchasing copies the distribution lines

from the requisition to the purchase order. You can also create a purchase order without first entering a requisition. In this case, you enter project information on purchase order distribution lines to charge purchase order costs to projects. For a blanket purchase order, you enter project information when you create a release.

You enter receiving transactions for purchase order lines in Oracle Purchasing. With cash basis accounting, you *do not* flag purchase order lines to accrue at receipt and you cannot interface receipts to Oracle Projects as actual costs.

Managing Project-Related Supplier Costs in Oracle Payables

In Oracle Payables, you can match a supplier invoice to an existing purchase order or receiving transaction. Oracle Payables automatically copies the project information from the purchase order distribution lines when you perform the match. You can also create non-matched supplier invoices in Oracle Payables and enter invoice distributions to charge invoice costs to projects. You cannot interface costs from Oracle Payables to Oracle Projects as actual costs until you pay the invoice.

After you enter payments for a supplier invoice, you interface the costs to Oracle Projects as actual costs. You can interface partially paid invoices to Oracle Projects. If you void a payment in Oracle Payables, then Oracle Payables automatically reverses the project-related costs and you interface the reversing items to Oracle Projects.

Project-Related Prepayment Invoices

Oracle Projects summarizes prepayment invoices that are not matched to purchase orders as cost commitments, not as actual costs, and displays the commitments in the Project Status Inquiry window or the Project Performance page, depending on the summarization model you use. Oracle Projects tracks only prepayment invoices not matched to purchase orders as commitments because Oracle Projects tracks commitments for prepayment invoices matched to purchase orders as purchase order commitments. The unmatched prepayment invoice commitment amount is the outstanding unapplied amount of the prepayment invoice. Oracle Projects calculates the amount by subtracting prepayment application amounts from the prepayment invoice amount. In addition, you cannot interface discounts related to prepayments to Oracle Projects as actual costs.

Project-Related Payment Discounts

You can set up Oracle Payables to apply discounts to payments. If you set up Oracle Projects to interface discounts, then the interface process creates an expenditure item for the amount of the payment, minus the discount amount. If you set up Oracle Projects so that the interface process does not interface discounts, then interface process creates the two expenditure items. One expenditure item is for the payment amount minus the discount, and the other expenditure item is for the amount of the discount. Together, the two expenditure items total to the full amount of the cost.

The value of the profile option *PA: AP Discounts Interface Start Date (mm/dd/yyyy)*, in conjunction with the *Discount Method* that you specify in Oracle Payables, determines what the process PRC: Interface Supplier Costs interfaces to Oracle Projects. The following table shows how the *Discount Method* affects Oracle Projects when the value for the profile option *PA: AP Discounts Interface Start Date (mm/dd/yyyy)* is *on or before* the

expenditure item date of the transaction.

Oracle Payables Discount Method	Impact on Oracle Projects (Cash Basis Accounting)
Prorate Expense	Oracle Projects interfaces the payment amount, minus the discount amount applied to project-related invoice distribution lines with a destination type of *Expense*.
Prorate Tax	Oracle Projects interfaces the payment amount, minus the discount amount applied to project-related non-recoverable tax invoice lines.
System Account	Oracle Projects interfaces two expenditure items. One expenditure item is for the payment amount minus the discount, and the other expenditure item is for the amount of the discount. Together, the two expenditure items total to the full amount of the cost.

Interfacing Supplier Costs to Oracle Projects

You run the process PRC: Interface Supplier Costs to interface supplier costs to Oracle Projects from Oracle Payables as actual costs. This process uses Transaction Import to move the costs into the expenditures table in Oracle Projects. Each distribution line becomes a separate expenditure item in Oracle Projects.

> **Note:** The parameter *Interface AP Discounts* does not apply to cash basis accounting.

Related Topics

Interfacing Supplier Costs, page 9-34

Interface Supplier Costs, *Oracle Projects Fundamentals*

Oracle Payables and Purchasing Integration, *Oracle Projects Implementation Guide*

Entering Project-Related Information in Oracle Purchasing and Oracle Payables

You enter project information at the distribution line level for project-related requisitions and purchase orders in Oracle Purchasing, and for project-related supplier invoices in Oracle Payables.

Project-Related Information

When you enter requisitions, purchase orders, and supplier invoices in Oracle Purchasing or Oracle Payables, and have Oracle Projects installed, you specify the following project-related information:

The *Project Number* is the project number incurring the charge from the requisition, purchase order, or invoice.

The *Task Number* is the lowest level task incurring the charge from the requisition, purchase order, or invoice.

In a project, which has cost breakdown planning enabled, you select a task that is a combination of task and cost code

The *Expenditure Type* is an expenditure type classified with an expenditure type class of Supplier Invoices.

The *Expenditure Organization* is the organization that is ordering or has ordered the goods or services, which may be different from the project owning organization.

The organization you specify in the profile option *PA: Default Expenditure Organization in AP/PO* is the default value for the expenditure organization. This profile option provides a default value for the expenditure organization each time you create project information in Oracle Payables or Oracle Purchasing. Your system administrator can configure this default profile at the site, application, responsibility, and user levels; users can also specify their own personal value for this profile.

The *Expenditure Item Date* is the date that you expect to incur the expense for the goods or services that you are requesting for a requisition or purchase order, or the date that you incur the charge for an invoice. This date is used during online validation using project transaction controls, and becomes the expenditure item date on the expenditure item in Oracle Projects.

> **Note:** Oracle Payables uses the profile option *PA: Default Expenditure Item Date for Supplier Cost* during the invoice match process, and when you enter unmatched invoices, to determine the default expenditure item date for supplier invoice distribution lines. Oracle Projects uses this profile option when you run the process PRC: Interface Supplier Costs to determine the expenditure item date for Oracle Purchasing receipts, invoice payments, and discounts. For additional information, see: Profile Options, *Oracle Projects Implementation Guide* and Interfacing Supplier Costs, page 9-34.

The *Project Quantity* is the quantity of goods or services for which you are charged. You can enter data in this field only in Oracle Payables, as this field is applicable for invoice lines and distributions only.

If the *Rate Required* option for the selected expenditure type is enabled in Oracle Projects, then you must enter a quantity. When you interface the invoice distribution to Oracle Projects, Oracle Projects copies the quantity and amount to the expenditure item and calculates the rate. If *Rate Required* option for the selected expenditure type is disabled, then the quantity of the expenditure item is set to the amount you enter in Oracle Payables.

Requisition, Purchase Order, and Release

You do not enter the *Projects Quantity* for documents in Oracle Purchasing because you do not know the quantity for which you will be invoiced.

Oracle Payables automatically sets the *Projects Quantity* field to the quantity invoiced of the invoice distribution line when you match an invoice to a purchase order or receipt.

Invoice

You can enter all of the project fields for an invoice line. The quantity field is optional if the expenditure type does not require a quantity.

Distribution Set

You do not enter the Expenditure Item Date in the distribution set lines you create in Oracle Payables because you use the distribution sets for an indefinite period of time.

Oracle Purchasing: Entering Project-Related Information

When you enter project-related transactions in Oracle Purchasing and Oracle iProcurement, you only need to enter project information on the source document -- either the requisition or the purchase order. When you automatically create purchase orders from requisitions using Oracle Purchasing AutoCreate feature, Oracle Purchasing automatically copies the project information from the requisition to the purchase order.

Entering Requisitions

You enter project-related purchase requisitions using the Requisitions window in Oracle Purchasing. You can enter default project information in the Project Information tabbed region of the Requisitions Preferences window. Oracle Purchasing uses this default information to populate the requisition distribution lines you create during your current session. The requisitions distribution line has a Project tabbed region for you to enter project-related information. A requisition can have a combination of project-related and non-project-related distribution lines.

You can also use Oracle iProcurement to enter project-related purchase requisitions. You can enter default project information in the iProcurement Preferences page. Oracle iProcurment saves this default information and uses it to populate the billing information when you check out.

In addition, you can use the Buyer WorkCenter in Oracle Purchasing to review requisitions.

Using AutoCreate

When you automatically create purchase orders from project-related requisitions in the AutoCreate Documents window, Oracle Purchasing copies the project information and the accounting information from the requisition to the purchase order. You do not need to enter any additional project-related information on your purchase order when you

use this feature. See: AutoCreate Documents Overview, *Oracle Purchasing User's Guide.*

You can change the project information on the purchase order that was copied from the requisition; the project information on the requisition is not updated.

Entering Purchase Orders

If your company does not use online requisitions or the AutoCreate feature, you can enter project-related information directly on your standard purchase orders using the Distributions window for purchase orders in Oracle Purchasing. When you use this window, you specify project-related information in the Project tabbed region of the distribution line. The Account Generator automatically creates the account information, based on the project-related information you enter. See: Overview of Purchase Orders, *Oracle Purchasing User's Guide.*

You can also use the Buyer WorkCenter in Oracle Purchasing to enter project-related purchase requisitions. You can drill down to the details for a distribution line to enter and view project-related information for a purchase order distribution.

Entering Releases

You enter project-related releases against blanket purchase agreements and planned purchase orders using the Enter Releases window in Oracle Purchasing. When you use this window, you specify if the release distribution line is project-related. If it is project-related, you continue to enter project information for the line. See: Entering Release Headers, *Oracle Purchasing User's Guide*.

Recording Receipts and Delivery

When a purchase order shipment is flagged to accrue at receipt and the purchased goods are delivered to an expense destination, you enter a receiving transaction for the purchase order in Oracle Purchasing and create subledger accounting for the receiving transaction in final mode. Next, you interface receipt accruals to Oracle Projects as actual transactions. This feature enables you to recognize the cost to your project in the period in which it is incurred rather than in the period in which it is invoiced. For more information, see: Overview of Receipt Accounting, *Oracle Purchasing User's Guide,* and Interface Supplier Costs, *Oracle Projects Fundamentals*.

If you write off a receipt accrual in Oracle Purchasing, you must also manually adjust the cost in Oracle Projects. Oracle Purchasing does not interface write-off adjustments to Oracle Projects because the receipt accrual write-off is recorded as a manual journal entry. For more information, see: Accrual Write-Offs, *Oracle Purchasing User's Guide*.

Entering Project-Related Fields by Purchasing Document

The following table specifies the project information that you enter for each document in Oracle Purchasing.

Document	Location	Fields
Requisition	- Preferences (default only) - Requisition Distribution Line Level	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date
Purchase Order	- Preferences (default only) - Purchase Order Distribution Line level	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date
Release	- Release Distribution Line Level	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date

The following table specifies the project information that you enter for each document in Oracle iProcurement.

Document	Location	Fields
Preferences	- Preferences (default only)	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date

Document	Location	Fields
Requisition	- Requisition Distribution Line Details Level	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date

The following table specifies the project information that you enter for each document in the Buyer WorkCenter in Oracle Purchasing.

Document	Location	Fields
Purchase Order	- Purchase Order Distribution Details Level	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date

Oracle Payables: Entering Project-Related Information

When you match an invoice to a purchase order or receipt in Oracle Payables, the project information from the purchase order is copied to the invoice. When you enter new project-related invoices in Oracle Payables, you only need to enter project information on the source document, the invoice. If you use distribution sets with project information, Oracle Payables automatically supplies project information for your supplier invoice distribution lines.

Matching Invoices

If you use Oracle Purchasing and have already associated project-related information to a purchase order, and you are matching an invoice to a purchase order or receipt using the Invoices windows instead of manually creating invoice lines and distributions, Oracle Payables automatically copies the project information from the purchase order to the invoice.

You cannot change the project information that is copied from the purchase order to the invoice, with the exception of the expenditure item date. Oracle Payables uses the profile option *PA: Default Expenditure Item Date for Supplier Cost* during the invoice match process to determine the default expenditure item date for supplier invoice

distribution lines. You can override the default expenditure item date for invoice distribution lines on the Invoice Workbench in Oracle Payables. For additional information, see: Profile Options, *Oracle Projects Implementation Guide* and Interfacing Supplier Costs, page 9-34.

Entering Invoices

You can enter project-related invoices directly in the Invoices windows in Oracle Payables. You can enter project-related information at the invoice level, which populates the project-related information at the invoice line level. You can override these default values at the invoice line level. If you choose not to automatically generate the distributions for an invoice line, you can enter project-related information in the Distributions window. An invoice can have both project-related and non-project-related distributions.

> **Note:** You can also import through the Payables Open Interface tables projects-related invoices from the Invoice Gateway and other systems.

Using Distribution Sets

You can define distribution sets to make it easier to enter invoices. Use the Distribution Sets window to specify project information for the distribution set lines. You can use project-related distribution sets for recurring costs for any project class (contract, indirect, and capital). See: Distribution Sets, *Oracle Payables Implementation Guide*.

When you enter invoices, you can enter a distribution set. You can use distribution sets to create project-related invoices in the following Oracle Payables forms:

- Invoices
- Recurring Invoices

Posting Invoices

If you use accrual basis accounting, then you must validate the invoice and create subledger accounting for it in final mode in Oracle Payables, before you can interface the invoice to Oracle Projects.

Entering Project-Related Fields by Payables Document

You do not need to enter information for each project field for all documents in Oracle Payables. For example, you do not need to enter information for Expenditure Item Date and Projects Quantity fields if you are entering invoice distribution sets.

The following table specifies the project information that you enter for each document in Oracle Payables.

Document	Location	Fields
Invoice	- Invoice Level (default only) - Invoice Line Level - Invoice Distributions Level	- Project - Task - Expenditure Type - Expenditure Organization - Expenditure Item Date - Projects Quantity (Invoice line and invoice distributions levels only)
Distribution Set	- Distribution Set Line Level	- Project - Task - Expenditure Type - Expenditure Organization

When you create a supplier invoice, if you enter project information at the invoice line level, then Oracle Payables automatically generates the invoice distribution lines. In this case, Oracle Payables sets the value for the Generate Distributions field for the invoice line to Yes. Optionally, you can use folder tools to display Generate Distributions field for invoice lines. For information about entering invoices, invoice lines, and invoice distributions, see the *Oracle Payables User's Guide*.

Entering Default Project-Related Information for Supplier Invoices

You can enter default project-related information in Oracle Payables.

To enter default project information for a single supplier invoice:

1. In Oracle Payables, open the Invoices window.

2. Enter default project information at the invoice level.

   When you enter invoice lines for the invoice, Oracle Payables populates the project information for each invoice line with the default values that you entered at the invoice level.

3. Enter or update the default project information at the invoice line level. You can enter default project information at the invoice line level even if you did not enter project information at the invoice level.

   At the invoice line level, if you set the Generate Distributions option for the invoice line to *Yes*, Oracle Payables uses the default project information for the invoice line

to automatically generate the invoice distributions. If you set the option to *No*, you can override the default project information for each invoice distribution.

4. Save and continue entering the invoice information.

> **Tip:** Create project-oriented folders at the invoice, invoice line, and invoice distributions level to make it easier and faster to enter project-related information for your invoices.

To enter default project information in supplier invoice distribution sets:

1. In Oracle Payables, open the Distribution Sets window located under Setup, Invoice.
2. For project-related distribution lines, check the Project Related box. This will open the Project Information window.
3. Enter default project information to be used to create the distribution lines, then select OK to close the window.
4. Save.

You can review and change project information in the distribution set by selecting the Project Information button at the bottom of the window.

When you enter a distribution set in an invoice line, Oracle Payables copies the project details and automatically generates invoice distributions.

Validating Project Information

Transaction Control Validation

When you enter project information and either save or move to the next distribution line, the information is validated against the project transaction control information in Oracle Projects. This validation ensures that you can charge the type of expenditure to the project and task on the expenditure item date that you specified. If the information that you entered does not pass the project transaction control validation, you will see an error message displayed on the bottom line of the screen. You must enter valid chargeable project information based on the transaction controls in Oracle Projects before you can continue.

If you cannot determine valid project information that is chargeable, you can delete the project-related fields and close the window. You should then determine valid project information and return to the document to enter the project information.

Validation of Distribution Set Project Information

When you create a distribution set in Oracle Payables, the project information for a

distribution set line is not validated against the project transaction controls information in Oracle Projects, because you do not enter an expenditure item date which is required for transaction control validation.

Usually, distribution sets are used on recurring transactions, and the associated project does not have transaction controls. The only validation Oracle Projects performs on a distribution set is at the time you create the distribution set lines. Oracle Projects validates the project and task number.

GL Date Validation for Supplier Invoices

When you enable enhanced period processing in Oracle Projects, Oracle Payables gives you a warning message during data entry if a project-related supplier invoice distribution falls into a GL period with a status other than *Open* or *Future* in Oracle Projects. Oracle Payables notifies you with a message if a project-related invoice has a distribution that fails this validation.

Funds Check Activation in Oracle Purchasing and Oracle Payables

In Oracle Purchasing and Oracle Payables, funds check processes are activated when you select the Check Funds option for a transaction, and also during the transaction approval process.

When you select the Check Funds option, a successful funds check result does not update budgetary control balances. You use the Check Funds option to verify available funds for a transaction before requesting approval for the transaction.

During the transaction approval processes, a funds check is automatically performed. At that time, if the funds check is successful, the transaction is approved and budgetary control balances are updated.

Related Topics

Controlling Expenditures, page 4-29

Budgetary Controls, *Oracle Project Costing User Guide*

Accounting Transactions Created by the Account Generator

Oracle Purchasing and Oracle Payables use the Account Generator to determine the default GL account number for each project-related distribution line based on the project information that you enter.

Oracle Purchasing builds the account number for the charge, accrual, and variance distribution accounts based on the Account Generator assignments that you define during implementation. You can define your Account Generator processes so that project-related requisitions and purchase orders use project-related information in the Account Generator assignments and non-project-related documents use the Account Generator assignments predefined by Oracle Purchasing.

If you are using Encumbrance Accounting, you can also define assignments for the budget account based on project information.

The Account Generator builds the default expense account number for project-related invoices using assignments that you define during implementation. You must enter the account number for non-project-related invoices. The Account Generator determines the default liability account for all invoices based on the liability account defaults provided by Oracle Payables.

You can control whether users can override the account number determined by the Account Generator for project-related distributions using the profile option PA: Allow Override of PA Distributions in AP/PO.

For example, you may want only the Purchasing Manager and Payables Manager to have the ability to override the project-related distributions. In this example, you set the profile to No at the Site level and to Yes for the Payables Manager and Purchasing Manager responsibilities.

Related Topics

Integrating with Oracle Subledger Accounting, *Oracle Projects Fundamentals*

Financial Periods and Date Processing for Financial Accounting, *Oracle Projects Fundamentals*

AutoAccounting, the Account Generator, and Subledger Accounting, *Oracle Projects Implementation Guide*

Using the Account Generator in Oracle Projects, *Oracle Projects Implementation Guide*

Managing Supplier Payments

Businesses need to capture complex payment terms and conditions during the procurement contract flow and to automate their payment execution during the lifetime of the contract. In Oracle Purchasing, you can define complex payment terms for purchase orders. These complex payment terms include advances (prepayments), progress payments, milestone payments, usage-based payments, and terms for retainage and recouping finance payments. They also include payment holds for Pay When Paid payment terms and for the timely submission of supplier deliverables.

These payment terms and setups in Oracle Projects and in Oracle Purchasing affect how Oracle Payables manages payments for supplier invoices. Oracle Payables automatically places payment holds on supplier invoices created from purchase orders with Pay when Paid payment terms and initiated for payment holds against deliverables. You can review supplier invoices on payment holds in Oracle Projects using the Supplier Workbench, manually link these invoices to draft customer invoices, remove these links, and release payment holds on supplier invoices. For more information on purchase order terms and conditions, see Integration with Other Applications, *Oracle Purchasing User's Guide*. For more information on managing supplier payments in Oracle Projects, see Payment Control, page 9-32.

When you use complex payment terms, the terms affect how and when Oracle Projects reports on and interfaces the supplier costs. The following two sections discuss how Oracle Projects handles project-related prepayment invoices and retainage associated with project-related purchase orders.

Managing Financing and Advances

Buyers can provide their suppliers with advanced payments and validate these prepayments against the terms of the contract. You assign financing terms that allow prepayments to a purchase order header in the Buyer WorkCenter in Oracle Purchasing. Oracle Payables imports prepayment invoices that Oracle Purchasing generates based on information from the purchase order financing terms.

You cannot interface project-related prepayment invoices to Oracle Projects as actual costs. Prepayment invoices appear as commitments in Oracle Projects as follows:

- A project-related prepayment invoice that is not matched to a purchase order appears as separate commitment. Once you apply the prepayment invoice to a standard invoice, Oracle Projects relieves the cost commitment for the prepayment invoice.

  Note: Oracle Projects shows the unmatched prepayment invoice as a project commitment, in addition to the commitment for the standard invoice, until you apply the prepayment invoice to the standard invoice. At this point, Oracle Projects relieves the prepayment invoice commitment.

- A project-related prepayment invoice that is matched to a purchase order appears as a purchase order commitment, not as an invoice commitment.

With accrual basis accounting, you interface the actual cost from the standard invoice, and not the prepayment, to Oracle Projects.

With cash basis accounting, after you apply the prepayment invoice to a standard invoice, you interface the actual cost from the standard invoice to Oracle Projects. The actual cost amount that you interface to Oracle Projects is equal to the amount of the prepayment applied to the standard invoice.

Prepayment Invoices and Budgetary Controls

When budgetary controls are enabled for a project in Oracle Projects, and a prepayment invoice is not matched to a purchase order, Oracle Payables activates a funds check for both the available funds in Oracle General Ledger and the project budget in Oracle Projects. When you apply the unmatched prepayment invoice to a standard invoice, Oracle Payables activates another set of funds checks. The funds check flow for unmatched prepayments and the application of unmatched prepayments is the same as for any standard invoice.

Oracle Payables does not perform a funds check for prepayment invoices that are

matched to a purchase order or for the application of matched prepayment invoices to a standard invoice. In this case, the original purchase order has already gone through a funds check.

> **Note:** If a project is top-down integrated with an Oracle General Ledger budget, and the funds check is successful, then Oracle Payables creates encumbrance accounting entries.

Related Topics

Commitment Reporting, page 9-38

Using Top-Down Budget Integration, *Oracle Project Costing User Guide*

Oracle Payments Implementation Guide

Managing Retainage

Retainage is an agreed upon amount, typically a percentage, that you withhold from a subcontractor until the subcontractor makes predetermined progress for a particular scope of work. Retainage is also known as *retention* or *contractual withholds*. For example, the contract can specify that you will retain 20 percent from all payments until 25 percent of work is complete. Therefore, whenever the subcontractor sends you an invoice, you retain 20 percent of each payment until the overall progress reaches 25 percent.

Oracle Payables automatically calculates the retainage amount for a supplier invoice based on the retainage rate and maximum retainage amount that you specify on the purchase order header in the Buyer WorkCenter in Oracle Purchasing. It stores the retainage amount as a separate distribution line with a distribution line type of *Retainage*. Oracle Payables has one retainage account it uses for each operating unit. Retainage invoice distribution lines can be project-related.

Oracle Projects does not report on or interface project-related retainage distribution lines as commitments or actual costs. Instead, Oracle Projects captures the full amount of the expense as a commitment and, when applicable, for the funds check. Later, the full amount of the expense is interfaced to Oracle Projects as an actual cost. Retainage is related to the payment of the invoice and it ultimately does not have an impact on the overall project cost.

Retainage and Accrual Basis Accounting Example

The following example illustrates the flow of accounting for a project-related invoice with a retainage distribution line.

Purchase Order Retainage Percentage: 9.2%

Contract Term: *Retain 9.2% from all payments until 25% of work is complete.*

You create an invoice matched to the purchase order for $100.00 and Oracle Payables calculates a retainage amount of $9.20. The following table shows the resulting

accounting. All amounts are in US Dollars.

Account	Debit	Credit
Expense Account	100.00	
Payables Liability Account		90.80
Retainage Account (Deferred Liability)		9.20

After you validate the invoice and create accounting for the invoice, you interface the actual costs to Oracle Projects. The process PRC: Interface Supplier Costs interfaces a total actual cost of $100.00. With accrual basis accounting, the timing of the payments does not affect when you can interface the actual costs to Oracle Projects.

Later, the subcontractor completes 25% of the work and you release the amount that you previously retained. A total of $9.20 is released. The following table shows the resulting accounting. All amounts are in US Dollars.

Account	Debit	Credit
Retainage Account (Deferred Liability)	9.20	
Payables Liability Account		9.20

In this example, the release of the retained amount has no affect on the actual costs in Oracle Projects because you previously interfaced the full $100.00 as actual costs.

> **Note:** If an invoice is associated with non-revoverable tax, then the process PRC: Interface Supplier Costs interfaces the portion of the non-recoverable tax that is associated with the retaininge to Oracle Projects after you release the retained amount, validate the retainage release invoice, and create accounting for the invoice.

Payment Control

Payment Control enables project managers manage supplier payment for their projects. It integrates with Oracle Purchasing and Oracle Payables to create supplier invoices with automatic payment hold in Oracle Payables for purchase orders with complex payment terms of Pay When Paid and a deliverables schedule. Further, on interface of these supplier invoices from Oracle Payables to Oracle Projects as expenditure items, draft customer invoices generated on these expenditure items are automatically linked to these supplier invoices.

You can then schedule the Release Pay When Paid concurrent program to release pay when paid holds on supplier invoices for projects enabled for automatic release. You can enable projects for automatic release of pay when paid holds either at the project type level or at the individual project level. The program checks for receipts applied to linked customer invoices in Oracle Receivables before it releases the hold on the corresponding supplier invoice. You can also implement and use the Pay When Paid client extension to override the conditions of the release considered by the Release Pay When Paid Holds concurrent program. For example, you can use the client extension to release holds on all supplier invoices for less than $1000.

You can also manually link supplier invoices to draft invoices from the Supplier Workbench or when reviewing invoices. In addition, you can manually review hold conditions and release holds from the Supplier Workbench.

This includes payment holds on supplier invoices that are placed subject to suppliers fulfilling documentation deliverable requirements in a given time period. Such requirements can include insurance certificates, lien waivers, performance bonds, and professional certifications and recommendations. Integration with Oracle Purchasing enables you to track the due dates and submission status of supplier deliverables from the Supplier Workbench. For example, you can track insurance certificate expiration and receipt dates, whether lien waivers have been executed, liens filed and released, and whether bonding has been approved.

Payment Control provides the Send AR Notification workflow to enable project managers track receipts applied to customer invoices in Oracle Receivables. You can customize the workflow to send notifications to recipients other than the default recipient of project manager. If you enabled AR Receipt Notification for your projects and the notification includes receipts applied to customer invoices that are linked to supplier invoices on payment hold, you can manually review these invoices and release holds on supplier invoices from the Supplier Workbench.

Additional Information: A project manager may link payment to supplier based on these conditions:

- Successful completion of contracted works.
- Payments due from customers.
- Fulfillment of other contractual deliverable.

Further, cost for which the supplier is liable may be deducted from payments to ensure the project manager recovers costs from damages, work completed by someone else or for miscellaneous costs incurred on the supplier's behalf. Such cost recoveries may be tied to changes in the scope of work in a project.

Any one of these supplier commitments must be completed before retention invoices can be paid:

- Unprocessed deduction requests that result in debit memos in Oracle Payables.
- Unmet PO deliverable.
- Unprocessed payments.

If any of these commitments are not fulfilled then these retention invoices will be placed on hold in Oracle Payables. Project managers can release this hold once the commitments are fulfilled.

Related Topics

Implementing Supplier Payment Control, *Oracle Projects Implementation Guide*

Send AR Notification Workflow, *Oracle Projects Implementation Guide*

PA: Pay When Paid, *Oracle Projects Implementation Guide*

Project Types Window Reference, *Oracle Projects Implementation Guide*

Revenue and Billing Information, *Oracle Projects Fundamentals*

Release Pay When Paid Holds, *Oracle Projects Fundamentals*

Supplier Workbench, *Oracle Projects Fundamentals*

Interfacing Supplier Costs

You run the process PRC: Interface Supplier Costs to bring project-related supplier costs into Oracle Projects from Oracle Purchasing and Oracle Payables.

For accrual basis accounting, this process interfaces receipt accruals from Oracle Purchasing and supplier invoice-related costs and discounts from Oracle Payables to Oracle Projects as actual costs. You must validate invoices and create accounting for them before the you can interface the costs to Oracle Projects.

For cash basis accounting, this process interfaces payments and discounts from Oracle Payables to Oracle Projects as actual costs.

In addition, if you make adjustments to project-related supplier costs in Oracle Purchasing or Oracle Payables, this process interfaces the adjusting distribution lines to Oracle Projects. For example, if you cancel a supplier invoice in Oracle Payables, and you had previously interfaced the costs to Oracle Projects, the process interfaces the distributions to Oracle Projects to reverse the existing expenditure items.

You can use the Supplier Cost Audit Report to review supplier cost information. In addition, after you interface supplier costs to Oracle Projects, you can query supplier cost expenditure items using Expenditure Inquiry and drill down from the expenditure items to Oracle Payables and Oracle Purchasing to review the supplier cost details.

In Oracle Payables, you can select the *View Projects Adjustments* option from the Tools

menu on the Invoice Workbench in Oracle Payables to view adjustments users have made to the supplier costs in Oracle Projects.

Interfacing Costs from Oracle Purchasing and Oracle Payables to Oracle Projects

To interface supplier costs from Oracle Payables and Oracle Purchasing, to Oracle Projects, use the process PRC: Interface Supplier Costs in Oracle Projects.

The Interface Supplier Costs process uses the project and task information to determine if the items are billable, capitalizable, or both. You can accrue revenue and invoice billable items in Oracle Projects.

The process selects transactions based on the parameter values that you enter. It first retrieves all eligible accounted, project-related supplier costs. The process then interfaces the amounts to Oracle Projects. The interface process groups the items into expenditure batches by transaction source. The predefined supplier cost transaction sources are as follows:

- Non-Recoverable Tax from Payables
- Non-Recoverable Tax from Purchasing Receipts
- Non-Recoverable Tax Price Adjustment from Purchasing Receipt
- Oracle Inter-Project Invoices
- Oracle Payables Invoice Variance
- Oracle Payables Supplier Cost Exchange Rate Variance
- Oracle Payables Supplier Invoices
- Oracle Projects Intercompany Supplier Invoices
- Oracle Purchasing Receipt Accruals
- Oracle Purchasing Receipt Accruals Price Adjustment
- Supplier Invoice Discounts from Payables

> **Note:** Oracle Projects predefines a separate transaction source, Oracle Payables Expense Reports, to import expense report invoices from Oracle Payables. You run the process PRC: Interface Expense Reports from Payables to bring expense report costs into Oracle Projects from Oracle Payables. For additional information, see: Interfacing Expense Reports from Payables, page 9-9.

> **Note:** To calculate cross charge amounts for expenditure items with the transaction source *Oracle Payables Exchange Rate Variance*, you must use either the Transfer Price Determination Extension or the Transfer Price Override Extension.

For example, the interface process groups regular invoice distributions into one batch, non-recoverable tax lines into a second batch, payment discounts into a third batch, and receipt accruals for project-related items with a destination type of Expenses into a fourth batch.

Each time you run the process PRC: Interface Supplier Costs, Oracle Projects generates reports you can use to track the interfaced costs, as well as those invoice lines and receipt accruals that the process rejected during interface.

> **Note:** When Enhanced Period Processing is enabled, you can interface transactions even if the PA Period, GL Period in Oracle Projects, and GL Period in Oracle General Ledger are closed. The interface process takes the transaction GL date from the invoice in Oracle Payables. The transaction PA date rolls to the next open PA period as long as at least one PA period is in *Open* or *Future* status.

For receipt accruals, payments, and discounts, the process uses the profile option *PA: Default Expenditure Item Date for Supplier Cost* to determine the expenditure item date.

The process validates expenditure item dates for supplier costs. If the expenditure item date for an expenditure item fails validation, then the process rejects the transaction, deletes it from the Oracle Projects interface table and supplier costs are not interfaced or remain pending in Oracle Payables. You must either change the date setup in Oracle Projects or change the date for the expenditure item in Oracle Payables. The PRC: Interface Supplier Costs concurrent program interfaces the transaction the next time you run the process.

Related Topics

Integrating Expense Reports with Oracle Payables and Oracle Internet Expenses, page 9-2

Interface Supplier Costs, *Oracle Projects Fundamentals*

Transaction Sources, *Oracle Projects Implementation Guide*

Reviewing Supplier Costs

Oracle Projects provides tools that you can use to review and track supplier costs between Oracle Projects and Oracle Payables, and Oracle Purchasing. The following sections discuss these tools.

Supplier Cost Audit Report

You run the process AUD: Supplier Cost Audit in Oracle Projects to generate the Supplier Cost Audit Report. You can use this report to track supplier cost transactions in Oracle Projects.

This report lists all supplier cost transactions in Oracle Projects for a selected operating unit.

For accrual basis accounting, the report includes raw costs associated with unmatched invoices, PO-matched or receipt-matched invoices, accrued receipts, and payments associated with discounts.

For cash basis accounting, the report includes payments and prepayment applications associated with invoices.

When you submit the report, you can enter values for parameters such as From Project Number, To Project Number, Supplier, Transaction Type, From GL Period, To GL Period, and Adjustment Type to restrict the supplier cost transactions that the process includes on the report. For a complete list of the parameters, see: Supplier Cost Audit Report, *Oracle Projects Fundamentals*.

Expenditure Inquiry

You can use the Find Project Expenditure Items window or the Find Expenditure Items window in Oracle Projects to query supplier cost expenditure items.

You can select a combination of find criteria to limit the search. For example, on the Expenditures tab you can select a specific transaction source, such as *Oracle Payables Supplier Invoices* or *Oracle Purchasing Receipt Accruals*.

In addition, you can enter find criteria specific to supplier costs on the Supplier tab. For example, you can find the expenditure items for a specific supplier invoice, payment, or receipt. For information on the find options, see: Find Expenditure Items Window, page 4-60.

After you query the expenditure items, you use the Expenditure Items window or Project Expenditure Items window to review them. You can use folder tools to add additional columns that provide supplier cost-specific information. For example, you can show the following columns to research supplier invoice information: Invoice Number, Invoice Line Number, Invoice Distribution Line Number, and Supplier.

> **Note:** You can export the expenditure item records from the Project Expenditure Items window or the Expenditure Items window to an external file, such as a spreadsheet, for further research and analysis. For information on export, see: Exporting Records to a File, *Oracle E-Business Suite User's Guide*.

You can review the item details for supplier cost expenditure items. For supplier costs from supplier invoices, you can choose *AP Invoice* to drill down to the invoice overview

in Oracle Payables. If the invoice is matched to a purchase order, then you can drill down to the purchase order from the Invoice Workbench. For expenditure items from receipt accrual transactions, you can choose *PO Receipt* to drill down to the receipt transaction summary in Oracle Purchasing. You can also drill down to the related purchase order from the Receipt Transaction Summary window. For expenditure items for purchase order-related contingent worked labor costs, you can choose *Purchase Order Details* to drill down to the purchase order details in Oracle Purchasing.

Viewing Supplier Costs in Oracle Projects from the Invoice Workbench

You can access Expenditure Inquiry from the Invoice Workbench in Oracle Payables to view supplier costs in Oracle Projects. You can use this option to help reconcile costs between Oracle Payables and Oracle Projects because you do not interface adjustments that users make in Oracle Projects back to Oracle Payables.

On the Invoice Workbench in Oracle Payables, select the *View Project Adjustments* option from the Tools menu to open the Find Expenditure Items window.

This option is context-sensitive, Oracle Payables automatically enters find criteria based on the position of your cursor. The following table list the find criteria that Oracle Payables automatically provides, depending on the position of your cursor on the Invoice Workbench.

Position of Cursor	Find Criteria
Invoice header	Invoice number
Invoice line	Invoice number, invoice line number
Invoice distribution line	Invoice number, invoice line number, invoice distribution line number

When your cursor is on the invoice header or an invoice line, you can optionally revise the find criteria before you search for the expenditure items.

Related Topics

Adjustments to Supplier Costs, page 4-95

Viewing Expenditure Items, page 4-45

Oracle Projects Navigation Paths, *Oracle Projects Fundamentals*

Customizing the Presentation of Data, *Oracle E-Business Suite User's Guide*

Commitment Reporting

You can report the *total* cost of a project by reporting the committed cost along with the actual cost. Committed costs are the uninvoiced, outstanding requisitions and purchase

orders charged to a project.

Total Project Costs = (Committed Costs + Actual Costs)

You can report the flow of committed cost, including associated nonrecoverable tax amounts, through Oracle Purchasing and Oracle Payables. These committed costs can include:

- Open requisitions (unpurchased requisitions)
- Open purchase orders (uninvoiced and non-delivered)
- Prepayment invoices that are not matched to a purchase order, and not yet applied to a supplier invoice

  Note: The unmatched prepayment invoice commitment amount is the outstanding unapplied amount of the prepayment invoice. Oracle Projects calculates the amount by subtracting prepayment application amounts from the prepayment invoice amount.

- Unmatched pending invoices (supplier invoices not yet interfaced to Oracle Projects to be included in project costs)

  Note: Oracle Projects shows prepayment invoices that are not matched to purchase orders as invoice commitments. The matched prepayment invoice does not appear as a separate commitment.

  Note: Both unapproved and approved open requisitions and purchase orders show as commitments after you run the concurrent program to update project summary amounts. When you drill-down to view commitment details, if the *Approved* check box is enabled, then the requisition or purchase order associated with the commitment has been approved. Incomplete purchase orders are displayed in Project Status Inquiry however, incomplete requisitions cannot be displayed.

You can report summary committed cost amounts for your projects and tasks, and can also review detail requisitions and purchase orders that backup the summary amounts.

Commitment Reporting and Accrue-at-Receipt Purchase Orders

When you enable a purchase order to accrue at receipt, Oracle Projects reports the amount as a commitment, as it does with non-accrue-at-receipt purchase orders. You enter a receiving transaction for the purchase order in Oracle Purchasing and create subledger accounting for the receiving transaction in final mode in Oracle Cost Management. When you interface supplier costs to Oracle Projects, the program interfaces the amount of the receipt as actual cost and reduces the outstanding

commitment amount for the purchase order. The commitment remains a purchase order commitment even if you match the purchase order to a supplier invoice before you receive all of the goods.

The following table provides an example of the commitment flow for accrue-at receipt purchase orders.

Action	PO Commitment	Supplier Invoice Commitment	Actual Cost
Enter an accrue-at-receipt purchase order for $100	100	0	0
Enter a receipt for $40 and interface supplier costs to Oracle Projects	60	0	40
Enter a supplier invoice for $60 and match it to the purchase order	60	0	40
Enter a receipt for $60 and interface supplier costs to Oracle Projects	0	0	100
Enter a supplier invoice for $45 (includes a $5 invoice variance), match it to the purchase order, and interface supplier costs to Oracle Projects	0	0	105

As illustrated in the table, first you enter an accrue-at-receipt purchase order for $100. Oracle Projects reports the entire $100 as a purchase order commitment. Next, you receive some of the goods, enter a receiving transaction for $40, and interface supplier costs to Oracle Projects. The program PRC: Interface Supplier Costs interfaces the $40 receipt accrual as actual cost and relieves the $40 purchase order commitment. The remaining purchase order commitment in Oracle Projects is $60. You then receive an invoice for $60, enter a supplier invoice in Oracle Payables, and match the invoice to the purchase order. The commitment in Oracle Projects remains a purchase order commitment for $60. When you run the program PRC: Interface Supplier Costs, the

program does *not* interface the $60 to Oracle Projects as actual costs.

The $60 remains a PO commitment until you enter a receipt for the final $60 in Oracle Purchasing and interface supplier costs to Oracle Projects. The program PRC: Interface Supplier Costs interfaces the $60 as actual cost and relieves the $60 purchase order commitment.

Finally, you receive an invoice for $45, enter a supplier invoice in Oracle Payables, and match the invoice to the purchase order. This invoice includes a $5 invoice variance. When you run the program PRC: Interface Supplier Costs, the program interfaces only the $5 invoice variance to Oracle Projects as actual costs.

> **Note:** Project Status Inquiry in Oracle Projects and budgetary control balance reports do not always match because they report on different amounts. For example, budgetary control balances only include reserved and approved requisitions and purchase orders, while Project Status Inquiry includes unapproved and unreserved requisitions and purchase orders as part of the total commitment amount. Furthermore, budgetary control balances are restricted to expense-related supplier commitments, while Project Status Inquiry includes all commitments, including supplier commitments with an inventory destination.

Example of Commitment Reporting

Study the following example to understand the flow of committed cost through Oracle Purchasing, Oracle Payables, and Oracle Projects. This example is for accrual basis accounting.

You use requisitions, purchase orders, and receipt and delivery in Oracle Purchasing. You record cost when goods are received to better manage your project progress and schedule.

The following table provides examples of the charges that are incurred as you record transactions. The table shows the effect of various actions, such as receiving the goods against a purchase order, on committed costs and the total costs charged to a project. Descriptions of each action are provided after the table.

In the table, certain column values are calculated as follows:

- *Open Purchase Orders* equals Ordered Purchase Orders less Delivered Purchase Orders
- *Total Committed Cost* equals the sum of Open Requisitions, Open Purchase Orders, and Pending Invoices
- *Total Project Cost* equals the sum of Total Committed Cost and Actual Cost.

Action	Open Requisitions	Ordered Purchase Orders	Delivered Purchase Orders	Open Purchase Orders	Pending Invoices	Total Committed Cost	Actual Cost	Total Project Cost
Enter Requisition	1000					1000		1000
Create Purchase Order from Requisition	200	800		800		1000		1000
Receive Goods	200	800	500	300		500	500	1000
Receive Invoice	200	800	500	300		500	500	1000
Enter Non-Purchase Order Invoice	200	800	500	300	100	600	500	1100
Interface Invoices	200	800	500	300	0	500	600	1100
Close Purchase Order	200	0	0	0	0	200	600	800
Close Requisition	0	0	0	0	0	0	600	600
Charge labor to Project	0	0	0	0	0	0	5600	5600
Charge Blanket Purchase Order	0	400	0	400	0	400	5600	6000

Detail for Example of Commitment Reporting Actions

1. Enter requisition

You enter and approve a requisition totalling $1000, with two lines of $800 and $200.

The requisition amount is included in the Open Requisitions and the Total Committed Costs amounts.

2. Create purchase order from requisition

   You create a purchase order for the first line of the requisition, totalling $800. You approve the purchase order.

   The Open Requisition amount decreases by $800 and the Ordered Purchase Order and Open Purchase Order amounts increase by $800. The total committed costs remain the same.

3. Receive delivery of purchased goods

   The supplier delivers $500 of the $800 of goods that you ordered. You enter the receipt for the goods and create subledger accounting for the receiving transaction in final mode.

   The Delivered Purchase Order amount increases by $500. The Open Requisition, and Ordered Purchase Order, do not change. Because you accrue on receipt, the Open Purchase Order and Total Committed Costs amounts decrease by $500 and the Actual Costs amounts increases by $500.

4. Receive invoice for delivered goods

   You are invoiced for the $500 of goods that you received. The Payables department matches the invoice to the purchase order.

   The Open Purchase Order amount, the Pending Invoice amount, the Total Committed Costs amount, and the Ordered Purchase Order amount does not change.

5. Enter supplier invoice not associated with purchase order

   You receive another invoice for $100 that is not associated with a purchase order. The Payables department enters the invoice.

   Both the Pending Invoice amount and the Total Committed Cost amounts increase by $100. The Total Project Cost also increases because the Total Committed Costs amount increases.

6. Interface invoices to Oracle Projects

   The Payables department validates all invoices and creates subledger accounting for them in final mode. You then run the program PRC: Interface Supplier Costs to bring the project-related supplier costs into Oracle Projects. The invoice costs totalling $100 are now recorded against your project in Oracle Projects.

   The Pending Invoice amount decreases by $100. The Total Committed Costs

amount decreases by $100. The Actual Costs amount increases by $100. The Total Project Costs amount does not change.

7. Close purchase order

   You close the purchase order that has $300 remaining, because you do not expect any more activity against that purchase order. The purchase order is no longer reported in your committed costs.

   Closed purchased orders are not reported in the commitment reporting, so all of the Purchase Order amounts are reduced for the purchase order closed. The Total Committed Costs amount, and in turn, the Total Project Cost amount, decreases by $300, which was the Open Purchase Order amount for the purchase order closed.

8. Close requisition

   You close the requisition for $200 because you no longer need the goods requested. The requisition is no longer reported in your committed costs.

   Closed requisitions are not reported in the commitment reporting, so Open Requisition amount decreases by $200 for the requisition that you close. The Total Committed Costs amount, along with the Total Project Costs, also decreases by $200.

9. Charge labor costs to project

   Employees working on your project record time to your project, which totals $5000.

   The Actual Costs amount increases by $5000. The Total Project Costs amount also increases.

10. Enter release against blanket purchase agreement

    You need to order supplies for your project. You create a $400 release against a blanket purchase agreement that your company has negotiated with a supplier.

    The Ordered Purchase Order and Open Purchase Order amounts increase by $400. In turn, the Total Committed Costs and Total Project Costs also increase.

Related Topics

Project Summary Amounts, *Oracle Project Planning and Control User Guide*

Implementing Commitments from External Systems, *Oracle Projects Implementation Guide*

Adjusting Project-Related Supplier Costs

You can adjust project-related supplier costs in Oracle Purchasing, Oracle Payables, and Oracle Projects. For example, in Oracle Projects you can transfer or split supplier cost expenditure items (net zero adjustments), reclassify the billable or capitalizable status of

an expenditure item, and place and release expenditure item billing holds. If you need to change the invoice amount, supplier, expenditure type, organization, or expenditure item date for a supplier cost expenditure item, you can reverse the distribution line and create a new distribution line in Oracle Payables.

For information on types of supplier cost adjustments you can make, adjustment restrictions, and how to process adjustments, see: Adjustments to Supplier Costs, page 4-95.

Integrating with Oracle Assets

Oracle Projects integrates with Oracle Assets, allowing you to manage capital projects in Oracle Projects and update your fixed asset records when assets are ready to be placed in service or retired. In a capital project, you can collect construction-in-process (CIP) and expense costs for each asset you are building. In addition, you can perform retirement cost processing to capture retirement-work-in process (RWIP) costs (cost of removal and salvage) associated with the retirement of group assets in Oracle Assets.

When you are ready to place a capital asset in service, you use Oracle Projects processes to collect all eligible CIP cost distribution lines, summarize them, and create capital asset lines. When you complete the tasks that are necessary to retire a group asset in Oracle Assets, you can summarize the RWIP amounts into retirement adjustment asset lines. You can review and make changes to the asset lines before interfacing them to Oracle Assets. When you are satisfied that the asset lines are correct, you use Oracle Projects processes to interface the costs to the Oracle Assets Mass Additions table.

After you interface the costs to the Oracle Assets Mass Additions table, you can make changes to the asset definition, if necessary, and then run the Post Mass Additions process. This program creates the asset records in Oracle Assets. After you post the asset lines, in Oracle Assets you create accounting in Oracle Subledger Accounting to relieve the CIP or RWIP account and transfer the amount to the appropriate asset cost or group depreciation reserve account. Oracle Subledger Accounting transfers the final accounting entries to Oracle General Ledger.

You can interface asset costs from Oracle Projects to Oracle Assets whenever you are ready and as many times during an accounting period as you wish.

There is currently no interface between Oracle Assets and Oracle Projects which allows you to post depreciation expenses directly to projects.

Related Topics

Overview of Asset Capitalization, page 7-1

Implementing Oracle Assets

If you plan to interface capital assets and retirement adjustment assets to Oracle Assets, you must implement Oracle Assets before you can create capital and retirement

adjustment asset lines for your capital projects . The following information is used by Oracle Projects to validate your asset definition:

- Corporate Book
- Category FlexField
- Location FlexField
- Automatic Asset Numbering
- Accounting FlexField

You may elect to interface costs without the category, location, depreciation expense account or asset number defined. You will then be required to add this information after the asset is posted to the mass additions table in Oracle Assets. However, you cannot create asset lines for an asset until it has a corporate book assigned to it. Whether a complete asset definition is required before interfacing the asset to Oracle Assets is determined by the Project Type setup in Oracle Projects.

There are no additional implementation requirements in either Oracle Assets or Oracle Projects to interface costs from Oracle Projects to Oracle Assets.

When Oracle Assets is not installed

When Oracle Assets is not installed, the capital projects forms disables the following fields:

- Location
- Category
- Book
- Depreciation Expense Account

Interfacing Assets to Oracle Assets

Submitting Processes

For detailed information on defining and processing assets, including the interface of assets and asset costs to Oracle Assets, refer to Defining and Processing Assets, page 7-12.

Accounting Transactions

Each asset cost line sent to Oracle Assets from Oracle Projects includes the CCID (code combination ID) for the account number charged for the CIP costs.

Output Reports

Each time you run the Interface Assets process, Oracle Projects prints output reports which allow you to track you successfully interfaced assets, as well as those assets which failed to interface.

Related Topics

Sending Asset Lines to Oracle Assets, page 7-34

Mass Additions

Successfully interfaced asset cost lines from Oracle Projects are written to the Mass Additions table. You can use the Prepare Mass Additions window to review the interfaced assets. You can use all the normal functionality of Oracle Assets for assets that originate in Oracle Projects. You can perform the following operations on assets within Mass Additions:

- Split assets with more than 1 units into multiple assets.
- Add the new asset to an existing asset in Oracle Assets.
- Merge 2 or more new asset records into a single asset .
- Change the asset information defined in Oracle Projects; for example, asset category, asset key, or asset location.

Asset records created by Oracle Projects will have one of the following queue statuses:

- **POST** - A new asset from Oracle Projects with all required fields populated. The records for this asset can be posted to the FA tables.
- **NEW** - A new asset from Oracle Projects which needs to have required fields manually populated before it can be posted to the FA tables.
- **MERGED** - The individual summarized cost lines created in Oracle Projects. These records are merged into a single asset record in Oracle Assets. You do not make changes to the merged records.
- **COST ADJUSTMENT** - New costs for a previously interfaced asset. These costs can be either positive or negative. You can make changes to certain fields on cost adjustments, as allowed by Oracle Assets.

When you have finished making changes to the asset records in Mass Additions, run the Post Mass Additions process in Oracle Assets. Records that have been successfully posted to FA tables will have a queue status of *posted*.

Related Topics

Sending Asset Lines to Oracle Assets, page 7-34

Viewing Capital Project Assets in Oracle Assets

Once capitalized assets have been interfaced from Oracle Projects to Oracle Assets, you can locate the assets by project and task. You can also drill down to the underlying expenditure items that support the asset costs from within Oracle Assets.

The following table lists where project-related information is located in Oracle Assets.

Menu Item	Window Name	Project-Related Information
Prepare Mass Additions	Find Mass Additions	Find criteria include Project/Task fields
Prepare Mass Additions	Mass Additions Summary	Folder includes Project/Task fields
Prepare Mass Additions	Mass Additions (select *Open* from Mass Additions Summary window)	Source tabbed region includes Project/Task fields Window includes Project Details button to drill down to Lines Details folder in Oracle Projects
Prepare Mass Additions	Find Assets (select *Add to Asset* from Mass Additions Summary window)	Find by Source Line tabbed region includes Project/Task fields
Prepare Mass Additions	Merge Mass Additions (select *Merge* from Mass Additions Summary window)	Lines folder includes Project/Task fields
Asset Workbench	Find Assets	Find by Source Line tabbed region includes Project/Task fields

Menu Item	Window Name	Project-Related Information
Asset Workbench	View Source Lines (select *Source Lines* from Assets window)	Cost tabbed region includes Project/Task fields Window includes Project Details button to drill down to Lines Details folder in Oracle Projects
Financial Information Inquiry	Find Assets	Find by Source Line tabbed region includes Project/Task fields
Financial Information Inquiry	View Source Lines (select *Source Lines* from Assets window)	Folder includes Project/Task fields Window includes Project Details button to drill down to Lines Details folder in Oracle Projects

Adjusting Assets

You can make changes in Oracle Assets to the asset information and cost amounts for assets interfaced from Oracle Projects. However, any changes made in Oracle Assets will not be reflected in Oracle Projects.

You cannot change the Project or Task information associated with assets interfaced from Oracle Projects.

Cost Adjustments

You can adjust an asset's cost after you have interfaced the asset to Oracle Assets. For example, expense reports or supplier invoices may be processed after you have placed the asset in service which are part of the asset's costs. You process these costs the same as you normally do. Generate new asset lines for the costs by running the Generate Asset Lines process in Oracle Projects. These new asset lines will be interfaced to Oracle Assets as cost adjustments.

Related Topics

Adjusting Assets After Interface, page 7-43

Integrating with Oracle Project Manufacturing

Oracle Project Manufacturing is a solution for companies that manufacture products using projects or contracts. Oracle Project Manufacturing combines three major applications:

- Oracle Projects, which provides the project costing, project billing, and project budgeting functions.
- Oracle Manufacturing
- Third-party project planning and scheduling systems (project management systems)

When used as a part of the Project Manufacturing functionality, Oracle Projects acts as a cost repository for manufacturing-related activities from other products in the Project Manufacturing suite.

The incorporation of Oracle Projects in the Project Manufacturing suite allows you to:

- Set up the WBS for a manufacturing project in Oracle Projects. All manufacturing costs are then tracked by project and task, and are imported to Oracle Projects using the Transaction Import process.
- Track projects and tasks defined in Oracle Projects throughout various manufacturing applications.
- Charge project costs from inventory and work in process to a project and task.
- Include project costs from manufacturing and distribution in your budget to actual cost analysis in Oracle Projects.

Related Topics

Importing Project Manufacturing Costs, page 9-50

Implementing Oracle Project Manufacturing, *Oracle Projects Implementation Guide*

Importing Project Manufacturing Costs

When costs are incurred in Oracle Manufacturing that are related to a project, the Cost Collector process in Oracle Cost Management passes those costs to Oracle Projects. The Cost Collector finds all costed transactions in Manufacturing that have a project reference and passes the referenced transaction costs to the correct project, task, and expenditure type in Oracle Projects. Oracle Projects imports the costs using the Transaction Import process.

Tip: If you integrate with Oracle Manufacturing, use function security to prevent users from entering pre-approved batch items with an expenditure type class of Inventory or Work in Process.

Adjusting Project Manufacturing Transactions

Transactions imported into Oracle Projects from Oracle Project Manufacturing with transaction source Inventory Misc. can be adjusted in Oracle Projects. All other transactions must be adjusted in Oracle Project Manufacturing.

Related Topics

Transaction Import, *Oracle Projects Fundamentals*

Integrating with Oracle Asset Tracking

Oracle Asset Tracking is a fully integrated solution in the Oracle E-Business suite designed to deploy and track internal products and assets at internal or customer sites, while providing the ability to automatically capture financial transactions. Oracle Asset Tracking enables you to provide users with access to tracking information, without allowing them access to sensitive processes related to assets and purchasing. You can also track inventory items after you have installed them and link financial transactions to the physical movement of equipment.

Oracle Asset Tracking enables you to create assets upon receipt in Oracle Purchasing. After you create the asset, Oracle Asset Tracking performs the changes in the background for any further physical movement. For example, if you move the asset from one location to the other, then Oracle Asset Tracking performs the asset cost, distribution, and unit changes without manual intervention. Oracle Asset Tracking integrates with Oracle Inventory, Oracle Purchasing, Oracle Projects, Oracle Assets, and Oracle Payables, and stores information collected from them.

Oracle Asset Tracking integration includes:

- Creating project-related purchase orders linked to Oracle Asset Tracking
- Entering receipts for project-related purchase orders in Oracle Purchasing and validating the receipts against the Oracle Asset Tracking repository
- Importing tracked items and cost into Oracle Projects
- Monitoring costs in Oracle Projects
- Generating asset lines for non-depreciable tracked items in Oracle Projects and interfacing the asset lines to Oracle Assets to create assets

Importing Oracle Asset Tracking Cost

You run the process PRC: Transaction Import in Oracle Projects to import Oracle Asset Tracking cost. When you run the process, you must select one of the following predefined transaction sources:

- CSE_INV_ISSUE

  Imports transactions of the type *Issue* for non-depreciable items.

- CSE_INV_ISSUE_DEPR

  Imports transactions of the type *Issue* depreciable items.

- CSE_IPV_ADJUSTMENT

  Imports supplier cost adjustments for non-depreciable items.

- CSE_IPV_ADJUSTMENT_DEPR

  Imports supplier cost adjustments for depreciable items.

- CSE_PO_RECEIPT

  Imports transactions of the type *Receipt* for non-depreciable items.

- CSE_PO_RECEIPT_DEPR

  Imports transactions of the type *Receipt* for depreciable items.

- Inventory Misc

  Imports miscellaneous transactions from Oracle Inventory.

Related Topics

Transaction Import, *Oracle Projects Fundamentals*

Capital Project Flow, page 7-13

Integrating with Oracle Inventory

Oracle Projects fully integrates with Oracle Inventory to allow you to enter inventory transactions in Oracle Inventory and transfer them to Oracle Projects. You can order and receive items into inventory before assigning them to a project. You can then assign the items to a project as they are taken out of or received into Oracle Inventory.

When you enter project-related transactions in Oracle Inventory, you enter the project information on the source transaction. Oracle Inventory and Oracle Projects carry the project information through from the Issue To or Receipt From transaction in Oracle Inventory to the project expenditure in Oracle Projects.

For more detailed information about project-related transactions in Oracle Inventory, see the *Oracle Inventory User's Guide*.

> **Tip:** If you integrate with Oracle Inventory, use function security to prevent users from entering pre-approved batch items with an expenditure type class of Inventory or Work in Process.

The following illustration shows the flow of project-related inventory transactions in a non-manufacturing environment.

Integration with Oracle Inventory

You enter issues and receipts into Oracle Inventory. After you run the Cost Processor in Inventory, these become costed transactions. Next, run the Cost Collector in Inventory. The transactions are now eligible for transfer to the Oracle Projects Transaction Import interface table. Use Transaction Import to create expenditures in Oracle Projects. If necessary, correct transactions and interface them again to the interface table.

The transactions are imported into to Oracle Projects as accounted and costed. The cost distribution cannot be modified in Oracle Projects.

For information about transferring transactions from Oracle Inventory to Oracle General Ledger, please refer to the *Oracle Inventory User's Guide*.

Related Topics

Implementing Oracle Inventory for Projects Integration, *Oracle Projects Implementation Guide*

Entering Project-Related Transactions in Oracle Inventory

You enter project-related transactions using the Miscellaneous Transactions window in Oracle Inventory. You enter the following project-related information:

- Inventory Organization
- Expenditure Item Date as the Transaction Date
- Project
- Task
- Expenditure Type (optional)

  To understand whether you need to enter the expenditure type, see: Oracle Inventory Profile Options, *Oracle Inventory User's Guide.*
- Organization

Related Topics

Overview of Expenditures, page 4-1

Performing Miscellaneous Transactions, *Oracle Inventory User's Guide*

Transaction Types, *Oracle Inventory User's Guide*

Collecting Inventory Costs

After entering project-related inventory transactions in Oracle Inventory, the next step in moving the transactions to Oracle Projects is to run the Cost Collector in Inventory. The Cost Collector is a batch job that you run using Standard Report Submission. After you run the Cost Collector, transactions are eligible for import from Oracle Inventory to Oracle Projects. The total Inventory Cost becomes the Raw Cost in Oracle Projects.

For information on collecting inventory costs, see: Cost Collector, *Oracle Inventory User's Guide*.

Transferring Inventory Costs to Oracle Projects

Oracle Inventory transfers expenditures to Oracle Projects using the Project Cost Transfers window.

- Organization
- Number of Days to Leave Costs Uncollected

The Project Cost Transfers window submits a batch job that transfers the amount and

quantities of the inventory transactions to the Oracle Projects Transaction Import Interface table.

Importing Inventory Transactions

To import inventory transactions, you submit the PRC: Transaction Import process. The transactions are imported as costed and accounted transactions with the expenditure type class and the transaction source that were defined during implementation.

Related Topics

Transaction Import, *Oracle Projects Fundamentals*

Reviewing Imported Inventory Transactions

If transactions are rejected during the Transaction Import process, you can review and correct them using the Review Transactions window. After you correct transactions, you resubmit the Transaction Import process.

Related Topics

Transaction Import, *Oracle Projects Fundamentals*

Adjusting Inventory Transactions

You cannot adjust expenditure items in Oracle Projects that you have imported from Oracle Inventory. The transaction source does not allow adjustments.

Integrating with Oracle Time and Labor

Oracle Time and Labor (OTL) integrates with Oracle Projects to enable employees and contingent workers to enter and submit project-related timecards. Employees and contingent workers enter their own time, which you can subject to an approval process according to your business rules. Oracle Time and Labor makes the time entries available for retrieval by other applications, including Oracle Projects, Oracle Payroll, and Oracle Human Resources.

Employees and contingent workers can enter their time using the following:

- The OTL configurable web-based time entry page
- An offline spreadsheet that is later uploaded to Oracle Projects using WebADI
- The import interface
- The Pre-Approved Batch Entry window in Oracle Projects

You can use the timecards that you import from OTL to Oracle Projects to calculate

project labor costs or distribute payroll costs to projects as labor costs for employees. Using project-based timecard layouts in OTL, you can capture time card attributes that Oracle Projects uses to derive actual payroll rates from project rate schedules or Oracle HR's Rate by Criteria pay matrices when your labor costing method requires a standard rate. You can also use the attributes to derive a rate using your own custom extension as a rate source.

> **Note:** OTL supports two types of project timecard layouts: Projects Payroll timecard layouts and work based Projects Payroll timecard layouts. Only the work based timecard layouts support the additional rate determination attributes. To use the work based timecard layouts, you must enable the Projects Payroll Integration preference in your OTL preferences. For more information about OTL preferences, see Defining Preferences, *Oracle Time and Labor Implementation and User Guide*.

> **Additional Information:** Oracle Time and Labor allows you to roll back timecards that are entered with projects information. You can use OTL to choose the list of timecards to roll back and submit the rollback request, and you can rectify erroneous details on the timecards. For more information refer to the *Overview of the OTL Rollback Processes* section and the *Rolling Back Timecards from Projects Accounting* section in the *Oracle E-Business Suite Time and Labor Implementation and User Guide*.

Collecting and Processing Project-Related Timecards

The following steps outline the procedure for collecting project-related in Oracle Time & Labor (OTL) and processing project-related timecards in Oracle Projects:

1. **Enter and submit timecards.**

   Employees and contingent workers enter and submit project-related timecards. People assigned to projects managed through Oracle Project Resource Management can use the Autopopulate template to automatically record their projects, tasks, and expenditure types.

   Oracle Projects integration with OTL enables you to enter rate determination attributes such as work type, job, and location that are used to derive payroll labor rates from Oracle HR's Rate by Criteria Matrices or your own custom extension. To capture the rate determination attributes while entering timecards in OTL, use the following predefined Projects with Payroll timecards:

Layout Name	Layout Type
Work Based Projects and Payroll Timecard Layout	Timecard
Work Based Projects and Payroll Review Layout	Review
Work Based Projects and Payroll Confirmation Layout	Confirmation
Work Based Projects and Payroll Details Layout	Details
Work Based Projects and Payroll Export Layout	Time and Export
Work Based Projects and Payroll Notification Layout	Notification
Work Based Projects and Payroll Fragmented Timecard View	Fragment
Work Based Projects and Payroll Change and Late Audit Entry Layout	Audit
Work Based Projects and Payroll Change and Late Review Layout	Review
Work Based Projects and Payroll Change and Late Confirmation Layout	Confirmation
Work Based Projects and Payroll Change and Late notification Layout	Notification

Note: To use the project time card layouts for capturing rate determination attributes, you must set the Projects Payroll Integration preference in OTL during implementation. See, Defining Preferences, *Oracle Time & Labor Implementation and User Guide*

The layout source views for selection of work type, job and location values can be configured to implement any specific restrictions you may want to restrict the list of

values. If you are not using OTL and the Projects with Payroll layouts, then you can add rate determination attributes, such as work type, job, and location while using the Preapproved Batch Entry window or the Web ADI spreadsheet for expenditure entry. The labor cost distribution programs use these determinants when deriving labor cost rates if required by your labor costing method. You can enter pre-approved time cards using the Pre-Approved Expenditure batch, but rate determination attributes are limited to those available in the batch entry window.

In a project, which has cost breakdown planning enabled, you select a task that is a combination of task and cost code.

2. **Approve timecards.**

   During implementation, you define approval and routing rules using Oracle Workflow. You can set up Oracle Time & Labor to automatically approve timecard, or require management review and approval.

3. **Transfer time to Oracle Projects.**

   Oracle Human Resources, Oracle Payroll, and Oracle Projects can retrieve timecards from Oracle Time & Labor. In Oracle Time & Labor, you assign an application set and retrieval rule group to employees and contingent workers. The application set determines which applications can retrieve the timecards for an employee or contingent worker and the retrieval rule group determines the retrieval rules for each application. The retrieval rules specify which approval processes must be complete for a timecard before another application can retrieve the data. For information about defining application sets, retrieval rule groups, and retrieval rules, see the *Oracle Time & Labor Implementation and User Guide*.

   When the timecards are ready for retrieval, you run the process PRC: Transaction Import to transfer timecards from Oracle Time & Labor to Oracle Projects. This process transfers timecards that belong to employees and contingent workers with Oracle Projects in their application set and retrieval rule group, and that meet the retrieval rules for Oracle Projects.

   For the use of Oracle Projects in deriving payroll labor rates, this process transfers the pay element and rate determination attributes such as work type, job, and location. The pay element may be matched to a payroll amount if you are using the Actual labor costing method. This process imports timecards only for primary assignments.

   > **Note:** If you are importing third party timecards, then this process does not import the pay element. Also, if timecards do not have job or location information, then this process derives these values from the employee's primary work assignment in Oracle HR. If work type is missing, then the process takes the work type from the time card line task reference.

When you submit the process PRC: Transaction Import, select *Oracle Time and Labor* for the Transaction Source parameter and leave the Batch Name parameter blank.

4. **Distribute labor costs.**

   Run the process PRC: Distribute Labor Costs in Oracle Projects to cost time card transactions using the Standard costing method. If you are using the Actual costing method, you run the PRC: Generate Labor Accruals, if applicable and the PRC: Process Payroll Actuals processes. See: Distribute Labor Costs Process, Generate Labor Accruals Process, and Process Payroll Actuals Process in *Oracle Projects Fundamentals* guide. These processes compute the labor costs for timecard hours and any related miscellaneous or burden transactions and determine the default GL cost account.

5. **Generate cost accounting events.**

   Run the process PRC: Generate Cost Accounting Events for the Labor Costs process category to derive a default cost clearing account using AutoAccounting and to create accounting events in Oracle Subledger Accounting.

6. **Create accounting.**

   Run the process PRC: Create Accounting for the Labor Costs process category to create accounting for the timecards in Oracle Subledger Accounting. When you run the process in final mode, you can choose to transfer the final journal entries to Oracle General Ledger and to post the journal entries in Oracle General Ledger.

Related Topics

Transaction Import, *Oracle Projects Fundamentals*

Distribute Labor Costs, *Oracle Projects Fundamentals*

Process Payroll Actuals, *Oracle Projects Fundamentals* guide

Using Rates for Labor Costing, *Oracle Projects Fundamentals* guide

Generate Cost Accounting Events, *Oracle Projects Fundamentals*

Create Accounting, *Oracle Projects Fundamentals*

Editing Timecards in Oracle Time & Labor

A *retro adjustment* is a change made to a timecard in Oracle Time & Labor after you have transferred it to other applications. The preference *Timecard Status Allowing Edits* in Oracle Time & Labor controls whether you can edit existing timecards. The preference specifies whether you can only edit new, working, and rejected timecards, or can also edit submitted, approved, or even processed timecards in Oracle Time & Labor. The preference also specifics the age of the oldest timecard that you can edit and how far in advance you can enter timecards.

Note: If you made any changes to the original timecard data in Oracle Projects, then you cannot edit the timecard in Oracle Time & Labor. You receive an error when you try to submit the adjusted timecard. See: Processing Timecard Adjustments, page 4-123

Related Topics

Oracle Time & Labor Implementation and User Guide

Integrating with Oracle Payroll

Integration of Oracle Projects with Oracle Payroll enables managers to distribute actual payroll amounts as project labor costs. From a costed payroll run in Oracle Payroll, managers can interface amounts to Oracle Projects and distribute the amounts as project labor expenditure items. Additionally, you can use third party payrolls as the source for actual payroll amounts. You can process payroll adjustments as well as identify payroll amounts to use as burden costs.

In order to distribute the payroll amounts as labor costs based on hours, you must also interface timecards to Oracle Projects using the integration with Oracle Time and Labor (OTL) or import timecards from a third party source.

To use payroll pay rates as labor cost planning rates or to estimate labor costs for accrual accounting, you must also use the integrated Rate by Criteria feature in Oracle HR. Attributes from the employee's time card, their primary HR assignment or the expenditure task may be used in deriving applicable rates.

See: Integrating with Oracle Payroll, *Oracle Projects Fundamentals* guide.

Integrating with Oracle Service

Integration of Oracle Projects with Oracle Service (specifically Oracle TeleService module) enables customers to execute project tasks in the field using Oracle Service modules and track cost for a project using Oracle Project Costing. For example, if a field service engineer is assigned to the field service task of overhauling a wind turbine, then the cost generated from this task is interfaced to Oracle Projects for reporting and accounting of the task.

Caution: In Oracle TeleService, a charge line is entered for the lowest tasks in projects. Once a service request is entered for this task, you cannot create subtasks for these tasks.

This integration uses an open interface called Transaction Import, which uses transaction sources to import information from Oracle applications to Oracle Project Costing. The predefined transaction sources for this integration are: SERVICE_LABOR,

SERVICE_MATERIAL, and SERVICE_EXPENSE. These transaction sources are costed but unaccounted. The default expenditure type class associated with the predefined transaction sources are: Straight Time, Inventory, and Miscellaneous Transaction, respectively. You can select the Allow Adjustments check box to allow adjustments and reversals for the cost incurred.

In Oracle TeleService, you must execute the Interface Service Cost to Projects concurrent process to load the service request details to an Oracle Projects interface table. Then, execute the Transaction Import request to import service request related transactions to Oracle Projects and verify the same from the Expenditure Inquiry window.

When you create a service request, you must specify the following details at the charge line level:

- Expenditure Organization
- Project Number
- Project Name – once a value is entered in this field, this changes to a link that will display the Projects Overview page
- Project Task Number
- Project Task Name

If the Service: Default Project Information from Service Request Header profile option is set to Yes then the above details entered in the Create Service Request window are automatically displayed for the charge lines.

After a charge line is interfaced with Oracle Projects, a Trans ID is generated and associated with the charge line. The cost distribution and interface to GL occurs from Oracle Projects. To interface cost to GL, you must execute the PRC: Generate Cost Accounting Events and PRC: Create Accounting concurrent processes.

> **Tip:** You must not enter service request and service request charge lines for cost breakdown planning enabled projects.

In addition to the predefined transaction sources, you can create custom transaction sources. In Oracle TeleService for a custom transaction source, in the Project Settings region of Billing types, if you select the Use Project Cost Rates check box, then the project rate setup is used for calculating cost. In such cases, custom transaction sources must be uncosted.

Related Topics

Integration with Oracle Projects, *Oracle TeleService Implementation and User Guide*

Overview of Cost Breakdown Planning, *Oracle Project Planning and Control User Guide*

Integrating with Oracle Loans

Integration of Oracle Project's PTAEO (Project, Task, Award, Expenditure Type, and Organization) feature with Oracle Loans allows direct loan disbursements to Payables Vendors.

PTAEO is an alpha-numeric code that provides accounting information for financial transactions. It contains five segments: Project, Task, Award, Expenditure Type, and Organization that are included in GA (Grants Accounting). Oracle Loans uses Oracle Project Expense Accounting for PTAEO Integration. For more information about PTAEO, see the *Oracle Grants Accounting User Guide*.

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