ORACLE
PeopleSoft

Oracle PeopleSoft Contracts

To be effective, your customer contract management system should reflect the way you run your business. With Oracle's PeopleSoft Contracts application, revenue recognition and billing are independent decisions. This allows you to satisfy your customers' demands while adhering to proper revenue recognition practices but without manual intervention or accounting workarounds. Increased visibility into a contract's financial status allows better decision making in relation to customer and sponsor issues, and provides insight into the revenue performance of your organization.

Core Capabilities

- Support Complex Billing and Revenue Recognition Requirements
- Enforce Funding Limits
- Milestone Billing and Revenue Recognition
- Control and Visibility into Contract Term Changes
- Exception Based Processing

Extensive Billing and Revenue Recognition

The Contracts application provides contract administrators, billing professionals, and revenue analyst's the tools to manage billing and revenue recognition for complex, multi-year commercial, state and local contracts, and sponsored awards. When the timing or amount of billing differs from revenue recognition, you can assign completely independent schedules for billing and revenue recognition. Use contract limit processing to ensure that the billable costs incurred in Project Costing do not exceed contractual limits.

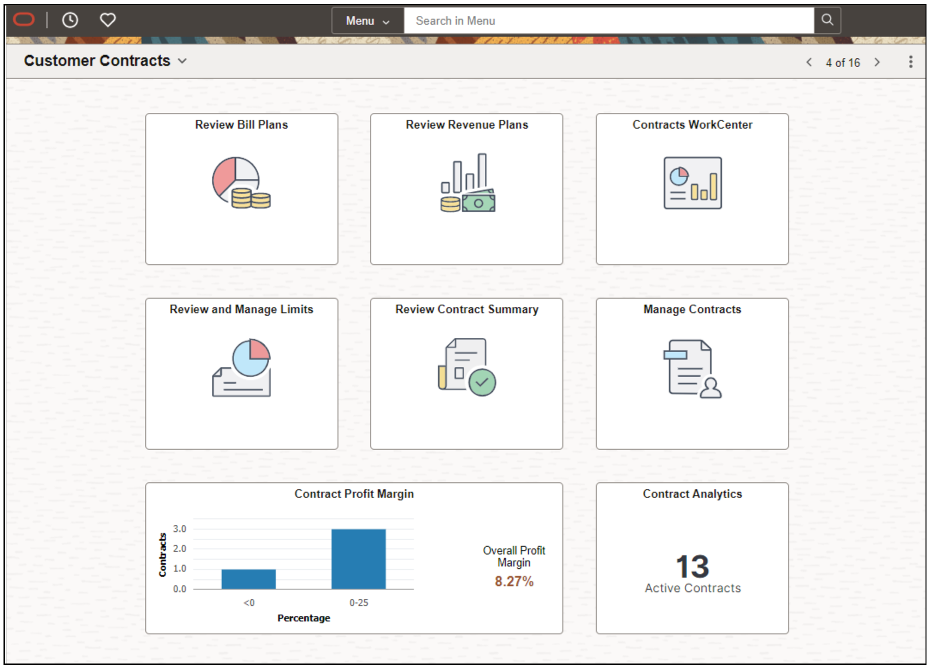

Figure 1. The Customer Contracts homepage provides access to the most commonly used tools to manage customer contracts including tiles to review contract limits, process billing and revenue recognition, and analyze contract and project financials.

Simplified Navigation

The Customer Contracts homepage replaces cumbersome folder driven navigational paths with tiles that access the most commonly used components. In addition, contracts provide the following navigational aids to streamline navigation:

- Credit to Cash Global Search
- Contract WorkCenter
- Related Actions
- Navigation Collections

Customer Focused Billing Management

You can specify how, when, and what to bill using PeopleSoft Contracts by:

- Establishing billing plan templates to automate the billing setup and event creation for your contract products and services.
- Configuring each contract product or service to be billed on the same or independent schedules.
- Enforcing funding limits by product, or at a lower level, to differentiate caps on labor versus material and other costs, and monitor spending as costs approach your ceiling.
- Billing customers immediately on a recurring basis, or percentage of completion, using milestones or costs incurred.
- Specifying a minimum bill amount to control processing costs.
- Creating pre-payments, and monitoring utilization against billable costs incurred.
- Adding configured notes, or contract line start and end dates, to print on a bill.
- Supporting holdbacks, or retainages and releases.
- Applying percentage, or fixed-amount, discounts.
- Maintaining visibility to billed and unbilled amounts.
- Specifying payment methods and payment terms to use on a contract and billing plan.
- Using internal contracts to support intra-organizational billing.
- Supporting multi-year options using configurable renewal schedules.
- Capturing and processing cost-plus fee contracts commonly used for government contracts.

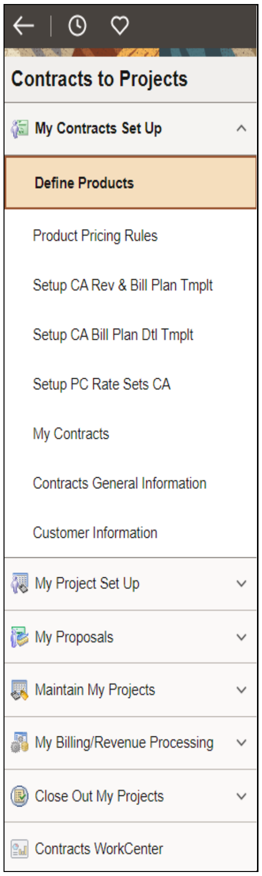

Figure 2. Configurable to each organization, a navigation collection includes the frequently used components for a contract administer or billing professional.

Robust Revenue Recognition

Set up revenue recognition to lower your administration costs with automated revenue recognition, and reduce your risk of non-compliance, regardless of how and when you bill.

To do this you can:

- Define revenue recognition differently for each contract product or service.
- Assign dates to recognize revenue.
- Analyze and adjust standalone sales prices for products and services.
- Base revenue recognition on percentage complete, dates, or as work is incurred in Project Costing.
- Designate milestones that must be met for revenue recognition to occur.

- Define a revenue recognition schedule with unlimited flexibility regarding dates or amounts.
- Preview revenue accounting entries prior to posting to PeopleSoft General Ledger.
- Support recognition of contract assets and contract liabilities.
- Cancel or modify contract lines and line amounts, retroactively, or on a go-forward basis.
- Define inter-organizational relationships for revenue recognition using centralized inter-unit accounting entry configuration.
- Split revenue across multiple products, services, departments, business units, and projects.

Manage Customer Contracts in Fluid

The Manage Contracts feature in fluid provides contract billing and revenue professionals a comprehensive view of the contracts in their area of responsibility.

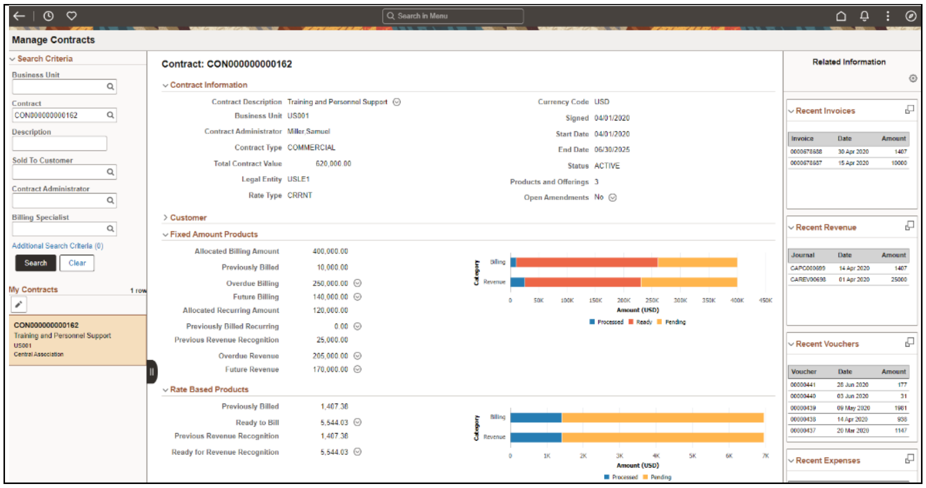

Figure 3. Manage Contracts in Fluid

Managing Contracts in Fluid allows you to:

- View summarized revenue and billing amounts grouped as previously processed, overdue, or future.
- Use related actions to process fixed amount billing, rate-based billing, revenue, and prepaids without having to run a process.
- Locate contracts that require action using exception-based search.
- Access award profile and related actions for grants.
- View related voucher and employee expense report detail for costs incurred.
- View billing invoice and revenue recognition journal detail.

The Value in Managing Customer Contracts in Fluid

The Manage Contracts feature provides a new and modern fluid interface. The top three value propositions for this feature are:

- Contextual, related actions to process current billing and revenue recognition.
- Related information to view voucher and expense report detail.
- A filtered list of contracts that is individually configured to each user.

Automation and Controls

Reduce data entry, improve accuracy, reduce costs, and ultimately lower your compliance risk with the following automations and controls:

- Use templates to create contracts, billing, and revenue plans.
- View detailed tracking of contract modifications.
- Programmatic adjustments to billing and revenue based on contract term changes.
- Use bundled product groups for products and services that are frequently sold together.
- Define standard or custom rates to price labor and material transactions.
- Automate updates to product price as changes occur over time.

Exception Based Processing, Reconciliation, and Analytics Dashboard

Employees can leverage a host of tools, technologies, and frameworks that are focused on providing a highly configurable, simple, and actionable user experience, coupled with productivity enhancers to drive tangible business results.

Contracts WorkCenter

The Contracts WorkCenter delivers content specific to you by directing your focus on the contract billing, revenue, budget, and setup exceptions you need to review. With in-context actions, you can easily discover an issue, and resolve or research it from one location.

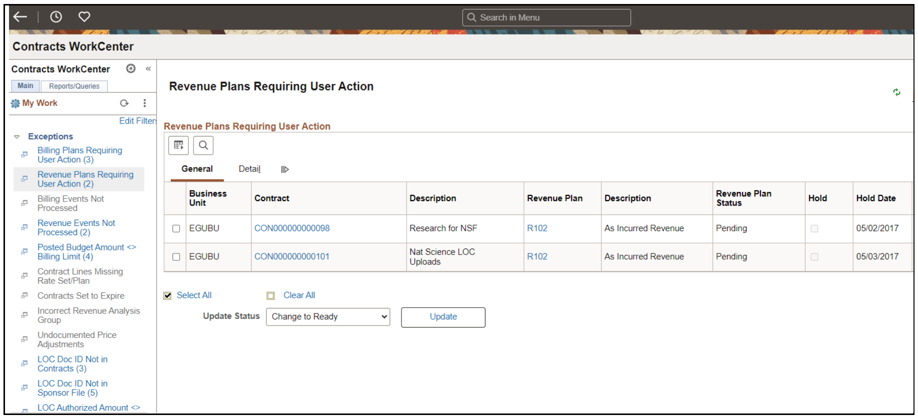

Figure 4. Configure the Contracts WorkCenter to fit your role and deliver quick access to rich data from one location.

Work Exceptions

The My Work section of the Contracts WorkCenter helps you identify contract and project setup anomalies:

- Billing and revenue plans requiring action.
- Billing and revenue events needing to be processed.
- Contracts set to expire and contracts ready to activate.
- Funding exceptions by letter of credit document id.
- Project budget and contract line limit discrepancies.
- Invalid billing plan configurations.
- Contract lines without rate plans.

Maximize the time spent analyzing and fixing discrepancies, and minimize time spent attempting to locate them.

Analytics Dashboard

A strong customer contract base is critical for the health and vitality of all organizations. Comparing lines of business and schools of research can be difficult for organizations with a large and diverse customer base. PeopleSoft Customer Contracts provides finance and contract officials the tools to analyze their active contract base leveraging the power of an analytics dashboard.

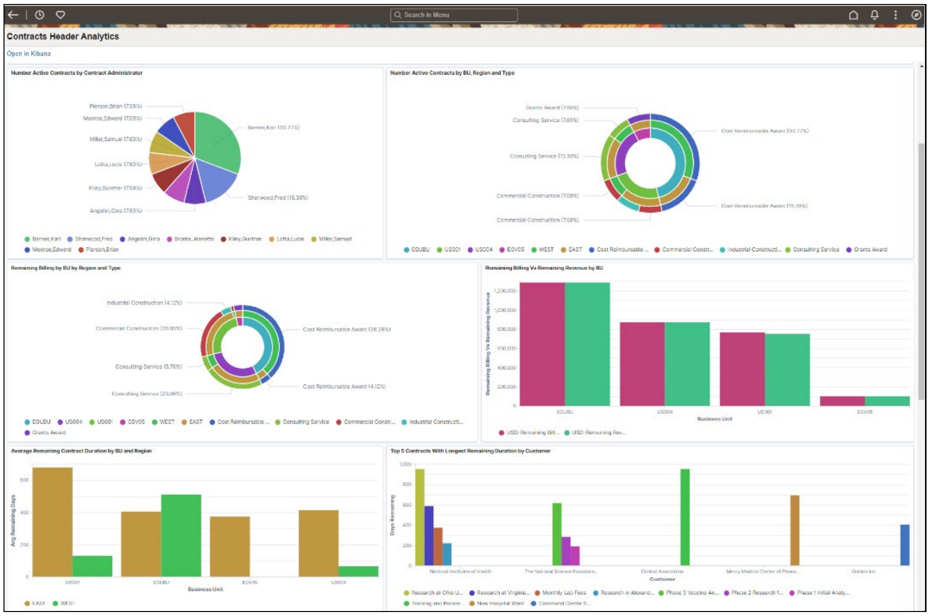

Figure 5. The active Contracts dashboard provides insight into the number, size, and duration of your contract base.

All visualizations on the dashboard are connected. You can select a segment of a visualization to quickly filter the entire dashboard to a specific area of the organization.

Extensive Integration

PeopleSoft Contracts is tightly integrated with other PeopleSoft Financial applications, to ensure that costs incurred in Project Costing are billed, and revenue is recognized, in accordance with contract terms and limits. PeopleSoft Contracts works with other applications to:

- Streamline the customer invoice process by sending transactions downstream for finalization, printing in Billing, followed by integrating with Accounts Receivable and General Ledger.
- Ensure that Project Costing uses up-to-date project percentage complete calculations as the basis for recognizing revenue, billing, or both.
- Control revenue recognition and billing automatically based on Project Costing activity.
- Analyze project profitability using costs captured in Project Costing, and revenue recognized in Contracts.
- Generate billing for each contract based on Billing configuration.
- Streamline revenue recognition processing with General Ledger.
- Create sales order contracts using the integration with Order Management.
- Create a new contract as part of the award generation process in Grants.

Contract Analytics Dashboard

The Contracts Dashboard uses pie charts, donuts, bar charts and tag clouds to help contract administrators compare the relative size and duration of the active contract base across the organization. These visualizations provide:

- The number of active contracts by contract administrator, business unit, region, and contract type.
- The remaining billing and remaining revenue for a contract.
- Contract duration including remaining days by business unit and region, and the top five contracts with the longest remaining duration.
- Large recent contract wins.

Visualizations identify lines of business, schools, and areas of research that are expanding or contracting.

Related Products

Contracts closely integrates with several applications in PeopleSoft Financials including:

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

Oracle’s PeopleSoft Enterprise Service Automation Solutions

Oracle's PeopleSoft Contracts is part of the PeopleSoft Enterprise Service Automation (ESA) suite, which is an integrated family of contract and project management applications.

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