JD Edwards EnterpriseOne Applications

Advanced Cost Accounting Implementation Guide

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2 Introduction to JD Edwards EnterpriseOne Advanced Cost Accounting

JD Edwards EnterpriseOne Advanced Cost Accounting Overview

The JD Edwards EnterpriseOne Advanced Cost Accounting system from Oracle provides a foundation for managerial accounting and activity-based costing. The JD Edwards EnterpriseOne Advanced Cost Accounting foundation includes fully integrated building blocks that are designed around business processes.

JD Edwards EnterpriseOne Advanced Cost Accounting enables you to analyze data using traditional cost accounting, activity-based costing, or a combination of the two. You can combine traditional cost accounting and activity-based costing for greater flexibility in managing a business.

Traditional accounting and activity-based costing differ in that activity-based costing is not required to follow Generally Accepted Accounting Principals (GAAP). In activity-based costing, debits do not have to equal credits. You can focus on a segment of the business instead of the entire business.

Typically, you use activity-based costing when a more accurate allocation of indirect expense-to-cost object is required.

In general, cost objects are divided into two major categories: customer and product. You can determine the level of detail for customer and product based on the needs of the business.

Managerial accounting provides the information that managers of economic organizations use to plan and control their operations. It analyzes an organization at the profit center level rather than at the organizational level used in financial accounting. For example, managerial accounting analyzes customer and product information rather than organizational levels such as marketing, administration, and manufacturing.

In managerial accounting systems, traditional financial accounting systems provide databases that are used in modeling, simulation, and "what-if" analyses. Allocations are run over indirect cost pools to assign all revenues and expenses to the profit center level. This process provides the information that is necessary to make high-level decisions about product lines, customer profitability, marketing strategies, reorganizations, and cost reduction projects.

JD Edwards EnterpriseOne Advanced Cost Accounting addresses the reporting needs for managerial decision-making. For example, by producing unique views of financial information, JD Edwards EnterpriseOne Advanced Cost Accounting demonstrates that the same sales volume can have vastly different profit margins because of shipment size, special packaging, special requirements, and product mix.

To address these needs, JD Edwards EnterpriseOne Advanced Cost Accounting enables you to:

- Capture financial information within the cost analyzer table for further analysis.
- Track and assign transactions using cost objects.
- Capture quantity information.
- Reassign costs based on cost drivers.

Activity-based costing enables you to identify and capture direct or indirect costs for specific products or customers by using cause-and-effect relationships. JD Edwards EnterpriseOne Advanced Cost Accounting enables you to collect, track, and assign activities to specific cost objects.

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This table lists features of JD Edwards EnterpriseOne Advanced Cost Accounting:

Feature	Usage
Cost object tracking	Enables you to directly assign transactions to their original cost objects. Cost objects are the lowest level at which costs are calculated or tracked. Examples of cost objects include customers, item numbers, and sales numbers.
Cost analyzer	Enables you to arrange and analyze managerial accounting information without affecting financial accounting information.
Detailed product costs	Enables you to capture detailed product costs when you create automatic journal entries. Use detailed product costs to analyze costs for material, labor, or overhead.
Driver calculations	Enables you to calculate volumes that are based on transaction information. For example, you can calculate the number of sales order lines by customer. Driver volumes are used to reassign indirect costs to cost objects.
Cost assignments and allocations	Enables you to process calculations for activity-based costing, as well as managerial accounting, over the Cost Analyzer Balances table (F1602). You can define allocations according to your business needs. The system provides an audit trail of the calculations and provides separate balances for amounts that are transferred from and to original balances.
Activity-based costing	Enables you to define cost objects, activities, and processes, and to create relationships between them. It also enables you to analyze business process costs.

JD Edwards EnterpriseOne Advanced Cost Accounting Business Processes

This diagram illustrates the JD Edwards EnterpriseOne Advanced Cost Accounting business processes:

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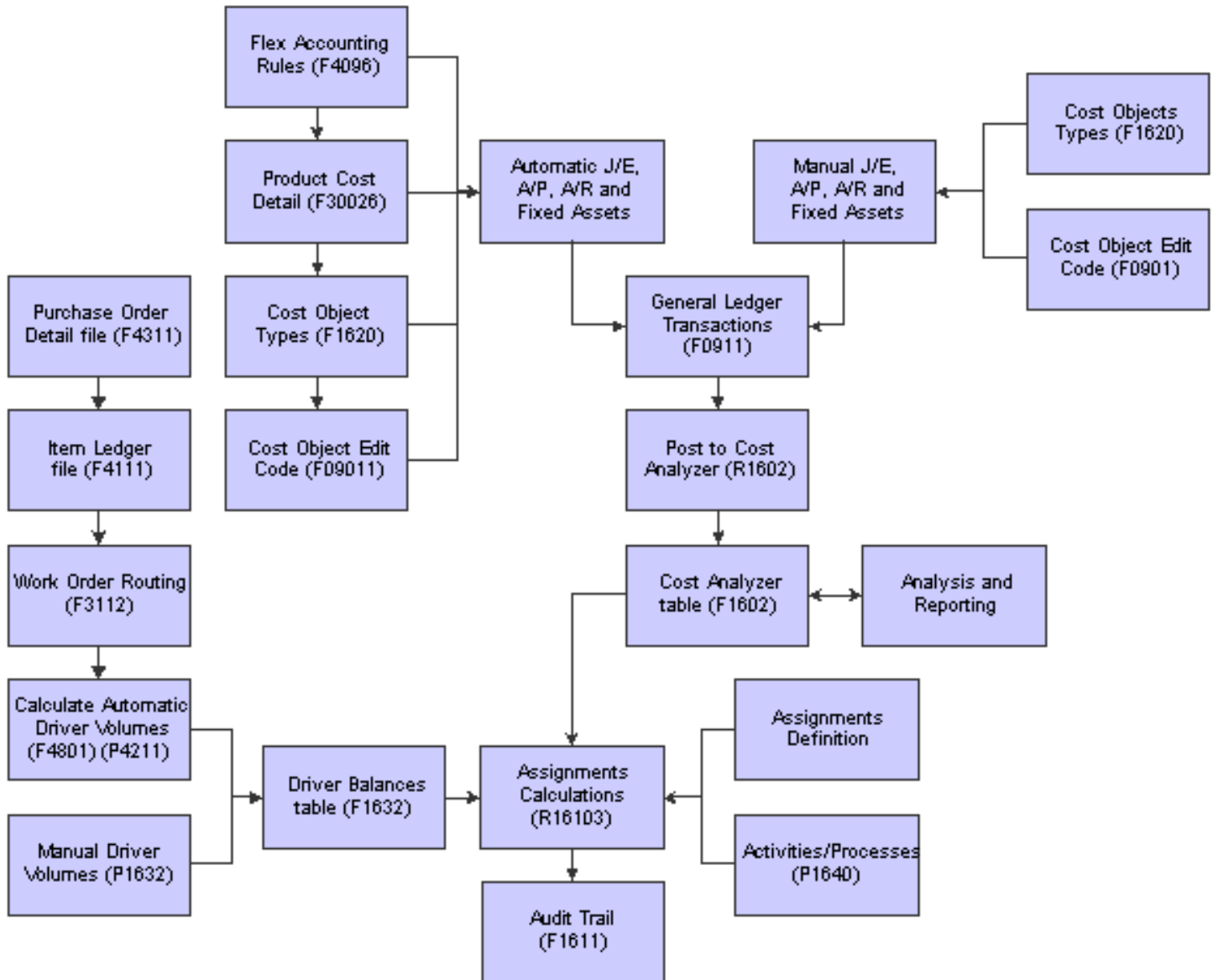
We discuss these business processes in the business process chapters in this implementation guide.

JD Edwards EnterpriseOne Advanced Cost Accounting Integrations

When you process transactions in other systems, you can capture information that is relevant to activity-based costing or managerial accounting by using flex accounting rules or cost object rules, based on the setup method for the application.

> **Note:** You should use the Automatic Accounting Instructions (AAI) setup method for the JD Edwards EnterpriseOne Manufacturing and Distribution systems from Oracle. If you use another method, you must ensure that it is correct for that system.

The JD Edwards EnterpriseOne Advanced Cost Accounting system works with other JD Edwards EnterpriseOne systems to ensure that all information is fully integrated into the general ledger. We discuss integration considerations in the implementation chapters in this implementation guide. Supplemental information about third-party application integrations is located on the My Oracle Support web site.

This table lists the systems with which the JD Edwards EnterpriseOne Advanced Cost Accounting system integrates:

Application	Integration
JD Edwards EnterpriseOne Accounts Payable and JD Edwards EnterpriseOne Accounts Receivable	JD Edwards EnterpriseOne Advanced Cost Accounting enables you to either enter cost objects manually or let the system determine how to automatically supply the cost object information. You can enter information in cost object fields that are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active. You use flex accounting rules to determine how the system automatically completes the cost object fields when creating offset entries during the pre-post voucher and payment processes. The system reviews the flex accounting rules when these factors apply: • The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the object account setup method.
JD Edwards EnterpriseOne General Accounting	JD Edwards EnterpriseOne Advanced Cost Accounting enables you to enter cost objects in manual transactions. The cost object fields are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active.
JD Edwards EnterpriseOne Inventory Management	JD Edwards EnterpriseOne Advanced Cost Accounting enables you to use the Item Cost Component Add-ons table (F30026) to determine inventory-related costs and retrieve information by cost type. If the Product Cost Detail field in the Inventory Constants table (F41001) is active, you must use the standard cost (07) cost method. If the Product Cost Detail field is not active, you can use cost methods 01 through 06 and 08. The system calculates costs based on the Item Cost File table (F4105). You use flex accounting rules to determine how to complete the cost object fields when creating automatic journal entries. The system reviews the flex accounting rules when these factors apply: • The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the AAI setup method.
JD Edwards EnterpriseOne Manufacturing Accounting	You use flex accounting rules to determine how to complete the cost object fields when creating automatic journal entries. The system reviews the flex accounting rules when these factors apply: • The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the AAI setup method.
JD Edwards EnterpriseOne Product Costing	You use flex accounting rules to determine how to complete the cost object fields when you create automatic journal entries. If the Product Cost Detail field is not active, you can use cost methods 01 through 06 and 08. The system calculates costs by using the Item Cost File table (F4105). The system reviews the flex accounting rules when these factors apply:

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Application	Integration
	• The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the AAI setup method.
JD Edwards EnterpriseOne Procurement Management	JD Edwards EnterpriseOne Advanced Cost Accounting enables you to enter cost objects in manual transactions. The cost object fields are available when the Activate Cost Objects field in the Cost Management Constants table (F1609) is active. You can use flex accounting rules to determine how to complete the cost object fields when creating automatic journal entries. The system reviews the flex accounting rules when these factors apply: • The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the AAI setup method.
JD Edwards EnterpriseOne Sales Order Management	You use flex accounting rules to determine how to complete the cost object fields when creating journal entries. The system reviews the flex accounting rules when these factors apply: • The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the AAI setup method. JD Edwards EnterpriseOne Sales Order Management enables you to use the Item Cost Component Add-ons table (F30026) to determine inventory-related costs and retrieve information by cost type. If the Product Cost Detail field in the Inventory Constants table (F41001) is active, you must use the standard cost (07) cost method. If the Product Cost Detail field is not active, you can use cost methods 01 through 06 and 08. The system calculates costs based on the Item Cost File table (F4105).
JD Edwards EnterpriseOne Transportation Management	You use flex accounting rules to determine how to complete the cost object fields when creating journal entries. The system reviews the flex accounting rules when these factors apply: • The Activate Cost Objects field is active. • The setup method is found for that application. • Flex accounting rules exist for the setup method.

JD Edwards EnterpriseOne Advanced Cost Accounting Implementation

This section provides an overview of the steps that are required to implement the JD Edwards EnterpriseOne Advanced Cost Accounting system.

In the planning phase of your implementation, take advantage of all JD Edwards EnterpriseOne sources of information, including the installation guides and troubleshooting information.

When determining which electronic software updates (ESUs) to install for JD Edwards EnterpriseOne Advanced Cost Accounting, use the EnterpriseOne and World Change Assistant. EnterpriseOne and World Change Assistant, a Java-

based tool, reduces the time required to search and download ESUs by 75 percent or more and enables you to install multiple ESUs at one time.

See *JD Edwards EnterpriseOne Tools Software Updates Guide* .

> **Note:**
> - *JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide* .

Global Implementation Steps

This table lists the suggested global implementation steps for the JD Edwards EnterpriseOne Advanced Cost Accounting system:

1. Set up companies, fiscal date patterns, and business units.

   See *"Setting Up Organizations" in the JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide* .
2. Set up accounts, and the chart of accounts.

   See *"Creating the Chart of Accounts" in the JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide* .
3. Set up the General Accounting constants.

   See *"Setting Up the General Accounting System" in the JD Edwards EnterpriseOne Applications General Accounting Implementation Guide* .
4. Set up multicurrency processing, including currency codes and exchange rates.

   See *"Setting Up General Accounting for Multicurrency Processing" in the JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide* .

   See *"Setting Up Exchange Rates" in the JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide* .
5. Set up ledger type rules.

   See *"Setting Up Ledger Type Rules for General Accounting" in the JD Edwards EnterpriseOne Applications General Accounting Implementation Guide* .
6. Enter address book records.

   See *"Entering Address Book Records" in the JD Edwards EnterpriseOne Applications Address Book Implementation Guide* .
7. Setting up Constants

   See *Setting Up Constants*.
8. Setting Up Cost Object Types

   See *Setting Up Cost Object Types*.
9. Setting Up Activities

   See *Setting Up Activities*.

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3 Setting Up Advanced Cost Accounting

Understanding Advanced Cost Accounting Setup

This section provides an overview of Advanced Cost Accounting setup and list prerequisites.

Prerequisite

Before you complete the tasks in this section, review and set up the appropriate manufacturing AAIs.

> **Note:**
> - *"Working with User Defined Codes" in the JD Edwards EnterpriseOne Tools Runtime Administration Guide* .

Advanced Cost Accounting Setup

Setting up JD Edwards EnterpriseOne Advanced Cost Accounting correctly is critical to its success as a management decision-making tool. When JD Edwards EnterpriseOne Advanced Cost Accounting is set up correctly, you can track direct costs by creating "what-if" scenarios to make sound business decisions that are based on actual data from existing integrated systems.

Use JD Edwards EnterpriseOne Advanced Cost Accounting to create detailed revenue and cost information by using general ledger transactions from the sales, financial, purchasing, manufacturing, and transportation systems, and the measure of demand on activities or resources (driver volumes) from sales and work order systems.

Constants

To use JD Edwards EnterpriseOne Advanced Cost Accounting with your integrated system, set up constants to specify how the system displays and processes information. When you set up constants, you specify the following information:

- Whether the system displays cost object fields.
- Whether the system displays activity-based costing fields.
- Whether the system displays details of product costs, such as revenues and cost of goods sold.

Cost Objects

A cost object is the final, or lowest, level at which the system calculates or tracks costs or revenues. For example, a cost object might be a customer or an item number. You must identify the object, set up the method by which the system tracks the costs, and define the AAIs and flex accounting rules to report on financial transactions for which you track costs or revenues.

Setting up cost objects allows you to define the kind of data that you want to analyze and how you want to analyze it. You can set up four user-defined cost object types and one cost object type that is defined in the Item Master table (F4101). Examples of cost object types include customers, suppliers, and product lines.

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You use cost object types to gather information about costs or revenues. You can then use the information to determine how the costs affect your business, or the source of the revenue. For example, suppose you want to analyze the amount that you are spending on postage and freight by customer. You set up a cost object type for customers. Each time that freight or postage expense is paid for a customer, the customer's address book number is used in the Cost Object field in the JD Edwards EnterpriseOne Accounts Payable system. The entry in the Cost Object field lets you track the freight and postage expenses for your customers.

You can define additional cost object types at any time. You should carefully consider the types of costs that you want to analyze to ensure the consistency of the data that you capture.

You can populate cost objects by using one of the following methods:

- AAIs and flex accounting rules set up for JD Edwards EnterpriseOne Advanced Cost Accounting transactions in other systems, such as JD Edwards EnterpriseOne Work Orders, JD Edwards EnterpriseOne Sales Orders, and JD Edwards EnterpriseOne Fixed Assets.

- Direct manual input into an accounting entry, such as accounts payable or general accounting.

- Custom programming.

Cost Object Edit Codes

Cost object edit codes ensure that the user of the subsidiary systems uses the cost object types that are set up and defined by management. The consistent entry of data into the subsidiary systems maintains the integrity of the data that you gather to analyze.

When you set up and activate edit codes, the system enforces the rules that you set up for entering data into fields in the system, such as whether a cost object must be entered or if a field can be left blank. If you set up an edit code that requires a specific cost object, and the user does not enter a cost object for a transaction on accounts payable or other subsidiary systems, the user receives an error message.

Views

Before you can review the results of calculations for either activity-based costing or managerial accounting, you must define views for the cost analyzer. Cost analyzer views allow you to post data to the Cost Analyzer Balances table (F1602) in a summarized or a detailed format.

Cost analyzer views allow you to look at data that the system summarizes differently in different years or for the same year. When you define a view, you specify the fiscal year and the fiscal date pattern for the data that you want to view. Additionally, you define the level of detail that you want to view, such as the ledger type, business unit of the data, and the cost objects.

Activities

If you use JD Edwards EnterpriseOne Advanced Cost Accounting for activity-based costing, you can set up processes and activities to perform calculations. Activities are the tasks or events that occur in a business process. For example, routing invoices for approval would be an activity in the process of paying a supplier. For each process and activity, you can define the type of calculation, the sequence of steps in the calculation, the source of the balances, the basis for the calculations, and the destination of the results.

AAIs and Flex Accounting Rules

Automatic Accounting Instructions (AAIs) are the links between your day-to-day functions, chart of accounts, and financial reports. Programs that post to specific general ledger accounts use AAIs to create the journal entries. If you want to analyze data by using detailed product costs, you must set up AAIs to create the journal entries that capture the detailed product costs.

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The system uses the flex accounting rules that you set up to capture cost object information to complete the profitability management subledger and subledger type. The system provides a flexible format that allows you to determine the information that populates the subledgers. For example, you could create a format that includes the customer number, sales territory, product category, and product for each transaction.

Drivers

A driver is a measure of demand on activities or resources that influence costs or revenue. You set up automatic driver definitions to specify the tables from which the system retrieves information to calculate volumes and quantities. You set up manual driver definitions so that the system can perform calculations on data that is not stored in JD Edwards EnterpriseOne systems.

Cost Pools

Cost pools are groupings of cost elements. You set up cost pools so that you can collect data about similar costs, and use the combined costs in calculations.

For example, you could use cost pools to collect data about the labor costs that are associated with a particular business process, including regular pay, overtime pay, bonuses, and so on. By collecting all of the labor costs that are associated with the business process, you can compare the labor costs to the revenues associated with the process and determine if the labor costs for the process are in line with the profits generated.

Setting Up Constants

This section provides an overview of setting up constants and describes how to:

- Activate cost objects and activity-based costing.
- Activate detailed product costs.

Understanding Constant Setup

To use the JD Edwards EnterpriseOne Advanced Cost Accounting system in conjunction with your integrated system, you must indicate the parameters that the system uses to standardize information processing. You set up constants to indicate how the system should process information.

You must activate cost objects before using the costing features in the JD Edwards EnterpriseOne Advanced Cost Accounting system. You must activate additional features for activity-based costing and define whether the system uses total costs or detail product costs for each branch/plant. Branch/plant constants allow you to customize the daily transaction processes for each branch/plant in the manufacturing and distribution systems.

Flex Accounting Rules

You use Flex Accounting rules to determine how to populate the cost object fields when creating automatic journal entries.

The system uses the following cost tables:

- F4105 (Item Cost File).
- F30026 (Item Cost Component Add-ons).

Variances at the Work Center Level

You must activate the Cost by Work Center constant in the Manufacturing Constants program (P3009) to record variances at the work center level.

To record a variance, the system uses a formula that includes a combination of standard, current, planned, actual, completed, and scrapped costs based on the type of variance. The following table shows the formula for each type of variance:

Type of Variance	Formula
Engineering	Standard - Current
Planned	Current - Planned
Actual	Planned - Actual
Other	Standard - (Completed + Scrapped)

> **Note:**
> - *"Understanding the JD Edwards EnterpriseOne Manufacturing Accounting System, Manufacturing Variances" in the   JD Edwards EnterpriseOne Applications Product Costing and Manufacturing Implementation Guide .*

Forms Used to Set Up Constants

Form Name	FormID	Navigation	Usage
Enter/Change Cost Management Constants	W1609A	System Setup (G1641), Advanced Cost Accounting Constants	Activate features that are related to cost objects. Specify whether to use activity-based costing.
Branch/Plant Constants	W41001B	Inventory Setup (G4141), Branch/Plant Constants Select a record on the Work With Branch/Plant Constants form, and click the Select button.	Activate detailed product costs.

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Activating Cost Objects and Activity-Based Costing

Access the Enter/Change Cost Management constants form.

Activating Detailed Product Costs

Access the Branch/Plant Constants form.

Branch/Plant

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

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

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

Use Product Cost Detail (Y/N)

Select this check box to activate product costing detail for the JD Edwards EnterpriseOne Distribution system. If you do not select this check box, the system uses total cost instead of detail costs.

> **Note:**
> - *JD Edwards EnterpriseOne Applications Inventory Management Implementation Guide* .

Setting Up Cost Object Edit Codes

This section provides an overview of setting up cost object edit codes, lists prerequisites, and discusses how to:

- Set up cost object edit codes.
- Set processing options for accounts by business unit.

Understanding Cost Object Edit Code Setup

When you set up cost object edit codes, you can include edit rules to edit your chart of accounts. A chart of accounts provides the structure for your general ledger accounts. It lists specific types of accounts, describes each account, and includes account numbers. A chart of accounts typically lists asset accounts first, followed by liability and capital accounts, and then revenue and expense accounts.

As part of creating your chart of accounts, you must define the length of the account segments. These segments are business unit object.subsidiary. For the JD Edwards EnterpriseOne Advanced Cost Accounting system, you can also indicate edit codes for cost object fields for specific accounts. The cost object edit codes define whether an object is required, edited for validity, or used for a specific cost object value.

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To use the product or catalog number, set up a cost object type for either the product number or catalog number. Then set up a cost object edit code, select Specific, and enter the cost object type as the option. Based on this setup, the account is specific to one cost object type.

> **Note:** After you revise your chart of accounts for cost object edit codes, you can copy the object and subsidiary accounts to other business units. When you revise your accounts to include cost object edit codes, the system copies the new edit code flags for the cost object fields to the new business unit.

Prerequisite

Before you complete the tasks in this section, activate cost object tracking to access additional forms.

Form Used to Set Up Cost Object Edit Codes

Form Name	FormID	Navigation	Usage
Account Master - Advanced Cost Accounting	W09015A	Organization & Account Setup (G09411), Review and Revise Accounts Select a row on the Work With Accounts form, and select ACA from the Row menu.	Set up cost object edit codes.

Setting Up Cost Object Edit Codes

Access the Account Master - ACA form.

To set up cost object edit codes:

1. Select an option for each of the edit codes:

    o No Edit.

    o Not Allowed.

    o Must Be Entered.

    o Specific (where you want to enter a specific cost object type).

       If you select Must Be Entered as the option for an Item Edit Code, the system uses the short item number. To use the second or third item number (product or catalog number), do not use the field Item Edit Code. Instead, define a cost object.

2. Click OK.

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Setting Processing Options for Accounts by Business Unit (P0901)

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

Security

Object, Subsidiary, Category Code 21, Category Code 22, Category Code 23

Enter **1** in the corresponding fields to protect the value of fields that contain Legal Account information.

Setting Up Cost Object Types

This section provides an overview of setting up cost object types and discusses how to set up cost object types.

Understanding Cost Object Type Setup

A cost object is the lowest level at which costs or revenue are calculated or tracked. Cost object tracking allows you to assign daily transactions to their original cost objects. For example, if you decide to track information by customers, item numbers, and sales order numbers, each piece of information can be a cost object type.

Set up editing rules for the system to validate transactions against cost object information such as journal entries for vouchers or invoices. Editing rules validate information on master tables such as the Address Book Master table (F0101) or user defined code tables. For example, if you track customers, you can set up a cost object type C, define the edit rule to compare the information in the cost object field against the Address Book Master, and verify that the search type information has a specific value. You can also use an editing rule to format information.

Use this program to set up user defined cost object types. The new cost object types can then be included in manual journal entries, vouchers, and invoices. You can also use the cost object types when setting up flex accounting rules and driver definitions. Fields on Cost Object Entry differ, based on which edit rule value you select.

Form Used to Set Up Cost Object Types

Form Name	FormID	Navigation	Usage
Cost Object Entry	W1620B	System Setup (G1641), Cost Object Types Click the Add button on the Work With Cost Object Types form.	Set up table-based cost object types. Set up user-defined code-based cost object types. Set up non-editing cost object types.

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Setting Up Cost Object Types

Access the Cost Object Entry form.

> **Note:** To set up non-editing cost object types, complete only the cost object type, description, and edit rule fields.

Cost Object Type

Enter a code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).

Edit Rule

Enter a user defined code (16/ER) that specifies how the system edits or formats a cost object. Values are:

E: Verifies whether the value entered by the user in the Cost Object field exists in the table specified in the Based on Table field on the Cost Object Entry form.

T: Verifies whether the value entered in the Cost Object field exists in the table specified in the Based on Table field on the Cost Object Entry form. Then the system will take the value specified in the Data Item field on the Cost Object Entry form and compare this value to that entered by the user.

U: Verifies against a UDC table specified by the user.

A: Does not verify. It left justifies alpha field.

R: Does not verify. It right justifies alpha field.

N: Does not verify. It fills the numeric field with zeros.

C: Does not verify. It fills the alpha field with blanks.

Table Editing

Use this group box to set up table-based cost object types.

Based On Table

Enter the number of a table used in JD Edwards EnterpriseOne Advanced Cost Accounting when adding a driver on the Driver Definition program (P1630). The table forms the basis for driver calculations through JD Edwards EnterpriseOne Advanced Cost Accounting, including determining which fields are available to use when doing driver calculations.

Determines what the automatic driver calculations will be based on.

To enable table options, select Tables by Function from the Form menu.

Data Item

Enter a code that identifies and defines a unit of information. It is an alphanumeric code up to 8 characters long that does not allow blanks or special characters such as %,&, or +. You create new data items using system codes 55-59. You cannot change the alias.

To select a data item within the based on table, select Data Items by Table from the Form menu.

Relationship

Enter a user defined code (00/VA) that indicates the relationship between the ranges of variances that you display. Values are:

EQ: Equal to.

LT: Less than.

LE: Less than or equal to.

GT: Greater than.

GE: Greater than or equal to.

NE: Not equal to.

NL: Not less than.

NG: Not greater than.

CT: Contains (only allowed in selection for Open Query File function).

CU: Same as CT but converts all input data to uppercase letters.

Item Value
Enter a value that the item in the based on table will be compared with. Complete this field only when using edit rule T.

UDC Editing

Use this group box to set up user-defined code-based cost object types.

Product Code
A user defined code (98/SY) that identifies a system. Values are:

01: JD Edwards EnterpriseOne Address Book

03B: JD Edwards EnterpriseOne Accounts Receivable

04: JD Edwards EnterpriseOne Accounts Payable

09: JD Edwards EnterpriseOne General Accounting

11: JD Edwards EnterpriseOne Multicurrency

User Defined Codes
Enter a code that identifies the table that contains user defined codes. The table is also referred to as a UDC type.

Setting Up AAIs by Cost Component

This section provides overviews of setting up AAIs by cost component and AAIs for detailed product costs, lists prerequisites, and discusses how to:

- Set up AAIs by cost component.
- Set processing options for distribution AAIs.

Understanding AAIs by Cost Component Setup

Automatic accounting instructions (AAIs) are the links between your day-to-day functions, chart of accounts, and financial reports. The system uses AAIs to determine how to distribute general ledger (GL) entries that the system

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generates. For example, in the Sales Order Management system, AAIs indicate how to record the inventory, costs of goods sold (COGS), and revenue transactions when you sell an item to a customer. The system stores AAIs in the Distribution/Manufacturing - AAI Values table (F4095).

Programs that post to specific GL accounts use AAIs to create journal entries. Create an AAI entry for each unique combination of company, transaction, document type, and GL class. AAIs for manufacturing also use the cost type. The JD Edwards EnterpriseOne Advanced Cost Accounting system allows you to separate the inventory and COGS accounts by cost component such as materials, labor, and overhead.

> **Note:** You must use the standard cost method (07) to calculate COGS for inventory and sales to capture detailed product cost information in the distribution system.

Although the JD Edwards EnterpriseOne Advanced Cost Accounting system uses all types of AAIs, the following information explains how to use AAIs for JD Edwards EnterpriseOne Advanced Cost Accounting within the distribution and manufacturing systems.

You define AAIs by a unique combination of company number, document type, and GL class code. The system also uses a series of specific search steps to locate the correct AAI rule before creating the transactions for the journal entry. If the system cannot find an AAI rule, it returns an error message for the missing rule number for the transaction by company, document type, and GL class code.

The following scenario illustrates how the system uses the search steps within the AAI rules:

- If the company number is 00001, the document type is SO, and the GL class code is IN20, then the system first searches for a rule that is specific to company 00001 and a GL class code of IN20.

- If a rule is not found, the system searches for a rule that is defined for company 00001 and a GL class code of ****.

- If a rule is not found, the system searches for a rule that is defined for company 00000 and a GL class code of IN20.

- If a rule is not found, the system searches for a rule that is defined for company 00000 and a GL class code of ****.

- If a rule is not found, the system does not create the transaction, and you receive an error message that says the AAI rule is invalid because the rule is not defined.

You can also locate GL class codes using inventory interface rules. Transactions originating in manufacturing and distribution use inventory interface rules by order line type. This information tells the system where to locate the GL class code information. Then the GL class code is used in the AAI to locate the corresponding AAI rule.

To locate the inventory interface rules information, use the Line Type Constants program (P40205). Each order line type contains a value for the inventory interface rule. The following list of values determines how the system locates the GL class code information:

- Y and D use the GL class code for the item using item branch/plant location.

- N does not use the GL class code because it has no inventory interface.

- A uses the GL class code for purchase price variances for the item by line type.

- B uses the GL class code for purchase price variances for the item using item branch/plant location.

The system can create journal transactions using the AAIs for purchasing when a difference exists between receipted cost of an item and the actual cost of an item. The system uses this value for line types with a value of A or B as the value for inventory interface rule. The Voucher Match Variance Account field for the order line type must be checked if you want the system to create a journal entry for any cost differences using a cost variance AAI rule.

> **Note:**
>
> - *"Setting Up AAIs for General Accounting" in the   JD Edwards EnterpriseOne Applications General Accounting Implementation Guide   .*

Understanding AAIs for Detailed Product Costs

You can use only the following AAIs for entries for branch/plants that use detail product costing:

AAI	Description
4122	Provides the balance sheet inventory valuation account
4124	Produces the expense or cost-of-goods-sold account
4240	Credits the cost amount to an inventory account

Prerequisite

Before you complete the tasks in this section, verify that the Cost Type processing option for distribution AAIs is active.

Form Used to Set Up AAIs by Cost Component

Form Name	FormID	Navigation	Usage
Account Revisions	W40950D	Inventory Setup (G4141), Automatic Accounting Instructions Select a record on the Work With AAIs form, and click the Select button.	Set up AAIs by cost component.

Setting Up AAIs by Cost Component

Access the Account Revisions form.

Co (company)

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

> **Note:** You can use company 00000 for default values such as dates and automatic accounting instructions. You cannot use company 00000 for transaction entries.

Do Ty (document type)

Enter a user defined code (00/DT) that identifies the origin and purpose of the transaction. The system reserves several prefixes for document types, such as vouchers, invoices, receipts, and time sheets. The reserved document type prefixes for codes are:

P: JD Edwards EnterpriseOne Accounts payable

R: JD Edwards EnterpriseOne Accounts receivable

T: JD Edwards EnterpriseOne Time and Pay

I: JD Edwards EnterpriseOne Inventory

O: JD Edwards EnterpriseOne Purchase order

S: JD Edwards EnterpriseOne Sales order

GL Cat (general ledger category code)

Enter a user defined code (41/9) that identifies the GL offset that system uses when it searches for the account to which it posts the transaction. If you do not want to specify a class code, you can enter ******** (four asterisks) in this field.

You can use automatic accounting instructions (AAIs) to predefine classes of automatic offset accounts for the JD Edwards EnterpriseOne Inventory Management, JD Edwards EnterpriseOne Procurement, and JD Edwards EnterpriseOne Sales Order Management systems. You might assign GL class codes as follows:

IN20: Direct Ship Orders

IN60: Transfer Orders

IN80: Stock Sales

The system can generate accounting entries based upon a single transaction. For example, a single sale of a stock item can trigger the generation of accounting entries similar to the following:

Sales-Stock (Debit) xxxxx.xx

A/R Stock Sales (Credit) xxxxx.xx

Posting Category: IN80

Stock Inventory (Debit) xxxxx.xx

Stock COGS (Credit) xxxxx.xx

The system uses the class code and the document type to find the AAI.

Cost Type

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

A1: Purchased raw material

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B1: Direct labor routing rollup

B2: Setup labor routing rollup

C1: Variable burden routing rollup

C2: Fixed burden routing rollup

Dx: Outside operation routing rollup

Xx: Extra add-ons, such as electricity and water

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

Sub (subsidiary)

Enter a subset of an object account. Subsidiary accounts include detailed records of the accounting activity for an object account.

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

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

Setting Processing Options for Distribution AAIs (P40950)

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

Defaults

AAI Table Number

A number used to specify sequence and retrieve accounting information.

Availability to Distribution AAI Tables

Enter a **1** if the cost type field should be available to these Distribution AAI tables: 4122, 4124, 4134, 4136, 4220, 4240 and 4310.

Setting Up Flex Accounting

This section provides overviews of flex accounting, rules for defining a flexible format, and account information, and discusses how to set up flex accounting.

Understanding Flex Accounting

You use flex accounting to define how you capture cost object information to complete the profitability management subledger and subledger type. The flexible format allows you to define rules to determine which fields populate which

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subledgers. For example, you might use a format that includes customer number, sales territory, product category, and product.

The standard JD Edwards EnterpriseOne account structure is formatted with the following segments:

- Business unit
- Object account
- Subsidiary account
- Subledger
- Cost Object 1
- Cost Object 2
- Cost Object 3
- Cost Object 4
- Item

Flexible format accounts have the same segments. The length of all segments cannot exceed 90 characters. Each segment of the flexible format account has a character limit, as follows:

Flexible Format Segment	Character Limit
Business unit	12 characters
Object account	6 characters
Subsidiary account	8 characters
Subledger	8 characters
Cost object 1-4	12 characters
Item	8 characters

To create a flexible account number, you must define one or more of these segments. To do this, associate one or more pieces of information with each segment. Each piece of information is associated with a field and is stored in one of the tables that you access from the Row menu on the Flexible Sales Account Revisions form. Cost objects 1-4 require you to enter a value in the Type field. These values are defined in the Cost Object Types program (P1620). In addition, you are required to define which cost object you are associating with the flexible rule in the Cost Object column.

To associate information with a segment, you must know the data item name that JD Edwards has defined for the corresponding field in the table.

You cannot define an object segment. You must define the object account through AAIs.

The subledgers are not visible online but are stored in the Account Ledger table (F0911).

You activate flexible sales accounting through a processing option in the Sales Update program (R42800).

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Understanding Rules for Defining a Flexible Format

You can define only one subledger type for each cost object. Consider the following rules about flexible account numbers when you define flexible formats:

- Each piece of information that you associate with a segment corresponds to a JD Edwards EnterpriseOne field.

  Each of these fields is hard-coded in a user defined code table that you access from the Enabled Functionality by Application program (P1690). You can view both the tables and fields for flexible rules. To use a field that is not included in these tables, you must use custom programming.

- You can define a flexible accounting rule only for applications that have been flex-enabled.

  You can view these programs using the Cost Object Rule Setup Method program (P1691).

- When the system searches for an account for an AAI, it searches the Sales Flex Accounting table (F4096), as follows:

- The system checks for a flexible account number that has been defined for a specific AAI and a specific company.

- If no account has been defined for a specific AAI and a specific company, the system checks for an account that has been defined for a specific AAI and company 00000.

Understanding Account Information

When you process a transaction that requires the system to record information to the general ledger, the system searches for flexible account information only if you have set up the appropriate processing options in the appropriate update program.

Form Used to Set Up Flex Accounting

Form Name	FormID	Navigation	Usage
Flexible Sales Account Revisions	W40296C	Sales Order Management Setup (G4241), Flexible Sales Accounting Click the Add button on the Work With Flexible Sales Accounts form.	Set up flex accounting.

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Setting Up Flex Accounting

Access the Flexible Sales Account Revisions form.

To associate a flex rule with the item subledger, enter **X** in the Item column.

AAI Table Number
Enter a number used to specify sequence and retrieve accounting information.

Document Type
Enter a user defined code (00/DT) that identifies the type of document. This code also indicates the origin of the transaction. JD Edwards EnterpriseOne has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.)

The following document types are defined by JD Edwards EnterpriseOne and should not be changed:

P: JD Edwards EnterpriseOne Accounts Payable

R: JD Edwards EnterpriseOne Accounts Receivable

T: JD Edwards EnterpriseOne Payroll

I: JD Edwards EnterpriseOne Inventory

O: JD Edwards EnterpriseOne Purchase Order Processing

J: JD Edwards EnterpriseOne General Accounting/Joint Interest Billing

S: JD Edwards EnterpriseOne Sales Order Processing

File Name
Enter the number of a specific table. For example, the General Ledger Master table name is F0901. All file names begin with F.

Enter a file name to associate a table with a segment.

Cost Object
Event point processing flag 04.

The values for the Cost Object field are **1, 2, 3,** and **4.** This value indicates which cost object is populated with a particular segment.

Cost Type
Enter a code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).

Enter a cost object and cost type to associate a flexible segment with the standard format segment.

Data Item
Enter a data item to associate the data item with a segment.

Data Type
Enter a code used to identify the address to be used in flexible sales accounting. Values are:

1: Bill To

2: Ship To

3: Parent

This code is used in conjunction with the Data Item field (SFIT). If the data item is from the address book master file, then the Data Type field is required.

To enable flex accounting rules in a specific program, complete the appropriate processing options in that program that correspond to flex accounting. Use the Cost Object Rules Setup Method program (P1691) to display the programs that are enabled for flex accounting.

Setting Up Cost Analyzer Views

This section provides an overview of setting up cost analyzer views and discusses how to set up cost analyzer views.

Understanding Cost Analyzer View Setup

You can define the information that is posted to the Cost Analyzer Balances table (F1602) to summarize GL transaction information. Views are uniquely defined by using a combination of a view number, fiscal year, and date pattern code. For example, if you define a view to identify profitability by customer for the fiscal year 2008 and assign view number 1 with a fiscal date pattern code R, you cannot define a second view as 1 for 2008 with a fiscal date pattern of R.

The following rules apply to Cost Analyzer views:

- Each fiscal year can have a maximum of ten view definitions.

- View numbers can be between one and ten.

- You cannot have duplicate view definitions (that is, two identical view numbers for the same fiscal year).

- Each view must contain a date pattern code.

After you post transactions to a particular view and fiscal year, you can make changes to the view definition only by purging the posted information and regenerating it.

Form Used to Set Up Cost Analyzer Views

Form Name	FormID	Navigation	Usage
Cost Analyzer View Entry	W1603A	Cost Analyzer (G1612), Cost Analyzer View Setup Click Add on the iscal form.	Set up cost analyzer views.

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Setting Up Cost Analyzer Views

Access the Cost Analyzer View Entry form.

View Number
Enter a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted.

For example, if the view number is **1,** then the system updates PM01 with a P when the F0911 record is marked as being posted.

Fiscal Year
Enter a number that identifies the fiscal year.

Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2008 and ends September 30, 2009. The end of the first period is October 31, 2008. Specify the year 08 rather than 09.

If you leave this field blank, the system displays an error when you add a view.

Fiscal Date Pattern, Summarize Ledger Type, Summarize Business Unit, Summarize Object, Summarize Subsidiary, Summarize Subledger/Type, Summarize Cost Object 1/Type, and Summarize Item Number
Enter a code that identifies date patterns. You can use one of 15 codes. You must set up special codes (letters A through N) for 4-4-5, 13-period accounting, or any other date pattern unique to your environment. **R,** the default, identifies a regular calendar pattern.

> **Note:** These options allow you to control the level of detail that you want to view. When you select an option, the detail for the corresponding option is not included in the view. The system does not include any transactions that are related to options that are turned on.

The system creates a new record in the Cost Analyzer Balances table (F1602) whenever the option value changes. Otherwise, the system creates one balance record in the Cost Analyzer Balances table for each transaction that originates from the Account Ledger table (F0911).

Setting Up Profit Management User-Defined Codes

This section provides overviews of profit management user-defined codes and cost pools and discusses how to set processing options for user-defined codes.

Understanding Profit Management User-Defined Codes

Before you can use the features of the JD Edwards EnterpriseOne Advanced Cost Accounting system, you need to define the critical information that the system uses for processing.

Many fields throughout the JD Edwards EnterpriseOne Advanced Cost Accounting system require user defined codes. You can customize fields in your system by setting up user defined codes to meet the needs of your organization.

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The User Defined Codes program (P0004A) allows you to establish and maintain a table that defines codes for various types of information. Codes are categorized by system and code type.

The JD Edwards EnterpriseOne Advanced Cost Accounting system uses the following user defined codes:

Code Type	Description
Driver Category Codes	You can set up drivers to identify the cause of a process or how costs are assigned. Use the following user defined code tables to set up category codes for drivers: • 16/01 • 16/02 • 16/03 • 16/04 • 16/05
Activity Attributes	If you use activity-based costing, you must set up activities. An activity is an aggregation of actions that are performed within your organization. Use the following user defined code tables to define attributes for activities: • 16/06 • 16/07 • 16/08 • 16/09 • 16/10
Activity Category Codes	If you use activity-based costing, you must set up activities. An activity is an aggregation of actions that are performed within your organization. Use the following user defined code table to group your activities by category code: • 16/11 • 16/12 • 16/13 • 16/14 • 16/15
Cost Pools (16/CP)	Set up cost pools to identify groupings for cost elements that have a common driver.
Cost Object Types (00/ST)	A cost object is the final level at which costs or revenues are calculated or tracked. Set up a cost object to identify the type of managerial analysis.
Edit Rules (16/ER)	When you enter cost objects, you can use a value from this table to identify a rule, which determines how the system edits or formats a cost object. **Note:** JD Edwards EnterpriseOne has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

Code Type	Description
Cost Object Rules Setup Method (16/SM)	When you enter a cost object edit rule, you must specify the method by which the system edits or formats a cost object. **Note:** JD Edwards EnterpriseOne has predefined values for this user defined code table. If you change the values, unpredictable results might occur.
Cost Management Method (16/TF)	You can set up the functionality type in the user defined code (16/TF) and the enabled tables in the Enabled Functionality by Application program (P1690). **Note:** JD Edwards EnterpriseOne has predefined values for this user defined code table. If you change the values, unpredictable results might occur.
Driver Calculation Method (16/CM)	When you set up drivers, you can define how the system reassigns costs to activities. Use this user defined code table to identify whether the system calculates the driver automatically or manually. **Note:** JD Edwards EnterpriseOne has predefined values for this user defined code table. If you change the values, unpredictable results might occur.
Driver Result Type (16/RT)	When you set up a driver calculation method, use this table to identify the resulting volume type, such as number of transactions or amount. **Note:** JD Edwards EnterpriseOne has predefined values for this user defined code table. If you change the values, unpredictable results might occur.

Note:

- *"Working with User Defined Codes" in the JD Edwards EnterpriseOne Tools System Administration Guide* .

Understanding Cost Pools

In addition to user defined codes for activities and drivers, you can set up cost pools. A cost pool is a grouping of cost elements. When you set up rates, you can assign drivers or activities to a single cost pool. For example, you can create a cost pool called personnel expenses by aggregating all personnel-related costs, such as salaries, overtime, benefits and so on; and the driver could be man-hours invested in each activity.

You can create alternate approaches to cost pools based on your business needs, such as:

- You can specify original GL accounts as the FROM (source) of the cost assignment definition.

  In this example, all of the accounts should have a common driver.

- Use account category codes to link accounts that correspond to the same cost pool.

  Then when you define your cost assignment, the FROM definition is the category codes group, which equals the cost pool. For example, you could set up an account category code group for personnel expenses (PE) and building related costs (BL). In the Account Master table (F0901), you can assign the category codes to the appropriate accounts and, in this way, group your accounts to different cost pools.

- You can create a specific account for cost pools, and then, using a cost assignment, move balances from the original accounts to the account that you set up specifically for the aggregate total of the cost pool expenses.

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Setting Processing Options for User-Defined Codes (P0004A)

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

Defaults

1. Enter the desired System Code

Specify a user defined code (98/SY) that identifies a JD Edwards EnterpriseOne system.

2. Enter the desired Record Type

Specify a default user defined code (UDC). You should enter only appropriate UDCs that belong to the product code that you entered in the Enter the Desired System Code processing option.

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4 Understanding Managerial Accounting and Activity-Based Costing

Managerial Accounting and Activity-Based Costing

This section provides an overview of Managerial Accounting and Activity-Based Costing and discusses:

- Managerial accounting and activity-based costing.
- The data model overview for activity-based costing.
- The decision making process.

Managerial Accounting and Activity-Based Costing

Managerial accounting processes information used by economic organizations to plan and control operations. Managerial accounting involves analysis at a profit-center level, such as customers and products, instead of an organizational level, such as marketing, administration, and manufacturing.

Activity-based costing enables you to analyze information and costs from multiple departments and internal organizations to improve business processes. With activity-based costing, you can identify activities, processes, and cost objects, and then calculate total and unit costs by cost objects using cause-and-effect relationships.

Even though business practices have evolved significantly during the last ten years, cost accounting techniques have remained relatively static. In today's highly competitive and changing business environment, companies need the ability to analyze cost structures in more detail than they could by using the methods that are provided by traditional cost accounting systems.

All companies want to maximize profitability by either reducing costs (wastes) or increasing sales. Often, high costs are due to cross-departmental processes, but identifying these sources of waste can be difficult and time intensive.

To increase income, companies might find it difficult to identify the most profitable customers without gathering customer profit/loss information. In manufacturing environments, companies have been able to reduce direct costs for material and labor by implementing techniques, such as just-in-time, automation, total quality management, and outsourcing, at the expense of increasing indirect costs.

These changes have affected cross-departmental process costs drastically. Market competition and globalization have added complexity to business management and coordination, resulting in additional support activities. This shift in today's market requires that companies focus on indirect costs, cross-departmental processes, and customer profitability-rather than direct costs and sweeping mandates-to increase company-wide sales, regardless of customer profitability.

Data Model Overview for Activity-Based Costing

Company 200 manufactures and distributes bicycles and bicycle accessories. The company wants to improve its competitive advantage in the bicycle market. Although sales have been increasing over the years, the overall

profitability of the company has decreased. As a result, the company initiates a performance improvement project that is based on analyzing customer and product profitability.

The company believes that by studying its profitability by customer, product family, and sales marketing channel, it can discover why overall profits have decreased. The analysis focuses on these areas:

- Locating hidden costs in the process of procuring bicycle bags to help the company reduce waste and increase efficiency.

- Assigning marketing and promotional costs to customers, product lines, and sales marketing channels to redirect marketing and sales to the most profitable customers, products, and channels.

- Reviewing the standard costs for painting the bicycle frames. The company suspects that these costs might be incorrect due to rework. Therefore, it would like to determine how much rework, by bicycle model, exists when they paint bicycle frames so that the company can correct the standard cost for painting frames.

The Decision Making Process

This example illustrates the decision making process.

Company 200 manufactures and distributes bicycles and bicycle accessories, using these business units:

- M30 to manufacture bicycles.

- D30 to distribute bicycles.

Company 200 sells products to wholesale and retail customers. Each customer has a unique address book number, and Company 200 assigns each customer to a business channel. Although many channels exist, Company 200 uses these:

- Wholesale

- Retail

- Specialty

- Discount

The bicycles and accessories have unique inventory item numbers. Although many types of bicycles and accessories exist, the company focuses on three types of bicycles and two types of bicycle bags. The bicycle types are:

- Touring

- Mountain

- Youth

Black bicycle bags can be imprinted with a predetermined logo or left blank. When the company originates its bicycle sales, the customer can decide whether he or she wants plain black bicycle bags, standard logo imprinted bags, or special custom logos on the bags. The bag types are:

- Imported bags

- Black with logo

- Black without logo.

- Domestic bags: Black without logo

The company categorizes its products by planning families. Within this scenario, it focuses on two family codes:

- Bicycle

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- Bicycle accessory

Within the Distribution business unit, D30, the merchandise can incur royalty and warehouse costs, in addition to the initial cost. The business unit has adopted standard costs (inventory and sales method 7) to help track each of these cost components. Depending upon type, the bicycles and bags can contain these cost components:

- Material, component type A1

- Royalty, component type X4

- Warehouse, component type X6

The company believes hidden costs exist in the procurement, manufacturing, and distribution cycles. Therefore, the company wants to determine the customer, product family, or marketing sales channel profitability, as well as internal process costs that are related to manufacturing its bicycles and various suppliers costs by suppler, product family, or marketing sales channel.

5 Setting Up Drivers

Understanding Drivers

A driver is a measure of demand on activities or resources that influence costs or revenue. An *activity driver* is a measure of the frequency and intensity of the demands that are placed on activities by cost objects. An example of an activity driver is the total number of customer sales orders. A *resource driver* is a measure of resources that are consumed in an activity. An example of a resource driver is the number of hours directed to activities.

Two kinds of drivers exist in JD Edwards EnterpriseOne Advanced Cost Accounting: automatic drivers and manual drivers. *Automatic drivers* are extracted from data that already exists in the system, such as number of lines on a sales order, purchase order, or work order. *Manual drivers* are entered manually with the volumes that are associated with them, such as the man-hours required to paint a bicycle or the square footage in a building that is used to paint bicycles.

For example, if a company that manufactures bicycles knows that its two-tone bicycles cost more than its solid color bicycles, it could begin to analyze the real cost that is associated with the bicycles. The company could create a driver that measures man-hours used to paint both types of bicycles, as well as the square footage in the building that is used to paint two-tone versus solid color bicycles. By using these resources as drivers, the company sees the actual cost that is associated with each bicycle.

You set up driver definitions to specify from which tables the system retrieves information to calculate volumes and quantities. Drivers are user defined. They vary based on the types of costs that you want to analyze. Drivers are an integral part of the assignment tool in JD Edwards EnterpriseOne Advanced Cost Accounting. Because JD Edwards EnterpriseOne systems are completely integrated, drivers can access information quickly and accurately from other systems, such as the JD Edwards EnterpriseOne Sales Order, JD Edwards EnterpriseOne Procurement, and JD Edwards EnterpriseOne Work Order systems.

Understanding Driver Setup

This section provides an overview of driver setup and lists prerequisites.

Driver Setup

For automatic drivers, use the Driver Definition program (P1630) to create and update driver definitions and calculation instructions. You can define how to calculate driver volumes at the summary level.

For manual drivers, use the Driver Definition program to update a definition for information that is not maintained in the system. For example, you can define drivers to identify man-hours or square footage for a particular department.

After you run update information, use driver calculations to automatically calculate the cost of driver volumes or to enter drivers manually. During allocations or reassignments, drivers logically reassign costs to activities, processes, and cost objects.

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Prerequisite

Before you complete the tasks in this section, review the processing option in the Driver Volume Revisions program (P1632) to determine whether the default for the driver definition is automatic or manual.

Defining Automatic Drivers

The system calculates automatic driver volumes by searching a specific table, such as the Sales Order Detail File table (F4211) or the Work Order Master File table (F4801), counting the number of records that meet certain criteria or summarizing the value in a specific field. Most drivers that are used in JD Edwards EnterpriseOne Advanced Cost Accounting are calculated automatically because the required information is usually available in these tables.

This section discusses how to define automatic drivers.

Form Used to Define Automatic Drivers

Form Name	FormID	Navigation	Usage
Work with Drivers	W1630A	Drivers (G1614), Driver Definition	Locate and delete automatic drivers.
Enter/Change Driver Definitions	W1630B	Click Add on the Work with Drivers form.	Add automatic drivers.

Defining Automatic Drivers

Access the Enter/Change Driver Definitions form.

Driver Code
Enter a code that identifies JD Edwards EnterpriseOne Advanced Cost Accounting drivers.

Driver Calculation Method
Enter a user defined code (16/CM) that specifies whether this driver is calculated automatically by the Driver

Calculations program (R1632) or entered manually by the user. Values are:

1: The driver is calculated automatically.

2: The driver is entered manually.

Result Type
Enter a user defined code (16/RT) used to classify the driver volume that the system calculates. Values are:

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1: Amounts

2: Number of transactions

3: Units

4: Percent

5: Duration

> **Note:** Depending on the result type, the system may display additional fields.

Based on Table

Enter the number of a table used in JD Edwards EnterpriseOne Advanced Cost Accounting when adding a driver on the Driver Definition program (P1630). The table forms the basis for driver calculations through JD Edwards EnterpriseOne Advanced Cost Accounting, including determining which fields are available to use when doing driver calculations.

Determines what the automatic driver calculations will be based on.

To enable table options, select Tables by Function from the Form menu.

Data Item

Enter a code that identifies and defines a unit of information. It is an alphanumeric code up to 8 characters long that does not allow blanks or special characters such as **%, &,** or **+.** You create new data items using system codes 55-59. You cannot change the alias.

Enter a data item that exists in the based on table in this field.

Calculation Function

Enter an operator that defines how to calculate drivers in the Cost Management system. Values are:

COUNT: Determine the number of records found in the based-on file.

ADD: Sum the contents of the data item that is specified in the driver rule.

Date Data Item

Enter the name of a data item. In driver calculations, the field must be completed with a data item that represents a date.

Related Table 1

Enter the name of a table. In driver calculations, this is the name of a table that is used to define the contents of a cost object.

> **Note:** If the related table is the same as the table that is specified on the Calculation Details tab, leave this field blank. If the related table is Address Book Master (F0101), you must enter a value for the address book data item.

Field 1

Enter the generic name of a data item. In driver calculations, the Data Item 1 field refers to the values that the system loads into the cost object fields.

Type 1

Enter a code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).

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Defining Manual Drivers

You must separately enter constant and variable information for each manual driver calculation. Manual drivers are those calculations that are based on information that is not found in any of the database tables in the system. For example, if the resource driver is square feet by department, you must enter this specific information.

This section gives an overview of manual drivers and discusses how to define manual drivers.

Form Used to Define Manual Drivers

Form Name	FormID	Navigation	Usage
Enter/Change Driver Definitions	W1630B	Drivers (G1614), Driver Definition Click Add on the Work with Drivers form.	Define manual drivers.

Defining Manual Drivers

Access the Enter/Change Driver Definitions form.

To define manual drivers:

1. Complete the Driver Code, Description, Driver Calculation Method, and Result Type fields on the Enter/Change Driver Definitions form.

   The calculation method must be manual.

   Depending on the result type, the system might display additional fields.

   The system does not allow you to enter calculation details.

2. Complete the Item Number, Activity, Subledger Type, and Subledger fields to indicate the level of summarization on the Cost Objects tab.

3. Complete the Type 1,Type 2,Type 3, and Type 4 fields to indicate the level of summarization (optional).

4. Select the Category Codes tab and complete the Value 1,Value 2,Value 3,Value 4, and Value 5 fields to identify category codes.

5. Click OK.

6 Setting Up Activities

Setting Up Activities

This section provides an overview of activity setup and discusses how to:

- Define activity groups.
- Assign activities to groups.
- Set processing options for ABC Workbench.

Understanding Activity Setup

If you use the JD Edwards EnterpriseOne Advanced Cost Accounting system for activity-based costing, you must set up activities. An activity is an aggregation of actions that are performed within an organization. The characteristics of an activity are as follows:

- Usually a subset or output of a process.
- Consumes resources.
- Can be broken down by user-defined attributes, such as value-added activities or non-value-added activities.
- Usually falls into two categories: product-related or customer-related.
- Sometimes synonymous with processes.

  Note: To form a hierarchical process, you can associate activities or subprocesses to a group. You assign activities and subprocesses to parent groups. You set up activities and groups in the same manner. You can assign attributes, category codes, and driver codes to either an activity or a group.

Prerequisite

Before you complete the tasks in this section, verify that you have activated the activity-based costing option in Cost Management Constants.

Form Used to Set Up Activities

Form Name	FormID	Navigation	Usage
Enter/Change Activity	W1640B	Activity Based Costing (G1616), ABC Workbench Click Add on the Work with Activity Based Costing Workbench.	Define activity groups. Assign activities to groups.

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Defining Activity Groups

Access the Enter/Change Activity form.

To define activity groups:

1. Complete the Activity Code, Description, and Activity Level Code fields on the Enter/Change Activity form.
2. Select the Group option to identify an activity group.
3. Enter a driver code in the Driver Code field to capture cost information at this level.
4. Complete the Activity Attribute 1,Activity Attribute 2,Activity Attribute 3,Activity Attribute 4, and Activity Attribute 5 fields to identify attributes for the activity group.
5. Complete the Category Code 1,Category Code 2,Category Code 3,Category Code 4, and Category Code 5 fields to identify category codes for the activity group on the Category Code tab.
6. Click OK.

Assigning Activities to Groups

Access the Enter/Change Activity form.

To assign activities to groups:

1. Complete the Activity, Description, and Activity Level Code fields on the Enter/Change Activity form.
2. Select the Activity option to identify this action as an activity.
3. Complete the Parent Group field to assign this activity to an activity group.

   Based on the parent group number, the system assigns the activity level code.
4. Complete the Driver Code field to identify a driver.
5. Complete the Activity Attribute 1,Activity Attribute 2,Activity Attribute 3,Activity Attribute 4, and Activity Attribute 5 fields to identify activity attributes.
6. Complete the Category Code 1,Category Code 2,Category Code 3,Category Code 4, and Category Code 5 fields to identify category codes on the Category Code tab.
7. Click OK.

Setting Processing Options for ABC Workbench (P1640)

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

Defaults

1. Start Level

Specify the lowest activity level code that the system displays in the Activity Based Costing Workbench program. If you leave this processing option blank, the system displays activities at level 1 and above.

Process

1. Automatically Find On Entry

Specify whether to automatically load data into the parent child form upon entering the Activity Based Costing Workbench program.

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Use this feature only if there are not many records to retrieve; otherwise, you may unnecessarily slow the system's performance. If you leave this processing option blank, you must manually find the data for the parent child form. Values are:

Blank: Manual Find

I: Automatic Find

7 Understanding Cost Object Tracking

Cost Object Tracking

Cost object tracking is the most critical part of JD Edwards EnterpriseOne Advanced Cost Accounting (ACA). If costs are not monitored in detail, information is not available for managerial accounting and activity-based costing. Every transaction that is applicable to a specific customer, product, item number, or other criteria must have the appropriate cost object value.

To facilitate cost object tracking, the cost management constant for activating cost objects must be turned on. This setting opens additional fields for the five different cost objects that are available in ACA and enables transactions to be entered with cost objects attached. Cost object edits are also important to cost object tracking. If cost object edits are not set up properly, the resulting output might be unpredictable.

For example, ABC Company wants to know the profitability of individual product lines. Using ACA, the company can set up a cost object for product lines, and track costs and revenues that are associated with each specific product. It can also allocate indirect costs that are based on a business driver, such as warehouse square footage. Profitability by product can be obtained because all of the costs and revenues have been accounted for at the product level.

You can capture cost object information when you enter transactions in multiple systems, such as purchase orders, receipts, invoices, and so on. When you create journal entries, you can update, verify, and post cost object information. These transactions can be used in managerial accounting or activity-based costing through the Cost Analyzer table. This step is, perhaps, the most important step in the cost management cycle because the system updates the records with cost object information in the other systems with which it interfaces, such as the JD Edwards EnterpriseOne Accounts Receivable and JD Edwards EnterpriseOne Inventory Management systems.

> **Note:**
> - *"Understanding Journal Entries" in the JD Edwards EnterpriseOne Applications Product Costing and Manufacturing Implementation Guide .*

Project Budget Calculation and Management

Using JD Edwards EnterpriseOne Advanced Cost Accounting, you can calculate project budgets and then compare them with actual costs and expenses to determine whether a project is on budget. By breaking down costs by cost object, you can determine which parts of a project meet budgetary requirements and which are over or under budget. You can then make more informed decisions about future production, such as where to add resources or where to reduce them. You might also determine that you need to adjust the cost structure of your manufacturing process.

For example, when you analyze cost objects, you might determine that you are exceeding the budget for materials that you use to manufacture a bicycle. You could find new suppliers to provide the materials at a lower cost to bring costs to the amount that you budgeted. Alternatively, you could conclude that while the materials are over budget, the personnel costs are under budget and you do not need to make any adjustments. Using the information gathered from your analysis of the cost objects, you can more effectively manage the budgets for your projects.

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Purchase Price Variances Tracking by Cost Object and Component

JD Edwards EnterpriseOne Advanced Cost Accounting uses data from Oracle's JD Edwards EnterpriseOne Procurement system to track purchase price variances by cost object and component.

The item master record contains the unit cost of each component that you purchase to use in the manufacturing process. You can use the unit cost of components from an item master record to determine the purchase price of cost objects. After you determine the purchase prices of cost objects, you can follow fluctuations in those prices over time. You can analyze the cost objects to locate the components that contribute to the variance, and thereby make more informed purchasing decisions.

Freight Cost Management

The transportation of materials to manufacturing facilities and the distribution of goods to customers are the largest costs incurred by manufacturing and distribution companies. Managing those costs effectively is critical to the profitability of those companies.

You assign freight costs to cost objects to perform profitability analysis, which provides management with the information needed to make freight-related decisions.

Freight cost management is a three-step process:

1. Assign freight costs to cost objects.
2. Track freight variance by cost object.
3. Add freight costs to sales orders.

Assign Freight Costs to Cost Objects

Freight costs are either billed by the supplier or incurred by the distributor. Using JD Edwards EnterpriseOne Advanced Cost Accounting, you can assign the freight costs to the cost object. After you record the freight costs, you can track the freight costs associated with cost objects, such as the freight costs for a particular model of bicycle.

Track Freight Variance by Cost Object

After a voucher is entered in the Transportation system, you can match the voucher amount to outstanding shipping charges using the Match Voucher to Open Freight program (P0411). If the amounts on the voucher that you entered and the amounts on the invoice that you receive from the supplier are not the same, you can enter an adjustment for the freight variance using the Work with Freight Audit History program (P4981).

After you enter the adjustment, the system writes the adjustment record to the Freight Audit History table (F4981), which you then post to the Account Ledger table (F0911). The Voucher Match program (P4314) retrieves the adjustment records to create vouchers in the JD Edwards EnterpriseOne Accounts Payable system.

Add Freight Costs to Sales Orders

When you sell an object, you might charge a freight cost to ship the object to the customer. You add freight costs to sales orders to determine the actual costs of providing goods to customers. When you define a cost driver for freight costs, you base the driver on the F4981 table.

> **Note:**
> - *"Adjusting the Freight Audit History" in the JD Edwards EnterpriseOne Applications Transportation Management Implementation Guide* .

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8 Using Cost Object Tracking in General Accounting

Understanding Cost Object Tracking in General Accounting

The JD Edwards EnterpriseOne General Accounting system ensures that all information is fully integrated into the general ledger. In turn, the general ledger provides flexible and accurate financial reporting. Typically, you generate transactions, such as invoices, vouchers, receipts, and payments, using other JD Edwards EnterpriseOne systems. However, you can also enter transactions directly by using the JD Edwards EnterpriseOne General Accounting system.

Understanding the Cost Object Information Update Process in the General Ledger

After you review and approve a batch of journal entries, you can use the Post General Ledger (Pre-Post) program to edit and post each type of transaction. This program also edits transaction batches for the Account Ledger table (F0911) and updates the batch status to allow the system to post transactions to the Account Balances table (F0902). If any errors occur during editing, the system assigns an error status to the batch and does not post it.

When you post journal entries, the system copies the edit code flags for cost objects when you create accounts dynamically.

The system performs the following tasks:

- Selects unposted and approved batches that match the criteria that is specified in the data selection.
- Edits each transaction to determine whether:
- The account exists in the Account Master table (F0901) and is a posting account.
- The business unit exists in the Business Unit Master table (F0006).
- The GL date is valid.
- The intercompany setup is correct (if required).
- Multicurrency is set up for intercompany transactions.
- Edits each batch to ensure that it is in balance and approved.
- Sends electronic mail messages for transactions that are in error and batches that do not balance.
- Prints a Post Detail Error Report if the batch does not balance.
- Places an entire batch in error if any transactions are in error.
- Creates offsetting entries by date of transaction.
- Posts transactions to the Account Balances table.
- Updates posted transactions with a GL posted code in the Account Ledger table and creates records for the balances in the Account Balances table.

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- Updates the status of each posted batch in the Batch Control Records table (F0011).

- Posts the domestic amounts to the Actual Amount (AA) Ledger, and if applicable, the foreign amount to the Currency Amount (CA) Ledger.

- Performs intercompany settlements, if applicable.

- Creates reversing entries, if applicable.

- Prints the General Ledger Post Report.

Entering Cost Object Information in GL Journal Entries

This section provides an overview of entering cost object information in GL journal entries and discusses how to:

- Enter cost object information in GL journal entries.

- Set processing options for journal entries.

Understanding Cost Object Information Entry in GL Journal Entries

You can use basic journal entries to enter many types of transactions. When you enter a journal entry to a ledger type that is required to balance, the debit and credit amounts must balance.

For each journal entry, you must enter information to identify it in the system, such as the date that the journal entry affects the general ledger.

When you complete a journal entry, the system displays the assigned batch and document numbers. You can use these numbers to locate and review a journal entry. The system assigns batch and document numbers from the Next Numbers function.

Form Used to Enter Cost Object Information in GL Journal Entries

Form Name	FormID	Navigation	Usage
Journal Entry	W0911A	Journal Entry, Reports, & Inquiries (G0911), Journal Entry Click Add on the Work With Journal Entries form.	Enter cost object information in GL journal entries.

Entering Cost Object Information in GL Journal Entries

Access the Journal Entry form.

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> **Note:** If you are using batch control, the Batch Control form appears. In that case, enter the date and expected totals.

1. Complete the steps to enter a journal entry on the Journal Entry form.
2. Enter values in the following fields, and then click OK to enter cost object information:

    - C T 1
    - Cost Object 1
    - C T 2
    - Cost Object 2
    - C T 3
    - Cost Object 3
    - C T 4
    - Cost Object 4
    - Item Number
    - Item Description

> **Note:**
>
> - *"Entering a Basic Journal Entry" in the   JD Edwards EnterpriseOne Applications General Accounting Implementation Guide   .*

Setting Processing Options for Journal Entries (P0911)

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

Defaults

1. Batch Type

Specify the system and type of entries the batch produces. Examples of batch types include G for General Accounting, V for Voucher Entry, and IB for Invoices. If you leave this processing option blank, the system processes all batch types.

Display

1. Debit/Credit Format

Specify whether to display journal entries in a Debit or Credit format.

Versions

1. Journal Entry MBF Version (P0900049)

Specify whether to override the journal entry MBF version for journal entry processing. You must specify a version for P0900049. If you leave this processing option blank, the system uses version ZJDE0001.

This processing option should be changed only by personnel responsible for your system setup.

Edits

1. Fixed Asset ID

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Specify whether to require an Asset ID if an account is in the AAI asset account range. Values are:

Blank: Do not require an Asset ID.

1: Require an Asset ID.

9 Using Cost Object Tracking in Accounts Receivable

Understanding Cost Object Tracking in Accounts Receivable

With the Accounts Receivable system, you can streamline the day-to-day functions of your entire Accounts Receivable department. You can simplify and accelerate the process of applying receipts; and provide up-to-date information that improves communication among your billing, credit, and collections departments. Additionally, you can review or enter cost object information when you enter multiple types of invoices and capture relevant information for managerial accounting or activity-based costing.

Entering Cost Object Information in Standard Invoices

Invoice entry provides the features and flexibility that are required to enter manual invoices for customers. Typically, you create an invoice in the Sales Order Management system, but you can enter an invoice before you receive payment from the customer.

This section discusses how to enter cost object information in standard invoices.

Forms Used to Enter Cost Object Information in Standard Invoices

Form Name	FormID	Navigation	Usage
Standard Invoice Entry	W03B2002A	Customer Invoice Entry (G03B11), Standard Invoice Entry Click Add on the Work with Customer Ledger Inquiry form.	Enter cost object information in standard invoices
GL Distribution	W03B11C	Click GL Distribution from the Row menu.	Enter cost object information.

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Entering Cost Object Information in Standard Invoices

Access the Standard Invoice Entry form.

To enter cost object information in standard invoices:

1. Complete the steps to enter a standard invoice on the Standard Invoice Entry form.
2. Complete the following fields on the GL Distribution form:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number
3. Click OK.

> **Note:**
> - *"Entering Standard Invoices" in the   JD Edwards EnterpriseOne Applications Accounts Receivable Implementation Guide   .*

Entering Cost Object Information in Speed Invoices

This section provides an overview of cost object information entry in speed invoices and discusses how to enter cost object information in speed invoices.

Understanding Cost Object Information Entry in Speed Invoices

As an alternative to standard invoice entry, you can use the Speed Invoice Entry method to enter high-volume, simple invoices. When you enter speed invoices, you enter invoice and GL distribution information on one form. Consider using this method to enter invoices that have:

- A single pay item that includes a single due date and a single tax rate area.
- Simple accounting instructions.

As with standard invoices, speed invoice information is stored in the following tables:

- Customer Ledger (F03B11)
- Account Ledger (F0911)
- Batch Control Records (F0011)

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You can enter cost object information when you enter speed invoices. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

Form Used to Enter Cost Object Information in Speed Invoices

Form Name	FormID	Navigation	Usage
Speed Invoice Entry	W03B11SIA	Customer & Invoice Entry (G03B11), Speed Invoice Entry	Enter cost object information in speed invoices.

Entering Cost Object Information in Speed Invoices

Access the Speed Invoice Entry form.

To enter cost object information in speed invoices:

1. Complete the steps to enter speed invoices on the Speed Invoice Entry form.
2. Complete the following fields to enter cost object information:

    o Object Type 1
    o Cost Object 1
    o Object Type 2
    o Cost Object 2
    o Object Type 3
    o Cost Object 3
    o Object Type 4
    o Cost Object 4
    o Item Number
3. Click OK.

Note:
- *"Entering Speed Invoices" in the   JD Edwards EnterpriseOne Applications Accounts Receivable Implementation Guide   .*

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Entering Cost Object Information for Batch Invoices

This section provides an overview of cost object information entry for batch invoices and discusses how to process batch invoices.

Understanding Cost Object Information Entry for Batch Invoice

After you review and revise your batch invoices, you must process them to create invoices in the A/R ledger. When you are ready to process your batch invoices, run the Batch Invoice Processor program (R03B11Z1A). The system processes batch invoices in proof or final mode.

Mode	Description
Proof mode	In proof mode, the system: • Verifies the data. • Produces a report. • Verifies cost object information.
Final mode	In final mode, the system: • Creates invoices in the Customer Ledger table (F03B11) and associated journal entries in the Account Ledger table (F0911). • Assigns document and batch numbers. • Supplies the information that you left blank. • Edits invoice entries for errors. • Produces an exceptions report. • Verifies cost object information.

After you process batch invoices, review your electronic mail for error messages. You can access A/R forms from these error messages. Use the forms to locate the problems and correct them interactively. If no errors exist, the system produces a report of all of the processed transactions.

If you find an error in a batch invoice, correct it before processing the batch invoices in final mode. If the source of the invoice is not a JD Edwards EnterpriseOne system, you should purge the records before you transmit the corrected invoice, which prevents duplicate records.

You can enter cost object information when you enter invoices. If cost object information is found in batch invoice processing, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

After processing batch invoices, post them to the General Ledger and Cost Analyzer.

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Processing Batch Invoices

Select Batch Invoice Processing (G03B311), Batch Invoice Processor.

Entering Cost Object Information for Recurring Invoices

This section provides an overview of cost object information entry for recurring invoices and discusses how to enter cost object information for recurring invoices.

Understanding Cost Object Information Entry for Recurring Invoices

To bill a customer the same amount on a regular basis, enter a recurring invoice. When you enter recurring invoices, the system assigns a document type of RR to the invoice.

You can enter cost object information when you enter an invoice. For a recurring invoice, the system copies the cost object type, cost object edit code, and item fields to the recurring invoice. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). For each item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

Form Used to Enter Cost Object Information for Recurring Invoices

Form Name	FormID	Navigation	Usage
GL Distribution	W03B2002A	Other Invoice Entry Methods (G03B111), Standard Invoice Entry Select GL Distribution from the Row menu.	Enter cost object information for recurring invoices.

Entering Cost Object Information for Recurring Invoices

Access the GL Distribution form.

To enter cost object information for recurring invoices:

1. Complete the following fields on the GL Distribution form:

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- ○ Object Type 1
- ○ Cost Object 1
- ○ Object Type 2
- ○ Cost Object 2
- ○ Object Type 3
- ○ Cost Object 3
- ○ Object Type 4
- ○ Cost Object 4
- ○ Item Number

2. Click OK.

Note:

- *"Entering Recurring Invoices" in the JD Edwards EnterpriseOne Applications Accounts Receivable Implementation Guide .*

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10 Using Cost Object Tracking in Accounts Payable

Understanding Cost Object Tracking in Accounts Payable

With the JD Edwards EnterpriseOne Accounts Payable system, you can streamline the day-to-day functions of your accounts payable department, and you can improve communication and reporting among your personnel. Additionally, you can enter cost object information when you enter multiple types of vouchers, and capture relevant information for managerial accounting or activity-based costing.

Entering Cost Object Information on Standard Vouchers

This section provides an overview of cost object information entry on standard vouchers and discusses how to enter cost object information on standard vouchers.

Understanding Cost Object Information Entry on Standard Vouchers

Standard vouchers provide the most features and flexibility when you enter vouchers for your suppliers' invoices. When you change, delete, or void vouchers, use standard voucher entry. When you complete a voucher, the system displays the assigned document type and document number. You can use this information to locate and review a voucher.

The system assigns a batch type of V for vouchers. When you enter a standard voucher, the system marks it as unposted and adds it to the Account Ledger (F0911) and Accounts Payable Ledger (F0411) tables. When you post it, the system updates the Account Balances table (F0902), and marks the voucher as posted in the Account Ledger and Accounts Payable Ledger tables.

You can enter cost object information when you enter a standard voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

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Forms Used to Enter Cost Object Information on Standard Vouchers

Form Name	FormID	Navigation	Usage
Enter Voucher - Payment Information	W0411A	Supplier & Voucher Entry (G0411), Standard Voucher Entry Click Add on the Supplier Ledger Inquiry form.	Enter cost object information on standard vouchers.
GL Distribution	W0411K	Click GL Distribution on the Form menu.	Enter cost object information.

Entering Cost Object Information on Standard Vouchers

Access the Standard Voucher Entry form.

To enter cost object information on standard vouchers:

1. Complete the steps to enter standard voucher information on the Enter Voucher - Payment Information form.
2. Complete the following fields on the GL Distribution form:

   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number

3. Click OK.

Note:
- *"Processing Accounts Payable Vouchers" in the   JD Edwards EnterpriseOne Applications Accounts Payable Implementation Guide   .*

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Entering Cost Object Information on Speed Vouchers

This section provides an overview of cost object information entry on speed vouchers and discusses how to enter cost object information on speed vouchers.

Understanding Cost Object Information Entry on Speed Vouchers

As an alternative to entering standard vouchers, you can use the speed vouchers to enter high-volume, simple vouchers. With speed vouchers, you enter voucher and GL distribution information on a single form. Consider using this method for a voucher that has:

- A single pay item, which has a single due date, tax rate, and area.
- Simple accounting instructions.

You cannot use speed vouchers if you have multiple pay items. As with standard vouchers, the information is stored in the Account Ledger (F0911) and Accounts Payable Ledger (F0411) tables.

You can enter cost object information when you enter a speed voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

Form Used to Enter Cost Object Information on Speed Vouchers

Form Name	FormID	Navigation	Usage
Speed Voucher Entry	W0411SVA	Supplier & Voucher Entry (G0411), Speed Voucher Entry	Enter cost object information on speed vouchers.

Entering Cost Object Information on Speed Vouchers

Access the Speed Voucher Entry form.

To enter cost object information on speed vouchers:

1. Complete the steps to enter a speed voucher on the Speed Voucher Entry form.
2. Complete the following fields for cost object information in the detail area:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2

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- o Object Type 3

- o Cost Object 3

- o Object Type 4

- o Cost Object 4

- o Item Number

    3. Click OK.

Note:

- *"Processing Accounts Payable Vouchers" in the   JD Edwards EnterpriseOne Applications Accounts Payable Implementation Guide   .*

Entering Cost Object Information on Multi-company Vouchers

This section provides an overview of cost object information entry on multi-company vouchers and discusses how to enter cost object information on multi-company vouchers.

Understanding Cost Object Information Entry on Speed Vouchers

You can enter a voucher for multiple companies when you want to distribute an expense, such as for advertising, among several internal companies.

When you enter a voucher for multiple companies, expenses are distributed based on the company, not the GL offset code, that you assign to each pay item. When you pay the voucher, the system uses the A/P liability account and bank account, and the offset accounts for discounts and currency gains and losses that are associated with the company. The system does not create intercompany settlements when you enter a voucher for multiple companies. This information is stored in the Account Ledger table (F0911) and Accounts Payable Ledger table (F0411).

You can enter cost object information when you enter a multi-company voucher. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). The system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

Form Used to Enter Cost Object Information on Speed Vouchers

Form Name	FormID	Navigation	Usage
Multi Company - Single Supplier	W041016A	Other Voucher Entry Methods menu (G04111), select Multi Company-Single Supplier	Enter cost object information on multi-company vouchers.

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Form Name	FormID	Navigation	Usage
		Click Add on the Supplier Ledger Inquiry form.	

Entering Cost Object Information on Speed Vouchers

Access the Multi Company - Single Supplier form.

To enter cost object information on multi-company vouchers:

1. Follow the steps for entering a standard voucher on the Multi Company - Single Supplier form.
2. Complete the following fields om the detail area:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number
3. Click OK.

Note:
- *"Entering Multiple Vouchers for Multiple Suppliers" in the   JD Edwards EnterpriseOne Applications Accounts Payable Implementation Guide   .*

Entering Cost Object Information on Multiple Vouchers

This section provides an overview of cost object information entry on multiple vouchers and discusses how to enter cost object information on multiple vouchers.

Understanding Cost Object Information Entry on Multiple Vouchers

To quickly enter many vouchers for one or more suppliers, use one of the multiple voucher entry methods. Unlike the standard voucher entry method, which is a two-step process, the multiple voucher entry methods are a single-step process.

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You can use the multiple voucher entry methods only to add vouchers. To change, delete, or void them, you must use the standard voucher entry method. The multiple voucher entry methods have other limitations.

You can enter cost object information when you use the multiple voucher entry methods. If you enter cost objects, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If you enter an item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

Form Used to Enter Cost Object Information on Multiple Vouchers

Form Name	FormID	Navigation	Usage
Multi-Voucher Entry	W041017A	Other Voucher Entry Methods (G04111), Multi Voucher-Single Supplier Click Add on the Supplier Ledger Inquiry form.	Enter cost object information on multiple vouchers.

Entering Cost Object Information on Multiple Vouchers

Access the Multi-Voucher Entry form.

To enter cost object information on multiple vouchers:

1. Complete the steps to enter multiple vouchers for a single supplier on the Multi-Voucher Entry form.
2. Complete the following fields in the detail area:
   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number
3. Click OK.

Note:
- *JD Edwards EnterpriseOne Applications Accounts Payable Implementation Guide* .

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Entering Cost Object Information on Recurring Vouchers

This section provides an overview of cost object information entry on recurring vouchers and discusses how to enter cost object information on recurring vouchers.

Understanding Cost Object Information Entry on Recurring Vouchers

If you owe a supplier a specific amount of money on a regular basis, such as a lease payment, set up your JD Edwards EnterpriseOne Accounts Payable system to create the voucher on a recurring basis. A recurring voucher can have only one pay item.

To set up a recurring voucher, you specify the initial payment, the total number of payments, the recurring frequency, and the accounting distributions for the periodic voucher amount.

On a periodic basis, you generate a copy of the original voucher. This copying process is called recycling. The recurring voucher has its own document number and batch that are different from those on the original voucher.

The system assigns a document type of PR to recurring vouchers.

You can enter cost object information when you enter a voucher. For a recurring voucher, the system copies the Cost Object Type, Cost Object Edit Code, and Item fields to the recycled voucher. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). For each item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

Form Used to Enter Cost Object Information on Recurring Vouchers

Form Name	FormID	Navigation	Usage
Supplier Ledger Inquiry	W0411G	Other Voucher Entry Methods (G04111), Recurring Voucher Inquiry	Enter cost object information on recurring vouchers.

Entering Cost Object Information on Recurring Vouchers

Access the Supplier Ledger Inquiry form.

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To enter cost object information on recurring vouchers:

1. Follow the steps for entering a standard voucher on the Supplier Ledger Inquiry form.
2. Complete the following fields on the GL Distribution form:

   - Object Type 1
   - Cost Object 1
   - Object Type 2
   - Cost Object 2
   - Object Type 3
   - Cost Object 3
   - Object Type 4
   - Cost Object 4
   - Item Number.

3. Click OK.

Note:

- *"Entering Recurring Voucher Information" in the   JD Edwards EnterpriseOne Applications Accounts Payable Implementation Guide   .*

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11 Using Cost Object Tracking in Manufacturing

Understanding Cost Object Tracking in Manufacturing

A work order is a request to produce a certain quantity of an item by a given date. Work orders communicate information about unique tasks to others who are involved. You can assign record types to a work order and then enter descriptive information into each record type to document the specific details about the task. When you enter a work order, the system also captures cost object information that is useful for activity-based costing or managerial accounting.

The JD Edwards EnterpriseOne Manufacturing Accounting system tracks costs that are associated with work orders and creates journal entries for all shop floor transactions. Each step in the work order process can affect manufacturing accounting. When you complete any step in the process, you create a transaction that can be the source of a variance. The system calculates the variances when you run Journal Entries for Variances.

Example: Cost Management in Manufacturing

Company 200 sells bicycles with either a standard or custom two-tone paint finish. Depending upon the sales order, it paints adult and youth bicycle frames with either a standard finish or a custom two-tone finish. The company uses a standard cost for its painting. The paint work center calculates an additional 2 percent factor for rework as part of its 30 percent overhead factor. To determine whether the standard cost and rework factor are correctly allocated to each type of frame, the company wants to:

- Count the number of bicycle frames painted and reworked.
- Calculate the profit for each frame type.
- Recalculate the inventory value for each frame type.
- Adjust the standard cost for each frame type.
- Adjust the overhead factor for the paint work center.

This managerial accounting scenario is designed to analyze the labor and machine costs to:

- Paint a standard frame.
- Paint a custom two-tone frame.
- Rework frames.

Additionally, it calculates the number of bicycle frames that are painted and reworked by type of bicycle frame.

Transactions originate as follows:

- Routing types - work orders.
- Frame type - inventory.
- Standard cost to paint frames - manufacturing.
- Actual cost, at standard rate, to paint bicycle frames - cost analyzer.

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Occasionally, the painted frame does not meet the inspection criteria, which creates rework to strip and repaint the bicycle frames. Because the company does not know the exact amount of rework, it includes a 2 percent rework factor as part of the 30 percent overhead factor for the work center.

Whenever frames are reworked, the process is assigned a new work order with a different routing type. However, the company does not know how many of its work orders are a result of a product that requires rework. Therefore, they cannot determine the percentage of products that require rework.

The company suspects that both the standard painting cost and the paint center overhead factor may be incorrect. It thinks the rework is due primarily to custom painting. If this assumption is correct, the company needs to:

- Reallocate the costs of goods sold.

- Reallocate the inventory cost.

- Reduce the overhead factor for the paint center.

- Increase the extra costs for custom painted frames.

The company wants to analyze the standard and actual costs. It wants to track and calculate the percentage of rework by item and product type for all of the bicycle frames that it paints so that it can calculate the actual rework cost.

As a result of using cost objects to identify product families and work order types, the company could associate these objects to the type of painting that is required for a bicycle frame, as well as determine actual cost, at standard rate, for the paint and rework process.

The following graphic illustrates the manufacturing process. Bold captions identify where cost objects are associated with product families and process steps.
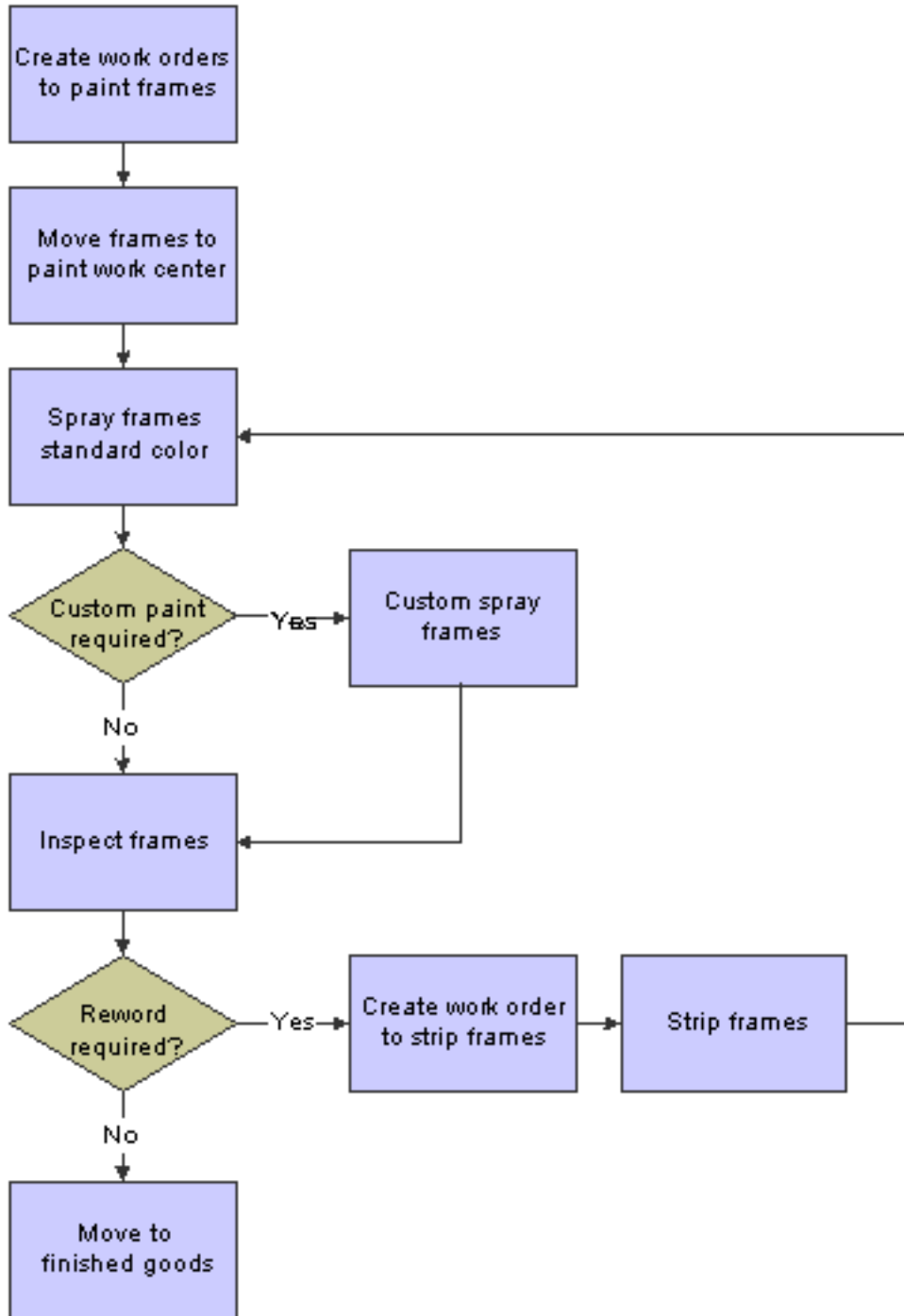
Cost Object Information Entry in Work Orders

Work orders communicate information about unique tasks to others who are involved. You can assign record types to a work order and then enter descriptive information into each record type to note the specific details about the task. For example, you might want to include special instructions, and the parts and tools that are needed to complete the task.

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When you extract cost object information from a work order, you can base driver information on any field in the Work Order Master File table (F4801). For example, you can base driver volumes on the number of work orders per item, and so on. Since any field can be defined in the cost object rules, you do not need to enter additional cost object information in a work order. You use the flex accounting rules with the predefined cost object rule to automatically retrieve cost object information from the application.

The system stores work order master records in the Work Order Master File table.

See *Setting Up Drivers*.

See *Setting Up Flex Accounting*.

> **Note:**
> - *"Creating Work Orders" in the   JD Edwards EnterpriseOne Applications Work Orders Implementation Guide*   .

Cost Information Update in Manufacturing Accounting

You create journal entries for work in process (issues, labor entry, and machine run time), completions, and manufacturing variances before you post these transactions to the general ledger. For cost management, the system updates the subledger, cost object, and item fields.

In the JD Edwards EnterpriseOne Manufacturing Accounting system, you use programs to create journal entries for various types of shop floor activity, including:

- Material issues
- Labor and machine reporting
- Completions
- Scrap
- Variances
- Engineering
- Planned
- Material usage (actual)
- Labor efficiency (actual)
- Other (volume)

To enter detail journal entries for a work order or rate schedule by cost component, enter a different object or subsidiary account number for each cost component.

For example:

Cost Component	Business Unit	Account Number
A1	M30	1341
B1	M30	1342

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Cost Component	Business Unit	Account Number
B2	M30	1343

To summarize the cost components for an item on a work order into a single journal entry, enter the costs with the same object and subsidiary account number.

For example:

Cost Component	Business Unit	Account Number
A1	M30	1340
B1	M30	1340
B2	M30	1340

In addition, you can set processing options to:

- Summarize material issues (document type IM) by account number within a work order.

  One journal entry exists for each unique combination of account number and work order number.

- Summarize all journal entries by account number across work orders.

  One entry exists for the batch for each account. The entry is the sum of all work order transactions for each account by document type.

- Print a summarized Accounting Transaction report.

- Activate flex sales accounting to find rules that indicate how to populate cost objects.

If you summarize journal entries across work orders, the program batches the appropriate work orders and then assigns a new work order number to the batch. This summarized work order number appears on inquiry forms and reports, but does not refer to an actual work order.

The system uses the following data to match the transaction to the AAI account:

- Work order type for the AAI.
- Company number that is associated with the work order or component branch/plant.

  If the system does not find a match, it uses 00000.

- Document type that is associated with the transaction.
- GL category code for the transaction item. If the system does not find a match, it uses **** (four asterisks).
- Cost component.
- Branch/plant.

> **Note:**
> - *"Creating Journal Entries for Work in Process or Completions" in the   JD Edwards EnterpriseOne Applications Product Costing and Manufacturing Implementation Guide   .*

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12 Using Cost Object Tracking for Procurement

Understanding Cost Object Tracking for Procurement

When you enter a purchase order, requisition, or quote, the system captures cost object information that is useful for managerial accounting or activity-based costing. Additionally, as you receive the goods and match the receipt to the voucher, you can review or edit cost object information.

You can enter cost object information at multiple steps in the procurement process, such as purchase order entry, receipts, and voucher match; or you can have the system automatically populate the cost object fields, based on flex accounting rules.

Example: Cost Management in the Procurement System

During the procurement process, Company 200 believes it is incurring extra costs because its bicycle bags come from both domestic and non-domestic suppliers. The company has observed that some materials are delivered directly to the shop floor while others go through receiving, sorting, and quality inspection prior to being placed in inventory. Therefore, the company wants to use activity-based costing techniques to analyze the extra costs of procuring bicycle bags and determine how much of the cost can be attributed to whether it uses a domestic supplier.

This activity-based costing scenario is designed to analyze the cost of the procurement process for two different suppliers. Transactions originate from the following sources:

- Expenditures - Procurement.
- Quality - Procurement.
- Inventory carry costs - General Ledger.
- Miscellaneous, such as time to receive and sort bags - Cost Analyzer.

The company procures bicycle bags from two different suppliers. One is a domestic supplier; the other is not. The company has a special contract with the non-domestic supplier. This supplier can provide the bags at a lower cost (including duty fees) than the domestic supplier, and it imprints a logo onto the bags at no extra charge. The company places electronic orders with this supplier for both plain and imprinted bags. However, the company must process additional paperwork for customs and other regulatory requirements. The supplier requires a three month lead time. Therefore, the bags are shipped in very large quantities four times a year.

When the company receives the bags, it must inspect the merchandise quality for possible problems such as ink bleed from printing the logo. The inspection department averages a 90 percent pass rate. All rejected bags are scrapped because it is too costly to return them to the supplier. Next, the plain and logo-imprinted bags are separated from each other.

Upon completion of the inspection, the bags are placed into inventory and pulled out of stock on an as-needed basis. To assure sufficient inventory is available, the company carries a small safety stock of the bags.

The company also uses a domestic bicycle bag supplier for plain black bags. If the customer requests custom logo imprints on the bags, the company can pay the supplier a nominal fee for its imprinting service and then charge the customer for the printing.

The company uses a Kanban replenishments method. When the Kanban is empty, it is replenished with stock from the stockroom. When the stockroom Kanban is empty, an electronic purchase order is created to request that the supplier automatically replenish bicycle bags when the stock is needed. The supplier delivers small quantities of bags within a two day lead time directly to the storeroom. Due to the quality of bags, they average a 98 percent pass rate. If the shop floor rejects a bag, a credit request is submitted to accounting and the bag is scrapped.

As a result of analyzing the procurement process, the company identifies extra steps that incur hidden costs for receiving, sorting, inspecting, and carrying inventory for the non-domestic supplier. Therefore, they would like to analyze the extra costs that are related to these steps to determine how much can be attributed to each supplier.

Procuring Bags from Domestic Suppliers

This graphic illustrates the process for procuring bags from domestic suppliers. Bold captions identify where cost objects are associated with activities in the procurement process.
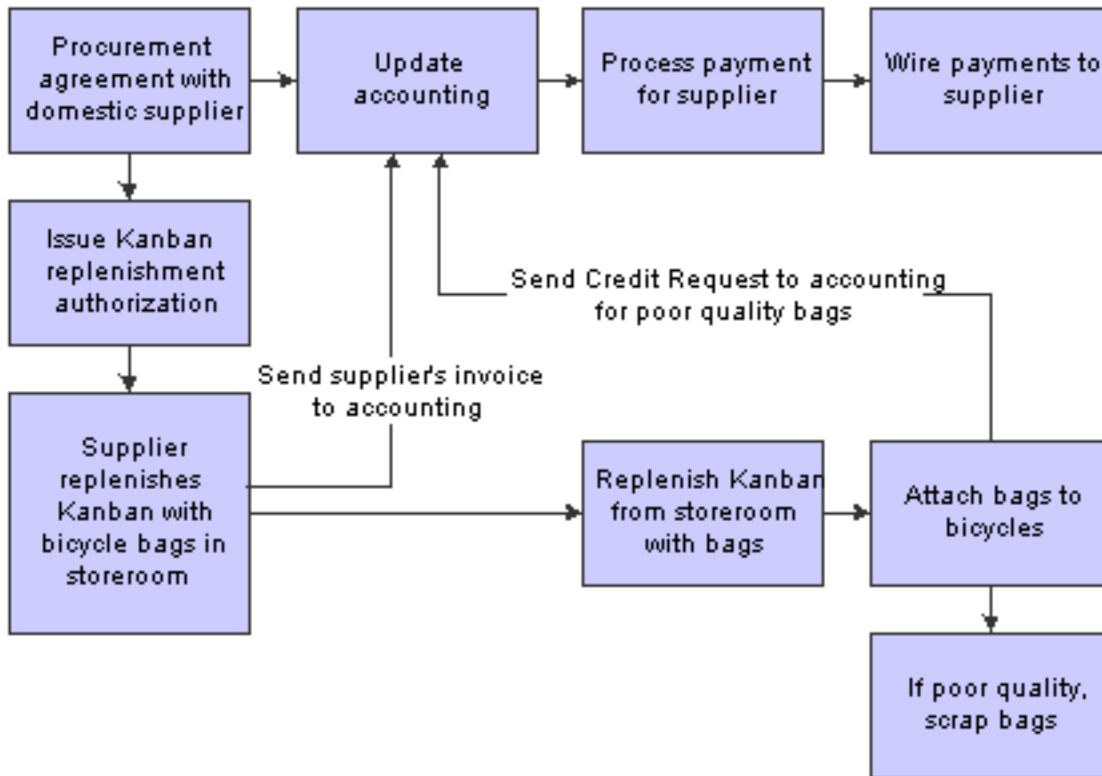
Procuring Bags from Non-domestic Suppliers

This graphic illustrates the process for procuring bags from non-domestic suppliers. Bold captions identify where cost objects are associated with activities in the procurement process.
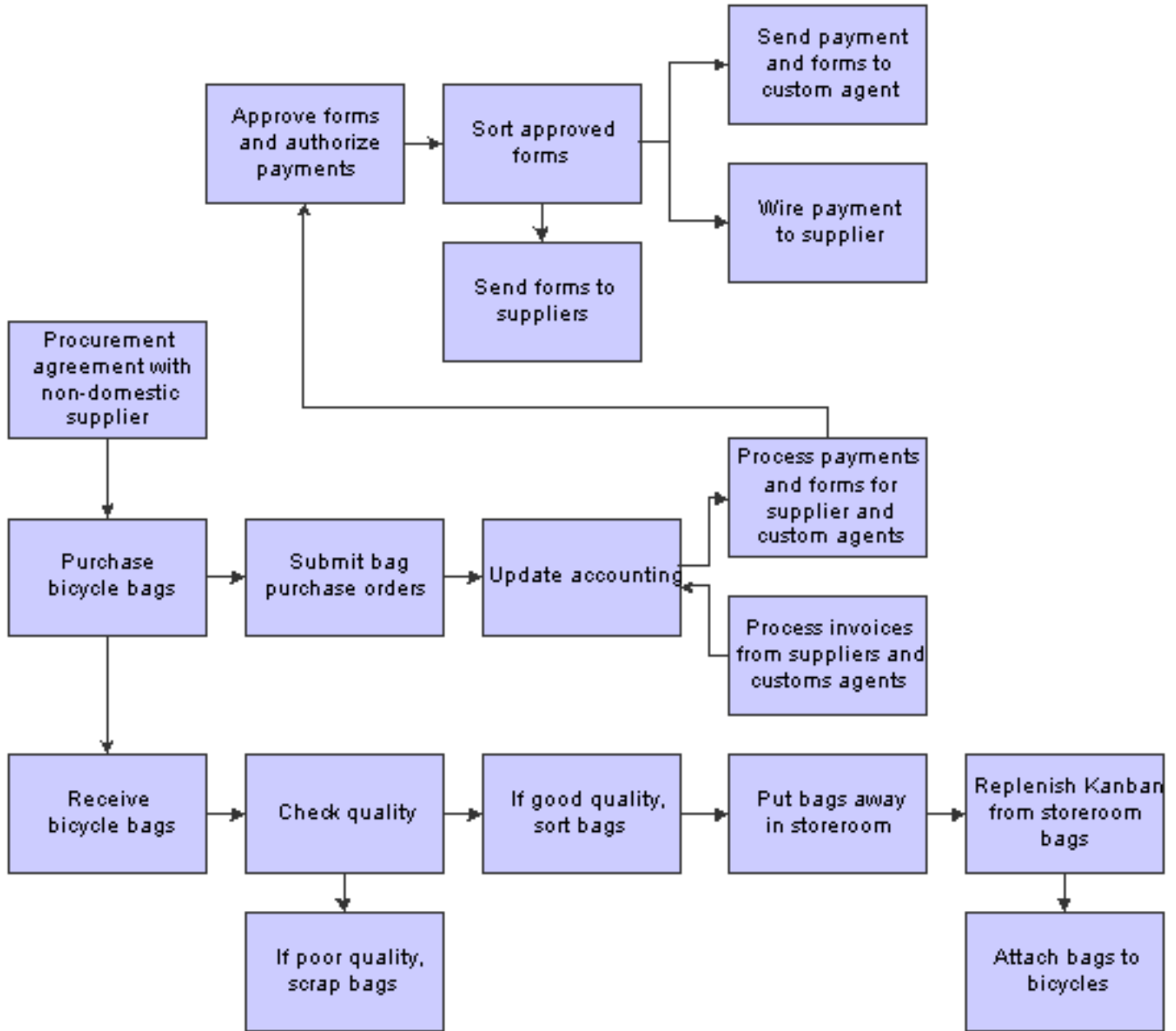
Understanding Cost Object Information Entry in Landed Costs

When you purchase items, extra costs must often be paid for delivery fees, broker fees, import taxes, and so on. These costs are called landed costs. You can enter landed costs for items during the receipt process or as a stand-alone process.

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Landed costs are applicable only to items for which you record receipt information. When you enter landed costs for items, the system allows you to work with only the landed costs that have been set up and assigned to the item. For each item that you receive, you can review, change, and enter the landed costs that are assigned to the item.

After you enter landed costs for items, the system might create a separate landed cost detail line for which you must create a voucher. The setup of the landed cost determines the way in which the system creates the detail information. You can review landed cost detail lines on the Voucher Match form.

You can enter cost object information as landed costs during purchase order receipts. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). The system searches flex accounting rules to verify which AAIs or accounts are automatically populated.

> **Note:**
> - *"Creating Vouchers, Entering Landed Costs" in the   JD Edwards EnterpriseOne Applications Procurement Management Implementation Guide .*

Entering Cost Object Information in Purchase Order Entry

This section provides an overview of cost object information entry in purchase order entry and discusses how to enter cost object information in purchase order entry.

Understanding Cost Object Information Entry in Purchase Order Entry

On the Order Detail form, you must enter information about each item or service that you want to procure. For each item or service, you must enter a line of detail that describes the following:

- Item or service that you want to procure.

- Quantity that you want to procure.

- Cost of the item or service.

The system retrieves information such as the cost, description, and unit of measure for the item and enters it on the detail line. You can override these values and specify additional information such as a storage location, lot number, asset identifier, manufacturing details, and landed cost rules.

You can enter cost object information during purchase order entry; or you can have the system automatically populate the cost object fields, based on flex accounting rules.

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Form Used to Enter Cost Object Information in Purchase Order Entry

Form Name	FormID	Navigation	Usage
Order Header	W4310A	Purchase Order Processing (G43A11), Enter Purchase Orders Click Add on the Work With Order Headers form.	Enter cost object information in purchase order entry.

Entering Cost Object Information in Purchase Order Header

Access the Order Header form.

To enter cost object information in purchase order entry:

1. Review or complete the following fields for cost object information on the Order Detail form:

   o Item Number
   o Cost Object Type 1
   o Cost Object 1
   o Cost Object Type 2
   o Cost Object 2
   o Cost Object Type 3
   o Cost Object 3
   o Cost Object Type 4
   o Cost Object 4

2. Click OK.

> **Note:**
> - *"Entering Order Detail Information" in the   JD Edwards EnterpriseOne Applications Procurement Management Implementation Guide   .*

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Entering Cost Object Information in Purchase Order Receipts

This section provides an overview of cost object information entry in purchase order receipts and discusses how to enter cost object information in purchase order receipts.

Understanding Cost Object Information Entry in Purchase Order Receipts

After you receive the goods on a purchase order, you must record the details of the receipt. The system uses receipt information to:

- Update item quantities and costs in the JD Edwards EnterpriseOne Inventory Management system.
- Update general ledger accounts.

When you receive goods, you must verify that the details of the receipt correspond to the information on the purchase order. You must verify item numbers, quantities, units of measure, costs, and so on. If the receipt details differ from those on the purchase order, you must adjust the purchase order detail lines to reflect the receipt. For example, if landed costs, such as delivery charges or import taxes, apply to the item's purchase price, you enter these costs during the receipt process.

Each time that you receive an order, the system:

- Creates a receipt record in the Purchase Order Receiver File table (F43121).
- Updates item quantities and costs in the Item Location File table (F41021).
- Adds a new record to the Item Ledger File table (F4111).
- Updates the appropriate accounts in the Account Ledger table (F0911).

If you entered cost object information during purchase order entry, you can review cost object types, edit codes, and item information during the receipt process. Optionally, you can enter cost object information during the receipt process. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). If the processing option is set to use flex accounting, the system searches flex accounting rules to determine how to automatically populate cost objects.

You must set the processing option to use flex accounting in Purchase Order Receipts.

Related Task

This table lists the related task:

Task	Description
Reviewing Cost Object Information in Receipts Reversal	Each time that you cancel or reverse a receipt, the system updates the Purchase Order Receiver File table (F43121). The system reverses all accounting and inventory transactions. When you reverse a receipt, the system reverses cost object information. The system retrieves the original cost object values for reversal journal entries.

Task	Description
	You can use the Purchase Order Receipts Inquiry (P4312) to reverse a receipt only if you have not yet created a voucher for the receipt. You might need to do this procedure if you made a mistake.

Note:

- *"Entering Receipts" in the JD Edwards EnterpriseOne Applications Procurement Management Implementation Guide .*

Form Used to Enter Cost Object Information in Purchase Order Receipts

Form Name	FormID	Navigation	Usage
Work With Purchase Orders to Receive	W4312F	Purchase Order Processing (G43A11), Enter Receipts by PO	Enter cost object information in purchase order receipts.

Entering Cost Object Information in Purchase Order Receipts

Access the Work With Purchase Orders to Receive form.

To enter cost object information in purchase order receipts:

1. Complete the following fields to locate open purchase order details lines that correspond to a receipt on Work With Purchase Orders to Receive:

   o Order Number

   o Branch/Plant

   o Item Number

   o Account Number

   The system displays only those detail lines that have a next status code that is equal to the one that you specified in processing options.

2. Select a record in the detail area and click Select.

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3. Review or complete the following fields on the Purchase Order Receipts form:

    ○ Item Number

    ○ Cost Object Type 1

    ○ Cost Object 1

    ○ Cost Object Type 2

    ○ Cost Object 2

    ○ Cost Object Type 3

    ○ Cost Object 3

    ○ Cost Object Type 4

    ○ Cost Object 4

Entering Cost Object Information in Purchase Order Workbench

This section provides an overview of cost object information entry in purchase order workbench and discusses how to enter cost object information in purchase order workbench.

Understanding Cost Object Information Entry in Purchase Order Receipts

You can enter orders for multiple suppliers simultaneously instead of entering a separate order for each supplier. On the Purchase Order Workbench form, you specify the items that you want to purchase and the supplier from whom you want to purchase each item.

After you enter the items, you must direct the system to create purchase orders. The system combines items for each supplier on a separate purchase order, and the information for each detail line defaults from master information for the item or procurement instructions for the supplier. You can use the Work With Order Headers form to review the orders that the system generates.

If you enter cost object information during purchase order entry, you can review cost object types, edit codes, and item information during the receipt, landed cost, and voucher processes. The system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901).

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Form Used to Enter Cost Object Information in Purchase Order Workbench

Form Name	FormID	Navigation	Usage
Purchase Order Workbench	W43101B	Purchase Order Processing (G43A11), Purchase Order Workbench	Enter cost object information in purchase order workbench.

Entering Cost Object Information in Purchase Order Workbench

Access the Purchase Order Workbench form.

To enter cost object information in Purchase Order Workbench:

1. Review or complete the following fields for cost object information, if applicable on Purchase Order Workbench:

   - Item Number
   - Cost Object Type 1
   - Cost Object 1
   - Cost Object Type 2
   - Cost Object 2
   - Cost Object Type 3
   - Cost Object 3
   - Cost Object Type 4
   - Cost Object 4

2. Click OK if you want the system to automatically generate a separate purchase order for each supplier from whom you are ordering items.

   If you do not want the system to automatically generate separate purchase orders, you must first cancel the orders before exiting Purchase Order Workbench.

Note:
- *"Entering Purchase Orders" in the   JD Edwards EnterpriseOne Applications Procurement Management Implementation Guide   .*
- *"Creating Orders from Existing Detail Lines" in the   JD Edwards EnterpriseOne Applications Procurement Management Implementation Guide   .*

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Entering Cost Object Information During Voucher Match

This section provides an overview of cost object information entry during voucher match, lists prerequisites, and discusses how to enter cost object information during voucher match.

Understanding Cost Object Information Entry During Voucher Match

Before you can pay a supplier for the goods and services that you purchase, you must create a voucher that:

- Indicates that the terms of a transaction have been met.
- Specifies the amount to pay to the supplier.
- Notifies the JD Edwards EnterpriseOne Accounts Payable system to cut a check.

You can create a voucher that based on an invoice. You use this method to verify that invoice information corresponds to your receipt records. For example, if a supplier bills you for 100.00 United States Dollar (USD) worth of goods, you must verify that you received 100.00 USD worth of goods. If you do not record receipt information, you must verify that the invoice information corresponds to the purchase order detail lines.

You might want to review the receipt records for which you must create vouchers. After you locate this information, you can enter landed costs (costs in excess of an item's purchase price) for the items that you have received.

If you receive an invoice before you take receipt of the goods and services, you can create a preliminary voucher to account for the billing amount. After you receive the goods or services on the invoice, you can redistribute the amounts to the appropriate general ledger accounts.

You can enter cost object information at voucher match, or you can have the system automatically populate the cost object fields based on flex accounting rules.

Related Task

This table lists the related task:

Task	Description
Voucher match methods	If you record receipt information for items, you compare invoices to receipt records to create individual vouchers. A three-way voucher match method implies that you use receipt records to create vouchers. If you do not record receipt information, you compare invoices to order detail lines to create vouchers. A two-way voucher match method implies that you use order detail lines to create vouchers. The system creates a voucher when you match order detail lines to an invoice.

> **Note:**
> - *"Setting Processing Options for Voucher Match (P4314)" in the   JD Edwards EnterpriseOne Applications Procurement Management Implementation Guide   .*

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Prerequisite

Before you complete the tasks in this section, set the processing options to perform voucher match processing.

Form Used to Enter Cost Information During Voucher Match

Form Name	FormID	Navigation	Usage
Voucher Match	W0011F	Receipts Matching and Posting (G43A15), Match Voucher to Open Receipt Click Add on the Supplier Ledger Inquiry form.	Enter cost object information during voucher match.

Entering Cost Information During Voucher Match

Access the Voucher Match form.

To enter cost object information during voucher match:

1. Complete the steps to create a voucher or to match a voucher to a receipt on the Match Voucher form.

    If you do not enter cost object information, the system uses the flex accounting rules to populate cost objects automatically.

2. Complete the following fields to enter or review cost object information:

    - Item Number
    - Cost Object Type 1
    - Cost Object 1
    - Cost Object Type 2
    - Cost Object 2
    - Cost Object Type 3
    - Cost Object 3
    - Cost Object Type 4
    - Cost Object 4

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13 Understanding Cost Object Tracking in Sales Order Management

Cost Object Tracking in Sales Order Management

You can capture cost object information when you enter sales orders and when you update sales order information. In the Sales Update program (R42800), the system captures cost object information that is useful for managerial accounting or activity-based costing.

Example: Cost Management in Distribution

As a bicycle distributor, Company 200 knows that it could associate both revenues and expenses with customers, product families, or marketing sales channels. However, the traditional accounting methods do not provide enough information for the company to analyze profitability by customer, product family, and marketing sales channel. The company wants to do the following:

- Determine which customers incur expediting charges.

- Associate sales promotion expenditures to customers and marketing sales channel.

- Attribute the cost of customer site visits to marketing sales channels.

- Reallocate computer (information technology) costs to marketing sales channels.

- Determine profitability for imprinting by customer and marketing sales channel.

This managerial accounting scenario is designed to analyze profitability by customer, product family, and marketing sales channel. Transactions originate from the following sources:

- Expenditures - Accounts Payable.

- Sales - Sales Order Management.

- Additional charges to customers for services - Accounts Receivable.

- Information technology (IT) chargebacks to marketing - Cost Analyzer.

- Shipping and handling services - Cost Analyzer.

The company sells bicycles with bags to wholesale and retail customers. The retail customers can be either specialty or discount stores. Often, discount stores order bicycles without the bags. Many times, when sales representatives are visiting customers during sales negotiations, they agree to do any of the following:

- Imprint a custom logo on the bicycle bag.

- Expedite shipping.

- Allocate cooperative advertising funds.

If the customer requests custom logo imprints on the bicycle bag, the company pays the supplier a nominal fee for the imprinting service. The company would like to identify customers and marketing sales channels that request the custom imprinting services and charge them for that service.

When the company receives the invoice for the custom logo imprint, it uses Accounts Receivable to charge for the service, based on the numbers of bags imprinted at a customer-negotiated rate per bag. The company wants to determine the profitability of the imprinting services by customer and marketing sales channel.

When a customer orders merchandise, the company charges standard shipping and handling changes, based on volume and weight. However, some of the bicycle shipments are expedited to customers after they purchase bicycles. When the company receives the actual freight charges, it considers them as part of the company's overall shipping costs without attributing them to a specific customer. The company wants to determine which customers incur the expediting charges because it believes that these costs might not be fully recovered when freight charges are included in the sale.

The marketing department is responsible for a variety of sales promotions throughout the year. Promotional costs are accounted for in general and administrative costs. Two types of promotions exist: general and specific.

Specific promotions are for:

- A product family.

- A marketing sales channel.

- A customer.

- A cooperative with a large customer.

Whenever possible, the company wants to identify and associate sales promotion expenditures directly to each customer and marketing sales channel.

The marketing and sales representatives often visit the customer. All expense reports for customer visits are charged to travel and entertainment. However, the company wants to associate the costs of the customer visits directly with each customer and marketing sales channel.

Each department in the company uses centralized computer services. IT allocates a portion of the computer costs back to each department, based on the number of hours that it is connected to the network. When the marketing department receives its monthly charges, it wants to reallocate a portion of the IT costs to each marketing sales channel, based on the number of marketing employees per marketing sales channel.

To determine profitability for customers, product families, and marketing sales channels, the company can use cost objects to identify customers, product families, and marketing sales channels. The company can then associate both direct and indirect sales and expenditures to cost objects.

The following graphic illustrates the distribution process.
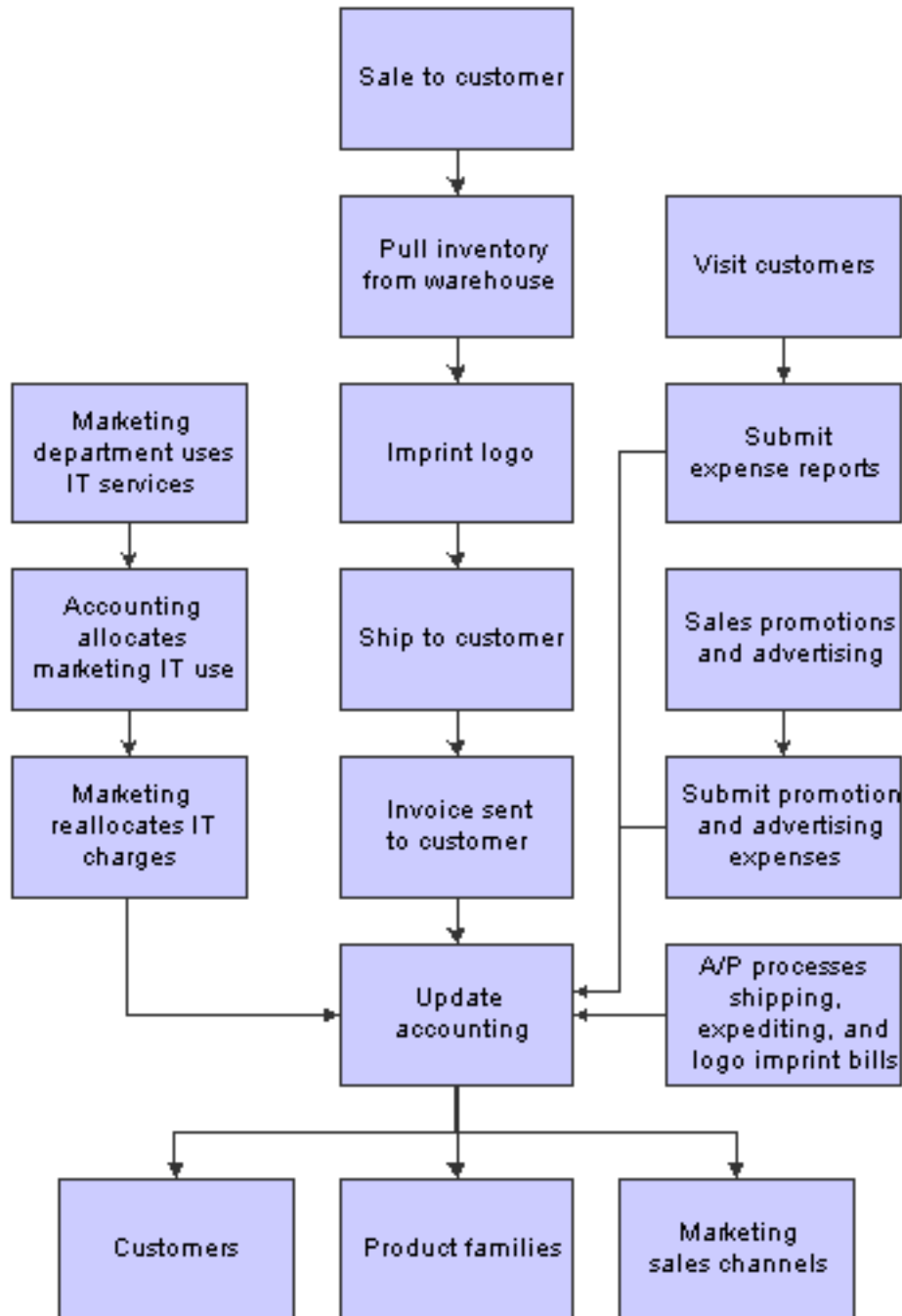
Cost Object Information Entry in a Sales Order

To extract cost object information from a sales order, you can base driver information on any field in the Sales Order Detail File table (F4211). For example, you can base driver volumes on the number of sales orders per customer. Because any field can be defined in the cost object rules, you do not need to enter additional cost object information in a sales

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order. The system uses flex accounting rules to retrieve cost object information with the specified data item and the associated cost object rule for the application.

> **Note:**
> - *"Understanding Sales Order Detail Information" in the JD Edwards EnterpriseOne Applications Sales Order Management Implementation Guide .*

Cost Object Information Updates During Sales Update

The Update Customer Sales program groups transactions into different types of batches for posting to journals. To properly record cost object information, all customer sales, inventory and COGS journal entries should be posted in detail.

When you run the Update Customer Sales program, the system groups transactions into the following batches:

Batch	Description
Customer sales (batch type IB)	Posts the sales, cost of goods sold, and inventory entries to the customer sales journal. The system creates batch type IB when the summarization processing options in the Sales Update program (R42800) is set to write GL entries in summary or detail.
Inventory/COGS (batch type G)	Posts to the inventory/COGS journal. The system creates batch type G for inventory and COGS entries when the summarization processing option in the Sales Update program (R42800) is set to summarize COGS and inventory entries to separate batches.

If you set the processing options in the Sales Update program (R42800) to purge sales header and detail information to history, base your driver calculation detail rule on the Sales Order History File table (F42119).

If you have activated the processing option to use flex accounting, the system searches the flex accounting rules to determine how to populate cost objects.

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14 Using Cost Object Tracking in Transportation

Understanding Cost Object Tracking in Transportation

You can capture cost object information when you update freight. Updating freight creates records of final payable and billable freight charges for shipments and loads. Payable charges are written to the general ledger by means of a journal entry and to the accounts payable for auto-pay carriers by means of a pay item. Billable charges are added to one or more orders on the shipment or load (depending on the customer freight preference). Freight is summarized at the charge code level.

After a shipment is created, the shipment-related information is stored in the Shipment Header (F4215) and the Shipment Routing Steps (F4941) tables. All freight charge information is stored in the Shipment Charges table (F4945). When you update freight, information from these three tables is written to the Freight Audit History table (F4981). For both billable and payable charges, the record in the Shipment Charges table is deleted, and the Shipment Routing Steps table is updated with the information run for both billable and payable table freight.

For payable charges, the Account Ledger table (F0911) is updated in the general ledger; and if the auto pay flag is on, then the Accounts Payable Ledger table (F0411) is updated in the JD Edwards EnterpriseOne Accounts Payable system. On the billable side, the Sales Order Detail File table (F4211) is updated with the freight charges. If the processing option for flex accounting is on, the system searches the flex accounting rules and populates the cost object fields accordingly.

To proportionately allocate shipment freight charges to each item that contributes to the total weight and volume of the shipment, you must have activated the freight allocations for the appropriate charge codes that you assign to rates.

> **Note:** You must activate the processing option for flex accounting in the Freight Update (R4981) program.

> **Note:**
> - *"Updating Freight" in the JD Edwards EnterpriseOne Applications Transportation Management Implementation Guide .*

Using Cost Object Tracking in Transportation

Select Updates (G49112), Freight Update.

You can capture cost object information when you update freight. Updating freight creates records of final payable and billable freight charges for shipments and loads. Payable charges are written to the general ledger by means of a journal entry and to the accounts payable for auto-pay carriers by means of a pay item. Billable charges are added to one or more orders on the shipment or load (depending on the customer freight preference). Freight is summarized at the charge code level.

After a shipment is created, the shipment-related information is stored in the Shipment Header (F4215) and the Shipment Routing Steps (F4941) tables. All freight charge information is stored in the Shipment Charges table (F4945).

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When you update freight, information from these three tables is written to the Freight Audit History table (F4981). For both billable and payable charges, the record in the Shipment Charges table is deleted, and the Shipment Routing Steps table is updated with the information run for both billable and payable table freight.

For payable charges, the Account Ledger table (F0911) is updated in the general ledger; and if the auto pay flag is on, then the Accounts Payable Ledger table (F0411) is updated in the JD Edwards EnterpriseOne Accounts Payable system. On the billable side, the Sales Order Detail File table (F4211) is updated with the freight charges. If the processing option for flex accounting is on, the system searches the flex accounting rules and populates the cost object fields accordingly.

To proportionately allocate shipment freight charges to each item that contributes to the total weight and volume of the shipment, you must have activated the freight allocations for the appropriate charge codes that you assign to rates.

Note: You must activate the processing option for flex accounting in the Freight Update (R4981) program.

Note:
- *"Updating Freight" in the JD Edwards EnterpriseOne Applications Transportation Management Implementation Guide .*

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15 Using Cost Object Tracking in Stock Valuation GL Update

Understanding Cost Object Tracking in Stock Valuation GL Update

The Stock Valuation GL Update program (R39130) updates the general ledger for the valuation methods that are defined as general ledger update methods. The program updates the general ledger based on one valuation method for each item number or item pool.

For each item or item pool, the system verifies the cost object type and the cost object edit code that you defined in the Account Master table (F0901). When you enter an item, the system edits cost object information against the Item Master table (F4101) only if you have installed the JD Edwards EnterpriseOne Inventory Management system.

The Period Build program calculates the amounts to be updated. Additionally, records for the next period are built for the Period Detail Work File (F39120W) and Additional Quantity Work File (F39121W) tables. These records contain the opening balance for the next period. For dual currency, the program writes a record for the stable currency to the general ledger.

After you approve the general ledger updates, you can post them to the general ledger. Posting completes the valuation process and posts the actual stock value for the period end.

> **Note:**
> - *"Understanding Valuation Methods" in the   JD Edwards EnterpriseOne Applications Advanced Stock Valuation Implementation Guide   .*

Running the Stock Valuation GL Update Program (R39130)

Select Stock Valuation Updates (G3930), Stock Valuation GL Update.

Setting Processing Options for Stock Valuation GL Update (R39130)

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

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Defaults

1. Update/Proof Mode

Specify whether to run the report in proof or update mode. Values are:

Blank: Proof mode. Updates do not occur.

1: Update mode. The system creates journal entries and sets the update flag on the period detail file.

Process

1. GL Date

Specify the date that the system uses to run the report. Values are:

Blank: Use the current date to run the report.

1: Use the GL date to run the report.

2. Document Type

Specify the document type (UDC 00/DT) that the system uses. If you leave this processing option blank, the system uses document type JE.

3. Domestic Ledger Type

Specify the domestic ledger type (UDC 09/LT) that the system uses. If you leave this processing option blank, the system uses the AA ledger type.

4. Dual Currency Ledger Type

Specify the ledger type (UDC 09/LT) that the system uses for dual currency when dual currency is activated. If you leave this processing option blank, the system uses the XA ledger type for dual currency.

5. Summarize Entries

Specify whether the system creates detailed or summarized entries by account. Values are:

Blank: Create detailed entries.

1: Summarize entries by account.

6. Version ID

Specify the version of the GL journal entry program that the system uses. If you leave this processing option blank, the system uses version ZJDE0001.

> **Note:**
> o *"Understanding the Journal Entry Process" in the JD Edwards EnterpriseOne Applications General Accounting Implementation Guide* .

7. Roll Up FIFO Layers

Specify whether the system rolls up the remaining FIFO layers for year-end processing. For LIFO valuations, the system always rolls up all layers at the end of the year into a single layer for the opening balance for the next year. If you want the FIFO valuations to roll up into one layer, enter 1 in this option. Otherwise, the system does not roll up the FIFO valuations into one layer. Values are:

Blank: Do not roll up remaining FIFO layers.

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1: Roll up remaining FIFO layers.

Setup

By Pass Date Edit

Specify whether the system bypasses date editing. Typically, you bypass date editing only during the initial setup of data (for example, when you load the previous year's data into a live environment). Values are:

Blank: Use date editing.

1: Bypass date editing.

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16 Working with Cost Analyzer Balances

Understanding Cost Analyzer Balances

After you have entered cost object information in various systems, such as JD Edwards EnterpriseOne Accounts Payable, JD Edwards EnterpriseOne General Accounting, and Procurement, you must post the cost object information to the Cost Analyzer Balances table (F1602). The F1602 table captures all transactions, assignments, and activity balances. You must update the F1602 table before you can make allocations, report on data, or make online inquiries about cost object information.

You run the Post to Cost Analyzer Balances program (R1602) to update the F1602 table. You can then run reports and view online inquiries in various "what-if" scenarios without affecting the source data.

> **Note:** The F1602 table stores amounts in only one currency. The Post to Cost Analyzer Balances program reviews for multiple currencies and will post to only one currency.

JD Edwards EnterpriseOne Advanced Cost Accounting provides the following financial reports that are based on the F1602 table:

- Item Profitability (R16022).
- Customer Profitability Report (R16028, version XJDE0001).
- Promotion Profitability Report (R16028, version XDJE0002).
- Profitability by Cost Object (R16023).
- Income Statement by Cost Object (R16024).
- Trial Balance by Cost Object (R16025).
- Trial Balance by Object Account for Cost Object (R16026).

You can also create financial reports that are based on the F1602 table by using Oracle's JD Edwards EnterpriseOne Report Writing application.

JD Edwards EnterpriseOne Advanced Cost Accounting provides three online inquiry programs. You can view information online as described in the following table:

Inquiry Program	Information Available
Cost Analyzer Inquiry (P1602)	Details of a specific entry, including the net posting balances and year-to-date total for the selected entry
Cost Analyzer Inquiry by Account (P16021)	Original and net balances by account.
Cost Analyzer Account Ledger Inquiry (P16200)	Original batch and journal entries for records.

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Prerequisites

Before you complete the tasks in this section:

- Verify that you have set up cost analyzer views.

- Verify that you have created journal entries.

- Verify that you have set up cost objects.

See *Setting Up Cost Object Types*.

Updating Cost Analyzer Information

Once you set up cost analyzer views, you can populate the F1602 table by either entering manual transactions or creating automatic entries.

This section provides an overview of updating Cost Analyzer information and discusses how to:

- Post entries to the Cost Analyzer Balances table.

- Set processing options for Post to Cost Analyzer Balances (R1602).

Understanding Cost Analyzer Information Updates

The Cost Analyzer Post uses transactions from the Account Ledger table (F0911) to update the F1602 table for the requested view and fiscal year. Based on information in the cost analyzer view structure, this program creates transactions in the Cost Analyzer Balances table, using information in the F0911 table. To allow error detection and correction of journal entry transactions before you post them to the Cost Analyzer Balances table, post the transactions to the Account Balances table (F0902) first.

Processing options enable you to select the view and fiscal year to post. You can either select only the previously posted general ledger transactions, or you can also include unposted transactions. You can also select the specific transactions to post.

Before you post transactions to the F1602 table, you must update the F0911 table either by entering manual transactions or creating automatic journal entries.

When you post transactions to the F1602 table, the system generates a report that indicates the number of account ledger records that were selected, the number of cost analyzer balance records that were created, and the number of cost analyzer records that were updated.

> **Note:** Unposted transactions are subject to change. Use caution when including them when you post transactions from the F0911 table to the F1602 table.

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Posting Entries to the Cost Analyzer Balances Table

Select Cost Analyzer (G1612), Post to Cost Analyzer Balances.

Setting Processing Options for Post to Cost Analyzer Balances (R1602)

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

View Number

View Number

Specify a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted.

For example, if the view number is 1, then the system updates PM01 with a P when the F0911 record is marked as being posted.

Fiscal Year

A number that identifies the fiscal year. Generally, you can either enter a number in this field or leave it blank to indicate the current fiscal year (as defined on the Company Setup form). Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2008 and ends September 30, 2009. The end of the first period is October 31, 2008. Specify the year 08 rather than 09.

Selection

Enter 1 if you want to select unposted as well as posted Account Ledger records. If left blank only posted records will be selected.

Specifies the type of processing for an event.

See *Setting Processing Options for Cost Analyzer Inquiry (P1602)*

Viewing Cost Analyzer Balances

This section provides an overview of cost analyzer balance review and discusses how to view balances using:

- Cost Analyzer Inquiry.
- Cost Analyzer Inquiry by Account.
- Cost Analyzer Account Ledger Inquiry.

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Understanding Cost Analyzer Balance Review

You can use the following programs to review cost analyzer balances online:

- Cost Analyzer Inquiry (P1602).

- Cost Analyzer Inquiry by Account (P16021).

- Cost Analyzer Account Ledger Inquiry (P16200).

Use Cost Analyzer Inquiry to review cost analyzer entries. You can review the details of a specific entry, including the net posting balances and year-to-date total for the selected entry.

To review original and net balances by account, you can use the Cost Analyzer Inquiry by Account program (P16021). The system displays account information in summary or detail.

Cost Analyzer Inquiry (P1602)

Use Cost Analyzer Inquiry to review cost analyzer entries. You can review the details of a specific entry, including the original posting balances, ending balances and the year-to-date total for the selected entry.

When you run the Cost Calculations (R1610) program, the system creates assignment entries. The system reallocates ending balance amounts from accounts, cost objects, or activities to others. For example, if the total of the general ledger details for salary transactions is 100,000.00 USD for the sixth accounting period, the original posting balance and the ending balance is 100,000.00 USD.

When you reassign the salary amounts for the sixth accounting period to activities such as receiving and inspecting materials, the system creates two new records for salaries that are attached to the activity codes of receiving and inspecting through the Assignment Calculation program. The total of receiving and inspecting ending balances equals 100,000.00 USD, which is the original posting amount balance for salary transactions for the sixth accounting period. The ending balance for salary will be set to zero and the original posting balance will remain unchanged.

You can set a processing option to indicate whether the system creates an audit trail in the Cost Calculations Transactions (F1611) table. The audit trail allows you to view the balance prior to any assignments (net posting), and then review balances that are assigned In and Out at the transaction level (net balances). On the Cost Analyzer Balances form, you can review the following:

- Original Posting YTD - Information retrieved from the Account Ledger (F0911).

- The Ending Balance YTD (Original Balance + Assigned Ins – Assigned Outs).

Cost Analyzer Inquiry by Account

The Cost Analyzer Inquiry by Account form retrieves account information from the Account Master table (F0901) and then retrieves balances from the F1602 table.

You can set the processing options to indicate default information that the system uses to obtain the summary information. After you complete the processing options, the system displays these values on the Cost Analyzer Inquiry by Account header area of the form, such as for a specific account, cost object, item number, subledger, or subledger type. The system uses the cost object and subledger values only to calculate the balances for the account.

To review original and net or ending balances by account, you can use the Cost Analyzer Inquiry by Account program (P16021). The system displays account information in summary or detail, using the following forms:

- Cost Analyzer Inquiry by Account, which displays account balances for a view that is based on the level of detail.

- Cost Analyzer Detail, which displays details for a specific account.

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With the summary form, Cost Analyzer Inquiry by Account, you can review accounts by cost objects and cost object types. You should use the Cost Analyzer Inquiry by Account form when you require total account balances. You can use the Cost Analyzer Detail Inquiry form to retrieve balances for the specific account that you selected from the Cost Analyzer Inquiry by Account form.

To specify how the system displays information from the Cost Analyzer Balances table (F1602), you can enter the following information in the processing options or in the header area of the form:

Information	Description
View	With the Cost Analyzer Inquiry by Account program, you can review summary and detail information for a specific view.
Level of Detail	The summary form, Cost Analyzer Inquiry by Account, summarizes accounts and account balances by level of detail and displays information that is based on the Account Master table (F0901). The system displays accounts with level of detail values that are equal to or less than the requested level. For example, the levels of detail are 3 (summary) through 9 (detail). If you select to display accounts with a level of detail of **5,** the system displays levels 3, 4, and 5 and summarizes the balances from levels 6 through 9 into 5. The balances that are greater than the specified level of detail are summarized into the appropriate account.
Variances	The Cost Analyzer Inquiry by Account form specifies the calculation method that the system uses to compute the variance between the Ledger Type 1 and Ledger Type 2. The variance amount and the variance percentage are calculated when you inquire on two ledger types. The calculation method is the mathematical means used to display the variances between Ledger Type 1 and Ledger Type 2. For example, if you specify the calculation method **Add,** the system adds the balance for Ledger Type 1 to the balance for Ledger Type 2 and displays the sum total in the variance column.
Display Balances or Suppress Zero Balances	You can suppress accounts with zero balances. When you suppress zero balances, the system still retrieves all accounts that are equal to or less than the level of detail for non-posting accounts. You can choose to display net and original balances.

Cost Analyzer Detail

You can access the Cost Analyzer Detail form from a row exit on the Cost Analyzer Inquiry by Account form. On the Cost Analyzer Detail form, you can customize the grid to display cost object descriptions, cost object codes, or both. You can use the Cost Analyzer Detail form to retrieve balances for the specific account that you selected from the Cost Analyzer Inquiry by Account form.

The detail area of the Cost Analyzer Detail form is the view of the attributes from the F1602 table. You can display the level of detail (level of detail is actually displayed in the header of the form), net and original balances, account number, cost objects, subledgers, item number, and appropriate descriptions that are associated with the balance for the specified account.

From and To Transactions

You can access the Assignment Audit Trail form from a row exit to review assignment transactions. For example, on the Assignment Audit Trail form, you can review accounts that receive allocated costs (to accounts), the accounts that

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allocate costs (From Accounts), or both. Additionally, you can review assignment allocations for cost objects, item number, or subledger type.

Cost Analyzer Account Ledger Inquiry

You can use the Cost Analyzer Account Ledger Inquiry program (P16200) to view information about the original batch and journal entries for the records in the Account Ledger table (F0911) that you post to the Cost Analyzer Balances table (F1602).

You can access the Cost Analyzer Account Ledger Inquiry program from a menu option, or from the Cost Analyzer Inquiry by Account program (P16021). To access the Cost Analyzer Account Ledger Inquiry program from the Cost Analyzer Inquiry by Account program, you must select a record that has an original balance and that has a posting edit code other than N.

Forms Used to View Cost Analyzer Information

Form Name	FormID	Navigation	Usage
Work With Cost Analyzer Balances	W1602B	Cost Analyzer (G1612), Cost Analyzer Inquiry.	View entries in the F1602 table.
Cost Analyzer Balances	W1602A	Select a record on the Work With Cost Analyzer Balances form.	View the details of a specific entry in the F1602 table, including the original posting balances, ending balances and the year-to-date total for the selected entry.
Cost Analyzer Inquiry by Acct.	W16021A	Cost Analyzer (G1612), Cost Analyzer Inquiry by Acct.	View original and net balances by account.
Work With Account Ledger	W0911LB	Cost Analyzer (G1612), Cost Analyzer Account Ledger Inquiry	View account ledger balances in the Cost Analyzer.

Viewing Balances with Cost Analyzer Inquiry

Access the Work With Cost Analyzer Balances form.

View Number

Enter a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted.

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For example, if the view number is 1, then the system updates PM01 with P when the F0911 record is marked as being posted.

Century/Fiscal Year

Enter a number that represents the century concatenated with the fiscal year, such as 2008.

Ledger Type

Enter a user defined code (09/LT) that specifies the type of ledger, such as AA (Actual Amounts), BA (Budget Amount), or AU (Actual Units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.

Account Number

Enter a value that identifies an account in the general ledger. Use one of the following formats to enter account numbers:

Standard account number (business unit.object.subsidiary or flex format).

Third GL number (maximum of 25 digits).

Account ID number. The number is eight digits long.

Speed code, which is a two-character code that you concatenate to the AAI item SP. You can then enter the code instead of an account number.

The first character of the account number indicates its format. You define the account format in the General Accounting constants.

Item

Enter an inventory item number. The system provides three separate item numbers plus an extensive cross-reference capability to other item numbers (see data item XRT) to accommodate substitute item numbers, replacements, bar codes, customer numbers, supplier numbers, and so forth. The item numbers are as follows:

Item Number (short): An eight digit, computer-assigned item number.

2nd Item Number: The 25 digit, free-form, user defined alphanumeric item number.

3rd Item Number: Another 25 digit, free-form, user defined alphanumeric item number.

Cost Object/Type 1

Enter cost object code, such as an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is validated the same as the subledger field, but the system does not post the data in the cost object code field to the Account Balances file (F0902).

Subledger/type

Enter a code that identifies a detailed, auxiliary account within a general ledger account. A subledger can be an equipment item number or an address book number. If you enter a subledger, you must also specify the subledger type.

Original Posting 01

Enter a number that represents the net amount posted during the accounting period. The system uses the accounting periods from the Company Constants table (F0010). The net amount posted is the total of all debits and credits, beginning with the first day of the period through the last day of the period.

Original Posting YTD and Ending Balance YTD

Enter the sum of all net postings from the first day of the current fiscal year to the last day of the current month or period.

The system uses the period totals from the Account Balances table (F0902) to calculate the YTD period end total.

Ending Balance 01

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Enter a number that represents the net balance for the accounting period. The net balance equals original amount, which is posted to the Cost Analyzer Balances (F1602) from the Account Ledger (F0911), plus any amounts that are applied to this balance, minus any amounts that are assigned from this balance. You assign amounts through Cost Assignments Calculate (R1610) program.

Setting Processing Options for Cost Analyzer Inquiry (P1602)

Processing options for Cost Analyzer Inquiry (P1602) and Cost Analyzer Inquiry (R1602) are identical.

See *Setting Processing Options for Post to Cost Analyzer Balances (R1602)*

Viewing Balances with Cost Analyzer Inquiry by Account (P16021)

Access the Cost Analyzer Inquiry by Account form.

Setting Processing Options for Cost Analyzer Inquiry by Account (P16021)

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

Options

1. Enter the View Number to be used for Cost Analyzer balance retrieval.

Specify a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted. For example, if the view number is 1, then the system updates PM01 with a P when the F0911 record is marked as being posted.

2. Enter the Account Level of Detail to be used (3 - 9). If left blank, 9 will be defaulted.

Specify a number used to summarize and classify accounts in the general ledger by level of detail. Level 9 is the most detailed and Level 1 is the least detailed. Levels 1 and 2 are reserved for company and business unit totals. Levels 8 and 9 are reserved for job cost posting accounts in the Job Cost system. Examples of the other levels are:

3: Assets, Liabilities, Revenues, Expenses

4: Current Assets, Fixed Assets, Current Liabilities

5: Cash, Accounts Receivable, Inventories, Salaries

6: Petty Cash, Cash in Banks, Trade Accounts Receivable

7: Petty Cash - Dallas, Petty Cash - Houston

8: More Detail

9: More Detail

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Do not skip levels of detail when you assign a level of detail to an account. Nonsequential levels of detail cause rollup errors in financial reports.

3. Enter default value for Business unit. If left blank, Business Unit will default to *.

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

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

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

4. Enter the default value for Ledger Type 1 and Ledger Type 2. If left blank, Ledger Type 1 will default to Ledger Type AA and Ledger Type 2 will default to blank.

Specifies (09/LT) the type of ledger, such as AA (Actual Amounts), BA (Budget Amount), or AU (Actual Units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.

Cost Objects

1. Enter the Cost Object, Item and the Cost Object Type default values. If left blank, all Cost Objects, Items and Cost Object Types will be displayed.

Cost Object

Specify a cost object code, such as an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is validated the same as the subledger field, but the system does not post the data in the cost object code field to the Account Balances file (F0902).

Cost Object Type

Specifies the type of cost object and the type of editing. Valid types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).

2. Enter the Subledger and Subledger Type to be used for calculating account balances. If left blank, a blank Subledger and blank Subledger Type will be defaulted.

Specify a code that identifies a detailed, auxiliary account within a general ledger account. A subledger can be an equipment item number or an address book number. If you enter a subledger, you must also specify the subledger type.

A user defined code (00/ST) that is used with the Subledger field to identify the subledger type and how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. This is either hard-coded or user defined. Values include:

A: Alphanumeric field, do not edit

N: Numeric field, right justify and zero fill

C: Alphanumeric field, right justify and blank fill

Dates

1. Enter default Fiscal Year, From Period and Thru Period for Ledger Type 1. and 2. Enter default Fiscal Year, From Period and Thru Period for Ledger Type 2.

Specify the last two digits of the fiscal year, the "from" period, or the "thru" period for the system to use to retrieve account balances from the Cost Analyzer Balances table (F1602). For example, enter 08 for 2008. If you leave this field blank, the system does not display account balances, and it issues an error message.

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Display

1. Enter 1 to suppress posting accounts with zero balances from being displayed. If left blank, 0 will be defaulted and zero balance accounts will be displayed.

Enter **Y** to not display posting accounts with zero balances.

2. Enter the Calculation Method to be used when calculating variances. 0 - Subtraction, 1 - Addition, 2 - Division, and 3 - Multiplication. If left blank, 0 will be defaulted.

Select one of the following radio buttons:

Adds column 1 to column 2 and assigns the result to the variance column.

Subtracts column 2 from column 1 and assigns the result to the variance column.

Multiplies column 1 by column 2 and assigns the result to the variance column.

Divides column 1 by column 2 and assigns the result to the variance column.

3. Enter the Grid columns to be displayed. Enter 0 to display Net Balances only, 1 to display Original Balances only or 2 to display both Net and Original Balances. If nothing is entered Net Balances only will be displayed.

Specify the mode for the system to use for displaying balances. Values are:

Blank or **0:** Net balances.

1: Original balances.

2: Net balances and original balances.

Viewing Balances Using Cost Analyzer Account Ledger Inquiry

Access the Work With Account Ledger form.

> **Note:** To access the Work With Account Ledger form from the Cost Analyzer Inquiry by Account form or the Cost Analyzer Detail form, you must select a record that has an original balance and that has a posting edit code other than N. If you select a record that does not have an original balance or that has a posting edit code of N, the system does not display the Work With Account Ledger form.

To view account ledger balances in the Cost Analyzer:

1. Enter a value in the View Number, Account, and Ledger Type fields on the Options tab, as necessary, to filter the accounts that you want to work with on Work With Account Ledger.

   > **Note:** The view that you select determines which fields are input capable in the header area. If the view that you select is set up to summarize values, you cannot specify the value in the header area. For example, if your view is set up to summarize the Ledger Type and Cost Object 1, you cannot specify values for those fields.

2. Select the Cost Objects tab and complete the following fields, as necessary, to filter the accounts that you want to work with:

   - Cost Object 1
   - C T 1
   - Cost Object 2
   - C T 2
   - Cost Object 3
   - C T 3
   - Cost Object 4
   - C T 4
   - Subledger
   - Sub Type
   - Item Number

3. Select the Dates/Display tab and complete the Fiscal Year, From Period, and Thru Period fields, as necessary, to filter the accounts that you want to work with, and then click Find.

4. Select the Dates/Display tab and select or clear the Show Cost Object/Subledger Descriptions and Show Cost Object/Subledger Values options, as necessary, to change the way the system displays cost object and subledger information.

   The system displays cost object descriptions and cost object type descriptions when you select this option, and hides them when you clear this option.

5. Select the record that you want to view, and then select Batches from the Row menu.

   When you select Batches from the Row menu, the system displays the Work With Batches form. From the Work With Batches form, you can navigate to information about the journal entries for the record that you selected. For example, if you select a record in the Work With Batches form, and then select Batch Review and then JE Review from the Row menu, you can view the journal entries for the record.

Setting Processing Options for Cost Analyzer Account Ledger Inquiry (P16200)

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

Options

1. View Number

Specify the view in which the Account Ledger table (F0911) records are written in the Cost Analyzer Balances table (F1602). You must enter a view number.

2. Business Unit, 3. Object Account, 4. Subsidiary, and 5. Ledger Type

Specify a default value for the business unit, object account, subsidiary, or ledger type that the system uses when selecting records from the Account Ledger table (F0911). If you do not specify a default value, or if you specify an asterisk **(*)**, the system selects records for all business units, all object accounts, all subsidiaries, or all ledger types.

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Cost Options

1. Cost Object 1 and 2. Cost Object Type 1

Specify a default value for cost object 1 that the system uses when selecting records from the Account Ledger table (F0911). If you do not specify a default value, or if you specify an asterisk **(*)**, the system selects records for all cost object 1 values.

3. Cost Object 2 and 4. Cost Object Type 2

Specify a default value for cost object 2 that the system uses when selecting records from the Account Ledger table (F0911). If you do not specify a default value, or if you specify an asterisk **(*)**, the system selects records for all cost object 2 values.

5. Cost Object 3and 6. Cost Object Type 3

Specify a default value for cost object 3 that the system uses when selecting records from the Account Ledger table (F0911). If you do not specify a default value, or if you specify an asterisk **(*)**, the system selects records for all cost object 3 values.

7. Cost Object 4 and 8. Cost Object Type 4

Specify a default value for cost object 4 that the system uses when selecting records from the Account Ledger table (F0911). If you do not specify a default value, or if you specify an asterisk **(*)**, the system selects records for all cost object 4 values.

9. Item Number, 10. Subledger, and 11. Subledger Type

Specify a default value for the item number, subledger, or subledger type that the system uses when selecting records from the Account Ledger table (F0911). If you do not specify a default value, or if you specify an asterisk **(*),** the system selects records for all item numbers, all subledger values, or all subledger types.

Dates

1. Fiscal Year

Specify the fiscal year that the system uses when selecting records from the Account Ledger table (F0911). You must specify a valid fiscal year for the view to which the system wrote records from table F0911 to the Cost Analyzer Balances table (F1602).

2. From Period Number and 3. Thru Period Number

Specify the period number that begins or ends the date range that the system uses when selecting records from the Account Ledger table (F0911). The system uses the first day of the period as the first day of the date range. The system uses the period that corresponds to the date pattern that exists for the view that you specified in the View Number processing option. If you leave this processing option blank, or if you specify **0**, the system uses period 1 for From Period Number, and period 14 for Thru Period Number.

> **Note:** The system uses the last day of the period as the end of the date range for the Thru Period Number processing option.

Purging Cost Analyzer Balances

This section provides an overview of cost analyzer balances purge and discusses how to:

- Run Purge Cost Analyzer.
- Set processing options for Purge Cost Analyzer.

Understanding Cost Analyzer Balances Purge

To free up disk space or improve performance, you can delete old views or fiscal years that are no longer in use by purging records from the F1602 table. If view specifications change or errors occur during the posting process, you can use this program to purge the information before re-posting transactions to a specific view. This program also unlocks the view to allow changes and resets the posted flag in the F0911 table if desired.

If you set a processing option to bypass clearing the cost management posted code, you cannot regenerate transactions for the view. To recreate balances, you must do the following:

- Using the Post to Cost Analyzer Balances program (R1602), create a new record in the view for a new transaction in the F0911 table.

- Rerun the purge program and leave the Bypass Update processing option blank.

The system clears the posted code on the new transaction as well as all prior transactions, thus enabling you to re-post the view for all transactions.

Running Purge Cost Analyzer

Select Cost Analyzer (G1612), Purge Cost Analyzer.

Setting Processing Options for Purge Cost Analyzer (R1602P)

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

Select

1. View Number and 2. Fiscal Year

Specify the view number or the fiscal year of the records that you want the system to purge from the Cost Analyzer Balances table (F1602), and optionally from the Cost Calculation Transactions table (F1611). These are required fields.

Options

1. Retain F0911 ACA Post Codes

Specify to retain the cost management posted code on all account ledger records (F0911) that were posted using the view selected. Values are:

Blank: Clear.

1: Retain.

2. Purge Corresponding F1611 Transactions

Specify to purge Cost Calculation Transactions (F1611) that match the View Number and Century/Fiscal Year of records being purged from the Cost Analyzer Balances table (F1602). Values are:

Blank: Do not purge.

1: Purge.

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Reviewing Profitability by Cost Object

You can use the Item Profitability report (R16022) to review the profitability for a customer, product, or salesperson. You can select information by subledger, item, or cost object. When you identify the driver, you can report on units as well.

This section discusses how to:

- Run Profitability by Cost Object.
- Set processing options for Item Profitability (R16022).

Running Item Profitability

Select Reporting (G1625), Item Profitability.

Setting Processing Options for Item Profitability (R16022)

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

Process

1. Enter the period number and fiscal year for the report to be based on. If left blank, the financial reporting date will be used. For the financial reporting date to be company specific you must sequence by company or business unit.

Period Number

A number indicating the current accounting period. This number, used in conjunction with the Company Constants table (F0010) and the General Constants table (F0009), allows the user to define up to 14 accounting periods. See General Ledger Date. The current period number is used to determine posted before and posted after cut off warning messages. It is also used as the default accounting period in the preparation of financial reports.

Fiscal Year

A four-digit number that identifies the fiscal year. You can enter a number in this field or leave the field blank to indicate the current fiscal year (as defined on the Company Setup form).

Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2008, and ends September 30, 2009. The end of the first period is October 31, 2008. Specify the year 2008 rather than 2009.

17 Processing External Cost Analyzer Balances

Understanding External Cost Analyzer Balances Processing

This section provides an overview of external cost analyzer balances processing.

External Cost Analyzer Balances Processing

If you have cost analyzer balances such as external budgets or non-general ledger costs that are not in JD Edwards EnterpriseOne tables, you can import them into the External Cost Analyzer Balances - Interoperability Table (F1602Z1). After the balances are in the F1602Z1 table, use the External Cost Analyzer Balances Processor program (R1602Z1) to upload them to the Cost Analyzer Balances table (F1602).

You can either import the external cost analyzer balances into the F1602Z1 table or you can add the balances manually using the External Cost Analyzer Balances program (P1602Z1).

After you import the external balances or manually enter them into the F1602Z1 table, you can edit the balances or add to them without affecting your Account Ledger table (F0911).

Set up your cost analyzer view in the same way that you set up your view for internally generated transactions.

Understanding External Cost Analyzer Balances Importing

If you have cost analyzer balances that are in a spreadsheet or in another system, you can import the balances directly into the External Cost Analyzer Balances - Interoperability Table (F1602Z1) and then upload them into the Cost Analyzer Balances table (F1602).

Your system administrator must create a custom program to import the balances into the F1602Z1 table. The following table provides guidelines for how the fields in the F1602Z1 table should be populated:

Field Name	Alias	Type	Length	Description
EDI – User ID	CZEDUS	String	10	A code that indicates the source of the transaction. This code can be a user ID, a workstation ID, the address of an external system, a node on a network, and so on. This field

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Field Name	Alias	Type	Length	Description
				identifies both the transaction and its point of origin.
EDI - Batch Number	CZEDBT	String	15	The number that the transmitter assigns to the batch. During batch processing.
EDI - Transaction Number	CZEDTN	String	22	The number that an electronic data interchange (EDI) transmitter assigns to a transaction. In a non-EDI environment, you can assign any number that is meaningful to identify a transaction within a batch. It can be the same as a JD Edwards EnterpriseOne document number.
EDI - Line Number	CZEDLN	Number	7	The line number that you assign when you originate an EDI transaction. This number can represent an order line number (applicable for any order type), an invoice pay item, a journal entry line number, and so on.
EDI - Document Type	CZEDCT	String	2	The document type that is assigned by the transmitter in an EDI transaction.
Transaction Type	CZTYTN	String	8	A code used to identify a specific type of transaction.
EDI - Transaction Format	CZEDFT	String	10	A code used to identify a specific mapping structure used to process both inbound and

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Field Name	Alias	Type	Length	Description
				outbound EDI transactions.
EDI - Transmission Date	CZEDDT	Date	6	The date that an EDI transaction was either transmitted or received.
Direction Indicator	CZDRIN	Character	1	A code that indicates whether a transaction is inbound or outbound.
EDI - Detail Lines Processed	CZEDDL	Number	5	The number of detail lines transmitted in an EDI transaction. This is the total number of lines on a purchase order, invoice, and so on.
EDI - Successfully Processed	CZEDSP	Character	1	A code that indicates whether a record has been successfully processed. Depending on the application, the system updates the CZEDSP field in a table with one of the following values: • 1 - successfully processed • 0 - not processed
Trading Partner ID	CZPNID	String	15	A code used in an EDI transaction to identify the party that is trading documents with you.
Transaction Action	CZTNAC	String	2	A code that specifies the action to perform on the transaction. In an EDI transaction, this code represents the

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Field Name	Alias	Type	Length	Description
				transaction set purpose or change code.
EDI - Record Type	CZEDTY	Character	1	The identifier that is used to mark EDI transaction records as header and detail information.
EDI - Record Sequence	CZEDSQ	Number	2	An identifier that is used to assign the relative position within the header or detail information of an EDI transaction, for example, H01, H02, D01, and so on.
EDI - Transaction Set Number	CZEDTS	String	6	A code used to identify a specific type of EDI transaction.
EDI - Send/Receive Indicator	CZEDER	Character	1	A code used to specify whether a specific transaction set can be sent, received, or both. Values are: • **S** - send • **R** - receive • **B** - both
EDI - Transaction Action	CZEDTC	Character	1	A code that specifies what the system should do with a transaction during final processing. Values are: • **A** - add a new transaction • **D** - delete an unprocessed transaction
EDI - Transaction Type	CZEDTR	Character	1	A code that identifies a particular kind of transaction. The originator assigns this code to specify

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Field Name	Alias	Type	Length	Description
				a voucher (V), invoice (I), journal entry (J), and so on.
EDI - Batch File Create GL Record	CZEDGL	Character	1	A flag in the batch file that specifies whether you want the system to create a general ledger record at the time that the invoice or voucher is processed. Values are: • Blank - do not create a general ledger record. • **1** - create a general ledger record. If this field is 1, you must also enter the object and subsidiary account numbers for the general ledger account number.
Batch File Discount Handling Flag	CZEDDH	Character	1	A flag in the batch file that specifies how the discount should be calculated. Values are: • **0** - use the payment terms for calculation. • **1** - use the discount override specified by the user. • **2** - use the percent calculation entered by the user.
User Address Number	CZEDAN	Number	8	An address number assigned by the transmitter. This number is used primarily

Field Name	Alias	Type	Length	Description
				for connecting a new address book number on the PC with associated accounts receivable invoices and accounts payable vouchers being sent from the PC. After the address book batch process assigns an address book number using next numbers, the address number will be modified on the associated accounts receivable invoices and accounts payable vouchers in the batch files. The system matches address numbers on transactions with the same user address number assigned by the transmitter.
View Number	CZVWNM	Number	2	A number from 1 through 10 that specifies how the system posts Account Ledger table (F0911) records to the Cost Analyzer Balances table (F1602). This number also specifies which Managerial Accounting Posting code (PM01-PM10) is updated in the F0911 table. For example, if the view number is 1, the system updates PM01 with a P when the Account Ledger record is flagged as being posted.

Field Name	Alias	Type	Length	Description
Activity - Based Costing Activity Code	CZACTB	String	10	A code that identifies a group of actions used in activity-based costing.
Account ID	CZAID	String	8	A number that the system assigns to each general ledger account in the Account Master table (F0901) to uniquely identify it.
Century/Fiscal Year	CZCFY	Number	5	A number that specifies the century concatenated with the fiscal year.
Ledger Types	CZLT	String	2	A user defined code (09/LT) that specifies the type of ledger, such as AA (actual amounts), BA (budget amounts), or AU (actual units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.
Subledger - GL	CZSBL	String	8	A code that identifies a detailed, auxiliary account for a general ledger account. A subledger can be an equipment item number or an address book number. If you enter a subledger, you must also specify the subledger type.
Subledger Type	CZSBLT	Character	1	A user defined code (00/ST) that is used with the Subledger field

Field Name	Alias	Type	Length	Description
				to identify the subledger type and specify how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. The code either hard coded or user defined. For example: - A - alphanumeric field, do not edit. - N - numeric field, right justify and zero fill. - C - alphanumeric field, right justify and blank fill.
Managerial Analysis Code 1	CZABR1	String	12	A code that represents an equipment item number or an address book number. A cost object code requires that you also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The system does not post a cost object code to the Account Balances table (F0902).
Managerial Analysis Type 1	CZABT1	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added

Field Name	Alias	Type	Length	Description
				or modified using the Cost Object Types program (P1620).
Managerial Analysis Code 2	CZABR2	String	12	A code that represents a cost object, such as an equipment item number or address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The system does not post a cost object code to the F0902 table.
Managerial Analysis Type 2	CZABT2	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the F1620 table and can be added or modified using the Cost Object Types program.
Managerial Analysis Code 3	CZABR3	String	12	A code that represents a cost object such as an equipment item number or address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the F0902 table.
Managerial Analysis Type 3	CZABT3	Character	1	A code that specifies the type

Field Name	Alias	Type	Length	Description
				of cost object and the type of editing. Types are stored in the F1620 table and can be added or modified using the Cost Object Types program.
Managerial Analysis Code 4	CZABR4	String	12	A code that represents a cost object. For example, a cost object code can be an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the F0902 table.
Managerial Analysis Type 4	CZABT4	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the F1620 table and can be added or modified using the Cost Object Types program.
Item Number - Short	CZITM	Number	8	A number that represents an inventory item. The system provides three separate item numbers plus an extensive cross-reference capability to other item numbers (see data item XRT) to accommodate substitute item numbers, replacements, bar

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Field Name	Alias	Type	Length	Description
				codes, customer numbers, supplier numbers, and so on. The item numbers are as follows: • Item Number (short) - an eight-digit number assigned by the system. • 2nd Item Number - a 25-digit, alphanumeric item number that is user defined and free-form. • 3rd Item Number - an additional 25-digit, alphanumeric item number that is user-defined and free form.
Company	CZCO	String	5	A code that identifies a specific organization, fund, or other reporting entity. The company code must already exist in the Company Constants table (F0010) and must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions. **Note:** You can use company 00000 for default values such as dates and automatic accounting instructions. You cannot use company 00000 for transaction entries.

Field Name	Alias	Type	Length	Description
Amount - Beginning Balance/PYE Forward	CZAPYC	Number	15	An amount that represents the cumulative prior year-end balance. The system uses this amount as the beginning balance for balance sheet and job cost accounts. Do not confuse this amount with the prior year-end net posting amount. The prior year-end net posting amount includes only the postings from the prior year. It does not include the ending balance of the previous year. The prior year-end net postings are typically used for profit and loss statement comparisons.
Amount -Net Posting 01 Amount -Net Posting 02 Amount -Net Posting 03 Amount -Net Posting 04 Amount -Net Posting 05 Amount -Net Posting 06 Amount -Net Posting 07 Amount -Net Posting 08 Amount -Net Posting 09 Amount -Net Posting 10	CZAN01 CZAN02 CZAN03 CZAN04 CZAN05 CZAN06 CZAN07 CZAN08 CZAN09 CZAN10 CZAN11 CZAN12 CZAN13 CZAN14	Number	15	A number that represents the net amount posted from the Account Ledger table (F0911) during the accounting period. The net amount posted is the total of all debits and credits from the first day of the period through the last day of the period. The system uses the accounting periods from the Company Constants table (F0010).

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Field Name	Alias	Type	Length	Description
Amount -Net Posting 11 Amount -Net Posting 12 Amount -Net Posting 13 Amount -Net Posting 14				
Amount - Net Balance 01 Amount - Net Balance 02 Amount - Net Balance 03 Amount - Net Balance 04 Amount - Net Balance 05 Amount - Net Balance 06 Amount - Net Balance 07 Amount - Net Balance 08 Amount - Net Balance 09 Amount - Net Balance 10 Amount - Net Balance 11 Amount - Net Balance 12 Amount - Net Balance 13 Amount - Net Balance 14	CZNB01 CZNB02 CZNB03 CZNB04 CZNB05 CZNB06 CZNB07 CZNB08 CZNB09 CZNB10 CZNB11 CZNB12 CZNB13 CZNB14	Number	15	A number that represents the net balance for an accounting period. The net balance equals the original amount, which is posted to the Cost Analyzer Balances table (F1602) from the Account Ledger table (F0911), plus any amounts that are applied to the F1602 and minus any amounts that are assigned from the F1602. You assign amounts using the Cost Calculations program (R1610).
Assignment Flag	CZASMF	Character	1	A flag that indicates whether the record in the F1602 table has been affected by an assignment.

Field Name	Alias	Type	Length	Description
Amount - Week-to-Date	CZAWTD	Number	15	A number that represents the net amount from the week-to-date postings for an account.
Amount - Original / Beginning Budget	CZBORG	Number	15	A number that represents amounts for an annual budget by ledger type in the F0902 table.
Budget - Requested	CZBREQ	Number	15	A number that represents the amount originally requested by ledger type in the F0902 table. Values for ledger types are: • BA/BU - Budget ledger • PA/PU - Job Cost budgeted commitments
Budget - Approved	CZBAPR	Number	15	A number that represents the approved budget amount by ledger type in the F0902 table.
Business Unit	CZMCU	String	12	An alphanumeric code that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant.
Object Account	CZOBJ	String	6	A number that identifies the portion of a general ledger

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Field Name	Alias	Type	Length	Description
				account that identifies the type of transaction being recorded, for example, labor, materials, and equipment. **Note:** If you use a flexible chart of accounts and the object account is set to 6 digits, it is recommended that you use all 6 digits. For example, entering 000456 is not the same as entering 456. If you enter 456, the system enters three blank spaces to fill a six digit object.
Subsidiary	CZSUB	String	8	An alphanumeric value that represents a subset of an object account. Subsidiary accounts include detailed records of the accounting activity for an object account.
Currency Code - From	CZCRCD	String	3	An alphabetic code that identifies the currency of a transaction. At this point balances are not stored by currency in the F1602. So this field will be updated to Blank when uploaded to the F1602.
Currency Code - Denominated In	CZCRCX	String	3	An alphabetic code that indicates the currency in which an amount is denominated.
Posting Code 1 - Managerial Accounting	CZPM01 CZPM02	Character	1	A code that corresponds to the view number

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Field Name	Alias	Type	Length	Description
Posting Code 2 - Managerial Accounting Posting Code 3 - Managerial Accounting Posting Code 4 - Managerial Accounting Posting Code 5 - Managerial Accounting Posting Code 6 - Managerial Accounting Posting Code 7 - Managerial Accounting Posting Code 8 - Managerial Accounting Posting Code 9 - Managerial Accounting Posting Code 10 - Managerial Accounting	CZPM03 CZPM04 CZPM05 CZPM06 CZPM07 CZPM08 CZPM09 CZPM10			(VWNM) and specifies whether it is posted. Values are: • Blank - not posted • **P** - posted
User ID	CZUSER	String	10	The code that identifies a user profile.
Program ID	CZPID	String	10	The number that identifies the batch or interactive program. For example, the number of the Sales Order Entry interactive program is P4210 and the number of the Print Invoices batch program is R42565. The program ID is a variable length value. It is assigned according to a structured

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Field Name	Alias	Type	Length	Description
				syntax in the form TSSXXX, where: • T is the first character of the number. It is alphabetic and identifies the type, such as P for program, R for report, and so on. For example, the value P in the number P4210 indicates that the object is an interactive program. • SS is the second and third characters of the number. They are numeric and identify the system. For example, the value 42 in the number P4210 indicates that this program belongs to system 42, which is the Sales Order Management system.
				• XXX is the fourth through sixth characters of the number. The characters are numeric and identify a unique program or report. For example, the value 10 in the number P4210 indicates that this is the Sales

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Field Name	Alias	Type	Length	Description
				Order Entry program. •
Date - Updated	CZUPMJ	Date	6	The date that the record was last updated.
Time - Last Updated	CZUPMT	Number	6	The time that the program last updated this record.
Work Station ID	CZJOBN	String	10	The code that identifies the workstation ID that ran a particular job.

Understanding External Cost Analyzer Balances Purging

After you successfully upload your external cost analyzer balances to the Cost Analyzer Balances table (F1602), you can purge the records from the External Cost Analyzer Balances - Interoperability Table (F1602Z1) using the External Cost Analyzer Balances Purge program (R1602Z1P).

Use the data selection to select the records to purge. The External Cost Analyzer Balances Purge program does not have processing options.

Entering External Cost Analyzer Balances Manually

This section provides an overview of manual external cost analyzer balances entry and discusses how to enter external cost analyzer balances manually.

Understanding Manual External Cost Analyzer Balances Entry

Use the External Cost Analyzer Balances program (P1602Z1) to enter external cost analyzer balances manually. When you enter balances, the system edits the following information:

- Account number
- Business unit
- Ledger type
- Activity

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When you enter balances, the External Cost Analyzer Balances program creates records in the External Cost Analyzer Balances - Interoperability Table (F1602Z1). After you finish entering your external balances, run the External Cost Analyzer Balances Processor program (R1602Z1) to upload the records into the Cost Analyzer Balances table (F1602).

Form Used to Enter External Cost Analyzer Balances Manually

Form Name	FormID	Navigation	Usage
External Cost Analyzer Balances	W1602Z1B	External Cost Analyzer Balances (G16121), External Cost Analyzer Balances Click Add on the Work with External Cost Analyzer Balances form.	Enter external cost analyzer balances manually.

Entering External Cost Analyzer Balances Manually

Access the External Cost Analyzer Balances form.

1. Complete the Transaction Number, Fiscal Year, Account Number, Activity, Ledger Type, and Action Code fields on the External Cost Analyzer Balances form.
2. Complete the Cost Object/Type 1,Type/Subledger, and Item Number fields as necessary on the Cost Objects tab.

   You must enter the cost object type before you enter the cost object.
3. Complete the Net Balance 01 field and the other Net Balance fields, as necessary on the Balances tab.

   You can enter up to 14 net balances.
4. Complete the Posting Code 1 field and the other Posting Code fields, as necessary on the Posted Codes tab.

   You can enter up to 10 posted codes.
5. Click OK.

Reviewing and Revising External Cost Analyzer Balances

This section provides an overview of external cost analyzer balances review and revision and discusses how to review and revise external cost analyzer balances manually.

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Understanding External Cost Analyzer Balances Review and Revision

After you import external cost analyzer balances or manually enter them into the External Cost Analyzer Balances - Interoperability Table (F1602Z1), you can use the External Cost Analyzer Balances program (P1602Z1) to review your balances for accuracy and, if necessary, to revise them.

After you review and revise your external cost analyzer balances, run the External Cost Analyzer Balances Processor program (R1602Z1) to upload your balances to the Cost Analyzer Balances table (F1602).

When you run the External Cost Analyzer Balances Processor program, the program produces a report that shows any records that ended in error. For example, some records might have invalid account numbers. To ensure the integrity of your Cost Analyzer Balances table, you must correct any errors using the External Cost Analyzer Balances program before you can upload the balances to the F1602 table.

Form Used to Review and Revise External Cost Analyzer Balances

Form Name	FormID	Navigation	Usage
Work with External Cost Analyzer Balances	W1602Z1B	External Cost Analyzer Balances (G16121), External Cost Analyzer Balances.	Review and revise external cost analyzer balances.

Reviewing and Revising External Cost Analyzer Balances

Access the External Cost Analyzer Balances form.

To review and revise external cost analyzer balances:

1. To review or revise detail information for a specific balance, select the balance and click Select.
2. Review fields and revise as needed on the External Cost Analyzer Balances form.
3. Click OK.

Uploading External Cost Analyzer Balances

This section provides an overview of external cost analyzer balance uploads and discusses how to set processing options for external cost analyzer balances processor (R1602Z1).

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Understanding External Cost Analyzer Balances Uploads

After you review and revise the balance records in the External Cost Analyzer Balances - Interoperability Table (F1602Z1), run the External Cost Analyzer Balances Processor program (R1602Z1) to upload the records to the Cost Analyzer Balances table (F1602).

Before the External Cost Analyzer Balances Processor program uploads the records to the F1602 table, it edits the records to ensure that the information is in the correct format. After the program edits the records, it generates a report that lists the number of records selected from the F1602Z1 table, the number of records added to and updated in the F1602 table, and the number of records that failed.

If a record fails, the system creates a workflow message that indicates that an error occurred. Use the External Cost Analyzer Balances program (P1602Z1) to correct the error, and then run the External Cost Analyzer Balances Processor program again.

The External Cost Analyzer Balances Processor program selects only records that have not been posted to the F1602 table. After the program uploads the balances, it marks them as posted in the F1602Z1 and the F1602 tables.

Depending on how you set the Action Code Override processing option, the External Cost Analyzer Balances Processor program either adds the balances to existing balances or creates new balances. If you set the processing option to 1, the F1602Z1 overrides the value in the Action Code field in the F1602Z table if appropriate. If the action code is C and a value exists in the F1602 table, the R1602Z1 amount is added to or subtracted from the existing balances in the F1602 table. If the action code is A and an F1602 record does not exist, a new record is added to the F1602 table. If an F1602 record already exists, the existing F1602 record is replaced.

Setting Processing Options for External Cost Analyzer Balances Processor (R1602Z1)

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

Options

1. View Number (Required)

Specify the view number for the system to use when posting External Cost Analyzer Balances records (F1602Z1) to the Cost Analyzer Balances table (F1602). The system updates the View Number field in the Cost Analyzer Balances table with this number. This number also specifies which Managerial Accounting Posting Code (PM01-PM10) in the External Cost Analyzer Balances table the system updates as posted. For example, if the view number is 2, the system updates the PM02 field with a value of P when the External Cost Analyzer Balances record is marked as posted. This processing option is required. If you leave this processing option blank, the program ends and an error prints on the report.

2. Fiscal Year (Required)

Specify the fiscal year for the system to use to select records from the External Cost Analyzer Balances - Interoperability Table (F1602Z1). Enter the last two digits of the fiscal year. For example, for fiscal year 2008, enter 08. The system also assigns this year to the records in the Cost Analyzer Balances table (F1602). This processing option is required. If you leave this processing blank, the program ends and an error prints on the report.

3. Action Code Override

Specify the value in the Transaction Action field in the External Cost Analyzer Balances table (F1602Z1). Enter **1** to override the value in the Transaction Action field from C to A. If you enter **1**, new records will be added to the Cost Analyzer Balances table (F1602) if a record does not already exist. If a record already exists in the Cost Analyzer Balances

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table, the record in the External Cost Analyzer Balances table replaces it. If you leave this processing option blank, the action code contained in the External Cost Analyzer Balances table is used.

PO Action Code	Action Code	If F1602 Record Exists	If 1602 Record Doesn't Exist
Blank	A-ADD	REPLACE	INSERT
Blank	C-CHANGE	ADD/SUBTRACT	INSERT
Blank	R-REPLACE	REPLACE	INSERT
1	A-ADD	REPLACE	INSERT
1	C-CHANGE	REPLACE	INSERT
1	R-REPLACE	REPLACE	INSERT

18 Calculating Driver Balances

Calculating Driver Balances

You can use driver definitions to calculate driver volumes and create driver balances. You specify which drivers the system calculates by selecting the drivers in the Driver Selection program (P16301). The system processes each driver selection and calls the calculation program corresponding to the Based On table that is entered in the Driver Definition program (P1630).

Entering Manual Driver Information

This section provides overviews of manual driver information entry, lists prerequisites, and discusses how to:

- Enter manual driver information.
- Revise manual driver information.
- Set processing options for driver volume revisions.

Understanding Manual Driver Information Entry

Most drivers that you use in JD Edwards EnterpriseOne Advanced Cost Accounting are based on tables in the system and are calculated automatically by the appropriate driver calculation programs. Information for manual drivers, such as square feet by department, is not available in any table and can be entered in this revisions program. Use the Driver Volume Revisions program (P1632) to do the following:

- Enter manual driver information for specified periods.
- Update driver balances for a specific fiscal year and ledger type.
- Enter balances for activities.
- Correct errors on an existing entry.
- Copy existing driver information to create new manual drivers for another fiscal year and ledger type.

Understanding Based On Tables

You can set up calculations so that the system creates driver balance entries that are based on information in master tables, such as the Sales Order Detail File table (F4211) for the number of sales orders per customer or the Work Order Master File table (F4801) for the quantity shipped by item. When you run the Driver Calculations program (R1632), the system populates the Driver Balances table (F1632) with data from the based-on tables for the drivers that you choose to run.

The following table shows the tables on which you can base driver calculations and examples of data that you can gather from the tables when you run the Driver Calculations program:

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Table	Examples of Data
F03012 (Customer Master by Line of Business)	• Number of customers who request printed statements. • Number of different tax entities per customer.
F03B11 (Customer Ledger)	• Invoice amounts by customer. • Number of customers per region.
F03B14 (Receipts Detail)	• Average number of invoices paid per receipt. • Average discount taken per invoice. • Amount of gain or loss for currency conversion by invoice paid.
F0401 (Supplier Master)	• Amount vouchered year-to-date by supplier. • Number of suppliers per region.
F0411 (Accounts Payable Ledger)	• Number of invoices paid by supplier. • Invoice amounts by supplier.
F0414 (Accounts Payable Matching Document Detail)	• Average number of vouchers per check issued. • Amount of gain or loss for currency conversion by invoice paid.
F0618 (Employee Transaction History)	• Number of employees by job type. • Average hourly rate by job type.
F0911 (Account Ledger)	• Number of adjustments for automatic journal entries by account. • Number of voided transactions by user.
F3112 (Work Order Routing)	• Production hours by work center. • Production hours by item. • Quantity produced by work center.
F31122 (Work Order Time Transactions)	• Number of service work orders by item. • Number of units scrapped by item.
F4101 (Item Master)	• Margin ranking by buyer. • Average shelf life by item.
F4102 (Item Branch File)	Number of items for which components in a bill of material are issued manually.
F4111 (Item Ledger File)	On-hand inventory by item.
F4211 (Sales Order Detail File) **Note:** When you select table F4211, the system displays an additional field so that you can choose whether to retrieve information from table F4211, from the Sales Order History File table (F42119), or from both tables.	• Number of sales orders per item. • Number of sales orders per customer group. • Number of quote orders per item.

Table	Examples of Data
F4311 (Purchase Order Detail File)	• Number of purchase orders per item. • Quantity purchased by supplier. • Number of purchase orders per buyer.
F4801 (Work Order Master File)	Number of work orders per item.
F4942 (Shipment Detail)	• Number of shipments by ship-to address. • Total shipment weight by postal code.
F4981 (Freight Audit History)	• Number of purchase orders containing freight per supplier. • Number of sales orders containing freight per customer.

Prerequisite

Before you complete the tasks in this section, verify that you have set up manual drivers in the Driver Calculation Definition program (P1630).

Forms Used to Enter and Revise Manual Driver Information

Form Name	FormID	Navigation	Usage
Revise Drivers by Period	W1632E	Drivers (G1614), Driver Volume Revisions Complete the Driver Code field on the Work with Driver Volume form and click Add.	Enter manual driver information.
Enter/Change Driver Volume	W1632B	Drivers (G1614), Driver Volume Revisions Select the business unit that you want to revise and select Enter/Change Drive from the Row menu.	Revise manual driver information.

Entering Manual Driver Information

Access the Revise Drivers by Period form.

To enter manual driver information:

1. Select the Options tab and complete the Fiscal Year and Ledger Type fields on the Revise Drivers by Period form.
2. Complete the Business Unit field (optional) to enter default header information.
3. Complete the Activity field on the Item Number tab.
4. Click OK.

Revising Manual Driver Information

Access the Enter/Change Driver Volume form.

To revise manual driver information:

1. Select the Net Posting tab and complete the following fields on the Enter/Change Driver Volume form:

   - Net Posting 01
   - Net Posting 02
   - Net Posting 03
   - Net Posting 04
   - Net Posting 05
   - Net Posting 06
   - Net Posting 07
   - Net Posting 08
   - Net Posting 09
   - Net Posting 10
   - Net Posting 11
   - Net Posting 12
   - Net Posting 13
   - Net Posting 14

   The net posting fields in which you enter volumes correspond to your fiscal date pattern.
2. Complete the Weight Factor field in the header area to assign a weight factor to a specific period for a driver.
3. Click OK.

Setting Processing Options for Driver Volume Revisions (P1632)

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

Driver

1. Enter 1 to use Automatic Drivers. If left blank, only Manual Drivers will be allowed.

Allow Automatic Driver Revision

Specify whether the program automatically calculates drivers in the Driver Revisions program (P1632). Otherwise, the system displays drivers defined as manual entry in the Driver Revisions program.

Selecting Drivers

Use Driver Selection Criteria to select the drivers to be calculated automatically. You can select a date range to use when including the drivers. You can also select the version to use when calculating the driver volumes.

This section discusses how to select drivers.

Form Used to Select Drivers

Form Name	FormID	Navigation	Usage
Enter Change Driver Selection	W16301B	Drivers (G1614), Driver Selection Select a record in the detail area and click Select.	Select drivers.

Selecting Drivers

Access the Enter Change Driver Selection form.

To select drivers:

1. Review the information in the Date From, Date Thru, Execute Flag, and Version fields on the Enter Change Driver Selection form.

   To enable drivers, select a record in the detail area and select Execute On from the Row menu.

   To disable drivers, select a record in the detail area and select Execute Off from the Row menu.

   Versions are user-defined sets of specifications that control how applications and reports run. You use versions to group and save a set of user-defined processing option values and data selection and sequencing options. Interactive versions are associated with applications (usually as a menu selection). Batch versions are associated with batch jobs or reports. To run a batch process, you must select a version.

2. Optionally, do any of the following:

   ○ Enter a date range, select a row, and then select Copy Date from the Row menu to copy the date from the header to specific records.

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> ○ Select a record in the detail area and select Batch Version from the Row menu to create a new version.
>
> Add a new version or copy an existing version, and click OK.

3. Click OK on the Enter Change Driver Selection form.

Running Driver Calculations

This section provides an overview of driver calculations and discusses how to:

- Run driver calculations.
- Set processing options for automatic driver calculations.

Understanding Driver Calculations

Based on driver definitions, this batch program calculates driver volumes and creates driver balance entries. Use the Driver Selection program (P16301) to specify which drivers are calculated. For each record that you specify, the system performs the calculation as defined in the driver definition, and it summarizes the results in the defined cost objects.

You can base driver calculations on many tables. If you base the driver calculation on a table, the system calls the corresponding calculation program. The calculation programs are numbered RxxxxDC, where xxxx is the table number. For example, for the Work Order Master File table (F4801) the system calls the F4801 Calculate Driver Volumes program (R4801DC).

You can run this batch program in proof mode and produce a driver volume calculation report. All calculations are performed, but the Driver Balances table (F1632) is not updated.

You can update driver balances that are based on the transaction period, or you can summarize several transaction periods into one specific period. By specifying the GL date in the processing options, the system can summarize the balances. For example, if you want to summarize transactions that occurred from January through March, specify the GL date as March 31 of the current year (03/31/xx).

The system compares the date that you enter with your company's fiscal date pattern to determine the correct period and fiscal year. The system summarizes all transactions from January through March, and posts the total in the correct fiscal period. If you leave the date blank, all of the transactions occurring in January are summarized and posted in the respective fiscal period, all transactions occurring in February are summarized and posted in the respective fiscal period, and so forth. The system might update three fiscal periods rather than one.

Running Driver Calculations

Select Drivers (G1614), Automatic Driver Calculation.

Setting Processing Options for Automatic Driver Calculation (R1632)

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

Process

1. Enter 1 for Final Mode

Specify whether the system updates the Driver Balances table (F1632). Values are:

Blank: Do not update.

1: Update

2. Enter 1 to print calculation details

Specify whether the system prints the Automatic Driver Calculation report. Values are:

Blank: Do not print.

1: Print.

3. Enter the date to determine Period and Fiscal Year. If blank the transaction date will be used as per Driver Definition Date Data Item.

Specify the date that the system uses to identify the financial period it uses to post the transaction. The general accounting constants specify the date range for each financial period. You can have up to 14 periods. Generally, you use period 14 for audit adjustments.

The system edits this processing option for PBCO (posted before cutoff), PYEB (prior year ending balance), and so on.

4. Enter 1 to reset the driver execute flag in the Driver Master Table

Specify whether the system resets the driver execute flag in the Driver Definitions table (F1630). Values are:

Blank: Do not reset the driver.

1: Reset the driver.

5. Enter the Ledger Type to create in the Driver Balances table

Specify the type of ledger, such as AA (actual amounts), BA (budget amount), or AU (actual units). This is a user defined code (09/LT), and you can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.

6. Enter 1 to replace the existing driver balances.

Specify whether the system replaces the existing driver balances in the Driver Balances table (F1632). Values are:

Blank: Do not replace.

1: Replace.

Activity

1. Enter Activity Code for Driver

Specify the activity code for the driver that will be written to the Driver Balances table (F1632). The activity code will be written to the F1632 table in final mode only. If the based-on table of the driver has a designated activity code, the processing option will not override the value in the table. If the processing option on the Process tab to replace the balances of the existing driver is blank, and the table on which the driver is based does not have an activity code, you must complete this processing option.

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Reviewing Driver Balances

You can review driver balances for automatic and manual drivers.

This section discusses how to review driver balances.

Form Used to Review Driver Balances

Form Name	FormID	Navigation	Usage
Review Driver Balances	W1632ID	Drivers (G1614), Driver Balances Inquiry Select a record in the detail area and click Select.	Review driver balances.

Reviewing Driver Balances

Access the Review Driver Balances form.

Driver Code
Enter a code that identifies JD Edwards EnterpriseOne Advanced Cost Accounting drivers.

Fiscal Year
Enter a four-digit number that identifies the fiscal year. You can enter a number in this field or leave the field blank to indicate the current fiscal year (as defined on the Company Setup form).

Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2008, and ends September 30, 2009. The end of the first period is October 31, 2008. Specify the year 2008 rather than 2009.

Cost Object 1
Enter a cost object code, such as an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is validated the same as the subledger field, but the system does not post the data in the cost object code field to the Account Balances file (F0902).

Subledger Type
Enter a user defined code (00/ST) that is used with the Subledger field to identify the subledger type and how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. This is either hard-coded or user defined. Values are:

A: Alphanumeric field, do not edit.

N: Numeric field, right justify and zero fill.

C: Alphanumeric field, right justify and blank fill.

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To review cost objects and subledger type, select the Cost Objects tab.

To review postings by fiscal periods, select the Net Postings tab.

Purging Driver Balances

This section provides an overview of driver balances purge and discusses how to:

- Purge driver balances.
- Set processing options for driver balances purge.

Understanding Driver Balances Purge

Purges are programs that have predefined criteria that the system checks before removing any data so that you avoid removing associated data that is located in other files.

Purging data consists of:

- Specifying the information to delete.
- Running the purge program.

You can use the Driver Balances Purge (R1632P) to purge data from the Driver Balances table (F1632). You can clear information completely; or you can clear only specific periods, ledger types, or fiscal years. You might run this process periodically to improve system performance. You can also use the purge process to re-post transactions to a driver of the specifications if the driver calculations have changed or if the driver contains errors. After the records are purged, you can correct the driver definition and process the driver calculation again.

If you leave the processing option for period number blank, you must specify a fiscal year to purge the driver balances for an entire year. If you do not indicate either a fiscal period or fiscal year, the system does not purge balance information.

Purging Driver Balances

Select Drivers (G1624), Driver Balances Purge.

Setting Processing Options for Driver Balances Purge (R1632P)

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

Process

Period Number-General Ledger
Specify the period number you want to clear. If left blank, the complete driver balance record will be deleted.

Fiscal Year and Ledger Type
Specify the fiscal year or the ledger type to be purged from the Driver Balances table.

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19 Processing External Driver Balances

Understanding External Driver Balances Processing

External driver balances processing allows you to enter driver balances from an external source such as a spreadsheet or a third-party software program and then upload the balances to the Driver Balances table (F1632).

You can import the driver balances directly into the External Driver Balances - Interoperability Table (F1632Z1) or you can enter them manually using the External Driver Balances program (P1632Z1).

After you import or enter your external driver balances into the F1632Z1 table, run the External Driver Balances Processor program (R1632Z1I) to upload them to the F1632 table.

You can purge the F1632Z1 table after your external driver balances have been successfully processed.

Understanding External Driver Balances Importing

If you have driver balances that are in a spreadsheet or in another system, you can import the balances directly into the External Driver Balances-Interoperability Table (F1632Z1) and then upload them into the Driver Balances table (F1632).

Your system administrator must create a custom program to import the balances into the F1632Z1 table. The following table provides guidelines for how the fields in the F1632Z1 table should be populated:

Field Name	Alias	Type	Length	Description
EDI - User ID	CYEDUS	String	10	A code that indicates the source of the transaction. This code can be a user ID, a workstation, the address of an external system, a node on a network, and so on. This field identifies both the transaction and its point of origin.
EDI - Batch Number	CYEDBT	String	15	The number that the transmitter assigns to the batch. During batch processing, the system assigns a new batch number to the JD Edwards EnterpriseOne transactions for each control (user) batch number that it finds.
EDI - Transaction Number	CYEDTN	String	22	The number that an electronic data interchange (EDI) transmitter assigns to a transaction. In a non-EDI environment, you can assign any number that is meaningful to identify a transaction within a batch. It can be the same as a JD

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Field Name	Alias	Type	Length	Description
				Edwards EnterpriseOne document number.
EDI - Line Number	CYEDLN	Number	7	The line number that you assign when originating an EDI transaction. This number can represent an order line number (applicable for any order type), an invoice pay item, a journal entry line number, and so on.
EDI - Document Type	CYEDCT	String	2	The document type that is assigned by the transmitter in an EDI transaction.
Transaction Type	CYTYTN	String	8	A code used to identify a specific type of transaction.
EDI - Transaction Format	CYEDFT	String	10	A code used to identify a specific mapping structure used to process both inbound and outbound EDI transactions.
EDI - Transmission Date	CYEDDT	Date	6	The date that an EDI transaction was either transmitted or received.
Direction Indicator	CYDRIN	Character	1	A code that indicates whether a transaction is inbound or outbound.
EDI - Detail Lines Processed	CYEDDL	Number	5	The number of detail lines transmitted in an EDI transaction. This is the total number of lines on a purchase order, an invoice, and so on.
EDI - Successfully Processed	CYEDSP	Character	1	A code that indicates whether a record has been successfully processed. Depending on the application, the system updates the CYEDSP field in a table with one of the following values: • **1** (or Y) - successfully processed • Blank (or N) - not processed
Trading Partner ID	CYPNID	String	15	A code used in an EDI transaction to identify the party that is trading documents with you.

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Field Name	Alias	Type	Length	Description
Transaction Action	CYTNAC	String	2	A code that indicates the activity that you want to perform on the transaction. In an EDI transaction, this code represents the transaction set purpose or change code.
EDI - Record Type	CYEDTY	Character	1	The identifier used to mark EDI transaction records as header and detail information.
EDI - Record Sequence	CYEDSQ	Number	2	An identifier that is used to assign the relative position within the header or detail information of an EDI transaction, for example, H01, H02, D01, and so on.
EDI - Transaction Set Number	CYEDTS	String	6	A code used to identify a specific type of EDI transaction.
EDI - Send/Receive Indicator	CYEDER	Character	1	A code used to indicate whether a specific transaction set can be sent, received, or both. Codes are: • **S** - send • **R** - receive • **B** - both
EDI - Transaction Action	CYEDTC	Character	1	A code that identifies what the system should do with a transaction during final processing. Values are: • **A** - add a new transaction • **D** - delete an unprocessed transaction
EDI - Transaction Type	CYEDTR	Character	1	A code that identifies a particular kind of transaction. The originator assigns this code to specify a voucher **(V)**, invoice **(I)**, journal entry **(J)**, and so on.
EDI - Batch File Create GL Record	CYEDGL	Character	1	A flag in the batch file that specifies whether the system creates a general ledger record at the time the invoice or voucher is processed. Values are: • Blank - do not create a general ledger record. • **1** - create a general ledger record.

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Field Name	Alias	Type	Length	Description
				If this field is 1, you must also enter the object and subsidiary account numbers for the general ledger account number.
Batch File Discount Handling Flag	CYEDDH	Character	1	A flag in the batch file that indicates how the discount should be calculated. Values are: • **0** - use the payment terms for calculation • **1** - use the discount override specified by user. • **2** - use the percent calculation entered by the user.
User Address Number	CYEDAN	Number	8	An address number assigned by the transmitter. This number is used primarily for connecting a new address book number on the PC with associated accounts receivable invoices and accounts payable vouchers being sent from the PC. After the address book batch process assigns an address book number using next numbers, the address book number will be modified in the associated accounts receivable invoices and accounts payable vouchers in the batch files. The system matches address numbers on transactions with the same user address number assigned by the transmitter.
Driver Code	CYDRCD	String	10	A code that identifies drivers within the Cost Management system.
Business Unit	CYMCU	String	12	An alphanumeric code that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant. You can assign a business unit to a document, entity, or person for purposes of responsibility reporting. For example, the system provides reports of open accounts payable and accounts receivable by business unit to

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Field Name	Alias	Type	Length	Description
				track equipment by responsible department. Business unit security might prevent you from viewing information about business units for which you have no authority.
Century/Fiscal Year	CYCFY	Number	4	A number that specifies the century concatenated with the fiscal year.
Ledger Types	CYLT	String	2	A user defined code (09/LT) that specifies the type of ledger, such as **AA** (actual amounts), **BA** (budget amounts), or **AU** (actual units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.
Activity-Based Costing Activity Code	CYACTB	String	10	A code that identifies a group of actions used in activity-based costing.
Subledger - GL	CYSBL	String	8	A code that identifies a detailed, auxiliary account within a general ledger account. A subledger can be an equipment item number or an address book number. If you enter a subledger, you must also specify the subledger type.
Subledger Type	CYSBLT	Character	1	A user defined code (00/ST) that is used with the Subledger field to identify the subledger type and how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. This code is either hard coded or user defined. For example: • **A** - alphanumeric field, do not edit. • **N** - numeric field, right justify and zero fill. • **C** - alphanumeric field, right justify and blank fill.
Managerial Analysis Code 1	CYABR1	String	12	A code that represents an equipment item number or an address book number. A cost object code requires that you also

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Field Name	Alias	Type	Length	Description
				specify the cost object type. This field functions the same and is edited the same as the Subledger field. The system does not post a cost object code to the Account Balances table (F0902).
Managerial Analysis Type 1	CYABT1	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).
Managerial Analysis Code 2	CYABR2	String	12	A code that represents a cost object. For example, a cost object code can be an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The system does not post a cost object code to the F0902 table.
Managerial Analysis Type 2	CYABT2	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the F1620 table and can be added or modified using the Cost Object Types program.
Managerial Analysis Code 3	CYABR3	String	12	A code that represents a cost object. For example, a cost object code can be an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the F0902 table.
Managerial Analysis Type 3	CYABT3	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the F1620 table and can be added or modified using the Cost Object Types program.
Managerial Analysis Code 4	CYABR4	String	12	A code that represents a cost object. For example, a cost object code can be an equipment item

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Field Name	Alias	Type	Length	Description
				number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is edited the same as the Subledger field. The difference is that the system does not post a cost object code to the F0902 table.
Managerial Analysis Type 4	CYABT4	Character	1	A code that specifies the type of cost object and the type of editing. Types are stored in the F1620 table and can be added or modified using the Cost Object Types program.
Item Number - Short	CYITM	Number	8	A number that represents an inventory item. The system provides three separate item numbers plus an extensive cross-reference capability to other item numbers (see data item XRT) to accommodate substitute item numbers, replacements, bar codes, customer numbers, supplier numbers, and so forth. The item numbers are as follows: • Item Number (short) - an eight-digit number assigned by the system. • 2nd Item Number - a 25-digit, alphanumeric item number that is user defined and free form. • 3rd Item Number - an additional 25-digit, alphanumeric item number that is user-defined and free form.
Currency Code - Denominated In	CYCRCX	String	3	A code that indicates the currency in which an amount is denominated.
Unit of Measure as Input	CYUOM	String	2	A user defined code (00/UM) that indicates the quantity in which to express an inventory item. Examples include CS (case) and BX (box).
Company	CYCO	String	5	A code that identifies a specific organization, fund, or other reporting entity. The company code must already exist in the Company Constants table (F0010)

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Field Name	Alias	Type	Length	Description
				and must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions. **Note:** You can use company 00000 for default values such as dates and automatic accounting instructions. You cannot use company 00000 for transaction entries.
Amount - Net Posting 01 Amount - Net Posting 02 Amount - Net Posting 03 Amount - Net Posting 04 Amount - Net Posting 05 Amount - Net Posting 06 Amount - Net Posting 07 Amount - Net Posting 08 Amount - Net Posting 09 Amount - Net Posting 10 Amount - Net Posting 11 Amount - Net Posting 12 Amount - Net Posting 13 Amount - Net Posting 14	CYAN01 CYAN02 CYAN03 CYAN04 CYAN05 CYAN06 CYAN07 CYAN08 CYAN09 CYAN10 CYAN11 CYAN12 CYAN13 CYAN14	Number	15	A number that represents the net amount posted during the accounting period. The system uses the accounting periods from the Company Constants table (F0010). The net amount posted is the total of all debits and credits from the first day of the period through the last day of the period.
User ID	CYUSER	String	10	The code that identifies a user profile.
Program ID	CYPID	String	10	The number that identifies the batch or interactive program. For example, the number of the Sales

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Field Name	Alias	Type	Length	Description
				Order Entry interactive program is P4210, and the number of the Print Invoices batch program is R42565.
				The program ID is a variable length value. It is assigned according to a structured syntax in the form TSSXXX, where:
				• **T** is the first character of the number. It is alphabetic and identifies the type, such as **P** for program, **R** for report, and so on. For example, the value P in the number P4210 indicates that the object is an interactive program.
				• **SS** is the second and third characters of the number. They are numeric and identify the system. For example, the value 42 in the number P4210 indicates that this program belongs to system 42, which is the Sales Order Management system.
				• XXX is the fourth through sixth characters of the number. The characters are numeric and identify a unique program or report. For example, the value 10 in the number P4210 indicates that this is the Sales Order Entry program.
Date Updated	CYUPMJ	Date	6	The date of the last update to the record.
Time - Last Updated	CYUPMT	Number	6	The time when the program last updated this record.
Work Station ID	CYJOBN	String	10	The code that identifies the workstation ID that ran a particular job.
Weight Factor	CYWGHF	Number	8	The multiplier by which to measure cost object complexity. You should factor volumes by this weight before the system performs cost assignments.

Entering External Driver Balances Manually

This section provides an overview of external driver balances manual entry and discusses how to enter external driver balances manually.

Understanding External Driver Balances Manual Entry

If you have driver balances in a spreadsheet or in another system, you can manually enter the balances into the External Driver Balances-Interoperability Table (F1632Z1) using the External Driver Balances program (P1632Z1).

This program validates each balance and generates an error message if you enter incorrect information such as an incorrect company or business unit.

After you finish entering your driver balances, review the balances to ensure their accuracy. Then run the External Driver Balances Processor program (R1632Z1I) to upload your balances to the Driver Balances table (F1632).

Form Used to Enter External Driver Balances Manually

Form Name	FormID	Navigation	Usage
Revise External Driver Balances by Period	W1632Z1B	External Driver Data (G16241), External Driver Balances Click Add on the Work With External Driver Balances form.	Enter external driver balances manually.

Entering External Driver Balances Manually

Access the Revise External Driver Balances by Period form.

To enter external driver balances manually:

1. Complete or modify the User ID, Batch Number, and Fiscal Year fields in the header area of the form on the Revise External Driver Balances by Period form.
2. Complete the Company, Business Unit, Driver Code, Unit of Measure, and Currency Code fields as necessary on the Option tab.
3. Complete the Item Number, Activity, Subledger, and Subledger Type fields as necessary on the Item Number tab.
4. Complete the following fields as necessary on the Cost Objects tab:

   ○ Cost Object 1
   ○ Cost Object 2

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- ○ Cost Object 3
- ○ Cost Object 4
- ○ Type 1
- ○ Type 2
- ○ Type 3
- ○ Type 4

5. Complete the Balance 01 field and the other Net Balances fields, as necessary on the Balances tab.

    You can enter up to 14 net balances.
6. Click OK.

Reviewing and Revising External Driver Balances

This section provides an overview of external driver balances review and revision and discusses how to review and revise external driver balances.

Understanding External Driver Balances Review and Revision

After you import external driver balances or manually enter them into the External Driver Balances-Interoperability Table (F1632Z1), you can use the External Driver Balances program (P1632Z1) to review the balances for accuracy and, if necessary, to revise them.

After you review and revise your external driver balances, run the External Driver Balances Processor program (R1632Z1I) to upload your balances to the Driver Balances table (F1632).

When you run the External Driver Balances Processor program, the program produces a report that shows any records that ended in error. For example, some records might have an invalid company or business unit. To ensure the integrity of the F1632 table, you must correct any errors using the External Driver Balances program before you can upload the balances to the F1632 table.

Form Used to Review and Revise External Driver Balances

Form Name	FormID	Navigation	Usage
Work with External Driver Balances	W1632Z1B	External Driver Data (G16241), External Driver Balances	Review and revise external driver balances.

Reviewing and Revising External Driver Balances

Access the Work With External Driver Balances form.

To review and revise external driver balances:

1. Click Find to display all external driver balances, or complete any of the following fields to limit your search and then click Find on the Work With External Driver Balances form:
   - User ID
   - Fiscal Year
   - Batch Number
   - Ledger Type
   - Transaction Number
2. Select the Processed option to display only processed external driver balances.
3. Select the balance and click Select to review and revise detail information for a specific balance.
4. Review the fields and, if necessary, revise them and click OK on the Revise External Driver Balances by Period form.

Uploading External Driver Balances

This section provides an overview of external driver balances uploads and discusses how to:

- Upload external driver balances.
- Set processing options for external driver balances processing.

Understanding External Driver Balances Uploads

After you review and revise the driver balance records in the External Driver Balances-Interoperability Table (F1632Z1), run the External Driver Balances Processor program (R1632Z1I) to upload the balances to the Driver Balances table (F1632).

When you run the External Driver Balances Processor program, it generates a report that lists the number of records selected from the F1632Z1 table, the number of records added to and updated in the F1632 table, and the number of records that failed.

If a record fails, the system creates an error message. Your workflow message indicates whether a record failed. Use the External Driver Balances program (P1632Z1) to correct the error and then run the External Driver Balances Processor program again.

Running the External Driver Balances Program (R1632Z1I) Select Inbound External Driver Data (G16241), External Driver Balances Processor.

Form Used to Upload External Driver Balances

Form Name	FormID	Navigation	Usage
External Driver Balances Processor	W98305WA	Inbound External Driver Data (G16241), External Driver Balances Processor	Upload external driver balances.

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Form Name	FormID	Navigation	Usage

Setting Processing Options for External Driver Balances Processing (R1632Z1I)

Use these processing options to specify which ledger type to use and how the records in the External Driver Balances-Interoperability Table (F1632Z1) are added to the Driver Balances table (F1632).

Options

1. Ledger Type

Specify the ledger type for the system to use as data selection criteria for the Inbound External Driver Balances Processor program (R1632Z1I).

2. Action Code Override

Specify whether to change the Transaction Action value. Enter **1** to change records with a value of C in the Transaction Action field to A.

When the Transaction Action field is equal to A, records in the External Driver Balances - Interoperability table (F1632Z1) will be added to the balances in the corresponding Driver Balances table (F1632).

When the Transaction Action field is equal to C, the balances in the F1632Z1 table will overwrite the balances in the corresponding F1632 table.

Purging External Driver Balances

This section provides an overview of external driver balances purging and discusses how to:

- Purge external driver balances.
- Set processing options for external driver balances purge.

Understanding External Driver Balances Purging

After you successfully upload your external driver balances to the Driver Balances table (F1632), you can purge the records from the External Driver Balances-Interoperability Table (F1632Z1) using the External Driver Balances Purge program (R1632Z1P).

Use the data selection to select the records to purge. You can also use a processing option to specify whether to purge only processed records or both processed and unprocessed records.

Form Used to Purge External Driver Balances

Form Name	FormID	Navigation	Usage
Work with Batch Versions	W98305WA	Inbound External Driver Data (G16241), External Driver Balances Purge	Purge external driver balances.

Running the External Driver Balances Purge Program (R1632Z1P)

Select Inbound External Driver Data (G16241), External Driver Balances Purge.

Setting Processing Options for External Driver Balances Purge (P1632Z1P)

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

Options

1. Purge non-processed records

Specify whether to purge non-processed records from the External Driver Balances - Interoperability Table (F1632Z1). Values are:

Blank: Only processed records will be purged.

1: Non-processed records as well as processed records will be purged.

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20 Reviewing Activities

Understanding Activities

When you use JD Edwards EnterpriseOne Advanced Cost Accounting (ACA) for activity-based costing, you use the profit management features to perform activity and process cost calculations. You can set up a calculation definition that indicates the type of calculation, source of the balances, driver, and destination for the results. Additionally, if you have a multitiered allocation, you can specify the sequence of calculations.

Before you begin to use activity-based costing, you must define each task that is involved in the process that you want to analyze. After you define each task, you can attach drivers to each task.

For example, in accounts payable, you perform the following tasks:

- Receive invoices.
- Route them for approvals and coding.
- Look up the supplier number.
- Add the supplier to the vendor file table.
- Verify the payment amount and authorizations.
- Input the invoices.
- Correct any errors.
- Run check processing.
- Print the checks.
- Sign the checks.
- Attach remittances.
- Put checks in envelopes.
- Mail the checks

When you analyze the time spent on each task and the cost of man-hours, machine time, square footage allowance, and so on, you begin to understand the actual cost of processing accounts payable in-house. Use this information to determine whether you can eliminate some of the steps, or out-source some, or all of the process.

Understanding Actual Project Costs Tracking by Activity

You can track actual project costs by activity with JD Edwards EnterpriseOne Job Cost, JD Edwards EnterpriseOne Product Costing, and JD Edwards EnterpriseOne Product Data Management, and then use the JD Edwards EnterpriseOne Advanced Cost Accounting system to combine the actual project costs for these systems.

Tracking project costs depends on the system:

- For job cost projects, you enter and update actual material costs for a project.
  The system creates general ledger transactions for actual costs, which can then be processed in the JD Edwards EnterpriseOne Advanced Cost Accounting system.

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- For manufacturing projects, you enter journal entries for revenues and costs as well as project numbers using flex accounting rules.

  For each project number, you assign a cost object type that has edit rules associated with the Work Order Master Tag File table (F4801T).

Understanding Project Profiles Definition by Activity

A project profile consists of the activities that are required to complete a project. For example, the project profile for building a bicycle might include activities such as purchasing parts, assembling frames, building brake assemblies, and painting the assembled bicycle. These activities define the project profile.

Each activity can have numerous cost drivers. A cost driver is a measure of demand on activities or resources that influences costs or revenue. An example of a cost driver is the number of purchase order lines required to purchase the materials needed to complete an activity.

Understanding Time Entry by Activity

An integration of employee time entry and the JD Edwards EnterpriseOne Advanced Cost Accounting system permits an employee to specify the time that was spent performing certain activities. If the Cost Management Constant for activating cost objects in the Cost Management Constants table (F1609) is turned on, the time entry application activates the cost object fields on the Speed Time Entry Revisions form.

If the cost object fields are activated, four columns appear for cost objects, four for cost object types, and one for item. Together these cost object fields allow the employee to identify the cost objects associated with each line item of time entered.

Time entry is only the first step in the accounting process. After the employee has entered time card information, the system must recognize the cost object data. It is passed to the Employee Transaction Detail File table (F06116), and can then be used by the JD Edwards EnterpriseOne Advanced Cost Accounting system to evaluate time entry by activity.

In addition, if a third-party system is used to store timecard information, the information is uploaded into the Employee Transactions - Batch File table (F06116Z1), then processed into the Employee Transaction Detail File table (F06116). The final step in using the time entry application is for the system to update the Employee Transaction History table (F0618), create journal entries, and prepare for the next payroll cycle. At this time, the cost object information contained in the F0618 table can be processed to the Driver Balances table (F1632) to evaluate the time spent by activity.

Reviewing Activities

This section provides an overview of activity review and the ABC workbench and discusses how to:

- Review activity costs.
- Set processing options for Activity Cost Inquiry (P1641).
- Review activities.
- Review the Activity Master Report.

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- Set processing options for Activity Master Report (R1640).

Understanding Activity Review

When you use the JD Edwards EnterpriseOne Advanced Cost Accounting system for activity-based costing, you use the cost management features to perform activity and process cost calculations. You can set up a calculation definition that indicates the type of calculation, the source of the balances, the driver (the basis of the balances), and the destination for the results. Additionally, if you have multitiered allocations, you can specify the sequence of calculations. When you coordinate all cost objects, drivers, and assignments by activity, you can review the resulting information, such as Cost Analyzer Balances, or each separate piece, such as the driver definition or cost object type.

Each assignment has an identifier and allows you to set up multiple configurations depending on your business objective. You can review the parent/child relationships, or hierarchies, of all processes and activities.

Understanding the ABC Workbench

When you review activities, you can exit to the following specific forms to access all of the elements of activity-based costing:

Form	Usage
Business Unit Revisions	You can set up or revise departments.
Organization Structure	You can set up or revise resources in the chart of accounts. A chart of accounts provides the structure for your general accounting accounts.
Activity Cost Inquiry	You can view costs by activity. Theses costs are calculated by reading the Cost Analyzer Balances table. You can review detail information about activity costs by cost object.
Activity Revisions	You can enter or change attributes, category codes, driver codes, and so on.
Cost Pool Definition	You can identify the group of cost elements that share a common driver.
Driver Definitions	You can create and update driver definitions and calculation instructions. You can define how to calculate driver volumes at the summary level.
Driver Volume Revisions	You can calculate driver volumes and create driver balances. Based on driver definitions, you indicate which drivers the system calculates by selecting the driver in the Driver Selection program.
Cost Object Type Definition	You can set up user defined cost object types. The cost object types can then be included in manual journal entries, batch and standard voucher entries, and invoice entries.
Cost Assignment Definition	With ACA, you can create cost assignments that are based on information that the system gathers during transaction processing. You set up flexible calculations to assign costs for managerial accounting or activity-based costing.

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Form	Usage
Cost Analyzer Balances	You can review cost analyzer entries. You can review the details of a specific entry, including the net posting balances and year-to-date total for the selected entry. While you can access Cost Analyzer from ABC Workbench, you can inquire by activities only if you have activated the activity-based costing option in the Cost Management Constants.

Note: You can set the processing options for the ABC Workbench to customize the level at which the system displays multitiered allocations.

Forms Used to Review Activities

Form Name	FormID	Navigation	Usage
Work with Activities	W1641B	Activity Based Costing (G1616), Activity Cost Inquiry	Review activity costs.
Enter/Change Activity	W1640B	Activity Based Costing (G1616), ABC Workbench Click Add	Review activities.
Available Versions	W98305WA	Activity Based Costing (G1616), Activity Master Report	Review the activity master report.

Reviewing Activity Costs

Access the Work with Activities form.

You can review cost analyzer balances by inquiring on activities. By selecting an activity or a level, you can review the following:

- Activity or process costs.
- Activity costs by cost object.

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To review activity costs:

1. Select the Options tab, complete the following fields, and click Find on the Work with Activities form:

   o Activity Code

   o Start Level

   o View Number

   o Ledger Type

   The system displays costs by activity, based on your processing option selection.

2. Select the Date tab, complete the following fields, and click Find to search by date:

   o Fiscal Year

   o From Period

   o Thru Period

3. Click Find, select the activity, and then select Cost Object from the Row menu.
4. Select the Option tab to review the posted information by business unit on the Cost Object Cost by Activity form.
5. Select the Cost Objects tab to review detail information about cost objects and types.
6. Select the Date tab to review posted information.
7. Click Close to return to the Work with Activities form.

Setting Processing Options for Activity Cost Inquiry (P1641)

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

Default

1. Start Level

Specify the lowest activity level code that the system should display in the Activity Cost Inquiry program. If you leave this processing option blank, the system displays activities at level 1 and above.

2. View Number

Specify which set of costs you want the system to retrieve from the cost analyzer.

Values are **1** through **10**.

If you leave this processing option blank, the system issues an error and no costs are displayed.

3. Fiscal Year

Specify the Fiscal Year the system uses to retrieve activity cost from the cost analyzer.

If you leave this processing option blank, the system does not display costs and an invalid fiscal year error is issued.

4. Ledger Type

Specify the ledger type the system uses to retrieve the activity cost from the cost analyzer. Ledger type is a user defined code (09/LT) that specifies the type of the ledger, such as AA (Actual Amounts), BA (Budget Amounts), or AU (Actual Units).

If you leave this processing option blank, the system retrieves activity costs from the AA (Actual Amounts) ledger.

5. a. From Period and b. Thru Period

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Specify the first period or the last period that the system includes in the costs.

Values are **1** to **14.**

You must enter a value that corresponds to periods in your fiscal date pattern. If you leave this processing option blank, the system uses Period 1.

Process

1. Automatically Find On Entry

Specify whether to automatically load data into the grid upon entering the Activity Cost Inquiry program.

Use this feature only if there are not many records to retrieve; otherwise, you may slow the system's performance unnecessarily. If you leave this processing option blank, you will need to do a manual Find.

Display

1. Multi-Level

Specify whether to display the parent and its children activities in the Activity Cost Inquiry program. Values are:

Blank: Single Level. The system will display only the selected activity.

1: Multi Level. The system will display the parent and all of its children activities.

2. Cost

Specify whether to display the original posting cost or ending balance cost in the Activity Cost Inquiry program. Values are:

Blank: Display the ending balance cost

1: Display the original posting cost

Reviewing Activities

Access the Enter/Change Activity form.

To review activities:

1. Complete the Activity field and click Find on Work with Activity Based Costing Workbench.
2. Click the + sign in the detail area to display subprocesses.
3. Select an activity or subprocess and right-click it.
4. Select Node and then Select from the popup menus.
5. Make revisions as necessary on the Enter/Change Activity form.
6. Click OK to return to the Work With Activity Based Costing Workbench.

    Alternatively, you can access the Enter/Change Activity form by highlighting an activity or subprocess, and then selecting Activity Revisions from the Row menu.

Reviewing the Activity Master Report

Select Activity Based Costing (G1616), Activity Master Report.

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You can review activities or processes that exist in the Activity Master report (R1640). Based on the data selection and processing options, you can review multiple levels, as well as the hierarchy of processes and subprocesses, of activities or groups. You can use the activity attributes and category codes to identify activity groups or activities with certain characteristics.

> **Note:**
>
> - *Reviewing Activity Costs*.

Setting Processing Options for Activity Master Report (R1640)

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

Print

1. Level of detail

Specify the level of detail that appears on the report. Multilevel will display the parent activity and its corresponding children. Single level will only display the selected activity. Values are:

1: Multilevel report

Blank: Single level report

2. a-e Items used in selecting the activities costs (required).

Specify the view that the system uses to retrieve the activity costs from the Cost Analyzer. Values are **1** to **10.**If you leave this option blank, the system issues an error and no costs are printed.

3. a-b Select items to be printed

Specify which attribute of the activities should be displayed. If the data is sequenced by a particular attribute, then that attribute number should match with the number entered here. Choose an attribute number **1** to **5.**

If you leave this option blank, the system displays attribute 1.

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21 Working with Assignments

Understanding Assignments

The assignment feature is a major component of JD Edwards EnterpriseOne Advanced Cost Accounting. It is a flexible tool that enables you to allocate indirect costs, make projections based on assumptions, and try different "what-if" scenarios without changing the original data.

An assignment is the method by which the system reallocates indirect revenue and costs. With assignments, you can identify, capture, and allocate costs or revenue to items, cost objects, or the subledger fields. For example, you can allocate indirect costs to products, customers, and activities. This flexibility enables you to report costs by either an activity such as receiving, or to determine profitability by customer and product.

Although cost allocations are possible without JD Edwards EnterpriseOne Advanced Cost Accounting, using the system improves the accuracy of allocations. They are more meaningful and less arbitrary. Output is also improved by providing information at a product or customer level because these indirect costs can be applied to individual products or customers by using a relevant business driver.

For example, ABC Company has some generic shipping costs that cannot be attributed to specific customers. If an assignment were calculated based on the number of sales orders, customers would be assigned a prorated share of the shipping costs-the customer sales orders as the numerator, and the total sales orders as the denominator.

JD Edwards EnterpriseOne Advanced Cost Accounting provides a totally new set of features for assignments, expanding on both the flexibility and complexity provided by the current JD Edwards EnterpriseOne General Accounting allocations programs.

Several other major differences exist between the JD Edwards EnterpriseOne General Accounting allocations and the new advanced cost accounting assignments, including the following:

- You can assign costs to the cost objects and item fields.
- You can assign costs based on driver information.
- You can select all account and business unit category codes, ranges, literal usage, and lists. Data selection is significantly improved.
- You can run multitiered allocations in JD Edwards EnterpriseOne Advanced Cost Accounting.
- In the assignment feature, no allocation entries are posted to the Account Balances table (F0902).

Understanding Assignment Creation

When you create assignments, you must perform the following tasks:

- Define the assignment.
- Select the computation type.
- Enter from (source) information.
- Enter based on information.

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- Enter date definition information.
- Enter apply to information.

Define the Assignment

An assignment is the description header record for assignment sequences. A sequence is the order or hierarchy that the system uses to process calculations. To allow for multitiered calculations, an assignment can be made up on one or many assignment sequences. For example, in your assignment of Sales Activity, you have two sequences: sales costs by percent of time, and sales costs by number of sales order lines for a customer.

When you define your assignment, you must enter identifying information and specify the order in which the system processes information for this assignment in relation to other assignments. If you create an assignment with multiple sequences, the system retrieves the following default information from the previous assignment sequence:

- Assignment name.
- Date definitions.
- From - driver or cost analyzer based.
- Based on - driver, cost analyzer based, or index computation.

Note: To create multitier assignments, you must use records from the Cost Analyzer Balances table (F1602) that are based on the Apply To component of the assignment definition. If you have set up one or more assignments to use a result from a previous assignment calculation, but this result definition does not exist in the F1602 table, the system calculates results incorrectly if you run the Assignment Calculations program (R16103) in proof mode. You must run multi-tier assignments in final mode for the system to calculate the results correctly.

Select the Computation Type

You must decide whether this is an index allocation, a variable numerator, or a rate calculation.

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for each assignment type:

Assignment Type	Validation Rules
Index computation	- The From component can be either the Cost Analyzer Balances table or the Driver Balances table. - The Based On component is a factor. - The Apply To component can only be the Cost Analyzer Balances table balance.
Variable numerator	- The From component must be the Cost Analyzer Balances table. - The Based On component can be either the Cost Analyzer Balances table or the Driver Balances table. You are not allowed to enter a factor. - The Apply To component must be a Cost Analyzer Balances table balance.
Rate calculations	- The From component must be the Cost Analyzer Balances table. - The Based On component must be the Driver Balances table. - The Apply To component must be a cost pool or activity rate from the Rates table.

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Assignment Type	Validation Rules
Rate-based computations	• The From component must be the Driver Balances table. • The Based On component factor is from the Rates table. • The Apply To component must be a Cost Analyzer Balances table balance.

When you enter From and Based On definitions, you can define versions of the following business views and customize your data selection accordingly:

- Cost Calculation Select Balances (R16102).
- Cost Calculation Select Drivers (R16132).
- Cost Calculations Select Rates (R16142).

To select a version of cost analyzer, driver balances, or rates, click the appropriate option.

Enter From (Source) Information

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for each assignment type for the From Information:

Assignment Type	Validation Rules
Index computation	The From component can be either the Cost Analyzer Balances table or the Driver Balances table.
Variable numerator	The From component can only be the Cost Analyzer Balances table.
Rate calculations	The From component must be the Cost Analyzer table.
Rate-based computations	The From component must be the Driver Balances table.

You exit to the appropriate version template to create the data selection for the assignment sequence based on the option of the calculation type. If the From is based on the Cost Analyzer Balances table, click the Search button to exit to the Cost Calculation Select Balances program (R16102). On Work with Batch Versions, you can select an existing version of the Cost Analyzer template, or you can create a new version. In your Cost Analyzer version for this assignment sequence, you might define the data selection as follows:

- View
- Ledger Type (AA)
- Business unit
- Accounts

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Enter Based On Information

The Based On information can be either data in the Cost Analyzer Balances table, data in the Driver Table, data in the Rate table, or an Index Factor. Consider the following validation rules for each assignment type to select Based On data:

Assignment Type	Validation Rules
Index computation	The Based On component is a factor.
Variable numerator	The Based On component can be either the Cost Analyzer Balances table or the Driver Balances table. You are not allowed to enter a factor.
Rate calculations	The Based On component must be the Driver Balances table.
Rate-based computations	The Based On component must be the Rate table.

For example, suppose you want to reassign costs that are based on statistical information that exists in the Driver Balances table. Click the Search button to exit to the Cost Calculation Select Drivers version (R16132). On Work with Batch Versions, you can select an existing version of the driver template, or you can create a new version and define the data selection as follows:

- Driver Code
- Ledger Type (AA)
- Business Unit
- Fiscal Year

Enter Date Definition Information

You define dates at the sequence level for the From, Based On, and Apply To information.

You can indicate whether the assignment sequence is a monthly, quarterly, or annual assignment. The system uses this indicator to automatically increase the periods and the fiscal year incrementally.

When you run the Cost Assignment Calculation program (R1610), you can indicate whether you want the system to increment the dates according to the date definition in the assignment sequence.

Enter Apply To Information

The Apply To information defines where you want to code the result of the cost assignment.

Each field has four options. You can apply the results of the cost assignment to a specific value (Specify), the value in the Based On field, or the originating value (From). You can also select the Match option. This option allows you to specify

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that you want the calculations to occur where the values of the From and Based On fields match. The Apply To value will be the same as the From and Based On value. This option is not valid for the Index Computation calculation type.

For example, suppose that you want to apply the costs to the same business unit that you used in the From information. However, you want to apply it to a different account. When you enter the Apply To options, specify that the Apply To business unit is the same as the From business unit. You must enter a specific value for the new object account.

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for each assignment type when you enter the Apply To information:

Assignment Type	Validation Rules
Index computation	The Apply To result updates the Cost Analyzer Balance table based on the From or Specific Values.
Variable numerator	The Apply To results update the Cost Analyzer Balance table either based on the From, Based On, Match or Specific Values.
Rate calculations	The Apply To component can only be a cost pool or activity for the Rate table.
Rate-based computations	The Apply To amount is stored in the Cost Analyzer Balance table at an account, activity, or cost object level. You must specify an account.

Example: Index Computation

Index computations use a calculation factor to calculate projected amounts. For example, ABC Company wants to evaluate next year's budget based on a 10 percent increase in this year's budget. The company can create an index computation using cost analyzer balances multiplied by a factor of 110 percent.

Example: Variable Numerator

ABC Company wants to allocate all indirect selling costs to its sales offices, based on the number of sales orders that are generated by each office; but the company does not want to actually record the allocation. It wants only to evaluate the proposed result. This type of process can be done through JD Edwards EnterpriseOne Advanced Cost Accounting assignments. This variable numerator assignment is defined as follows:

- Account balances are obtained from the Cost Analyzer Balances table (F1602).

- The driver is the number of sales orders by business unit.

- Total indirect selling costs from the Cost Analyzer Balances table are prorated, based on a calculated sales order percentage.

- The prorated cost is applied to each sales office business unit.

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Example: Rate Calculation

Rate calculation is useful when deriving a rate per unit. For example, ABC Company wants to find out how much it is spending on individual accounts receivable activities so that it can evaluate whether to streamline the accounts receivable process. The company could create a rate calculation assignment to find out the cost of each activity and then evaluate where improvements could be made.

Example: Rate-Based Computation

Rate-based computation uses an existing user-defined rate per unit or a rate-from-a-rate calculation assignment, and applies it to costs or driver volumes. For example, if a company wants to charge certain customers an add-on rate for a labor-intensive task, it could use a set rate multiplied by the number of man-hours consumed in the process, and apply it to the applicable customers.

Understanding Reciprocal Assignments

When you create a cost assignment, you can designate it as a reciprocal assignment. Reciprocal assignments, which are typically used with the variable numerator calculation type, are useful if you assign costs for services that are provided by supporting departments.

For a reciprocal assignment, you specify either a maximum number of iterations or a minimum residual balance. The system continues to make reciprocal assignments until it has reached either the maximum number of iterations or the minimum residual balance.

Example: Multiple Iterations of a Cost Assignment

In this example, the Information Technology department provides services to the Human Resources department, which provides services to the Information Technology, Production, and Marketing departments.

In the first iteration of cost assignments, the Human Resources department has 90,000 in costs and the Information Technology department has 20,000. The Human Resources department costs are assigned to the three departments as follows:

Department	Cost
Production	50,000
Marketing	10,000
Information Technology	30,000

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The total costs for the Information Technology department, which include the original 20,000 and the 30,000 assigned from the Human Resources department, are assigned to the other supporting departments as follows:

Department	Cost
Production	25,000
Marketing	10,000
Human Resources	15,000

This completes the first iteration. However, a residual amount of 15,000 remains in the Human Resources department. If you create a reciprocal assignment, the system continues to assign costs to the affected departments. You can specify the maximum number of iterations that the system should complete before the cost assignment is done, or you can specify the minimum residual balance amount that you will allow before the cost assignments are complete.

This diagram illustrates the reciprocal assignments process:

Figure 1

Iteration 1 of Cost Assignments

Human Resources (hiring resources) 30,000 (original)
- Production 50,000
- Marketing 10,000
- Information Technology (IT) 30,000

30,000 added to IT

IT (systems support) 20,000 (original) + 30,000 (recip.)
- Production 25,000
- Marketing 10,000
- Human Resources 15,000 → 95,000 Assigned / 15,000 Non-Assigned

Iteration 2 of Cost Assignments

Human Resources (hiring resources) 0 (original) + 15,000 (assigned)
- Production 8,334
- Marketing 1,666
- Information Technology 5,000

5,000 added to IT

IT (systems support) 0 (original) + 5,000 (recip.)
- Production 2,500
- Marketing 1,000
- Human Resources 1,500 → 108,500 Assigned / 1,500 Non-Assigned → Go to figure 2
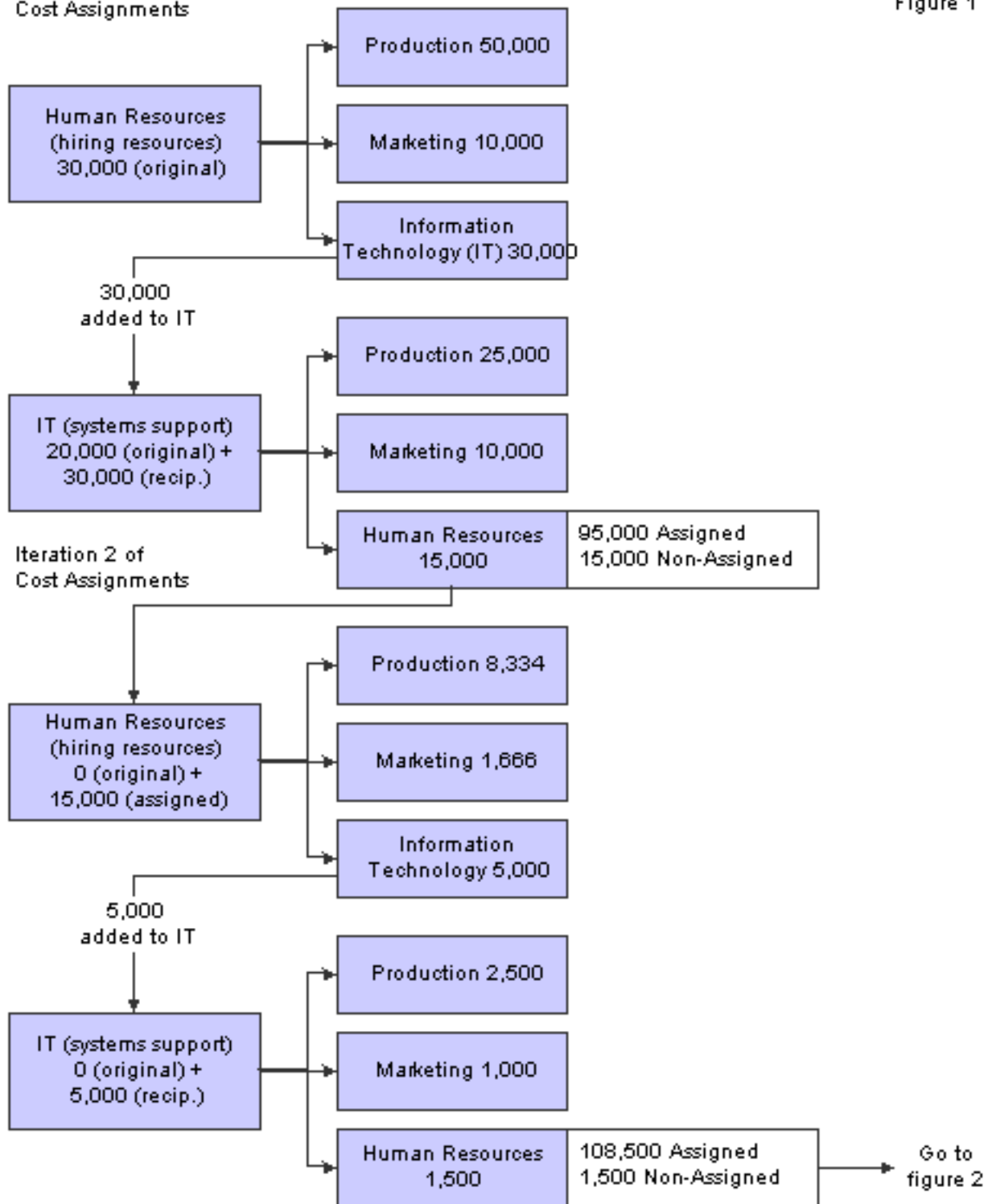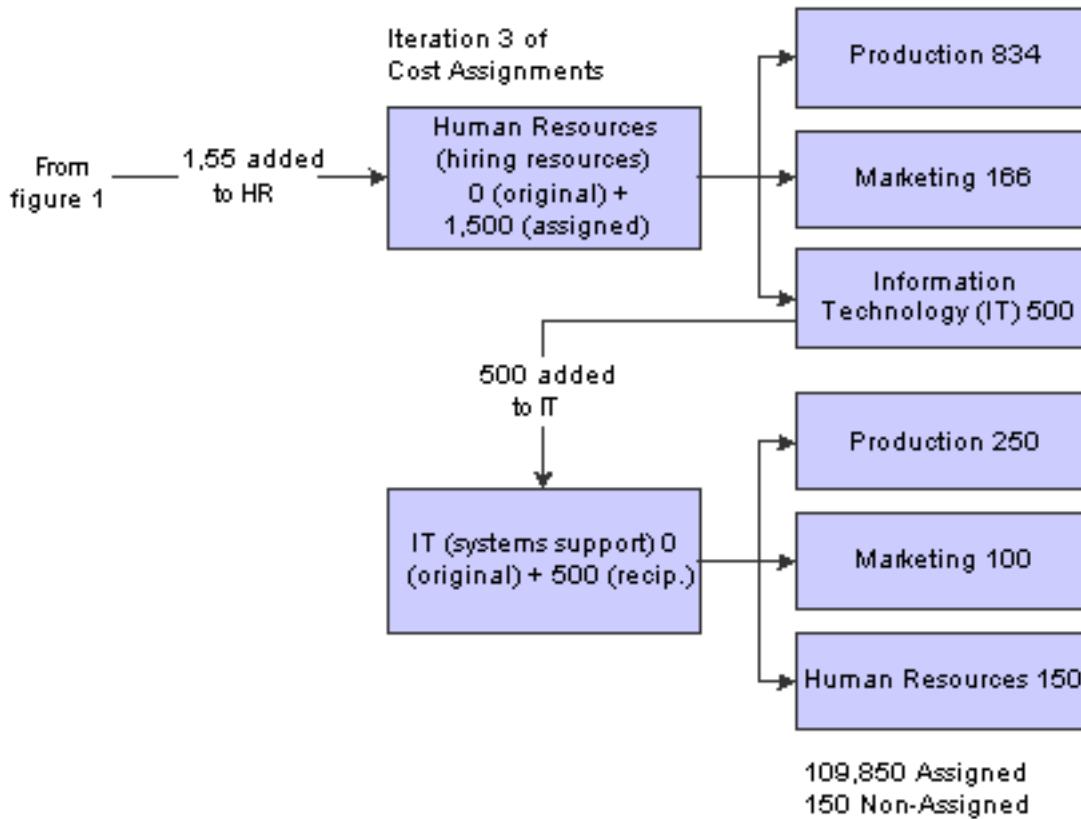
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Figure 2

Creating Rates

This section provides an overview of rates creation and discusses how to create rates.

Understanding Rates Creation

You can use rates in JD Edwards EnterpriseOne Advanced Cost Accounting as a basis to reallocate costs. For example, to calculate the advertising rate, you can retrieve sales order detail lines by product and multiply them by a rate for each product.

When you create a rate in the Rate Master Revisions program (P1642), the system assigns an identification number to the rate and stores the information for the rate in the following tables:

- Rate Master Header File (F1642).
- Rate Master Detail File (F16421).

You can create rates that are specific to items, cost objects, activity or cost pools, and subledger types. When you define rates, the system prompts you to create a default rate for the activity or cost pool. The system uses the default rate in

a rate-based calculation if the From information in the assignment does not have a matching rate in the rate master tables.

Form Used to Create Rates

Form Name	FormID	Navigation	Usage
Enter/Change Rates	W1642B	Assignments (G1623), Rate Master Revisions Click Add on the Work with Rates form.	Create rates.

Creating Rates

Access the Enter/Change Rates form.

Cost Type

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

A1: Purchased raw material.

B1: Direct labor routing rollup.

B2: Setup labor routing rollup.

C1: Variable burden routing rollup.

C2: Fixed burden routing rollup.

Dx: Outside operation routing rollup.

Xx: Extra add-ons, such as electricity and water.

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

Business Unit

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

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

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

Cost Method

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Enter a user defined code (40/CM) that specifies the basis for calculating item costs. Cost methods 01 through 19 are reserved for use by JD Edwards EnterpriseOne.

Cost Pool

Enter a grouping of all cost elements associated with an activity.

Type 1 through Type 4

Enter a code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).

Cost Object 1 through Cost Object 4

Enter a cost object code, such as an equipment item number or an address book number. If you enter a cost object code, you must also specify the cost object type. This field functions the same and is validated the same as the Subledger field, but the system does not post the data in the Cost Object Code field to the Account Balances file (F0902).

Subledger Type

Enter a user defined code (00/ST) that is used with the Subledger field to identify the subledger type and how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. This is either hard-coded or user defined. Values are:

A: Alphanumeric field, do not edit.

N: Numeric field, right justify and zero fill.

C: Alphanumeric field, right justify and blank fill.

> **Note:** To create rates for activities, complete the Activity Code field. To create rates for cost pools, complete the Cost Pool field.

Creating Assignments

This section provides an overview of assignments, index computation creation, variable numerator creation, rate calculation creation, and rate-based computation creation and discusses how to create calculations.
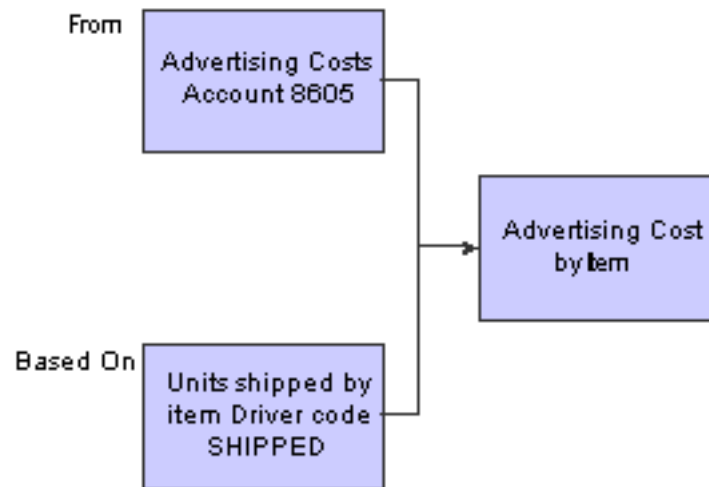
Understanding Assignments

An assignment definition has three components. Each component has a date, frequency, and account definition:

Component	Definition
From	The source of the definition.
Based On	How to assign the From component.
Apply To	Where to assign the result of the assignment.

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You can create assignment calculations for either a single cost assignment or as part of several sequences to allow for multitiered calculations.
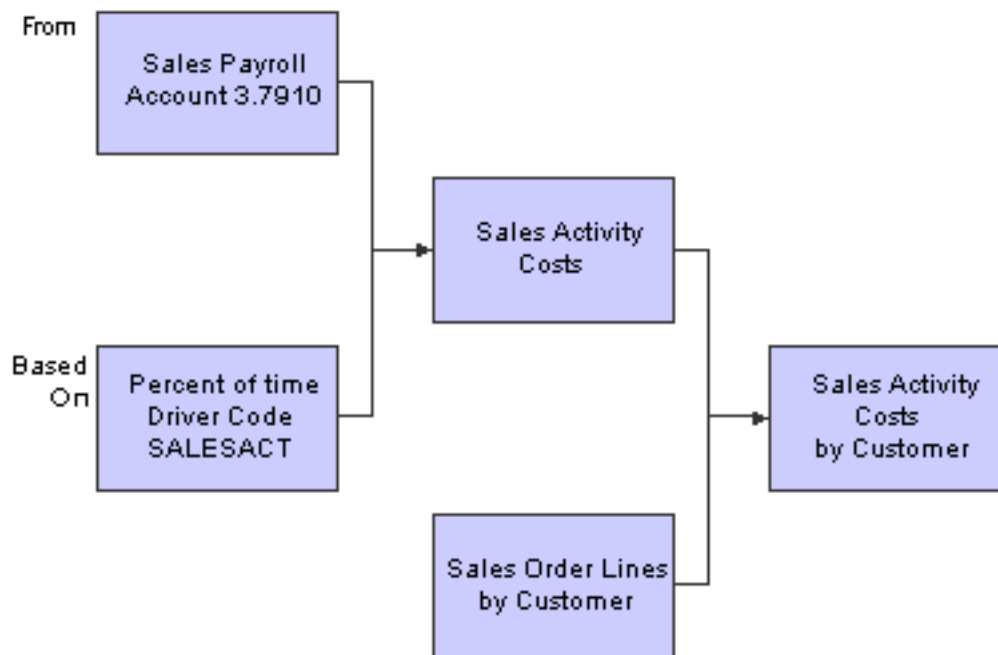
Single Cost Assignment

This graphic illustrates a single cost assignment:

Two-Tiered Cost Assignment

This diagram illustrates a two-tiered cost assignment:

Understanding Index Computation Creation

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for index computations:

- The From component can be either the Cost Analyzer table or the Driver Balances table.

- The Based On component is a factor.

- The Apply To component can be a Cost Analyzer balance only.

To determine an accurate projection, you can use index computations where you multiply historical data from the Cost Analyzer table or from Driver Balances table by a factor. For example, you could multiply the current year's budget by a percentage factor to determine the following year's budget.

Example: Index Computations

Suppose that you want to calculate the following year's budget based on the current year's balance, with a 10 percent increase. You must identify the appropriate accounts and ledger, and identify the factor by which the system calculates the resulting budget. Then you must identify the ledger where you place the results.

The system takes the end-of-year balances in the AA (actual amounts) ledger in accounts 6110 through 6320 and multiplies each by 1.1 (a 10 percent increase). You can specify that the results are placed in the same account numbers in the BA (budget amounts) ledger for the following year.

The following diagram illustrates how you can use indexed allocations to calculate the budget using the Cost Analyzer Balances table:

ORACLE
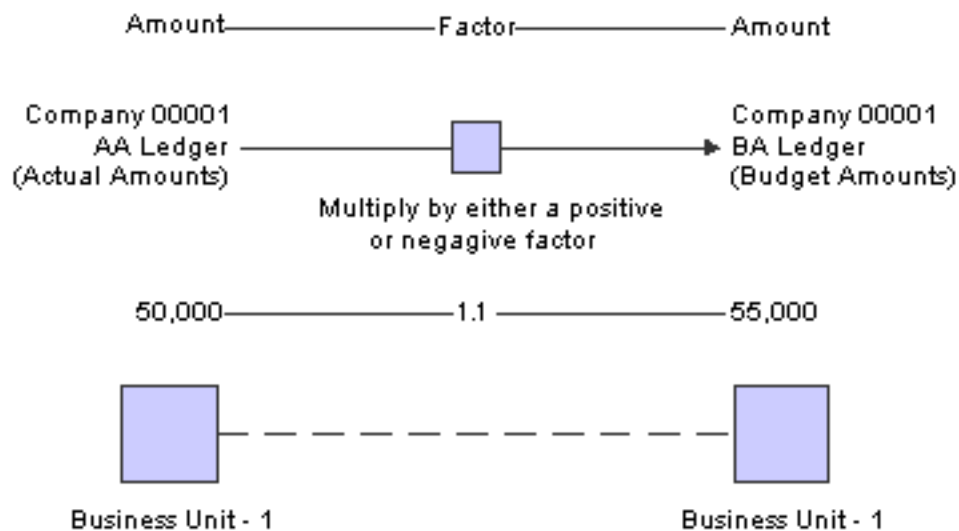
Understanding Variable Numerator Creation

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for variable numerators:

- The From component must be the Cost Analyzer Balances table.

- The Based On component can be either the Cost Analyzer Balances table or the Driver Balances table. You are not allowed to enter a factor.

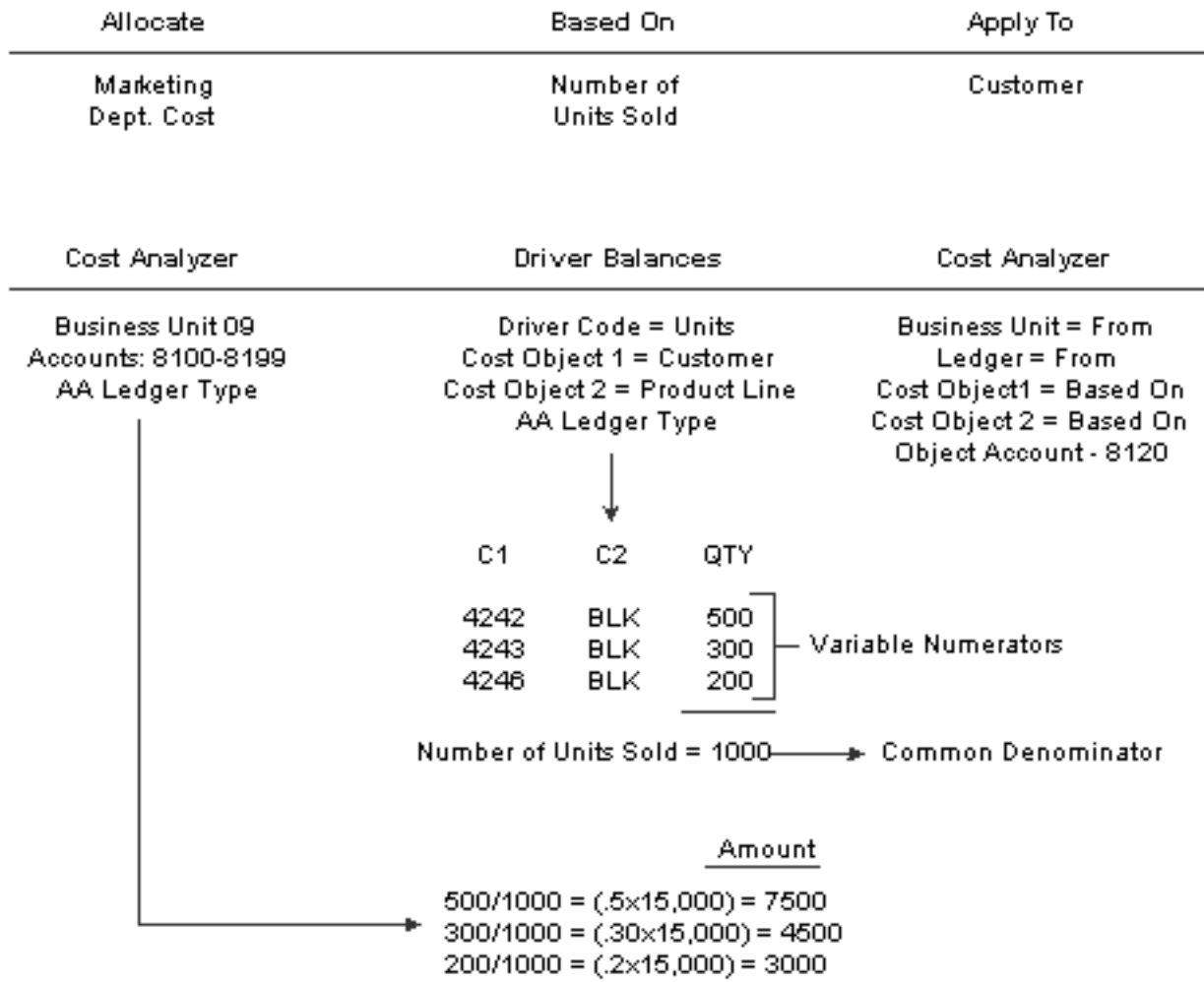- The Apply To component must be a Cost Analyzer balance.

A variable numerator is a factor that is based on data, which you specify. Because this data changes when it is updated, the factor might vary from one calculation to the next. You can reallocate costs or revenue to objects, based on data in the Cost Analyzer Balances table (F1602) or Driver Balances table (F1632).

Example: Variable Numerator

Suppose that you want to reassign indirect costs (15,000.00 USD) from the marketing department (Business Unit 9) to several customers because you have determined that these marketing costs vary, based on the number of bicycles sold. These bicycle accounts are 8100-8199. You want to base the assignment amount on the number of bicycles sold by each customer. Bicycles are a product line identified by an item category code.

An automatic driver is defined to capture units by product line and customer. For example, cost object 1 would reflect customer, and cost object 2 reflects the product line.

The following diagram illustrates this example:

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Allocate	Based On	Apply To
Marketing Dept. Cost	Number of Units Sold	Customer

Cost Analyzer	Driver Balances	Cost Analyzer
Business Unit 09 Accounts: 8100-8199 AA Ledger Type	Driver Code = Units Cost Object 1 = Customer Cost Object 2 = Product Line AA Ledger Type	Business Unit = From Ledger = From Cost Object1 = Based On Cost Object 2 = Based On Object Account - 8120

C1	C2	QTY	
4242	BLK	500	
4243	BLK	300	— Variable Numerators
4246	BLK	200	

Number of Units Sold = 1000 ———► Common Denominator

Amount

$500/1000 = (.5 \times 15{,}000) = 7500$
$300/1000 = (.30 \times 15{,}000) = 4500$
$200/1000 = (.2 \times 15{,}000) = 3000$

Result: Cost Analyzer Balance Table

Ledger	B/U	Account	C1	C2	AMT
AA	9.	8120	4242	BLK	7500
AA	9.	8120	4243	BLK	4500
AA	9.	8120	4246	BLK	3000

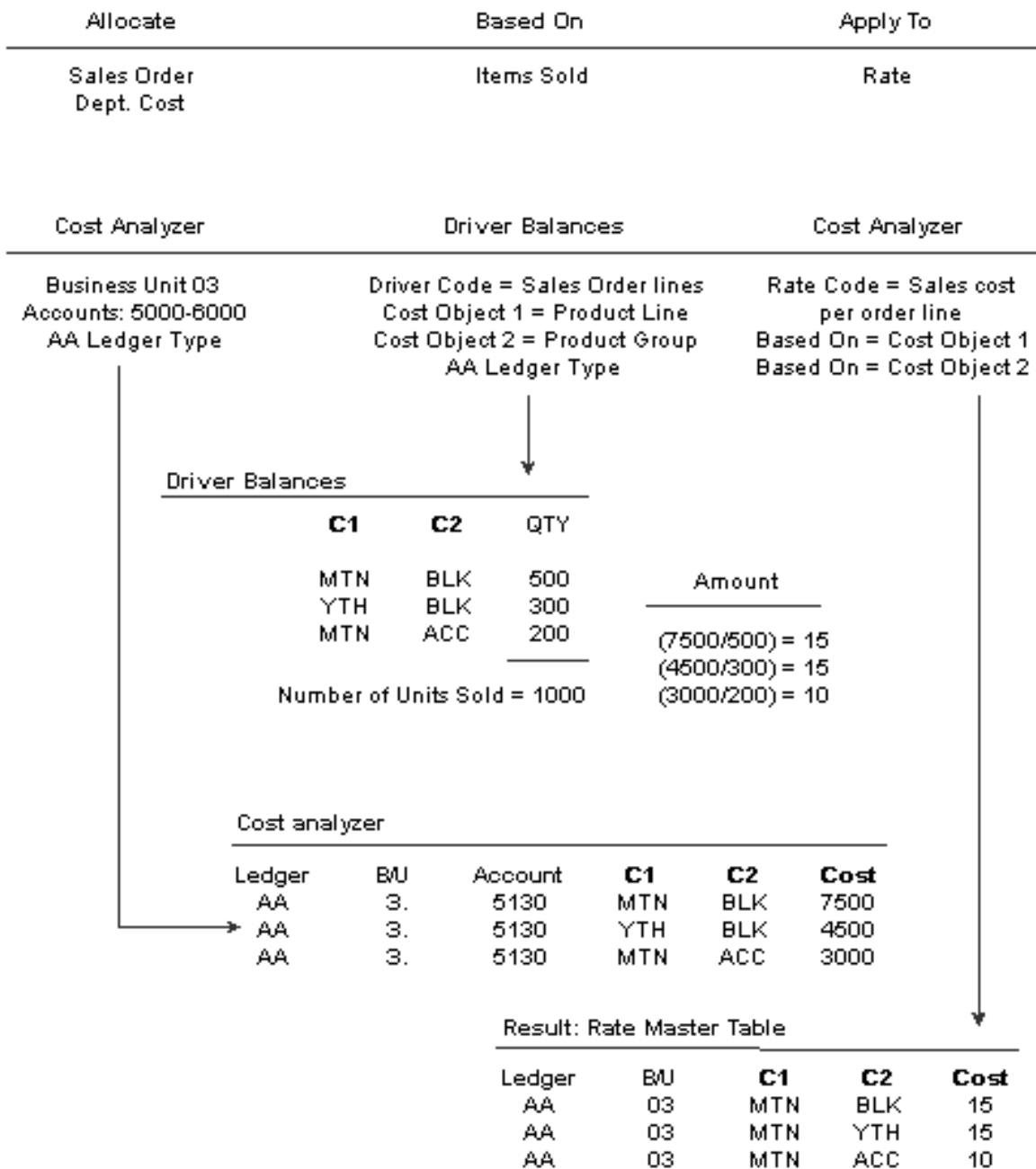# Understanding Rate Calculation Creation

The system displays only those fields that are valid for the selected assignment type. Consider the following validation rules for rate calculations:

- The From component must be the Cost Analyzer Balances table (F1602).

- The Based On component must be the Driver Balances table (F1632).

- The Apply To component is based on the cost driver. For example, a cost driver of Item and Hours sends output to the rate table as a rate per item.

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You can use a rate calculation to calculate a per unit cost from amounts that are stored in the Cost Analyzer Balances table and volumes that are stored in the Driver Balances table. The resulting calculation is a rate value at a cost pool or driver level. For example, you can retrieve the total of sales order department costs (an amount held in the Cost Analyzer Balances table) and divide this number by the items sold (an amount held in the Driver Balances table). The resulting number is the new rate, which can be stored in the rate master tables.

Example: Rate Calculations

The following diagram illustrates an example of rate calculations:

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Allocate	Based On	Apply To
Sales Order Dept. Cost	Items Sold	Rate

Cost Analyzer	Driver Balances	Cost Analyzer
Business Unit 03 Accounts: 5000-6000 AA Ledger Type	Driver Code = Sales Order lines Cost Object 1 = Product Line Cost Object 2 = Product Group AA Ledger Type	Rate Code = Sales cost per order line Based On = Cost Object 1 Based On = Cost Object 2

Driver Balances

C1	C2	QTY
MTN	BLK	500
YTH	BLK	300
MTN	ACC	200

Number of Units Sold = 1000

Amount

(7500/500) = 15
(4500/300) = 15
(3000/200) = 10

Cost analyzer

Ledger	B/U	Account	C1	C2	Cost
AA	3.	5130	MTN	BLK	7500
AA	3.	5130	YTH	BLK	4500
AA	3.	5130	MTN	ACC	3000

Result: Rate Master Table

Ledger	B/U	C1	C2	Cost
AA	03	MTN	BLK	15
AA	03	MTN	YTH	15
AA	03	MTN	ACC	10

Understanding Rate-Based Computation Creation

Based on the assignment type selection, the system displays only those fields that are valid for the assignment type. Consider the following validation rules for rate-based computations:
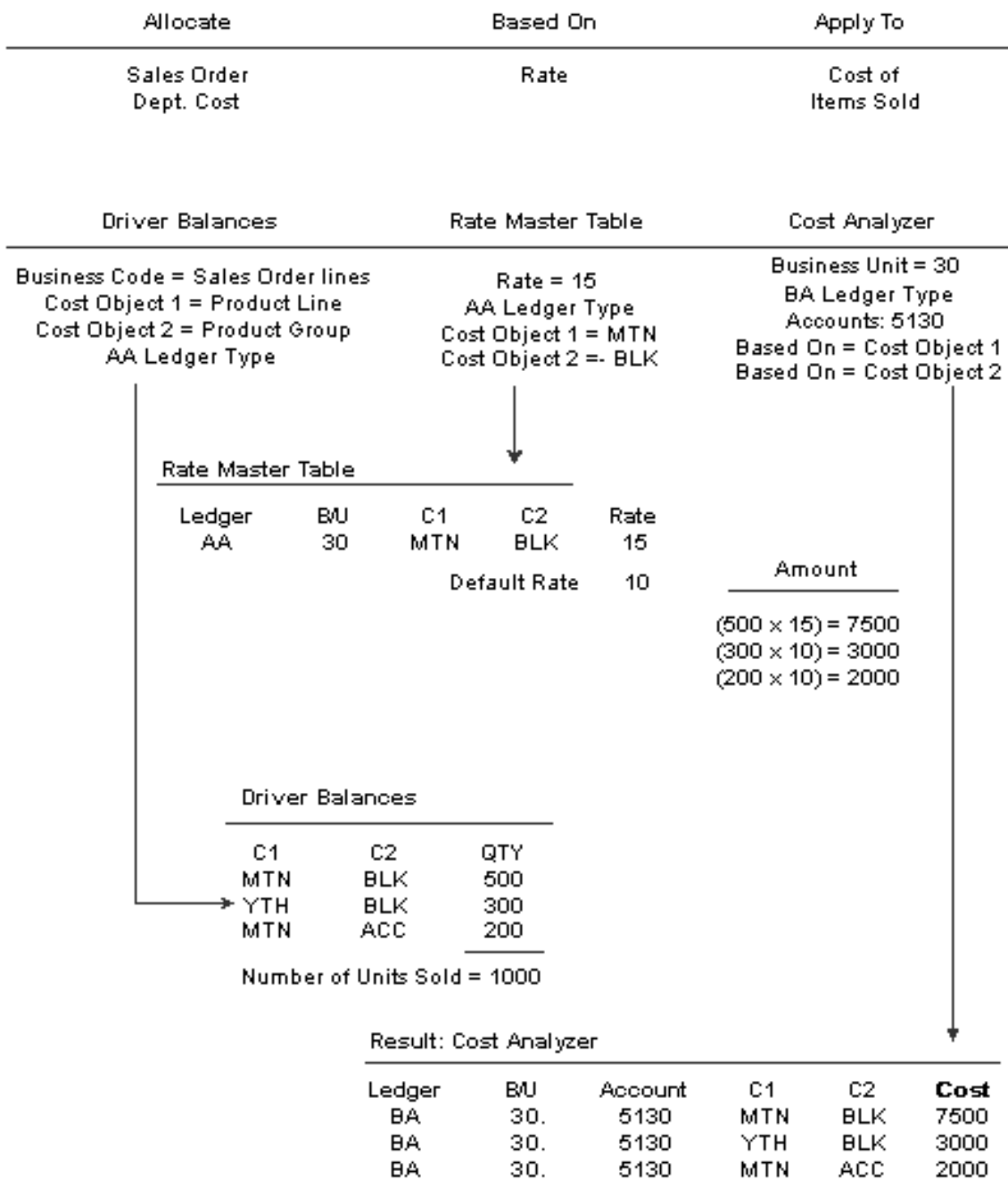
- The From component must be the Driver Balances table.

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- The Based On component is from the Rates table.

- The Apply To component must be a Cost Analyzer balance.

A rate-based computation is a rate that is applied to costs or driver volumes and amounts. You might use a rate-based computation to determine the budgeted per line advertising rate by product line. For example, to calculate the advertising amount, you can retrieve sales order detail lines by product and multiply them by a rate for each product. The rate can be different for each product. You can create a default rate that the system uses if it does not find an exact match with cost object types that matches the From record.

Example: Rate-Based Computations

The following diagram illustrates an example of rate-based computations:

Allocate	Based On	Apply To
Sales Order Dept. Cost	Rate	Cost of Items Sold

Driver Balances	Rate Master Table	Cost Analyzer
Business Code = Sales Order lines Cost Object 1 = Product Line Cost Object 2 = Product Group AA Ledger Type	Rate = 15 AA Ledger Type Cost Object 1 = MTN Cost Object 2 =- BLK	Business Unit = 30 BA Ledger Type Accounts: 5130 Based On = Cost Object 1 Based On = Cost Object 2

Rate Master Table

Ledger	B/U	C1	C2	Rate
AA	30	MTN	BLK	15
		Default Rate		10

Amount

(500 × 15) = 7500
(300 × 10) = 3000
(200 × 10) = 2000

Driver Balances

C1	C2	QTY
MTN	BLK	500
YTH	BLK	300
MTN	ACC	200

Number of Units Sold = 1000

Result: Cost Analyzer

Ledger	B/U	Account	C1	C2	Cost
BA	30.	5130	MTN	BLK	7500
BA	30.	5130	YTH	BLK	3000
BA	30.	5130	MTN	ACC	2000

Form Used to Create Index, Variable Numerator, Rate, and Rate-Based Calculations

Form Name	FormID	Navigation	Usage
Enter/Revise Assignment Definition	W1610C	Assignments (G1623), Assignment Definition Click Add on the Assignment Definitions form.	Create assignment calculations.

Creating Calculations

Access the Enter/Revise Assignment Definition form.

To create a computation:

1. Select the Enter/Revise tab and select either the Active or Inactive option on the Enter/Revise Assignment Definition form.
2. Complete the Assignment and Sequence Description fields to identify the assignment calculation.

   The system automatically assigns a sequence number.
3. Depending on which calculation you are creating, select the Index Computation, Variable Numerator, Rate Calculation or Rate Based option.
4. Select either Cost Analyzer or Driver for the From component.

   When you select the Index Computation assignment type, you can select either option.

   When you select the Variable Numerator or Rate Calculation assignment type, you can select only the Cost Analyzer table as the From component.

   When you select Rate Based for the assignment type, you can select only the Driver Balances table as the From component.
5. Complete the Version field in the From area of the form or click the Search button to select from a list of versions of the Cost Calculation Select Balances program (R16102) or Cost Calculation Select Drivers program (R16132).
6. Select either the Cost Analyzer (Based On) or Driver (Based On) option in the Based On area.

   When you select Index Computation or Variable Numerator, the Based On component can be either a version of the Cost Analyzer program (R16102) or the Driver Balances program (R16132). You are not allowed to enter a factor.

   When you select Rate Calculation for the assignment type, you can select only Driver (Based On) and specify the Driver Balances table (F1632) as the Based On component.
7. Complete the Version field in the Based On area of the form or click the Search button to select from a list of versions for the appropriate program.

The Based On component must be a version of the Cost Calculation Select Drivers program (R16132).

If you selected Rate Based, complete the Version field in the To area of the form, or click the Search button to select from a list of versions for the Cost Calculations Select Rates table (R16142).

When you select Rate Based for the assignment type, you must use a rate from the Rate Master Detail File table (F16421) as the Based On component.

8. Select the Date Definition tab to specify the effective dates of the assignment calculation.

When you select Index Computation for the assignment type, you enter only a From and To date or period ranges because the Based On component is a factor.

When you select Variable Numerator for the assignment type, you can enter date or period ranges for the From, Based On, and To components.

When you select Rate Calculation for the assignment type, you can enter date or period ranges for the From and Based On components, and assign an effective date.

When you select Rate Based for the assignment type, you can enter date or period ranges for the From and Apply To components, and use an effective date for the Based On component.

9. Complete the Period From, Period Through, Fiscal Year From, and Fiscal Year Through fields for the definitions).

10. Select an assignment frequency option to specify how often the system creates assignments.

11. Select the Apply To tab to specify how the system stores the results of the cost assignment.

Four options exist for each field.

When you select **Index Computation** for the assignment type, you apply the cost assignments to either the same business unit as you specified for the From component or to a specific value.

When you select **Variable Numerator** for the assignment type, you apply the cost assignments to a Cost Analyzer table that you specified in the From or the Based On component or in a specific value. However, the Apply To component must be a Cost Analyzer balance. The Match option is similar to the From or Based On. However, calculations are performed where the From and Based On values match.

When you select **Rate Calculation** for the assignment type, you apply the cost assignments to a Cost Analyzer Balances table (F1602) that you specified for the From component or the Driver Balances table (F1632) that you specified for the Based On component, or you can enter a specific value. The system inactivates any information that does not apply to the rate calculation assignment.

The Apply To component can be only a cost pool or activity rate in the Cost Calculations Select Rates table (R16142).

Four options exist for each field. When you select **Rate Based** for the assignment type, you can apply the cost assignments only to a Cost Analyzer balance.

12. Select one of the four options for each of the following fields:
    ○ Ledger Type
    ○ Business Unit
    ○ Object
    ○ Subsidiary
    ○ Subledger
    ○ Subledger Type

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- ○ Cost Object 1
- ○ Cost Object 2
- ○ Cost Object 3
- ○ Cost Object 4
- ○ Item
- ○ Activity

13. Click OK.

Enter/Revise

Active and Inactive

Enter whether to specify whether an assignment definition is available for processing. Values are:

Active On: Can process the assignment as defined.

Inactive On: Cannot process the assignment as defined.

Assignment

Identifies the assignment calculation.

Sequence Number

Automatically assigned by the system.

Index Computation and Variable Numerator

Enter an option that specifies the type of calculation that the system performs using the cost assignment definition. Only one option can be selected at any time. Values are:

Index computation on: Performs the assignment calculation using the index computation method.

Variable numerator on: Performs the assignment calculation using the variable numerator method.

When you select Index Calculation, you can select either the Cost Analyzer Balances table or the Driver Balances table as the From component.

Rate Based

Rate-based on: Performs the assignment calculation using the rate-based method.

Rate Calculation

Enter an option that specifies the type of calculation that the system performs using the cost assignment definition. Values are:

Rate calculation on: Performs the assignment calculation using the rate method.

Cost Analyzer

Enter an option that specifies where the system retrieves amounts to be assigned. Values are:

Cost analyzer on: Retrieves the amounts to be assigned from the Cost Analyzer Balances table (F1602).

Driver

Enter an option that specifies where the system retrieves amounts to be assigned. Values are:

Driver on: Retrieves the amounts to be assigned from the Driver Balances table (F1632).

Version

Enter a code that specifies the version that the system uses to select records on which to base an assignment. If the From type for the cost assignment definition is Cost Analyzer Balances, you must run a version of the Cost Calculation

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Select Balances program (R16102). If the From type is Driver Balances, you must enter a version of the Cost Calculation Select Drivers program (R16132). The system uses the designated version of either program to select information.

Factor

Enter a number that identifies the index or rate for calculations. The system multiplies the From amounts by this factor to calculate the amounts to distribute. You can specify either positive or negative numbers and eight or fewer decimals. If you specify more than eight decimal positions, the system rounds to eight positions.

If you specify a large whole number and a large number of decimal positions, the system might not be able to display the entire number. Even though all decimal positions cannot be displayed, they are stored (up to eight) correctly in the table.

When you select **Index Computation** for the assignment type, you can enter a factor only for the Based On component.

> **Note:** For annual budgets, you can specify **0** to remove all balances and start over.

Assignment Frequency

Enter a code that specifies the frequency with which to increment assignment dates, based on period or fiscal year increments, after running a cost assignment sequence in final mode. Values are:

M (monthly): Increment periods by 1.

Q (quarterly): Increment periods to next quarter.

A (annually): Increment fiscal year by 1.

Creating Reciprocal Assignments

This section provides an overview of reciprocal assignment creation and discusses how to create reciprocal assignments.

Understanding Reciprocal Assignment Creation

After you designate an assignment as a reciprocal assignment, you must specify whether you want the system to use a maximum number of iterations or a minimum residual balance when determining when to stop assigning costs.

If you choose a maximum number of iterations, the number that you enter must be less than or equal to the maximum iteration threshold specified in the Cost Management Constants program (P1609). If the number of iterations that you specify is greater than the number specified in the constants, it will be changed to the number of the maximum iteration threshold.

Also, if you specify a number of iterations, but the balance for the account from which you are assigning reaches zero prior to completing the number of iterations, the assignment will stop.

If you specify a residual cost balance amount and that threshold is not reached prior to completing the maximum number of iterations specified in the constants, the assignment will stop.

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Form Used to Create Reciprocal Assignments

Form Name	FormID	Navigation	Usage
Enter/Revise Assignment Definition	W1610C	Assignments (G1623), Assignment Definition Click Add on the Assignment Definitions form.	Create reciprocal assignments.

Creating Reciprocal Assignments

Access the Enter/Revise Assignment Definition form.

To create reciprocal assignments:

1. Select the Reciprocal Assignments option on the Enter/Revise Assignment Definition form.
2. Do one of the following:

   o Select the Number of Iterations option and enter the number of iterations to specify the maximum number of assignment iterations.
   o Select the Residual Balance option and enter the residual balance to specify the minimum residual balance.
3. Click OK and follow the steps to create an assignment.

Specifying the Maximum Iteration Threshold

This section provides an overview of maximum iteration thresholds and discusses how to specify the maximum iteration threshold.

Understanding the Maximum Iteration Threshold

Before you create a reciprocal assignment, you must specify a number for the maximum iteration threshold in the Cost Management Constants program (P1609). The number that you enter in the Cost Management Constants program serves as a default value for the maximum number of iterations in the Assignment Definition program (P1610). It is also used when you specify a residual balance for your assignment. If you enter a residual balance for your assignment and the system cannot meet the amount, it stops assigning costs when it reaches the maximum iteration threshold. The maximum iteration threshold prevents the assignment from going into an infinite loop.

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Form Used to Specify the Maximum Iteration Threshold

Form Name	FormID	Navigation	Usage
Enter/Change Cost Management Constants	W1609A	System Setup (G1641), Advanced Cost Accounting Constants	Specify the maximum iteration threshold.

Specifying the Maximum Iteration Threshold

Access the Enter/Change Cost Management Constants form.

To specify the maximum iteration threshold:

1. Complete the Maximum Iteration Threshold field.

   You must enter a value greater than zero in this field on the Enter/Change Cost Management Constants form.
2. Click OK.

Using Cost Object Matching

This section provides an overview of cost object matching and discusses how to create assignments using cost object matching.

Understanding Cost Object Matching

Cost object matching is a type of assignment. Like other assignments, cost object matching is a method by which the system reallocates indirect revenue and costs. For cost object matching, you can choose from the following types of calculations when you create an assignment:

- Variable numerator

- Rate calculation

- Rate based

When you create an assignment using cost object matching, the system performs calculations only if the from and based-on items for a particular cost object are the same. The items are ledger type, object account, subsidiary, and so on.

For example, you want to be able to spread the costs for activities from accounts in two different business units. To do this, you would match business units when you create an assignment using cost object matching.

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Forms Used to Create Assignments Using Cost Object Matching

Form Name	FormID	Navigation	Usage
Enter/Revise Assignment Definition	W1610C	Assignments (G1623), Assignment Definition Click Add on the Assignment Definitions form.	Create assignments using cost object matching.

Creating Assignments Using Cost Object Matching

Access the Enter/Revise Assignment Definition form.

To create an assignment using cost object matching:

1. Complete the Assignment and Sequence Description fields on the Enter/Revise tab on the Enter/Revise Assignment Definition form.
2. Select one of the following calculation types:
   - Variable Numerator
   - Rate Based
   - Rate Calculation
     Do not use the index computation type for cost object matching.
     Depending on the calculation type that you select, some options and fields described in the following steps might not apply. If an option or field is not available for input, continue to the next step.
3. Select either the Cost Analyzer or Driver option in the From (source) area of the form.
4. Enter a version in the Version field in the From (source) area of the form.
5. Select one of the following options in the Based On area of the form:
   - Cost Analyzer (Based On)
   - Driver (Based On)
   - Rate
6. Enter a version in the Version field in the Based On area of the form.
7. Complete the Period From, Fiscal Year From, Period Through, and Fiscal Year Through fields in the FROM area of the form on the Date Definition tab.
8. Complete the Period From, Fiscal Year From, Period Through, Fiscal Year Through, and Effective Date fields in the BASED ON area of the form.
9. Complete the Period From, Fiscal Year From, Period Through, Fiscal Year Through, and Effective Date fields in the TO area of the form.
10. Select one of the following assignment frequency options:
    - Monthly

- o Quarterly

- o Annually

11. Select the Match option for each item that uses cost object matching on the Apply To tab.

    For each item on the Apply To tab, you must select the From, Based On, Match, or Specify option. The option that you select depends on the calculation type. The default option is From.

12. Click OK.

Revising Cost Assignments

After you create cost assignment calculations, you can select assignments to run, create assignment audit trails, and update the Cost Analyzer Balances table (F1602) or the Rate Master Header File table (F1642). With the Audit Assignment Trail program, you can review assignment transactions.

This section discusses how to revise cost assignment calculations.

Revising Cost Assignment Calculations

You can review and edit cost assignment definitions before running the calculation. For example, you can disable or enable sequences according to your business needs. Additionally, you can copy and change existing information for a new cost assignment calculation.

Form Used to Revise Cost Assignment Calculations

Form Name	FormID	Navigation	Usage
Assignment Definition	W1610A	Assignments (G1623), Assignment Definition	Revise cost assignment calculations.

Revising Cost Assignment Calculations

Access the Assignment Definition form.

To revise cost assignment calculations:

1. Click the + symbol to the left of the assignment number to display all sequences for an assignment on the Assignment Definitions form.
2. Select the record, and then select Enable/Disable from the Row menu to enable or disable an assignment sequence.
3. Select the record and click Select to edit calculation information.
4. Change information on any of the three tabs, as necessary, and then click OK on the Enter/Revise Assignment Definition form.

Note:
  - *Creating Assignments*.

Running Cost Assignment Calculations

This section provides an overview of the Assignment Calculations program and discusses how to:

- Run the Assignment Calculations program (R16103).
- Set processing options for cost calculations.

Understanding the Assignment Calculations Program

When you run the Assignment Calculations program (R16103), you can choose to run single or multiple assignments, or several assignment sequences. The system processes only active sequences.

The system only runs assignments against one cost analyzer view at a time. You must enter the appropriate view in the processing options for Assignment Calculations (R16103) for the system to create entries in the Cost Analyzer Balances table (F1602) or the Rate Master Header File (F1642) and Rate Master Detail File (F16421) tables.

If the assignment type is based on the Cost Analyzer Balances table, the calculation is based on the net balances in the account. If the assignment type is based on the Driver Balances table, the calculation is based on the driver balance. You can run assignments in proof or final mode:

Mode	Definition
Proof mode	The system does not update cost analyzer balances. If an error exists, the system stops processing at the appropriate sequence and prints an error on the Assignment Computations report. The system does not update the date definition, based on the date frequency.
Final mode	When the sequence is run in final mode, you can select a processing option to enable the system to advance the date definition according to this frequency. For example, if you have defined the frequency as quarterly, the system updates the date definition to the next quarter. The system creates assignment entries. You can choose to print the Assignment Computations report.

When you run the assignment in final mode, the system creates assignment entries. You can use processing options to choose whether to create an audit trail in the Cost Calculations Transactions table (F1611) and to advance the date definition according to the date frequency. For example, if you set the processing options to advance the date and the assignment frequency is quarterly, when the Period From is 11 and the Fiscal Year From is 05, the system advances the Period From to 2 and the Fiscal Year to 06.

The audit trail allows you to view the balance prior to any assignments (net posting), and then review balances that are assigned In and Out at the transaction level (net balances). On the Cost Analyzer Inquiry by Account form, you can review the following:

- Original Balance - Information retrieved from the Account Ledger table (F0911).
- The balance of all assigned Ins.
- The balance of all assigned Outs.

- The net balance (Original Balance + Assigned Ins and Assigned Outs).

Running the Assignment Calculations Program (R16103)

Select Assignments (G1623), Assignment Calculations.

Setting Processing Options for Cost Calculations (R16103)

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

Process

1. Enter the number of the view to be used to read and write records to the cost analyzer balances table (F1602). This processing option is required.

Specify a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted.

For example, if the view number is 1, then the system updates PM01 with a P when the F0911 record is marked as being posted.

2. Enter the mode that the calculations are to be processed.

Specifies the type of processing for an event.

3. Enter 1 if you would like the dates to increment according to the frequency of the calculation. The dates will only be incremental if this option is equal to '1' and if the calculation is run in final mode.

Specifies the type of processing for an event.

4. Enter 1 if you would like to create an audit trail by writing records to the Cost Calculation Transactions (F1611) table. If this option is left blank no records will be written to the F1611 table.

Specify an Everest event point processing flag 04.

Print

1. Enter 1 if you would like to suppress printing amounts which are zero.

Specifies that data is case sensitive.

Reviewing Cost Assignment Transactions

This section provides an overview of cost assignment transaction review and discusses how to review cost assignment transactions.

Understanding Cost Assignment Transaction Review

You can use the Assignment Audit Inquiry program to review assignment transactions. For example, on the Assignment Audit Trail Inquiry form, you can review accounts that are receiving allocated costs (to accounts), the accounts that are

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allocating costs (from accounts), or both. Additionally, you review assignment allocations for cost objects, item number, or subledger type.

For the assignment audit trail, the system displays transactions from the Cost Calculation Transactions table (F1611). When you run the Assignment Calculations program, you must set the processing option to create the audit trail to review assignment transactions.

Forms Used to Review Cost Assignment Transactions

Form Name	FormID	Navigation	Usage
Assignment Audit Trail	W1611A	Assignments (G1623), Audit Assignment Inquiry	Review cost assignment transactions.

Reviewing Cost Assignment Transactions

Access the Assignment Audit Trail form.

View Number

Enter a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted.

For example, if the view number is 1, then the system updates PM01 with a P when the F0911 record is marked as being posted.

Ledger Type

Enter a user defined code (09/LT) that specifies the type of ledger, such as **AA** (Actual Amounts), **BA** (Budget Amount), or **AU** (Actual Units). You can create multiple, concurrent accounting ledgers within JD Edwards EnterpriseOne General Accounting to establish an audit trail for all transactions.

Account Number

Enter a value that identifies an account in JD Edwards EnterpriseOne General Accounting. Use one of the following formats to enter account numbers:

Standard account number (business unit.object.subsidiary or flex format).

Third GL number (maximum of 25 digits).

Account ID number. The number is eight digits long.

Speed code, which is a two-character code that you concatenate to the AAI item SP. You can then enter the code instead of an account number.

The first character of the account number indicates its format. You define the account format in the General Accounting constants.

Cost Object Type 1

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Enter a code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620).

Fiscal Year

Enter a number that identifies the fiscal year. Generally, you can either enter a number in this field or leave it blank to indicate the current fiscal year (as defined on the Company Setup form).

Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2008 and ends September 30, 2009. The end of the first period is October 31, 2008. Specify the year **08** rather than **09.**

From Period Number and Thru Period Number

Enter a number indicating the current accounting period. This number, used in conjunction with the Company Constants table (F0010) and the General Constants table (F0009), allows the user to define up to 14 accounting periods. See General Accounting Date. The current period number is used to determine posted before and posted after cut off warning messages. It is also used as the default accounting period in the preparation of financial reports.

Reviewing the Assignment Computations Report

This section provides an overview of the Assignment Computations report and discusses how to review the Assignment Computations report.

Understanding the Assignment Computations Report

When you run the Cost Assignment Calculation program, you can generate the Assignment Computations report. If you run the Cost Assignment Calculation program in proof mode, you can review assignments prior to the creation of reallocation transactions. On the Assignment Computations report, you can review the following information:

- Cost analyzer view number.
- Assignment number, name, and sequence.
- Assignment calculation type and frequency.
- Reciprocal Assignment Iteration Number.
- Assign from information.
- Based on information.
- Apply to information

You can use this report as an audit trail to view the balance prior to any assignments. For multitiered allocations, you can also view transaction levels for individual assignments. The original balance enables you to reconcile amounts in JD Edwards EnterpriseOne General Accounting, depending on your summarization during update.

When you create proof computations, the system does not update the Cost Analyzer Balances table (F1602) or Rate Master Header (F1642) and Detail (F16421) tables. Rather, it specifies the modes as proof in the upper right corner of the report. When you create final computations, the system specifies the Mode as Final and updates either the Costs Analyzer Balances table (F1602), or the Rate Master Header File (F1642) and Rate Master Detail File (F16421) tables.

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Reviewing the Assignment Computations Report

Select Assignments (G1623), Assignment Calculations.

22 Reviewing Advanced Cost Accounting Financial Reports for Profitability Analysis

Understanding Advanced Cost Accounting Financial Reports

This section discusses Advanced Cost Accounting financial reports, the comparison of profitability of multiple projects and lists prerequisites.

Prerequisite

Before you complete the tasks in this section, run the Post To Cost Analyzer Balances program (R1602) to update the Cost Analyzer Balances table (F1602).

Advanced Cost Accounting Financial Reports

JD Edwards EnterpriseOne Advanced Cost Accounting provides four financial reports that you can use for profitability analysis and financial reporting with cost objects. The reports are:

- Profitability by Cost Object report (R16023)
- Income Statement by Cost Object report (R16024)
- Trial Balance by Cost Object report (R16025)
- Trial Balance by Object Account for Cost Object report (R16026).

The format for these financial reports is very similar to that of other financial reports within the JD Edwards EnterpriseOne General Accounting system. The difference is that instead of running them by company, business unit, and so on, you can run them by cost object.

All four reports print information from the Cost Analyzer Balances table (F1602), so you must make sure to update this table before running any of the reports. The Cost Analyzer Balances table is updated when you run the Post To Cost Analyzer Balances program (R1602).

Comparison of Profitability of Multiple Projects

After you have defined all of the costs for different projects, you can combine the costs to determine the profitability of a project and then compare its profitability to that of other projects. For example, if your company manufactures bicycles, you can compare the profitability of all models from the simplest road bicycle to the most expensive racing bicycle.

To compare the profitability of items by cost objects, use the financial reports provided by JD Edwards EnterpriseOne Advanced Cost Accounting. In the example, cost objects are the different models of bicycle.

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Reviewing the Profitability by Cost Object Report

This section provides an overview of the Profitability by Cost Object report and discusses how to:

- Run the Profitability by Cost Object report.
- Set processing options for Profitability by Cost Object (R16023).

Understanding the Profitability by Cost Object Report

This report helps you determine the profitability of a certain product line, customer, business unit, or any other cost object. You can choose any combination of cost objects in any hierarchy and the report will print the profitability for each.

This report prints information from the Cost Analyzer Balances table (F1602) by cost analyzer view, so you must update this table before running the report. The F1602 table is updated when you run the Post To Cost Analyzer Balances program (R1602).

> **Note:**
> - *Posting Entries to the Cost Analyzer Balances Table*.

Running the Profitability by Cost Object Report

Select Reporting menu (G1625), Profitability by Cost Object.

Setting Processing Options for Profitability by Cost Object (R16023)

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

Process

1. Enter the period number and fiscal year for the report to be based on. If left blank, the financial reporting date will be used. For the financial reporting date to be company specific you must sequence by company or business unit.

Period Number

Specify a number indicating the current accounting period. This number, used in conjunction with the Company Constants table (F0010) and the General Constants table (F0009), allows the user to define up to 14 accounting periods. See General Ledger Date. The current period number is used to determine posted before and posted after cut off warning messages. It is also used as the default accounting period in the preparation of financial reports.

Fiscal Year

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Specify a four-digit number that identifies the fiscal year. You can enter a number in this field or leave the field blank to indicate the current fiscal year (as defined on the Company Setup form). Specify the year at the end of the first period rather than the year at the end of the fiscal period. For example, a fiscal year begins October 1, 2008, and ends September 30, 2009. The end of the first period is October 31, 2008. Specify the year 2008 rather than 2009.

2. Blank Cost Objects.

1 = Suppress, Blank = Print

Cost Objects

1. Enter the order in which the Cost Objects should be reported. Leave blank not to include that Cost Object.

Cost Object 1

Cost Object 2

Cost Object 3

Cost Object 4

Item Number

2. Enter the Cost Object View Number for the Cost Analyzer Balances File.

Specify a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01 - PM10) in the F0911 table to update as posted. For example, if the view number is 1, then the system updates PM01 with a P when the F0911 record is marked as being posted.

Reviewing the Income Statement by Cost Object Report

This section provides an overview of the Income Statement by Cost Object report and discusses how to:

- Run the Income Statement by Cost Object report.

- Set processing options for Income Statement by Cost Object (R16024).

Understanding the Income Statement by Cost Object Report

You can use this report to track revenues, expenses, and the net income or loss for a particular cost object. The report format is similar to other JD Edwards EnterpriseOne income statement reports. You can run the report over a specific cost analyzer view or over all views.

This report prints information from the Account Master table (F0901), the Business Unit Master table (F0006), and the Cost Analyzer Balances table (F1602). You must run the Post To Cost Analyzer Balances program (R1602) to update table F1602 before running the Statement by Cost Object report.

> **Note:**
> - *Posting Entries to the Cost Analyzer Balances Table*.

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Running the Income Statement by Cost Object Report

Select Reporting menu (G1625), Income Statement by Cost Object.

Setting Processing Options for Income Statement By Cost Object (R16024)

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

Select

1. Period Number

Specify the period number that the report should be based on. If left blank, the current financial reporting period will be used.

2. Fiscal Year

Specify the fiscal year that the report should be based on. If left blank, the current financial reporting year will be used.

Print

1. Account Level Of Detail

Specify the lowest level of account level of detail to print on the report.

2. Reverse Sign

Specify whether to reverse the sign of amounts printed on the report. Values are:

0: No sign reversal. Amounts will print in their original debit and credit format.

1: Reverse the sign for all account types. Revenues will print as positive and expenses as negative.

2: Reverse the sign for revenue accounts only. Revenues and expenses will print as positive.

3. Calculate Net Income

Specify if net income should be calculated. Values are:

Blank: Do not calculate.

1: Calculate.

4. Headings

Specify how to print the headings. Values are:

Blank Print headings on the first page only.

1: Print headings with page number and date on each page.

2: Print headings without page number, but print date on each page.

5. Date Title Type

Specify the date title type to print in the page header. If left blank, no date title will print.

Cost Objects

1. Cost Object/Item Number

Specify which cost object is to be used in the report. If item number is to be used instead of cost object, the processing option value should equal 5. Values are:

1: Cost Object 1

2: Cost Object 2

3: Cost Object 3

4: Cost Object 4

5: Item Number

2. Cost Object Type OR Item Number Type

Specify to select either a cost object type or an item number type to be used in the report. For cost object type, use the visual assist. Values for item number type are:

1: Short Item Number

2: Long Item Number

3: Third Item Number

> **Note:** If one of the item number types is selected, the value for processing option 1 needs to equal 5.

3. Cost Object and 4. Item Number

Specify the cost object or item number to be used in the report.

5. View Number

Specify the view number to be used in the report. If a value of zero is entered, all valid view numbers will be used.

Reviewing the Trial Balance by Cost Object Report

This section provides an overview of the Trial Balance by Cost Object report and discusses how to:

- Run the Trial Balance by Cost Object report.
- Set processing options for Trial Balance by Cost Object (R16025).

Understanding the Trial Balance by Cost Object Report

To verify the accuracy of individual ledger account balances and the overall ledger, use the Trial Balance by Cost Object report (R16025). You can also use this report to analyze the debit and credit totals that make up the trial balance for a specific cost object item. The format is similar to that of other JD Edwards EnterpriseOne trial balance reports.

The Trial Balance by Cost Object report allows you to specify whether to use information from the Account Ledger table (F0911) or the Cost Analyzer Balances table (F1602). If you decide to use information from the F1602 table, you must remember to run the Post To Cost Analyzer Balances program (R1602) before running the R16025. The F1602 table is updated only when you run the Post to Cost Analyzer Balances program.

> **Note:**
> - *Posting Entries to the Cost Analyzer Balances Table*.

Running the Trial Balance by Cost Object Report

Select Reporting menu (G1625), Trial Balance by Cost Object.

Setting Processing Options for Trial Balance by Cost Object (R16025)

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

Period

Fiscal Year

Specify the last two digits of the fiscal year for which the trial balance will be printed. For example, enter **08** for **2008**. If you complete this processing option, you must also specify the ending period number in the Period Number processing option. If you leave this processing option blank, the program uses the fiscal year defined for the JD Edwards EnterpriseOne General Accounting system on the Company Setup form and recorded in the Company Constants table (F0010).

Period Number

Specify the period for which the trial balance will be printed. If you complete this processing option, you must also specify the fiscal year for the ending period in the Fiscal Year processing option. If you leave this processing option blank, the program uses the current period defined for the JD Edwards EnterpriseOne General Accounting system on the Company Setup form and recorded in the Company Constants table (F0010).

Print

1. Account Number Format

Specify the format for printed account numbers. Values are:

1: Standard account number (The default is business unit.object.subsidiary)

2: Short account ID (The system assigns)

3: Third GL number (Your organization can assign during account setup)

If you leave this processing option blank, the system uses the standard account number.

2. Accounts with Zero Balances

Specify whether the system includes or omits accounts with zero balances for the specified period. Values are:

Blank: Include accounts.

1: Omit accounts.

> **Note:** Accounts that are assigned a posting edit code of **N** print even when you set this processing option to **1**. Accounts that are assigned a posting edit code of **N** are header accounts, which do not have balances.

3. Page Breaks

To skip to a new page when the business unit number changes, enter **1**. If you leave this processing option blank, the system prints without page breaks.

LOD

1. Lowest Level of Detail

Specify the lowest level of detail to print on the report. You can enter a value between **1** and **9** to tell the system to print that level of detail. For example, if you specify level **7** as the lowest level and your chart of accounts includes levels **8** and **9**, level **7** will include the totals for accounts with level **8** and **9** amounts, but the system will not print the detail for levels **8** and **9.**

Alternatively, you can leave this processing option blank to print all levels of detail on the report.

> **Note:** If your chart of accounts was create in a manner that skips levels, the system might produce inaccurate results when it rolls-up detail levels.

Ledger

1. Ledger Type

Specify the type of ledger. The value that you specify must exist in the Ledger Type UDC table (09/LT). If you do not complete this processing option, the system prints amounts for the AA (actual amounts) ledger type.

> **Note:** If you specify the **CA** (foreign currency) ledger type, and the CA ledger type includes amounts for multiple currencies, the totals will be meaningless.

Subledger

1. Subledger

Specify to print amounts for accounts with subledgers. Choices are:

Enter a specific subledger number.

Enter *****. The report will include all subledgers.

Leave this processing option blank. The report will include only accounts without subledgers.

If you complete this processing option, you must also complete the Subledger Type field.

You can specify the subledger type or select it from the Select User Define Code form in the Subledger Type field.

2. Subledger Type

Specifies the table containing the subledger numbers (system 00/type ST). For example, subledger type **A** identifies the Address Book Master table (F0101).

If you complete this processing option, you must also complete the Subledger field.

Currency

1. Currency Code

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Specify the currencies that the system includes in the report when you post account balances by currency. To limit the report to amounts for a specific currency code, enter the code for the currency. The value that you enter must exist in the Currency Codes table (F0013). To include amounts for all currencies, enter ***** (asterisk). Leave this processing option blank if you do not post balances by currency.

> **Note:** If you specify the **CA** ledger type in the Ledger Type processing option, and the CA ledger type includes amounts for multiple currencies, the totals will be meaningless unless you enter a specific currency code for this processing option.

Cost Objects

1. Enter the Cost Object Code to be reported on.

Specify the cost object for the system to use to print the report. Enter a valid cost object code. You can also specify that the system report on a specific item number. If you want to report on a specific item number, enter a value of **5**.

2. Enter the Cost Object Type.

Specify the cost object type for the system to use to print the report. Enter a valid cost object type. Or, if you specified in the Cost Object Code processing option to report on a specific item number, enter the format of the item number. Values are:

1: Short item number

2: Third item number

3: Long item number

3. Enter the Cost Object.

Specify the cost object for the system to use to print the report. Enter a valid cost object. Or, if you specified in the Cost Object Code processing option to report on a specific item number, enter the item number. If you want to report on a specific item number, the format must match the value specified in the Cost Object Type processing option. If you want to report on all object types, enter *****.

Enter the source for the account information.

Specify the source file for the system to use to print the report. Values are:

Blank: Account Ledger table (F0911)

1: Cost Analyzer Balances table (F1602)

Cost Object View Number for Cost Analyzer Balances

Specify the cost analyzer view for the system to use to print the report. Enter the number of a valid cost analyzer view. If you leave this processing option blank or enter **0**, the system prints the report for all cost analyzer views.

Reviewing the Trial Balance by Object Account for Cost Object Report

This section provides an overview of the Trial Balance by Object Account for Cost Object report and discusses how to:

- Run the Trial Balance by Object Account for Cost Object report.
- Set processing options for Trial Balance by Object Account for Cost Object (R16026).

Understanding the Trial Balance by Cost Object Report

You can use this report to verify the accuracy of individual ledger account balances and your overall ledger. This report consolidates object accounts across many business units.

This report allows you to specify whether to use information from the Account Ledger table (F0911) or from the Cost Analyzer Balances table (F1602).

If you decide that you want to use information from the Cost Analyzer Balances table (F1602), you must remember to run the Post to Cost Analyzer Balances program (R1602) before running the Trial Balance by Object Account for Cost Object. The Cost Analyzer Balances table (F1602) is updated only when you run the Post to Cost Analyzer Balances program.

> **Note:**
> - *Posting Entries to the Cost Analyzer Balances Table*.

Running the Trial Balance by Object Account for Cost Object Report

Select Reporting menu (G1625), Trial Balance by Object Account for Cost Object.

Setting Processing Options for Trial Balance by Object Account for Cost Object (R16026)

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

Period

Fiscal Year

Specify the last two digits of the fiscal year for which the trial balance will be printed. For example, enter **08** for **2008**. If you complete this processing option, you must also specify the ending period number in the Period Number processing option. If you leave this processing option blank, the program uses the fiscal year defined for the JD Edwards EnterpriseOne General Accounting system on the Company Setup form and recorded in the Company Constants table (F0010).

Period Number

Specify the period for which the trial balance will be printed. If you complete this processing option, you must also specify the fiscal year for the ending period in the Fiscal Year processing option. If you leave this processing option blank, the program uses the current period defined for the JD Edwards EnterpriseOne General Accounting system on the Company Setup form and recorded in the Company Constants table (F0010).

Print

1. Enter a Model Business Unit to retrieve account descriptions from.

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Specify the model business unit for the system to use to retrieve account descriptions. Enter a valid model business unit.

2. Accounts with Zero Balances

Specify whether the system includes or omits accounts with zero balances for the specified period. Values are:

Blank: Include accounts.

1: Omit accounts.

> **Note:** Accounts that are assigned a posting edit code of **N** print even when you set this processing option to **1**. Accounts that are assigned a posting edit code of **N** are header accounts, which do not have balances.

LOD

1. Lowest Level of Detail

Specify the lowest level of detail to print on the report. You can enter a value between **1** and **9** to tell the system to print that level of detail. For example, if you specify level **7** as the lowest level and your chart of accounts includes levels **8** and **9**, level **7** will include the totals for accounts with level **8** and **9** amounts, but the system will not print the detail for levels **8** and **9**.

Alternatively, you can leave this processing option blank to print all levels of detail on the report.

> **Note:** If your chart of accounts was create in a manner that skips levels, the system might produce inaccurate results when it rolls-up detail levels.

Ledger

1. Ledger Type

Specify the type of ledger. The value that you specify must exist in the Ledger Type UDC table (09/LT). If you do not complete this processing option, the system prints amounts for the AA (actual amounts) ledger type.

> **Note:** If you specify the **CA** (foreign currency) ledger type, and the CA ledger type includes amounts for multiple currencies, the totals will be meaningless.

Subledger

1. Subledger

Specify whether to print amounts for accounts with subledgers. Choices are:

Enter a specific subledger number.

Enter ***.** The report will include all subledgers

Leave this processing option blank. The report will include only accounts without subledgers.

If you complete this processing option, you must also complete the Subledger Type field.

You can specify the subledger type or select it from the Select User Define Code form in the Subledger Type field.

2. Subledger Type

The user defined code (system 00/type ST) that specifies the table containing the subledger numbers. For example, subledger type **A** identifies the Address Book Master table (F0101).

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If you complete this processing option, you must also complete the Subledger field.

Currency

1. Currency Code

Specify the currencies that the system includes in the report when you post account balances by currency. To limit the report to amounts for a specific currency code, enter the code for the currency. The value that you enter must exist in the Currency Codes table (F0013). To include amounts for all currencies, enter ***** (asterisk). Leave this processing option blank if you do not post balances by currency.

> **Note:** If you specify the **CA** ledger type in the Ledger Type processing option, and the CA ledger type includes amounts for multiple currencies, the totals will be meaningless unless you enter a specific currency code for this processing option.

Cost Objects

1. Enter the Cost Object Code to be reported on.

Specify the cost object for the system to use to print the report. Enter a valid cost object code. You can also specify that the system report on a specific item number. If you want to report on a specific item number, enter a value of **5**.

2. Enter the Cost Object Type.

Specify the cost object type for the system to use to print the report. Enter a valid cost object type. Or, if you specified in the Cost Object Code processing option to report on a specific item number, enter the format of the item number. Values are:

1: Short item number

2: Third item number

3: Long item number

3. Enter the Cost Object.

Specify the cost object for the system to use to print the report. Enter a valid cost object. Or, if you specified in the Cost Object processing option to report on a specific item number, enter the item number. If you want to report on a specific item number, the format must match the value specified in the Cost Object Type processing option. If you want to report on all object types, enter *****.

4. Enter the source for the account information.

Specify the source file for the system to use to print the report. Values are:

Blank: Account Ledger table (F0911)

1: Cost Analyzer Balances table (F1602)

5. Cost Object View Number for Cost Analyzer Balances

Specify the cost analyzer view for the system to use to print the report. Enter the number of a valid cost analyzer view. If you leave this processing option blank or enter **0**, the system prints the report for all cost analyzer views.

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23 Reviewing Advanced Cost Accounting Audit Reports for Reconciliation

Understanding Advanced Cost Accounting audit Reports

One of the obstacles that organizations using Activity Based Costing (ABC) face is trying to reconcile GAAP based reporting to ABC based reporting. GAAP methodologies of recognizing costs differ from ABC methodologies.

ABC changes the way costs are allocated to products in two ways. First, costs are redistributed between products and services. Second, more overhead costs are driven to products. As a result, the recognition of costs is often changed between accounting periods.

To be able to reconcile traditional or GAAP based accounting to that based on ABC accounting methodologies, organizations need to reconcile the opening and closing account balances from both a standard and activity-based view.

The JD Edwards EnterpriseOne Advanced Cost Accounting system provides four audit reports that assist in reconciling the two accounting systems:

- Resource To Activity Cost Audit Trail Report.
- Audit Trail By Assignment.
- Resource To Cost Object Audit Trail Report.
- Activity To Cost Object Audit Trail Report.

All four reports are based on information from an audit log file, called the Cost Calculations (F1611) table. You must indicate in the processing options of the Assignment Calculations (R1610) program that you want to generate the audit log table.

Reviewing the Audit Trail Report-Resource to Activity Report

This section discusses how to:

- Run the Audit Trail Report-Resource to Activity report.
- Set processing options for Audit Trail Rpt-Resource to Activity (R16111).

Running the Audit Trail Report-Resource to Activity Report

Select Assignments (G1623), Audit Trail Rpt-Resource to Activity.

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To reconcile JD Edwards EnterpriseOne General Accounting account balances to the activity view account balances, you need to reconcile resource to activity account balances. You can run this report to assist in this process. This report allows you to reconcile the resources (accounts) that have been assigned to an activity.

This report prints information from an audit log file, which is called the Cost Calculation Transactions table (F1611). You must specify in the processing options of the Assignment Calculations program (R1610) that you want the system to generate this audit log file.

When selecting records from the audit log file to print on the report, the system validates the Activity Code field and the To Activity Code field. The system only selects records where the Activity Code field is blank and the To Activity Code field is not blank.

The Audit Trail Report-Resource to Activity report also prints information from the Account Master table (F0901). This action allows you to perform data selection on fields in the Account Master table (F0901) such as the Account Category code fields.

Setting Processing Options for Audit Trail Rpt-Resource to Activity (R16111)

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

Process

1. View

Specify the number of the view for the program to use as data selection criteria. If you leave this processing option blank, the system uses a value of 1.

Reviewing the Audit Trail Report by Assignment Report

This section discusses how to:

- Run the Audit Trail Report by Assignment report.

- Set processing options for Audit Trail Rpt by Assignment (R16112).

Running the Audit Trail Report by Assignment Report

Select Assignments (G1623), Audit Trail Report by Assignment.

Use this report if you need to reconcile account balances within a particular assignment. This report shows you all of the assignment activity for a particular account.

This report prints information from an audit log file, which is called the Cost Calculation Transactions table (F1611). You must specify in the processing options of the Assignment Calculations program (R1610) that you would like the system to generate this audit log file.

The system also prints information from the Account Master file (F0901), so you can use data selection on fields from this file such as the Account Category Code fields.

Setting Processing Options for Audit Trail Rpt by Assignment (R16112)

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

Process

1. View

Specify the number of the view for the program to use as data selection criteria. If you leave this processing option blank, the system uses a value of 1.

Reviewing the Audit Trail Rpt-Resource to Cost Object Report

This section discusses how to:

- Run the Audit Trail Rpt-Resource to Cost Object report.
- Set processing options for Audit Trail Rpt-Resource to Cost Object (R16113).

Running the Audit Trail Rpt-Resource to Cost Object Report

Select Assignments (G1623), Audit Trail Rpt-Resource to Cost Object.

You can use this report to help you reconcile resources to cost object account balances. You can also use this report to reconcile the resources (accounts) that have been assigned to various cost objects within an assignment.

This report prints information from an audit log file, which is called the Cost Calculation Transactions table (F1611). You must specify in the processing options of the Assignment Calculations program (R1610) that you would like to generate this audit log file.

When selecting records from the audit log file, the system validates the To Cost Object field. The system selects only records where the To Cost Object field is not blank.

This report also prints information from the Account Master table (F0901). This feature allows you to perform data selection on fields in the Account Master table such as the Account Category Code fields.

Setting Processing Options for Audit Trail Rpt-Resource to Cost Object (R16113)

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

Process

1. View

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Specify the number of the view for the program to use as data selection criteria. If you leave this processing option blank, the system uses a value of 1.

Reviewing the Audit Trail Rpt-Activity to Cost Object Report

This section discusses how to:

- Run the Audit Trail Rpt-Activity to Cost Object report.

- Set processing options for Audit Trail Rpt-Activity to Cost Object (R16114).

Running the Audit Trail Rpt-Activity to Cost Object Report

Select Assignments (G1623), Audit Trail Rpt-Activity to Cost Object.

This report assist you in reconciling activity to cost object account balances. You can reconcile the cost objects to which an activity was assigned within a particular assignment.

This report prints information from an audit log file, which is called the Cost Calculation Transactions table (F1611). You must specify in the processing options of the Assignment Calculations program (R1610) that you would like to generate this audit log file.

When selecting records from the audit log file to print on the report, the system validates the Activity Code field and the To Cost Object field. The system selects only records where the Activity Code and the To Cost Object fields are not blank.

This report also prints information from the Account Master file (F0901). This action allows you to perform data selection on fields in the Account Master file such as the Account Category Code fields.

Setting Processing Options for Audit Trail Rpt-Activity to Cost Object (R16114)

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

Process

1. View

Specify the number of the view for the program to use as data selection criteria. If you leave this processing option blank, the system uses a value of 1.

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24 Reviewing the Customer Profitability Report

Understanding the Customer Profitability Report

This section provides an overview of the Customer Profitability report and list prerequisites.

Customer Profitability Report

Throughout the supply chain, various levels of management in your company might require tools to determine the profitability of customers, products, or both. Your company's management might need reports that show which customers are most profitable and deserve superior customer service. The Customer Profitability report (R16028) provides this information for you.

The Customer Profitability report prints four different sections:

- Revenue.

- Expense.

- Activity Costs.

- Other Indirect Expense and Income.

The Revenue and Expense sections consist of values with account numbers that fall within the AAI range of Revenue and Expenses.

- Activity Costs

  The Activity Costs section contains:

- Accounts that have been assigned to an activity.

- Accounts where a customer has been assigned.

- Accounts where the account numbers are greater than the range for the GLG 9 AAI.

- Other Indirect Expense and Income.

  The Other Indirect Income and Expense section includes:

- Accounts that fall outside the AAI range for Revenues and Expenses (greater than the GLG 9 AAI).

- Accounts that have been assigned to a customer.

- Accounts that have not been assigned to an activity.

Because meeting the needs of every customer is impossible, this report serves as a generic template that you can modify to meet your needs, according to your setup of JD Edwards EnterpriseOne Advanced Cost Accounting. This level of flexibility is achieved through the use of processing options, data selection, and minor code changes.

From the Select tab of the processing options, you can choose the cost analyzer view, fiscal year, from period, thru period, and ledger type for the system to use for the report. The Detail tab provides further flexibility by allowing you to choose the lowest level of account detail and the range of activities for the report.

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> **Note:** This report was designed to work for a level of detail of 5, 6, 7, 8, or 9. You must select one of these levels of detail in the Level of Detail processing option to see accurate profitability for a customer.

The Customer Profitability report uses an internal UBE called Profitability Reporting (R16028A). The specifications for this internal UBE need to be checked into the server for the report to run correctly.

This report prints information from the Cost Analyzer Balances table (F1602). You must run the Post to Cost Analyzer Balances program (R1602) to update this table.

> **Note:** Because of the complexity of this report, processing time could be slow. Therefore, we recommend that you run this report at night and with data selection. For example, run only one or two companies at a time.

Prerequisites

Before you complete the tasks in this section:

- Set up the GLG Automatic Accounting Instructions (AAIs).

  See *"Setting Up AAIs for General Accounting" in the JD Edwards EnterpriseOne Applications General Accounting Implementation Guide* .

- Set up the FS04 AAI.

  See *"Understanding Financial Reports" in the JD Edwards EnterpriseOne Applications General Accounting Implementation Guide* .

- Select Activity Based Costing in the Cost Management Constants.

  See *Setting Up Constants*.

Running the Customer Profitability Report.

Select Reporting (G1625), Customer Profitability Report.

Setting Processing Options for the Customer Profitability Report (R16028)

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

Select

1. View

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Specify the view that will be used in the data selection criteria for the report. Enter the number (from **1** to **10**) of a valid cost analyzer view. If you leave this processing option blank, the system will use a value of 1.

2. Fiscal Year (4 digits)

Specify the fiscal year for the system to use in the data selection criteria for the report. Enter the last two digits of the fiscal year for which you want to run the report. For example, enter **08** for **2008**. If you leave this processing option blank, the current year as defined in the Companies program (P0010) will be used.

3. Period From

Specify the from period for the system to use in the data selection criteria for the report. Enter a valid period number. If you leave this processing option blank, the system uses period 1.

4. Period Thru

Specify the thru period for the system to use in the data selection criteria for the report. Enter a valid period number. If you leave this processing option blank, the system uses period 12.

5. Ledger Type

Specify the ledger type for the system to use in the data selection criteria for the report. Enter a valid ledger type from UDC 09/LT. If you leave this processing option blank, the system uses ledger type AA.

Detail

1. Account Level of Detail

Specify the lowest level of account detail for the system to display on the report. Enter a number from **1** to **9**. If you leave this processing option blank, the system will display a level of 9.

2. Activity Range - Beginning

Specify the beginning activity code for the system to include on the report. Enter a valid activity code. If you leave this processing option blank, the system includes all activities up to the value specified in the Activity Range - Ending processing option. If you leave the Activity Range - Ending processing option blank as well, the system includes all activities.

3. Activity Range - Ending

Specify the ending activity code for the system to include on the report. Enter a valid activity code. If you leave this processing option blank, the system includes all activities starting with the value specified in the Activity Range - Beginning processing option. If you leave the Activity Range - Beginning processing option blank as well, the system includes all activities.

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Cost Type

Enter a code that specifies the type of cost object and the type of editing. Types are stored in the Cost Object Types table (F1620) and can be added or modified using the Cost Object Types program (P1620). Enter a cost object and cost type to associate a flexible segment with the standard format segment.

Data Item

Enter a code that identifies and defines a unit of information. It is an alphanumeric code up to 8 characters long that does not allow blanks or special characters such as **%**, **&**, or **+**. You create new data items using system codes 55-59. You cannot change the alias.

Document Type

Enter a user defined code (00/DT) that identifies the type of document. This code also indicates the origin of the transaction. Oracle has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following document types are defined by Oracle and should not be changed:

P: Accounts Payable

R: Accounts Receivable

T: Payroll

I: Inventory

O: Purchase Order Processing

J: General Accounting/Joint Interest Billing

S: Sales Order Processing

Dual Currency Ledger Type

Enter the ledger type (UDC 09/LT) that the system uses for dual currency when dual currency is activated. If you leave this processing option blank, the system uses the XA ledger type for dual currency.

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Ledger Type

Enter a user defined code (09/LT) that specifies the type of ledger, such as **AA** (Actual Amounts), **BA** (Budget Amount), or **AU** (Actual Units). You can set up multiple, concurrent accounting ledgers within the general ledger to establish an audit trail for all transactions.

IPI Taxable

Enter the amount on which IPI taxes are assessed.

Roll Up FIFO Layers

Enter whether the system rolls up the remaining FIFO layers for year-end processing. For LIFO valuations, the system always rolls up all layers at the end of the year into a single layer for the opening balance for the next year. If you want the FIFO valuations to roll up into one layer, enter **1** in this option. Otherwise, the system does not roll up the FIFO valuations into one layer. Values are:

Blank: Do not roll up remaining FIFO layers.

1: Roll up remaining FIFO layers.

Subledger Type

Enter a user defined code (00/ST) that is used with the **Subledger** field to identify the subledger type and how the system performs subledger editing. On the User Defined Codes form, the second line of the description controls how the system performs editing. This is either hard-coded or user defined. Values are:

A: Alphanumeric field, do not edit.

N: Numeric field, right justify and zero fill.

C: Alphanumeric field, right justify and blank fill.

Transaction Nature

Enter a three-character code that for tax purposes, identifies a type of transaction. To enter values for the Transaction Nature code, use the following convention: X.YY X defines the origin of the transaction (inbound or outbound). Values for X are:

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1: Inbound, inside the state.

2: Inbound, other states.

3: Inbound, import.

5: Outbound, inside state.

6: Outbound, other states.

7: Outbound, export. YY defines the transaction as a whole, such as a sales transaction.

Examples of Transaction Nature codes: 511 In-state-sale 611 Out-of-state sale

Version ID

Enter the version of the GL journal entry program that the system uses. If you leave this processing option blank, the system uses version ZJDE0001.

View Number

Enter a number from 1 to 10 that specifies how the system posts records from the Account Ledger table (F0911) to the Cost Analyzer Balances table (F1602). This number also specifies which managerial accounting posting code (PM01-PM10) in the F0911 table to update as posted. For example, if the view number is **1,** then the system updates PM01 with P when the F0911 record is marked as being posted.

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