Oracle Fusion Cloud Human Resources

Administering Global Payroll Costing

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Get Help

There are a number of ways to learn more about your product and interact with Oracle and other users.

Get Help in the Applications

Some application pages have help icons ⑦ to give you access to contextual help. If you don't see any help icons on your page, click your user image or name in the global header and select Show Help Icons. If the page has contextual help, help icons will appear.

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1 Let's Get Started

About this Guide

This guide is designed to help you with implementing Global Payroll Costing and the day-to-day administering tasks.

Audience

This guide provides practical guidance for Payroll Costing administration teams, such as Payroll Managers and Payroll Specialists. When administering, it's assumed that you have working knowledge of the basic principles of payroll and you're familiar with the customary payroll terminology. It's also assumed that you know to consult the Help Center for guides such as these:

- Getting Started with Oracle Cloud Applications
- Getting Started with Your Global Human Resources Cloud Implementation guide to review your initial setup
- Implementing Global Human Resources guide to review the related prerequisite tasks performed in the payroll implementation
- Administering Fast Formula
- Administering Global Payroll Flows
- Administrating Global Payroll Interface
- Implementing Payroll for Global
- Administering Global Payroll

While this guide is primarily intended for the administering team, you will find it helpful if you run and maintain payroll processes after implementation.

Organization and Format

Step-by-step information to help you understand payroll costing concepts, administering tasks necessary for you to implement Global Payroll. Specific information regarding the requisite tasks can be found in relevant sections of this document. At the end of each topic are links to related topics to help you find additional information.

Other Documents

For more information about generic and related tasks, refer to the guides at docs.oracle.com/cloud/latest/globalcs_gs/docs.htm.

Related Topics
- Overview of Payroll Costing
- Overview of Implementing Global Payroll

Responsive User Experience Setup

Deep Links

You can use deep links to provide easy navigation directly to a page in the HCM Cloud application.

You can also use deep links for mobile responsive pages on your intranet, custom and third-party applications, or in a document. This helps people run transactions in the HCM cloud and provides quick access to their HR information.

To access deep links:

1. Open the main menu.
2. Go to **Tools> Deep Links**.
3. Copy the URL for a deep link.
4. Paste the URL in the appropriate location.

When you open Deep Links, you find a list of all available deep links.

Search Logic Profile Options for Client List of Values

You can use the logic <codeph>CONTAINS</codeph> to create the client list of values. This returns results containing the characters you enter.

Optionally, for individual list of values, you could change this logic to <codeph>STARTS WITH</codeph>, to return results that start with the search characters you enter.

For example, when you search for a person with the name John Smith while using the logic CONTAINS, you can search by '**jo**' or '**sm**' or '**th**'. When you use the logic STARTS WITH, your search must start with '**j**'.

Use the logic STARTS WITH when your list contains thousands of values (more than 15,000 records) to improve the search performance. Or, if you don't partition your data by set ID.

> **Note:** If you change the search logic for a client list of values, the logic changes in all pages where the list of values is used.

Related Topics

- Search Logic Profile Options for Client List of Values in Global Human Resources

Use Transaction Design Studio to Configure Field Displays

Use the Transaction Design Studio (TDS) to configure transactions and pages for responsive applications. TDS is available within the HCM Experience Design Studio.

You can control the visibility of attributes that are displayed either as **Delivered** or **Enabled**, and the availability of fields and sections of a transaction based on the user's role, person's business unit, or legal employer.

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By default, the responsive pages display the often used attributes and hide the less often used attributes. Use Page Composer to personalize the responsive pages and display the attributes and tabs delivered within the feature.

Here's how you start HCM Experience Design Studio:

1. Sign in to the application as Human Capital Management Application Administrator with Access HCM Page Configurator (HRC_ACCESS_HCM_TRANSACTION_CONFIGURATOR_PRIV) privilege. This privilege provides you access to TDS in HCM Experience Design Studio.
2. Enable a sandbox to compose data for configuring business objects. On the Home page, click the **HCM Experience Design Studio** quick action under the **My Client Groups** tab.
3. Under **Settings and Actions**, click **Edit Pages**.
4. Select the site layer and click **OK**.

Related Topics
- Overview of Page Modification

Concepts to Understand

Date Effectivity Overview

Date effectivity preserves a history of changes made to the attributes of some objects. As a Professional user, you can retrieve and edit past and future versions of an object.

Many Human Capital Management (HCM) objects, including person names, assignments, benefits plans, grades, jobs, locations, payrolls, and positions are date-effective.

Logical and Physical Records

Date-effective objects include one or more physical records. Each record has effective start and end dates. One record is current and available to transactions. Others are past or take effect in the future. Together, these records constitute the logical record or object instance. For a date-effective logical row, which is a collection on contiguous temporal physical rows, each physical row CreatedBy (CREATED_BY) and CreationDate (CREATION_DATE) are the same.

This table shows changes to the department manager attribute in a department business object. Each row represents a single physical record.

Physical Record	Effective Start Date	Effective End Date	Department Manager
4	18 January, 2022		C. Woods
3	15 October, 2021	17 January, 2022	A. Chan
2	13 June, 2020	14 October, 2021	T. Romero
1	22 March, 2019	12 June, 2020	G. Martin

> **Note:** The physical record number doesn't appear in the record.

Effective End Dates in Physical Records

Every physical record except the last has an effective end date. The update process adds this date, which is the day before the effective start date of the next record, whenever you update the object.

Object End Dates

You can enter a final effective end date for some date-effective objects. For example, terminating an assignment adds a final effective end date to the assignment. Alternatively, the **End Date** action may be available. If you end date a date-effective object, then it isn't available to transactions after that date. But the object's history is retrievable.

Status Values in Date-Effective Objects

Some date-effective objects, such as grades and jobs, have both effective dates and status values. When the object status is **Inactive**, the object isn't available to transactions, regardless of its effective dates. Setting the status to **Inactive** makes objects unavailable to transactions. If you can't enter an effective end date for an object, then changing its status has the same effect.

Future-Dated Changes

For date-effective objects, you can enter future changes. For example, you enter the worker promotion shown in this table on 25 July, 2022 to take effect on 18 October, 2022.

Physical Record	Effective Start Date	Effective End Date	Grade
2	18 October, 2022		IC2
1	14 December, 2020	17 October, 2022	IC1

Physical record two becomes current on 18 October, 2022. From 14 December, 2020 until 17 October, 2022 physical record one is current and available to transactions. If you can access the object history, you can see physical record two before it takes effect.

When future-dated changes exist, other actions may be limited. For example, to end this worker's assignment before the promotion takes effect, you must first delete the promotion.

Date-Enabled Objects

Some objects, such as work relationships, are date-enabled rather than date-effective. They have start and end dates that define when they're available, but they have no history of changes. New attribute values overwrite existing attribute values.

Related Topics

- How You Delete Physical Records from Date-Effective Objects
- Examples of Updating Date-Effective Objects
- Examples of Correcting Date-Effective Objects
- How You Make Multiple Updates to Date-Effective Objects in One Day

How You Delete Physical Records from Date-Effective Objects

The effect of deleting a physical record from a date-effective object depends on the record's position in the object's history.

Consider the date-effective object, which has three physical records, shown in this table.

Physical Record	Effective Start Date	Effective End Date	Attribute Value
3	15 August, 2022		C
2	30 October, 2021	14 August, 2022	B
1	10 June, 2020	29 October, 2021	A

Intermediate Records

If you delete physical record two, where the attribute value is B, then the object is as shown in this table after the deletion.

Physical Record	Effective Start Date	Effective End Date	Attribute Value
2	15 August, 2022		C
1	10 June, 2020	14 August, 2022	A

If physical records exist both before and after the deleted record, then the deletion adjusts the dates of the surrounding records automatically. The effective end date of the previous record is now the day before the effective start date of this record. This change closes the gap in the object's effective dates.

First or Only Records

In most cases, you can't delete the first or only physical record.

If you can delete the first physical record, then the object exists from the effective start date of the next physical record (30 October, 2010 in this example). If only one physical record exists, then deleting that record is the same as deleting the object.

Final Records

If you delete the final physical record, then the deletion removes the effective end date automatically from the previous physical record (14 August, 2011, in this example).

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Application Tools

Payroll Flows

Use payroll flows to streamline and optimize your payroll operations. They help you ensure smooth and seamless end-to-end execution of the processes that address all of your payroll business requirements.

Use payroll flows to manage, effectively and efficiently, all your payroll tasks, such as calculating payrolls, running reconciliation reports, and making payroll payments.

For example, to ensure your payroll cycles are accurate, you can design a flow that includes manual tasks that request validation at each step in the process. In this way, your Financial Director can verify the payroll costing results before the flow transfers the payroll costs to the general ledger.

Predefined flow patterns are automatically available for you to submit all types of payroll processes and reports. A flow pattern can consist of a single task such as the Calculate Payroll flow, or multiple tasks, such as the Payroll Cycle flow. The Payroll Cycle flow includes all tasks for a payroll period in a best practice flow.

You can run the predefined flows directly, or you can use them as templates to create your own. You can even copy a predefined flow pattern and edit it to meet your business requirements, such as adding, deleting, or moving a task in the schedule.

There are also features to help you to design flows that address other complex business requirements, such as the task iterator, that automates repetitive tasks with a single flow submission. For example, use the task iterator option to generate a report for multiple payroll statutory units within your organization.

Similarly, use the flow connectors feature to isolate and review off-cycle and on-cycle payroll runs and subsequently combine the run results for downstream processing.

This workflow diagram gives you an understanding of how payroll flows work. It shows the navigation path from the pages that provide high-level flows information, such as the View Flows page, to the pages that provide detailed employee-level information, such as the Checklist and Process Results Details pages.

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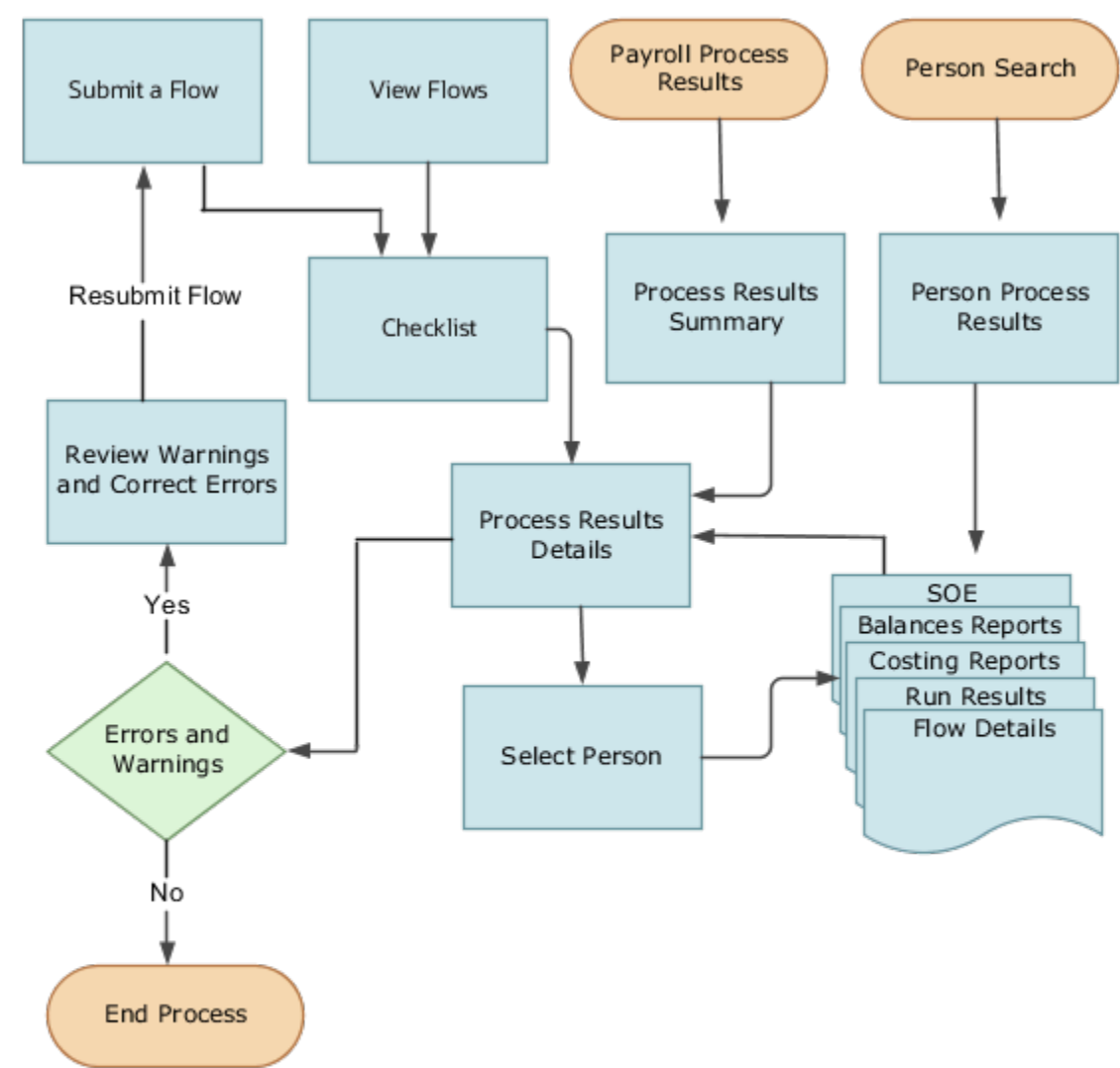
This table gives you a list of the payroll flow pages and a high-level description of the ongoing tasks you can perform to submit and monitor your flows.

Page Name	Tasks You Can Do On the Page
Submit a Flow	After you have created the flow pattern, use the Submit a Flow page to submit the flow. Navigate to Submit a Flow task from Quick Actions or under **Payroll** in **My Client Groups**. Use the filter options and search for the flow you want to submit. Enter a unique name for the flow and use the appropriate sections on the page to enter flow parameters, schedule your flow, and link flows if required.

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Page Name	Tasks You Can Do On the Page
Checklist	A Checklist is generated for each submitted flow. The Checklist page provides a central point to monitor and manage all tasks within the flow. Use the Checklist to easily identify areas that require your attention, such as any tasks within your flow that have error messages. Perform actions on the Checklist page, such as roll back a task or mark a manual task as complete. To view further information for a specific task, select the task and navigate to the Process Results Details page.
Process Results Details	Use the Process Results Details page to view more detailed information for a flow task, such as errors and warning messages, report output, and log files.
Errors and Warnings	Use the Errors and Warnings page to view messages pertaining to persons or processes. You can also access this page from the Process Results Summary. Once you resolve all issues, navigate back to the Checklist page to continue processing any remaining tasks within your flow.
View Flows	Use the View Flows page to get an overall status of all submitted flows. Use the filter options on the page to identify flows that require your attention, such as a flow that includes tasks with error messages. Drill down on a flow to go to the Checklist page, to get more detailed information for the tasks within the flow. Navigate to View Flows task from Quick Actions or under **Payroll** in **My Client Groups**.

For more information on payroll flows, refer to the Administering Payroll Flows guide on the Oracle Help Center.

Related Topics
- Flow Pattern Components
- Payroll Flow Patterns

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2 Costing Setup

Overview of Payroll Costing

Payroll costing tracks all your costs incurred to compensate your employees and distribute those costs to General Ledger. For example, salary, bonuses, paid leave, employer-paid portion of all payroll taxes are tracked and disbursed as expenses to your work structure.

- The *Payroll Cost Allocation* key flexfield is the basis for the accounting entries to be created and reported to track your labor costs. Consider all aspects and impact of this flexfield and its uses during your planning.

- *Calculate Payroll* flow calculates payroll, produces run results and costs them to your work structure and costing hierarchy:

  - Cross-Validation Rules validate payroll cost account combinations during the costing process and prevent invalid combinations entries sent to general ledger.
  - Payroll costing derives a cost account number for each payroll run result. Typically each segment of the cost account number represents the general ledger accounting structure; however this may not always be the case.
  - Payroll costing values are mapped to various segments of the customer's general ledger accounting structure.

- *Calculate Costing of Payments* flow creates costing results based on the prepayment results. And, when applicable, after the cash management reconciliation it allocates costs for payment results, to include voided, cleared and external payments.

- *Calculate Retroactive Costing* flow recalculates costs for retroactive changes to costing.

- *Cost Adjustments* are corrective actions applied to the payroll run costing result and, based on the payroll run, to reports and calculations.

- *Calculate Partial Period Accruals* flow calculates costs for a pay period that overlaps two accounting periods to create accrual entries for partial pay.

- *Transfer to Subledger Accounting* flow transfers payroll costs to subledger accounting (SLA) for review, reports and posts to the General Ledger.

- *Reverse Transfer to Subledger Accounting* flow reverses the payroll subledger accounting entries that were posted in final mode using the Create Accounting process.

Setup Tasks and Considerations

Set up enterprise structures, legal entities, and organizations to create and maintain information related to people, employment, and work structures. The setup also includes tasks to define payroll business objects required for processing and costing payroll, processing payments, and generating statutory reports.

Use this table of setup tasks to plan your implementation of payroll and payroll costing for your business requirements.

Payroll	Description
Cost Accounting	Legal entities, legal reporting units, tax reporting units, payroll statutory units, legal authorities, legal registrations and jurisdictions, and legal authorities.

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Payroll	Description
Cost and Profit Planning	Organization structures, business units, and organization models that best suit your business process.
Landed Cost Management	Configure elements and formulas to record earnings and deductions for processing payroll and reporting.
Project Costing Base	Define payroll objects and payment methods required for payroll calculations and reporting, and processing and making payments.

Payroll Costing Setup

Use Payroll Costing and Cost Allocation setup tasks to configure key flexfields, value sets, descriptive flexfields, messages and other costing structures.

Start your implementation of Global Human Resources Cloud Payroll Costing as a user with the Application Implementation Consultant role (ORA_PAY_APPLICATION_IMPLEMENTATION_CONSULTANT_JOB). Refer to the Functional Setup Manager guide to manage the opt-in and setup of your offerings.

You typically set up costing during your initial payroll implementation. As new objects, such as payrolls, departments and jobs are added, you may have additional configuration but only at the costing level.

- Costing setup may use person-specific data, such as a department or a legislative area like state, county or city, referred to as contexts.

- Unique costing for a person or an element entry may be entered on an as needed basis during regular payroll processing.

Refer to the Administering Global Payroll Costing guide in the Oracle Help Center for details about implementing and administering payroll costing.

Related Topics
- About This Administering Global Payroll Costing Guide
- How Payroll Costing Components Integrate with Other Applications
- How Distributed Costing Is Calculated
- Overview of Payroll Flows
- Payroll Costing Report

Costing Setup Prerequisites

Payroll Setup Tasks for Financials

Because payroll and payroll costing rely on and integrate with components of other applications, you must set up the components in Financials, such as charts of accounts and ledgers.

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Set up the financial components before you set up components in Payroll, such as banks to process payments, associate a ledger to a payroll definition, and run processes to distribute costing results.

Complete these setup tasks to create the chart of accounts and ledgers. You can perform these tasks with the application implementation consultant job role can perform these tasks.

Chart of Account Setup

Complete these tasks to set up your chart of accounts information. Later, you associate the chart of accounts to a ledger.

Task	Action
Value Sets	Create new or review existing value sets, which you will associate with a key flexfield segment.
Structures	Create account structures that specify the segments to include, their order, and the value sets that will validate the data entered in the segments. General Ledger predefines the Accounting key flexfield.
Structure Instances	Create account structure instances, which you will use to record transactions and maintain account balances.
Value Set Values	Create groups of values, which you will assign to a key flexfield segment.
Account Hierarchies	Search, create, and edit hierarchical groupings of accounts.
Accounting Calendars	Set up accounting calendar period details. Determine the total number, frequency, and duration of the accounting periods.
Account Combinations	1. Create account combinations if the structure instance of your chart of accounts flexfield doesn't allow dynamically created account combinations 2. Create accounts for each account combination used in payroll. As a best practice, use the same account numbers for your payroll and general ledger accounts. 3. If you reconcile payments in Cash Management, create an account combination for reconciliation differences.

Ledger Setup

You perform these tasks as part of the accounting configuration setup for Global Payroll.

Task	Action
Primary Ledgers	Create a ledger with a chart of accounts, accounting calendar, currency and subledger accounting method. **Note:** If you're creating bank information, you must create a primary ledger.

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Task	Action
Legal Entities	Add the legal entities that use the ledger. The Legal Entity HCM Information task associates the payroll statutory units for legal entities to the legislative data group.
Ledger Options	1. Complete all the fields for the General Information and Accounting Calendar, and Subledger Accounting sections. 2. In the Period Close section, select the Retained Earnings Account you will use for payroll. 3. In the Journal Processing Intercompany subsection, select the option to launch AutoReverse after the open period.
Balancing Segment Values to Legal Entities	Assign specific balancing segment values to each legal entity before assigning values to the ledgers. By specifying this information, you can more easily identify legal entities during transaction processing and reporting
Balancing Segment Values to Ledger	Optionally, assign specific primary balancing segment values to the primary and secondary ledgers to represent transactions for nonlegal entities, such as adjustments.
Reporting Currencies	Review and update reporting currencies. Reporting currencies maintain and record subledger and general ledger journal entries in additional currencies.
Review and Submit Accounting Configuration	Submit your configuration.
Open First Period	Open the first period when you're ready to process transactions for the ledger. After you open the first period, use the Accounting Periods task in General Ledger to open and close periods, and to specify the target period that concludes the series of calendar periods.

Related Topics

- How Payroll Costing Components Integrate with Other Applications
- Payroll Setup Tasks for Subledger Accounting
- Primary Ledgers, Secondary Ledgers, and Reporting Currencies
- Assign Legal Entities and Balancing Segments
- Chart of Accounts Structures and Instances

Payroll Setup Tasks for Subledger Accounting

Global Payroll integrates with Subledger Accounting to streamline accounting tasks. You transfer payroll transactions to Subledger Accounting, such as payroll transactions for costing the payroll run, payments, and partial period accruals. Subledger Accounting applies rules to the transactions and creates subledger journal entries and subledger

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Payroll provides predefined data for Subledger Accounting. You create additional components in Subledger Accounting to support costing, such as accounting methods and rules.

Select Payroll Features Choices for Subledger Accounting

Before you create implementation projects, you select payroll feature choices, such as the choice to cost your payroll. This table shows how these choices determine the tasks you can view in Subledger Accounting.

Feature Choices	View Predefined Data	Define Subledger Accounting Rules for Payroll
Maintain Subledger Application and Accounting Method	Yes	Yes
Maintain Subledger Accounting Method	No	Yes

View Predefined Data

Define Subledger Application and Sources liar includes predefined data, such as the definition of attribute values, process categories, event classes and event class options, sources, source assignments and accounting attribute assignments, journal line types, account derivation rules, journal lines definitions, and application accounting definitions. You can review this predefined information.

Define Subledger Accounting Rules for Payroll

Define Subledger Accounting Methods list includes tasks you must complete to integrate Subledger Accounting with Global Payroll.

Set the scope for Define Subledger Accounting Methods list to Payroll before performing these tasks required for defining payroll costing.

Page	Action
Account Rules	Specify the segment rules for each segment of the chart of accounts flexfield structure that has a corresponding source segment in the cost allocation key flexfield. 1. Select a chart of accounts rule, and edit the rule. 2. On the Edit Account Rules page, select the Chart of Accounts. 3. Select the **Segment** Rule Type, and the segment. 4. In the Rules section, select **Source** Value Type. In the Value field, select the corresponding segment of the cost allocation key flexfield. For example, if you're editing the account rule for the company segment of the chart of accounts, select the company segment that you defined in the cost allocation key flexfield structure. 5. In the Conditions section, enter this text: `"Assignments Payroll Name" Is not null` 6. Click the **Validate** button, and save the rule. 7. Repeat these steps for each segment of the chart of accounts that has a corresponding segment in the cost allocation key flexfield. The Dynamic Combination Creation Allowed option on the Edit Key Flexfield Structure Instance page for the General Ledger accounting key flexfield enables dynamic account combination.

Page	Action
	• If you select the option, when you save the account rule, Subledger Accounting automatically creates the corresponding account combinations for General Ledger. • If you didn't select the option, you must create accounts for General Ledger using Account Combinations.

Subledger Journal Entry Rules Sets	1. Create new journal entry rule sets for each type of event class: Costs, Payment Costs, Run Costs, and Partial Period Accrual for event types All and Reversal. Use these templates:
	
	  ○ Payroll Template Cost Rule Set
	  ○ Payroll Template Run Cost Rule Set
	  ○ Payroll Template Payment Cost Rule Set
	  ○ Payroll Template Estimate Cost Rule Set
	  ○ Payroll Template Reversal Estimate Cost Rule Set
	
	Note:
	Don't copy existing journal entry rule sets. Create new journal entry rule sets instead.
	
	2. Confirm the status is active.
	3. Select an Accounting Date in the Journal Entry section.
	4. Complete the credit and debit line types in the Journal Lines section.

Journal Line Rules	Create journal line rules for the journal rule sets that have the same event class, and assign conditions.
Accounting Methods	1. Copy the Standard Accrual accounting method. 2. On the Payroll tab, add the newly defined journal entry rule sets for each event class. 3. From the Actions menu, change the status to Active. **Note:** If you update the accounting method, reset the status to Active.
Subledger Accounting Options	1. Specify accounting options to define how journal entries are generated from subledger transactions. 2. Determine whether to summarize by General Ledger date or by General Ledger period.

Optional Setup

Complete these optional tasks, as needed.

Page	Action
Import Supporting Reference Initial Balances	Import source values for the balances maintained by the segments that store supporting reference balances.
Description Rules	Define the rules for the descriptions that appear on the subledger journal entry at the header and the line level.
Supporting References	Decide what additional source information to store about a subledger journal at the header or line level.

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Page	Action
Payroll Process Configuration	Configure group overrides to transfer the costing results. For example, transfer costing results of a payroll run using the payroll time periods date paid in the Accounting Date for Transfer to Ledger configuration parameter as an override.

Create Accounting Results

If you plan to transfer and post accounting entries to General Ledger, to review those entries, you must set up security. The setup creates data roles based on the job, payroll, and legislative data group. Only users provisioned those roles can submit the Create Accounting process and review the resulting entries.

Related Topics

- Account Rules
- Accounting Method
- How You Define Account Rules
- Subledger Journal Entry Rule Set
- Payroll Process Configuration Parameters

Payroll Setup Tasks to Transfer Costs to General Ledger

Payroll accounts capture the account information required to generate journal entries for the ledgers used by your legal entities. If you create accounting results, you must generate and assign data roles required by Subledger Accounting. If you transfer your payroll costs from Subledger Accounting.

Set Up Accounts for Payroll and General Ledger

As a best practice, set up accounts in payroll for the equivalent account combinations maintained in General Ledger. By using a similar structure, you avoid discrepancies, minimize maintenance, and improve communication between departments when resolving questions about journal entries.

For example, specify the same natural account segment for the payroll Cash account as used in General Ledger, to reconcile the Cash account and bank balance for transactions that share the same bank account.

Transfer Costs to General Ledger

If you plan to transfer payroll and payment costs to General Ledger, complete these steps.

1. Select the Transfer to General Ledger option on these setup pages.

Costing Setup Page	Costs Transferred
Costing of Elements	Payroll run costs
Costing of Payments	Payment costs

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Costing Setup Page	Costs Transferred

2. Review the configuration parameters on the Payroll Process Configuration page that control which accounting date to use when you transfer and post journal entries to General Ledger.

Parameter Name	Parameter Description

Accounting Date for Transfer to General Ledger	Accounting Date, which uses one of these dates:
	
	  ○ P
	
	    Process Date of the payroll run (P)
	
	    This is also the date used to transfer and post journal entries for costing results to General Ledger. This is the default value.
	  ○ E
	
	    Date Earned
	  ○ DP
	
	    Date Paid from payroll time periods for calculate payroll and QuickPay only
	  ○ EVE
	
	    For the accounting date of the Partial Period Accrual Reversal process, Date Earned specified on the Payroll Definition page on the Time Periods tab is used. If the Date Earned isn't defined, the payroll period end date is used.
	
	    For the actual payroll run costs, the process date of the payroll run is used.

Reversal and Balance Adjustment Accounting Date	Accounting date, which uses one of these dates:
	
	  ○ Process date of a reversal or a balance adjustment (P). This is the default value.
	  ○ Process end date of the Transfer to Subledger Accounting task (T)
	
	    This is also the date used to transfer journal entries for costing results to General Ledger.

3. Accounting Date for costing of payments is as follows:

   a. Unreconciled Payments: The effective date of prepayments is the Accounting Date to transfer the costing of payments to subledger accounting.

   b. Reconciled Payments: The effective date of prepayments is the

     Initial results of costing of payments process where it debits the liability account and credits the cash clearing account. The Cleared Date in Cash Management is the Accounting Date when you transfer the costing of payments after reconciliation is done in cash management.

   c. Void Payments: When a payment is voided and the results are costed, the effective date of Void process is the Accounting Date while transferring the results to subledger accounting.

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Related Topics
- Element Costing Options
- Payroll Setup for Costing Accounts
- Payroll Process Configuration Parameters

Payment Reconciliation Setup

Global Payroll integrates with Cash Management and General Ledger. This integration facilitates the setup of banks, branches, and bank accounts, and the reconciliation of bank statements with payment transactions.

An administrator or implementor with the appropriate privileges performs the tasks shown in this table:

Application	Setup Steps	Task
General Ledger	Create an account combination for the reconciliation differences account.	• Account Combinations
Cash Management	Set up transaction codes that map to the payment method transaction codes used in payroll.	• Cash Transaction Type Mapping • Bank Statement Transaction Codes
Cash Management	Create reconciliation rules.	• Bank Statement Reconciliation Tolerance Rules • Bank Statement Reconciliation Matching Rules • Bank Statement Reconciliation Rule Sets
Payroll	Create liability, cash clearing, and cash accounts for your payment sources. Specify the option Transfer to General Ledger.	• Costing of Payment Sources

Reconciliation Differences Account Setup

If you reconcile payment costs before posting the costing results to General Ledger, set up a reconciliation differences account in General Ledger using Account Combinations. The reconciliation differences accounts in Cash Management records discrepancies between the bank statement and the transferred payment files, such as over and under payments.

Payroll Transactions Codes Setup

If you cost your payments, set up and map transaction codes in Cash Management for the organization payment methods.

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Task	Action
Bank Statement Transaction Codes	1. Review the transaction and statement codes that your enterprise currently uses 2. Create transaction codes for the transaction types that support your organization payment methods
Cash Transaction Type Mapping	1. Map transaction types to payment types used for the organization payment methods that support costing of payments. 2. Identify the organization payment methods for payroll accounts, such as payroll liability, cash, and cash clearing accounts.

Reconciliation Rules Setup

Payroll processes transfer your payment entries to Cash Management for manual or automatic reconciliation with bank statements, and cost the unreconciled and reconciled payments to the appropriate account, such as the cash clearing and cash accounts.

If you reconcile transactions automatically, in Cash Management complete the tasks listed in this table.

Task	Action
Bank Statement Reconciliation Tolerance Rules	Create tolerance rules based on date, amount, or percentage that prevent or warn you when reconciliation exceeds a defined tolerance.
Bank Statement Reconciliation Matching Rules	Define bank statement automatic reconciliation matching rules.
Bank Statement Reconciliation Rule Sets	Assign a group of matching rules and tolerance rules to a bank account for reconciling bank statement lines with transactions.
Bank Accounts	Specify the Reconciliation Differences account you set up in General Ledger..

Payroll Accounts Setup

Create a liability and cash account. Use **Costing of Payments** to create a cash clearing account to track payments such as checks/cheques, where a delay exists between the date the payment is issued and the date it clears.

> **Note:** When you set up the accounts, it's best practice to enter the same account information that you use for the cash and cash clearing account that you created in General Ledger.

Related Topics

- Payroll Setup Tasks for Financials
- Payroll Setup Tasks for Subledger Accounting
- Reconcile Payroll Payments
- Considerations When You Create Accounts

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Secure Costing of Elements and Costing for Persons

Use the **Enable Element Security in Element Eligibility Costing and Person Costing** feature to secure the following:

- Costing of Elements
- Costing for Persons by Elements

Once enabled, the elements you can cost are restricted by your element security profile.

Costing of Elements

Once enabled, the Costing of Elements page displays elements that you have access to view and manage based on your data role and security profile privileges.

Person Costing

Use the Costing for Persons quick action under Payroll to cost elements for persons by payroll relationships or assignments. When you add a payroll relationship, the elements you can view and cost on the page are restricted by your element security profile.

Run Feature Upgrade Flow

To enable this feature you must use the **Run Feature Upgrade Flow** and select the **Enable Element Security in Element Eligibility and Person Costing** feature on the flow submission page, and submit the flow.

This is a one-time upgrade and once done, you can't revert the upgrade process.

Change User-Defined Job Roles

When you enable this feature you must also add this Manage Costing of Element aggregate privilege to your user-defined job roles or any new job roles that you create.

- ORA_PAY_MANAGE_COSTING_OF_ELEMENT

This aggregate privilege is delivered to include both functional privilege and new data security. This aggregate privilege is granted to these predefined roles:

- Payroll Implementation Duty
- Payroll Implementation View Duty

Make the following changes depending on how your job roles are implemented:

- If you use the delivered job roles or one of the above-mentioned duty roles that inherit the aggregate privilege, you don't have to take any further action.

- If you have either user-defined job roles or duty roles that have the functional privilege, Manage Costing of Element (PAY_MANAGE_PAYROLL_ELEMENT_CRITERIA_COSTING_PRIV), you must remove it and grant the aggregate privilege, (Manage Costing of Elements - ORA_PAY_MANAGE_COSTING_OF_ELEMENT). Without this step, you will not be able to access any elements within the costing pages.

  Note: Security changes are not necessary for Manage Costing for Persons.

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How Payroll Costing Components Integrate with Other Applications

Payroll costing integrates components required to accurately report labor costs and generate journal entries for your payroll run results and payments.

To set up and manage payroll costing, you must have the appropriate duty roles to create components used by payroll costing, such as ledgers that you associate with legal entities, accounting methods and rules, and banking information.

You must create these components for Payroll costing:

- Financial ledgers, calendars, accounting periods, and legal entities
- Subledger accounting methods and rules
- Cash Management bank account and reconciliation information
- Cost allocation key flexfield
- Payroll costing accounts

This figure illustrates how Oracle Fusion Global Payroll works with the applications listed in this table.

Application	Tasks Performed
Oracle Fusion Financials	Maintain chart of accounts, ledgers, accounting periods, and calendars for legal entities
Oracle Fusion Cash Management	Reconcile payments with bank statements
Oracle Fusion Subledger Accounting	Create journal entries for transfer to Oracle Fusion General Ledger

Financials

You create components in Financials that support payroll costing, such as general ledgers, accounting calendars, and accounting periods. For example, you create ledgers in Financials that you later associate with your payrolls.

> **Note:** If you didn't install Financials, configure your offerings and select the feature choice for the Payroll Costing Options for Maintain Subledger Application and Accounting Method.

When setting up components in Financials:

1. Create an Accounting key flexfield for the chart of accounts.
2. Create value sets for the new structure.
3. Create General Ledger accounts that record payroll costs, such as cost, offset, payroll liability, cash clearing, and cash accounts.

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When you create the equivalent accounts in payroll, ensure that you use the same natural account as your General Ledger accounts. For example, you ensure that the Cash account uses the same natural account, so that you can easily reconcile the cash account balance with the bank balance for transactions that occur in the same bank account.

You must have the Financials duty roles required to perform these tasks.

Subledger Accounting

Subledger Accounting generates subledger journals, creates subledger balances, and generates general ledger journals. Payroll supplies predefined data for Subledger Accounting, such as event classes for event entities.

When setting up components that Subledger Accounting uses to create and post accounting entries, you create:

1. Accounting methods
2. Journal line and entry rules

You must have the Subledger Accounting duty roles required to perform these tasks.

Cash Management

Payroll requires bank account information for check/cheque and electronic funds transfer payment types, and optionally for cash and money order payment types. If you plan to cost the payments that you issue, complete the bank, branch, and bank account information for the payment source and specify the General Ledger cash account.

To reconcile your payments, you create reconciliation rules, map transaction types to payment types, create bank statement transaction codes, and specify the General Ledger accounts for cash clearing and reconciliation differences.

You must have the Cash Management duty roles required to perform these tasks.

Payroll Costing Integration with Labor Distribution

You can distribute payroll cost results to the Project Financial Management offering using labor schedules. Use the Import Payroll Costs process to import the payroll costs results after they've been transferred to subledger accounting and properly accounted. View the import status for each payroll cost, using the Process Results Summary and Person Result pages. If costs have been imported to projects but payments haven't been issued, you can run the Reverse Transfer to Subledger Accounting process, and correct the payroll run. The Reverse Transfer to Subledger Accounting process reverses the previous subledger accounting entries. Project financial management users can import the reversed costs into projects after the flow in payroll is complete. You must run the Create Accounting process in Final mode to post both the original and reversed entries to the general ledger. When these steps are complete, you can correct the payroll run.

Payroll Cost Distribution to Projects using Payroll Costing Configuration

In addition to the existing person assignment methods, you can distribute payroll costs to projects using the payroll costing configuration values. Leveraging the results of the payroll costing business rules lets you seamlessly distribute payroll costs to the requisite projects. For example, location is defined in the payroll costing segments depending on the person's work location. You can configure a precedence based set of rules, per location, to distribute each payroll cost to the appropriate project and grant, when applicable.

Payroll Cost Distribution to Projects using Timecards

In addition to the existing person assignment and payroll cost configuration methods, you can distribute payroll costs to projects using the existing time card hours in Project Costing as the distribution basis. Record time on projects using Oracle Fusion Time and Labor, Oracle Fusion Projects, or a third-party source, and calculate the cost of the time

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transactions using distributed actual payroll costs. This payroll cost distribution method provides you the most accurate costing of the labor effort on a project, allowing for efficient cost control and enhanced financial analysis.

For more information, see *Overview of Labor Distribution*.

Cost Allocation Key Flexfield

Each Cost Allocation Key Flexfield segment is configured to represent different parts of your account number structure. And, each segment has an associated value set to match your requirements. If you have different requirements, you can configure one flexfield for each of your legislative data groups (LDG).

Tip: As a best practice, work with your financials department to ensure that you set up your chart of account segments so that you can transfer information between your payroll and general ledger.

Payroll Costing Accounts

After you create the components that support payroll costing in the other applications, create the costing setup information for the different payroll accounts you intend to use, such as the cost, offset, suspense, default, payroll liability, cash clearing, and cash accounts. You enter the account information and any overrides for the different levels of the cost hierarchy.

Note: Ensure that natural account segments are the same as the natural account specified in the equivalent general ledger accounts.

Load Payroll Costing Data

After you create the components supporting payroll costing in the other applications, you can use HCM Data Loader to load costing data into your costing application. HCM Data Loader is a powerful tool for bulk-loading and maintaining data. The data can be from any source. Refer to the Integrating with HCM guide for details on loading payroll costing.

Related Topics
- Payroll Setup Tasks for Financials
- Payroll Setup Tasks for Subledger Accounting
- Payroll Setup for Costing Accounts
- Payroll Cost Allocation Key Flexfield Structure
- Overview of Loading Payroll Costing

Costing Structure and Setup

Payroll Cost Allocation Key Flexfield Structure

The cost allocation key flexfield creates a structure for the financial accounting of your payroll costs.

The flexfield captures the account codes that you use to create accounting entries, and to report and track your labor costs. Consider all aspects of the flexfield and its uses during your planning.

You can configure one flexfield for each of your legislative data groups (LDG) with these steps.

- Create an account key flexfield structure based on the Cost Allocation key flexfield code.

- Create a structure instance that you associate with appropriate value sets.

- Map the structure instance to a legislative data group.

- Specify rules in Subledger Accounting to use the cost allocation key flexfield instance as the segment source in the Accounting key flexfield for the chart of accounts.

Structure of the Cost Allocation Key Flexfield

Decide what structure to use for the cost allocation key flexfield and use the Cost Allocation Key Flexfield to set it up.

The structure of the flexfield defines the segments such as their order and the value sets used to validate the data entered in the segments. Configure each segment of the cost account. For example:

- Segment 1 = Company

- Segment 2 = Cost Center

- Segment 3 = Account Number

- Segment 4 = Project Code

For example, the salary cost account number is 01.200.60001.987654 for a company with the following cost allocation key flexfield setup:

- Company = 01

- Cost Center = 200

- Account Number = 60001

- Project Code =987654

This table provides decision points to consider before you create the cost allocation key flexfield structure.

Decision	Description
How many cost allocation key flexfield segments does your Accounting flexfield include?	You must create a segment for each corresponding segment of the Accounting flexfield.
Do you need to reserve segments for future use?	You can't update the flexfield structure. You can create segments for later use, such as new lines of business, and display them as needed.
Do you capture context-sensitive information for legislative purposes?	Create additional segments to capture context-sensitive costing, such as separate liability accounts maintained for each state and state tax.
Do you capture information used by other applications?	Create additional segments, for example, to record the breakdown of costs of a project for reporting purposes.

Value Sets for the Segments

You associate a value to each segment using the Payroll Costing Value Sets. Use either existing value sets or create value sets. For example, you might reuse an existing value set that you defined for your accounting flexfield, or create a subset of those values, which only apply to payroll.

> **Tip:** Consider creating a single value when several accounts use the same value. For example, you might use a value set with a single value of zeros as a placeholder for account segments to be future use segments.
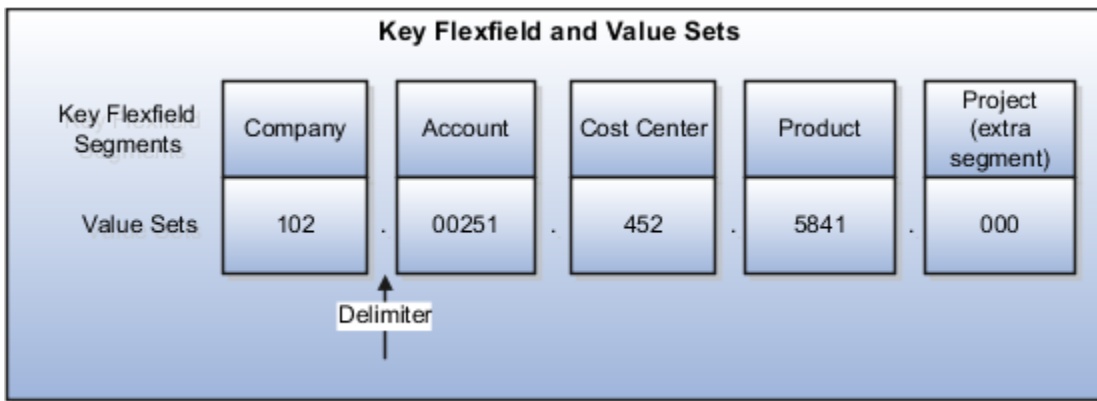
Manage Dependencies Between Segments Using Related Value Sets

Use related value sets to define dependencies between two segments in a cost account to ensure that only valid combinations are used during data entry. You can define these relationships immediately for new or existing cost accounts.

A related value set is an independent type value set whose values are related to another independent type value set. If the combination isn't found to be valid during the payroll run validations, the payroll run will error out, if there's no Suspense Account. If there's a Suspense Account defined at the payroll or department level, then it goes to the Suspense Account.

For example, you've company and division segments in your cost allocation key flexfield. The company US East has transactions in only the car and truck divisions, while the company US West deals with only the motorcycle and car divisions. You can define relationships between the company and division segments to enforce the relationships between their segment values.

> **Note:** The related value set functionality isn't applied during the entry of the costing segments because the costing information can be entered at various levels and the cost account number is built using the costing hierarchy. The validation is run on the full cost code combination, which is available during the payroll run.

Here's some points to consider when you use related value sets:

- Both value sets must have an independent validation type.
- If you plan to create a relationship between your project and task segments, you should assign different value sets to the segments.
- After you create or update relationships between pairs of value sets, ensure that the cost allocation flexfield is successfully redeployed.
- When creating a new relationship between value sets, don't enable it until all the related values have been entered. After you finish mapping the values, enable the relationship.

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- Use the **Import Related Values** method to perform a mass upload and import of a value set relationship, and the related values. As an alternative, you can also use the Scheduled Processes page and submit the scheduled process for `Applcore csv` file upload process.

- If an existing relationship is no longer relevant, you can disable it. If you delete the related value sets and value mappings, you'd need to redefine the relationships later if you need them.

- Existing account combinations that violate a new relationship are still considered valid.

Segment Labels

You can use segment labels to define the costing levels to enter segment information. For example, if the Company segment can be entered at the Department level, choose the segment label Department for the Company segment.

Costing Hierarchy

Costing hierarchy defines the sequence costing entries are applied. You can define costing at different levels within the hierarchy where the lowest payroll structure level has the highest costing priority. If lower levels of the hierarchy aren't defined, they inherit the higher-level values, which simplify entry and prevents you from need to enter duplicate segment values into lower levels of the hierarchy. Enter lower levels of the hierarchy when you want to override in that instance. For example, if the company code segment is set at the payroll level, it's rarely entered for element entries.

Hierarchy structures vary with the Costing Type but all of the levels can be used with the "Costed" indicator setting.

Note: The costing hierarchy is different for regular element to retro element.

Cost Hierarchy Levels

Consider which level of the cost hierarchy is the primary source of values for that segment and which levels should receive overrides. These decisions control the cost account segments displayed on the costing setup pages.

This table includes examples of the segment labels that you might specify for costing.

Context Segments	Example
Element Entry	Select Element Entry to override all other levels, with one exception. Segments defined for the Priority account for that element override costing at the element entry level. You might select the segment for cost center at the element entry level to cover situations where a person works at another cost center for a payroll period.
Person	Select Person to cost at the payroll relationship and assignment level, and for elements at each of these levels. You might select Person to enable allocation of wages when costs are shared among several cost centers. You might need to override the activity or natural account segment that's usually enabled at the element level.
Position Assignment	Select the position with respect to a legislative data group to define the costing at position level. This is for all the persons who's associated with this position at assignment level.
Job Assignment	Select the job with respect to a legislative data group to define the costing at position level. This is used for all the persons who's associated with this position at assignment level.

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Context Segments	Example
Location	Select the location with respect to a legislative data group to define the costing at location level. This is used for all the persons who's associated with this location at assignment level.
Department Assignment	Select the department with respect to a legislative data group to define the costing at position level. This is for all the persons who's associated with this position at assignment level.
Element Eligibility	Select Element Eligibility for natural accounts. You also use this level for cost center segments needed for balance sheet accounts, such as deduction elements that are usually created at the payroll relationship level.
Payroll	Select Payroll for segments that seldom change for the people assigned to the payroll, such as company, line of business, and future use segments. **Tip:** To report costing by business unit, set up payrolls for persons in a single business unit. Specify a segment at the payroll level to record the account information for the business unit.

Required and Optional Segments

Determine required and optional segments and whether you want to define a suspense account. When you set up costing and you don't specify a value for a cost account segment on any level of the costing hierarchy, the following determines the calculation:

- Segment is required or optional
- Suspense account is defined

If you define a segment as:

- Optional, regardless of whether you define a suspense account, the costing result displays a blank (null) value in the segment
- Required and the suspense account is defined, the costing result is placed in a suspense account
- Required and the suspense account isn't defined, the calculation displays an error and the person's results aren't costed

Segments Required for the Offset Account

Decide which segments of the offset account require costing.

The offset account balances the cost account. The offset uses the segments of the cost account unless you specify a different value for the corresponding segment. For instance, if the only difference between your cost and offset accounts is the natural account segment for the element eligibility segment label, you would select the natural account for the offset account.

Number of Structure Instances

You create structure instances of your cost allocation key flexfield that you then associate with legislative data groups. Structure instances share the same set, arrangement, and properties of the cost allocation key flexfield structure.

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If a legislative data group requires different value sets for the flexfield segments, create a separate instance for that legislative data group.

Related Topics

- Payroll Setup for Costing Accounts
- Element Costing Options
- How Payroll Costing Components Integrate with Other Applications
- Cost Hierarchy
- Overview of Generating Flexfield Database Items

Payroll Cost Allocation Key Flexfield Setup

To generate costing results for your payroll run results and payments, you must create, use, and map a cost allocation key flexfield to your legislative data group.

Perform these steps to set up and use your flexfield:

1. Create payroll values sets.
2. Define the cost allocation key flexfield structure.
3. Create structure instances.
4. Map the cost allocation key flexfield in Subledger Accounting.

After you create your flexfield, you can generate database items for use in your formulas and extracts by submitting the Generate Flexfield Database Items process from the Payroll Checklist.

Create Payroll Costing Value Sets

Perform these steps to define your value sets.

1. Select the Payroll Costing Value Sets.
2. Create the value sets you require for your payroll account segments.

Define the Cost Allocation Key Flexfield Structure

Perform these steps to set up your flexfield structure.

1. Select the Cost Allocation Key Flexfield task.
2. In the Search Results section, select the row for the predefined cost allocation key flexfield, identified by the key flexfield code COST.
3. Click the Structures tab.
4. On the Key Flexfield Structures page, create a flexfield structure, with the number of segments required for your account combinations.
5. Save the structure.
6. Edit each segment, completing the required information, such as selecting a value set to use for the segment.
7. In the Segment Labels region:

    a. Specify which levels of the cost hierarchy you can enter account numbers for the cost account.
    b. Select Offset, if you can enter a value for the Offset account for this segment.
8. Save the segment.

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Create Structure Instances

Create a separate instance for each legislative data group that requires unique value sets.

1. On the Cost Allocation Key Flexfield page, click the Structure Instances tab.
2. On the Key Flexfield Structure Instances page, click Create to create flexfield structure instances.
3. Enter a Structure Instance Code, and select these options:

   ○ Enabled

   ○ Dynamic Combination Creation Allowed

4. Edit the segments to specify a different value set.

   ○ Select Required to apply a required check during the payroll processing. This isn't to apply the check when entering data.

   ○ Select Displayed when in use or don't select to reserve for future use.

5. Save your instance, and deploy the flexfield.
6. Use the Legislative Data Groups task to associate the flexfield to a legislative data group.

   These guidelines apply. You can:

   ○ Associate the same instance to several legislative data groups, as long as they all use the same value sets.

   ○ Update the structure instance of the cost allocation key flexfield instance to use a different legislative data group until you define costing setups based on that instance.

   > **CAUTION:** When you define the costing setups, you can no longer update the legislative data group.

Map the Cost Allocation Key Flexfield in Subledger Accounting

The application implementation consultant with the appropriate Financials duty roles sets up chart of accounts, calendars, and ledgers in Financials, and accounting methods and rules in Subledger Accounting.

1. Create account combinations in General Ledger that correspond to each of the account combinations you plan to use in payroll.

   > **Note:** Skip this step if you set up your General Ledger accounting flexfield to allow dynamic account combinations. Saving your account rules in Subledger Accounting automatically creates the accounts for General Ledger.

2. Specify rules in Subledger Accounting to use the cost allocation key flexfield instance as the segment source in the accounting key flexfield for the chart of accounts.
3. On the Account Rules page, map your cost allocation flexfield segments to the accounting key flexfield segments.

Related Topics
- Cost Hierarchy
- Payroll Cost Allocation Key Flexfield Structure
- Payroll Setup Tasks for Subledger Accounting
- Overview of Generating Flexfield Database Items

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Improve Payroll Costing Process Performance

Create an index on the costing key flexfield segments to improve the payroll costing process performance.

When you have a large number of costing key flexfield segment combinations to process, create an index on the costing key flexfield segments to improve the payroll costing process performance. Use the **Run Feature Upgrade** flow with the feature name **Create Index for Costing Key Flexfield**.

If you have multiple costing structures in your organization, the process considers all the combinations. It creates an index based on the most usage of the columns and, if it determines the index is no longer applicable, it deletes any existing index. Use the log file to see any details of the changes made to the indexes.

This index improves the process performance if you have a large number of changes in the costing key segment combinations. You may not see much difference if you don't have many combinations.

> **Note:** This feature is at the enterprise level. It isn't specific to any costing key flex structure and isn't available at the LDG level. Therefore, run the flow without selecting any Legislative Data Group.

Related Topics
- Payroll Cost Allocation Key Flexfield Structure
- Payroll Cost Allocation Key Flexfield Setup

Costing Cross-Validation Rules

Cross-validation rules are used to validate payroll cost account combinations during the costing process.

If the rule determines the selected values not to be a valid combination, the combination isn't created and doesn't go to general ledger. A cross-validation rule includes both a condition filter and a validation filter. If the condition filter, which describes the event when the application evaluates the rule, is satisfied, then the validation filter is applied. If the condition filter isn't satisfied, then the validation filter isn't applied. The validation filter condition must also be satisfied before the combination is created and is sent to general ledger.

Define the cross-validation rules for the payroll costing key flexfield segments using HCM Data Loader. Remember to set the end date or disable the existing cost account combinations that violates the new cross-validation rule. Otherwise, the new rule is not applied.

Creating Cross-Validation Rules

Decide what combinations of values within the payroll costing key flexfield you want to allow or not allow and use these qualifiers to build the condition filters.

This table provides qualifiers you can use to create cross-validation rule condition filters.

Operator	Description
STARTSWITH	Starts with

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Operator	Description
ENDSWITH	Ends with
=	Equals
<>	Doesn't equal
<	Less than
>	Greater than
<=	Less than or equal to
=	Greater than or equal to
BETWEEN (Using '-' to separate two values)	Between
NOTBETWEEN	Not Between
CONTAINS	Contains
DOESNOTCONTAIN	Doesn't contain
ISBLANK	Is blank
ISNOTBLANK	Isn't blank

For example, you determine the company named Operations isn't allowed to use a specific cost center named Marketing and you define a cross-validation rule to prevent this combination. When the rule evaluates the company condition filter and determines it's equal to Operations, the rule then evaluates the cost center validation filter. If the validation filter determines the cost center is equal to Marketing, the rule prevents this combination from being created. This rule doesn't affect combinations other than the Operations company with the Marketing cost center.

Note: The OR operator is used when you have multiple values in the filter, such as Company = Operations OR Company = Production. Use the AND operator when you have multiple conditions to filter before applying the validation filter, such as Company = Operation AND Albany = Business Unit.

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Related Topics

Cost Accounts

Payroll Setup for Costing Accounts

Set up accounts to cost payroll run, to cost payment results, and to store invalid and unallocated costs. Review the options available for each of these payroll accounts.

Cost and Priority Accounts

Cost accounts store expenses and employer liabilities and charges and can be defined at various costing levels. You've several options to manage how the cost account is derived using the cost hierarchy.

Priority account takes the highest precedence while building the cost account. Because this ' part of the hierarchy, all segments must be populated. If the percentage split is less than 100 at this level, the remaining percentage is built using the costing hierarchy, as applicable for the costing type defined. For example, if 60% is defined as priority account, the remaining 40% is built using costing hierarchy.

Enable Context for Costing Key Flexfield Segment

Run Feature Upgrade flow pattern with payroll flow Enter Payroll Flow Name for Enable Context for Costing Key Flexfield Segments and feature Enable Context for Costing Key Flexfield Segments to enable contexts on costing key flexfield segments.

Once you enable the context feature for a specific costing segment, write a fast formula to derive the costing segment value.

For example, your costing key flexfield includes two segments for which costing information is defined at the element eligibility level: Object and Natural Account. You've an employer liability element that uses distributed costing. The distribution set includes earnings elements that receive entry level costing overrides, which are entered on a time card.

Because element entry costing information is the highest level of the costing hierarchy, the costing process uses this information to populate the Object and Natural Account costing details for the set members. If you also have a costing distribution requirement for an employer liability element to use element entry overrides for the Object segment from set members but always use element eligibility costing details for the Natural Account segment from employer liability element, enable the context feature for the Natural Account segment. You then define a new input value on your employer liability element to capture the Natural Account costing information. Associate this new input value to the Natural Account segment context using the reference field feature. Define rules to ensure the run result created for this new input value, as part of payroll processing, has the desired Natural Account value. The costing process will now consider this run result value for the Natural Account costing segment for employer liability element.

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> **Note:** You can only create a new costing rule using this process for the new elements, because you can't add a new input value if the existing element is already used.

Update Costing Context Reference

You can implement the costing context solution in the following ways:

- Use the element entry and create a run result
- Use the **Apply default at runtime** functionality to create a run result
- Create a run result using fast formula

Here's an example that illustrates the setup using the **Apply default at runtime** feature of an input value to populate a costing segment with a specific value, say 000001:

1. On the Element Summary Cost Context Earnings Results page, create a new input value with the following values:
   - Select the **Required** option.
   - Enter **000001** in the **Default** field.
   - In the **Reference** field, enter the costing context name.
2. Check the run result after the payroll is processed. The run result is created with 000001 for the new input value. Because the context reference is associated with the input value, this value is used as the costing result for the associated segment in the **Reference** field. You'll notice that 000001 is used as the segment value for the selected Cost Context Earnings Result element, whereas it's 000000 for all other elements.

Here's an example that illustrates the setup by writing a fast formula and returning a different natural account based on the business unit. In the following sample fast formulas, the account is returned as 200003 if the business unit is **Albany BU** and 200004 if the business unit is **Redwood BU**.

1. Write or modify the formula as follows.
   a. Write a new formula to access the HR business unit name:
   ```
   Formula Name: VV_HR_BU_NAME
   Formula Type: Payroll Access to HR
   DEFAULT FOR PER_ASG_BUSINESS_UNIT_NAME is 'NO_BUSINESSUNIT'
   l_bu_name = PER_ASG_BUSINESS_UNIT_NAME
   RETURN l_bu_name
   ```

   b. Write a new formula to derive the HR business unit name of a person and associate the respective natural account segment:
   ```
   Formula Name: VV_HR_BU_COST_ACCOUNT
   Formula Type: Oracle Payroll
   DEFAULT FOR ASG_HR_ASG_ID is 1
   DEFAULT FOR l_emp_bu_name is 'NO_BUSINESSUNIT'
   Inputs are l_emp_bu_name (text)
   SET_INPUT('HR_ASSIGNMENT_ID', ASG_HR_ASG_ID)
   CALL_FORMULA('VV_HR_BU_NAME',
    l_emp_bu_name < 'l_bu_name' DEFAULT 'NO_BUSINESSUNIT')
   IF l_emp_bu_name = 'VV Albany BU' THEN (l_cost_account = '200003')
   ELSE IF l_emp_bu_name = 'VV Redwood BU' THEN (l_cost_account = '200004')
   ELSE (l_cost_account = '000000')
   RETURN l_cost_account
   ```

   c. Add the following code in the respective formula to return the value and create the run result. For example, you need to add the following code in the existing earnings results formula code and add the return variable along with the existing return values for earnings elements.
   ```
   CALL_FORMULA('VV_HR_BU_COST_ACCOUNT',
   ```

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```
    l_account < 'l_cost_account' DEFAULT '000000')
    RETURN l_account
```

    d. Modify the status processing rule to create the run result. For example, you need to add a new row in the status processing rule of the earnings results element as a direct result with the above variable and target input value as the new input value.

2. Create a new input value and associate the costing context name in reference field.

3. Check the run result after the payroll is processed. The run result is created based on the business unit of the employee for the new input value. Because the context reference is associated with the input value, the above value is used as the costing result for the associated segment in the **Reference** field. You'll notice that 200003 is used as the segment value to Manager Assignment and 200004 is used as the segment value to Analyst Assignment for VV Cost Context Earnings Result element.

Note: When you're creating new input value to associate the costing context, you must create the new input value in all the related elements. For example, if you're creating a new input value, say `Cost_Account` on the `XX Base Salary` element to associate the costing context, then you must create the new input value on the `XX Base Salary Calculator, XX Base Salary Distributor, XX Base Salary Results, XX Base Salary Retroactive, and XX Base Salary Retroactive Results` elements with the same input value name `Cost_Account`. You might ignore the elements that aren't applicable for your localization, such as the Calculator and Distributor elements that won't be created for UK Localization in Earnings. In the US localization, you need to cost the base retro element (`XX Base Salary Retroactive` in the above example) instead of the retro results element because the costing context won't be passed to the retroactive results element from retro pay. Otherwise, you need to modify the retroactive formula if you wish to cost the retroactive results element.

Create Overrides

Create overrides by entering cost account numbers at lower levels of the cost hierarchy. This table shows some examples of why you might create overrides.

Type of Overrides	Typical Reasons	Examples
Lower levels of the cost hierarchy	Manage costs at a granular level.	You enter a cost center number for a specific job to override the cost center information at the department level.
Person level	Set up costing for a person at the payroll relationship, assignment level.	You split the salary costs for a worker whose assignment involves working for two departments that belong to different cost centers.

Charge Costs to a Single Priority Account

Use priority accounts to cost elements that require the same account combination. For example, you can use a priority account for an hourly earning element for laboratory work that's charged to a grant fund.

Create a priority account on the Costing of Elements page to charge the entire cost or a part of it to a priority account. If you allocate only a percentage of a cost to a priority account, the remaining percentage is derived using standard costing. When you create a priority account, you must specify a value for each segment.

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Allocate a Cost to Several Accounts

Allocate a cost to more than one account by creating several accounts for an object. Specify the percentage to charge to each account. For example, allocate costs to split salary costs for a job shared between two cost centers on the Costing of Jobs page.

This table shows where you set up cost allocations.

Account	Costing Setup Pages
Cost	Costing of Departments
	Costing of Jobs
	Costing of Positions
	Costing of Locations
	Note: Load costing of locations via HDL.
	Costing a Person
	Costing of Payrolls
	Costing of Payment Sources
Priority	Costing of Elements

Cost Payroll Relationship Level Elements Using Assignment Attributes

Create costing eligibility rules for payroll relationship level elements based on the assignment details of the employee. This lets you define the offset account for payroll relationship elements based on employee information such as department, job, position, and people group. For example, you can create costing eligibility rules that will have a different offset account for payroll relationship elements, such as Federal Income Tax, to the natural account 90001 for employees in department A and 90002 for employees in department B. In the costing hierarchy, the new offset account is above the regular offset account of element eligibility.

This introduction of a new offset account in the costing hierarchy also requires changes for retroactive distributed elements to consider costing eligibility on assignment attributes of retroactive element.

These costing hierarchy changes are controlled using the process configuration parameter date used to enable element eligibility hierarchy changes. Earliest date used by the costing process to use the hierarchy changes related to costing eligibility on assignment attributes. Format: YYYY/MM/DD. Default value: 2025/06/01. Any costing processes that are submitted on or after the default date use the new costing hierarchy. If you don't want to use this new hierarchy changes from this default date or want to defer it completely, you can set the parameter value to any desired future date, such as 12/31/4712.

Note: This offset account feature is available for payroll relationship level elements only. The costing eligibility is only for payroll relationship level elements.

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Distribute a Cost to Elements Included in a Distribution Group

Distribute the cost of an element, such as an employer tax or liability, across a group of elements. This group typically includes earnings elements, but might also include other elements at the payroll relationship level. Create the distribution group on the Object Groups page, and set up the distribution options on the Costing of Elements page.

When you calculate your payroll, the process distributes the cost results for the distributed element across the elements in the group. The distribution is based on the ratio each element contributes to the group's total. The process overrides the account numbers of the segments of the elements in the group with the account numbers defined for the segments of the distributed element.

Offset Accounts

Offset accounts create balancing entries required for double-entry bookkeeping. Set up an offset account on the Costing of Elements page for each element eligibility record that you cost. Defined at the element eligibility level and not a cost hierarchy. If a segment value isn't defined, value from the cost account is used.

This table describes typical payroll expenses and the type of offset accounts to set up.

Element Classification	Type of Accounting	Offset Account
Standard earnings that affect net pay	Cash Accounting	Asset account, such as Cash in Bank
Standard earnings that affect net pay	Accrual Accounting	Payroll liability account, such as Wages Payable
Employer liabilities	Cash and Accrual Accounting	Liability account for specific type of liability, such as Union Dues

Liability, Cash, Cash Clearing Accounts

The number of payment accounts you create depends on whether your company uses cash or accrual accounting, and whether you reconcile your payments. Create accounts for your payment sources using Costing of Payment Sources.

This table lists the accounts you'd typically create for each type of accounting.

Type of Accounting	Type of Accounts
Cash and accrual accounting	Create a cash account for each separate bank account. Specify the appropriate natural account for each record.
Accrual accounting	Create a payroll liability account for each payment source you cost.

If you reconcile your payments, create a cash clearing account to generate costing entries when the payments clear. Typically, you set up cash clearing accounts for payments where there's a delay between the date the payment process issues the payment and the date the bank clears it.

When setting up the accounts, enter the same account information that you use for the General Ledger accounts you use with Cash Management.

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Suspense and Default Accounts

Set up suspense and default accounts on the Costing of Payrolls and the Costing of Departments pages. You set up these accounts at the payroll and department levels where department level take precedence over payroll level for this account. When set up at the payroll level, you can override them, if required, with suspense and default accounts at the department level. For example, in a large enterprise you might set up default accounts for departments where the managers commonly review and resolve their department's expenses.

> **Tip:** As best practice set up a suspense and default account at the payroll level. Otherwise, you must set up a suspense and default account for every department to ensure you charge invalid and un allocated costs to an account.

Use suspense account:

- When net earnings from the elements in the distribution group aren't available for the costing process to base allocating distributed costs.

- For costing entries when segments don't contain a valid value and the segment is required.

Use default account:

- When the total of costs are intended to be split across different key flexfield combinations at a particular level but splits don't sum to 100%. Any remainder goes to the default account.

- For costing entries when segments don't contain a valid value and the segment is required.

If you don't specify a value for each segment of the cost account when you set up costing or for the element entry, the resulting calculation is determined by two factors:

- Segment of the cost allocation key flexfield is required or optional

- Suspense account is defined

If a segment of the cost allocation key flexfield is:

- Optional, regardless of whether you define a suspense account, the result displays a blank (null) value in the segment

- Required, and the suspense account is defined, the costing result is placed in a suspense account

- Required, and the suspense account isn't defined, the calculation displays an error, and the person's results aren't costed

Related Topics
- How Payroll Cost Results are Calculated
- Allocate Costs to Several Accounts
- Element Costing Options
- Set Up Person Level Costing
- Payment Reconciliation Setup

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Element Costing Options

Element costing options are configured when creating or updating an element by using the Costing section. However,when you're setting up costing, you typically specify costing by using Costing of Elements

Decide how you want to cost element eligibility records, such as which type of costing to apply and which input value to cost. And, determine which account numbers you want to specify for the cost account segments, such as the natural account, and which offset account balances the cost account.

Predefined Costing Options

The primary element classification includes predefined costing options which determine whether you can perform these actions:

- Cost an element that belongs to a primary classification
- Include the element in a distribution group
- Charge the cost as a debit or credit

Element Eligibility Records

The type of element you create determines which element eligibility records you cost. When you create an element, you create a base element. Some templates also create a related element to store the calculated results. For example, when the element template creates pretax, involuntary, and voluntary deductions, it also creates a results element. For some countries, the template also creates a results element for earnings elements.

As a guideline, if the element template creates a base and results element:

- Set up element eligibility records for both the base and results element
  The base and results element eligibility records can serve different purposes. For example, you might create two records for the base element to limit who is eligible, and one open record for the results, if you cost the element results for your eligible employees the same way.
- Specify costing information for the results element eligibility record

For instance, the template for a garnishment element might generate several processing fee elements. You set up element eligibility records for the base element and all the fee result elements, and then specify costing for all the element eligibility records for the fee result elements. You must cost all the element eligibility records of the results element, even if you set up the same costing information for all the eligibility records.

Input Values to Cost

When you create costing for an element eligibility record, you must indicate which input value to cost, such as the pay value or the tax calculated. The costed input values usually contain the calculated monetary result. Or, specify other input values to cost, such as input values used to report the costs for the number of hours or days, or other units, such as piece work completed or the number of miles driven. The primary output value for the element is typically the one defined. For distributed costing, it must be primary output value.

Costing Type to Select

The Costing Type option determines which levels of the cost hierarchy the application checks when building the account number for each segment of the cost account.

> **Note:** The costing type only applies to the cost account, and not the offset account.

Review this table before you select the costing type.

Costing Type	Levels Checked for Costing Details	When to Use	Examples
Costed	All levels	Earnings elements at assignment level	• Standard earnings • Supplemental earnings • Direct payments
Distributed	All levels Calculation for distributed costing starts with the values entered in the element eligibility costing record. The calculation derives values for other segments from the costing values on the associated entries of the distribution group. It generates one costing result for each entry in the distribution group.	Elements for employer costs and other elements at the payroll relationship level. Elements where you distribute costs based on the costs of earning elements.	• Employer charges, taxes and liabilities at the payroll relationship level • Overtime calculated using average hourly rates and distributed based upon straight time.
Fixed Costed	Element entry, element eligibility, and payroll levels only To enter the cost account segments normally derived from the department, job, or position level, you must set up your Cost Allocation key flexfield structure to enable entry of those segments at the element eligibility level.	Deduction elements	• Pretax deductions • Employee tax deductions • Voluntary and involuntary deductions • Elements costed and posted to balance sheet accounts
Not Costed	None The element isn't costed.	Optionally, record your decision not to cost the run result value for this element	• Elements that don't affect net pay, such as taxable benefits (imputed earnings) where the amount you tax the employee isn't your cost of providing the benefit. • Information elements

Elements at the Payroll Relationship Level

If you're costing an element at the payroll relationship level that requires attributes, use one of these methods:

- Fixed costing if you charge the payroll relationship level entries to a balance sheet
- Distributed costing if the payroll relationship level entries require department number information

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Offset Account Segments to Complete

The Cost Allocation key flexfield determines the segments available for entry for the offset account. You don't have to complete all the segments. If you leave a segment blank, the application builds the account information based on the corresponding segment entered for the cost account.

Priority Account to Use

Use a priority cost account to bypass the standard process and to charge all or a percentage of the cost to a single account combination. The functionality is similar to fixed costing, except that costing at the element entry level doesn't override it. You can use a priority account to allocate a portion of the results to a cost account and the standard costing derives results for the remaining portion.

When you create a priority account you specify the percentage of the cost to charge to the priority account. If a priority account pays for only a portion of the cost, such as a matching grant, specify the percentage covered by the priority account. The account number for the remaining percentage is derived by the standard costing process.

| **Note:** You must specify a value for each segment of the priority cost account.

Related Topics
- How Distributed Costing Is Calculated
- How Payroll Cost Results are Calculated
- Payroll Setup for Costing Accounts
- Set Up Person Level Costing
- Allocate Costs to Accounts

Cost Hierarchy

The cost hierarchy represents the priority of the different levels you can enter cost information.

Cost Hierarchy Levels

The level you enter costs is a key determinant in how the application builds the cost account number. The application starts with the lowest level (element entry) and ends with the highest level (payroll), checking for a value at each level until it finds a value. If it finds an invalid cost combination, it places the costing result in a suspense account.

At the person level, costing details at the payroll relationship level apply to all the person's elements unless overrides are specified for the person at the assignment level. For person element, the level checked depends on the level specified in the element definition. For example, most deduction elements are defined at the payroll relationship level and earnings elements at the assignment level.

Levels Checked for Different Accounts

The costing process considers the type of account and the costing type of the element to determine which levels to use for processing.

This table summarizes the levels checked for different types of accounts.

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Accounts	Costing Type Option	Levels of Cost Hierarchy Checked
Cost	Costed, Distributed	All
Cost	Fixed	Payroll, Element Eligibility, Element Entry
Suspense, Default	Not applicable	Payroll, Department
Offset, Priority	Not applicable	Element Eligibility

Levels Checked When Calculating Run Results

The Calculate Payroll process builds the account number for the payroll run results as of the current payroll period. The Recalculate Payroll for Retroactive Changes process checks for costing details for account segments in the current payroll period before using the segment values from the original payroll period.

For example, when calculating the costing for a retroactive pay earnings element, the application checks first for a segment value for the retroactive pay element in the current payroll period. It checks the element entry level and then the element eligibility level. If it doesn't find any value for the segment there, it uses the costing of the original payroll period, beginning with the element entry level. If it doesn't find costing details there, it continues checking each level of the original payroll period until it finds a value for the segment.

You can use this table to understand how costing details for elements are derived, such as which levels the application checks for costing details, based on the type of account and costing type, and where you set up the values for the account segments for that level.

Hierarchy Level	Accounts Checked	Costing Types	Costing Setup Pages
Element Entry	Cost	Fixed Costed, Costed, Distributed	Element Entries
Person Element - Assignment	Cost	Costed, Distributed	Costing for Persons
Person Element - Payroll Relationship	Cost	Costed, Distributed	Costing for Persons
Person - Assignment	Cost	Costed, Distributed	Costing for Persons
Person - Payroll Relationship	Cost	Costed, Distributed	Costing of Persons
Position - Assignment	Cost	Costed, Distributed	Costing of Positions
Job - Assignment	Cost	Costed, Distributed	Costing of Jobs
Location - Assignment	Cost	Costed, Distributed	Costing of Locations
Department - Assignment	Cost, Default, Suspense	Costed, Distributed	Costing of Departments
Costing Eligibility on Assignment Attribute	Cost, Offset	Distributed	Costing of Elements
Element Eligibility	Cost, Offset, Priority	Fixed Costed, Costed, Distributed	Costing of Elements
Payroll	Cost, Default, Suspense	Fixed Costed, Costed, Distributed	Costing of Payrolls

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You can use this table to understand how costing details for retroactive elements process in the payroll run:

Hierarchy Level	Sequence for Checking Details	Payroll Period Checked	Accounts Checked	Costing Types	Costing Setup Pages
Retroactive Pay Element Entry	First level checked for costing details when building each account segment for retroactive pay elements only. If costing details aren't found for that segment, the application proceeds to the next level, the Retroactive Pay Element Eligibility level.	Current	Cost	Fixed Costed, Costed, Distributed	Element Entries
Retroactive Pay Element Eligibility	Next level checked for retroactive pay elements only. If costing details aren't found for that segment, the application proceeds to the Element Entry level of the original payroll period.	Current	Cost	Fixed Costed, Costed, Distributed	Costing of Elements
Element Entry	Next level checked.	Original	Cost	Fixed Costed, Costed, Distributed	Element Entries
Person Element - Assignment	Next level checked.	Original	Cost	Costed, Distributed	Costing for Persons
Person Element - Payroll Relationship	Next level checked.	Original	Cost	Costed, Distributed	Costing for Persons
Person - Assignment	Next level checked.	Original	Cost	Costed, Distributed	Costing for Persons
Person - Payroll Relationship	Next level checked.	Original	Cost	Costed, Distributed	Costing for Persons
Position - Assignment	Next level checked.	Original	Cost	Costed, Distributed	Costing of Positions
Location - Assignment	Next level checked.	Original	Cost	Costed, Distributed	Costing of Locations
Job - Assignment	Next level checked.	Original	Cost	Costed, Distributed	Costing of Jobs

Hierarchy Level	Sequence for Checking Details	Payroll Period Checked	Accounts Checked	Costing Types	Costing Setup Pages
Department - Assignment	Next level checked.	Original	Cost, Default, Suspense	Costed, Distributed	Costing of Departments
Costing Eligibility on Assignment Attributes	Next level checked.	Original	Cost, Offset	Distributed	Costing of Elements
Element Eligibility	Next level checked.	Original	Cost, Offset, Priority	Fixed Costed, Costed, Distributed	Costing of Elements
Payroll	Next level checked.	Original	Cost, Offset	Fixed Costed, Costed, Distributed	Costing of Payrolls

You can use this table to understand how costing details for retroactive pay elements with distributed costing distributed over retro element entries and with at least one segment populated in distributed element eligibility level process in the payroll run:

Hierarchy Level	Sequence for Checking Details	Payroll Period Checked	Accounts Checked	Costing Types	Costing Setup Page
Retroactive Pay Element Entry	First level checked for costing details when building each account segment for retroactive pay elements only. If costing details aren't found for that segment, the application proceeds to the next level.	Current	Cost	Distributed	Element Entries
Costing Eligibility on Assignment Attributes	Next level checked.	Current	Cost, Offset	Distributed	Costing of Elements
Retro Distributed Element Eligibility	Next level checked for retroactive pay elements with distributed costing only. If costing details aren't found for that segment, the application proceeds to the Element Entry level of the original payroll period.	Current	Cost	Distributed	Costing of Elements
Element Entry	Next level checked.	Original	Cost	Distributed	Element Entries
Person Element - Assignment	Next level checked.	Original	Cost	Distributed	Costing of Persons
Person Element - Payroll Relationship	Next level checked.	Original	Cost	Distributed	Costing of Persons
Person - Assignment	Next level checked.	Original	Cost	Distributed	Costing of Persons

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Hierarchy Level	Sequence for Checking Details	Payroll Period Checked	Accounts Checked	Costing Types	Costing Setup Page
Person - Payroll Relationship	Next level checked.	Original	Cost	Distributed	Costing of Persons
Position - Assignment	Next level checked.	Original	Cost	Distributed	Costing of Positions
Job - Assignment	Next level checked.	Original	Cost	Distributed	Costing of Jobs
Location - Assignment	Next level checked.	Original	Cost	Distributed	Costing of locations
Department - Assignment	Next level checked.	Original	Cost, Default, Suspense	Distributed	Costing of Departments
Costing Eligibility on Assignment Attributes	Next level checked.	Original	Cost, Offset	Distributed	Costing of Elements
Distributed Element Eligibility	Next level checked.	Original	Cost, Offset, Priority	Distributed	Costing of Elements
Payroll	Last level checked for costing information. If the resulting account combination is invalid, the result is placed in a Suspense account, or if unallocated the result is placed in a Default account.	Original	Cost, Default, Suspense	Distributed	Costing of Payrolls

Related Topics

- Payroll Cost Allocation Key Flexfield Structure
- Payroll Cost Allocation Key Flexfield Setup

Distributed Costing

Set Up Distributed Costing

Set up example of how you distribute costs for employer taxes, charges, and liabilities based upon earnings elements, such as wages, overtime, and shift pay are set up.

Create the Distribution Group

Create a distribution group that includes your earnings elements.

1. Use the Object Groups.
2. On the Object Groups page, create an element group.
3. Specify Distribution Group for the Usage Type parameter.

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4. Specify which element classification or elements to include in the group.

   The costing option for the element's primary classification controls whether you can include the element in a distribution group. Typically, you include both standard and supplemental earnings in the distribution group.

Set Up Costing

You set up distributed costing at the element eligibility level. Use the Elements page to confirm you created element eligibility records for results elements generated by the element template when you created the element. Complete these steps to set up distributed costing:

1. Use Costing of Elements.
2. Search for and select the element eligibility record of the element, such as an employer liability record.

   > **Note:** You must cost all the element eligibility records of the results element, even if you set up the same costing information for all the eligibility records. If there's no results element, cost the base element.

3. Update the record.
4. Set up the cost account information:

   a. In the Costing Type field, select **Distributed**.
   b. In the Distribution Group field, select the element group you created.
   c. Select the **Transfer to General Ledger** option if you plan to transfer and post costing results to your general ledger.
   d. In the Costed Input Values section, add the input value that has a special purpose definition of primary output value as the input value to cost.
   e. In the Cost Account section, enter values for the segments that you don't want the costing calculation to derive from distributed costing.
   f. In the Offset Account section, select the appropriate segments for the offset account. Typically, you select values that are different from the offset account used for earnings and deductions.

Related Topics
- Element Costing Options
- How Distributed Costing Is Calculated
- Calculate Distributed Costing Example

Set Up Distributed Costing for an Element

Set up example of how you set up costing for an element whose costs you distribute to the earnings elements of a distribution group.

This table summarizes the key decisions for this scenario.

Decisions to Consider	Example
Which element's costs are you distributing?	Employer Union Pension Expense element

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Decisions to Consider	Example
Which distribution group should carry the costs of the distributed element?	Pensionable Wages
Which input value of the distributed element does the costing process use to calculate costs?	Pay Value
What is the natural account number to use for the cost account segment?	5220 Employer Union Pension Expense account
Which offset account number is used to balance this cost account?	00.000.2152 Employer Union Pension Payable liability account

Here's an example where the payroll manager costs the employer portion of the pension liability by creating an element for the employer union pension expense, and a distribution group that includes the employee's wage elements.

Prerequisites

1. Set up the Cost Allocation key flexfield.
2. Define the required pensionable earnings elements.
3. Create an element object group, Pensionable Wages, for the pensionable earnings elements.
4. Create costing for element eligibility records for each of the pensionable earnings elements, such as the regular wages and overtime wages.

Create Costing for a Distributed Element

1. From **My Client Groups**, click **Show More**.
2. Under **Payroll**, click **Costing of Elements**.
3. Search for the element eligibility record for the Employer Union Pension element, and click **Create Costing Details**.
4. Enter 1/1/00 as the effective start date, and then click **Continue**.

   As a best practice, enter the same effective start date you specified for the element eligibility record.
5. Complete the fields in **Costing Information**.

Field	Value
Costing Type	Distributed
Distribution Group	Pensionable Wages
Transfer to General Ledger	Selected

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6. In **Costed Input Values**, click **Add Row**. Complete the fields as shown in this table.

Field	Value
Input Value	Pay Value
Costed	Yes

7. In **Cost Accounts**, select **5220** for the natural account segment.

   For this example, the only segment you're entering is the natural account segment for the employer liability.
8. In **Offset Accounts**, complete the fields, as shown in this table.

Field	Value
Division	00
Department	000
Natural Account	2152

For this example, the offset account is the payable liability account, and the balance sheet account numbers are for the **Division** and **Department** segments.

> **Note:** If a value is captured for the same segment at higher levels in the costing hierarchy of distribution group members, then that segment value is considered though the value is defined at element eligibility level of distributed element.

9. Click **Submit**.

Related Topics
- Payroll Cost Allocation Key Flexfield Structure
- Element Costing Options
- How Payroll Cost Results are Calculated
- How to Set Up Distributed Costing for the US
- Overview of Object Groups

How Distributed Costing Is Calculated

Distributed costing calculation determines how and where incurred costs are distributed.

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Many decide to distribute the costs for employer taxes, charges, and liabilities over earnings elements. For example, you might distribute an overhead expense, such as an employer liability over a group of elements that include regular, overtime, and shift pay.

Distributed Costing Calculation Process

These steps explain how the payroll run calculates the cost distribution.

1. The process adds the cost for the distributed element to elements included in the distribution group. It distributes the costs based on the ratio each element contributes to the total amount for the distribution group.

   If an element in the distribution group produces no run results, the application distributes the results to the remaining members.

   > **Note:** Costing at the **element entry level** for an element included in the distribution group uses the costing defined for it, not the costing defined for the distributed element.

2. The process builds each segment of the cost account by starting with the lowest level of the cost hierarchy. When it reaches the element eligibility level, the process applies the rules shown in this table.

Costing Exists at Element Eligibility Level	Account Numbers Used
Yes	Numbers specified for the distributed element, in place of account numbers for the segments of the distribution group elements
No	Numbers derived for the segments of the distribution group elements

For example, suppose the only difference between the costing result for an overtime wage and distributed element is the natural account segment. The account number is 5130 for the overtime wage and for 5220 for the distributed element. The process adds the proportional cost of the distributed element to the overtime wage. It derives the natural account segment as shown in this table.

Costing Exists at Element Eligibility Level	Account Numbers Used
Yes	The process costs the result to distributed element's natural account of 5220
No	The process retains the account number for the overtime wage of 5130

The offset cost results are distributed to all the applicable assignments and the corresponding assignment details are displayed for each record. You can view employee assignment details for offset account of distributed costing in **Run Payroll Cost Results** report and **Costing Results** page.

For example, an employee has 2 assignments, Manager and Analyst. The Manager assignment has an earnings element entry of Appliances Base Salary Earnings Results ($5000), and the Analyst assignment has an earnings element entry of VOI Ded1 Results ($200). The employee also has a relationship level element entry Employee Club Contribution Results

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($100) with distributed costing. The offset cost results of Employee Club Contribution Results are distributed in the ratio of both assignment earnings and the assignment details are displayed.

The assignment details on the offset side for distributed costing are displayed even in a single assignment scenario.

If you don't want to split the offset cost results in multiple assignments for distributed costing, set the process configuration parameter Date used to split the distributed cost in offset account to a later date. The default date is: 2023/01/01. When you set the date to later, any costing processes submitted after this date will split the offset cost results for distributed costing, and any submitted before this date won't split. However, the offset is always split when the cost account is different.

Related Topics
- Calculate Distributed Costing Example
- What's the difference between allocating and distributing costs?
- How to Set Up Distributed Costing for the US
- Set Up Distributed Costing for an Element

Calculate Distributed Costing Example

This example shows you how the cost for an element is distributed based upon earnings elements in a distribution group.

Scenario

You distribute total cost of income tax from 30,000 USD gross pay over the earnings elements in a distribution group.

Distribute Tax Over Earnings

Create a distribution group that includes all your earnings elements and add an eligibility record with distributed costing to the income tax element.

Once you run the payroll calculation process, the costing calculation:

- Totals the results of all elements within the distribution group
- Calculates the percentage that each costed run result represents of the total for the group
- Distributes the cost of the income tax proportionally

  Note: The process uses the ratio when generating the final costing results to complete segments not specified on the element eligibility costing. Now it's time to review the distributed results.

Cost Distribution

This table shows you how the costing results are calculated for the distributed element.

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Element Name	Distributed element	Input Value	Distributed Input Value	Account	Debit (USD)	Credit (USD)
Regular Wages	NA	Earnings Calculated	NA	4310.1010.1010.3710.	20,000	NA
Regular Wages (Offset)	NA	Earnings Calculated	NA	4310.1010.1010.3710.	NA	20,000
Bonus	NA	Earnings Calculated	NA	4310.1010.1010.3710.	10,000	NA
Bonus (Offset)	NA	Earnings Calculated	NA	4310.1010.1010.3710.	NA	10,000
Income Tax	Income Tax	Tax Calculated	Tax Calculated	4310.1010.1010.3710.	8,517	NA
Regular Wages	Income Tax	Earnings Calculated	Tax Calculated	4310.1010.1010.3710.	NA	5,678
Bonus	Income Tax	Earnings Calculated	Tax Calculated	4310.1010.1010.3710.	NA	2,839

Person Costing

Set Up Person Level Costing

Manage costing at the person level to track costs for people in your enterprise.

You have the option to cost all the elements the person is eligible to receive or to cost individual elements. You can also choose to split the cost across accounts, for example, to divide the cost of a person's salary between two departments. Use the **Costing for a Person** task to distribute.

Before you set up costing at the person level, consider monitoring, tracking, elements and allocation.

Monitor and Track Costs at the Person Level

Costing at the person level requires maintenance but it gives you greater control when you're monitoring costs. For example, suppose you start a new project and want to track the costs incurred by the employees temporarily reassigned to the project. Setting up costing at the person level for these temporary employees gives you that option.

Cost Elements

When the application builds the cost account number, the account number you specify for the person on the **Costing for a Person** page is used unless you specify costing for the element entry for the person or the element using a priority account.

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Use this table to decide how you control which elements to cost for a person.

Goal	Action
Cost all the elements a person is eligible to receive	1. Select the payroll relationship folder from the **Costing for Person** Overview section. 2. Select **Create Costing** from the Actions menu.
Cost all the elements defined at the assignment level	1. Select the assignment folder from the **Costing for Person** Overview section. 2. Select **Create Costing** from the Actions menu.
Cost specific elements at an employment level	1. Select the appropriate employment level folder from the **Costing for Person** Overview section. 2. Select **Create Costing of Element** from the Actions menu. 3. Select an element from the dialog that displays.

Allocate Costs to Single or Multiple Accounts

Once you add the accounts in the Cost Account section, you can either allocate the entire cost to a single account or divide the cost over several accounts. Then specify the percentage each account receives. Don't worry if your percentages total to less than 100 percent, the application costs the remainder to a default account.

Edit Costs to Single or Multiple Accounts

You can edit or delete the individual cost accounts when an employee has multiple accounts, such as a 40% cost account and a 60% cost account. Use the **Edit** icon for the individual account. While in edit mode, modify the amounts or click the delete button. When you complete your changes in the account, click the OK button. Continue to edit or delete the individual cost accounts. To save your changes, click the **Submit** button on the Edit Payroll Relationship Costing Page.

Related Topics

- Element Costing Options
- How Payroll Cost Results are Calculated
- Cost Hierarchy
- Person Costing Setup Example

Person Costing Setup Example

You can allocate costing at the assignment level for a person that divides the time worked between two managers at different cost centers, and override costing for a specific element at the assignment level.

In this example, Joe creates presentations for the marketing division. You learn that for the next six months Joe will spend 40 percent of his time creating presentations for the sales division. With the exception of the parking allowance, which you continue to cost to the marketing division, you must split his costs between the two divisions.

Create Costing for the Assignment

1. Use Costing for Persons task.
2. On the Costing for Persons page, search for Joe's record. Click Joe's name.
3. On the Costing for a Person page, in the Costing for a Person Overview section, select Joe's assignment.

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4. From the Actions menu, select **Create Costing**.
5. In the Create Costing dialog, enter January 1, 2013 for date the costing takes effect.
6. In the Create Cost Accounts: Assignment section, click **Create**.
7. Click **Create** again to add a second row.
8. In the Create Cost Accounts table, complete the fields as shown in this table.

Percent	Cost Center
40	41533
60	41577

9. Click **Save**.

Create Costing for an Element

1. In the Costing for a Person Overview section, select Joe's assignment.
2. From the Actions menu, select **Create Costing of Element**.
3. In the Create Costing window, enter January 1, 2013 as the date the costing takes effect.
4. In the Create Cost Accounts: Assignment section, select the Parking Allowance element and click **Create**.
5. In the Create Cost Accounts table, complete the fields as shown in this table.

Percent	Cost Center
100	41577

6. Click **Save**.
7. Click **Submit**.

The costing remains in effect until you end the record with the date the allocation no longer applies.

Related Topics
- How Payroll Cost Results are Calculated

Costing Examples

Regular Element with Costing Type of Costed Example

Cost accounts are built from your work structure with the highest costing priority being Context Segment and the lowest costing priority being Payroll level.

Example of Regular Element with a Costing Type of Costed

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Costed and has these costing entries:

	Payroll	Element Eligibility	Department	Job	Element Entry
Company	01				
Cost Center			100		200
Expenditure Type		60001			
Project				123456	987654

Based on the above entries, the costing process determines these costing levels to build the cost account 01.200.60001.987654:

- Company is costed at Payroll level.
- Cost Center is costed at the Element Entry level.
- Expenditure Type is costed at the Element Eligibility level.
- Project is costed at the Element Entry level.

The priority account isn't actually part of the hierarchy. The element eligibility level takes highest priority in the hierarchy.

> **Note:** Payroll Assignment isn't applicable for relationship level element.

Retroactive Element with Costing Type of Costed Example

Cost accounts are built from your work structure with the highest costing priority being Retro Element Context Segment and the lowest costing priority being Payroll level.

Example of Regular Element with a Costing Type of Costed

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Costed and has these costing entries:

	Retro Element Entry	Retro Element Eligibility	Payroll	Element Eligibility	Department	Job	Element Entry
Company			01				200
Cost Center	300				100		

	Retro Element Entry	Retro Element Eligibility	Payroll	Element Eligibility	Department	Job	Element Entry
Expenditure Type		50001		60001			
Project						123456	987654

Based on the above entries, the costing process determines these costing levels to build the cost account 01.300.50001.987654:

- Company is costed at Payroll level.

- Cost Center is costed at the Retroactive Element Entry level.

- Expenditure Type is costed at the Retroactive Element Eligibility level.

- Project is costed at the Element Entry level.

The priority account isn't actually part of the hierarchy. The retroactive element eligibility level takes highest priority in the hierarchy.

Note: Payroll Assignment isn't applicable for relationship level element.

Regular Element with Costing Type of Fixed Example

Cost accounts are built from your work structure with the highest costing priority being Context Sensitive Segment and the lowest costing priority being Payroll level.

Example of Regular Element with a Costing Type of Fixed

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Fixed and has these costing entries:

	Payroll	Element Eligibility	Department	Job	Element Entry
Company	01				
Cost Center			100		200
Expenditure Type		60001			
Project	987654			123456	

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Based on the above entries, the costing process determines these costing levels to build the cost account 01.200.60001.987654:

- Company is costed at Payroll level.

- Cost Center is costed at the Element Entry level.

- Expenditure Type is costed at the Element Eligibility level.

- Project is costed at the Job level because Job level isn't considered in the hierarchy for Project segment.

The priority account isn't actually part of the hierarchy. The element eligibility level takes highest priority in the hierarchy.

Retroactive Element with Costing Type of Fixed Example

Cost accounts are built from your work structure with the highest costing priority being Context Sensitive Segment and the lowest costing priority being Payroll level.

Example of Retroactive Element with a Costing Type of Fixed

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Fixed and has these costing entries:

	Retro Element Entry	Retro Element Eligibility	Payroll	Element Eligibility	Department	Job	Element Entry
Company			01				
Cost Center	300				100		200
Expenditure Type		60001		60001			
Project						123456	987654

Based on the above entries, the costing process determines these costing levels to build the cost account 01.300.60001.987654:

- Company is costed at Payroll level.

- Cost Center is costed at the Retroactive Element Entry level.

- Expenditure Type is costed at the Retroactive Element Eligibility level.

- Project is costed at the original Element Entry level because Job level.

The priority account isn't actually part of the hierarchy. The retroactive element eligibility level takes highest priority in the hierarchy.

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Regular Element with Costing Type of Distributed Examples

These examples are of regular elements with a distributed costing type.

At Least One Segment Defined at Distributed Element Eligibility Level

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Distributed, has at least one segment defined at the distributed element eligibility level and has these costing entries:

	Distributed Element Eligibility	Payroll	Element Eligibility of a Set Member	Department	Job	Element Entry
Company		01				
Cost Center				100		
Expenditure Type	70001		60001			
Project		000000	123456			

Based on the above entries, the costing process determines these costing levels to build the cost account 01.100.70001.000000:

- Company is costed at Payroll level.

- Cost Center is costed at the Department level.

- Expenditure Type is costed at the Distributed Element Eligibility.

- Project is costed at the Payroll level.

> **Note:** Here, 000000 is considered for the Project segment from the Payroll level because element eligibility of set member will be ignored if at least one segment is populated at distributed element eligibility level

The priority account isn't actually part of the hierarchy. The distributed element eligibility takes highest priority in the above hierarchy. And, when the same segment is populated at higher level in the costing hierarchy with distributed element eligibility, then it's used in the costing process. For example,

1. Account Number 70001 is defined at distributed element eligibility level.
2. Account Number 60001 is defined at Person Costing for the account segment.
3. The costing process uses 60001 for the account number.

No Segment Defined at Distributed Element Eligibility Level

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Distributed, has no segment defined at the distributed element eligibility level and has these costing entries:

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	Distributed Element Eligibility	Payroll	Element Eligibility of a Set Member	Department	Job	Element Entry
Company		01				
Cost Center			I	100		
Expenditure Type			60001			
Project		000000	123456			

Based on the above entries, the costing process determines these costing levels to build the cost account 01.100.60001.123456:

- Company is costed at Payroll level.

- Cost Center is costed at the Department level.

- Expenditure Type is costed at the Element Eligibility of a Set Member level.

- Project is costed at the Element Eligibility of a Set Member level.

Note: Here, 123456 is considered for Project segment from set member element eligibility because no segment is populated at distributed element eligibility level.

The priority account isn't actually part of the hierarchy. The distributed element eligibility takes highest priority over the above hierarchy. And, when the same segment is populated at higher level in the costing hierarchy with distributed element eligibility, then it's used in the costing process. For example,

1. Account Number 60001 is defined at Person Costing for the account segment.
2. The costing process uses 60001 for the account number.

Retroactive Element with Costing Type of Distributed Examples

These examples are of retroactive elements with a distributed costing type.

At Least One Segment Defined at Retroactive Distributed Element Eligibility Level

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Distributed, has at least one segment defined at the retroactive distributed element eligibility level and has these costing entries:

	Retro Distributed Element Eligibility	Retro Distributed Element Eligibility	Distributed Element Eligibility	Set Member Retro Element Entry	Payroll	Element Eligibility of a Set Member	Department	Job	Original Element Entry
Company					01				

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	Retro Distributed Element Eligibility	Retro Distributed Element Eligibility	Distributed Element Eligibility	Set Member Retro Element Entry	Payroll	Element Eligibility of a Set Member	Department	Job	Original Element Entry
Cost Center	300			400			100		300
Expenditure Type		50001	60001			60001			
Project								123456	987654

Based on the above entries, the costing process determines these costing levels to build the cost account 01.400.50001.987654:

- Company is costed at Payroll level.
- Cost Center is costed at the Set Member Retro Element Entry level.
- Expenditure Type is costed at the Retro Distributed Element Eligibility level.
- Project is costed at the Original Element Entry level.

The priority account isn't actually part of the hierarchy. The retroactive distributed element eligibility takes highest priority in the above hierarchy. And, when the same segment is populated at higher level in the costing hierarchy with retroactive distributed element eligibility, then it's used in the costing process. For example,

1. Cost Center 100 is defined for the Set Member Department level.
2. Cost Center 400 is defined for the Set Member Retro Element Entry level.
3. Cost Center 400 is defined for the Retro Distributed Element Eligibility level.
4. The costing process uses 400 for the account number.

No Segment Defined at Retroactive Distributed Element Eligibility Level

In this costing example, the flexfield that contains 4 segments, such as company, cost center, expenditure type, and project has a costing type of Distributed, has no segment defined at the retroactive distributed element eligibility level and has these costing entries:

	Retro Distributed Element Eligibility	Retro Distributed Element Eligibility	Retro Set Member Element Eligibility	Set Member Retro Element Entry	Payroll	Element Eligibility of a Set Member	Department	Job	Original Element Entry
Company					01				
Cost Center	300			400			100		300
Expenditure Type			70001			60001			
Project								123456	987654

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Based on the above entries, the costing process determines these costing levels to build the cost account 01.400.70001.987654:

- Company is costed at Payroll level.
- Cost Center is costed at the Set Member Retro Element Entry level.
- Expenditure Type is costed at the Retro Set Member Element Eligibility level.
- Project is costed at the Original Element Entry level.

The priority account isn't actually part of the hierarchy. The retroactive distributed element eligibility takes highest priority in the above hierarchy. And, when the same segment is populated at higher level in the costing hierarchy with retroactive distributed element eligibility, then it's used in the costing process. For example,

1. Cost Center 300 is defined for the Original Element Entry level.
2. Cost Center 100 is defined for the Department level.
3. Cost Center 400 is defined for the Set Member Retro Element Entry level.
4. Cost Center 300 is defined for the Retro Distributed Element Eligibility level.
5. The costing process uses 400 for the account number.

Distributed Costing with a Negative Result Distribution Group Member Example

When the distribution group member has a negative run result, the distribution amount inflates for some of the distribution group members to ensure the distributed element amount matches the run result.

For example, the distributed amount is 20 and there are 2 distribution group members with amounts 50 and -25. Then the distribution of distributed amount would be as follows:

Calculation Steps

1. Individual element within the distribution group is the numerator.
2. Sum of all the elements in the distribution group is the denominator.
3. Calculate distribution percentage by dividing denominator into the numerator.
4. Multiply distribution percentage by the adjusted amount.

Element	Original Amount	Allocation Calculation	Adjusted Distribution Amount
Earning 1	50	=(50/(50-25)*20)	40
Earning 2	-25	=(-25/(50-25)*20)	-20
Distribution Group Total	---	---	20

The calculate payroll process distributes the cost results for the adjusted distributed element across the elements in the group. The distribution is based on the ratio that each element contributes to the group's total.

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As you can see, Earning 1 appears to be inflated but when it's offset by Earning 2, the sum of the Distribution Group is accurately adjusted and allocated. The payroll run result matches the Distribution Group amount.

Related Topics

- Payroll Cost Allocation Key Flexfield Structure
- Element Costing Options
- How Payroll Cost Results are Calculated
- How to Set Up Distributed Costing for the US

Distributed Costing with a Zero Sum Result Retroactive Distribution Group

The payroll process configuration parameter **Distributed costing for a retro element** uses normal elements to distribute the costs of a retroactive element based on regular entries and retro entries.

However, regular entries from the current period are used only in the distribution calculation when the sum of the retroactive entries in the distribution group is 0.

When the payroll process configuration parameter **Distributed costing for a retro element** is set to **Y** and the sum of the retroactive entries in the distribution group is 0, the deduction distributes based on the distribution group entries for the current payroll period and the retroactive entries. The parameter default is **Y**.

For example, an employee's original earnings are processed and costed for January and February. Now, in March, the earnings and deductions are changed effective January 1st and the retroactive entries for the differences are created in month of March for processing. The sum of the retroactive entries in the distribution group is 0. In this scenario, when you set this profile option to Y, the retroactive deduction amount distributes on the current pay period earnings in addition to the retroactive earnings. However, in this scenario, when you set this profile option to **N**, the process isn't able to distribute and sends to the suspense account.

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> **Note:** When the sum of the retroactive distribution group entries is greater than 0, the costs distribute based on the retroactive entries only.In the table below, you are viewing the current pay period (CPP) Earnings1, CPP Earnings 2, retroactive element earnings (REE) Earnings 1, REE Earnings 2 and REE Earnings 3. The sum of the retroactive entries in the distribution group is 0.

Example:

	31-Jan	28-Feb	31-Jan	28-Feb	31-Mar	31-Mar
Deduction	100	100	150	150	100	100
Earning 1	500	500	750	750	500	200
Earning 2	600	600	450	450	-300	100
Earning 3	400	400	30	300	-200	0
Distribution Group Total					0	
Element	**Original Earnings**		**Changes**		**Retro (REE)**	**Current (CPP)**

Deduction REE uses all 5 elements: Earning 1 REE, Earning 2 REE, Earning 3 REE, Earning 1 CPP, and Earning 2 CPP

Deduction CPP uses 2 elements: Earning 1 CPP, and Earning 2 CPP

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3 Cost Allocation

Allocate Costs to Accounts

Allocate a cost by creating several accounts and specifying the percentage of the total cost each account receives.

You can allocate costs at the department, job, position, or person level, and at the element eligibility level for priority accounts. Allocating costs at lower levels of the costing hierarchy requires greater maintenance, but offers greater control over reporting and tracking costs.

Review these points before allocating costs:

- Allocate costs at the department, job, position, and person levels of the costing hierarchy
- Allocate costs using a priority account

Allocate Costs at Different Levels

When you allocate a cost at the department, job, position, or person level, you specify the percentage each account receives of the cost. If the total allocation isn't 100 percent, when the application builds the cost account numbers, it places the unallocated cost in a default account. This table lists typical reasons for allocating costs at different levels.

Costing Hierarchy Level	Problem	Solution
Department	You take a facility out of normal operation while retooling a production line.	You allocate the labor costs for the facility's work to a different account.
Job or Position	You want to compare cost results for jobs in different cost centers.	You allocate costs at the job level to generate cost results based on job.
Person	You divide a person's time between two departments and want to charge each department.	You split the costs of the person's salary by allocating 50 percent of the salary cost to each department.

Allocate Costs Using a Priority Cost Account

Allocate costs using a priority account to charge the costing results for an element eligibility record to one or more accounts. This table describes the choices.

Note: You must enter an account number for each segment of the priority account.

Percentage Allocated	Example
Entire cost to a single cost account	You fund the entire hourly earning element for work performed in a lab from a single account. You create a priority account and specify 100 for the percentage.

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Percentage Allocated	Example
Percentage of the cost to one or more accounts	You fund a percentage of an hourly earning element for work performed in a lab from a matching grant. You create a priority account and specify the percentage paid by the matching grant. The application derives the account number combination for the remaining percentage using the standard costing process.

Related Topics

- Allocate Costs to Several Accounts
- What's the difference between allocating and distributing costs?
- Set Up Person Level Costing
- Allocating Department Costs to Different Accounts Examples

Allocate Costs to Several Accounts

When you allocate costs, you create multiple cost accounts that share a cost. You can allocate the cost results for departments, jobs, positions, and people. You can allocate the priority cost account for an element.

Allocate Costs

Manage allocations by following these steps.

1. Query the object, such as a job, and create a row for each account you want to add.
2. Select the account number for the segments that are defined only at that level, such as the cost center.
3. Specify the percentage of the cost to charge the account.
4. Repeat the steps for each account.
5. Review the total allocation.

   If the total allocation doesn't equal 100 percent, the application charges the remaining percentage of the costs to the default account. Default account is determined using information in this table.

Account Charged Allocated Percentage	Account Charged Unallocated Percentage
Cost account	Default account
Priority cost account	Cost account

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Related Topics

- How Payroll Cost Results are Calculated
- Element Costing Options
- Allocating Department Costs to Different Accounts Examples

Allocating Department Costs to Different Accounts Examples

In this example, the cost account includes a segment for the cost center. The payroll manager allocates 35 percent of the costs of the Administration department to the Eastern District Office and the remainder to the Western District Office.

Split Department Costs Between Cost Centers

1. Click Costing of Departments.
2. Search for the Administration department.
3. In the Search Results section, select the row for the Administration department, and click **Create Costing Details**.
4. In the Create Costing of Departments window, enter the effective date when the costing record takes effect.
5. On the Create Costing for Departments page, in the Cost Account section, click **Create**.
6. Click **Create** again to add a second row.
7. In the Cost Accounts table, complete the fields as shown in this table.

Percent	Cost Center Segment
35	Eastern District Office Cost Center 814390
65	Western District Cost Center 816560

   If the total percentage doesn't equal 100, the costing process places the remaining unallocated amount in a default account during the payroll calculation.
8. Click **Save**.
9. Click **Submit**.

Related Topics

- Allocate Costs to Several Accounts
- How Payroll Cost Results are Calculated

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4 Cost Distributions

Calculate Cost Distributions

Calculate Payroll process automatically calculates the costs for the payroll run.

Submit separate processes to calculate the cost distributions for retroactive costs, payments, cost adjustments, balance adjustments, and partial period accruals throughout the payroll cycle.

Calculate Retroactive Costing

Costing of payments typically occur after you have calculated and distributed your payments or after you have reconciled your payments against a bank statement. These two types of costing of payments are Costing of Unreconciled Payments and Costing of Reconciled Payments.

The **Calculate Retroactive Costing** process:

1. Compares the recalculated costs to the original results.
2. Negates original entries that have changed.
3. Creates new entries for the current payroll process.

Calculate Costing of Payments

Costing of payments typically occur after you have calculated and distributed your payments or after you have reconciled your payments against a bank statement. These two types of costing of payments processes are Costing of Unreconciled Payments and Costing of Reconciled Payments.

Both of these processes:

- Allocates costs to the accounts that you set up for each payment source
- Calculates costs for all payments, including voided, canceled, external, unreconciled, and reconciled payments

Costing of Unreconciled Payments process:

- Setup Payroll Liability Account and Cash Account for Payment Source using the **Costing of Payment Sources** function.
- Prepayments are costed to the Debit Liability Account and the Credit Cash Account.

Costing of Reconciled Payments process:

- Setup Payroll Liability, Cash Clearing Account, and Cash Account for Payment Source using the **Costing of Payment Sources** function.
- Prepayments are costed to the Debit Liability Account and the Credit Cash Clearing Account.
- After you reconcile in Cash Management and you run the process, it creates a Debit to the Cash Clearing Account and Credit the Cash Account.

Note: Costing of payments uses the setup in the Costing of Payments Sources only and doesn't use the hierarchy or any other levels of the costing.

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Adjust Cost for a Person

Manually adjust the amount or percentage of a cost result allocated to one or more accounts. The adjustment creates an offset for the original costing entry.

Cost adjustments are corrective actions that apply only to the costing result for the payroll run, and in reports and calculations based on the payroll run. To use the adjusted information in subsequent payroll runs, update the account information on the costing setup pages.

Costing of Balance Adjustment

Calculate the costing of balance adjustments after you complete the balance adjustment or later in the accounting cycle.

Costing balance adjustments ensures that later processes or reports use the correct costing. You select an option to cost a balance adjustment when you process the adjustment on the Adjust Individual Balances. After you complete the adjustment, you submit the **Costing of Balance Adjustment** process to cost the adjustment.

To prevent payroll costs from posting to the suspense account when distribution group entries aren't available, you can override the costing type of a distributed element during the **Costing of Balance Adjustment** process. Use the **Payroll Process Configuration** to control the costing of distributed element with the **Use costed option for distributed balance adjustments parameter**.

Default value is **N**. In order to stop balance adjustment costs from being posted to the suspense account when distribution group entries aren't available, create the parameter, and set the default value to Y. When the parameter is set to **Y** and the distribution group entries aren't available, this process uses the costing hierarchy applicable to the employment level of the element to cost the balance adjustment results. If the parameter is set to **N** and the distribution group entries aren't available, this process sends the balance adjustment results to the suspense account.

> **Note:** The profile option doesn't affect the balance adjustment results costing when the distribution group entries are available.

Calculate Partial Period Accruals

Submit the **Calculate Partial Period Accruals** process to use the costs from a previous payroll period as the basis for the estimates of the current accounting period. You typically estimate costs with partial period accruals when:

- Your payroll period overlaps two accounting periods.

- You require an estimate of costing results to close an accounting period.

When you run the **Transfer to Subledger Accounting** process, the process creates Partial Period Accrual and Partial Period Accrual Reversal transactions as needed. And, then when you calculate the actual costs for the full payroll period, the actual cost results offset the partial period accrual calculations.

> **Note:** In the **Calculate Partial period Accruals** process parameters, use the **Payroll Relationship Group** to limit the estimates to a specific group of employees, and the **Element Group** to limit the estimates to a specific group of elements.

Costing of Unreconciled and Voided Payments

Calculate Costing of Payments process creates the payment costing results when a payment is unreconciled in cash management and later voided in payroll. Costing entries are created with a debit to the cash account and a credit to

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the cash clearing account, which reverses the costing of payment results originally created after the reconciliation in cash management. Costing entries are also created with a debit to the cash clearing account and a credit to the liability account that reverses the costing of payment results for the original pre-payment costs.

If the payment is processed again for the voided payment, the costing payment results are created as normal.

Related Topics

- Cost Payroll Payments
- Adjust Payroll Costs
- Corrective Actions for Payroll Costing Results

Cost Run Results

Payroll Processes that Generate Costing Results

Different payroll processes create costing results during the payroll cycle.

This table describes the payroll processes that generate costing entries.

Process	Action
Adjust Cost for a Person	Reallocates the amount or percentage of the cost results. Creates an offset entry for the original costing entry.
Calculate Costing of Payments	Calculates costing for prepayments, QuickPay prepayments, and external payments, void, canceled, unreconciled, and reconciled payments. .
Calculate Partial Period Accruals	Calculates accrual entries for a partial payroll period by • Prorating the costing results based on the previous results of a full period • Using the date of the Partial Period Accruals process as the accounting date The process also creates reversal entries using the payroll period end date as the accounting date.
Calculate Payroll	Calculates payroll run results for payroll relationships and then costs these results.
Calculate QuickPay	Calculates costing for the payroll run results for a single payroll relationship.
Calculate Retroactive Costing	Recalculates costing based upon retroactive changes to costing setups. Compares the recalculated and original entries, and where different, offsets the original entries and creates new ones. The effective date of this process is the accounting date used when transferring results to general ledger.
Costing of Balance Adjustment	Calculates costing for the payroll run results of the Adjust Individual Balances process.
Create Draft Accounting	Creates journal entries that you can review and correct before transferring them to General Ledger.

Process	Action
Create Final Accounting	Creates final journal entries that Subledger Accounting transfers and posts to General Ledger.
Recalculate Payroll for Retroactive Changes	Calculates costing for retroactive changes that were excluded from the original payroll run, and records the difference found between the original entry and the retroactive result.
Reverse Payroll Calculation	Negates the costing results generated by the Calculate Payroll process by creating costing entries that offset the original entries. Uses the effective date of the reversal process as the accounting date to avoid creating entries for a closed accounting period. Creates an audit trail.
Transfer to Subledger Accounting	Creates Subledger Accounting events for cost transactions processed for each payroll relationship.

You can view the costing result for an employee by using Person Results in the Payroll work area.

Related Topics
- How Payroll Cost Results are Calculated

Payroll Process that Reverses the Subledger Accounting

Reverse Transfer to Subledger Accounting process reverses the payroll subledger accounting entries posted in final mode with the **Create Accounting** process.

Complete the following steps to reverse the payroll costing entries and unlock the payroll cycle:

- Submit the **Reverse Transfer to Subledger Accounting** process to generate entries to cancel the original accounting entries.

- Resubmit **Create Accounting** process in final accounting mode to post the entries to the general ledger (GL) and cancel the original accounting entries in GL.

You can use this process to correct or complete payroll processes earlier in the payroll cycle, such as when you accidentally submit the **Create Accounting** in final mode before all the payroll processing is complete.

Submit the **Reverse Transfer to Subledger Accounting** process for each payroll process that generated costing results. For example, you originally submitted **Create Accounting** for the regular semi-monthly payroll run and all QuickPay runs for the 31-August period. You can reverse the costs for the semi-monthly payroll run and the costs for the QuickPay processes aren't be impacted.

Note: If the **Reverse Transfer to Subledger Accounting** is run for a payroll run, it also reverses the retro costing and cost adjustments associated with the corresponding payroll run.

The **Reverse Transfer to Subledger Accounting** process supports the following flow parameters:

- **Process Date**: Enter the effective date of the Reverse Transfer to Subledger Accounting. This is a required parameter.

- **Payroll Process**: Select the specific payroll flow that generated the original payroll costing results and you want to reverse the subledger accounting entries. This is a required parameter.

- **Payroll Relationship Group**: Select the name of the payroll relationship object group that includes the payroll relationships to process. This is an optional parameter.

- **Process Configuration Group**: Select the name of the process configuration group used to set rules for the payroll processes such as when logging is required. This is an optional parameter.

- **Reason**: Enter the purpose of submitting the flow task to reverse transfer to subledger accounting process. This is an optional parameter.

Related Topics
- How Payroll Cost Results are Calculated
- Payroll Processes that Generate Costing Results

How Payroll Cost Results are Calculated

Costing and offset results are created when you process payroll runs and payments.

For example, when calculating the payroll, the application typically costs a value in a salary run result as a debit to an expense account and it offsets the same amount as a credit to a payroll liability account.

Account numbers are created by the application and based on the information entered into the cost allocation key flexfield structure when you use the costing setup tasks.

Costs Calculated Based on Account Type

This table shows you the different steps performed by the application to calculate costs based on the type of account.

Account	Cost Calculation Steps
Cost	1. Calculates costs for the input values specified on the element eligibility record. 2. Builds each segment by checking for: o Costed and Distributed costing types at each level of the cost hierarchy. o Fixed Costed costing types at the payroll, element, and element eligibility levels 3. Calculates the cost for each account, when percentages of the costing is allocated to different accounts. 4. Places any unallocated amount in a default account. 5. Places invalid results in a suspense account. 6. Determines the cost account, if a segment has a blank value. The determination depends on whether the segment of the cost allocation key flexfield is required or optional and whether a suspense account is defined. o Optional, regardless of whether a suspense account is defined, costing result displays a null segment o Required, and suspense account is defined, costing result is placed in suspense account o Required, and suspense account isn't defined, costing result errors 7. Adds cost results for a distributed element to the elements included in the distribution group, based on the ratio each element contributes to the total amount for the distribution group. 8. Creates a debit or credit result based on the element classification settings.

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Account	Cost Calculation Steps
Priority	1. Calculates the cost using the account number specified for the priority account on the element eligibility record. 2. Calculates the cost account number for the remaining percentage when you allocated only a percentage of the cost.
Offset	1. Calculates the offset using the segments specified for the offset account on the element eligibility record. For blank segments, uses the account number derived for the equivalent segment of the cost account for the same element eligibility record.
Payroll Liability, Cash Clearing, Cash	1. Calculates the account number using the segments specified for the payment source on the Payment Source page.

Related Topics

- How Distributed Costing Is Calculated
- Element Costing Options
- Payroll Processes that Generate Costing Results

View Run Results with Element Entry Result Identifier

View Element Entry Identifier in Run Results.

You can use the new Element Entry Result Identifier attribute to easily identify the results for each entry and distinguish multiple entries of the same element.

From the **Person Results** page, choose **Run Results** from the **Action** list for one of the processes listed. Expand the element information to view the **Element Entry Result Identifier** attribute.

If you don't see the Element Entry Result Identifier, use these **HCM Experience Design Studio** steps to display the **Element Entry Result Identifier** attribute in the **Run Results** UI. When attribute is on the UI, as part of standard export functionality, it's included in the export of **Run Results**.

1. Navigate: **My Client Groups** > **HCM Experience Design Studio**
2. Select **Run Results** from **Action** list
3. Click **Add** button to open the Run Results configuration page
4. Enter **Rule Name** and **Rule Description**
5. Choose **Role Names** and **Country** affected
6. In **Page Attributes** section, choose **Run Results** region
7. Select **Visible** from list for the **Element Entry Result Identifier** attribute
8. Click the **Save** and **Close** button to exit configuration page.
9. Verify that your rule is created.
10. If your rule is created, Click **Done** button to exit HCM Experience Design Studio.

Related Topics

- View and Verify Payroll Run Results
- HCM Experience Design Studio

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Calculate Partial Period Accruals

Partial Period Accruals

Use the **Calculate Partial Period Accruals** process to estimate costs. Estimating costs are needed when the last payroll period overlaps two accounting periods, or when you need an estimate for an accounting period you must close quickly, such as the end of a quarter.

If you estimate costing, consider creating a payroll flow pattern to use at the end of the month that includes these tasks:

- Calculate Partial Period Accruals process

- Run Payroll Costing Results report (detail or summary mode)

- Transfer to Subledger Accounting process

- Create Accounting process (draft or final mode)

How Partial Period Accruals Are Calculated

The process performs these steps:

1. Calculates the costs for each person for the referenced period, as if each day of the payroll period included the same cost results.

   Note: The process uses the number of calendar days within the referenced period, not the number of days in the work week. It estimates the proportionate costs based on the number of days from the start of the payroll period to the process date you specify when submitting the Calculate Partial Period Accrual process.

2. Creates an offset entry to use when reversing the accruals with the actual payroll costs for the payroll period.

Note: If the referenced results include costs placed in suspense and default accounts, the partial period accrual process costs the results to the same accounts.

Percentage Override Parameter

You can use the **Accrual Percentage Override** parameter in the Calculate Partial Period Accruals process to estimate the payroll costs. By entering a numeric value in this optional parameter, cost estimate is calculated using the specified percentage. This is a cost estimate of the payroll expenses to be incurred during the pay period that will complete the accounting period.

For example, a weekly payroll period ends on 28-Jan and the accounting period for January ends on 31-Jan. When the Partial Period Accrual process runs with process date as 31-Jan, it estimates for 3 days. But, to estimate only for 1 working day out of 3 calendar days, you can enter a value of 20 in this parameter, which estimates only for 1 day. The value is derived using this logic: `(number of days to be estimated / number of working days in the payroll period) * 100 = (1/5) * 100 = 20.`

Partial Period Accrual Example

You have a partial payroll period for a weekly payroll that begins Saturday, July 29 and ends Friday, August 4. Your accounting periods are monthly, so you submit the Partial Period Accrual process, and specify July 31 for the Process

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Date. You select a date for the Previous Payroll Period parameter that include similar costs. If the estimated cost is 210 USD, the process creates:

- Partial Period Accrual entries for three-sevenths of the estimated cost

  The process debits 90 USD to the cost account and credits 90 USD to the offset account, with an accounting date of July 31.

  The Partial Period Accrual process uses the Process Date of July 31 that you specified when you submitted the process.

- Partial Period Accrual Reversal entries for the estimated cost

  The process credits 90 USD to the cost account, and debits 90 USD to the offset account, with the accounting date of July 4.

  The Partial Period Accrual Reversal process checks for the Accounting Date for Transfer to General

  Ledger parameter specified on the Payroll Process Configuration page. To open this page, use Payroll Process Configuration. Your enterprise uses the payroll period end date for partial period accrual reversals, which in this example is August 4.

When process completes, process the payroll for the period ending August 4, and submit the **Transfer to Subledger Accounting** process. The costing for the payroll run creates entries for the actual costs and reverses the partial period accrual entries. The accounting date is based on the **Accounting Date for Transfer to General Ledger**. Your enterprise uses the process date of the actual payroll run for the accounting date.

You can then submit the Create Accounting process from Enterprise Scheduler and review the results created for the draft journal entries before running the final accounting.

Offset Payroll for Partial Period Accrual Example

In the case of offset payroll scenario, the partial period accrual process locates the payroll period for the previous period date value provided in the parameter and identifies the process dates in the date range. It bases the estimate costs on the processes whose process date are in that period. You have a partial payroll period for a weekly payroll that begins Saturday, July 29 and ends Friday, August 4. Your accounting periods are monthly, so you submit the Partial Period Accrual process, and specify July 31 for the Process Date. You select a date for the Previous Payroll Period parameter that include similar costs. If the estimated cost is 210 USD, the process creates:

In this example, your payroll periods and check dates are:

- Period 1: 17-Feb - 1-Mar-2020 with a check date of 6-Mar-2020
- Period 2: 2-Mar - 15-Mar-2020 with a check date of 20-Mar-2020
- Period 3: 16-Mar - 29-Mar-2020 with a check date of 3-Apr-2020

When you run the partial period accruals process with previous period date as 15-Mar-2020, it gets the payroll period 2 and checks the payroll runs that falls in this payroll period date range. It finds a payroll run with the process date of 6-Mar-2020, which is the payroll period 1. The process uses payroll period 1 with a date range of 17-Feb to 01-Mar to estimate the costs.

You can then submit the Create Accounting process from Enterprise Scheduler and review the results created for the draft journal entries before running the final accounting.

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Use Accounting Date as Basis for Accruals

The date parameters of the Calculate Partial Period Accruals process determine which costing results are referenced and in which accounting month.

This table has the dates you enter when submitting the Partial Period Accrual process.

Date Parameter	Calculation	Action
Previous Period Date	Determines which payroll period to use as the basis for estimating the costing results. In the case of offset payroll scenario, the partial period accrual process locates the payroll period for the previous period date value provided in the parameter and identifies the process dates in the date range. It bases the estimate costs on the processes whose process date are in that period.	Select date within a previous payroll period that contains costs. Generally, you select the latest payroll period, but if that period includes atypical expenses, select an earlier period.
Process Date	Determines the effective date used to record estimates The process calculates the proportion to use based on the number of days between the start date of the payroll period and the process date.	Select a process date for the payroll period.

Use Accounting Date to Transfer Results to Subledger Accounting

The Partial Period Accrual process creates an offset entry so that later when you calculate the payroll, you reverse the accruals and enter the actual costing results.

The accounting date used for Partial Period Reversals and for the effective date of the actual payroll run depends on the Accounting Date for Transfer to General Ledger parameter entered using the Payroll Process Configuration. You can access Payroll Process Configuration.

This table shows which accounting date each process uses to transfer the results to Subledger Accounting.

Process	Subledger Accounting Event	Accounting Date Used
Partial Period Accruals	Partial Period Accrual	Process Date
Partial Period Accruals	Payroll Period Accrual Reversal	Configuration parameter determines the accounting date: • P, process date of the payroll run • EVE, the date earned If the date earned isn't defined for the time periods on the Payroll Definition page, the payroll period end date is used. • E, date earned

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Process	Subledger Accounting Event	Accounting Date Used
Costing for the actual payroll run	Run Cost	Configuration parameter determines the accounting date: • P and EVE, process date of the actual payroll run • E, date earned

Related Topics

- Reconcile Payroll Payments
- Distribute Payroll Accounting
- Payroll Setup Tasks to Transfer Costs to General Ledger

View and Verify Payroll Run Results

View and Verify payroll calculations for the payroll run or a QuickPay flow ensures the accuracy of your results.

▶ **Watch video**

Check your results as you complete payroll tasks and processes to minimize number of problems and reduce effort required to fix them. You can review results for the entire process or one person.

Note: An error in the run results typically means an error in your payments.

Use the **Process Results Summary** task to locate the payroll process and view all the results processed. Drill down to view a person's payroll run results on the **View Person Process Results** page by choosing **Run Results** from the **Action** list. This table helps you decide your starting point.

Access Run Results	Purpose
Person Process Results page Use the Process Results Summary task Select the process	View the payroll relationship records processed by the flow and view details for individual records.
Person Results page Use the Person Results task, Select the process	View a list of payrolls processed for a person. Use to research results for a person over several payroll periods. For example, you need to research an outstanding balance on a loan deduction where the employee's payments were made over a series of payroll periods.
Use the Person Process Results task	Query the person and view the run results.

You can export an employee's payroll run results into a file, such as a Microsoft Excel Workbook File. When you're viewing the run results, click the **Export** button on the page to export to a file and save.

Use the payroll run reports to view results before calculating prepayments. Reports offer different ways of showing the run results, such as by aggregate amounts or detailed listings by element for each payroll relationship. Decide which report to view based on the type of standard verifications your enterprise uses.

Review the log file for a process, report, or extract flow you submitted. The log includes detailed information about the payroll run results, such as information about an error raised while processing a task.

Related Topics

- Payroll Calculation and Balancing Reports
- How to View the Statement of Earnings
- Troubleshoot Missing Elements in Payroll Run Results
- Mark for Retry, Retry, and Roll Back Payroll Results
- How can I access a log file for a payroll flow, extract, or report?

Payroll Costing Report

Use the Payroll Costing Report to view and verify the costing results for a costing process or the costing entries of a payroll run.

The **Payroll Costing Report** now offers an extract-based version instead of the legacy BI Publisher report.

The new **Payroll Costing Results Report** uses the extract-based architecture to handle large volumes of data. The extract-based version delivers better scalability and higher performance for large payroll volumes, along with flexible output options including MS Excel, Text, and XML.

If you are still using the legacy BI Publisher version, Payroll Costing Report, and have started experiencing performance issues as your data volumes grow, it's recommended you use the new version of the report. You can use the **Switch Task Version** flow to enable the extract-based report.

User Entities

The report uses delivered user entities and database items so you can write to your own extracts to query the costing results.

A user entity is a logical entity associated with a data group defined using the HCM Extracts feature, a flexible tool for generating data files and reports. This table describes the user entities related to costing results and the type of data they extract.

User Entity	Description
ORA_PAY_COST_RESULT_UE	Extracts the detailed costing results.
ORA_PAY_COST_SUMMARY_UE	Extracts the summary of the costing results.
ORA_PAY_COST_ALLOCATION_ ACCOUNT_UE	Extracts the individual costing segment information.

User Entity	Description

Report Parameters

The parameter values determine which records to include in the report. Many parameters are self-explanatory. The following parameters have special meaning in the context of this report.

Scope

This parameter determines the level of detail in the report. You can select one of two values for the Scope parameter, as shown in this table.

Scope	Description	When to Use
Summary	Shows the account numbers and the net credit and debit amounts for transferring and posting to general ledger.	Select this scope to create a Microsoft Excel file for your third-party general ledger provider.
Detail	Shows a breakdown of the costing at the element entry, employee, and other levels where costing is calculated.	Select this scope to: • Review individual entries, such as the results of distributed or allocated costing. • Analyze entries to an invalid account number.

Process Start Date and Process End Date

The date parameters determine which records to process in a specified time frame. The Process Start Date specifies the first effective date of the payroll process that generates costing results to include in the report. The Process End Date specifies the last effective date.

Typically, you specify the start date and end dates of the current payroll period or accounting period. You may also specify the start and end dates of a previous payroll period to identify which payroll period to use for your partial period accruals.

To report the results you want to view, the time period defined by the start and end dates must include the effective date of the process. These processes use the process date as the effective date:

- Cost adjustments
- Costing of balance adjustments
- Partial period accruals
- Payroll calculations
- Retroactive pay calculations
- QuickPay calculations, voids, and reversals

All other processes that generate costing results use the process end date as the effective date.

Process

The name of a process that generates costing results.

By default, the report generates results on all costing processes within a specified time period. Select a single process, such as retroactive costing, to confirm the results of updates made to costing setups before transferring the results to the general ledger.

Process Configuration Group

Select the process configuration group, if you have defined one. A process configuration group is used to provide sets of processing parameters, primarily related to logging and performance. If you don't select a process configuration group, the application uses the parameters in the default group.

Consolidation Group

Select the consolidation group specified for a payroll definition. Specify this parameter to view costing results for all payrolls that are included in this consolidation group. For example, if your weekly payrolls share the same consolidation group, you can review the results of cost adjustments before transferring their results to general ledger.

Location

Select a single work location, or all work locations. The report output lists the payroll relationship records based on a person's assignment location. The location is listed with the other parameters, but not on the results.

Payroll Relationship Group

Select the payroll relationship group name, if you have defined one. Payroll relationship groups limit the persons processed for payroll, data entry, and reporting. For example, you can create a group to process the report for terminated employees.

> **Note:** Use the Object Groups to define a process configuration group, consolidation group, or payroll relationship group, before you can select it here.

Person Name

Select a person name to view the costing results for a specific person. This parameter is only available for detailed reports.

Results Reported

Use this parameter to filter and view the report results for smaller volumes of data, thereby enhancing the report performance. Here are the values you can select.

Value	Description
Payroll process costing results	The report includes the costing results of payroll processes, such as calculate payroll, QuickPay, and reversals.
Payment process cost results	The report includes the costing results of payment processes, such as costing of payments.
Payroll and payment process cost results	The report includes the costing results of both payroll and payment processes.

Report Category

Use this parameter to generate the report output in the Excel or text format.

Report Results

The report separates the displayed values using a pipe delimiter when:

- A person has multiple assignments, and

- The costing result for an element at the payroll relationship level includes more than one value for a parameter.

For example, if a person has one payroll relationship and two assignments to different departments, the costing report lists the costing result for the deduction. The report also shows the department names separated using a pipe delimiter.

Flow Task Versioning for Payroll Costing Report

Existing users have the option to use the delivered **Switch Task Version** flow task to run the Payroll Costing Report as an extract-based report rather than the BIP-based report. The extract-based report offers better scalability, especially for large volume users, and also enables the report output in MS Excel, Text, and XML formats.

Follow these steps to enable the extract-based report.

1. Navigate to **My Client Groups > Payroll > Submit a Flow** from your Home page.
2. Search and select the **Switch Task Version** flow task.
3. Select **Run Payroll Costing Report** in the Task field.
4. Choose **Submit Extract Report** as the Task Version.
5. Click **Submit**.

All flows referencing the Payroll Costing Report task will now use the extract-based version.

> **Note:** All new users will have the extract-based report by default, ensuring a smooth transition to the enhanced reporting capability.

FAQs for Cost Run Results

Why do payroll costing results differ for employees with the same position in the same department?

Results can vary if you allocate costs to different accounts at the person costing or element entry level.

Use these steps to resolve your question:

1. Identify which costing results vary for employees holding the same position in the department.
2. Review the costing setup information for these employees on the Costing of Persons page to determine if costing setups exist for the elements whose costing results vary by employee. Confirm the setup is accurate.
3. Review the costing information you entered for the element entries for the employees for that payroll run. Confirm the information is accurate.

5 Correct Costing

Correct Costing for Payroll Run Results

Review and correct the costs placed in suspense and default accounts after you calculated payroll.

Let's say, you might correct invalid cost account numbers, or correct unallocated costs. You can correct cost results before or after the payroll run completes.

Correction Method to Use

This table helps you decide the correction method to use based payroll status or locked payroll run results.

Payroll is Complete	Scenario	Correction Methods
No	Your enterprise reviews the payroll run and costing results before you process payments. For example, you run weekly payrolls to generate project-based costing.	The number of records usually determines the method used to correct the results: • For a few records, such as records where the allocated costs don't total 100 percent, correct the costing setups, mark those records for retry, and retry the payroll. • For numerous records, such as records with an invalid account number, roll back the payroll calculation, correct the costing setups, and retry the payroll run. If a message informs you that a process locks the run results, you must roll back the process before correcting the costing.
Yes	Your enterprise has a short interval between the date earned and the date paid. For example, you process payments directly after reviewing and correcting payroll run results, and do costing corrections later.	Depending on the type of correction required, process a cost adjustment or submit the Calculate Retroactive Costing process.

Cost Adjustments and Retroactive Costing

This table helps you decide when to process a Cost Adjustment or to submit the Calculate Retroactive Costing process.

Correction Method	Where to Process the Correction	When to Use the Method	What is Updated	Consequences
Cost Adjustment	Person Results	Correcting a few records for a person and the effective date of the costing adjustment is for an open accounting period.	The person's costing entry for a run result, such as the allocated amount or percentage, the distribution, and the account numbers.	Adjusts costing for the current payroll run. The application uses the original costing setup in the next payroll run.

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Correction Method	Where to Process the Correction	When to Use the Method	What is Updated	Consequences
				The adjusted costing entry is used in reports or in later calculations performed against that entry.
Calculate Retroactive Costing	Payroll Checklist	Correcting numerous errors due to invalid entries placed in suspense account. Correcting costing setups as a basis for future payroll runs, such as adding the account number for a new line of business.	The account numbers used to process the run result.	Updates the original costing setups. The application compares the recalculated and original entries, and where different, offsets the original entries and creates new entries for the current payroll period. The application uses the revised information in the next payroll run.

Example

This example helps you decide when to use each correction method.

Correction Method	Scenario	Steps
Cost Adjustment	An employee worked for two department cost centers during a payroll period. A manager notifies you that you should divide the employee's wages between the two departments.	1. Process a cost adjustment. 2. Allocate the appropriate percentage to each department's cost center. The allocation applies to the current payroll result only. It doesn't change the costing setup used to cost the employee's wages for the next payroll run.
Retroactive Costing	A manager informs you that a mid-year reorganization of administrative departments requires that you cost the employee parking allowance to a different department. The last semimonthly payroll completed July 15.	1. Update the parking allowance element eligibility records with an effective date of July 1, and correct the costing setup information. 2. Submit the Calculate Retroactive Costing process.

Related Topics

- Corrective Actions for Payroll Costing Results
- Adjust Payroll Costs
- Payroll Setup for Costing Accounts

Retroactive Costing

The Recalculate Payroll for Retroactive Changes process creates costing for retroactive run results. The Calculate Retroactive Costing process recalculates costs after you update costing setups. These are the only two processes cost results retroactively.

Recalculate Payroll for Retroactive Costing

Submit the Recalculate Payroll for Retroactive Changes process:

- Calculates the retroactive pay and costs the retroactive pay results

- Records the difference found between the original entry and the retroactive result for the current payroll period

Tip: If you don't see the costing results you expect, confirm that you created costing setups for each retroactive element whose run results the application costs.

Calculate Retroactive Costing

Submit the Calculate Retroactive Costing process and complete the submission date parameters, as described in this table.

Parameter	Purpose
Process Start Date	The date when the update to the costing setup should take effect
Process End Date	The date when the current payroll period ends, which is used as the accounting date for the costing record

The process:

- Compares the recalculated and original entries

- Where the results are different, the process offsets the original entries and creates new entries for the current payroll period

Note: The Calculate Retroactive Costing process doesn't prorate costing results based on updates to costing setups made within the payroll period.

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Adjust Payroll Costs

You process a cost adjustment to correct missing or incomplete account numbers after a payroll completes. If you allocated costs to different accounts, you can adjust the allocated amounts or percentages. The application uses the adjusted costing entry in reports or in later calculations.

Steps to Process a Cost Adjustment

1. Open the Adjust Cost for a Person window.

   Note: From the Process Results Summary task, select the Calculate Payroll process, find the person, choose Costing Results action and click the Adjust Cost for a Person button.

2. Select one or more rows in the Adjust Cost for a Person window to adjust.

   Note: If you Select multiple rows to adjust, the same costing adjustment will be made to each selected result.

3. Specify the corrected amount or percentage.

   Note: To allocate the cost to more accounts, add the accounts.

4. Complete the Transfer to Subledger Accounting.
5. Create Draft Accounting.
6. Create Final Accounting processes to distribute the costing results

You can locate the cost adjustment later by reviewing the list of cost adjustments on the payroll flow's Summary. Update the account information on the appropriate costing setup to apply the same adjustment in later payroll calculations.

Related Topics

- Correct Costing for Payroll Run Results
- Distribute Payroll Accounting
- View and Verify Payroll Run Results

Corrective Actions for Payroll Costing Results

These examples show you how to correct, adjust, or update costing information for a payroll run in several typical scenarios.

Correct Incorrect Costing

You receive information from a manager that an employee's housing allowance is charged to the incorrect department account. To review and correct the costing result, follow these steps:

1. From the Person Process Results or Person Results page, choose Costing Results action

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2. Locate the element with the incorrect cost result.
3. Review the costing setup information. Be sure to include any costing information entered for the person for the payroll run at the element entry level.
4. Correct results based on the payroll phase, such as processing a cost adjustment or correcting and retrying the record.

Correct Unallocated Costing

Use the Process Results Summary to review the costing. You notice the graph shows the application has placed a costing entry in the default account.

1. Click the graph for the Default Account to view the entries.
2. Identify the records where the allocated costs fall below 100 percent.
3. Update the costing setup information.

   For example, if you allocated the cost of a person's wages to two departments, update the percentage allocated to each department on the Person Costing page.
4. Correct the results based on the payroll phase by retrying the record, or processing a cost adjustment.

Update Costing for Future Change

You receive information from the accounting department that an account used to fund the salaries of employees assigned to a project will close at the end of the quarter. You must use a different account to fund and cost the wages at the start of the next quarter.

1. Search for the latest payroll period costing entries to determine which departments, positions, and workers you pay from the current project fund.
2. On the Manage Costing of Elements page, locate records with the account that will be closing.
3. Update the costing setup for the wage element by specifying the date on which the new costing setup takes effect.
4. Update the account number for the funding source.

Related Topics
- Correct Costing for Payroll Run Results

FAQs for Correct Costing

When do I cost a payroll balance adjustment?

Submit the Costing of Balance Adjustment process after processing the balance adjustment or later in the accounting cycle. Specify the start and process dates to control which adjustments to process.

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Can I correct payroll costing results from the Person Results page?

If you haven't started the prepayments process or created accounting entries, yes, results on this page can be corrected by using the Action drop down.

Use these steps to recost the entry:

1. From the Person Process Results or Person Results page, choose Costing Results action.

   Note: From the Process Results Summary task, select the Calculate Payroll process, find the person, choose Costing Results action, select costing rows to adjust and click Adjust Cost for a Person. From Person Results task, find the person, select the Calculate Payroll Process, choose Costing Results action, select costing rows to adjust and click Adjust Cost for a Person.

2. Select costing rows to adjust.
3. Click Adjust Cost for a Person button.
4. Correct the error.
5. Mark the record for retry.
6. Retry the payroll calculation

If you have created accounting entries or don't want to retry or roll back the payroll calculation, follow these steps:

1. Find the person's record using the steps provided above.
2. Select the costing entry on the Person Process Results page.
3. Process a corrective action, such as a cost adjustment or retroactive costing.

Can I view an audit trail of corrections for payroll costing results?

It depends on the method used to correct the results.

Corrective Method	Costing Results
Rolling back or retrying a process	Eliminates the audit of the costing entries the process completed or that were in error that you subsequently corrected and retried.
Reversing a process	Negates the costing entries, but maintains an audit trail
Processing a cost adjustment or retroactive costing	Retains a record of the original costing entries

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How can I revise the payroll costing information for a specified period of time?

To change the costing for a few people in the current payroll run, update the costing information for each person's element entries before you run the payroll.

If the change impacts many people in your department such as a cost center allocation, update the appropriate costing setups based on the date that the changes take effect.

Related Topics
- Corrective Actions for Payroll Costing Results

Why can't I find my cost adjustment in the flow search results?

If you submit a cost adjustment from the Cost Distribution page to correct a specific costing entry, you can access and view that cost adjustment from the Person Process Results.

You can view a list of cost adjustments in the Payroll Checklist.

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6 Costing and Reconciling Payments

Cost Payroll Payments

The Calculate Costing of Payments process calculates costs for payments, including void and canceled payments and the rollup payments from the **Run Third-Party Payment Rollup**,. If you're reconciling payments, the process costs unreconciled, reconciled, and cleared payments.

Costing payroll payments includes these steps:

1. Submit the Calculate Costing of Payments process
2. Verify costing results for payments
3. Correct costing results for payments

Submit the Calculate Costing of Payments Process

Submit the **Calculate Costing of Payments** process from the payroll checklist. The frequency depends on your accounting practices. Most enterprises cost payments before or on the actual payment date. Use the Consolidation Group parameter to simplify the payroll post processing. If you run the payment processes with a value in the Consolidation Group parameter and no value in the Payroll parameter, run the **Calculate Costing of Payments** process with no value in the payroll parameter too.

If you reconcile payments and pay employees by issuing checks/cheques, resubmit the process again. This table will help you decide when to resubmit.

When to Resubmit the Process	Reason
Several days after the payment date	To cost the reconciled payments
Last business day of the month or the last date of the bank statement cycle	To simplify reconciling balances and bank statements when using General Ledger and Cash Management

Two factors control which account the process uses to cost the payment result:

- Account information set up for the payment source on the Costing of Payment Sources page
- Decision to reconcile payments

This table shows you the account typically used if you reconcile payments.

Payments Reconciled	Resulting Account
No	The process debits payroll liability accounts and credits the cash account.
Yes	The process creates entries that debit the payroll liability accounts and credit the cash clearing accounts. When the payments clear, resubmit the process to create entries that debit the cash clearing accounts and credit the cash accounts.

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Payments Reconciled	Resulting Account

Verify Costing Results for Payments

Review costing results from the Person Process Results.

Depending on your payment method, and whether you reconcile payments, you may have a lag time between the date you issue the payment and the date it clears. For example, if you issue checks/cheques and reconcile them, you can review costing results the Person Process Results or Person Results page.

Correct Costing Results for Payments

Most enterprises resolve errors during implementation. If results require correction, you might take these steps:

1. Roll back the Costing of Payments process for the records that were costed using the incorrect account number.
2. Update the costing setup information for the payment source.
3. Resubmit the Costing of Payments process to negate the original costing and create the correct costing.

Related Topics
- Reconcile Payroll Payments
- Distribute Payroll Accounting

Reconcile Payroll Payments

Payroll integrates with Cash Management, which facilitates the reconciliation of bank statements with payment transactions. Reconcile payments after you receive the bank statement and reconciliation file.

This table shows you the sequence of steps to cost and reconcile your payments, including the rollup payments from the **Run Third-Party Payment Rollup**, process using a duty role with the appropriate security privileges for each application, such as the payroll manger or cash management manager.

Sequence	Task	Location	Comments
1	Submit tasks to generate payments for employees and third-party payees, such as Generate Check Payments.	Submit a Flow task in Payroll	Payment information you can reconcile includes payments generated for checks/cheques, electronic funds transfer, and external payments.
2	Submit the **Calculate Costing of Payments** task for new payments.	Submit a Flow task in Payroll	• Creates cost results that debit the payroll liability accounts and credit the cash clearing accounts. • Costs any uncosted payment it identifies that falls within the submission dates, including unreconciled,

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Sequence	Task	Location	Comments
			reconciled, void, canceled, and external payments.
3	Submit the **Transfer Payments Information to Cash Management** task.	Submit a Flow task in Payroll	Typically, you submit the process after sending the payment files to the banks.
4	Load a bank statement.	Cash Management	Load a bank statement that includes the payments for the payroll period you want to reconcile.
5	Reconcile payments automatically or manually.	Cash Management	Refer to Managing Discrepancies in this topic.
6	Monitor the reconciliation status	Cash Management	Refer to Monitoring the Status in this topic.
7	Submit the **Calculate Costing of Payments** task for reconciled payments.	Submit a Flow task in Payroll	After the payment clears, submit the process to debit the cash clearing account and credit the cash account. Enterprises typically submit the process toward the end of the accounting period.

This figure shows you the division of tasks between Payroll and Cash Management.

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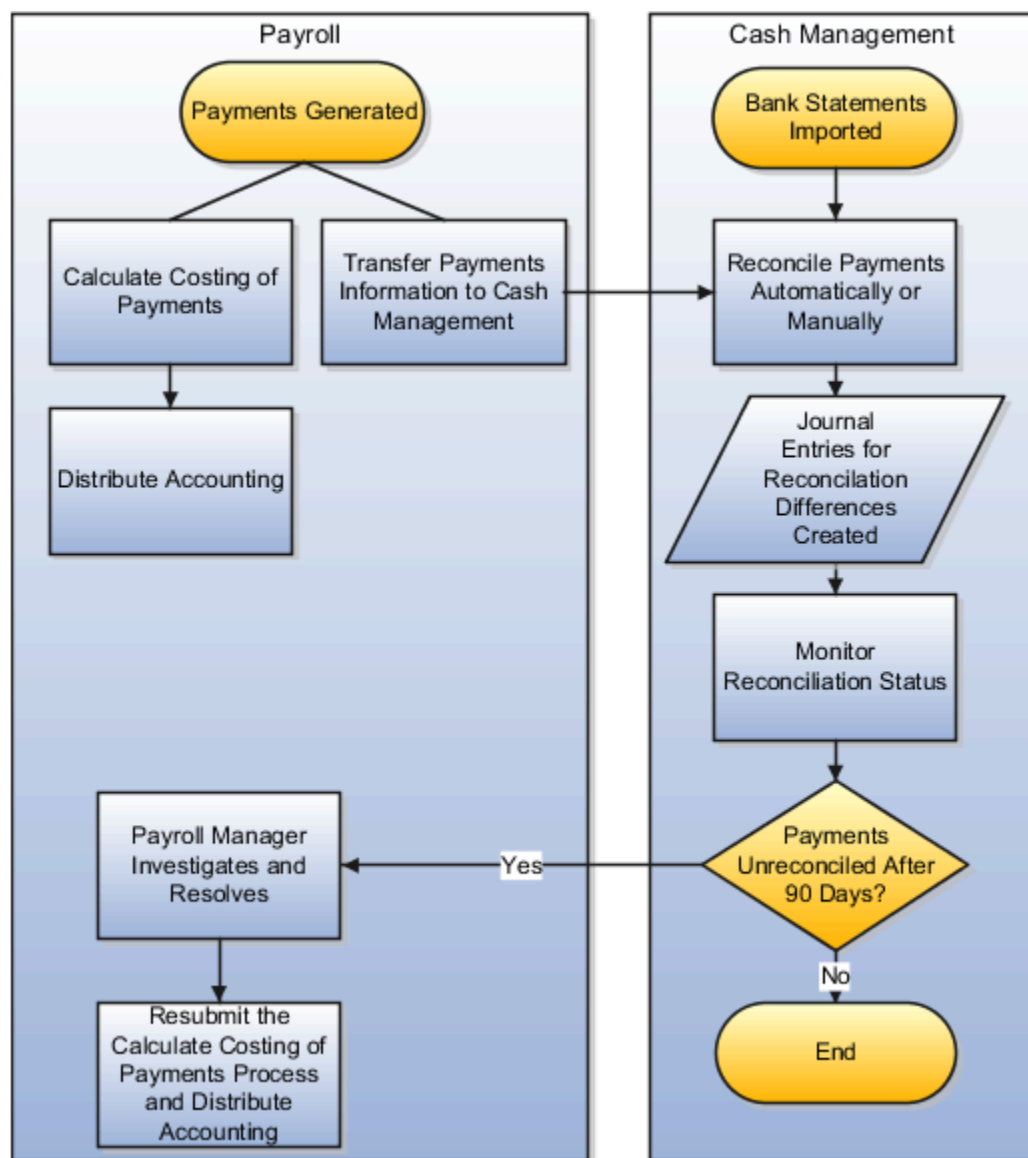
Manage Discrepancies

The reconciliation process captures discrepancies between the amount reported in the bank statement and the payment information transferred to Cash Management. If there is a discrepancy, the amount determines the actions you might take, as shown in this table.

Discrepancy	Action
Difference falls within the allowable tolerance permitted for discrepancies	Payment is marked reconciled and the difference is allocated to a reconciliation differences account in General Ledger. The journal entries for the differences are transferred from Cash Management to General Ledger, and not through payroll.
Difference falls outside the allowed tolerance	Payroll manager and cash managers must resolve the discrepancy.

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Discrepancy	Action

Monitoring the Status

When you monitor the reconciliation process, you review statuses to determine whether the bank cleared or rejected a payment. This table gives you the pages to monitor the status.

Page	Action to Monitor Status
Person Process Results or Person Results page	View the payment amounts distributed from the payroll liability, the cash clearing, and the cash accounts.
Person Process Results or Person Results page	View the cash clearing account status: • Cleared applies to payments that aren't reconciled or that typically don't require reconciliation such as cash and EFT • Not Cleared applies to payments awaiting reconciliation or payments that failed the reconciliation process
Overview and Manage Bank Statement pages in Cash management	View the status of bank statement lines.

Related Topics

- Payroll Setup for Costing Accounts
- Payment Reconciliation Setup
- Automatic Reconciliation
- Overview of Bank Statement Processing and Troubleshooting
- Overview of Tolerance Rules

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7 Distribute Accounting

Distribute Payroll Accounting

Distributing payroll accounting involves transferring costing results for your payroll run costs and your payments.

Transfer the cost results to Subledger Accounting to create journal entries for review before creating the final journal entries to post to General Ledger.

Distributing accounting overview:

1. Calculate Cost Distributions
2. Distribute Accounting

   a. Transfer costing results to Subledger Accounting
   b. Create and review draft journal entries
   c. Create, transfer, and post journal entries

Transfer Costing Results to Subledger Accounting

Payroll is integrated with Subledger Accounting, an accounting application that generates journal entries for financial transactions. Submit the Transfer to Subledger Accounting process to prepare transactions for accounting for the costing results and journal entries. For example, the process prepares transactions for the payroll run results and journal entries for each costed run result.

The Transfer to Subledger Accounting process creates a transaction number for each person's costing results. You can use this transaction number when searching for the person's journal entries on the Review Journal Entries page.

For example, if you submit a QuickPay process for a person, the Transfer to Subledger Accounting process creates journal entries for each costing result generated by the payroll calculation and payment process. The process creates two transaction numbers, one for the payroll calculation costing results and one for the payment costing results.

Create and Review Draft Journal Entries

Payroll integrates with General Ledger. Create Accounting process in draft mode to review the resulting journal entries before transferring and posting them to General Ledger. Typically, you review journal entries after you add new accounts, payrolls, or elements that would affect costing.

You have two options to review these entries:

- Select Review Journal Entries.

  The Review Journal Entries page displays a summary of the transactions. Drill down to display information about the transactions underlying the accounting transactions and journal entry.

- Display output of the Create Accounting process in the Create Accounting Execution report.

If you discover costing results that require correction, you can roll back the Transfer to Subledger Accounting process from the flow's checklist. After correcting the costing results, you can submit the Transfer to Subledger Accounting process. Submit the Create Accounting process in draft mode to create and review the corrected journal entries.

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Create, Transfer and Post Journal Entries

Submit the Create Accounting process in final mode to transfer and post the final journal entries to General Ledger.

After you submit and complete the Create Accounting process in final mode, you can't roll back the posted journal entries. If a result requires correction, perform these actions:

1. Determine which corrective action to use.

Costing Result	Corrective Action
Costed run result	Process a cost adjustment or retroactive costing
Costed payment result	Enter adjustments directly into General Ledger.

2. Submit the Transfer to Subledger Accounting process.
3. Submit the Create Accounting process in draft mode to review the entries and in final mode to transfer and post the entries to General Ledger.

Related Topics
- Correct Costing for Payroll Run Results
- Create Accounting Results
- Review Journal Entries
- Payroll Setup Tasks to Transfer Costs to General Ledger

Create Accounting Results

Create journal entries for review before transferring and posting them to General Ledger.

Submit the Create Accounting process in draft mode to create journal entries for review, and in final mode to create, transfer, and post journal entries.

Prerequisite Steps

Ensure that you complete these prerequisites:

- Set up the information required by Subledger Accounting for payroll costing.

- Generate data roles using the Global Payroll Template for Payroll Security in the Entitlements Server Authorization Policy Manager.

- Assign the data roles using standard HCM role-provisioning.

- Specify a ledger for each payroll whose results you cost on the Manage Payroll Definitions page.

- If you transfer costs to General Ledger, specify the option to transfer costs when setting up costing for elements and payment sources on the Manage Costing of Elements and Manage Costing of Payment Sources pages.

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Submit the Create Accounting Process

You submit the Create Accounting process initially in draft mode to create journal entries for review. You resubmit the process in final mode to transfer and post the entries to General Ledger.

To submit the Create Accounting process, complete these steps:

1. In the Navigator, click the **Scheduled Processes** .
2. Click the **Schedule New Process** tab.
3. In the Search and Select dialog box, search for and select **Create Accounting**. Click **OK**.
4. Complete the parameters in the Process Details dialog as indicated in this table.

Parameters	Required	Value to Enter
Subledger Application	Yes	**Payroll**
Ledger	Yes	Ledger associated to the payroll
Process Category	Yes	o **Costs** to generate entries for processes that create costed run results, such as QuickPay, cost adjustments, retroactive costing, and partial period accruals o **Payment Costs** to generate entries for processes based on prepayments, such as EFT payments, reconciled, voided or reversed payments **Tip:** Skip this parameter to process all costing and payment results.
End Date	No	Date The date on or before which to retrieve records transferred to Subledger Accounting.
Accounting Mode	Yes	o **Draft** to generate entries for review o **Final** to generate entries for transfer and posting to General Ledger
Process Events	Yes	o **All** to process any costing results transferred to Subledger Accounting since the last time you submitted the process including entries marked as invalid or in error o **Invalid** or **Error** to reprocess entries in this status.
Report Style	Yes	Create Accounting Execution report:

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Parameters	Required	Value to Enter
		o **Summary** to view totals by the parameter set for Process Event, such as the number of journal entries for payments o **Detail** to view the total number of journal lines created for an account based on the parameter set for Process Event, and the resulting debits and credits o No report
Transfer to General Ledger	Yes	o **Yes**, if you selected Final for Accounting Mode and plan to transfer the entries to General Ledger o **No**, if you selected Draft for Accounting Mode
Post in General Ledger	Yes	o **Yes**, if you selected Final for Accounting Mode and plan to post the entries to General Ledger o **No**, if you selected Draft for Accounting Mode
Journal Batch	No	Name of the batch
Include User Transaction Identifier	Yes	**Yes** to display the transaction IDs generated by the Transfer to Subledger Accounting process on the Create Account Execution report

Note: You can resubmit the process to generate draft entries, but not final entries. Correct final entries directly in General Ledger, or submit corrective costing processes and create accounting for those results.

After you create your draft journal entries using the Create Accounting process, you can review them using the Review Journal Entries.

This table shows you the date used as the accounting date for the journal entry.

Costing Process	Date Used to Record Journal Entries
Payroll calculation, QuickPay, Void, Cost Adjustment	Process date of the flow
Retroactive Costing, Estimate Costing (Partial Period Accruals flow)	Process end date of the flow
Reversals, Balance Adjustment Costing	The configuration parameter for Reversal and Balance Adjustment Accounting Date on the Manage Payroll Process Configuration page controls which accounting date is used.

Costing Process	Date Used to Record Journal Entries
	• **T**, the process end date of the flow • **P**, the process date of the reversal or balance adjustment To open this page, use the Manage Payroll Process Configuration.
Reversals of cleared payments reconciled in Cash Management	• Date from Cash Management on which the payment cleared

You receive an error message or warning if these conditions exist: the accounting period is closed, or costing result is for a summary account or for an account that's closed or inactive.

Related Topics

- Review Journal Entries
- Payroll Setup Tasks for Subledger Accounting
- Payroll Setup Tasks for Financials

Review Journal Entries

Review journal entries before you transfer and post the entries to General Ledger.

After you submit the Create Accounting process in draft mode, review the resulting entries before resubmitting the process in final mode to transfer and post the entries to General Ledger.

Prerequisite Steps

Ensure that you complete these prerequisites:

- Set up the information required by Subledger Accounting for payroll costing.
- Generate data roles using the Global Payroll Template for Payroll Security in the Entitlements Server Authorization Policy Manager.
- Assign the data roles using standard HCM role-provisioning rules to the persons who submit the Create Accounting process and review the resulting entries.

Review Journal Entries

After you submit the **Create Accounting** process in **Enterprise Scheduler** to create draft entries, use the **Review Journal Entries** to display journal lines and details for each transaction transferred to Subledger Accounting. The **Review Journal Entries** page displays the journal entries by transaction date and number and event class.

Complete these steps to display journal entry lines and details:

1. Click the **Review Journal Entries**
2. On the **Review Journal Entries** page, complete the required fields:
   o Ledger: Ledger associated with the payroll definition used to generate the costing results transferred to Subledger Accounting

- Journal Source: Payroll

- Date: Date range, such as payroll period or accounting period

The search results display the results for each transaction (the credit and debit information processed for each costing result transferred on that date).

Find a Transaction Number for a Person

The **Transfer to Subledger Accounting** process generates a transaction number for each set of results transferred for that person in the process. You can use that number as a search criteria on the **Review Journal Entries** page.

Complete these steps to locate a person's transaction number:

1. Query a person's record using the **Search Person Costing**
2. On the **Person Process Results** page, click **Transfer to Subledger** in the **Process** field.

   The Search Results display a column for Subledger Transaction Number.
3. Find the transaction using the process date that you used to transfer the costing results to Subledger Accounting, such as the process date used for the payroll calculation.
4. On the **Review Journal Entries** page, enter the search criteria, and specify the transaction number.

   The Search Results display the journal lines created for that person by event class.

Verify the Payroll Costing Results for a Subledger Journal Entry from the Review Journal Entry Lines Page

Use the **Review Journal Entries** page to query a specific ledger and view run cost results.

1. Choose the transaction line to view the Transaction Summary in the lower region of the page
2. Click the **View Transaction** button to see additional transaction details

   Note: Costing Results Transaction Details include person and process details to include element and cost account information.

3. Click the expand line button to view additional details.
4. View transaction details for the Payment Cost event type transactions.

Costing results transaction details for the **Payment Cost** event type transactions include person and process details, such as element, and account information with the debit and credit amounts. Costing run results drill down transaction information, such as person number, person name, is controlled by the configuration parameter **ORA_PAY_XLA_HIDE_PERSON_DETAIL**.

Note:

If the parameter is set to **Y** or not set, person details on the **Review Journal Entries** page and in **General Ledger** are hidden. If it is set to **N**, these details are displayed. Default is **Y**.

Related Topics
- Create Accounting Results
- Correct Costing for Payroll Run Results

8 **FAQs**

Which Payroll Actions Can Be Costed?

Whether or not payroll actions can be costed, depends on where you are in the costing process.

These processes create the costing records simultaneously within the payroll process:

- Payroll run
- QuickPay
- Reversal

These items can be costed with separate processes after the transactions complete:

- Payment transactions
- Balance adjustments

What's the difference between Create Draft and Create Final Accounting for Payroll?

When you run the Create Accounting process in Enterprise Scheduler and select Draft for the Mode parameter, you create journal entries for review.

If you come across an error, you can roll back the Transfer to Subledger Accounting process and correct the underlying problem with the payroll costing, and then run the Create Accounting process again.

When you run the process in Final mode, the process transfers and posts the journal entries to General Ledger. You can review the results generated by this process, but you can't roll it back.

What's the difference between allocating and distributing costs?

Allocating and distributing costs are two different methods of managing costing.

Allocation splits a cost for an object, such as a department, job, position, or a person across cost accounts.

Distribution adds the costs of an element to the costing results of other elements in a distribution group. Typically, you distribute the costs of employer charges and liabilities across a group of earnings elements.

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Related Topics
- Allocate Costs to Accounts
- How Distributed Costing Is Calculated

How can I use segment values from element eligibility of distribution group members in distributed costing when there is a segment value populated at distributed element eligibility level?

The distributed costing process doesn't use the distribution group element eligibility when there are segments populated at the distributed element eligibility level.

To use element eligibility segment values from the distribution group members when there are element eligibility segment values for the distributed element, set the parameter Distributed costing to use set element eligibility to Y in the Default Group. When the parameter is Y, the distributed costing uses distribution group element eligibility below distributed element eligibility in the costing hierarchy.

For example, a segment is populated at the element eligibility level for a fixed costed element, which is part of the distribution group. This segment value is used when the parameter value is Y.

Note: Use Payroll Process Configuration to set the parameter.

Related Topics
- How Distributed Costing Is Calculated
- Calculate Distributed Costing Example
- Set Up Distributed Costing for an Element

How can I use normal elements for a retroactive element to distribute costing?

The process uses normal elements from the current period when there are no retroactive elements to distribute or the sum of retroactive group members is zero.

The process configuration parameter **Distributed costing for a retroactive element** uses normal elements because the default is Y. If you don't want to distribute on the current period elements, you can set the parameter value to N in the Default Group.

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How can I hide person details in SLA and drill down costing results?

By default, the person name doesn't display in subledger and general ledger entries.

If you want to display, set the Hide person details in SLA and drill down costing results process configuration parameter value to N in default group.

Where should I implement cross-validation rules?

Cross-validation rules are used to validate payroll cost account combinations during the costing process.

Implement cross-validation rules in payroll before the first payroll run is processed to be sure the cross-validation rules are applied as expected and to avoid the creation of invalid cost code combinations. If you're implementing Financials or planning to implement in Financials in future, implement the cross validation rules in payroll that you're planning to implement in financials so that invalid cost combinations aren't sent to Subledger Application (SLA) or General Ledger (GL). Once you implement Financials, you can copy the same rules in GL accounting cross-validation rules. If you have a third-party financials system with account combination validations, you can create those validations in Payroll using cross-validation rules.

Related Topics
- Costing Cross-Validation Rules
- Overview of Loading Costing Cross-Validation Rules

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