

Oracle Fusion Cloud Project Management

Using Project Revenue and Billing

24A



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Get Help

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1 Create Customer Contract

Contract Authoring

Contract Actions and Status Changes

A contract typically moves through a variety of states throughout its life cycle, from initial drafting to negotiation to active management and eventually to contract closeout. A contract status indicates where a contract is in its life cycle, and also determines what actions and operations are permitted for the contract.

Some of the actions available for a contract have no effect on the status of the contract. These actions are:

- **Preview:** Displays contract with terms and conditions in the PDF format.

Note: The PDF generated from the Preview action only supports the portrait layout. The application truncates the tables sourced from Microsoft Word that created in the landscape layout when you generate the PDF preview.
- **Validate:** Displays errors and warnings, if any.
- **Duplicate:** Creates a new contract in Draft status with a new number for which you can select to retain dates, primary and other party information, contract terms, notes, and contract line information from the original contract.
- **Save as Contract Template:** Creates a new contract template in Draft status with the same attributes as that of the contract.
- **Delete:** Removes the contract.
- **Edit Contract in Wizard:** Enables you to use the Wizard to upload documents and enter contract details such as contract terms template, variable values, and answers to questions before approving and signing the contract. This action is therefore available only in Draft and Under Amendment contracts.
- **Autocreate Fulfillment Lines:** Creates fulfillment lines for buy intent contracts.
- **Track Completion:** For sell intent contracts with lines, tracks percent complete for the project at line level.

Note: Contract statuses are predefined and you cannot define new statuses. However, you can define user statuses and their transitions and use them, for example, to pass the contract from one team to another for review before submitting the contract for approval.

The following table describes the available contract statuses and lists those permitted actions for each status that cause a change in contract status:

Status	Description	Available Actions and Resulting Statuses
Draft	The initial status of a contract	<ul style="list-style-type: none"> • Cancel Resulting status: Canceled • Submit for Approval

Status	Description	Available Actions and Resulting Statuses
		<p>Resulting status: Pending approval</p> <ul style="list-style-type: none"> • Create New Version <p>Resulting status: Draft</p> <p>When a contract is in Draft status and a new version of it is created, this new version will also be in Draft status.</p> <p>Note: When you try to activate a renewed Contract that is in 'Draft' status, the application checks if all the components of the contract are valid. If there's an inactive asset, you can't activate the contract. In such cases, delete the invalid asset from the renewed Draft Contract or set the Asset line Status as 'Cancel' and proceed. Another option is to remove the end date of the asset and activate the contract.</p>
Canceled	The status of a contract changes to Canceled when the draft is canceled.	There is no action available that changes the status of the contract.
Pending approval	The status of a contract changes to Pending approval when it is submitted for internal approval.	<ul style="list-style-type: none"> • Stop Approval <p>Resulting Status: Draft</p> <p>The contract is withdrawn from approval. You can now make corrections to the contract and resubmit it for approval.</p> <ul style="list-style-type: none"> • Stop Approval <p>Resulting Status: Under amendment</p> <p>The current contract is in Under amendment status if it has an earlier active version.</p> <ul style="list-style-type: none"> • Approve <p>Resulting status: Active</p> <p>If, based on the contract type, signature is not required for acceptance, and all approvers have approved.</p> <ul style="list-style-type: none"> • Approve <p>Resulting status: Pending signature</p> <p>If, based on the contract type, signature is required for acceptance.</p>

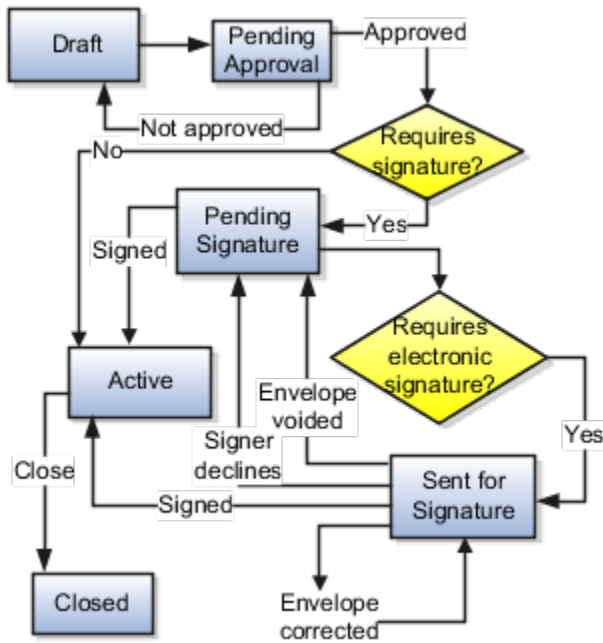
Status	Description	Available Actions and Resulting Statuses
		<ul style="list-style-type: none"> • Approve Resulting status: Hold When a contract is approved, if there is an existing Hold on it with Hold date later than the system date, its status changes to Hold. • Reject Resulting status: Draft When one or more approvers do not approve the contract. • Reject Resulting status: Under amendment This status results when one or more approvers do not approve the contract and the contract has a previous active version. <p>Note: The Approve and Reject actions are available from the approval workflow notification.</p>
Pending signature	The status of a contract changes to Pending signature when it is internally approved by all approvers but is pending customer or supplier acceptance. Acceptance can be by manual or electronic signature.	<ul style="list-style-type: none"> • Sign Contract Resulting status: Active If manual signature is required for acceptance, then clicking on this action displays the Accept Contract page where designated signers enter their name and date of acceptance. • Sign Contract Resulting status: Sent for signature If electronic signature is required for acceptance, then this action displays the integrated Sign Contract page. On this page, the sender must click on Send to send the contract for electronic signature to the designated signers. • Sign Contract Resulting status: Hold When a contract is accepted, if there is an existing Hold on it with Hold date later than system date, its status changes to Hold.

Status	Description	Available Actions and Resulting Statuses
		<ul style="list-style-type: none"> • Sign Contract <p>Resulting status: Expired</p> <p>Sign Contract can go straight to Expired if the end date has been reached.</p> <ul style="list-style-type: none"> • Create New Version <ul style="list-style-type: none"> ○ Resulting status: Draft <p>When a contract is pending signature, if a new version of it is created, this new version is in Draft status.</p> <ul style="list-style-type: none"> ○ Resulting status: Under amendment <p>If the original contract pending signature was under amendment, the new version will also be in Under amendment status.</p> <ul style="list-style-type: none"> • Cancel <p>Resulting status: Canceled</p>
Sent for signature	<p>The status of a contract changes to Sent for signature when the contract is sent for signature using the integrated electronic signature solution.</p> <p>Run the Track Electronic Signature Status process to activate the contract after all signers have signed the contract.</p>	<ul style="list-style-type: none"> • Manage Signatures • No resulting status <p>If the sender corrects the envelope and resends it for signature.</p> <ul style="list-style-type: none"> • Resulting status: Pending signature <p>If the signer declines to sign or the sender voids the envelope.</p> <ul style="list-style-type: none"> • Resulting status: Active <p>If all the signers sign the contract.</p>
Active	<p>If the contract does not require signature for acceptance, then the status of the contract changes to Active when it is approved by all the approvers. If the contract requires signature for acceptance, then the status of the contract changes to Active only when it is approved by all the approvers and signed by all the signers.</p>	<ul style="list-style-type: none"> • Amend <p>Resulting status: Under amendment</p> <p>Enables you to make changes to the contract and resubmit it for approval.</p> <ul style="list-style-type: none"> • Apply Hold <p>Resulting status: Hold</p> <ul style="list-style-type: none"> • Close (Terminate) <p>Resulting status: Closed</p> <p>This contract is no longer available except from contract history.</p>

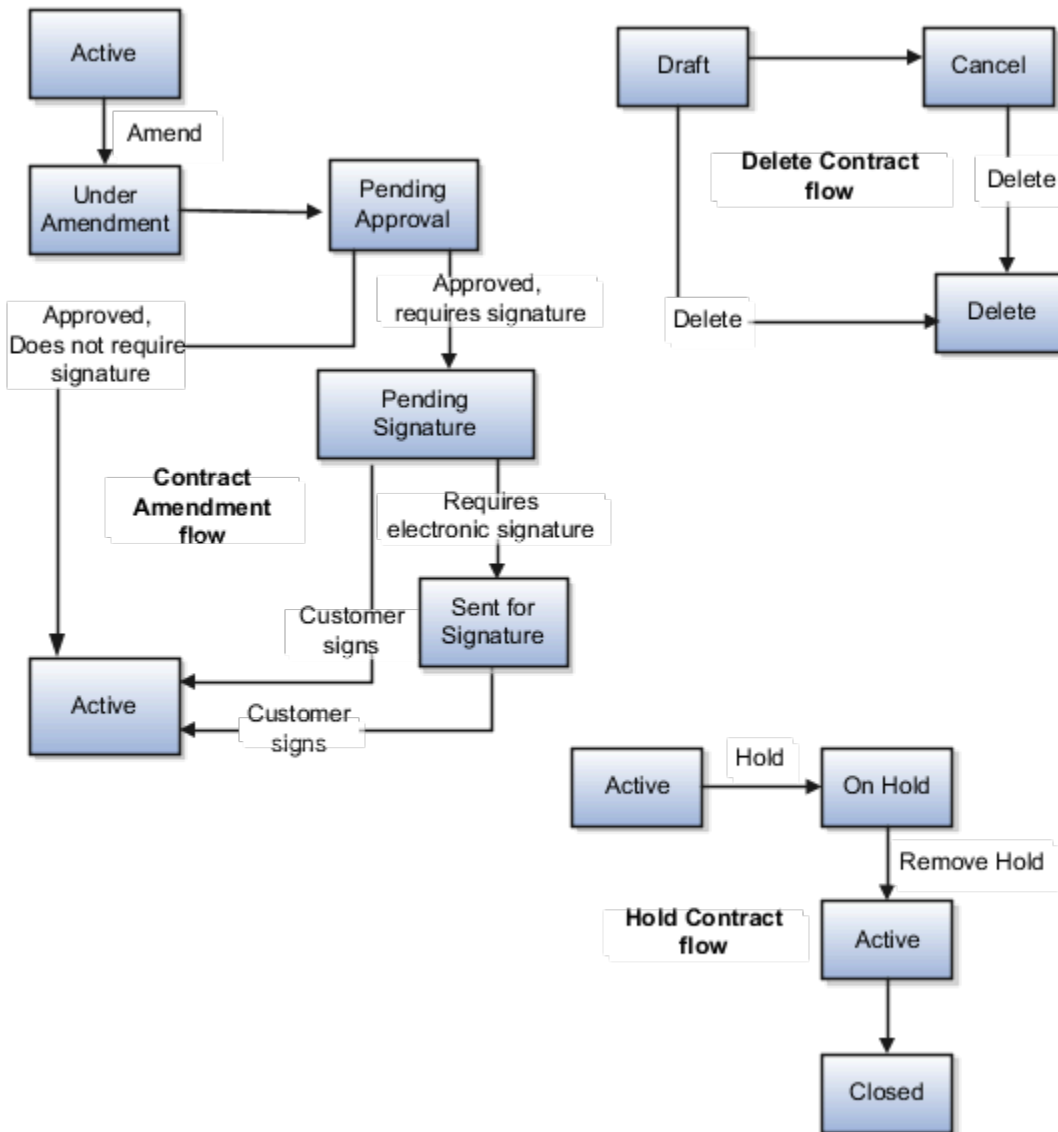
Status	Description	Available Actions and Resulting Statuses
Hold	<p>The status of a contract changes to Hold when a hold is applied.</p> <ul style="list-style-type: none"> The Update Contract Status process will ignore contracts or contract lines on hold and will not change them to the Expired status. 	<ul style="list-style-type: none"> Amend Resulting status: Under amendment Enables you to make changes to the contract and resubmit it for approval. Remove Hold Resulting status: Active if prior to end date. otherwise the status will be Expired. Close (Terminate) Resulting status: Closed This contract is no longer available except from contract history.
Under amendment	<p>The status of a contract changes to Under amendment when it is amended.</p>	<ul style="list-style-type: none"> Submit for Approval Resulting status: Pending approval Revert Resulting status: Active The status of a contract under amendment changes to Active if the latest changes are canceled by reverting. The contract returns to its state prior to its amendment. Create New Version Resulting status: Under amendment When a contract is in Under amendment status and a new version of it is created, this new version will also be in Under amendment status.
Closed	<p>The status of a contract changes to Closed when you close (terminate) it. Closed status implies either a foreclosure or a closeout after expiration.</p>	<ul style="list-style-type: none"> Reopen Resulting status: Draft Makes this contract available for corrections and resubmission for approval.
Expired	<p>When the contract end date is reached for an active contract, the contract status changes to expired only when you run the Update Contract Status process.</p>	<ul style="list-style-type: none"> Amend Resulting status: Under amendment Opens the contract for corrections and before resubmitting for approval. Apply Hold Resulting status: Hold

Status	Description	Available Actions and Resulting Statuses
		<ul style="list-style-type: none"> Close <p>Resulting status: Closed</p> <p>Resulting status: Closed This contract is no longer available except from contract history.</p>

The following figure shows a contract flow from draft to approval to acceptance.



The following figure shows contract amendment, contract delete, and contract hold flows.



Related Topics

- [User Statuses and Transitions](#)
- [Contract Line Actions and Status Changes](#)
- [Why does contract status show active even though the contract's end date is in the past period?](#)

FAQs for Contract Authoring

How can I record sales credits for each salesperson?

Select the salesperson name, credit type, and credit percentage on the contract's Parties tab. The sum of all sales credits must be 100.

When can I create a new contract version?

When it's in Draft, Under Amendment, or Pending Signature status. Create a new version when a customer or supplier requests changes in a contract that's internally approved and pending signature.

The new version is in Draft or Under Amendment status based on whether it was created for a Draft contract or an Under Amendment contract that's Pending Signature.

Note: You can't create a new version after you submit the contract for approval and the contract is in Pending Approval status.

This new version will be in Draft status if the original contract was in Draft or Pending Signature status. For a contract in Under Amendment status, the new version that you create is also created in the Under Amendment status. You can also create a new version of an active contract using the Amend action. This new version will be in Under Amendment status. Once a new version is created, the original version retains the status it was in when the new version was created and is only accessible from the Contracts History page.

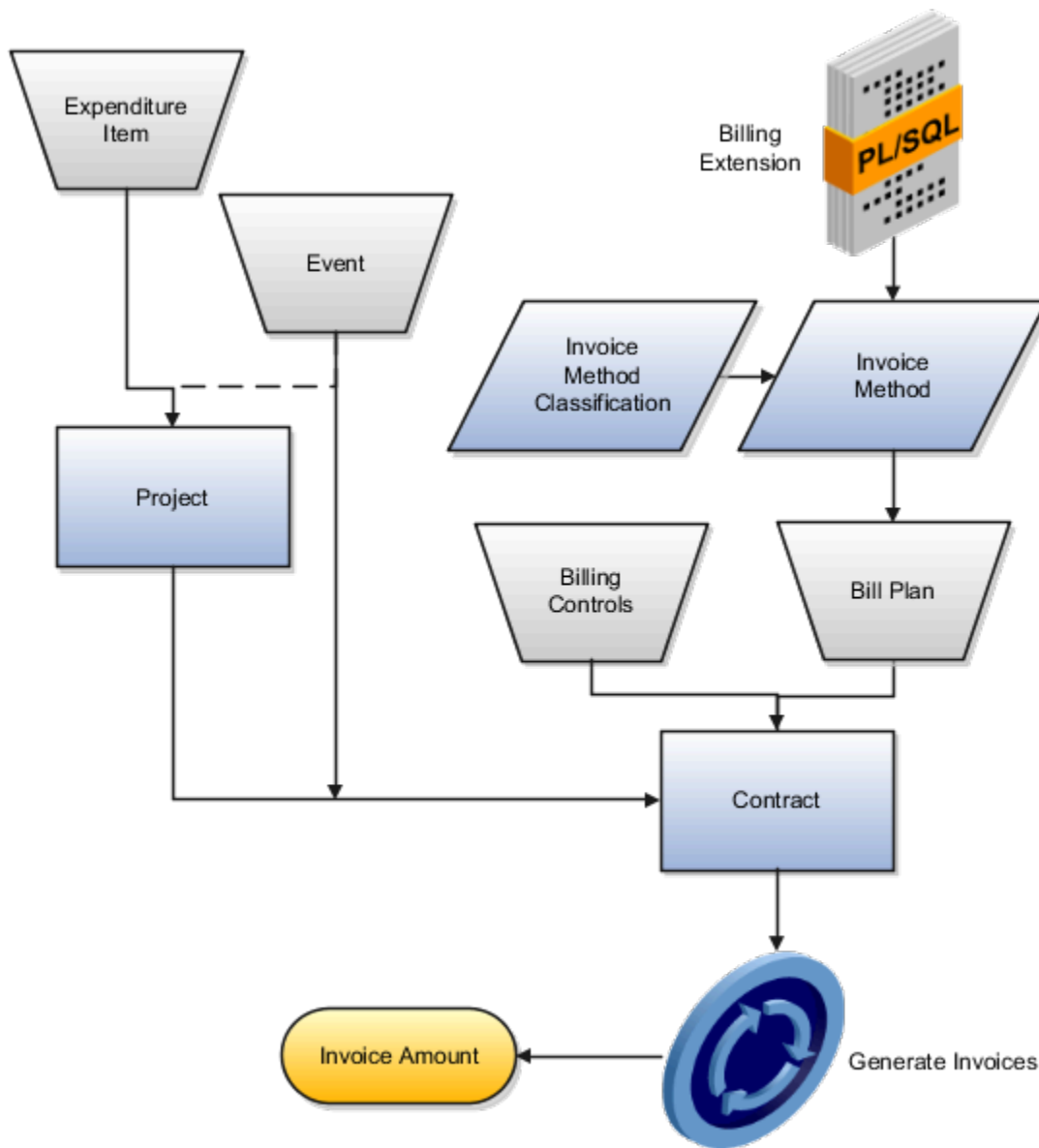
Project Contracts

How Project and Contract Invoice Components Work Together

Project and contract components work together to create invoice distributions. The contract contains the instructions for calculating billing invoice amounts, and the project owns the cost transaction details. When you generate an invoice, invoice distributions are created for the contract.

Expenditure items and events are the transactions for projects and contracts. Invoice method classifications determine how transactions are invoiced. The invoice method determines how invoice amounts are derived. Enter an invoice method on a bill plan, which you create for a contract and assign to contract lines to provide a set of instructions for creating an invoice. Create billing controls for a contract or contract line to define the valid transaction dates, billing resources, and amount limits for transactions associated with the contract. Generate invoices to calculate the invoice amounts for a contract. The following figure illustrates the components of

a project and a contract that determine invoice amounts, and the relationships between the components.



Invoice Method Classification

Assign a predefined invoice method classification to an invoice method. The invoice method classification determines whether the invoice amount is calculated based on rates, amounts, or progress.

Invoice Method

Create invoice methods for bill plans to use for determining the approach for generating invoice amounts. The invoice methods contain invoice generation instructions in the form of the invoice method classification and rate definition schedule types. Rate definition schedule types determine whether the rate source for invoicing comes from rate schedules, burden schedules, or transfer price schedules.

You must assign an invoice method to a bill plan, which contains the invoice generation instructions for a specific contract or contract line. An invoice method can be used by more than one bill plan.

CAUTION: Enable the invoice method for intercompany billing if it will be used for intercompany billing only.

Bill Plan

Create a bill plan within a contract that uses the invoice method you require. Assign the bill plan to one or more contract lines.

Oracle Project Billing doesn't create new invoices for:

- Contracts on hold
- Contract lines on hold
- Contract lines with a bill plan on hold

Previously generated invoices can still be updated, submitted for approval, approved, rejected, released, and transferred when the contract, contract line, or bill plan is on hold.

Billing Control

A billing control defines the types of permitted transactions (using billing resources), transaction date range, and maximum invoice (and revenue) amounts for a contract or contract line. Create a billing control within a contract at either the contract or contract line level. The inception-to-date (ITD) invoice amount can't exceed the hard limit amount of a billing control. If the ITD invoice amount exceeds the soft limit, invoice generation will still occur, but you will receive a warning the first time this occurs.

Expenditure Item

The project and task for an expenditure item are matched to the associated contract line during invoice generation. Invoicing can occur if the transaction date, billing resource, and amount for the expenditure item pass the contract billing controls. If the expenditure item is mapped to more than one eligible contract line, the processing order is determined as follows:

- The contract billing sequence determines the processing order of multiple contracts.
- The contract billing controls determine the processing order of multiple contract lines within a single contract.
- The contract contribution percentage determines the eligible invoice amount for each contract line.

Oracle Fusion Project Billing creates a billing transaction for each unique combination of expenditure item and contract line. The billing transaction is the source for creating invoice distributions.

Event

Invoice events are automatically created during invoice generation if the invoice method is percent spent or percent complete. Manual events are also processed during invoice generation. Oracle Fusion Project Billing creates a billing transaction for each automatic or manual event. The billing transaction is the source for creating invoice distributions.

Related Topics

- [How Project and Contract Revenue Components Work Together](#)
- [Invoice and Revenue Method Components](#)
- [Contract Validation](#)

How Bill Plan and Revenue Plan Components Work Together

Bill plans and revenue plans provide you with the ability to create a consolidated set of billing attributes that can be shared across contract lines within a contract.

Create bill plans and revenue plans within a contract, and associate them to one or more contract lines.

Configure the regions of a bill plan and revenue plan according to your invoicing and revenue recognition requirements. The regions are:

- Hold option
- Invoice or Revenue Method Name
- General Information
- Billing Extensions
- Schedules and Overrides

Hold Option

Enable the hold option to prevent transactions associated with contract lines using the bill plan or revenue plan from being included in invoice or revenue generation.

Invoice or Revenue Method

Determine how you want to invoice or recognize revenue for the contract lines that use the bill plan or revenue plan. Select the invoice method or revenue method that has a method classification with the invoicing or revenue recognition instructions that meet your requirements.

General Information

Define customer information, invoicing instructions and invoice summarization options for the bill plan. Select the associated contract lines for the bill plan or revenue plan. The following table explains the options.

Feature	Description
Customer Information	The invoice customer, site, and contact person that receives the invoice for project-related work on contract lines that use the bill plan.
Invoice Information	Instructions for the billing currency, billing cycle, payment terms, billing offset days, and the bill set number for the invoices. Enter any specific comments that you want to appear on the customer invoice. Also enter any instructions for the billing administrator to follow during invoice preparation.
Letter of Credit Details	Only award contracts can use letter of credit billing. Select the Letter of credit billing check box and provide a unique Document Number for the bill plan.

Feature	Description
	<p>CAUTION: If any bill plan of an award contract uses letter of credit, then all the bill plans must use letter of credit billing and the bill plan can't be set to the federal invoice format SF270.</p>
Invoice Summarization Options	Select the labor, nonlabor, and event formats that group transactions on invoice lines.
Associated Contract Lines	<p>Select the contract lines that you want to use the bill plan or revenue plan. Each bill plan or revenue plan can be associated with multiple contract lines within a contract. However, a contract line can only be linked to one bill plan or revenue plan.</p> <p>Associate contract lines to the bill plan or revenue plan when the contract is in Draft status. After the contract is approved, you must place the contract under amendment to change or add contract lines.</p>

Billing Extensions

Optionally, add a billing extension to calculate the invoice or revenue event amounts for contract lines using the bill plan or revenue plan. If the invoice or revenue method uses a billing extension, it's automatically copied onto the bill plan or revenue plan.

The billing extension status must be Active for the invoice or revenue generation process to call the billing extension. Select whether you want the billing extension to calculate an event for either the Associated Project or the Contract Line. If you select Contract Line, the event amount will be for all projects associated with a contract line.

Schedules and Overrides

Select the labor and nonlabor schedules that determine the origin of the standard bill rates, burdening, or transfer prices for contract lines associated with the bill plan. Enter any applicable discount information for standard bill rate schedules. Optionally, enter any overrides or multipliers that will take precedence over the standard bill rate schedules, if applicable.

Note: Schedules and overrides are only available for bill plans and revenue plans that use a rate-based invoice or revenue method classification.

Related Topics

- [What's a bill plan?](#)
- [What's a revenue plan?](#)
- [What's a bill set?](#)
- [What's an invoice method?](#)
- [What's a revenue method?](#)

Project Billing Options for Contract Types

Select the features on a contract type that you want to use for project billing. When enabled, these features are available on contracts that are used to create invoices and recognize revenue.

The options you can select for project billing are:

- Intercompany
- Interproject
- Billing controls

Intercompany

Enable the intercompany option on a contract type for contracts designed to invoice internal parties and recognize intercompany revenue between two different business units for project-related work. The work is charged to a single project, which is associated to both an external and intercompany contract. Project transactions identified as intercompany are processed twice, once for the external contract and once for the intercompany contract. Internal billing features are available on contracts enabled for intercompany billing.

Interproject

Enable the interproject option on a contract type for contracts designed to invoice internal parties and recognize interproject revenue between two different business units for project-related work. The external work is charged to one project, which is associated with an external contract. The interproject work is charged to a separate receiver project, which is associated with an interproject contract. Project transactions identified as interproject are processed once for the interproject contract. The interproject invoice is imported into Oracle Fusion Project Costing as a separate cost transaction for the receiver project. Internal billing features are available on contracts enabled for interproject billing.

Billing Controls

If you enable billing controls for a contract type, you can control the amounts, resources, and dates for transactions associated with contracts of that type. Specify whether the contract line amount is a hard limit or a soft limit. If you specify the billing limit type as hard limit then you can only edit the soft limit. If you specify the limit type as soft limit then you can only edit the hard limit. When you create a contract line, a default billing control is added with a hard limit or soft limit, as specified in the contract type.

Examples of Using Billing Controls

To create a billing control for a contract, you must enable billing controls for the associated contract type. You can create billing controls for a contract or contract line to limit the amounts, billing resources, dates, and funds available for billing consumption.

The following scenario demonstrates how billing controls regulate the transactions that are invoiced and recognized for revenue.

In this example, the contract type has billing controls enabled with a hard limit. The contract has two contract lines. A default billing control was automatically created for each contract line, using the line amount as the hard limit. A default billing control was also automatically created at the contract header level, with a hard limit equal to the sum of the hard limits for the two contract lines. A soft limit was manually entered for these default billing controls. Two additional billing

controls were manually created for Contract Line 1, to further restrict invoicing and revenue recognition. The following table displays the billing controls.

Billing Control Location	Default Billing Control	Billing Resource	Start Date	End Date	Soft Limit	Hard Limit
Contract	Yes	N/A	N/A	N/A	190,000	270,000
Contract Line 1	Yes	N/A	N/A	N/A	120,000	170,000
Contract Line 1	No	Labor	6/1/2010	12/31/2010	30,000	45,000
Contract Line 1	No	Expenses	6/1/2010	12/31/2010	20,000	30,000
Contract Line 2	Yes	N/A	N/A	N/A	70,000	100,000

Contract Header Billing Control

Oracle Fusion Project Billing creates a warning during invoice or revenue generation the first time the inception-to-date (ITD) invoice or revenue amount for the contract exceeds 190,000. The total amount invoiced to the customer or recognized for revenue cannot exceed 270,000 for the contract.

Contract Line Billing Controls

The billing controls for Contract Line 1 causes Oracle Fusion Project Billing to perform the following functions during invoice and revenue generation:

- Creates a warning the first time more than a total of 120,000 is invoiced or recognized for revenue for Contract Line 1.
- Creates a warning the first time more than a total of 30,000 of labor or 20,000 of expenses is invoiced or recognized for revenue for Contract Line 1 between 6/1/2010 and 12/31/2010.
- Prevents more than a total of 45,000 of labor and 30,000 of expenses to be invoiced or recognized for revenue for Contract Line 1 between 6/1/2010 and 12/31/2010.
- Prevents more than a total of 170,000 to be invoiced or recognized for revenue for Contract Line 1.

The billing control for Contract Line 2 causes Oracle Fusion Project Billing to perform the following functions during invoice and revenue generation:

- Creates a warning the first time more than a total of 70,000 is invoiced or recognized for revenue for Contract Line 2.
- Prevents more than a total of 100,000 to be invoiced or recognized for revenue for Contract Line 2.

Related Topics

- [Why can't I create billing controls for a contract?](#)

Example of Creating a Contract for Billing

This example describes how to add an existing negotiated contract to perform project work into the application so that you can invoice customers and recognize revenue.

Here's the table that summarizes key decisions for this scenario.:

Decisions to Consider	In This Example
What is the invoice method classification?	Rate Based
What is the revenue method classification?	Percent Spent
What are the maximum invoice and revenue amounts?	735,000

Summary of the Tasks

Create a new contract by duplicating an existing contract. Verify the information on the bill plan and revenue plan. Verify the billing controls. Associate existing projects to the contract lines. Submit the contract for approval.

Prerequisites

1. Verify the setup for the cost and bill rates that the project and contract use.
2. Create a project and project plan.
3. Create an approved cost budget.

Creating the Contract

1. On the Manage Contracts page, expand the Search: Contract region.
2. Select **Number**.
3. Enter "New Company TM Percent Spent Contract Template" as the name.
4. In the Search Results region, select the row for New Company TM Percent Spent Contract Template.
5. Click **Actions - Duplicate**.
6. In the Duplicate Contract window, enter the values, as shown in this table.

Field	Value
Contract Number	Your initials, followed by New Company TM Percent Spent Contract .
Start Date	1/1/2011
All other fields	Select the check boxes, except for the Associated projects and tasks.

7. Click **Ok**.
8. Click **Yes** in the warning message that appears.
9. Click **Header**.
10. Click **Parties**.
11. Confirm the Customer is New Company and Associates.
12. Confirm that **Andrew Robinson, Contract Administrator** is created as the contact for the supplier role and is selected as the owner. If necessary, add this supplier contact.
13. Confirm that the Bill-to Account Number, Sold-to Account Number, and Ship-to Account Number are 1004.
14. Click **Save**.

Reviewing the Bill Plan

1. Click **Billing**.
2. In the Bill Plans region, click **Rate**. Verify the Method Name is Bill Rate Invoice.
3. Click **General Information**. Verify that the information in the Customer Information, Invoice Information, Invoice Summarization Options, and Associated Contract Lines matches the information in the following table.

Field	Value
Bill-to Customer	New Company and Associates
Bill-to Site	Tulsa (OPS)
Bill-to Contact	Betty Lewis
Billing Currency	Contract
Billing Cycle	Last Day of the Month
Payment Terms	30 Net
Bill Set	1
Labor Format	Time and Material
Nonlabor Format	Contract Line Project/Task Exp
Event Format	Event Type Format
Contract Line Number	1
Line Amount in Contract Currency	735,000

- Click **Schedules and Overrides**. Verify the information in the Schedules region matches the information in the following table.

Field	Value
Person Rate Schedule	T&M Employee Bill Rate Schedule
Job Rate Schedule	T&M Job Bill Rate Schedule
Nonlabor Rate Schedule	T&M Zero Markup Nonlabor Rates

- Click **Save and Close**.

Reviewing the Revenue Plan

- In the Revenue Plans region, click **Percent Spent Revenue**. Verify the Method Name is Percent Spent Revenue.
- Click **General Information**. Verify the information in the Associated Contract Lines region matches the information in the following table.

Field	Value
Contract Line Number	1
Line Amount in Contract Currency	735,000

- Click **Billing Extensions**. Verify the information in the Billing Extensions table matches the information in the following table.

Field	Value
Name	Percent Spent Revenue
Status	Active
Calculation Level	Associated project

- Click **Save and Close**.

Reviewing the Billing Controls

- In the Billing Controls region, verify that the values for Hard Limit Amount, Invoice Funds Available, and Revenue Funds Available are 735,000.00.

Reviewing the Contract Line Overview

1. Click the Lines tab, and select the row for Line Number 1.
2. Click **Overview**.
3. Verify the information matches the details in the following table.

Field	Value
Number	1
Name	Contract Line 1
Start Date	1/1/2011

4. Click **Save**.
You can export the tabular data of the contract lines in the Lines tab to Microsoft Excel.

Modifying the Billing Controls for the Contract Line

Modify the existing billing control so that labor expenditures are included in invoice and revenue generation.

1. In the Line 1: Details region, click **Billing**, and select the billing control with the 735,000.00 limit.
2. Click **Billing Resource**.
3. Select **Labor (Expenditure Category)**.
4. Click **Save**.

Associating a Project to the Contract Line

Associate the project that was created in the Prerequisite steps with this contract.

1. Click the Associated Projects tab.
2. Select **Actions, Add Row**.
3. Select **Project Name**. Select the project that was created in the Prerequisite steps.
4. Optionally, select a **Task Number**. If you don't select a task number, all eligible transactions charged to this project are selected for invoice and revenue generation for the contract line.
5. Click **Save**.

Submitting the Contract for Approval

1. Click **Submit**.
2. Review the validation results and fix any errors, then click **Submit** again to submit the contract for approval.

Create Contract for Percent Spent Invoice and Revenue Methods

This example describes a scenario where transactions for a contract line need to be invoiced and the revenue recognized using the percent spent method.

The following table summarizes key decisions for this scenario.

Decisions to Consider	In This Example
What are the revenue and invoice method classifications?	Percent Spent
What is the billing extension calculation level for the contract line and project association?	Project level

Summary of the Tasks

Create a contract, create the percent spent contract lines, create the bill plan, create the revenue plan.

Prerequisites

1. Create a project.
2. Create a financial project plan for the project.
3. Specify the desired cost plan type on the percent spent invoice or revenue billing extension.
4. If the class of the selected cost plan type is:
 - o Budget: create a project budget, set as current working, and create a baseline.
 - o Forecast: create a project forecast, set as current working, and approve.
5. Enter labor and expense transactions for the project.
6. Collect costs for the transactions.

Creating the Contract

1. On the **Contract Overview** page, expand Search and look for the contract with the attributes listed in the following table.

Field	Value
Contract Type	Sell: Project Lines
My Contracts	If this field is checked, remove the check mark.
Party Name	Vision Software Install

2. Click Search.
3. In the Search Results region, select the row for the PJB contract (VO), Version 1.
4. Click **Actions > Duplicate**.

- On the Duplicate Contract window, enter the values listed in the following table.

Field	Value
Contract Number	Your initials, PS001 (For example, TP PS001)
Start Date	01/01/2010
All other fields	Enable check boxes

- Click **Yes**.

Creating the Percent Spent Contract Lines

- Select the **Lines** tab, and select the **Amount Based Invoice, Percent Spent Revenue** row. Confirm the amount is \$250,000.
- Select the **Billing** tab, and select the row with the \$250,000 soft limit.
- Click **Resource Member**, and select **Labor (Expenditure Category)**.
- Click the **Create** icon. Click **Resource Member**, and select **Expenses**.
- Enter 30,000 for **Soft Limit**.
- Click **Save**.
- Select the **Associated Projects** tab, and the **Create** icon.
- Enter the information listed in the following table.

Field	Value
Project Name	Select the project you created in the earlier example.
Funded Amount	100,000

- Click **Save**.

Creating the Bill Plan

- Select the **Header** tab, and click **Billing**.
- Select the row with the **BP PS1 Bill Plan**.
- Verify the information described in the following table.

Field	Value
Method Name	Percent Spent
Billing Cycle	Last Day of the Month

4. In the Associated Contract Lines region, select the **Add** icon.
5. In the Select and Associate: Contract line window, click **Search**.
6. Select the row containing Contract Line Number 4.
7. Click **Submit**.
8. Click **Save**.
9. Select the Billing Extensions tab.
10. Verify the information described in the following table.

Field	Value
Name	Percent Spent Invoice
Status	Active
Calculation Level	Associated Project

11. Click **Save and Close**.

Creating the Revenue Plan

1. From the **Header** tab, click **Billing**.
2. Select the row with the **RP PS1 Revenue Plan**.
3. Verify if the following information is present:

Field	Value
Method Name	Percent Spent Revenue
Contract Line Number	4

4. Select the Billing Extensions tab.
5. Verify the information described in the following table.

Field	Value
Name	Percent Spent Revenue
Status	Active
Calculation Level	Associated Project

6. Click **Save and Close**.

FAQs for Project Contracts

What's a bill plan?

A set of instructions on a contract that define how to invoice a customer. Multiple contract lines on a contract can use the same or different bill plans.

What's a revenue plan?

Common set of instructions for recognizing revenue within a contract. Multiple contract lines on a contract can use the same or different revenue plans.

What happens to transactions if I place a bill plan or revenue plan on hold?

When you put a bill plan or revenue plan on hold, unprocessed or partially processed invoice and revenue transactions aren't included in the invoice and revenue generation.

These bill plans and revenue plans are considered ineligible and appear in the Ineligible Bill Plan or Ineligible Revenue Plan sections of the Generate Invoice or Generate Revenue output reports.

There's no impact on transactions that were already processed for invoice or revenue.

Why can't I see the schedules and overrides for a bill plan or revenue plan?

The schedules and overrides on a bill plan are visible only if the invoice method classification is Rate Based.

The schedules and overrides on a revenue plan are visible only if the revenue method classification is Rate Based. When the revenue method classification is As Billed or As Incurred, revenue generation uses the schedules and overrides on the bill plan to derive a common rate to be used for both invoice and revenue.

What's a bill set?

Transactions originating from different bill plans with the same bill set number on a contract are included on the same invoice.

If a contract has multiple bill plans and each have different values for the bill set, Oracle Fusion Project Billing creates a separate invoice for each bill plan.

What's a billing currency type?

The type of currency in which you issue invoices to the Bill-to Account on a contract bill plan, generate revenue, and transfer revenue to Oracle Fusion General Ledger as entered currency. Valid values are Bill Transaction, Contract, and User.

For rate-based bill plans, bill transaction currency is either currency of the bill rate schedule or cost transaction currency of the expenditure item, depending on whether bill rates or markups are used. For fixed price bill plans, billing currency type must be either Contract or User.

A user-defined billing currency type indicates that you, as a user can specify the particular single currency in which invoices are issued and revenue is generated.

What's a billing control?

Contract feature that controls the types of transactions, dates, and amounts a customer may be invoiced for and revenue can be recognized for a contract or contract line. Define billing controls at the contract or contract line level.

What's the difference between contract and contract line billing controls?

Contract billing controls restrict the amounts, transaction dates and resources eligible for invoicing or revenue recognition for the entire contract.

For example, if a contract level billing control has a hard limit of 500, the total invoice amount or recognized revenue for the contract cannot exceed 500.

Contract line billing controls restrict the amounts, transaction dates and resources eligible for invoicing or revenue recognition for a specific contract line. Continuing with the example, a contract line has a billing control with the attributes shown in the following table.

Contract Line	Billing Resource	Start Date	End Date	Hard Limit
1	Travel	2/01/2011	3/15/2011	250

Transactions associated with Contract Line 1 are eligible for invoicing or revenue recognition if they are travel expenditures or events with an amount of 250 or less that occurred between 2/01/2011 and 3/15/2011.

Why can't I create billing controls for a contract?

The billing controls must be enabled on the contract type used by the contract. If the billing controls are not enabled for the contract type, you cannot create billing controls for the contract or contract lines.

Why can't I associate a billable task with a contract line?

You can either associate a project and task to a contract line, or a project without any tasks to a contract line.

If you associate a project without any tasks to a contract line, any future associations of that project to another contract line cannot include a task.

If you associate a project and task to a contract line, you can perform the following actions for future associations: Associate the same project and task to another contract line Associate a task in another branch of the same project hierarchy to the same or another contract line. For example, if you associate Project 1, Task 1 to Contract A, Line 1, you can associate in Project 1, Task 2.2.1 to Contract A, Lines 1 and 2, and also Contract B, Line 1.

To select a task from another level in the same branch of the task hierarchy, you must first inactivate the existing associated project and task. In the example, before you can associate Project 1, Task 1.1 to Contract A, Line 1, you must inactivate the existing association between Project 1, Task 1 and Contract A, Line 1.

How can I control the billing sequence of multiple contracts associated with the same project and task?

Enter a numeric value for the billing sequence that represents the order you want to invoice, recognize revenue, and use funding for the contract. If a project or task is associated with multiple contract lines, the contract is billed in this order.

How can I set up a weekly notification that informs me that the project contract will expire in the next 60 days?

You can create a custom notification using Agents in OTBI:

1. Create an analysis that triggers your notification. For example, a contract within X days of expiry. Use the **Enterprise Contracts - Contracts Real Time** subject area. For more information on how to create an analysis, refer to the Create Your First Analysis section in the Creating Analyses and Dashboards in Oracle Transactional Business Intelligence guide.
2. Create an analysis for the payload of your notification. This analysis can include the contract name, number, value, and the expiration date.
3. Create an Agent in OTBI and associate the above analysis, specify execution frequency (for instance, weekly), recipients, and so on. For more information on how to create an agent, refer to the Create Agents to Deliver Content section in the Creating Analyses and Dashboards in Oracle Transactional Business Intelligence guide.

Intercompany Billing and Interproject Billing Options

Example of an Intercompany Billing Contract

This example describes the requirement of a professional services organization with global offices that must share contract revenue for a resource between different business units.

Scenario

You are a specialized information technology professional services organization with headquarters in the New York, and international offices in Aberdeen, Scotland, Paris, France, and Jakarta, Indonesia. Your organization provides design, support, and maintenance expertise for energy companies. You just received a contract to provide information technology upgrade services for an oil and gas exploration company located in the United States. Resources will work on the contract for four weeks, and the client will be invoiced for labor hours and expenses at the end of each month. One consultant who will work on the project is based in Paris. The remainder of the resources are based in the United States.

Billing Requirements

Major features of the contract are:

- Invoice and recognize revenue based on hours worked by resources, and expenses incurred. The travel budget is limited to \$25,000.
- The resources allowed on the contract are project manager, senior consultant, and junior consultant.
- The contract is expected to be complete in four months.

To share revenue for the consultant from Paris, you must create an intercompany contract. Your corporate policy dictates that borrowed resources from different legal entities or business units receive 70 percent of the standard job bill rate. The following table summarizes the setup of key contract and project features.

Key Feature	Configuration
Provider business unit	Paris
Receiver business unit	New York
Project	<p>Create a project with the following key features:</p> <ul style="list-style-type: none"> • Enabled for time and materials. • Enable the project to receive cross-charge transactions.
Project plan	<p>Assign the following resources to a chargeable and billable task:</p> <ul style="list-style-type: none"> • Project Manager • Senior Consultant • Junior Consultant • Expenses <p>Set the baseline for the project plan.</p>
Contract type	Intercompany
Contract lines	<p>Create the following contract lines:</p> <ul style="list-style-type: none"> • Line 1 for the Paris consultant's labor. • Line 2 for the Paris consultant's expenses. • Line 3 for all other consultants' labor. • Line 4 for all other consultants' expenses.
Bill plan	Select an invoice method with a rate-based invoice method classification , and associate it with the contract lines. Enter the transfer price schedule on the bill plan.
Revenue plan	Select a revenue method with an as-incurred revenue method classification, and associate it with the contract lines. Enter the transfer price schedule on the revenue plan.
Billing controls	<p>Create at the contract level, with the following details:</p> <ul style="list-style-type: none"> • \$25,000 hard limit for expenses. • Billing resources: expenses and labor.
Project transactions	All resources charge transactions for this contract to the same project.

Resulting Intercompany Invoice and Revenue Details

After you submit the cross-charge identification process and generate invoices, your client receives one invoice from the New York business unit that contains charges for the work performed by all resources. The invoice amounts are determined from the transfer price schedule in the bill plan, and calculated from transactions charged to the receiver

project. Revenue amounts are determined from the transfer price schedule in the revenue plan, and calculated from transactions charged to the receiver project.

Examples of Transfer Price Rates

Use these examples to understand how to configure cross-charge options on bill plans and revenue plans to achieve various interproject and intercompany billing scenarios.

One Cross-charge Rule or Rate, One Provider Business Unit, Any Receiver Business Unit, All Projects

The following table explains how to configure your contract billing information to share one cross-charge rule or rate between one provider business unit and any receiver business unit, and all projects associated with the contract.

Bill Plan	Bill Rate Schedule
Bill Plan 1	Assign the bill rate schedule you want to use for the contract (provider) business unit to this bill plan.

One Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, All Projects

The following table explains how to configure your contract billing information to share one cross-charge rule or rate between one provider and receiver business unit, and all projects associated with the contract.

Bill Plan	Bill Rate Schedule
Bill Plan 1	Assign the bill rate schedule you want to use for the provider business unit to this bill plan.
Bill Plan 2 All contract lines associated with the receiver projects can use this bill plan.	Assign the bill rate schedule you want to use for the receiver business unit to this bill plan.

Override a Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, One Project

The following table explains how to configure your contract billing information to override a cross-charge rule or rate between a provider and receiver business unit for one project.

Bill Plan	Schedules and Overrides	Associated Projects
Bill Plan 1	Create a rate override for the contract line associated with the receiver project.	Project level

Override a Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, Task

If a resource is assigned to multiple roles and has more than one rate on a project, you may need to create an override at the project task level. The following table explains how to configure your contract billing and contract line details to override a cross-charge rule or rate between a provider and receiver business unit, for the task on a specific project.

Bill Plan	Schedules and Overrides	Associated Projects
Bill Plan 1	Create a job rate override for the contract line associated with the receiver project.	Task level

Override a Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, Resource

If you are invoicing for a contractor, you may want to create an override at the resource level. The following table explains how to configure your contract billing and contract line details to override a cross-charge rule or rate between a provider and receiver business unit, for a specific resource on a project.

Bill Plan	Schedules and Overrides	Associated Projects
Bill Plan 1	Create a person rate override for the contract line associated with the receiver project.	Task level

FAQs for Intercompany Billing and Interproject Billing Options

Can I create a contract for intercompany billing with transfer price rules?

Yes, but only if you derive rates for an intercompany contract based on an organization hierarchy structure instead of the bill rates defined on a bill plan.

The contract line and bill plan architecture lets you specify a different bill plan for each provider and receiver organization. Select a bill rate or burden rate schedule for each of your contract bill plans. However, if your rates are defined at a granular level, you may need to derive rates for an organization hierarchy structure using transfer price rules.

2 Amend Customer Contract

Adjust Revenue Transactions

Review and adjust revenue transactions directly from the revenue work area or from an expenditure item in Oracle Fusion Project Costing. Methods for adjusting revenue include:

- Place a transaction on revenue hold
- Change the billable status of a transaction
- Retroactively amend a contract that impacts revenue recognition
- Adjust an invoice (for as-billed revenue)

Place a Transaction on Revenue Hold

Hold revenue indefinitely for a transaction to prevent revenue recognition. The hold status for the transaction is updated, and if the transaction was previously recognized for revenue, the revenue status becomes Adjustment Pending. Oracle Fusion Project Billing will not recognize revenue during revenue generation until you remove the hold.

The next time you generate revenue after placing a revenue transaction on hold, Oracle Fusion Project Billing creates a reversing revenue distribution with the same attributes as the original distribution, and a value equal to the negative amount of the original distribution. Once the revenue for a transaction is reversed, the revenue status changes to Unrecognized.

Change the Billable Status of an Expenditure Item

Set an expenditure item to nonbillable status to prevent revenue recognition. The expenditure item is excluded from revenue recognition until you change the status to billable. If revenue was already recognized for the expenditure item, the revenue status becomes Adjustment Pending.

The next time you generate revenue after setting an expenditure item to nonbillable, Oracle Fusion Project Billing creates a reversing revenue distribution with the same attributes as the original distribution, and a value equal to the negative amount of the original distribution. The value of the reversing expenditure item is equal to the negative amount of the original expenditure item. Once the revenue for the expenditure item is reversed, the revenue status changes to Unrecognized.

Retroactively Amend a Contract that Impacts Revenue Recognition

Placing a contract under amendment permits you to make changes to a contract that have an impact on existing revenue amounts. If you make a change to a contract that impacts revenue, and the amendment is approved and accepted, the revenue status of processed transactions with a transaction date on or after the amendment effective date changes to Adjustment Pending. The transactions with pending adjustments are processed the next time you generate revenue for the contract.

Adjust an Invoice

As-billed revenue is automatically adjusted when you adjust an invoice that changes the invoice amount. If you adjust an invoice that changes the invoice amount, and as-billed revenue was already recognized, the revenue status of the

adjusted expenditure items changes to Adjustment Pending. These expenditure items are processed the next time you generate revenue for the contract.

Related Topics

- [What happens if I change the hold status of a transaction?](#)
- [What happens if I change the billable status of an expenditure item?](#)

Considerations for Updating Bill Plans

After a contract is activated, certain bill plan attributes are placed under change control, while other attributes remain available to edit.

Changing some attributes of a bill plan can impact existing invoices by affecting the amounts of billing transactions and invoice amounts. This topic describes the impact of changing bill plan attributes on invoice amounts.

Note: You can't edit a bill plan if the contract status is either Canceled or Closed.

Bill Plan Attributes That Impact Invoice Amounts

The bill plan attributes that affect invoice amounts are:

- Invoice method
- Billing currency type
- Associated contract lines
- Billing extension
- Schedules and overrides

Some retroactive changes to the bill plan attributes impact the processing of transactions. When such retroactive changes are activated, previously processed transactions with a transaction date on or after the amendment effective date are set to be automatically adjusted. The next time you generate an invoice for the contract, Oracle Fusion Project Billing creates new reversal invoice distributions to credit the original invoice distributions. The application also creates new invoice distributions for the new invoice amounts, reflecting the amended bill plan values.

Note: To edit an entire bill plan for an active contract, the contract must go through the change management process. You can edit all bill plan attributes when the contract status is Under Amendment.

Bill Plan Attributes with No Impact on Invoice Amounts

Some retroactive changes to the bill plan attributes do not impact the processing of transactions. When such retroactive changes are activated, previously processed transactions are not automatically adjusted. If you want an unreleased invoice to reflect the amended bill plan attributes, you must generate the invoice again, with the delete draft, approved, and approval rejected options selected. Generating the invoice again automatically deletes the previous invoice and creates a new invoice, with those amended values.

If you already released the invoice, cancel the existing invoice and generate a new invoice to reflect the amended bill plan values. Alternatively, you can regenerate the released invoice to reflect the amended bill plan values.

Related Topics

- [How can I change the bill plan or revenue plan of an active contract?](#)

Considerations for Changing a Revenue Method

The following scenarios describe the outcome of changing the revenue method on a revenue plan that's linked to multiple contract lines after revenue distributions are created.

In this example, the transactions were created over a two month period. Revenue was recognized for some transactions, some transactions weren't processed, and some transactions are on revenue hold. The revenue method on the revenue plan was changed, with a date to make the change retroactive after the end of the first month.

Note: The changes take place after the contract amendment is approved.

As Incurred to Amount Based

Revenue distributions are reversed for expenditure items previously recognized for revenue with transaction dates in the second month. These expenditure items aren't recognized for revenue again.

Amount Based to As Incurred

Revenue distributions for manual events with event completion dates in the second month aren't reversed. Manual events can be entered and recognized for revenue regardless of the revenue method classification. If the event is no longer applicable, change the event amount to zero or place it on permanent revenue hold.

Expenditure items are selected for as-incurred revenue recognition based on the revenue method classification you select when generating revenue.

As Incurred to Percent Complete

Revenue distributions are reversed for expenditure items previously recognized for revenue with transaction dates in the second month.

Oracle Fusion Project Billing creates automatic events for revenue recognition starting in the second month. The percent complete billing extension calculates the event amounts.

Percent Complete to As Incurred

Revenue distributions that were already created from events using the percent complete billing extension aren't affected. Expenditure items are selected for as-incurred revenue recognition, based on the revenue method classification you select when generating revenue.

As Incurred to Percent Spent

Revenue distributions are reversed for expenditure items previously recognized for revenue with transaction dates in the second month.

Oracle Fusion Project Billing creates automatic events for revenue recognition starting in the second month. The percent spent billing extension calculates the event amounts.

Percent Spent to As Incurred

Revenue distributions that were created from events using the percent spent billing extension aren't affected. Expenditure items are selected for as-incurred revenue recognition, based on the revenue method classification you select when generating revenue.

As Incurred and As Billed

When you change the revenue method from as incurred to as billed, revenue distributions are reversed for expenditure items previously recognized for revenue with transactions dates in the second month. Revenue is recognized again in the invoice amount after the expenditure items are invoiced.

Note: Unrecognized expenditure items won't be eligible for revenue recognition until they're invoiced and accepted by Oracle Fusion Receivables.

When you change the revenue method from as billed to as incurred, revenue distributions are reversed for expenditure items previously recognized for revenue with transaction dates in the second month. Revenue is recalculated for these and all other unrecognized expenditure items using the shared schedule and rate information in the bill plan, and new revenue distributions are created.

FAQs for Amend Customer Contract

Can I modify a contract without amending the contract?

Yes, you can modify the contract attributes, listed in the following table, that do not impact the legal agreement between the parties, without putting the contract under amendment.

Tab/Page Region	Attributes
Overview	Description, Name
Parties	All fields of Contacts table
Risks	All attributes
Notes	All attributes
Bill Plan	Manual Hold
Revenue Plan	Manual Hold

How can existing contract users not be created as resources can amend a contract?

Existing contract users who weren't created as resources can amend a contract if you make them resources by using the Identify Resource feature.

You can use the Identify Resource feature to search for a user and identify the user as a resource through the Add as Resource option. While adding the user as a resource, the user can be associated with a resource organization. Once a user is mapped to a resource organization, the user gets access to the BU mapped to the resource organization.

Related Topics

- [How You Amend and Revert a Contract](#)

How can I change a contract that is pending signature?

In cases where a customer requests changes in a contract that is internally approved and pending signature, you can create a new version for that contract to make the required changes.

If you create a new version of a contract, this new version is in Draft status, and the original version is no longer available for approval or acceptance.

Note: You cannot create a new version once a contract is signed and accepted. You can create a new version only for a draft, under amendment, or pending signature contract. Once the contract is signed and active, if you still need to make changes, you can amend the contract. Amending a contract creates a new version of the contract in Under Amendment status.

When can I create a new contract version?

When it's in Draft, Under Amendment, or Pending Signature status. Create a new version when a customer or supplier requests changes in a contract that's internally approved and pending signature.

The new version is in Draft or Under Amendment status based on whether it was created for a Draft contract or an Under Amendment contract that's Pending Signature.

Note: You can't create a new version after you submit the contract for approval and the contract is in Pending Approval status.

This new version will be in Draft status if the original contract was in Draft or Pending Signature status. For a contract in Under Amendment status, the new version that you create is also created in the Under Amendment status. You can also create a new version of an active contract using the Amend action. This new version will be in Under Amendment status. Once a new version is created, the original version retains the status it was in when the new version was created and is only accessible from the Contracts History page.

How can I revert a contract to a previous active version?

Revert a contract to its previous active version by selecting Revert action when the contract is under amendment. You cannot revert a contract after the amendment is approved.

Related Topics

- [How You Amend and Revert a Contract](#)

How can I change the types of transactions that can be invoiced and recognized for revenue?

Request for the contract administrator to edit the billing resources in the contract billing controls. If the contract isn't in draft status, the contract administrator must place the contract under amendment to make the edits.

How can I change the bill plan or revenue plan of an active contract?

If a contract is active, you must amend the contract to make most changes to a bill plan or revenue plan.

You can change the following attributes of a bill plan or revenue plan, except when the contract status is Canceled or Closed:

- Invoice Hold
- Revenue Hold
- Bill Comment
- Billing Instructions
- Descriptive flexfields
- Active billing extensions indicator

How can I change the soft limit or hard limit amount for invoicing or revenue recognition?

Request for the contract administrator to edit the soft limit or hard limit amounts in the contract billing controls. If the contract is not in draft status, the contract administrator must place the contract under amendment to make the edits.

What happens if I remove an associated project from a contract line?

Removing an associated project from a contract line prevents revenue recognition and invoicing from occurring for the combination of associated project and contract line.

To remove the association between a contract line and project, the status of the contract line must be Draft. If the contract line status is Under Amendment, you can make the association inactive.

3 Project Contract Billing

Billing Transactions

Billing transactions represent the mapping between an expenditure item or event, a contract line, and an invoice line. You automatically create billing transactions when you generate revenue or invoices.

The invoice for one contract can have transactions from multiple projects and tasks. And if a task is associated with multiple contracts, then the charges from an expenditure item or event can be split across more than one invoice.

Billing transactions are made from these items:

- Contract contribution percentage
- Eligible amount
- Qualified amount
- Eligible transactions

Contract Contribution Percentage

The contract contribution percentage is the maximum percentage of project work that's eligible for billing on a contract. Billing transaction amounts are based on this value.

Eligible Amount

The eligible invoice and revenue amounts are the amounts that you can invoice and recognize for a specific contract line and the expenditure item or event.

Qualified Amount

The qualified amount is what you will actually invoice and recognize for a specific contract line and expenditure item or event. Available funding for the transaction determines this amount.

The qualified amount is the smallest of these two values for the transaction:

- Eligible amount
- Smallest amount of the remaining invoice or revenue funds for the billing control. If this is zero, then the billing transaction equals the eligible amount.

Eligible Transactions

Expenditure items and events that pass a billing control with available funds are eligible for invoicing and revenue recognition. Billing transactions are created for eligible transactions.

When you create a billing transaction, funding for the billing control is reduced by the transaction amount.

For contracts without billing controls, eligible transactions are the expenditure items and events that are charged to a task and linked to a contract line.

Related Topics

- [What's a billing transaction exception?](#)
- [How do I create a billing transaction?](#)
- [When do I create manual billing transactions?](#)
- [Why can't I create a billing transaction?](#)

Billing Cycles

Use billing cycles to control how often and on which dates you want to bill your projects and generate invoices.

How Billing Cycles are Applied to Bill Plans

The eligibility of a bill plan for invoicing depends on:

- Single contract or range of contracts in the current run of the Generate Invoice process.
- Bill through date specified as a parameter for the current run of the Generate Invoice process. If this parameter isn't specified, then the application uses the system date as the bill through date.
- Next billing date calculated by the application.

On a Single Contract

When you run the Generate Invoice process for a single contract, the application considers the bill plan always eligible for invoicing, regardless of the billing cycle value.

On a Range of Contracts

When you run the Generate Invoice process for a range of contracts, the application:

1. Calculates the next billing date based on the latest bill through date stored on the invoice distributions for the bill plan and the billing cycle value, converted into days.
2. Considers the bill plan ineligible for invoicing where the calculated next billing date is after the user-specified bill through date. Result is no transactions are invoiced.
3. Generates invoices for those transactions where the calculated next billing date is on or before the user-specified bill through date.
4. Stores the user-specified bill through date process parameter value on the invoice distribution table for all invoice distributions created in the current run. This date becomes the latest bill through date for use in calculating the next billing date, the next time you run the Generate Invoice process.

Let's look at this table to understand the different scenarios.

Number of Contracts	Defined Billing Cycle	Latest Bill Through Date	User-specified Bill Through Date	Next Billing Date = Latest Bill Through Date + Defined Billing Cycle Value	Next Billing Date is After or On or Before User-specified Bill Through Date	Bill Plan Considered Eligible for Invoicing	Explanation
Single contract	30 days	Any date	Any date	Skipped	Skipped	Always	Billing cycle eligibility check is skipped. Bill plan is always eligible for invoicing for a single contract, irrespective of the billing cycle value.
Range of contracts	30 days	April 15	May 1	April 15 + 30 days = May 15	May 15 is after May 1	No	Calculated next billing date is after the user-specified bill through date.
Range of contracts	30 days	April 15	May 20	April 15 + 30 days = May 15	May 15 is before May 20	Yes	Calculated next billing date is on or before the user-specified bill through date.
Range of contracts	Always eligible	Any date	Any date	Skipped	Skipped	Always	Billing cycle eligibility check is skipped. Bill plan is always eligible for invoicing.

Print Invoices

Print invoices from the Invoices Overview page or from within individual invoices.

Preview the Invoice

1. Preview your invoice to identify any necessary adjustments before you transfer it to receivables.
 - o If you have the invoice open, just click the **Preview** button on the Invoice tab.
 - o Otherwise, select your invoice on the Overview page and click **Actions > Preview**.
2. If your enterprise has more than one invoice template, then you need to select a template in the Invoice Preview window.

Templates contain instructions for the printed format. Your implementation team designs them to meet contract and customer preferences.

3. Select your preferred output format, then click **Go**.

Print the Invoice

1. On the Released Invoices tab, select an accepted invoice.
2. Click View Receivables Invoice.
3. On the Transactions: Invoices page, select **View Image**.
4. Click **Print**.

You can print invoices that are transferred and accepted in Receivables.

Billing Event Components

Manage events for contract invoices and revenue in the Invoices work area and the Revenue work area. An event's components determine how it's processed for invoices or revenue.

Event Type

The event type determines whether the event amount is for invoices, revenue, or both.

Reversing Option

When you create an event, you can select the option to automatically reverse the event in the next period. The reverse revenue accrual occurs in the accounting period following the event completion date. The amount is the same as the original event, except the amount is negative.

Currency

Events use the bill transaction currency. By default, the bill transaction currency is the contract currency. You can change the billing currency on a contract line's bill plan.

This table describes what happens if the bill transaction currency for an event doesn't match the currency for the contract, invoice transaction, or revenue transaction.

Currency Type	Results
Contract	The event amount is converted from the bill transaction currency to the contract currency.
Invoice Transaction or Revenue Transaction	The event amount is converted from the bill transaction currency to the invoice transaction or revenue transaction currency.

Adjustment History

If you adjusted an event, you can review and track the complete adjustment history from the Edit Event page.

Distributions

You create invoice and revenue distributions when you run either the Generate Invoices or Generate Revenue scheduled process. If necessary, you can also create revenue accounting entries when you generate revenue.

Related Topics

- [How Percent Complete Invoice Amounts Are Calculated](#)
- [How Percent Complete Revenue Amounts are Calculated](#)
- [How Percent Spent Invoice Amounts Are Calculated](#)
- [How Percent Spent Revenue Amounts are Calculated](#)

Import Project Billing Events

Import billing events from third-party applications into the Invoices work area by using the Create Billing Events Excel workbook template and running a few scheduled processes. The Excel template is part of the External Data Integration Services for Oracle Cloud feature.

For more information about the Create Billing Events Excel workbook template, see the File-Based Data Import for Oracle Project Portfolio Management guide.

To import the billing events:

1. Prepare your data in the Create Billing Events macro-enabled Excel workbook template.
2. Click **Generate CSV File** in the template to create a comma-separated values file of billing events. You load these events into the billing events open interface table in a later step.
3. Navigate to the File Import and Export page.
4. Click **Upload** from the Actions menu.
5. In the Upload File window, browse for the CSV file that has your billing events.
6. Select the Oracle WebCenter Content Management account to upload the file.
7. Click **Save and Close**.
8. Navigate to the Scheduled Processes page.
9. Submit the Load Interface File for Import process to load the billing events from your CSV file into the Oracle Fusion Project Billing Events open interface table.
10. Submit the Import Project Billing Events process to bring events into the Invoices work area from the open interface table.

Parameters for Load Interface File for Import Process

Import Process

Select Import Project Billing Events.

Data File

Select the CSV file that contains the billing events.

Billing Event Upload Error Report

Read the Billing Event Upload Error report to review a summary of successful transactions and errors from the import process.

If the report has errors, then:

1. Review the error message detail for each billing event, fix the issues in the Excel template and regenerate the CSV file. Or, you can manually fix the issues in the CSV file.
2. Load the CSV file to the Oracle WebCenter Content Management account.
3. Run the Load Interface File for Import process followed by the Import Project Billing Events process.

Related Topics

- [Overview of External Data Integration Services for Importing Data](#)

Invoice Credit Actions

You can apply credits to a released invoice to adjust the amount. To reduce the amount of an invoice, you can choose from the following types of crediting actions:

- Cancel an invoice.
- Write off an invoice.
- Apply a concession.
- Create a net invoice.

Canceling an Invoice

Canceling a released invoice results in the creation of a credit memo for the entire amount of the canceled invoice. Cancel an invoice only if the invoice is released and has no payments, adjustments, or crediting invoices applied to it. All items on the canceled invoice are returned to the unbilled transactions region of the invoice and are eligible for invoicing in the next billing cycle.

The application updates the funds consumed balance on the contract that funded the original invoice to reflect the returned consumed amount. The credit memo always has the same invoice currency and currency attributes as the original invoice.

When you cancel an invoice, the application only copies the invoice lines with amounts, from the original invoice to the new credit memo. The cancel operation is disabled for invoices without amounts.

Writing Off an Invoice

Write off all or part of a released invoice that you can't collect due to bad debts. Writing off an invoice creates a crediting invoice for the original invoice in the write-off amount that you enter. Write off at either the invoice level or the invoice line level. If you write off at the invoice level, the application prorates the write-off amount across the invoice lines. For invoice line level write-offs, specify the write-off amount for the line.

The write-off invoice always has the same invoice currency and currency attributes as the original invoice. The funds consumed are not returned to the contract line for future consumption when you write off an amount.

Applying a Concession

Apply a concession when you want to manually credit a released invoice without adjusting the transactions.

Apply a concession to either the invoice level or invoice line level by entering either an amount or percentage. If you apply the concession to the entire invoice, the application prorates the concession amount across all the invoice lines. For invoice line concessions, specify the concession amount or percentage for the line. When you apply the concession, you create a credit invoice for the original invoice in the entered amount.

Creating a Net Invoice

Enable net invoicing for your contract when you want to create a standard invoice that includes the amounts from adjusted transactions on one or more released invoices. A net invoice can include new transactions that are eligible for invoicing, along with the adjusted transactions from the same contract. If net invoicing is enabled for your contract, the application automatically consolidates credits with new invoices instead of issuing individual credit memos. A net invoice is not a credit memo and it uses the standard invoice type.

To create a net invoice that contains positive and negative amounts, the creation sign for the Oracle Receivables transaction type must be set to Any Sign.

When net invoicing is disabled:

- The application automatically creates a credit memo each time that you adjust and process the transactions on a released invoice.
- The credit memo reverses the invoice amount by the amount of the adjusting item.
- The invoice transaction currency of the credit memo is the same as the currency of the released invoice.

Contract Number Ranges

Contract number is an alphanumeric attribute. The contract number range includes all contracts with a value equal to or greater than the From value but less than or equal to the To value.

Tip: If you use contract number ranges extensively, then use a fixed length numeric contract number. Using a fixed length numeric contract number simplifies the process of defining the contract number range and makes it more comprehensive. Precede the contract number with the required number of zeros to ensure that the length is always fixed.

Note: Spaces and letters are sorted before numbers when you sort a list of contract numbers.

Valid Contract Number Range Examples

The From and To contract numbers of 2009 through 2010 include the following contracts:

- All contracts that start with 2009 and contain extra trailing characters, such as 20090 and 2009AZ, since they all have a value greater than 2009.
- Contract 201, since it has a value less than 2010.

- All contracts that start with 201 and with a letter in position 4, such as 201A123Z, since they all have a value less than 2010.

The From and To contract numbers of 2009 through 2010 exclude the following contracts:

- Contracts 2 and 20, since they both have lower values than 2009.
- Contract 20A9XYZ, since it has a lower value than 2009.
- All contracts that start with 2010 and contain extra trailing characters, such as 20100 and 2010XYZ, since they all have values greater than 2010.

Contract Templates for Project Billing

When you create a contract template, you can provide values for project-related attributes that appear on contracts created from the contract template.

Project Attributes to Specify on Contract Templates

The following table describes the project-related attributes for contract templates.

Attributes	Description
Bill plan	Specify the invoice method, its classification, billing currency type, payment terms, billing cycle, bill set, and invoice summarization formats such as labor, nonlabor, and event. You don't need to enter values for bill plan attributes such as the bill-to account, bill-to contract, and bill-to site because these are specific to customer or contract.
Revenue plan	Specify the revenue method and its classification. Billing extensions, if used, are specific to each contract. Therefore, don't enter a billing extension on the contract template.
Contract template lines	Link contract template lines to a bill plan and a revenue plan defined on the template.
Billing controls and overrides	Specify on the contract.
Rate schedules	Specify labor schedule, nonlabor schedule, and burden schedule on the contract.

If you create a contract from the contract template, you only need to enter the organization and contract-specific attributes.

Related Topics

- [Examples of Creating a Contract Template](#)
- [Contract Template Actions and Status Changes](#)
- [What's the difference between a contract template and a contract terms template?](#)
- [Why can't I create a contract from the contract template?](#)

FAQs for Project Contract Billing

Why can't I locate an invoice?

Access to invoices is secured by the business unit. You only access invoices that belong to contracts in business units assigned to your role. You can see all invoices associated with projects linked to contracts that you can access.

What happens if I search for an invoice by project?

You have the option of searching for invoices by project. When you open the invoice, your view of the invoice amounts is restricted to transactions from that project only.

The invoice doesn't display amounts from other projects associated with the contract. The queried amount on the invoice contains the amount of total invoice distributions for the project and task entered in your search criteria.

What's the difference between the queried amount and the invoice amount?

If you search an invoice by project and open the invoice to review the details, then you will see a value for the queried amount.

The queried amount on an invoice is from the project in your search criteria. The queried amount doesn't contain amounts from other projects that have transactions on the invoice.

The invoice amount is the amount of transactions from all projects that contributed to the invoice.

What's the difference between intercompany billing and interproject billing?

Intercompany billing creates internal invoices and accounting entries to pass costs and share revenue across organizations on an intercompany billing contract. A provider organization performs work and charges it a project owned by the receiver organization.

The provider organization creates an invoice in Oracle Fusion Receivables and the receiver organization imports the invoice from Oracle Fusion Payables. Accounting entries for revenue are created between the organizations.

Interproject billing creates internal invoices for costs incurred between a provider project and a receiver project defined on an interproject billing contract. The provider project generates an Oracle Fusion Receivables invoice, which the receiver project receives as an Oracle Payables invoice.

What's the difference between the associated task and transaction task on a billing transaction?

The associated task for a billing transaction is the task within the project task hierarchy associated with a contract line.

The transaction task for a billing transaction is the task within the project task hierarchy that the transaction is charged to.

What happens if I change the billable status of an expenditure item?

When you set an expenditure item to be nonbillable, it will not be selected during the invoice or revenue generation processes. Any existing billing transactions for the expenditure item are deleted.

How do I create a billing transaction?

You can create billing transactions automatically or manually. To automatically create billing transactions, select the Automatic method when you submit the Generate Invoice or Generate Revenue scheduled process.

If you adjust an expenditure item after generating an invoice or revenue, you can create a manual billing transaction from the Manage Billing Transaction Exceptions page to pick up the change.

Why can't I create a billing transaction?

The expenditure item has an existing billing transaction that was created automatically. Create billing transactions either automatically or manually.

To manually create a billing transaction, change the billing transaction creation method to manual for the expenditure item.

When do I create manual billing transactions?

Expenditure items that you create after generating an invoice become eligible billing transactions for the invoice. Manually create a billing transaction for the expenditure item after generating the invoice.

What happens if I delete a billing transaction?

The consumed amount of the billing transaction is reduced to zero, and the invoiced amount and percent billed are updated. If the billing transaction is for an expenditure item or event on a released invoice, the billing transaction is marked for adjustment processing.

What happens if I delete an invoice?

When you delete a draft invoice, all invoice lines, notes, and the invoice header are deleted. Billing transactions that do not have invoice line distributions will also be deleted.

Released invoices may contain partially invoiced billing transactions. In those instances, the billing transaction will not be deleted, and the billing transaction balance will be updated.

Can I delete an event?

Yes, you can delete an unprocessed event. You can't delete an event that was invoiced or recognized for revenue. Additionally, you can't delete an event that was created by a billing extension, was previously reversed, or was a reversing event.

Can I invoice or recognize revenue for a billing event without a completion date?

No, you can't invoice or recognize revenue for a billing event that doesn't have a completion date. You must specify the completion date on the Edit Event page or in the Project Billing Event Create, Read, Update, or Delete Web Service to make a

How can I change the soft limit or hard limit amount for invoicing or revenue recognition?

Request for the contract administrator to edit the soft limit or hard limit amounts in the contract billing controls. If the contract is not in draft status, the contract administrator must place the contract under amendment to make the edits.

What happens when revenue or invoice amounts reach a hard limit?

If a transaction reaches a hard limit during invoice or revenue generation, the application creates a partial billing transaction consisting of the amount of remaining funds and a billing transaction exception for the amount of transaction that exceeds the remaining funds.

You can review exceptions on the Manage Billing Transaction Exceptions page or on the Edit Invoice page. Based on the exceptions, you can then adjust the corresponding expenditure items or events.

How can I find expenditure items that are not yet invoiced?

On the Manage Project Costs page, search for expenditure items that are billable and in unbilled invoice status.

How can I change the types of transactions that can be invoiced and recognized for revenue?

Request for the contract administrator to edit the billing resources in the contract billing controls. If the contract isn't in draft status, the contract administrator must place the contract under amendment to make the edits.

When do I recalculate the currency conversion for an invoice?

Review the invoice exceptions for currency conversion errors that occurred when you updated invoices from Oracle Fusion Receivables. If there is an exception message for currency conversion, recalculate the currency conversion for the affected invoice.

How can I release an invoice automatically?

In the Billing section of your contract select the Released option from the Generated Invoice Status drop-down list. When you generate invoices for the contract, the invoices are created in Released status.

How can I transfer automatic credits from contract invoices to Oracle Fusion Receivables?

On the Manage Transaction Types page, while creating a transaction type select Any Sign from the Creation Sign list. This allows both positive and negative invoice amounts to be transferred from Oracle Fusion Project Billing to Oracle Fusion Receivables.

When do I recalculate a billing extension?

If you make adjustments to a draft invoice that affect the amount of the billing extension, recalculate the billing extension before you submit the invoice for approval.

Note: Billing extensions are currently not available in Oracle Cloud implementations.

How can I view an Oracle Fusion Receivables transaction for a contract invoice?

You can view invoice transactions only if the project contract invoice is in Accepted status. In the Edit Invoice page, click View Receivables Invoice to view the Oracle Fusion Receivables invoice transaction.

The invoice status changes to Transfer Rejected or Accepted after you run these processes:

- Import AutoInvoice in Oracle Fusion Receivables
- Update Invoice Details in Oracle Fusion Project Billing

Note: The application disables the **View Receivables Invoice** action for invoices integrated with third-party receivables applications.

What happens if I preview an invoice when the contract line does not have a purchase order?

If purchase order number does not exist for a contract line, then the contract number is displayed instead.

What happens if the same billing event is updated multiple times using the Update Events Web service?

Whenever a billing event is updated using Update Events Web service in Oracle Fusion Project Billing, the event number and attributes such as event description are provided to the application.

If the same billing event is updated multiple times, then the most recent event attributes obtained from the Update Events Web service takes precedence over the previous attributes, except when the most recent values are blank.

Can I release multiple approved invoices?

Yes. You can simultaneously release up to 500 approved invoices from the Manage Invoices page, using the Release All action.

Search for standard type invoices within a business unit by billing type. Select the Release All action from the search results to open the Release All window and optionally, override the invoice date for the complete list of approved invoices displayed by the search results, up to a maximum of 500. Submit the release action.

Note: **Release All** action is enabled only when the search results don't exclude any earlier approved invoices for any contracts and also include only standard invoices.

Can I change the status of a credit memo to draft?

No. All credit memos are initially created in approved status. If you need to correct or update a credit memo, then release the credit memo and then adjust the released credit memo.

When is a credit memo reason required?

You must enter a credit memo reason when you release a nonstandard invoice, such as a credit memo, cancellation, concession, or write-off, for a contract business unit that requires a credit memo reason.

When you submit the Transfer Invoice Details to Receivables process, the credit memo reason is transferred to Oracle Fusion Cloud Receivables.

Note: Oracle Fusion Cloud Receivables contains the values for credit memo reasons.

Invoice Generation

How Invoices Are Generated

You can generate invoices by using contracts. Each contract line processes eligible transactions charged to its associated projects and tasks. Invoice amounts are calculated when you either submit the process to generate invoices or manually create an invoice for a contract.

You can generate invoices more quickly by specifying a number of instances of the process that would run in parallel. In the **Manage Administrator Profile Values** task, use the Number of Parallel Invoice Generation Programs profile option to specify a value between 2 and 5. Each instance processes a subset of the contracts, using a system-generated contract number range.

Settings That Affect Invoice Amounts

Depending on the security settings, the application restricts the business unit and contracts that you can select when you enter the parameters to generate an invoice.

The following table explains several key parameters of the invoice generation process.

Parameter	Description
Create Billing Transactions	Validates and maps eligible project transactions to the contract and contract line to create billing transactions. Updates consumed funds on the contract and determines the billable amount based on the invoice method. Select No if you want to create the billing transactions when generating revenue instead of during invoice generation.
Create Invoice	Create invoice distributions from the billing transactions. Groups the invoice distributions into invoice lines and an invoice header using the rules defined on the invoice format.
Previously Invoiced Items Only	Create an adjustment invoice that includes only retroactive adjustments for transactions that were previously invoiced.
Project Number	If you enter a project, the invoice includes only transactions charged to the entered project and excludes transactions from other projects associated with the contract.

Note: If you don't enter a value for the contract number, the application creates invoices for all eligible contracts in the business unit. If you don't enter any parameters, all currently or previously active contracts are processed for invoicing, ordered by contract number.

How Invoice Lines Are Created

The two major components of invoice generation involve creating the billing transactions and creating the invoice.

The first step of the Generate Invoice process evaluates the eligibility of expenditure items and events for invoicing, maps them to contract lines, and updates the funding amount for the contract line. If an expenditure item or event passes the billing controls, a mapping record is created for a combination of the transaction, contract line, and funded amount. This intermediate mapping record, the billing transaction, is placed on the invoice and is updated each time that you generate an invoice for the contract until the sum of its mappings are 100 percent.

Next, invoice lines and distributions are created from the eligible billing transactions during the Generate Invoice process. Distributions are grouped into invoice lines and the invoice header using the rules defined on the invoice format. Optionally, create distributions manually by attaching the eligible expenditure items and events on the invoice to the invoice lines.

For sponsored projects funded by multiple awards and funding sources, users can invoice sponsors and generate accurate revenue using the costs charged to a specific project and award combination. Cost transactions for sponsored projects store the contract as specific attributes, because there can be multiple awards or contracts for a single sponsored project. This is available only for sponsored project transactions, not for non-sponsored projects or regular, non-award based contracts. When you use this contract on the project cost transaction, the invoice generation and revenue recognition processes now select the project costs specific to the award or contract.

All transactions for an internal funding source are non-billable. Users cannot make any adjustments to an internal funding source cost transaction so as to mark it as a billable transaction.

Related Topics

- [Billing Transactions](#)
- [How Percent Complete Invoice Amounts Are Calculated](#)
- [How Percent Spent Invoice Amounts Are Calculated](#)

Generate SF270 Forms

You can format invoices for federal grants award contracts in the federal standard form SF270.

Billing specialists generate the federal SF270 invoice form in Project Billing after the following prerequisite steps are completed in Grants Management and Enterprise Contracts.

Grants administrators create awards in the Awards work area. For award contracts that don't use LOC billing, the grants administrator can specify the invoicing format as SF270. Hence, when invoices are created for this contract, they are in SF270 format.

To generate invoices, billing specialists and grants accountants can navigate to the Invoice work area and generate invoices for the award contracts. Cost transactions for sponsored projects store the contract as a specific attribute, because there can be multiple awards (or contracts) for a single sponsored project. The SF270 report displays the federal share of expenditures using the contract on cost transactions. This is available only for sponsored project transactions, not for non-sponsored projects or regular, non-award based contracts. When you use this contract on the project cost transaction, the invoice generation and revenue recognition processes now select the project costs specific to the award or contract.

The following table describes various sequence of actions related to the procedure for generating the SF270 form, locations from where these actions are performed, and their results.

Step	Role	Action	Location	Result
1	Grants administrator	Set the invoice structure to SF270 and submit the award.	Grants Management	Grants Management creates contract, contract line, bill plan, revenue plan, and associated projects. Grants Management then links these attributes to the contract line in Enterprise Contracts.
2	Grants administrator	Navigate to the Contract work area and perform the following steps: <ul style="list-style-type: none"> Search for a contract by using the award number as the contract number. Review the draft contract. Submit the contract for approval. 	Enterprise Contracts	The contract is submitted for approval.
3	Contract administrator	Approve the contract.	Enterprise Contracts	Contract is activated.
4	Billing specialist	<ul style="list-style-type: none"> Sign into the application and automatically reach the Invoice work area. Generate the invoice for the award contract setup for SF270 invoicing. Ensure that the LOC number is blank. 	Project Billing	The Generate Invoice process runs, and the billing specialist monitors the process in the Invoice work area.
5	Billing specialist	Search by contract number on the Manage Invoices page after the Generate Invoice process is completed. Select the invoice from the search result.	Project Billing	The Review SF270 option is activated.
6	Billing specialist	Click the invoice number link.	Project Billing	The Edit Invoice Details page opens. The page contains the Review SF270 option.

Step	Role	Action	Location	Result
7	Billing specialist	Click the Review SF270 option.	Project Billing	The invoice is structured and displayed in the SF270 format.
8	Billing specialist	View the invoice using the Preview action.	Project Billing	SF270 is displayed in a business intelligence process report in the structure published by the US federal government.
9	Billing specialist	Submit invoice for approval, saves, and closes the invoice.	Project Billing	Invoice is submitted for approval, and the Manage Invoice Listing page is displayed to the billing specialist.
10	Billing specialist	Navigate to the Invoice Overview page and perform the following steps: <ul style="list-style-type: none"> • Search for the specific invoice in the submitted invoices list based on the contract number. • Approve the invoice. 	Project Billing	Invoice status changes to Approved. Invoice status changes to Published.

Letter of Credit Billing

In Oracle Fusion Grants Management, project application administrators can select sponsors and activate them for letter of credit (LOC) billing.

In Oracle Fusion Grants Management, grants administrators can then create award contracts with sponsors set up for LOC billing.

In Oracle Fusion Enterprise Contracts, grants administrators can then validate, save, and submit the award contracts for approval.

In Oracle Fusion Enterprise Contracts, customer contract managers can then approve and activate the award contracts.

In Oracle Fusion Project Billing, grants accountants can then generate invoices and recognize revenue for the award contracts.

The following table describes the sequence of actions for generating invoices by letter of credit and recognizing revenue for awards funded by letter of credit, locations from where the various users can perform these actions, and their results.

Step	Role	Action	Location	Result
1	Project Application Administrator	<ul style="list-style-type: none"> • Navigate to the Manage Sponsors page. • View the customer organizations from Oracle Fusion Trade Community Architecture displayed as sponsors. • Select the sponsor and navigate to the Edit Sponsor page. • Provide the Sponsor Account Number. • Select LOC using the check box under the Sponsor Account Number field. • Provide LOC details such as LOC number. • Specify current sponsor or related sponsor as the bill-to sponsor. • In case of related sponsors, use the LOC number of the parent sponsor. • Specify related sponsor as the bill-to sponsor only if the following prerequisite conditions are met: <p style="margin-left: 20px;">Contract BU is enabled to use related sponsors.</p> <p style="margin-left: 20px;">Both sponsor and related sponsor are active.</p> <p style="margin-left: 20px;">Relationship between sponsor and related sponsor is active.</p> <p style="margin-left: 20px;">Relationship defined between sponsor and related sponsor is valid for current date.</p> <p style="margin-left: 20px;">Current date is within the start date and end date of the</p> 	Oracle Fusion Grants Management	The selected sponsor is activated for LOC billing.

Step	Role	Action	Location	Result
		<p>relationship date range defined.</p> <p>Bill-to indicator of the relationship is enabled.</p>		
2	Grants Administrator	<ul style="list-style-type: none"> • Navigate to the Create Award window. • While creating the award, grants administrator must select the Enable for LOC Billing check box to activate the award automatically for LOC billing. • The grants administrator must specify the document number that's used to identify the funding. • The grants administrator must specify a unique document number for each bill plan. 	Oracle Fusion Grants Management	The award created is associated with the sponsor activated for LOC billing. The corresponding contract is automatically created in Oracle Fusion Enterprise Contracts.
3	Grants Administrator	<ul style="list-style-type: none"> • Navigate to the Update Contract dialog box, while creating an award. • Set the Invoice Method to Cost Reimbursable Type. • Set the Contract Bill Plan for LOC billing using the Letter of Credit check box. • Review the Document Number value. • Select Update Contract. 	Oracle Fusion Grants Management	Oracle Fusion Grants Management initiates the Merge Contract service to update the contract for creating the bill plan, revenue plan, associated projects, and contract line.
4	Grants Administrator	<ul style="list-style-type: none"> • Navigate to the Contract work area. • Search for the award contract using the contract number. 	Oracle Fusion Enterprise Contracts	The Contract Overview page opens. The contract information is displayed.
5	Grants Administrator	<ul style="list-style-type: none"> • Navigate to the Billing tab on the Contract header. • Click on the bill plan in the bill plans table 	Oracle Fusion Enterprise Contracts	Bill plan details are displayed.

Step	Role	Action	Location	Result
		to review the bill plan details.		
6	Grants Administrator	<ul style="list-style-type: none"> Navigate to the Revenue tab on the Contract header. Click on the revenue plan in the revenue plans table to review the revenue plan details. 	Oracle Fusion Enterprise Contracts	Revenue plan details are displayed.
7	Grants Administrator	<ul style="list-style-type: none"> Navigate to Contract Lines tab page on the Contract header. Click on the contract line. Review the contract line details. 	Oracle Fusion Enterprise Contracts	Contract line details are displayed.
8	Grants Administrator	<ul style="list-style-type: none"> Navigate to the Associated Projects tab on the Contract header. Click on the award project task associated with the contract. Review the details of award project task associated with the contract. 	Oracle Fusion Enterprise Contracts	Details of the award project task associated with the contract line are displayed.
9	Grants Administrator	Submit contract.	Oracle Fusion Enterprise Contracts	The contract is validated, saved, and submitted for review.
10	Customer Contract Manager	Approve the contract.	Oracle Fusion Enterprise Contracts	The contract is approved and is in Active status. Contract is ready for invoice generation and revenue recognition.
11	Grants Accountant	<ul style="list-style-type: none"> Navigate to the Invoice work area. Click the Generate Invoices link. 	Oracle Fusion Project Billing	Generate Invoice page is displayed.
12	Grants Accountant	Select the LOC number parameters on the Generate Invoice page and click Submit to initiate the Generate Invoice process for generating invoice for the LOC number.	Oracle Fusion Project Billing	Generate Invoice process runs and the billing specialist is automatically navigated to the Invoice work area landing page to monitor the process.

Step	Role	Action	Location	Result
13	Grants Accountant	After the Generate Invoice process completes, navigate to the Manage Invoices page, and search for the invoice by LOC number.	Oracle Fusion Project Billing	Invoice is displayed with status as Draft.
14	Grants Accountant	Navigate to Revenue work area and select the Generate Revenue task.	Oracle Fusion Project Billing	Generate Revenue page is displayed.
15	Grants Accountant	<ul style="list-style-type: none"> Select Business Unit, From Date, and To Date for expenditure items for the award created. Enter the LOC number. Click Submit to initiate the Generate Revenue process. 	Oracle Fusion Project Billing	Generate Revenue process runs.
16	Grants Accountant	Navigate to the Manage Revenue Distributions task.	Oracle Fusion Project Billing	Revenue listing table with LOC number and document number columns is available.
17	Grants Accountant	Search for the revenue lines using the LOC number.	Oracle Fusion Project Billing	Revenue lines with the LOC number are displayed.

Example of Contract Line Invoicing

This example illustrates how to create a separate invoice line for each contract line.

Scenario

You are required to prepare an invoice using a standardized method of construction contract billing and to invoice the work in accordance with a schedule of values. A schedule of values, or a contractor's application for payment, typically contains a detailed description of the work, value of the completed work, value of materials, and value of the balance required to finish the work.

The schedule of values drives the invoicing, which takes place by invoice line. To meet this request, you capture invoice amounts by contract line. For contract lines with a sell intent, item, and project-based line type source, invoicing must use invoice formats with grouping option that includes contract line. Usage of invoice formats with grouping option results in the transfer of inventory item and related attributes from contract line to invoice line in Oracle Fusion Receivables. These contract line attributes come from the currently or previously active, expired, hold, or closed contract version.

Schedule of Values

Your contractor's schedule of values has the following categories:

- Original Contract Sum
- Net Change by Change Orders
- Contract Sum to Date
- Total Completed and Stored to Date
- Less Previous Certificates for Payment
- Current Payment Due
- Balance to Finish

The invoice must contain separate invoice lines for each category.

To create individual invoice lines for each category in the schedule of values, create a contract line for each category. The invoice formats for the contract lines bill plan must be grouped by contract line. The following table summarizes the setup of key contract and project features.

Key Feature	Configuration
Contract Line	Create one contract line for each schedule of values category.
Invoice Format	Create one labor, one nonlabor, and one event invoice formats, all with grouping option of contract line and all.
Bill Plan	<ul style="list-style-type: none"> • Select the labor, nonlabor, and event invoice formats created with grouping option of contract line and all. • Associate the schedule of values contract lines with the bill plan.

Resulting Invoice Lines

Expenditure items and events charged to projects associated with the contract lines resulted in the following invoice lines after invoice generation.

Schedule of Values Category	Invoice Line Number	Invoice Line Amount
Original Contract Sum	1	\$8,425,000
Net Change by Change Orders	2	\$0
Contract Sum to Date	3	\$8,425,000
Total Completed and Stored to Date	4	\$168,500
Total Earned	5	\$168,500

Schedule of Values Category	Invoice Line Number	Invoice Line Amount
Less Previous Certificates for Payment	6	\$75,000
Current Payment Due	7	\$93,500
Balance to Finish	8	\$8,256,500

Manage Contract Invoices

This example demonstrates how to create an invoice and send it to a customer for contract that is based on time and materials.

During invoice review, you discover two hotel charges that should not be on the invoice. Adjust the invoice by changing the transactions to nonbillable and update the invoice amount.

The following table summarizes key decisions for this scenario.

Critical Choices	In this Example
Contract type	External
Invoice method classification	Rate based
Invoice frequency	Monthly

Managing Contract Invoices

Invoice management involves:

- Submitting the Generate Invoice process to create invoices automatically.
- Reviewing and correcting any billing exceptions.
- Opening and reviewing the invoice.
- Adjusting or removing transactions from the invoice as necessary.
- Changing the hold status of transactions.
- Changing the billable status of transactions.
- Changing billing transactions and unbilled transactions to invoice distributions.
- Reordering invoice lines and invoice distributions.
- Recalculating billing extensions as necessary.
- Recalculating the invoice.
- Previewing the invoice to confirm the format is correct

- Submitting the invoice for approval.
- Approving and releasing the invoice so it can be transferred to Oracle Fusion Receivables.

Prerequisites

This example is based on the assumption that the following prerequisite conditions are met:

1. A contract for external billing is defined. The dates for the contract should be between 01-Jul-2013 and 21-Jul-2013. The contract status must be active, expired, or in the amendment cycle with a previously active or expired version.
2. The projects and project plans associated with the contract are defined.
3. Costs are captured for the associated projects.

Generate an Invoice

1. Open the **Overview** page in the Contract Invoices work area, and select **Generate Invoices** from the **Tasks** pane.
2. Enter the information listed in the following table.

Field	Value
Business Unit	Vision Operations
Billing Type	External
Create Billing Transactions	Yes
Create Invoice	Yes
From Contract Number	Select the contract you created in the prerequisite step.
To Contract Number	Select the contract you created in the prerequisite step.

Leave all other parameter fields blank.

3. Click **Submit**.
4. Click the F5 key to refresh your browser.

Open the Invoice

1. Open the **Overview** page in the Contract Invoices work area, and search for your invoice.
2. Enter the information listed in the following table.

Field	Value
Business Unit	All

Field	Value
Billing Type	External
From Date	01-Jul-2013
To Date	31-Jul-2013

3. Click **Search**.
4. Click **Exceptions**, and verify there are no invoices present on this tab.
5. Click **Draft Invoices**.
6. Select the **Invoice Number** for your contract to open the invoice.

Change the Billable Status of a Transaction

1. On the **Edit Invoice** page, expand the **Invoice Lines** region if the details are not visible.
2. Select a row for an invoice line that contains hotel charges.
3. In the **Expenditure Items** tab within the **Line Details** region, select a row with the transaction for the Hotel expenditure type.
4. From the **Actions** menu, select **Remove Transactions > Set as Nonbillable**. This action moved the expenditure item from **Line Details** to **Unbilled Transactions**.
5. Select **Unbilled Transactions** to review the expenditure item.

Preview the Invoice

1. In the **Invoice Header** region, click **Preview**.
2. Select **Default Template**, and click **Next**. This opens a preview of the invoice as it will be printed using the format defined in the bill plan's invoice template.
3. Review the invoice, and click **OK**.
4. Click **Save and Close**.

Submit the Invoice for Approval

1. On the **Overview** page, click the **Draft Invoices** tab, and select the row that contains your invoice.
2. Click **Actions > Submit**. The invoice status is changed to Submitted and it is now visible on the **Submitted Invoices** tab.
3. Select **Submitted Invoices** and locate the previously submitted invoice.
4. Select the row that contains your invoice.
5. Click **Actions > Approve**.
6. Click **Release**.
7. Override the invoice date and enter the receivables invoice number, if required.
8. Enter a credit memo reason if the invoice is a credit memo.
9. Click **Submit**.
10. Click the Released Invoices tab. Verify that your invoice is present in the list of invoices.

How Invoice and Revenue Rates Are Determined

Oracle Fusion Cloud Project Billing uses bill rates, burdening, and transfer price schedules to derive standard bill rates, multipliers, markups, and bases for calculating potential revenue when the revenue method classification on a revenue plan is as billed, as incurred, or rate based.

Similarly, bill rates derive invoice amounts when the invoice method classification on a bill plan is rate based.

Settings That Affect Rates and Overrides

The specific schedules to use to calculate invoice and revenue amounts are stored on either the bill plan or revenue plan. They are based on the schedule types specified on the invoice method and revenue method as listed in the following table.

Schedule Type	Rate Source
Labor schedule, bill rate	Standard employee bill rate schedule Standard job bill rate schedule
Nonlabor schedule, bill Rate	Standard nonlabor bill rate schedule
Labor schedule, burden	Standard labor burden schedule
Nonlabor schedule, burden	Standard nonlabor burden schedule
Labor and nonlabor schedule, burden	Standard burden schedule
Labor schedule, transfer price	Standard labor transfer price schedule
Nonlabor schedule type, transfer price	Standard nonlabor transfer price schedule

Tip: When the labor or nonlabor schedule type is bill rate, you can enter labor or nonlabor bill rate overrides on the bill plan or revenue plan.

How Bill Rates and Bill Rate Overrides Are Calculated

Oracle Fusion Project Billing uses this order to determine the labor bill rate for a billing transaction originating from an expenditure item:

1. Employee bill rate override
2. Employee job assignment override with job bill rate override
3. Job bill rate override
4. Labor multiplier override
5. Standard employee bill rate schedule
6. Employee job assignment override with standard job bill rate schedule

7. Standard job bill rate schedule

Oracle Fusion Project Billing uses this order to determine the nonlabor bill rate for a billing transaction originating from an expenditure item:

1. Nonlabor bill rate override for a specific expenditure type, resource, and organization
2. Nonlabor bill rate override for a specific expenditure type and resource
3. Nonlabor bill rate override for a specific expenditure type
4. Standard nonlabor bill rate schedule for a specific expenditure type, resource, and organization
5. Standard nonlabor bill rate schedule for a specific expenditure type and resource
6. Standard nonlabor bill rate schedule for a specific expenditure type

How Percent Complete Invoice Amounts Are Calculated

Oracle Fusion Project Billing uses the percent complete invoice method to invoice as progress is measured and recorded.

The Generate Invoice process:

1. Calculates the percent complete amounts
2. Creates invoice events with the percent complete amounts

Prerequisites and Settings That Affect Percent Complete Invoice Amounts

The following prerequisites and settings impact the percent complete invoice for a contract line:

- The percent complete on the contract line or associated project must be greater than zero.
 - To ensure the percent complete is greater than zero:
 - Ensure the project progress numbers are up to date and then update the progress for the entire contract.
 - Manually enter percent complete.
 - Override percent complete after the update from project progress.
- The contract line amount or the funded amount for each project and task associated with the contract line must be greater than zero.
- The contract line must be assigned to a bill plan that uses the percent complete invoice method.
- The bill plan contains a calculation level that creates events for the contract line or associated project.

The following table describes the effects of the calculation level selection.

Calculation Level	Description
Associated project	The percent complete invoice method creates separate events for each project and task associated with the contract line. Each event contains the project and task associated with the contract line.
Contract line	The percent complete invoice method creates one event for the contract line. The event contains the total of all percent complete amount for all projects and tasks associated with the contract line. The event doesn't contain a project or task.

How Percent Complete Is Calculated

The application performs the following activities when you update the progress:

- Retrieves all project progress amounts for all tasks for the associated projects of each contract line associated with a percent complete bill plan.
- Calculates percent complete at the contract line level, if the calculation level in the bill plan is contract line.
- Calculates percent complete at the associated project and task level, if the calculation level in the bill plan is associated project.
- Updates the percent complete attributes for all applicable contract lines or associated projects, based on the calculation level selected in the bill plan.

The following examples show how percent complete is calculated at the contract line level and associated project level based on effort and cost.

Contract Line Percent Complete Effort Example

When progress is based on effort, the following formula calculates the percent complete for the contract line.

Percent Complete = (Sum of (Baseline budget effort × Physical Percent Complete) for every task associated to the contract line) ÷ (Sum of Baseline Budget Effort for every task associated to the contract line)

Task	Baseline Budget Effort	Physical Percent Complete	Earned Value Effort	Percent Complete
1	8	20	160	
1	8	50	400	
Line 1	16		560	35

Associated Project Percent Complete Effort Example

When progress is based on effort, the following formula calculates the percent complete for the associated project.

Percent Complete = (Sum of (Baseline Budget Effort × Physical Percent Complete) for every for every subtask that is part of the associated task) ÷ (Sum of Baseline Budget Effort for every subtask that is part of the associated task)

Task	Baseline Budget Effort	Physical Percent Complete	Earned Value Effort	Percent Complete
1.1	2	50	100	
1.2	6	10	60	
1	8		160	20

Task	Baseline Budget Effort	Physical Percent Complete	Earned Value Effort	Percent Complete

Contract Line Percent Complete Cost Example

When progress is based on cost, the following formula calculates the percent complete for the contract line.

Percent Complete = (Sum of (Baseline Budget Cost × Physical Percent Complete) for every task associated to the contract line) ÷ (Sum of Baseline Budget Cost for every task associated to the contract line)

Task	Baseline Budget Cost	Physical Percent Complete	Earned Value Cost	Percent Complete
1	1000	20	20000	
2	500	50	25000	
Line 1	1500		45000	30

Associated Project Percent Complete Cost Example

When progress is based on cost, the following formula calculates the percent complete for the associated project.

Percent Complete = (Sum of (Baseline Budget Cost × Physical Percent Complete) for every subtask that is part of the associated task) ÷ (Sum of Baseline Budget Cost for every subtask that is part of the associated task)

Task	Baseline Budget Cost	Physical Percent Complete	Earned Value Cost	Percent Complete
1.1	250	50	12500	
1.2	750	10	7500	
1	1000		20000	20
2.1	400	60	24000	
2.2	100	10	1000	
2	500		25000	50

How Percent Complete Invoice Amounts Are Calculated

The following examples show how percent complete invoice amounts are calculated for the contract line and associated project.

Contract Line Percent Complete Amount Example

The following formula calculates percent complete invoice event amounts for the contract line.

Contract Line Percent Complete Invoice Amount = ((Contract Line Percent Complete × Contract Line Amount) – Sum of Existing Invoice Events)

Percent Complete	Contract Line Amount	Sum of Existing Invoice Events	Percent Complete Event Amount
30	2000	100	500

Associated Project Percent Complete Amount Example

The following formula calculates percent complete invoice event amounts for the associated project.

Associated Project Percent Complete Invoice Amount = ((Associated Project Percent Complete × Associated Project Funded Amount) – Sum of Existing Invoice Events)

Percent Complete	Associated Project Funded Amount	Sum of Existing Invoice Events	Percent Complete Event Amount
20	1300	80	180
50	700	20	330

How Percent Spent Invoice Amounts Are Calculated

Project Billing uses the percent spent invoice method to recognize revenue as progress is calculated.

The Generate Invoice process:

1. Calculates the percent spent amounts
2. Creates events

Prerequisites and Settings That Affect Percent Spent Invoice Amounts

The following prerequisites and settings impact the percent spent invoice for a contract line:

- A current baseline cost (or cost and revenue) budget version must exist for all projects associated with the contract line, if the class of the cost plan type of the percent spent invoice billing extension is budget.
- An approved cost (or cost and revenue) forecast version must exist for all projects associated with the contract line, if the class of the cost plan type of the percent spent invoice billing extension is forecast.

- All existing actual costs for projects associated with the contract line must first be summarized.
- The Bill-Through Date parameter of the Generate Invoice process is a date that's on or after the last day of the current accounting period.
- The contract line amount or the funded amount for each project and task associated with the contract line must be greater than zero.
- The contract line must be assigned to a bill plan that uses the percent spent invoice method.
- The bill plan contains a calculation level that creates events for the contract line or associated project.

The following table describes the effects of the calculation level selection.

Calculation Level	Description
Contract line	The percent spent invoice method creates separate events for each project and task associated with the contract line. Each event contains the project and task associated with the contract line.
Associated project	The percent spent invoice method creates one event for the contract line. The event contains the total of all percent spent amounts for all projects and tasks associated with the contract line. The event doesn't contain a project or task.

How Associated Projects Actual Cost is Calculated

The associated projects actual cost is the inception-to-date (ITD) actual cost. Inception-to-date actual cost is derived by summing the actual costs summarized by accounting period up to and including the maximum accounting period with a period end date that's on or before the To Date of the Generate Invoice process. To include current period costs in the calculation, use a To Date that's on or after the last day of the current accounting period.

How Percent Spent Invoice Amounts are Calculated

The following examples show how percent spent invoice amounts are calculated for the contract line and associated project.

Contract Line Percent Spent Example

The following formula calculates the percent spent invoice amount for the contract line.

Event Amount =

$$\frac{(((\text{Sum of ITD Actual Cost for every task associated to the contract line}) + (\text{Sum of Total Budgeted Cost for every task associated to the contract line})) \times \text{Contract Line Amount} - \text{Sum of Existing Invoice Event Amounts for the Contract Line}}{\text{Contract Line Amount}}$$

Task	ITD Actual Cost	Total Budgeted Cost	Contract Line Amount	Sum of Existing Invoice Events	Percent Spent Event Amount
1	60	300			
2	40	100			
Line 1	100	400	1000	100	150

Task	ITD Actual Cost	Total Budgeted Cost	Contract Line Amount	Sum of Existing Invoice Events	Percent Spent Event Amount

Associated Project Percent Spent Example

The following formula calculates the percent spent invoice amount for the associated project.

Event Amount =

(((((Sum of ITD Actual Cost for every subtask that is part of the associated task) + (Sum of Total Budgeted Cost for every task that is part of the associated task)) × Associated Project Funded Amount) – Sum of Existing Invoice Event Amounts for the Associated Project)

Task	ITD Actual Cost	Total Budgeted Cost	Associated Project Funded Amount	Sum of Existing Invoice Events	Percent Spent Event Amount
1.1	40	100			
1.2	20	200			
1	60	300	600	75	45
2.1	30	60			
2.2	10	40			
2	40	100	400	25	135

Generate Invoice Report

Use the Generate Invoice Report to review the invoice generation results for your contracts. The report provides a summarized view for items that were processed successfully, with warnings, and with errors.

The report optionally provides summarized and detailed descriptions of items that weren't processed because they were considered ineligible.

The Manage Billing Transaction Exceptions page lists additional details for invoice generation exceptions.

View the report after you generate invoices from the Contract Invoices task.

To obtain results for this report, you must:

- Have existing contracts and transactions that need invoicing.
- Submit the Generate Invoice process.

Report Results

The following table describes the sections of the Generate Invoice Report. It also describes the value that you must select for the Generate Ineligible Data parameter to populate the corresponding section.

Section	Description	Generate Ineligible Data
Process Summary	Summary statistics of: <ul style="list-style-type: none"> • Billing events • Billing transactions • Draft invoices • Ineligible contracts • Ineligible contract lines • Ineligible bill plans • Ineligible associated projects • Ineligible expenditure items • Ineligible events 	No, Summary, Detail
Billing Event Errors	Billing extension events that weren't created, along with message details for the cause of each unique error.	Detail
Ineligible Contracts	Contracts that were excluded from invoice generation, along with message details for the cause of each unique error.	Detail
Ineligible Bill Plans	Bill plans that were excluded from invoice generation, along with message details for the cause of each unique error.	Detail
Ineligible Contract Lines	Contract lines that were excluded from invoice generation, along with message details for the cause of each unique error.	Detail
Ineligible Associated Projects	Projects associated with contract lines that were excluded from invoice generation, along with message details for the cause of each unique error.	Detail
Ineligible Expenditure Items	Expenditure items that were excluded from invoice generation, along with message details for the cause of each unique error.	Detail
Ineligible Events	Expenditure items that were excluded from invoice generation, along with message details for the cause of each unique error.	Detail

Export Invoice Details

The Export Invoice Details process lets you export invoices from Oracle Fusion Project Billing to third-party receivables applications. You then import the invoices into your third-party receivables application to issue them to your customers and account for them in your general ledger.

Navigate to the Scheduled Processes page, click **Schedule New Process** and select the Export Invoice Details process. You can only export invoices that are in Released or Transfer Rejected status. After the process completes, the application sets the exported invoices to the Transferred status.

Parameters

Business Unit

Select the business unit for which you want to export the invoices.

Billing Type

Select the billing type of the invoices. The types are External, Intercompany, and Interproject.

From Contract Number

Enter the starting contract number for the range of contracts.

To Contract Number

Enter the ending contract number for the range of contracts.

Export Invoice Data Report

The Export Invoice Details process stores the invoices and other attributes in a CSV file. You can import this file to third-party receivables applications for accounting.

If the report has errors, then:

1. Review the error message details for each invoice and fix the issues.
2. Resubmit the Export Invoice Details process.

FAQs for Invoice Generation

What's an invoice preprocessor?

The invoice preprocessor is an Application Programming Interface (API) called automatically during invoice generation. The invoice preprocessor checks invoice eligibility for contracts, contract lines, bill plans, projects, expenditure items and events. The invoice preprocessor then creates billing transactions for those eligible items.

What's a billing transaction exception?

A billing transaction exception represents the amount of a transaction that could not be invoiced or recognized for revenue. The exceptions are created during invoice and revenue generation.

If you have a billing transaction exception, perform the indicated corrective action on the transaction, then generate the invoice or revenue again.

Numerous conditions can cause billing transaction exceptions, but the conditions can be grouped into problems in the following areas:

- Billing resources
- Billing controls
- Currency conversion
- Intercompany setup
- Rates

Why is the tax amount on this invoice different from the tax amount in Oracle Fusion Receivables?

The tax amount on a contract invoice is an estimated amount that is calculated based on the tax event class Sales Transaction Tax Quote defined in Oracle Fusion Tax. Oracle Fusion Receivables calculates the final tax amounts using the Invoice tax event class.

If the setup for the two event classes differs in Oracle Fusion Tax or changes between the time you create a draft invoice in Oracle Fusion Project Billing and the final invoice in Oracle Fusion Receivables, then the tax amounts shown in the two applications can differ.

Can I use third-party applications to calculate tax?

Yes, you can use third-party applications to calculate tax only through the Calculate Tax action in the Invoices work area. You can't use third-party applications to calculate tax while running the Generate Invoices process.

How can I submit an invoice automatically?

In the Billing section of your contract select the Submitted option from the Generated Invoice Status drop-down list. When you generate invoices for the contract the application automatically submits the invoices, triggers the notification for invoice approval, and updates the work list.

Which original system do I choose for the Export Invoice Details process?

The customer hub reference number is the original system reference that the receivables application uses to map the customer on the invoice to the receivables customer identification number.

You must choose the original system that represents the customer hub that you set up using the Manage Trading Community Source Systems task in the Setup and Maintenance work area. This parameter is optional, but if you don't specify the original system, then the original system customer reference number is not populated in the CSV output of the Export Invoice Details process.

How can I release an invoice automatically?

In the Billing section of your contract select the Released option from the Generated Invoice Status drop-down list. When you generate invoices for the contract, the invoices are created in Released status.

How can I correct the bill-to and ship-to details in transfer rejected invoices?

Amend the contract and update the bill-to and ship-to information and then activate the amended contract version.

When you run the Transfer Invoice Details to Receivables process, the application updates the bill-to and ship-to information on the transfer rejected invoices before transferring them again to receivables.

Can I process invoices in any sequence?

Yes. You can allow project contract invoices to be processed through their normal life cycle in any order.

Set the Allow Invoice Processing in any Sequence profile option to Yes. Leave the profile option set to No if you always want invoices to be submitted, approved, and released in ascending invoice number order, to avoid gaps in the project contract invoice numbering.

How can I view the receivables invoice from the Manage Project Invoices page?

You can view the Receivables Number only for released project contract invoices. If the project contract invoice is accepted in receivables, then the receivables number is displayed with a link to the receivables invoice. Click the receivables number link to view the receivables invoice.

Invoice Transactions

Best Practices for Editing Invoice Transactions

When reviewing an invoice, you have the option of editing transactions at the header, line, and details levels. Actions performed at the header level apply to every invoice line.

Actions performed on an invoice line are applied to every expenditure item or event associated with the invoice line. Alternatively, adjust an individual expenditure item or event.

To edit invoice transactions you choose from the following options:

- Adjust transactions
- Remove transactions
- Recalculate the invoice details
- Recalculate extensions

The following table explains the various invoice adjustment actions and the corresponding invoice status when you can perform these actions.

Type of Adjustment Action	Invoice Status When Available
Adjust transactions <ul style="list-style-type: none"> • Set an expenditure item to nonbillable 	Released, Accepted, Transferred, and Draft

Type of Adjustment Action	Invoice Status When Available
<ul style="list-style-type: none"> Place an expenditure item or billing event on invoice hold 	
Remove transactions	Draft
Recalculate invoice details	Released, Accepted, Transferred, Transfer Rejected, and Draft
Recalculate extensions	Draft

Adjusting Transactions

When invoice is in draft status, adjust a transaction when you want to remove it from the invoice line details and delete its corresponding billing transaction. The transaction moves to the unbilled transactions region of the invoice, where you can return it to billable status if it is an expenditure item or remove the invoice hold when you are ready to invoice it at a later time. The funds consumed amount on the contract is updated to reflect the adjusted amount.

If you adjust a transaction on a released, transferred, transfer rejected, or accepted invoice, you don't remove the transaction from the invoice line details. Instead, you mark it for adjustment processing. The next time you run the Generate Invoice process, you will create an invoice distribution line that reverses the invoiced amount and reduces the funds consumed amount on the contract. If you don't enable net invoicing, you will create a separate credit memo. If you enable net invoicing but not net credit, you will create a separate standard invoice with a credit invoice line for the reversal and positive invoice lines for new transactions included. If you enable both net invoicing and net credit, you will create a separate credit memo with a credit invoice line for the reversal and a positive invoice line for the same transaction, if you set it back to billable or removed the invoice hold.

Removing Transactions

Remove a transaction when you want to remove the transaction completely from the current invoice. The transaction will be invoiced in next billing cycle. The funds consumed amount on the contract is not updated.

Recalculating Invoice Details

Recalculate the invoice details after you make a change to a transaction that affects the invoice amount. You may need to recalculate invoice details if you change a bill rate or make changes to the contract.

If you recalculate the invoice details for an invoice in draft status, the transaction amount is updated in the invoice lines details. However, if you recalculate the invoice details for an invoice in released or higher status, the transaction is only marked for recalculation. You must run the Generate Invoice process to actually perform the recalculation, which may result in a reversal of the previous invoiced amount and the invoicing of a new amount.

Recalculating Extensions

Recalculate the extensions for an invoice if you made a change to a billing extension after generating the invoice. The modified amount from the extension will be included in the invoice after you recalculate the extension. Recalculate extensions before you submit the invoice for approval.

Related Topics

- [Examples of Removed and Adjusted Invoice Transactions](#)

Invoice Transactions on Hold

You can put transactions on released, transferred, transfer rejected, or accepted invoices on invoice hold.

Oracle Fusion Project Billing performs the following actions when a transaction on an invoice is put on invoice hold from the Invoice work area:

- The consumed invoice amounts on all applicable billing controls are reduced by the invoiced amount of the adjusted transaction in contract currency.
- The qualified invoice amounts in contract and bill transaction currencies on the billing transaction for the adjusted transaction are set to zero.
- The credit invoice amounts in contract and bill transaction currencies on the billing transaction for the adjusted transaction are set to the invoiced amount of the billing transaction in contract or bill transaction currencies respectively.
- The adjusted transaction remains available in the Invoice Line Distributions region of the invoice because the transaction is still part of the released, transferred, transfer rejected, or accepted invoice.
- The adjusted transaction is in the process of being reversed, however, and is now considered to be unbilled. Thus, it's now also displayed in the Unbilled Transactions region of the invoice.
- If net invoicing option is available for the contract, the credit to reverse the invoiced amount of the adjusted transaction in invoice currency will appear on a new invoice that contains credits and new charges, the next time the Generate Invoice process is run.
- If net invoicing option isn't available for the contract, a credit memo is created in approved status that reverses the invoiced amount of the adjusted transaction in invoice currency.

Related Topics

- [Examples of Removed and Adjusted Invoice Transactions](#)
- [Best Practices for Editing Invoice Transactions](#)

Bill Rate Changes for Contract Lines

You can change the bill rate for a contract line in two ways:

- Change the contract specific rates within the Contracts work area
- Change the standard rates using the Manage Rate Schedules task

The following sections explain the impact of changing the bill rate for a contract line using the two methods.

When you change a bill rate override on a bill plan and amend the contract, the application marks all transactions that have a transaction date on or after the contract amendment effective date for adjustment processing. To recalculate and display the revised bill rates, perform the actions listed in the following table within the Contract Invoices work area.

Invoice Status	Action
Draft	Generate the invoice again or recalculate the invoice details.

Invoice Status	Action
Submitted	<ol style="list-style-type: none"> 1. Approve or reject the invoice. 2. Perform the steps for an Approved or Approval Rejected invoice.
Approval Rejected	<p>Any one of the following:</p> <ol style="list-style-type: none"> 1. Reset the invoice to Draft status and perform the steps for a Draft invoice. 2. Delete and regenerate the invoice.
Approved	<p>Any one of the following:</p> <ol style="list-style-type: none"> 1. Reset the invoice to Draft status and perform the steps for a Draft invoice. 2. Delete and regenerate the invoice. 3. Release the invoice and perform the steps for a Released invoice.
Released, Transferred, Transfer Rejected, or Accepted	Generate invoices for the applicable contract, which will create credit memos or credit invoice lines to adjust the original bill rates to the revised bill rates.

If you change a bill rate on a rate schedule using the Manage Rate Schedules task, then perform the actions listed in the following table to use the revised bill rate on previously generated invoices.

Invoice Status	Action
Draft, Submitted, Approval Rejected, and Approved	<ol style="list-style-type: none"> 1. Recalculate each applicable transaction for invoicing. 2. Delete and regenerate the invoice.
Released, Transferred, Transfer Rejected, or Accepted	<ol style="list-style-type: none"> 1. Recalculate each applicable transaction for invoicing. 2. Regenerate the invoice to create credit memos or credit invoice lines that adjust the original bill rates to the revised rates.

Considerations for Contract Amendments and Adjusted Invoices

A contract administrator sometimes retroactively amends contracts that are used for billing. When this happens, the project billing specialist must review previously generated invoices to see if any further action is required.

Contract Amendments with No Impact on Invoice Amount

Some retroactive contract amendments don't affect the invoice amount. When such amendments are activated, previously processed transactions are not adjusted automatically. If you want an unreleased invoice to reflect the amended contract values, you must generate the invoice again, with the delete draft, approved, and approval rejected options selected. Generating the invoice again automatically deletes the previous invoice and creates a new invoice, with amended contract values from the currently active contract version.

If you have already released the invoice, cancel the existing invoice and generate a new invoice to reflect the amended contract values.

You can choose to create a new version each time you amend a contract. Versioning provides a historical record of the changes made to a contract and lets you abandon the changes made and revert to the previous version. Versioning also lets you generate invoices and recognize revenue from the previously active version when the contract is under amendment.

Note: Not versioning a contract may contribute to better performance as there is less historical data to retrieve and process, but prevents invoicing and revenue recognition for the contract while it is under amendment.

Contract Amendments that Impact Invoice Amount

Some retroactive contract amendments impact the amount of an existing invoice. When such amendments are activated, previously processed transactions with a transaction date on or after the amendment effective date are automatically marked for adjustment. The next time you generate an invoice for the contract, the invoice contains the adjusted amounts and all contract attributes from the currently active contract version.

Examples of Removed and Adjusted Invoice Transactions

Use the following scenarios to understand the differences between removing and adjusting invoice transactions.

Removing Transactions

You're reviewing a customer invoice that is in draft status and notice that the invoice amount is higher than expected. As you investigate, you find that the invoice contains charges for hotel telephone calls that were inadvertently marked as billable. You take the transactions off the current invoice by removing them and setting them as nonbillable. As a result, the application does the following:

- Moves the transactions to the region of the invoice that contains unbilled transactions.
- Changes the transaction statuses to nonbillable.
- Updates the funding consumed amount.

For this scenario, you also have the option of completely removing the transactions from the invoice. However, this doesn't change the transaction billable statuses. The next time that you submit the Generate Invoice process, the process will return the transactions to the invoice.

Adjusting Transactions

As you review a released invoice, you discover that it contains labor charges that should not be invoiced until next month. You adjust the transactions by placing them on hold. As a result, the application does the following:

- Moves the transactions to the invoice region that contains unbilled transactions.
- Reduces the consumed amounts of the existing billing transactions by the amounts of the transactions that you placed on hold.

The invoice amount isn't reduced, but the credit amount will appear on an adjusting invoice (credit memo or net invoice).

Related Topics

- [Best Practices for Editing Invoice Transactions](#)

Invoice Lines

An invoice contains expenditure items and billing events grouped into invoice lines. In addition to the expenditure items and billing events which are present on an invoice line, there may be eligible and unbilled billing transactions for an invoice line.

When you perform the action to attach an eligible or unbilled billing transaction to an invoice line, it becomes part of the invoice line amount. Invoice lines consist of line details, eligible billing transactions, and unbilled billing transactions. Manage adjustments to invoice lines and billing transactions from the invoice lines region of an invoice.

Line Details

Line details are the billing transactions for expenditure items and billing events which are represented in the invoice amount.

The adjustment actions available in the line details vary depending on the invoice status. If you need to change an invoice line item, you can:

- Attach a transaction to a different invoice line. This updates the invoice line amount for the original invoice line and the invoice line you move the transaction to.
- Remove a transaction by making it nonbillable or placing it on hold. This moves the transaction to the unbilled transactions region of the invoice.
- Remove a transaction from the invoice and delete the invoice distribution.
- Recalculate a transaction if you made an adjustment to it after generating the invoice.

Eligible Billing Transactions

The eligible billing transactions on an invoice represent expenditure items and events that are partially invoiced for project tasks linked to the contract, and have at least one billing transaction. Depending on your adjustment action, transactions move to either the invoice line details or unbilled transactions from here.

The adjustment actions available for eligible billing transactions vary depending on the invoice status. If you need to adjust an eligible billing transaction, you can:

- Attach the billing transaction to an invoice line. This moves the billing transaction to the invoice line details and updates the invoice line amount.
- Remove a transaction by making it nonbillable or placing it on hold. This moves the transaction to the unbilled transactions region of the invoice.
- Remove a transaction from the invoice and delete the invoice distribution.
- Recalculate a transaction if you made an adjustment to it after generating the invoice.
- Manage the billing transactions for an expenditure item. Create a new billing transaction, delete a billing transaction, or mark it for invoicing or revenue recognition.

Unbilled Transactions

The unbilled transactions are expenditure items and events that can be invoiced for project tasks linked to the contract, but are completely uninvoiced. An item may be present in this region if was partially invoiced, but does not have a billing transaction for the contract tied to the invoice. This occurs for expenditure items that are partially billed for a different

contract. Depending on your adjustment action, transactions move to either the invoice line details or eligible billing transactions.

The adjustment actions available for unbilled transactions vary depending on the invoice status. If you need to adjust an unbilled transaction, you can:

- Attach the billing transaction to an invoice line. This moves the billing transaction to the invoice line details and updates the invoice line amount. It also creates a billing transaction, invoice distribution, and links the invoice distribution to the invoice line.
- Remove a transaction by making it nonbillable or placing it on hold. This moves the transaction to the unbilled transactions region of the invoice.
- Remove a transaction from the invoice and delete the invoice distribution.
- Recalculate a transaction if you made an adjustment to it after generating the invoice.
- Manage the billing transactions for an expenditure item. Create a new billing transaction, delete a billing transaction, or mark it for invoicing or revenue recognition.

Note: Unbilled transactions are eligible for invoicing, but have not consumed any funds for the contract. Eligible billing transactions have consumed funds for the contract.

Related Topics

- [What's the difference between eligible transactions and unbilled transactions?](#)

FAQs for Invoice Transactions

What's the difference between eligible transactions and unbilled transactions?

Eligible billing transactions are expenditure items and events that have consumed a portion of funding for either invoices or revenue.

Unbilled transactions are expenditure items and events that may qualify for billing, but have not yet consumed funding nor been billed against a contract.

What's the difference between placing an expenditure item or event on hold from a transaction page and an invoice page?

When you place an expenditure item or event on invoice hold from the manage or detail expenditure item or event pages, the invoice hold status on the transaction is updated to either once, or until you release the hold.

The invoice status on the transaction is updated to adjustment pending. Oracle Fusion Cloud Project Billing performs the adjustment processing for the transaction the next time invoice generation process is run.

When you place an expenditure item or event on hold from an invoice page, the following actions are performed:

- Updates the invoice hold status on the transaction to once, or until you release the hold.
- Reverses the consumed funds in the contract billing controls.
- Deletes the billing transaction associated with the expenditure item or event.
- Updates the invoice status on the transaction to unbilled.

- Moves the expenditure item or event to the **Unbilled Transactions** tab.

What happens if I change the hold status of a transaction?

When you hold a transaction from invoicing or revenue recognition, the transaction will not be selected during the invoice or revenue generation processes.

If you hold the transaction from invoicing once, it will be picked up the next time you generate invoices. If you hold the transaction from invoicing or revenue recognition indefinitely, you must remove the hold and submit the invoice or revenue generation process again. Only at that time will the transaction become eligible for invoicing or revenue recognition.

Any billing transactions associated with the expenditure item or event are deleted when you place a transaction on hold.

Why can't I attach a transaction to an invoice line?

The bill plan for the transaction uses a fixed invoice format. A fixed invoice format prevents you from attaching transactions to invoice lines.

What happens if I link a distribution to an invoice line?

When you link a distribution to an invoice line on a draft invoice, the invoice line amount and invoice header amount are updated. Correspondingly, if you remove the link between a distribution and invoice line, the invoice line and header amounts are updated.

Perform this action if the invoice format for the bill plan associated with the transactions is not a fixed format.

How do I remove partially invoiced billing transactions?

To avoid partial invoicing of a transaction when hard limit is reached, remove the transaction from the invoice by placing it on invoice hold, from the Edit Invoice page.

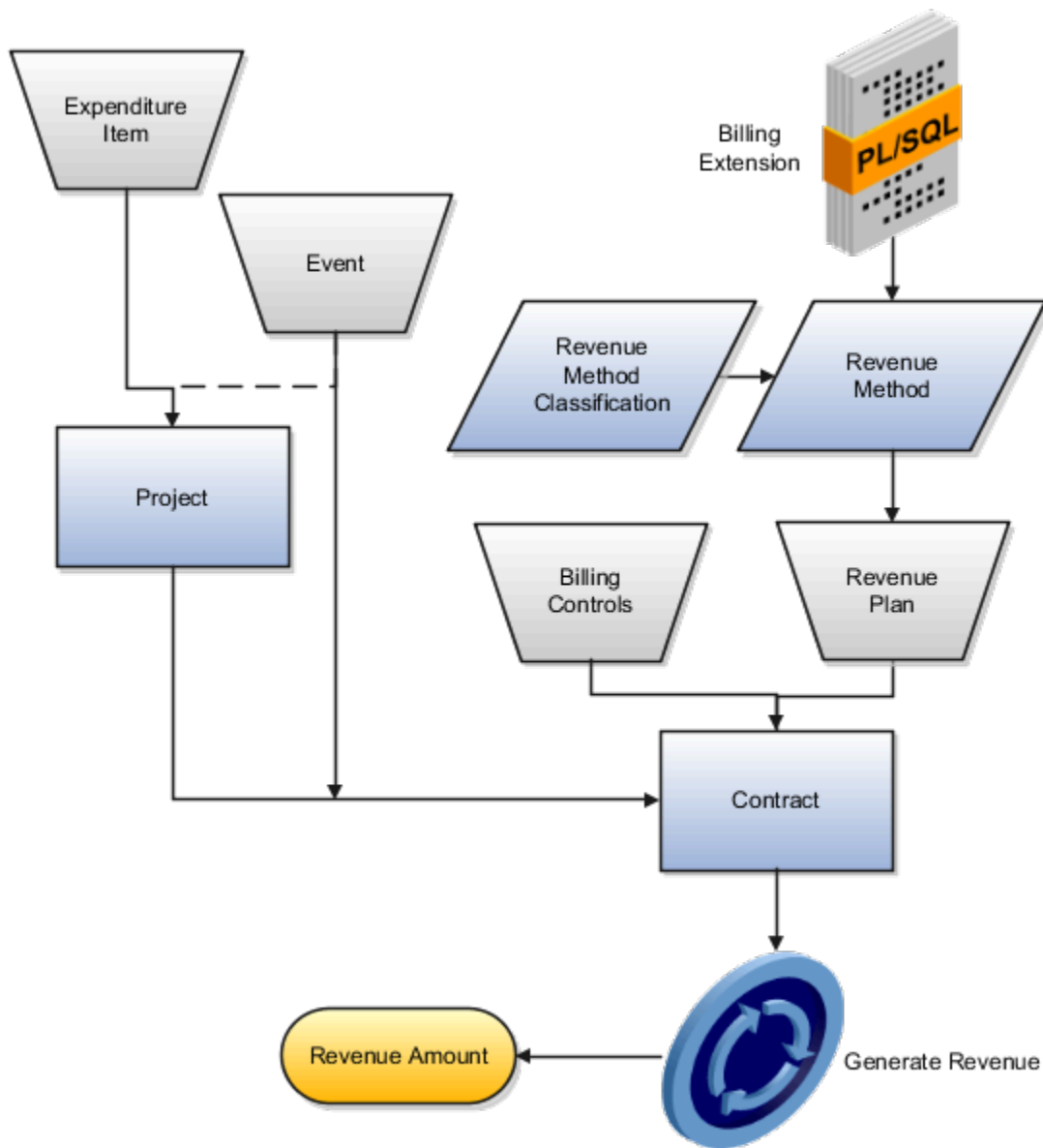
4 Project Contract Revenue

How Project and Contract Revenue Components Work Together

Project and contract components work together to create revenue distributions. The contract contains the instructions for calculating revenue amounts, and the associated project contains the cost transaction details. When you generate revenue, revenue distributions are created for the contract.

Expenditure items and events are the transactions for projects and contracts. Revenue method classifications determine how transactions recognize revenue. The revenue method determines how revenue rates are derived. Enter a revenue method on a revenue plan, which you create for a contract and assign to contract lines to provide a set of instructions for recognizing revenue. Create billing controls for a contract or contract line to define the valid transaction dates, billing resources, and amount limits for transactions associated with the contract. Generate revenue to calculate the revenue amounts for a contract. The following figure illustrates the components of

a project and a contract that determine revenue amounts, and the relationships between the components.



Revenue Method Classification

Assign a predefined revenue method classification to a revenue method. The revenue method classification determines whether the revenue amount is calculated based on rates, amounts, or progress.

Revenue Method

Create revenue methods for revenue plans to use for recognizing revenue. The revenue methods contain revenue recognition instructions in the form of the revenue method classification and rate definition schedule types.

You must assign a revenue method to a revenue plan, which will give the revenue recognition instructions to a specific contract or contract line. A revenue method can be used by more than one revenue plan.

CAUTION: Enable the revenue method for intercompany billing if it will be used for intercompany billing only.

Revenue Plan

A revenue plan contains a set of instructions for recognizing revenue on a contract or contract line. Create a revenue plan within a contract that uses the revenue method you require. Assign the revenue plan to one or more contract lines that are enabled for billing.

Note: Revenue can't be recognized for a revenue plan on hold.

Billing Control

A billing control defines the type of permitted transactions (using billing resources), transaction date range, and maximum invoice and revenue amounts for a contract or contract line. Create a billing control within a contract at either the contract or contract line level. The revenue amount can't exceed the hard limit amount of a billing control. If the revenue amount exceeds the soft limit, revenue recognition will still occur, but you will receive a warning.

Expenditure Item

The project and task for an expenditure item are matched to the associated contract line during revenue generation. Revenue recognition can occur if the transaction date and billing resource for the expenditure item pass the contract billing controls.

If the expenditure item is mapped to more than one eligible contract line, the processing order is determined as follows:

- The contract billing sequence determines the processing order of multiple contracts.
- The contract billing controls determine the processing order of multiple contract lines within a single contract.
- The contract contribution percentage determines the eligible amount of revenue to recognize for each contract line.

Oracle Fusion Project Billing creates a billing transaction for each unique combination of expenditure item and contract line. The billing transaction is the source for creating revenue distributions.

Event

Revenue events are automatically created during revenue generation if the revenue method is percent spent or percent complete.

Manual events are also processed during revenue generation. Oracle Fusion Project Billing creates a billing transaction for each event. The billing transaction is the source for creating revenue distributions.

Related Topics

- [Billing Event Components](#)
- [Invoice and Revenue Method Components](#)
- [Import Project Billing Events](#)

Summary Revenue Amounts

Oracle Fusion Cloud Project Billing calculates summary revenue during revenue generation. Summarized revenue amounts enable you to identify problems with actual revenue for a contract, contract line, or the projects associated with a contract line.

After you identify problems at the summary level, review the details to determine if there are individual transactions for which revenue was incorrectly calculated.

View the actual cost and revenue for a contract, contract line, or associated project, and compare it to the following amounts and values to review profitability:

- Actual margin
- Actual margin percentage
- Budget variance
- Budget variance percentage
- Forecast variance
- Forecast variance percentage

Summary Revenue Amounts

The following table lists the formulas that calculate the summary revenue amounts for a contract, contract line, or associated project.

Value	Formula
Actual margin	$\text{actual margin} = (\text{actual project revenue} - \text{actual cost})$
Actual margin percentage	$\text{actual margin percentage} = (\text{actual margin} * 100) / \text{actual project revenue}$
Budget variance	$\text{budget variance} = (\text{actual project revenue} - \text{budget revenue})$
Budget variance percentage	$\text{budget variance percentage} = (\text{budget variance} * 100) / \text{budget revenue}$
Forecast variance	$\text{forecast variance} = (\text{actual project revenue} - \text{forecast revenue})$
Forecast variance percentage	$\text{forecast variance percentage} = (\text{forecast variance} * 100) / \text{forecast revenue}$

Impact of Legal Entities and Multiple Contract Line Associations

Oracle Fusion Project Billing summarizes actual revenue by contract, using the ledger currency and accounting calendar from the primary ledger of the legal entity that owns the contract. Budget revenue, forecast revenue, and actual cost are summarized by project and task, using the ledger currency and accounting calendar from the primary ledger of the legal entity that owns the project.

For intercompany contracts only, the contract and associated project legal entities are not required to be identical, so the contract and project ledger currencies and accounting periods can be different. Therefore, actual contract revenue only is displayed for intercompany contracts. When a project or task is associated with multiple contract lines in the search results, actual project revenue, actual cost, budget revenue, and forecast revenue for that project or task is repeated for each contract line. This multiple reporting causes the totals (other than actual contract revenue) to be stated incorrectly. In this situation, review revenue and profitability by project in the Project Work Area or Project Manager dashboard.

Related Topics

- [Why is the summarized actual revenue different from the sum of the revenue distribution amounts?](#)

Process Contract Revenue

This example demonstrates the steps involved with generating revenue, reviewing exceptions, summary revenue, and billing controls.

The following table summarizes key decisions for this scenario.

Decisions to Consider	In This Example
Which business unit does the contract belong to?	Vision Operations
Is this an external contract, intercompany contract, or interproject contract?	External
How frequently is revenue recognized?	Monthly
Generate all revenue for a contract, or only the items previously recognized?	All
Generate and view a summary of ineligible data?	Yes
Is this a multicurrency contract?	No. The contract currency and the ledger currency of the contract business unit are the same.

Summary of the Tasks

1. Generate revenue for a contract.
2. Review billing transaction exceptions.
3. Review summary revenue and billing controls.

Prerequisites

1. Create a project.
2. Create an external contract with one contract line, and associate the project to the contract line. Submit the contract for approval.
3. Approve the contract.
4. Create a financial plan, assign resources, and create the budget version.
5. Execute the project.
6. Create and process cost transactions. The transaction dates must be within the active date range of your contract.

Generate Revenue for a Contract

1. On the **Contract Revenue Overview** page, click the **Generate Revenue** task to open the Generate Revenue process page.
2. Click **Parameters**.
3. Enter the information as shown in this table. Use the default values for all other parameter fields.

Field	Value
Business Unit	Vision Operations
From Date	Enter the first day of the month that contains your project transactions.
To Date	Enter the last day of the month that contains your project transactions.
Billing Type	External
From Contract Number	Enter your contract number.
To Contract Number	Enter your contract number.
Pending Adjustments Only	No
Generate Ineligible Data	Summary

4. Click **Submit**.
5. Click Close.

Review Billing Transaction Exceptions

Check for revenue-specific billing transaction exceptions. One approach is to search for exceptions by parameters such as contract name, project name, or message. Another approach is to search for and review billing transaction exceptions from the **Overview** page.

1. On the **Overview** page, click the **Manage Billing Transaction Exceptions** task.
2. Enter the search attributes as described in the following table.

Field	Value
Business Unit	Vision Operations
Billing Type	External

3. Click **Search**. Expenditure items or events that encountered an exception during revenue or invoice generation are returned in the search results.
4. Review the **Severity** and **Messages** for the exceptions.
5. Click **Done**.
6. On the **Overview** page, enter the search parameters as described in the following table.

Field	Value
Business Unit	Vision Operations
Billing Type	External

7. Click the **Search** icon.
8. In the **Billing Transaction Exceptions** region, click **Number of Billing Transaction Exceptions** for any exception.
9. Review the exception details in the **Exceptions by Transaction Type** region.
10. Click **Done**.

Review Summary Revenue and Billing Controls

Review summary revenue for the contract, contract line, and associated project. You can check the billing controls to review the consumed and available funds.

1. On the **Overview** page, click the **Manage Summary Revenue** task.
2. Enter the search parameters as described in the following table.

Field	Value
Business Unit	Vision Operations
Interval	Inception to Date

Field	Value
Accounting Period	Enter the accounting period for your transactions.
Billing Type	External
Contract Number	Enter your contract number.

3. Click **Search**.
4. In the **Contract Number: Summary** region, click **Contract Lines**.
5. Review the summary for the contract line associated with your revenue transactions.
6. Click **Associated Projects**.
7. Review the summary for the project associated with your revenue transactions.
8. Click **Billing Controls**.
9. Review the amounts for the **Soft Limit, Hard Limit, and Revenue Funds Available**.
10. Click **Done**.

Example of Revenue Accounting Entries

This example describes the types of revenue accounting entries that are automatically created using the central accounting setup in Oracle Fusion Subledger Accounting.

Revenue and invoices are generated in Oracle Fusion Project Billing. For revenue, the credit is to the appropriate revenue account, and the debit is to the unbilled receivable account. For invoices, the credit is to the deferred revenue account, and the debit is to the appropriate receivables account. Revenue accounting is initiated in Oracle Fusion Project Billing, and invoice accounting is initiated in Oracle Fusion Accounts Receivable. Oracle Fusion Subledger Accounting sends the revenue and invoice accounting to Oracle Fusion General Ledger.

Revenue and Invoice Accounting Entries

The following table contains an example revenue accounting entry.

Entry	Distribution	Account	Debit	Credit
SLA1	RDL1	Unbilled Receivables	40	0
SLA1	RDL1	Revenue	0	40

The following table contains the corresponding invoice accounting entry.

Entry	Receivables Item	Account	Debit	Credit
SLA2	AR1	Accounts Receivable	40	0
SLA2	AR1	Deferred Revenue	0	40

Related Topics

- [How Reclassified Billing Offset Balances are Calculated](#)

FAQs for Project Contract Revenue

What's at-risk revenue?

A contract line attribute that when enabled, allows you to recognize revenue to a separate revenue at risk account.

For example, enable the at-risk attribute when you want to recognize revenue for additional funding that is not officially approved and accepted by all parties yet.

How can I recognize revenue before my contract is funded?

Create a new contract line, enable the at risk feature, and associate projects or tasks to the new contract line. Enter the additional funding amount at the contract line or associated project level.

Link the new contract line to a new or existing revenue plan. Create a new bill plan and associate it to the new contract line, but place the bill plan on hold to prevent invoicing the new amount until the contract amendment is officially accepted.

How can I change the soft limit or hard limit amount for invoicing or revenue recognition?

Request for the contract administrator to edit the soft limit or hard limit amounts in the contract billing controls. If the contract is not in draft status, the contract administrator must place the contract under amendment to make the edits.

How can I change the types of transactions that can be invoiced and recognized for revenue?

Request for the contract administrator to edit the billing resources in the contract billing controls. If the contract isn't in draft status, the contract administrator must place the contract under amendment to make the edits.

Why is the summarized actual revenue different from the sum of the revenue distribution amounts?

A difference between the summarized actual contract revenue and the sum of the revenue distribution amounts is due to transactions with non-summarized revenue.

To identify the non-summarized revenue, review the revenue generation results for your contract, and take the necessary corrective action on any unsuccessful summarization processes.

Can I invoice or recognize revenue for a billing event without a completion date?

No, you can't invoice or recognize revenue for a billing event that doesn't have a completion date. You must specify the completion date on the Edit Event page or in the Project Billing Event Create, Read, Update, or Delete Web Service to make a

Why can't I select an organization from the list of values on the Manage Project Costs page?

You must do the following to ensure that an organization displays in the Expenditure Organization choice list:

1. Classify the organization as an expenditure organization.
2. Assign the organization to the branch of the department or organization tree version used by the selected business unit.
3. Flatten the department or organization tree version.
4. Activate the department or organization tree version.
5. Run the Maintain Project Organizations process.

Related Topics

- [Classify Organizations to Own Projects and Tasks or Incur Costs on a Project](#)
- [Guidelines for Improving the Performance of a Tree Structure](#)
- [Tree Structures](#)

Can I delete an event?

Yes, you can delete an unprocessed event. You can't delete an event that was invoiced or recognized for revenue. Additionally, you can't delete an event that was created by a billing extension, was previously reversed, or was a reversing event.

How can I locate transactions with unrecognized revenue?

Transactions not fully recognized can be viewed on the Manage Events page and on the Manage Project Costs page. Search using Billable Status as billable and Revenue Status as unrecognized or partially recognized.

To further narrow the search results, also search using Transaction Date or Event Completion Date on or before the last day of the current accounting period. Billing events without an event completion date are not selected for revenue recognition. You can review the output reports of the Generate Revenue process to identify why the unrecognized transactions are treated as ineligible.

Can I adjust revenue in a closed accounting period?

No. You can adjust revenue for transactions in accounting periods that are in either Open or Close Pending statuses.

If you change the status of a closed accounting period to Open or Close Pending, you can adjust revenue for a transaction in that accounting period. Any adjustments to previously existing transactions and all new transactions (including manual events set to be reversed in the next accounting period) will be processed in the oldest Open or Close Pending accounting period following the accounting period in which the transaction date occurs, if that accounting period is closed.

Revenue Generation

Revenue Amount Types

Oracle Fusion Project Billing calculates and stores several types of revenue amounts during revenue generation.

The types of revenue amounts are:

- Potential
- Eligible
- Qualified
- Revenue to be recognized

Potential Revenue

If the revenue method classification of the revenue plan for the contract line is as-incurred, as-billed, or rate-based, Oracle Fusion Project Billing calculates potential revenue for billing transactions originating from expenditure items, from bill rates, burden rates, labor multipliers, or transfer price rules and schedules. The following table describes the formulas used to calculate potential revenue.

Amount	Formula
Labor bill rate (when an override does not exist)	Standard rate * quantity * ((100 - discount percentage) / 100)
Labor bill rate (when an override exists)	Override rate * quantity
Labor markup (when an override does not exist)	Raw cost * ((markup percentage - discount percentage) / 100)
Labor multiplier	Raw cost * (1 + labor multiplier)
Labor burden	Raw cost * (1 + compiled multiplier)
Nonlabor bill rate (when an override does not exist)	Standard rate * quantity * ((100 - discount percentage) / 100)
Nonlabor bill rate (when an override exists)	Override rate * quantity * ((100 + markup percentage - discount percentage) / 100)
Nonlabor markup	Raw or burdened cost * ((markup percentage - discount percentage) / 100)
Nonlabor burden	Raw cost * (1 + compiled multiplier)
Transfer price (Basis calculation method)	Transfer price basis amount * (transfer price schedule markup percentage / 100) * (transfer price rule markup percentage / 100)
Transfer price (Rate or burden calculation method)	Potential amount * (transfer price schedule markup percentage / 100) * (transfer price rule markup percentage / 100) The potential amount is calculated from either rates or burdening.

Eligible Revenue

Oracle Fusion Project Billing uses the following formula to calculate the eligible revenue amount for a billing transaction originating from an expenditure item:

- Potential revenue amount * contribution percentage / 100

Qualified Revenue

The qualified revenue amount for a billing transaction is dependent on the billing controls for the contract or contract line. The qualified amount is equal to the amount of eligible revenue for a billing transaction that passes the hard limits of all applicable billing controls.

Revenue to be Recognized

The difference between qualified revenue and recognized revenue for a billing transaction.

Related Topics

- [How Invoice and Revenue Rates Are Determined](#)

How Revenue is Calculated

Oracle Fusion Cloud Project Billing generates revenue based on the transactions that you charge to your contracts and their associated projects.

You can configure your contracts to recognize revenue based on your company policies. Submit the Generate Revenue process when you are ready to recognize revenue for a contract.

Settings That Affect Revenue Amounts

Generate revenue for a single contract or range of contracts in a business unit. The following table describes some key parameters of the Generate Revenue process.

Parameter	Description
Billing Type	<p>Values are:</p> <ul style="list-style-type: none"> • External • Intercompany • Interproject
Multicurrency Values Only	<p>Select Yes to only generate revenue for contracts with a different contract currency than the ledger currency of the contract business unit.</p>
Pending Adjustments Only	<p>Select Yes to recalculate and create revenue only for fully or partially recognized transactions in Adjustment Pending status.</p> <p>This is useful when adjusting revenue for actual versus estimated burden schedule rates.</p>
Generate Ineligible Data	<p>Values are:</p> <ul style="list-style-type: none"> • None. Ineligible data is not included on the Generate Revenue process output report. • Summary. A summary count of ineligible data only is included on the Generate Revenue process output report. • Detail. A summary count and a list of ineligible objects is included on the Generate Revenue process output report.

For contract types with billing controls enabled, transactions must pass all matching billing controls to be recognized for revenue. If a transaction does not find a matching billing control, the transaction is considered ineligible and revenue is not recognized. If a transaction matches one or more billing controls, but does not pass all of them, revenue is not recognized and a billing transaction exception is created.

The revenue plan contains detailed instructions for recognizing revenue for all contract lines associated with that revenue plan. It also points to a revenue method, which determines the schedule type to be used to derive rates and contains the assigned billing extensions that are copied to the revenue plan. The revenue method in turn points to a revenue method classification that determines the overall approach to recognizing revenue.

How Revenue Is Calculated

The Generate Revenue process performs the steps in the following table to recognize contract revenue.

Step in the Process	Description
Identify eligible transactions	Identifies the transactions eligible for revenue recognition.
Adjust revenue	Adjusts revenue for transactions in the Adjustment Pending revenue status.
Map expenditure items	Maps expenditure items from associated projects and tasks to contract lines.
Create revenue events	Creates revenue events for billing extensions.
Calculate eligible revenue	Calculates potential and eligible revenue based on contract terms.
Check billing controls	Verifies that the transactions pass all matching billing controls.
Calculate revenue amount to recognize	Calculates qualified revenue and revenue for recognition.
Create billing transactions	Creates billing transactions and billing transaction exceptions.
Create revenue distributions	Creates revenue distributions for recognized revenue.
Update transactions	Updates revenue status on billing transactions and transactions.
Summarize revenue	Calls the subprocess to summarize revenue by contract and project.
Call accounting	Calls the process to create accounting events. This is an optional step.

How Invoice and Revenue Rates Are Determined

Oracle Fusion Cloud Project Billing uses bill rates, burdening, and transfer price schedules to derive standard bill rates, multipliers, markups, and bases for calculating potential revenue when the revenue method classification on a revenue plan is as billed, as incurred, or rate based.

Similarly, bill rates derive invoice amounts when the invoice method classification on a bill plan is rate based.

Settings That Affect Rates and Overrides

The specific schedules to use to calculate invoice and revenue amounts are stored on either the bill plan or revenue plan. They are based on the schedule types specified on the invoice method and revenue method as listed in the following table.

Schedule Type	Rate Source
Labor schedule, bill rate	Standard employee bill rate schedule Standard job bill rate schedule
Nonlabor schedule, bill Rate	Standard nonlabor bill rate schedule
Labor schedule, burden	Standard labor burden schedule
Nonlabor schedule, burden	Standard nonlabor burden schedule
Labor and nonlabor schedule, burden	Standard burden schedule
Labor schedule, transfer price	Standard labor transfer price schedule
Nonlabor schedule type, transfer price	Standard nonlabor transfer price schedule

Tip: When the labor or nonlabor schedule type is bill rate, you can enter labor or nonlabor bill rate overrides on the bill plan or revenue plan.

How Bill Rates and Bill Rate Overrides Are Calculated

Oracle Fusion Project Billing uses this order to determine the labor bill rate for a billing transaction originating from an expenditure item:

1. Employee bill rate override
2. Employee job assignment override with job bill rate override
3. Job bill rate override
4. Labor multiplier override
5. Standard employee bill rate schedule
6. Employee job assignment override with standard job bill rate schedule

7. Standard job bill rate schedule

Oracle Fusion Project Billing uses this order to determine the nonlabor bill rate for a billing transaction originating from an expenditure item:

1. Nonlabor bill rate override for a specific expenditure type, resource, and organization
2. Nonlabor bill rate override for a specific expenditure type and resource
3. Nonlabor bill rate override for a specific expenditure type
4. Standard nonlabor bill rate schedule for a specific expenditure type, resource, and organization
5. Standard nonlabor bill rate schedule for a specific expenditure type and resource
6. Standard nonlabor bill rate schedule for a specific expenditure type

How Percent Complete Revenue Amounts are Calculated

Oracle Fusion Project Billing uses the percent complete revenue method to recognize revenue as progress is measured and recorded.

The Generate Revenue process:

1. Calculates the percent complete amounts
2. Creates revenue events with the percent complete amounts

Prerequisites and Settings That Affect Percent Complete Revenue Amounts

The following prerequisites and settings impact the percent complete revenue for a contract line:

- The percent complete on the contract line or associated project must be greater than zero.
 - To ensure the percent complete is greater than zero:
 - Ensure the project progress numbers are up to date and then update the progress for the entire contract.
 - Manually enter percent complete.
 - Override percent complete after the update from project progress.
- The contract line amount or the funded amount for each project and task associated with the contract line must be greater than zero.
- The To Date parameter of the Generate Revenue process is a date that is on or after the last day of the current accounting period.
- The contract line amount or the funded amount for each project and task associated with the contract line must be greater than zero.
- The contract line must be assigned to a revenue plan that uses the percent complete revenue method.
- The revenue plan contains a calculation level that creates events for the contract line or associated project.

The following table describes the effects of the calculation level selection.

Calculation Level	Description
Associated project	The percent complete revenue method creates separate events for each project and task associated with the contract line. Each event contains the project and task associated with the contract line.

Calculation Level	Description
Contract line	The percent complete revenue method creates one event for the contract line. The event contains the total of all percent complete amount for all projects and tasks associated with the contract line. The event doesn't contain a project or task.

How Percent Complete Is Calculated

The application performs the following activities when you update the progress:

- Retrieves all project progress amounts for all tasks for the associated projects of each contract line associated with a percent complete revenue plan.
- Calculates percent complete at the contract line level, if the calculation level in the revenue plan is contract line.
- Calculates percent complete at the associated project and task level, if the calculation level in the revenue plan is associated project.
- Updates the percent complete attributes for all applicable contract lines or associated projects, based on the calculation level selected in the revenue plan.

The following examples show how percent complete is calculated at the contract line level and associated project level based on effort and cost.

Contract Line Percent Complete Effort Example

When progress is based on effort, the following formula calculates the percent complete for the contract line.

Percent Complete = (Sum of (Baseline budget effort × Physical Percent Complete) for every task associated to the contract line) ÷ (Sum of Baseline Budget Effort for every task associated to the contract line)

Task	Baseline Budget Effort	Physical Percent Complete	Earned Value Effort	Percent Complete
1	8	20	160	
1	8	50	400	
Line 1	16		560	35

Associated Project Percent Complete Effort Example

When progress is based on effort, the following formula calculates the percent complete for the associated project.

Percent Complete = (Sum of (Baseline Budget Effort × Physical Percent Complete) for every for every subtask that is part of the associated task) ÷ (Sum of Baseline Budget Effort for every subtask that is part of the associated task)

Task	Baseline Budget Effort	Physical Percent Complete	Earned Value Effort	Percent Complete
1.1	2	50	100	
1.2	6	10	60	
1	8		160	20

Contract Line Percent Complete Cost Example

When progress is based on cost, the following formula calculates the percent complete for the contract line.

Percent Complete = (Sum of (Baseline Budget Cost × Physical Percent Complete) for every task associated to the contract line) ÷ (Sum of Baseline Budget Cost for every task associated to the contract line)

Task	Baseline Budget Cost	Physical Percent Complete	Earned Value Cost	Percent Complete
1	1000	20	20000	
2	500	50	25000	
Line 1	1500		45000	30

Associated Project Percent Complete Cost Example

When progress is based on cost, the following formula calculates the percent complete for the associated project.

Percent Complete = (Sum of (Baseline Budget Cost × Physical Percent Complete) for every subtask that is part of the associated task) ÷ (Sum of Baseline Budget Cost for every subtask that is part of the associated task)

Task	Baseline Budget Cost	Physical Percent Complete	Earned Value Cost	Percent Complete
1.1	250	50	12500	
1.2	750	10	7500	
1	1000		20000	20
2.1	400	60	24000	
2.2	100	10	1000	

Task	Baseline Budget Cost	Physical Percent Complete	Earned Value Cost	Percent Complete
2	500		25000	50

How Percent Complete Revenue Amounts Are Calculated

The following examples show how percent complete revenue amounts are calculated for the contract line and associated project.

Contract Line Percent Complete Amount Example

The following formula calculates percent complete revenue event amounts for the contract line.

Contract Line Percent Complete Revenue Amount = ((Contract Line Percent Complete × Contract Line Amount) – Sum of Existing Revenue Events)

Percent Complete	Contract Line Amount	Sum of Existing Revenue Events	Percent Complete Event Amount
30	2000	100	500

Associated Project Percent Complete Amount Example

The following formula calculates percent complete revenue event amounts for the associated project.

Associated Project Percent Complete Revenue Amount = ((Associated Project Percent Complete × Associated Project Funded Amount) – Sum of Existing Revenue Events)

Percent Complete	Associated Project Funded Amount	Sum of Existing Revenue Events	Percent Complete Event Amount
20	1300	80	180
50	700	20	330

How Percent Spent Revenue Amounts are Calculated

Project Billing uses the percent spent revenue method to recognize revenue as progress is calculated.

The Generate Revenue process:

1. Calculates the percent spent amounts
2. Creates events

Prerequisites and Settings That Affect Percent Spent Revenue Amounts

The following prerequisites and settings impact the percent spent revenue for a contract line:

- A current baseline cost (or cost and revenue) budget version must exist for all projects associated with the contract line, if the class of the cost plan type of the percent spent revenue billing extension is budget.
- An approved cost (or cost and revenue) forecast version must exist for all projects associated with the contract line, if the class of the cost plan type of the percent spent revenue billing extension is forecast.
- All existing actual costs for projects associated with the contract line must first be summarized.
- The To Date parameter of the Generate Revenue process is a date that's on or after the last day of the current accounting period.
- The contract line amount or the funded amount for each project and task associated with the contract line must be greater than zero.
- The contract line must be assigned to a revenue plan that uses the percent spent revenue method.
- The revenue plan contains a calculation level that creates events for the contract line or associated project.

The following table describes the effects of the calculation level selection.

Calculation Level	Description
Contract line	The percent spent revenue method creates separate events for each project and task associated with the contract line. Each event contains the project and task associated with the contract line.
Associated project	The percent spent revenue method creates one event for the contract line. The event contains the total of all percent spent amounts for all projects and tasks associated with the contract line. The event doesn't contain a project or task.

How Associated Projects Actual Cost is Calculated

The associated projects actual cost is the inception-to-date (ITD) actual cost. Inception-to-date actual cost is derived by summing the actual costs summarized by accounting period up to and including the maximum accounting period with a period end date that's on or before the To Date of the Generate Revenue process. To include current period costs in the calculation, use a To Date that's on or after the last day of the current accounting period.

How Percent Spent Revenue Amounts are Calculated

The following examples show how percent spent revenue amounts are calculated for the contract line and associated project.

Contract Line Percent Spent Example

The following formula calculates the percent spent revenue for the contract line.

Event Amount =

$$\frac{(((\text{Sum of ITD Actual Cost for every task associated to the contract line}) + (\text{Sum of Total Budgeted Cost for every task associated to the contract line})) \times \text{Contract Line Amount}) - \text{Sum of Existing Revenue Event Amounts for the Contract Line}}{\text{Contract Line Amount}}$$

Task	ITD Actual Cost	Total Budgeted Cost	Contract Line Amount	Sum of Existing Revenue Events	Percent Spent Event Amount
1	60	300			
2	40	100			
Line 1	100	400	1000	100	150

Associated Project Percent Spent Example

The following formula calculates the percent spent revenue for the associated project.

Event Amount =

(((Sum of ITD Actual Cost for every subtask that is part of the associated task) ÷ (Sum of Total Budgeted Cost for every task that is part of the associated task)) × Associated Project Funded Amount) – Sum of Existing Revenue Event Amounts for the Associated Project)

Task	ITD Actual Cost	Total Budgeted Cost	Associated Project Funded Amount	Sum of Existing Revenue Events	Percent Spent Event Amount
1.1	40	100			
1.2	20	200			
1	60	300	600	75	45
2.1	30	60			
2.2	10	40			
2	40	100	400	25	135

Example of Billing Transactions and Revenue

This example illustrates how Oracle Fusion Project Billing creates billing transactions and determines the different types of revenue amounts during revenue generation.

Scenario

In our example, two expenditure items were charged to a project that is associated with one contract line. The contribution percentage for this contract is 100%. To limit the types and amounts of transactions that can be recognized for revenue on the contract line, the contract has three billing controls, in the amounts of 500, 200, and 100.

Billing Transaction and Billing Control Details

Two temporary billing transactions were created from the expenditure items during revenue generation. The billing transactions were checked against the billing controls. In our example, all three billing controls apply to Billing Transaction 1, so it must pass each billing control. Billing Transaction 2 must only pass the first two billing controls, because the third control (100) is only for travel expenses.

Three billing controls are present for the contract header and the contract line. The first billing control contains funding for the entire contract, and was created at the contract header level. The second billing control is the funding amount for the contract line. The third control is for the same contract line, but limits the amount of travel expenditures that can be charged to that line.

Line	Billing Resource	Hard Limit	Revenue Funds Consumed	Revenue Funds Available
Contract Header		500	460	40
1		200	130	70
1	Travel	100	10	90

The following table displays the details for the temporary billing transactions.

Expenditure Item ID	Line	Billing Resource	Potential Revenue Amount	Eligible Revenue Amount	Qualified Revenue Amount	Recognized Revenue Amount	Amount Remaining to Recognize
1	1	Travel	60	60	40	0	40
2	1	Labor	50	50	0	0	0

The following table displays the billing controls and the funds available before and after revenue generation.

Line	Billing Resource	Hard Limit	Funds Available Before Expenditure Item 1	Funds Available After Expenditure Item 1	Funds Available After Expenditure Item 2
Contract Header		500	40	0	0
1		200	70	30	30

Line	Billing Resource	Hard Limit	Funds Available Before Expenditure Item 1	Funds Available After Expenditure Item 1	Funds Available After Expenditure Item 2
1	Travel	100	90	50	50

The qualified revenue amount cannot exceed the revenue funds available. In our example:

- Expenditure Item 1 fully passed the second and third billing controls, but only \$40 of the \$60 passed the first billing control.
- For Expenditure Item 2, \$30 of \$50 passed the second billing control, but nothing passed the first billing control, which was fully consumed by Expenditure Item 1.
- Oracle Fusion Project Billing created a billing transaction for Expenditure Item 1. The qualified revenue amount is \$40, the recognized revenue amount is \$0, and the amount remaining to recognize is \$40.

Note: The amount remaining to recognize is the difference between the qualified revenue and recognized revenue. The exception amount is the difference between the eligible revenue and the qualified revenue.

- The second temporary billing transaction for Expenditure Item 2 was deleted because no revenue was recognized.
- A billing transaction exception in the amount of \$20 is created for Expenditure Item 1.
- A billing transaction exception in the amount of \$50 is created for Expenditure Item 2.

Revenue Distributions and Final Transactions

Revenue distributions are created from the billing transactions. The revenue status of a distribution is Partially Recognized if the difference between the eligible amount and the qualified amount is not zero. The status is Fully Recognized if the difference between the eligible amount and the qualified amount is zero. The revenue distribution for this example is described in the table below.

Distribution	Line	Revenue Status	Recognized Revenue
RDL1	1	Partially Recognized	40

The last steps involve updating the billing transaction and expenditure items. The following table describes the updated billing transaction.

Number	Line	Billing Resource	Eligible Revenue	Qualified Revenue	Recognized Revenue	Revenue to Recognize
1	1	Travel	60	40	40	0

The following table describes the updated expenditure items.

Expenditure Item ID	Revenue Status	Revenue Exception	Recognized Percentage	Recognized Revenue
1	Partially Recognized	Yes	67	40
2	Unrecognized	Yes	0	0

Note: Revenue is recognized for the exceptions if additional funds are added to the contract, or if the project and task on the expenditure item is funded by a new contract line with sufficient funds.

Generate Revenue Report

Use the Generate Revenue Report to review the revenue generation results for your contracts. The report provides a summarized view for items that were processed successfully, with warnings, and with errors.

Additionally, the report optionally provides summarized or detailed descriptions of items that were not processed because they were considered ineligible.

Additional details for revenue generation exceptions are listed on the Manage Billing Transaction Exceptions page.

View the report after you generate revenue from the **Contract Revenue Tasks** panel.

You must do the following to obtain results for this report:

- Have existing contracts and transactions that need revenue recognition.
- Submit the Generate Revenue process.

Report Results

The following table describes the sections of the Generate Revenue report. It also describes the value you must select for the **Generate Ineligible Data** parameter to populate the corresponding section.

Section	Description	Generate Ineligible Data
Process Summary	Summary statistics of: <ul style="list-style-type: none"> • Billing events • Billing transactions • Ineligible contracts • Ineligible revenue plans • Ineligible contract lines • Ineligible associated projects • Ineligible expenditure items • Ineligible events 	No, Summary, Detail

Section	Description	Generate Ineligible Data
Billing Event Errors	Billing extension events that were not created, along with message details for the cause of each unique error.	Detail
Ineligible Contracts	Contracts that were excluded from revenue generation, along with message details for the cause of each unique error.	Detail
Ineligible Revenue Plans	Revenue plans that were excluded from revenue generation, along with message details for the cause of each unique error.	Detail
Ineligible Contract Lines	Contract lines that were excluded from revenue generation, along with message details for the cause of each unique error.	Detail
Ineligible Associated Projects	Projects associated with contract lines that were excluded from revenue generation, along with message details for the cause of each unique error.	Detail
Ineligible Expenditure Items	Expenditure items that were excluded from revenue generation, along with message details for the cause of each unique error.	Detail
Ineligible Events	Events that were excluded from revenue generation, along with message details for the cause of each unique error.	Detail

Export Revenue Details

The Export Revenue Details process lets you export revenue distributions from Oracle Fusion Project Billing to third-party general ledger applications. You then import the revenue distributions into your third-party revenue application to create revenue accounting entries to post in your general ledger.

Navigate to the Scheduled Processes page, click **Schedule New Process** and select the Export Revenue Details process.

Parameters

Business Unit

Select the business unit for which you want to export the revenue distributions.

Billing Type

Select the type of billing to export the revenue distributions. The types are External, Intercompany, and Interproject.

From Contract Number

Enter the starting contract number for the range of contracts.

To Contract Number

Enter the ending contract number for the range of contracts.

Export Revenue Data Report

The Export Revenue Details process stores the revenue distributions and other attributes in a CSV file. You can import this file to third-party general ledger applications for accounting.

If the report has errors, then:

1. Review the error message detail for each revenue distribution and fix the issues.
2. Resubmit the Export Revenue Details process.

FAQs for Revenue Generation

What's a billing transaction exception?

A billing transaction exception represents the amount of a transaction that could not be invoiced or recognized for revenue. The exceptions are created during invoice and revenue generation.

If you have a billing transaction exception, perform the indicated corrective action on the transaction, then generate the invoice or revenue again.

Numerous conditions can cause billing transaction exceptions, but the conditions can be grouped into problems in the following areas:

- Billing resources
- Billing controls
- Currency conversion
- Intercompany setup
- Rates

What's the difference between transactions with unrecognized revenue and billing transaction exceptions?

Transactions with unrecognized revenue are transactions that Oracle Fusion Project Billing either did not attempt to recognize revenue, or the application reversed the revenue that was previously recognized.

Billing transaction exceptions represent the revenue for transactions that the revenue generation process attempted but could not fully recognize.

5 Project Rate Schedules

Rate Schedule Types

Schedule types determine usage for rates within rate schedules. You specify a schedule type for rate schedules created for costing, billing, or planning purposes in Project Financial Management applications.

The schedule types are:

- Job
- Person
- Nonlabor
- Resource class
- Project role

Job

Job rate schedules contain rates used to calculate amounts for the following types of labor transactions:

- Costing
- Billing (invoice and revenue)
- Planning
- Budgeting
- Forecasting
- Transfer price

If you're using planning rates for financial or project planning, you can select a specific job rate schedule when configuring rate settings at the plan type or project level. Job rate schedules are used if rates can't be derived from the person labor rate schedule.

When creating a job schedule type, you must select a job set from Oracle Fusion Human Capital Management. The job set is the source of jobs in your rate schedule. Assign rates or markup percentages to jobs in the rate schedule.

Person

Person rate schedules maintain rates by named worker and are used to calculate the cost or price of project labor transactions. Person rate schedules have applications in project costing, billing, and planning activities. You can define rates for workers with active, terminated, future, or no assignments.

When you define a person rate schedule, the name of the person is mandatory, but you can optionally include a worker's job and organization from any one of their HR assignments. The list of values for person name is dependent on the From Date of the rate schedule line. In addition to person name, if a person's job is selected then the organization defaults from the same HR assignment from which the job was picked (although the default organization can be removed if required).

In summary, within a person rate schedule you can maintain rates at the following levels:

- Person
- Person and job
- Person, job, and organization

For example, if a rate schedule entry exists for Person A, where only the person's name has been entered, and another rate schedule entry exists where both the person's name and job have been entered, the latter will take precedence. Highest precedence is for the rate schedule entry having values for person, job, and organization.

Costing: When a rate schedule is created for project costing purposes, the schedule contains raw cost rates that you can use to calculate the raw cost amount of a project labor transaction. For example, a person cost rate schedule may contain a rate of \$100 for Person A. If person A enters a timecard for 8 hours, the calculated raw cost for that timecard would be \$800.

Billing: When a rate schedule is created for project billing purposes, the schedule contains either a bill rate or a markup for each worker. You can use person rate schedules to calculate the revenue or invoice amounts for rate-based revenue or bill plans, or the transfer price of resources for intercompany billing. For example, a bill rate schedule may contain a rate of \$150 for Person A. The bill amount for Person A's timecard is calculated as 8 hours x \$150 bill rate = \$1200 (therefore giving a \$400 margin). Alternatively, markup can be used to apply a fixed amount on top of the cost. For example, a person bill rate schedule may contain a markup of \$25 for Person A. The bill amount is therefore calculated as \$100 cost + \$25 markup = \$125.

Planning: Financial project plans, budgets and forecasts can be configured to either use rate schedules specific to planning, or to use the same rate schedules as actual cost and billing transactions. In either scenario person rate schedules may be used.

Nonlabor

Nonlabor rate schedules contain rates or markup percentages that calculate cost, bill, revenue, plan, budget, forecast, or transfer price amounts for nonlabor resources.

Enter a rate or markup percentage for expenditure types with the Rate Required option enabled. Otherwise, assign it only a markup percentage. Assign rates to nonlabor resources and optionally define rates for nonlabor resource organizations.

If you're using planning rates for financial or project planning, you can select a specific nonlabor rate schedule when configuring rate settings at the plan type or project level.

Resource Class

Resource class schedules contain the planning rates or markup percentages for a resource class or a combination of resource class and organization. You optionally assign a resource class schedule to a project plan or financial plan (budgets and forecasts) at the plan type level or version level. The resource class rate schedule determines rates for the associated resources if the rates can't be derived elsewhere.

Enter a rate or markup percentage for each resource class in the rate schedule. Optionally, assign the rate or markup percentage to a specific organization for a resource class.

Project Role

Use project role rate schedule to define bill rate or cost rate for a project role. You can assign them to project plan type or financial plan type.

Related Topics

- [How Invoice and Revenue Rates Are Determined](#)
- [How Labor Cost Rates Are Calculated](#)
- [Considerations for Selecting Rate Schedules for Project and Financial Planning](#)
- [Job Mapping](#)

FAQs for Project Rate Schedules

How can I bill a nonlabor expenditure item at cost?

Enter a zero percent markup for the expenditure type on the nonlabor rate schedule.

How can I define bill rates for inventory items?

You can enter cost markups in the nonlabor rate schedule instead of rates for expenditure types that are related to inventory items.

Alternatively, if you enter a bill rate for an expenditure type that relates to inventory items, then the base unit of measure for inventory transactions reported under the expenditure type must be the same as the unit of measure for the expenditure type. If the base unit of measure for an inventory transaction differs from the unit of measure for the expenditure type, the Generate Revenue process reports an error and doesn't process the transaction.

Where does the transaction currency for nonlabor expenditures come from?

The transaction currency of a nonlabor transaction comes from one of two possible sources.

If the nonlabor expenditure type uses a rate and quantity, then the transaction currency of the expenditure is the same as the transaction currency in the nonlabor rate schedule.

If the unit of measure of the nonlabor expenditure type is currency, then the transaction currency equals the ledger currency.

6 Record Accounting for Project Billing

How Reclassified Billing Offset Balances are Calculated

Unbilled receivables and deferred revenue aren't automatically cleared during regular invoice and revenue processing. Periodically submit the Create Accounting Transactions process to automatically create reclassification accounting transactions that net the unbilled receivables and deferred revenue balances together into a single balance.

Tip: Create an accounting transaction if you want to manually override the projected reclassified amount or the reversal option on the reclassification accounting transaction for a single contract line. The billing offset balances are reclassified when you save the accounting transaction.

Settings That Affect Reclassified Billing Offset Balances

Select the business unit and accounting period that contain the balances you want to reclassify. If you choose to generate a success report, the Create Accounting Transactions output report will contain detail of the accounting transactions. Additional criteria you can select are:

- Contract type
- Revenue method classification
- Contract number
- Contract line number

How Accounting Transactions for Reclassified Billing Offset Balances Are Calculated

Project Billing uses a formula to calculate the projected amount of an accounting transaction for reclassified billing offset balances. This formula uses the lesser value of either the inception-to-date (ITD) revenue amount or the ITD invoice amount, and the period-to-date (PTD) reclassification amount. The formula is as follows:

Projected Accounting Transaction Amount = Lesser value of ITD Revenue Amount or ITD Invoice Amount - PTD
Reclassification Amount

Oracle Fusion Project Billing performs these steps when reclassifying billing offset balances:

1. Create accounting transactions.
 - Set the accounting type to Billing Offset Reclassification.
 - Calculate the reclassification amounts.
2. Create reversal accounting transactions when the reversal option is selected.
 - Set the accounting type to Billing Offset Reclassification Reversal.
 - Change the accounting period to the next period, and set the accounting date to the first day of that period.

- o The reclassification amount is equal to the value of the billing offset reclassification accounting transaction, multiplied by -1.
3. If the contract business unit is configured to transfer revenue to general ledger, Oracle Fusion Project Billing creates accounting events.

Reclassified Billing Offset Balances Example

The following tables illustrate a scenario where existing revenue and invoice accounting entries are reclassified.

Revenue Accounting Entry for Month 1

Entry	Distribution	Account	Debit	Credit
SLA1	RDL1	Unbilled Receivables	100	0
SLA1	RDL1	Revenue	0	100

Invoice Accounting Entry for Month 1

Entry	Receivables Item	Account	Debit	Credit
SLA2	AR1	Accounts Receivable	120	0
SLA2	AR1	Deferred Revenue	0	120

Reclassified Billing Offsets Accounting Entry for Month 1

Entry	Accounting	Account	Debit	Credit
SLA3	RCLS1	Deferred Revenue	100	0
SLA3	RCLS1	Unbilled Receivables	0	100

Reclassified Billing Offsets Reversal Accounting Entry for Month 2

Entry	Accounting	Account	Debit	Credit
SLA4	RCLSR1	Unbilled Receivables	100	0
SLA4	RCLSR1	Deferred Revenue	0	100

FAQs for Record Accounting for Project Billing

What happens if I close an accounting or project accounting period permanently?

You can't enter any transactions in the period you have closed and you can adjust transactions in subsequent periods.

How can I reclassify unbilled receivables and deferred revenue account balances?

You can reclassify unbilled receivables and deferred revenue account balances automatically or manually.

When you submit the process to reclassify billing offset balances, the unbilled receivables and deferred revenue account balances are automatically calculated and reclassified for all contract lines associated with the parameters that you select. To manually reclassify the account balances for a single contract line, create and save an accounting transaction with the Billing Offset Reclassification accounting type.

Accounting Entries

Considerations when Creating Accounting for Transactions

Create accounting entries for project transactions either for selected transactions or for a batch of transactions by running the Create Accounting process. If the accounting is not correct, you can modify the transaction attributes used to derive the accounts or modify the accounting rules.

Creating Accounting for Selected Transactions

You can create accounting entries for individual cost, cross-charge, revenue, and billing offset reclassification transactions. For cost or cross-charge transactions, search and select the transactions in the **Manage Project Costs** page and then create accounting in draft mode or directly create accounting in final mode and post the accounting entries to the ledger. You can also create the accounting for individual cost or cross-charge distributions from the **Expenditure Item Details** page. For revenue transactions, accounting is at the distribution level. You can search and select the revenue transactions and then create accounting entries from the following pages.

- Edit Events
- Manage Revenue Distributions
- Edit Revenue Distributions

You can similarly search and select billing offset reclassification transactions and create accounting entries from the Manage Accounting Transactions page.

Creating Accounting for a Batch of Transactions

To create accounting entries for all transactions or for transactions assigned to a specific processing category, you can run the Create Accounting process anytime from the following pages.

- Costs: Tasks pane in Project Costs work area
- Revenue: Tasks pane in Contract Revenue work area

The Create Accounting Process report tracks the details of impacted transactions. Review and correct the errors and then run the Create Accounting process to create accounting entries and then post them to the general ledger.

Related Topics

- [How Accounting Periods and Project Accounting Period Closing are Validated](#)

Project Costs and Revenue Accounting Entries

Project accountants and billing specialists can use the View Accounting window to review accounting errors and entries created for cost and revenue transactions and take corrective actions. They don't need to navigate to the integrating applications to view the accounting entries of the imported transactions.

View the accounting entries and errors associated with a transaction for the following:

- Cost distributions
- Cross-charge distributions
- Revenue distributions
- Revenue accounting transactions

The following table describes the various regions where the accounting entries are displayed in the View Accounting window.

Region Name	Description
Source Accounting	Displays accounting entries created by other Oracle Fusion Applications such as Oracle Fusion Payables, Oracle Fusion Receipt Accounting, and Oracle Fusion Cost Management.
Imported Accounting	Displays account combinations and amounts for accounted transactions created in and imported from third-party applications.
Project Accounting	Displays accounting entries created by Projects Financial Management applications.

Settings that control the creation of journal entries are displayed in the View Accounting window to help you understand why certain journal entries were created or not created. The settings are as follows:

- Transaction source document import and accounting options.

- Project type options for creating burden and burdened cost journal entries.

In Oracle Fusion Project Costing, accounting entries are created for each cost distribution and cross-charge distribution. If a transaction has multiple cost distributions, then separate accounting entries are created for each distribution. You can view accounting entries for all distributions associated with a transaction on the Manage Project Costs page, while for a single cost or cross-charge distribution on the Expenditure Item page. In Oracle Fusion Project Billing, you can view the accounting entries for revenue on the Edit Events and Manage Revenue Distribution pages. You can also view the accounting entries for accounting transactions on the Manage Accounting Transactions page.

Related Topics

- [Considerations when Creating Accounting for Transactions](#)

Example of Revenue Accounting Entries

This example describes the types of revenue accounting entries that are automatically created using the central accounting setup in Oracle Fusion Subledger Accounting.

Revenue and invoices are generated in Oracle Fusion Project Billing. For revenue, the credit is to the appropriate revenue account, and the debit is to the unbilled receivable account. For invoices, the credit is to the deferred revenue account, and the debit is to the appropriate receivables account. Revenue accounting is initiated in Oracle Fusion Project Billing, and invoice accounting is initiated in Oracle Fusion Accounts Receivable. Oracle Fusion Subledger Accounting sends the revenue and invoice accounting to Oracle Fusion General Ledger.

Revenue and Invoice Accounting Entries

The following table contains an example revenue accounting entry.

Entry	Distribution	Account	Debit	Credit
SLA1	RDL1	Unbilled Receivables	40	0
SLA1	RDL1	Revenue	0	40

The following table contains the corresponding invoice accounting entry.

Entry	Receivables Item	Account	Debit	Credit
SLA2	AR1	Accounts Receivable	40	0
SLA2	AR1	Deferred Revenue	0	40

Related Topics

- [How Reclassified Billing Offset Balances are Calculated](#)

Accounting Periods

Options to Maintain Accounting Periods and Project Accounting Periods

Accounting periods are used to assign periods and dates to project transactions. Accounting periods are maintained by ledger and use the same calendar as the general ledger periods. Project accounting periods are used for project planning, costing, billing, budgeting, forecasting, and performance reporting.

Project accounting periods are maintained by business unit and typically don't use the same calendar as the accounting and general ledger periods.

Use the Configure Project Accounting Business Function task to specify whether to maintain the same accounting and project accounting periods, or define project accounting periods that have a different frequency than the accounting periods.

Maintain Same Accounting and Project Accounting Periods

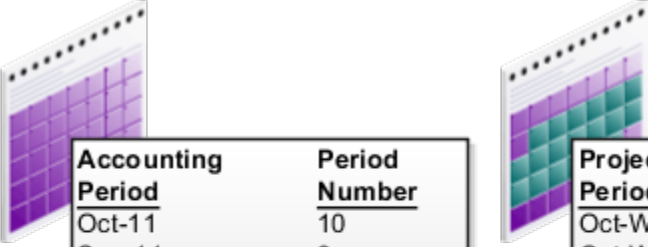
When you maintain same accounting and project accounting periods, calendar periods aren't copied to Project Financial Management applications and period information is maintained in one physical location. Use Oracle General Ledger to maintain accounting period statuses and run the processes to open and close accounting periods.

Define Project Accounting Periods Different from Accounting Periods

If you want to report project information more frequently than the accounting periods allow, you can define project accounting periods that are different from the accounting periods. Use Project Financial Management applications to maintain project accounting period statuses and run the processes to open and close project accounting periods.

Example

Let's take a look at an example using the following image.



Accounting Period	Period Number
Oct-11	10
Sep-11	9
Aug-11	8
Jul-11	7
Jun-11	6
May-11	5
Apr-11	4
Mar-11	3
Feb-11	2
Jan-11	1
Dec-10	12
Nov-10	11
Oct-10	10

Project Accounting Period	Period Number
Oct-W4-11	42
Oct-W3-11	41
Oct-W2-11	40
Oct-W1-11	39
Sep-W4-11	38
Sep-W3-11	37
Sep-W2-11	36
Sep-W1-11	35
Aug-W4-11	34
Aug-W3-11	33
Aug-W2-11	32
Aug-W1-11	31
Jul-W4-11	30

Here's the table that defines accounting period. Each month is a period with a specific number. For example, January is a period with period number one and December has a period number 12. This numbering pattern repeats every year.

Accounting Period	Period Number
Oct-11	10
Sep-11	9
Aug-11	8
Jul-11	7
Jun-11	6
May-11	5
Apr-11	4
Mar-11	3
Feb-11	2
Jan-11	1
Dec-10	12

Accounting Period	Period Number
Nov-10	11
Oct-10	10

Here's the table that defines project accounting period. Each week is a period with a specific number. For example, Jan-W1 is a period with period number one and Aug-W4 has a period number 34 as its the 34th week in the calendar. This numbering pattern repeats every year. Using this project accounting periods you can report for project information on a weekly basis.

Project Accounting Period	Period Number
Oct-W4-11	42
Oct-W3-11	41
Oct-W2-11	40
Oct-W1-11	39
Sept-W4-11	38
Sept-W3-11	37
Sept-W2-11	36
Sept-W1-11	35
Aug-W4-11	34
Aug-W3-11	33
Augt-W2-11	32
Aug-W1-11	31

Related Topics

- [How can I set up project accounting periods that are different from accounting periods?](#)
- [How can I set up common accounting and project accounting periods?](#)

How Accounting Periods and Project Accounting Period Closing are Validated

When you change the project accounting period and accounting period to Close Pending or Close status, you generate the Period Close report. The application validates the transactions in the period and tracks the warnings and errors.

Review the errors, fix the issues, and then change the accounting period and project accounting period status to Close or Close Pending status. After closing the accounting periods and project accounting periods, you can open new periods for transaction processing. For warning exceptions, the period status is set to Close or Close Pending status.

How Period Closing Validation Works

When you set an accounting period or project accounting period to Closed or Close Pending, the application generates the Period Close report. The report provides summary information and details of transactions that completed successfully, with warnings, and with errors. If errors were encountered, review the stated corrective actions, fix the issues, and then close the periods.

The following table describes the validation rules for transactions and the validation result for the respective period statuses.

Validation Rule	Close Pending a Project Accounting Period	Close a Project Accounting Period	Close Pending an Accounting Period	Close an Accounting Period
Accounted transactions (for example, supplier invoices, receipts, miscellaneous inventory transactions) entered in an integrating Oracle Fusion application in the same period that are not yet transferred and imported to Oracle Fusion Project Costing.	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error
Unaccounted transactions (for example, supplier invoices, costed receipts, miscellaneous inventory transactions) entered in an integrating Oracle Fusion application aren't yet transferred and imported to Oracle Fusion Project Costing. Net-zero receipts are ignored for validation.	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Accounting events generated in Project Financial Management applications for both new and adjusted transactions that are not finally	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error

Validation Rule	Close Pending a Project Accounting Period	Close a Project Accounting Period	Close Pending an Accounting Period	Close an Accounting Period
accounted or swept to the next open or future-enterable period.				
Rejected cost adjustments that are not processed.	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Pending burden summarization items that are not yet processed.	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Cross-charge or revenue or billing offset reclassification distribution lines that are not transferred to subledger accounting.	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error
Billable transactions with a revenue classification of rate-based or as-incurred or as-invoiced, that are invoiced but for which revenue was not generated.	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Revenue events whose completion date has passed but for which revenue was not generated.	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Accrual transactions that must either be finally accounted or swept to the next period.	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error
The corresponding Oracle Fusion Payables accounting period is not yet closed.	Validated with a warning	Validated with a warning	Validated with a warning	Validated with a warning
Unaccounted transactions that are not swept to the next period.	Validated with a warning	Validated with a warning	Validated with a warning	Fails validation with an error

Related Topics

- [What happens if I close an accounting or project accounting period permanently?](#)
- [Sweeping Transaction Accounting Events](#)

Sweeping Transaction Accounting Events

All eligible transactions must be accounted in final mode before closing the period.

At the end of a period, you review accounting exceptions and then run the **Sweep Transaction Accounting Events** process to sweep the unprocessed accounting events into the next Open or Future-Enterable period so that you complete the period close. All the accounting events that aren't finally accounted are moved into the next Open or Future-Enterable period.

Run the Sweep Transaction Accounting Events process either for transactions within a business unit or for transactions across business units but assigned to the same ledger. Specify the accounting period that's in Open or Close Pending status to move the accounting events. Using the source parameter, you can choose to sweep cost accounting events, revenue accounting events, or both. You can preview the transactions that will be swept to the next Open or Future-Enterable period by running the process in the Review mode, or you can move the accounting events directly by running the process in the Update mode.

As a result of this processing, the accounting and project accounting dates are updated directly on the cost and revenue distributions. Adjustment transactions and new distributions aren't created. If the transaction is summarized, the transaction amount is reversed in the current period and summarized in the next Open or Future-Enterable period.

Related Topics

- [How Accounting Periods and Project Accounting Period Closing are Validated](#)

FAQs for Record Accounting for Project Billing: Accounting Periods

Can I close an accounting period that has unaccounted revenue and reclassification accounting events?

No. The accounting must be complete for all accounting events in the current accounting period.

Take one of the following actions to close the current accounting period in Project Financial Management applications:

- Create final accounting entries in Oracle Fusion Subledger Accounting for all unaccounted accounting events that reside in Project Financial Management applications. You must post the final accounting entries to Oracle Fusion General Ledger to close the accounting period.
- Alternatively, sweep all unaccounted accounting events in Project Financial Management applications into the next accounting period.

Can I adjust revenue in a closed accounting period?

No. You can adjust revenue for transactions in accounting periods that are in either Open or Close Pending statuses.

If you change the status of a closed accounting period to Open or Close Pending, you can adjust revenue for a transaction in that accounting period. Any adjustments to previously existing transactions and all new transactions (including manual events set to be reversed in the next accounting period) will be processed in the oldest Open or Close

Pending accounting period following the accounting period in which the transaction date occurs, if that accounting period is closed.